



HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

HLPF 2021 Updated Note: Responding to the economic shock, relaunching growth and sharing economic benefits and addressing developing countries' financing challenges

(Most closely related SDGs: SDG 5, SDG 7, SDG 8, SDG 10, and SDG 17)

Background Note¹

1. Executive summary

1. Economic growth has increased national incomes significantly, supporting progress on many SDGs; but growth has been deeply unequal with wide disparities in wealth and income and high inequality in labour markets, and has also degraded the environment. The COVID-19 pandemic is projected to bring about an economic recession and threatens to make inequalities more severe by exacerbating pre-existing gaps in wealth and income, access to health care, social protection, education, employment, digital technologies and others. Pressures on the environment are easing during COVID-19 related economic slowdowns, but this is temporary and insufficient in the long-term.

2. In recent decades, economic growth has been associated with increasing or persistently high levels of inequality within and between countries – between the rich and poor, women and men, young and old and different groups within society, such as between refugees, migrants and nationals, different ethnic or racial groups, urban and rural populations and especially for people with several intersecting sources of disadvantage.

3. Entering the Decade of Action and Delivery, and as countries respond to the COVID-19 crisis, it will be imperative to address those aspects of economic growth, production and labour markets that generate socioeconomic inequalities, including gender inequalities, and deplete natural resources. This will require transforming the economy towards long-term sustainable development that maximizes positive human impacts, equalizes opportunities, extends social protection coverage, reduces informality, protects workers, especially the most vulnerable in the informal economy, and minimizes environmental degradation.

4. Advancing social, economic and environmental sustainability during a period of economic recession is only possible when policies and partnerships are designed and implemented to link multiple SDGs. Synergistic policies and partnerships are particularly needed to address low growth problems caused by fiscal space especially in LDCs dependent on commodity exports and tourism, while finding alternative sources of financing, both domestic and international, to boost much-needed investments in social protection systems that can withstand future crises.

¹ This background note, which was originally drafted as a background note for the 2020 HLPF by UNDESA, ILO, UNRISD, UN-Women, and the World Bank, and benefited from the knowledge and expertise of other UN agencies and experts has been updated through a call for additional inputs and updates for 2021.

5. COVID-19 response and long-term development planning needs to be undertaken in a broad range of policy areas beyond certain sectors directly related to pandemics. The response must focus on advancing well-being and equity by ensuring equitable labour markets, access to decent work and the enforcement of labour rights, expanding access to social protection regardless of employment type, removing legal and social forms of discrimination that create disadvantages for some groups, ensuring universal access to health care, education and other essential services, increasing investments in care systems and infrastructure, reducing the gender pay gap and occupational segregation and removing barriers to women's labour force participation and entrepreneurship.
6. Support to enterprises should address the specific challenges they are facing and fit together with broader actions of support to workers. Social dialogue should play a central role in developing government policies, to ensure the optimal level of support for enterprises that also takes into account the rights and needs of workers.
7. Transition to a sustainable economy that meets the goals of the Paris Agreement on climate change requires investing in low-carbon infrastructures and sectors that generate green jobs, and ensuring a just transition for workers and enterprises
8. Expanded financing for development during the COVID-19 crisis needs to be further increased and institutionalized to support innovative financing means and approaches to debt forgiveness and restructuring, progressive taxation, shifting resources toward public services and social protection, and investments in universal social protection, public goods and services that reduce inequality.

Economic activity provides livelihoods, jobs, incomes and the means to attain many other elements of a better life. However, in recent decades, economic growth has been associated with increasing or persistently high levels of inequality within and between countries – between the rich and poor, women and men, young and old and different groups within society, such as between refugees, migrants and nationals, different ethnic or racial groups, urban and rural populations and especially for people with several intersecting sources of disadvantage.

Environmental degradation has also worsened, with some elements of production and consumption systems creating disaster risk and threatening the well-being of present and future generations. Several trends related to nature are moving in the wrong direction. These include greenhouse gas emissions, land degradation, biodiversity loss, wildlife trafficking – heightening the risk of zoonotic disease spread, absolute material footprints, overfishing and the deterioration of coastal waters. The twin crises of climate change and biodiversity loss are no less destructive to human well-being than COVID-19 and they may be even harder to address.

The severity of inequality and impacts on nature have been revealed more clearly at this time of crisis with the differential impact of COVID-19 across groups. Emergency response efforts must minimize human loss and suffering especially among those disproportionately exposed to risk and those least able to cope, but responses should also lead toward a fundamental reconfiguration in economic policymaking and the production and consumption of goods and services in line with attaining the SDGs. There is a need to build back better with access to decent jobs, labour rights protections, gender equality, diminished environmental footprints, low-carbon infrastructure and greater distributional justice that prioritizes reducing economic inequality and eliminating discrimination as well as improving well-being and access to essential services and social protection for all.

2. Stocktaking and challenges²

In some key areas, progress has been made on SDGs 5, 7, 8, 10 and 17 toward sharing economic and social benefits more broadly including for future generations. However, there is still a significant way to go to deliver on the SDGs within the Decade of Action and Delivery. This is made even more challenging by the COVID-19 pandemic.

In 2018, the global real GDP per capita growth rate was 2 per cent, and the real GDP growth rate for LDCs was 4.5 per cent, less than the 7 per cent growth rate targeted by the 2030 Agenda in SDG 8. Projections indicate that the COVID-19 crisis is pushing the world into the worst global economic crisis since the Great Depression in addition to the devastating toll on human health and lives. Moreover, the expected decline in global GDP will not reflect the full impacts of COVID-19, given that GDP is not a comprehensive measure of progress as it does not capture the value of all activities (such as unpaid care and domestic work), economic inequality, environmental impacts, social cohesion and solidarity, and other components that affect human well-being. To compensate for these shortcomings, other social progress measures should be considered, such as the Human Development Index or dashboards that include multiple elements of well-being.

Growth is not reaching all equally. SDG 10 monitoring indicates that there has been some progress with over half of countries with comparable data during the period 2012 to 2017 seeing incomes of the bottom 40 per cent of the population experience a growth rate of income higher than the national average. However, most of the benefits of economic growth are still being captured by the top 1 per cent, rather than being shared more equitably. In 2019, the world's richest 1 per cent owned 44 per cent of the world's wealth.³ In all countries with data, the bottom 40 per cent of the population received less than 25 per cent of overall income or consumption, while the top 10 per cent received at least 20 per cent. Moving toward more equitable economies will require macroeconomic policies that are pro-poor and focused on reducing inequalities. In that context, the addition of SDG indicator 10.4.2, Redistributive Impact of Fiscal Policy, which is the difference between pre-fiscal and post-fiscal income inequality will be important for monitoring progress.

Policies to eliminate discriminatory behaviour and legislation are important for reducing inequalities and the exclusion faced by groups in vulnerable situations such as women and youth, the elderly, persons living with disabilities, rural populations, and racial and ethnic minorities among others. Data are limited for monitoring Target 10.3 on eliminating discrimination, but evidence from 31 countries over the period 2014-2019 show that one in five persons reported having personally experienced discrimination on at least one ground of discrimination prohibited by international human rights law. A disproportionate share of ethnic and racial minorities has suffered more severe infections and fatalities due to COVID-19 as a result of unequal underlying determinants of health.

Access to decent work with social protection and labour rights protections are imperative for reducing inequality and eradicating poverty and advancing progress toward SDG 8. In the formal employment sector, wages have been squeezed and working conditions have become more precarious. Globally the share of national income going to labour has been on a downward trend since 2004 (which is one indication of how the benefits of economic growth are becoming less equally shared).⁴ An ILO assessment

² Unless otherwise specified, data are from the forthcoming Report of the Secretary-General on SDG Progress 2020.

³ <https://www.credit-suisse.com/about-us/en/reports-research/global-wealth-report.html>

⁴ Secretary General's Report on SDG Progress, Special Edition 2019.

has shown that pay inequality is increasing within countries, with the lowest 50 per cent of workers receiving only 6.4 per cent of global pay.⁵

Informal employment - which has an impact on the adequacy of earnings, access to social protection, occupational safety and health, safe working conditions and rights at work - remains pervasive. Globally, 61 per cent of workers were in informal employment in 2016.⁶ In low and lower-middle income countries, the vast majority of women's employment – 92 per cent – is in the informal economy.⁷ Due to job losses and reductions in working hours caused by the current crisis, some 1.6 billion workers in the informal economy—half of the global workforce—are significantly impacted⁸.

Gender inequality remains pervasive in every country with impacts for progress toward SDG 5. Globally women aged 25-34 are 25 per cent more likely than men to live in extreme poverty.⁹ Over the past 27 years, the gender employment gap has shrunk by less than 2 percentage points.¹⁰ Women in the labour force also tend to be disproportionately concentrated in some sectors, including the informal sector in certain areas of the world, and occupations including health and social care and domestic work that can be lower paying and more vulnerable.¹¹ Women devote on average roughly three times more hours a day to unpaid care and domestic work than men, limiting the time available for paid work, education and leisure and further reinforcing gender-based socioeconomic disadvantages.¹²

In 2019, 27.1 per cent of managerial positions in the world were occupied by women (a small increase from 25 per cent in 2000), while women represented 39 per cent of the world's workers and half of the world's working-age population. Women continue to be paid approximately 16–22 per cent less than men.¹³ Women also have less access than men to education, technology, financing and productive resources such as land, which are all critical for their economic empowerment. For example, empowering more women with mobile phones and digital literacy and skills has been shown to accelerate social and economic development; however, in the 66 countries with data for the period 2016 to 2018, mobile phone ownership among women was on average 6.8 percentage points lower than for men. Forty per cent of economies also still limit women's property rights,¹⁴ which are crucial for the generation of wealth and assets (e.g. property development, agricultural outputs, collateral for loans, land lease).

Gender-based violence and harassment affects many women and negatively impacts their health and wellbeing, affecting their ability to access, remain in and progress in decent jobs. Sexual harassment is the most frequently reported form of sexual violence and harassment in the world of work, with physical violence and harassment being frequently reported in occupations where workers deal with the public, which are care-related and female-dominated.¹⁵ The impacts of disasters, including the current pandemic are particularly severe for girls and women who make up 70 per cent of health care workers, shoulder a

⁵ ILO 2019, [The Global Labour Income Share and Distribution](#)

⁶ ILO (2018) *Women and Men in the Informal Economy: A Statistical Picture*, https://www.ilo.org/global/publications/books/WCMS_626831/lang--en/index.htm.

⁷ 2018 ILO report (*Women and men in the informal economy – a statistical picture*)

⁸ ILO (2020) *Policy Brief: Impact of lockdown measures on the informal economy*, https://www.ilo.org/global/topics/employment-promotion/informal-economy/publications/WCMS_743523/lang--it/index.htm

⁹ E/CN.6/2020/3

¹⁰ ILO, 2019. A quantum leap for gender equality: for a better future of work for all.

¹¹ WHO. <https://www.who.int/publications/i/item/978-92-4-151546-7>

¹² ILO, Care work and care jobs for the future of decent work, 2018. UN Women, Families in a Changing World: Progress of the World's Women 2019-2020.

¹³ Ibid.

¹⁴ https://wbl.worldbank.org/en/data/exploretopics/wbl_ma

¹⁵ ILO, A quantum leap for gender equality for a better future of work for all, 2019.

disproportionate portion of increases in care work and face a greater risk of domestic violence threatening progress toward SDG 5.

The environmental sustainability of production has seen improvements reflected in SDG 7 with global primary energy intensity (energy used per unit of GDP) having improved by 2.2 per cent annually, from 5.2 in 2015 to 5.0 in 2017, but the rate is still short of the 2.7 per cent annual rate needed to reach SDG target 7.3. The renewable energy share of total final energy consumption gradually increased from 16.3 per cent in 2010 to 17.0 per cent in 2015 and 17.3 per cent in 2017. Climate change impacts are strongly affecting economies and societies. Much faster growth of renewable energy is required to meet current climate commitments, and to adapt to extreme events it is critical that new energy infrastructure is risk-informed.

International financial flows to developing countries in support of clean and renewable energy reached \$21.4 billion in 2017, 13 per cent more than in 2016, and a two-fold increase from flows committed in 2010, but still not enough to achieve the low carbon transition that would help meet the Paris Agreement commitments. Hydropower projects received 46 per cent of 2017 flows, while solar projects received 19 per cent, wind 7 per cent and geothermal 6 per cent. Achieving the 2030 Agenda for Sustainable Development will require transformations in production and consumption to support a lower environmental footprint and transitions toward low-carbon infrastructure. By providing direct incentives to consumers, governments can reorient manufacturing towards cleaner processes or the adoption of more environmental-friendly products and services.

3. COVID-19 crisis: impacts and recovery

The COVID-19 pandemic is a human and socio-economic crisis that threatens to derail past progress toward eradicating deprivations and contract economic growth. The effects of the pandemic have overwhelmed health systems, severely impacted the livelihoods of at least half of the global workforce, kept up to 1.6 billion students out of school at some point¹⁶, and disrupted global value chains and trade. The full range of impacts will take months to know with certainty which complicates response efforts. But initial assessments already point towards likely outcomes in the short term. Global GDP is expected to experience the largest contraction in economic activity since the Great Depression, and far worse than the 2008-2009 global financial crisis.¹⁷ An estimated 120 million people could be pushed into extreme poverty, reversing the declining global trend of the last twenty-plus years.¹⁸ Some 1.6 billion people relying on informal employment including those working in the gig economy are estimated to be at risk of losing their livelihoods and many lack access to any form of social protection.¹⁹ Some 8.8 per cent of global working hours were lost for the whole of 2020 (relative to the fourth quarter of 2019), equivalent to 255 million full-time jobs. This is approximately four times greater than the number lost during the 2009 global financial crisis and resulting in an 8.3 per cent decline in global labour income.

¹⁶ UNESCO. <https://en.unesco.org/covid19/educationresponse>

¹⁷ UNDESA, World Economic Situation and Prospects as of mid-2020, May 2020, https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/WESP2020_MYU_Report.pdf; World Bank Global Economic Prospects <https://www.worldbank.org/en/publication/global-economic-prospects>; IMF World Economic Outlook Update, June 2020 <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>

¹⁸ UNDESA, World Economic Situation and Prospects as of mid-2020, May 2020, https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/WESP2020_MYU_Report.pdf; World Bank Global Economic Prospects report released in June 2020

¹⁹ ILO. 2020. ILO Monitor: COVID-19 and the world of work. Third edition. https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_743146.pdf

The pandemic is exacerbating existing inequalities, which were already high. Some groups are more seriously impacted, not only in health and mortality terms but also economically including racial and ethnic minorities in some countries and persons with disabilities. Certain occupations – for example, healthcare workers, 70 per cent of whom are women;²⁰ and those deemed to be essential workers like grocery store clerks, farm workers, care providers, sanitation workers, bus drivers and delivery people – are associated with higher levels of exposure especially when personal protective equipment is not provided.

Chronic underinvestment in public services, including public health systems, water and sanitation and in social protection (often as part of austerity or adjustment measures) has contributed to a lack of resilience in the current COVID-19 crisis. Despite progress in the extension of social protection in many parts of the world, the human right to social security is not yet a reality for many. Seventy-one per cent of the global population is either not covered, or only partially covered, by social security systems, and as of 2018, up to 4 billion people lacked social protection of any kind, leaving them particularly vulnerable in the pandemic. Emergency measures being adopted now should contribute to a longer-term vision of the 2030 Agenda and SDGs that reverses chronic underinvestment in public services and social protection. Fiscal and other relevant policies should be designed with a view to reversing inequalities, reducing risk, contributing to the 2030 Agenda goals and meeting human rights commitments.

As countries adopt various forms of travel restrictions and social distancing to reduce virus spread, those in low-wage jobs with limited savings or access to social protection, many of whom are from ethnic and racial minorities, are bearing the brunt of the economic collapse. The International Labour Organization (ILO) estimates that almost 38 per cent of workers are in sectors at high risk of economic decline. The services sector (health sector, tourism, and related services, hospitality sector, restaurants, domestic workers, etc) are at risk where jobs are low waged or daily-waged with no social protections, and are often held by women, minority and migrant populations. Women migrant workers represent a significant share of those in domestic work, and yet many are excluded from national labour law. Many workers engaged in these jobs have been among the first to lose their source of income. The pandemic highlights the importance of promoting the transition of informal workers to formal employment, and the need to provide social protection and decent work conditions to all regardless of the type of employment.

Around 436 million enterprises in the hardest-hit sectors worldwide are currently facing high risks of serious disruption with more than half of these in wholesale and retail trade. Many Micro-, Small- and Medium-sized Enterprises (MSMEs) have had to close. This situation is causing significant loss of income and massive unemployment. There is an urgent need for countries to support these businesses. Governments and various stakeholders should recognise the difficulties faced by companies, small but also large, globally, to mitigate the negative impacts of this crisis on their sustainability. Countries may also need to support concessional lending programmes for these businesses. Other policies are needed to safeguard the purchasing power of people and to maintain the functioning of agri-food value chains to ensure food security.²¹

Women, as well as those already disadvantaged and marginalized, such as youth, migrants, refugees, persons with disabilities, ethnic and racial minorities and indigenous peoples, and other groups discriminated against, stand to see their conditions worsen disproportionately from COVID-19 through increasing poverty, reduced access to services including health services, and heightened vulnerability

²⁰ ILO, Care work and care jobs for the future of decent work, 2018. UN Women, Addressing the economic fallout of COVID-19: Pathways and policy options for a gender-responsive recovery, 2020

²¹ The Food and Agriculture Policy Decision Analysis FAO - FAPDA database available at: <http://www.fao.org/in-action/fapda/fapda-home/en/>

within the household. Women, for instance, are mostly employed in the informal economy—60 per cent globally (75 per cent for women migrant workers in low- and middle-income countries surveyed)²² and 92 per cent in low and lower-middle income countries²³, while single mothers and older women are already more likely to be poorer than men in similar circumstances. Indigenous peoples are nearly three times more likely to be living in extreme poverty than their non-indigenous counterparts, with indigenous women being found at the bottom of all social-economic indicators, with limited access to healthcare.²⁴ Prolonged periods of staying at home coupled with school and day care closures have increased the burden of care work of women, and along with unemployment and financial stress, have led to increased levels of domestic violence.²⁵ The pandemic has also exposed the vulnerability of migrant workers, who are not included in most response packages to the crisis in destination countries. At the same time, high recruitment fees have put millions of migrant workers in debt and those unable to take up employment abroad are faced with even higher debt burdens.

This crisis has exposed how much economies and societies rely on unpaid and under-paid care and domestic work and has intensified the already disproportionate burden on women, exacerbating their time and income poverty²⁶. Moving forward massive investments in the care economy will be essential from both the public and private sectors, to support care facilities, public services and infrastructure and to generate quality jobs in the care sector. Parental leave and services, for both women and men including universal, high-quality child care, early childhood education and elder care need to be a central focus of such investments.²⁷ Many countries face pre-existing health workforce challenges, including shortages (estimated at 18 million workers, mostly in low- and lower middle-income countries).²⁸

The number of people facing acute food insecurity has dramatically increased in recent years in part due to the compounding effect of the COVID-19 pandemic. Across 79 countries with World Food Programme (WFP) operational presence and data available, WFP estimates that up to 270 million people are acutely food insecure or at high risk at the outset of 2021. A dramatic increase in the numbers of people in acute food insecurity is evident through new Integrated Food Security Phase Classification (IPC) analyses or similar analytical processes, with 174 million people in IPC Phase 3 or worse in the 58 countries covered. Of absolute urgent and imminent concern today are more than 34 million people in IPC Phase 4 across the world who already face emergency levels of acute food insecurity and are highly vulnerable to face famine or famine-like conditions without urgent immediate life-saving action.

There are also variations in the vulnerabilities of countries facing the COVID-19 crisis. In many LDCs, LLDCs and SIDS, export earnings are highly dependent on a narrow range of products and services, including oil and minerals, agricultural raw materials and tourism.²⁹ Small island and land locked developing countries are likely to suffer from disruption of transport links pushing the costs of living higher and creating job losses. The economic spillover effects of the current COVID-19 pandemic have shown once again the

²² Amo-Agyei, S. (2020, forthcoming) An Analysis of the Migrant Pay Gap, Technical Paper, ILO Geneva.

²³ 2018 ILO report (*Women and men in the informal economy – a statistical picture*)

²⁴ ILO, Implementing the ILO Indigenous and Tribal Peoples Convention : Towards an inclusive, sustainable and just future, 2019

²⁵ ILO, The COVID-19 response: Getting gender equality right for a better future for women at work, May 2020.

²⁶ World Survey on the Role of Women in Development: Why addressing women's income and time poverty matters for sustainable development (A/74/111)

²⁷ ILO, Care work and care jobs for the future of decent work, 2018.

²⁸ Global Strategy on Human Resources for Health: Workforce 2030. Geneva: World Health Organization; 2016 (<https://www.who.int/hrh/resources/globstrathrh-2030/en>)

²⁹ UN DESA. World Economic Situation and Prospects as of mid-2020. <https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-as-of-mid-2020/>; UN/DESA Policy Brief #60: Commodity exporters face mounting economic challenges as pandemic spreads

exposure and vulnerability these countries have to external shocks and the need to integrate disaster risk reduction across all sectors to build the resilience of economies and employment, including through enhanced productive capacity and diversification.

The COVID-19 pandemic is likely to put further strain on developing countries already with limited fiscal space. With industries, remittances, and exports in decline, countries that are fortunate enough to enjoy access to market-based financing will face a steep increase in borrowing costs. With this in mind, the G20 endorsed an initiative to provide debt suspension to International Development Association (IDA) countries that request forbearance to suspend debt repayment to official bilateral creditors between May and December 2020. By early June, more than half of all 72 IDA clients (and Angola) representing the LDC group are proceeding with the moratorium with more joining each week. The IMF and World Bank Group are monitoring implementation progress to ensure transparency. The G20 welcomes the participation of commercial creditors on comparable terms and in late May the Institute of International Finance presented its plan of action to the G20. The Multilateral Development Banks are supporting these efforts by focusing on positive net inflows and providing greater finance to maximize resources needed to combat the impacts of the COVID-19 pandemic. At the same time, meeting commitments for Overseas Development Assistance (ODA) and curbing illicit financial flows will continue to be of critical importance in supporting developing countries through this period.

In order to address a deepening economic crisis, it will be key to sustain international traffic and trade. The maritime industry's role will be crucial in supporting international trade flows and for the overall global recovery by protecting the integrity of supply chains whilst adapting to the rapidly changing economic landscape. For this it will be important to maintain internationally adopted measures to cover all aspects of international shipping. While the immediate post-COVID-19 recovery objective will be to bring back maritime operations to normality and to address the specific rights and needs of seafarers³⁰, the long-term challenge is to make the maritime industry in tourism, trade and fishing more sustainable. Building a better, post-pandemic sustainable maritime industry will require further international cooperation, targeted policy interventions and coherent investment today for a more resilient tomorrow.

Covid-19 has highlighted the importance of information and communications technologies to the economy and society. From teleworking and e-commerce to telemedicine and remote learning, digital technologies are supporting continued access to education, healthcare, and essential goods and services. In this context, the digital divide – both between developed and developing countries, urban and rural areas, and between men and women, girls and boys, and formal and informal workers – stands to exacerbate inequalities. Expanding household internet coverage and access to digital devices as much as possible in the short-term and comprehensively in the long-term will help to ensure access to e-commerce, financial services and transactions, public health information, and distance learning for the up to 1.6 billion children who missed some school due to the pandemic.

It is important to redouble the commitment to the advocacy targets of the Broadband Commission, promoting universal broadband, if the SDGs are to come within reach. While some countries have successfully implemented a number of policy reforms to advance broadband universality, the opportunity remains for countries to further their efforts to improve the broadband ecosystem in their countries promoting the digital inclusion of all, including people with specific needs, such as: children, youth, older persons, women, persons with disabilities and indigenous communities, while at the same time,

³⁰ ILO Sectoral Brief – COVID-19 and the maritime shipping and fishing (ILO, 22 April 2020)

supporting local communities through multi-stakeholder partnerships, collaborations, and initiatives, to implement scalable roadmaps to reduce the digital divide.

Covid-19 has been a wake-up call about humankind's relationship with nature. The transmission of zoonotic diseases, from animal to human, reminds us of the disruption caused by unsustainable interaction between our economic activities and the finely tuned system of the natural world. Ecological degradation, habitat destruction and wildlife trade increase the risk of future zoonotic diseases, and the huge economic and social damages which come with them. The COVID-19 crisis has seen some temporary alleviations of pressures on the natural environment. Greenhouse gas emissions are projected to drop 4-7 per cent in 2020 and air quality has improved due to travel bans and economic slowdown.³¹ Worldwide consumption and production—a driving force of the global economy—currently rests on the use of the natural environment and resources in an unsustainable model that continues to lead to destructive impacts on the planet. The COVID-19 pandemic offers countries an opportunity to build recovery plans that can reverse current trends and direct our consumption and production patterns towards a more sustainable and inclusive future, which implies a shift from business as usual to “people-oriented and planet-sensitive” organizational models of production and consumption, also at the enterprise level. A meaningful response, prevention of the creation of new risk, reduction of existing risk, and enhanced resilience will need to engage all stakeholders, and in particular indigenous peoples, including in their role as custodians of natural resources, many of whom are vital for the food security of their societies and countries.³²

So far, this opportunity has not been fully leveraged. Global green spending thus far does not match the severity of the planetary crises of climate change, nature loss, and pollution, and leaves significant social and long-term economic benefits off the table. The Global Recovery Observatory shows that of the USD 14.6 trillion in fiscal measures announced by the world's fifty largest economies to address the pandemic crisis in 2020, just 2.5 per cent were allocated to green investments. More importantly, only 18 per cent of COVID-19 recovery spending in 2020 is set to have a positive green impact.

While the anticipated outcomes of the COVID-19 pandemic are dire, they can be averted by the actions we take now – some of which may already be under way. The aggregate amount of fiscal stimulus across countries is estimated to be USD 9 trillion,³³ and according to a World Bank compilation from late May, 190 countries and territories have planned, introduced or adapted social protection measures in response to COVID-19.³⁴ These responses can contribute to addressing immediate challenges brought on by the pandemic, and also build towards longer-term SDG commitments. As emergency efforts are adopted in many countries tailored to specific local conditions, every effort needs to be made to “build back better” in a way that shifts toward a more permanent path of sustainability while also addressing persistent systemic inequalities that have been magnified by the crisis. As policymakers look to economic recovery plans, reinvigorating economic growth and creating jobs will likely be at the forefront of planning, but the quality and distribution of the benefits of that growth will matter. Growth will need to be more inclusive and more equitable, with benefits felt by the whole population; and promoted by a plurality of actors in the public and private sector; and will need to be sustainable in order to encourage investment in low-carbon infrastructure and the green economy.

³¹ Forthcoming SDG Progress Report 2020.

³² ILO, COVID-19 and the world of work: A focus on indigenous and tribal peoples, May 2020.

³³ <https://blogs.imf.org/2020/05/20/tracking-the-9-trillion-global-fiscal-support-to-fight-covid-19/>

³⁴ Gentilini et al. Social protection and jobs responses to COVID-19: a real-time review of country measures, 22 May 2020.

4. Policies and actions to maximize synergies, mitigate trade-offs and drive transformation

The goals and targets in the 2030 Agenda are interlinked and transitioning toward sustainable and just economies and building back better from the COVID-19 crisis will require disaster risk informed policies that respond to the interactions among goals and targets, and across geographies, finding opportunities to build synergies and mitigate trade-offs. There is already a significant amount of knowledge about important interactions in economic systems where interventions around one Goal or Target can alter the possibilities of meeting other goals.³⁵ Acting on evidence about these interlinkages can help **harness synergies** across goals and targets to generate multiple positive outcomes (e.g. actions that increase GDP growth rates in least developed countries and close gender pay gaps); **mitigate trade-offs** between Goals (e.g. actions that increase access to decent jobs while also reducing the energy intensity of production); and accelerating progress towards achieving the overarching objective of **'leaving no one behind'** by ensuring that the needs and human rights of disadvantaged and marginalized groups, and those in vulnerable situations are addressed in economic policies. Objectives of economic growth must be pursued in ways that reduce tensions with the environment and with other sets of goals and are inclusive of groups and geographical areas in vulnerable situations. It will be crucial to co-design and co-implement public policies and recovery measures through a multi-stakeholder approach.

1. Protect labour rights and ensure access to decent work

Before COVID-19, the world needed to create 600 million new jobs by 2030 just to keep employment rates constant and this was in the context of weak growth-employment-poverty relations in some regions. At present, the decline in working hours relative to the last quarter of 2019 is equivalent to approximately 305 million jobs³⁶. Stimulus packages and longer-term development planning need to emphasize job-based growth with a focus on protecting the rights of workers, transitioning workers to formal jobs, strengthening social protection systems, restoring jobs safely, creating jobs in emerging, more resilient and sustainable economic sectors, and preparing the workforce with needed skills for work with new and emerging technologies in a low-carbon and resource-efficient green economy. Moreover, these packages should engage the private sector as a source of economic growth and job creation by promoting entrepreneurship and sustainable enterprises, including also SMEs and social and solidarity economy enterprises and organizations, in order to generate decent work and productive employment.

Recognizing the contribution of migrant workers to socio-economic development – in 2015 migrants are estimated to have contributed over 9 per cent, or USD 6.7 trillion, to global gross domestic product (GDP)³⁷, human rights-based and gender-responsive labour migration frameworks can lead to a fairer distribution of the prosperity that men and women migrant workers help to create. COVID-19 recovery efforts therefore need to be closely connected with migration governance at the national and international level, including by implementing the Global Compact for safe, orderly and regular migration. This should translate into smarter policies, revisiting the public discourse on migration and promoting greater international cooperation so that all countries can recover better from COVID-19 and reap the benefits of orderly, safe, regular and responsible migration and mobility of people (SDG 10.7) for the benefit of all.³⁸

³⁵ "The future is now. Science for achieving sustainable development"

https://sustainabledevelopment.un.org/content/documents/24797GSDR_report_2019.pdf

³⁶ ILO Monitor: Covid-19 and the world of work. Fourth edition, (ILO, 27 May 2020)

³⁷ McKinsey Global Institute. 2015. People on the Move: Global Migration's Impact and Opportunity.

³⁸ IOM, 2020, "Why migration matters for "recovering better" from COVID-19", *COVID-19 response issue brief*: https://www.iom.int/sites/default/files/documents/issue_brief_why_migration_matters_for_recovering_better_1.pdf

In the short term, the informal sector will continue to be an important source of livelihoods for many, but the average informal firm is only a quarter as productive as the average formal sector firm.³⁹ Increasing productivity (and thus earnings) in the informal sector by supporting the accumulation of productive assets and promoting access to equitable markets can help support families dependent on informal work. Addressing the root causes of informality would also help address the structural and non-structural barriers to formality. Research also suggests that reforms aimed at promoting inclusive growth, improving the business environment and controlling corruption can help mitigate negative productivity spillovers from informal to formal firms.⁴⁰

Targeted labour market policies have a crucial role in generating decent jobs, protecting labour rights and equipping marginalized and excluded groups with the skills to access those jobs. Well-designed policies ensure that all people benefit from social protection and have rights at work by, among others, encouraging individuals to join workers' and employers' organizations that look after their welfare and represent their interests in social dialogue and can contribute to good governance through the participation and representation of their members. Adequate minimum wages, statutory or negotiated, are needed that allow workers and their families to meet their basic needs and effectively limit income poverty for the more than 630 million workers worldwide who do not earn enough to lift themselves and their families out of extreme or moderate poverty.⁴¹

2. Increase investment in job creating service sectors

Looking ahead, sectors like health and social care can be key drivers of sustainable and inclusive growth, job creation and economic empowerment and participation. Global demand for health workers is expected to double by 2030 with the potential creation of around 40 million new health worker jobs. Innovative strategies at the local level will be key to address the growing demands on the health and social care sector.⁴² The joint WHO, ILO and OECD Working for Health programme was adopted by the World Health Assembly in 2017 as a mechanism to support countries to invest in the expansion and transformation of their health and social care workforce to support progress toward SDG 3 (good health and wellbeing), SDG 4 (quality education), SDG 5 (gender equality), SDG 8 (decent work and economic growth) and SDG 10 (reduced inequalities). Various forms of the social and solidarity economy such as social enterprises, cooperatives, mutual associations and other community-based organizations can play an important role in these sectors.

3. Invest in a green economy

There is enough evidence to show that action on climate change and investment in low-carbon infrastructure can generate broad-based economic growth and create millions of new jobs - renewable energies alone could create 42 million jobs by 2050.⁴³ To this end, economic considerations should be balanced with investments in social infrastructure to promote health, wellbeing and gender equality while also prioritizing natural infrastructure to help reduce emissions, deliver essential services (such as water and sanitation), protect people and assets from hazards and support economic activity. Climate change is augmenting the frequency and intensity of extreme and slow-onset events that limit productive capacity and exacerbate underlying vulnerability and exposure, which can trigger cascading impacts including economic shocks. Increased consumption of new products can add pressures on the environment - there

³⁹ World Bank. (2019). *Global Economic Prospects*. Washington, DC.

⁴⁰ Ibid.

⁴¹ ILO 2020, *World Employment and Social Outlook: Trends 2020*, p.13: https://www.ilo.org/global/research/global-reports/weso/2020/WCMS_734455/lang--en/index.htm

⁴² WHO. <https://www.who.int/hrh/com-heeg/en/>

⁴³ https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2020/Apr/IRENA_Global_Renewables_Outlook_2020.pdf

is a need to shift consumption globally towards greener, longer lasting and recycled, goods, as well as services that can generate sustainable development and better quality of life with a smaller environmental footprint, prevent the creation of new risk, and contribute towards the reduction of existing disaster risk. Interventions to create enabling environments for sustainable, technologically advanced and resilient infrastructure development. Public expenditure, flexible regulations financing and incentives like tax breaks can drive the transition toward greener goods and services that minimize the use of natural resources and toxic materials, and that lower emissions of waste and pollutants. Incentives to reduce food loss and waste are also integral to changing consumption and production patterns. Public Private Partnerships can play an important role to these effects.

A move towards a green economy (and a sustainable blue economy in case of maritime/oceans) will only be possible with systematic investment in research and development, innovation, digitalization, facilitation of maritime traffic, driving towards an effective, decarbonized maritime industry and a circular economy. Transformations in energy and food systems are in order to ensure the provision of quality food and clean energy, while also combating climate change and preserving biodiversity. By providing direct incentives to consumers, governments can reorient manufacturing towards cleaner processes or the adoption of more environmental-friendly products and services. Examples include subsidies for buying “new-energy vehicles”. Industrial regulations, taxes on emissions and pollution and taxes on consumption can also reorient production. Likewise, it is possible to enhance the perceived benefits through consumer education and awareness raising or affect demand for environmental goods through green public procurement rules. Finally, it is notable that investment in the green economy can have high economic returns - the Global Commission on Adaptation found that the overall rate of return on climate adaptation investments has benefit-cost ratios ranging from 2:1 to more than 10:1.⁴⁴

4. Support just transitions

Transitions towards sustainability can have significant impacts on employment, enterprises, SMEs, workers’ families and communities, reducing or eliminating jobs in polluting industries and creating jobs using modern cleaner production. That trade-off may be beneficial for the environment and for society at large, but it comes with economic impact on certain sectors and with human costs for affected workers, their families and immediate communities. To make those transitions just and socially acceptable, it is essential to take into account the ‘winners and losers’ of these reforms, including the millions currently employed in resource intensive sectors and others who will lose their jobs.⁴⁵ In many countries, job losses in relatively high-paying resource intensive sectors such as energy may become a reality. This can be mitigated through offering social protection coverage, re-skilling programmes, practical transition options and support to bolster communities. Further, greater support and training for women working in energy and infrastructure sectors is needed as they are significantly underrepresented in these fields. A more open, transparent and democratic process of decision-making or dialogue involving those affected can help ensure the needs of all groups are reflected in transition plans.

The deployment of new technologies and automated production is another factor that can reduce total labour demand even for skilled workers. Just transitions linked to automation may require structural policies for reducing working time, increasing diffused capital asset ownership, protecting savings, increasing corporate governance to protect small stockholders and policies for profit distribution that ensure a minimum level of income.

⁴⁴ Global Commission on Adaptation. <https://gca.org/global-commission-on-adaptation/report>

⁴⁵ Morena et al.(2018) Mapping Just Transition(s) to a Low-Carbon World, Geneva, UNRISD

5. Ensure access to social protection for everyone

The UN Secretary General's call for a "New Social Contract" to create equal opportunities and respect the rights and freedoms of all within societies can be implemented in part by expanding social protection systems. Expanding social protection coverage, in particular to those in the most vulnerable situations including informal economy workers, migrant workers, the rural poor, children, older persons, persons with disabilities, persons living with HIV, racial, ethnic and religious minorities, and indigenous peoples; and eliminating gender gaps and biases in social protection systems can generate synergies across the SDGs. In response to the COVID-19 crisis, nearly all countries have introduced temporary social protection measures to provide immediate relief⁴⁶ such as in-kind food/voucher schemes, school meal replacements, access to paid sick leave, extended unemployment benefits, and cash transfers which help safeguard against the acute effects of the crisis, as well as moratoriums on payments for public utilities, rent, and mortgages for those unable to pay.⁴⁷

In the longer run, access to universal social protection needs to be expanded to facilitate people's adequate standard of living, reduce inequalities and improve access to credit, relax liquidity constraints and smooth consumption, all of which help vulnerable households manage risk and disaster impacts and avoid falling into poverty or going hungry when facing difficult circumstances. Universal basic income schemes may also be considered. Furthermore, social protection can constitute a powerful strategy for developing human capacity and promoting full and effective participation in the labour market, particularly for women. For example, by facilitating access to food, health care and education, as well as support services, social protection can enhance the independence, inclusion and active participation of persons with disabilities. Marginalized groups that have often not been able to access systems must also be covered – for example, in many countries, access to national development frameworks is not possible for refugees and migrant workers.⁴⁸ The expansion of programmes can be based on assessments of the adequacy of existing programmes to protect the poor and vulnerable, and the fiscal sustainability and spending efficiency of those programs.

Social protection in LDCs, LLDCs and SIDS is often low, both in terms of coverage of the population and in terms of benefits.⁴⁹ Indeed, 55 per cent of the world's population has no access to social protection at all and 50 per cent lacks access to health services. These coverage gaps are linked with financing gaps. Prior to the COVID-19 crisis, the financing gap for social protection was around 1.6 per cent of GDP on average in developing countries. It amounted to USD 27 billion per year for the 28 low-income countries group.⁵⁰ Additional national and international financing has already been channelled to developing countries' national social protection systems, but these one-time efforts need to be increased and sustained. Providing social protection for all may require a shift towards financing models that are based on a general taxation pool, in place of contributory systems that are based on payroll retentions that are limited to formal sector workers. Ensuring all individuals are provided with documentation in order to prove their legal identity is also important to underpin the provision of social protection services and countries should prioritise strengthening their civil registration and vital statistics systems.

⁴⁶ ILO. 2020. "Social Protection Monitor: Social protection responses around the world". Available online: <https://www.social-protection.org/gimi/ShowWiki.action?id=3417>

⁴⁷ ILO. 2020. "Social Protection Responses to the COVID-19 Pandemic in Developing Countries: Strengthening Resilience by Building Universal Social Protection". *Social Protection Spotlight*, May and ILO. 2020. "Social Protection Responses to the COVID-19 Crisis: Country Responses and Policy Considerations". *Social Protection Spotlight*, April.

⁴⁸ See: UNHCR, Global Compact on Refugees 2018

⁴⁹ See: ILO, ILO Social Security (Minimum Standards) Convention, 1952 (No. 102); ILO Social Protection Floors Recommendation, 2012 (No. 202).

⁵⁰ Duran, F. et al. Measuring financing gaps in social protection for achieving SDG target 1.3: Global estimates and strategies for developing countries.

6. Close gender gaps in education and work and empower women and girls

Advancing sustainable economies requires the promotion of decent work for women, gender-responsive social protection and social services, and macroeconomic policies that prioritize investment that furthers gender equality. The negative impact of COVID-19 on girls could be disproportionately high and long-lasting. The combination of being out of school and the loss of family livelihoods caused by the pandemic may leave girls especially vulnerable and exacerbate exclusion and inequality — particularly for persons with disabilities and other marginalized groups. When countries invest in regulatory frameworks that support women’s economic participation, address gender inequality, and support access to critical services including sexual and reproductive health services, paid parental leave, child care support, and protection from violence in the workplace, women are better able to obtain and retain decent work, generating and sharing economic benefits with their families and communities.

Actions are needed to eliminate discrimination against women in laws, policies and social practices, including removing restrictions that hinder women from participating in the formal labour market and having formal self-employment opportunities such as full and equal access to finance for female entrepreneurs, including credit. At the same time, efforts are also needed to increase land rights for women, to increase productivity in microenterprises and small holder farming and to help women move to more productive sectors. Efforts are also needed to ensure access for all girls and women to high quality education systems - even though women are over-represented among tertiary graduates in OECD countries (57 percent of first-time graduates), they remain under-represented in fields of study such as the STEM fields - while also addressing cultural norms that discourage women from acquiring these skills. Likewise, it is important to increase security in informal work, for example through ratification and implementation of the ILO Domestic Workers Convention, 2011 (No. 189). Addressing violence and harassment in the world of work needs to be a priority, using the internationally agreed framework set out in the ILO Violence and Harassment Convention, 2019 (No. 190). Incentives should be implemented that move toward a gender-responsive environment at work, by increasing the number of women in senior management positions, removing wage and hiring discrimination in paid work for women, expanding options for public services and affordable care services for the elderly and for young children, providing and encouraging paternity leave and encouraging men’s equal engagement in unpaid care and domestic work.⁵¹

7. Increase access to quality education, training and digital technologies

School closures due to COVID-19 have left most students on the planet out of school – 1.6 billion students at the peak in April 2020. This global shock to all education systems is being followed by a deep recession. Without remedial action when students start returning to school, there could be an estimated loss of \$10 trillion dollars in earnings over time for this generation of students, and countries will be driven off-track in achieving their Learning Poverty goals.⁵² In the digital age, access to decent jobs increasingly requires ensuring the right to education and continuous learning in response to technological change with predications of future shortages of workers with tertiary education and a surplus of medium and low-skilled workers. The mismatch makes education and training critical for future job resilience not just for youth, but also for people of all ages who require access to lifelong training and education to remain adept at negotiating changes in technology. Students need education in mathematics and natural sciences, learning to write and communicate persuasively, cooperate in teams and acquire leadership and systems thinking. Training needs to be combined with expanded access to digital technologies promoting digital

⁵¹UN Women, COVID-19 and the care economy: immediate action and structural transformation for gender-responsive recovery, 2020.

⁵² World Bank. 2020. <https://www.worldbank.org/en/topic/education/publication/simulating-potential-impacts-of-covid-19-school-closures-learning-outcomes-a-set-of-global-estimates>

inclusion for all, in LDCs, LLDCs and SIDS and for women and girls, persons with disabilities, marginalized groups and other people with specific needs.

This could be achieved by establishing a baseline for universal digital connectivity, expanding public-private financing of universal broadband, and pioneering innovative hybrid and/or complementary, replicable and sustainable financing and investment models for all types of networks. Governments can recognize the crucial role of network infrastructure and services in underpinning the global recovery from COVID-19 while also ensuring that their digital plans are updated to take a holistic, multi-sectoral and pragmatic approach to expanding connectivity. Plans should recognize the key role that all digital technologies play in the provision of health, education, financial and public services; the role for supporting infrastructures, especially energy; and the fundamental need for digital inclusion to be an integral conduit for advancing social and economic inclusion. Likewise, recent research establishes a clear link between the development of digital infrastructure and economic development with a 10 per cent increase in fixed broadband penetration resulting in a 0.77 per cent increase in GDP per capita on average across the world, and the same increase in mobile broadband results in 1.5 per cent increase in GDP per capita.⁵³

8. Protect human rights and end all forms of discrimination, exclusion and marginalization

Systemic discrimination resulting from laws, policies or practices, including cultural or customary practices, in either the public or private spheres create relative disadvantages for some groups and privileges for other groups and must be abolished to enable equitable and just economies. Many people living in poverty -who often belong to communities vulnerable to climate change, disasters and environmental pollution and degradation- are affected by discrimination on the grounds of race, sex, ethnicity, age, birth, national or social origin, refugee or migrant status, sexual orientation or gender identity, or any other social status. Multiple and intersecting forms of discrimination can have compounding effects. For example, migrant workers, regardless of status, often experience multiple and intersecting forms of discrimination, based on sex, religion, race, nationality, and other identities.

Countries need to strengthen the rule of law and institutions, implement human rights treaties such as the Covenant on Economic, Social and Cultural Rights and the Convention on the Elimination of All Forms of Discrimination against Women, enforce human rights and antidiscrimination laws and ensure universal and effective access to justice and civil registration. Governments at all levels can apply legal instruments and incentives, including non-discrimination laws and affirmative action in hiring practices and wages, awareness raising campaigns, peer-to-peer sharing, targeted skills training, gender audits, campaigns that seek to reduce stigmatization of certain groups, subsidized services, financial and digital inclusion and ensure rights to a legal identity to ensure fair participation in and benefits from economic activities.

9. Expand the collection and meaningful disaggregation of data

Following from SDG 17.8, this is important to identify who is being left behind, and the key barriers to access essential services, social protection and other economic, social and cultural rights. Data can reveal patterns of discrimination and identify under-served areas and populations or groups who face persistent discrimination and marginalization. Many economic indicators are not currently being disaggregated, and national averages often mask wide disparities. It is therefore critical that countries invest in national statistical systems and empower them to be in a position where they are producing widely disaggregated data sets that are relevant and timely. Moreover, not enough sex-disaggregated data is available to monitor progress across all regions, and not all the SDGs have gender-specific indicators (6 of the 17 SDGs lack gender-specific indicators). Granular data is also needed to shed light on the intersection between

⁵³ ITU. 2021. "How broadband, digitization and ICT regulation impact the global economy"

disadvantages and different forms of discrimination, as an example the nexus between income, race, sex, age, ethnicity, nationality, migratory status, disability, and geographic location (e.g. rural residence) can leave individuals much further behind than any one of these characteristics individually.

In order to be able to address data needs, it is important to make better use of traditional statistical surveys (additionally challenged during the pandemic), censuses and administrative records, as well as making use of data on marginalized groups collected by national human rights institutions and civil society organizations and through enabling the meaningful participation of those left behind. The use of administrative data sources can be mainstreamed to ensure continuous data production, but for administrative sources to be useful to produce statistics on the ones left furthest behind, these systems need to be inclusive and universal. Efforts to use data sources such as scanner data, data from mobile phones, earth observations, other sensors and social media to produce statistics should be supported going forward. National statistical systems need to invest in the technology and skills necessary to collect and integrate data from multiple sources, including the integration of geospatial information with statistics and other data. For example, the FAO Hand-in-Hand geospatial data platform, launched in July 2020, aims to strengthen evidence-based decision-making in the food and agriculture sectors. The platform grants free access to over one million geospatial layers and thousands of statistics series with over 4000 metadata records, bringing together geographic information and statistical data on over ten domains linked to food and agriculture - from food security, crops, soil, land, water, climate, fisheries, livestock to forestry.

10. Shape fiscal systems for fair redistribution and public finance

Fair and progressive tax systems are needed that both generate the resources needed to deliver public goods and reduce inequality through redistribution. This may require strategies of valuing public services. Fiscal policy can help generate finance for the expansion of public health, education, water and sanitation services and social protection systems and local public services to secure at least minimum essential levels of economic and social rights, and to communicate priorities with which the private sectors and others can align themselves. Efforts are also needed to rationalize and re-prioritize expenditures during a period of low growth. Reforming tax and subsidy policies, for example in fossil fuel sectors, could save resources that could then be deployed to public services and green sectors. Studies show that progressive taxation does not reduce economic growth. The progressivity of tax systems (i.e. the extent to which wealthier parts of society finance a greater proportion of public goods) and the alignment of expenditures with inequality reduction must be considered together for overall effect on inequality.

International collaboration on taxes is also important, particularly as much economic activity is spread across national jurisdictions, thus enabling trans-boundary corporations to avoid taxes through base erosion and profit shifting. Exchanging tax information across countries is a starting point towards combating tax evasion. At the same time, other illicit financial flows, stemming from corruption and the transfer of proceeds from crime and money laundering, which have especially significant consequences for economic, social and political stability, also require international collaboration to counter them.

It will also be critical for concerted and meaningful multilateral actions to ensure that developing countries have adequate fiscal and policy space to respond. Depending on country circumstances, measures may include moratoria on debt service payments, debt restructuring, concessional finance, the use of Special Drawing Rights (SDRs) and building participatory and inclusive tracking mechanisms to ensure that funds are directed towards social sectors and help to secure minimum essential levels of economic and social rights. Territorial and financial decentralization can allow local governments to serve their communities, finance infrastructure, and enhance innovation at the territorial level.

5. Means of implementation: Mechanisms and partnerships to accelerate progress

Transformative actions in economic systems are needed to simultaneously promote more equitable economic growth for poverty reduction and support equitable access to full and productive employment and decent work and access to social protection, protecting labour and human rights, while also reducing income and wealth inequality, gender inequality, green-house gas emissions, disaster risk, and unsustainable natural resource consumption. In the context of the Decade of Action, the international community must work together to address challenges in an integrated way promoting multilevel dialogue and fostering decentralized cooperation with the inclusion of all stakeholders. For this, sustainable solutions are possible drawing on the substantial knowledge about interactions within economic systems and in relation to the SDGs. Such solutions can be adopted and scaled up through collaboration among important levers of action – governance, business and finance, individual and collective action, and science and technology. Sharing information and identifying ways to fill knowledge and data gaps, scale up actions, and address context specific conditions, as well as leveraging political will and evidence-based decision-making, will be the key to successful transformation.

1. Scaling up actions and addressing context specific conditions

Initiatives to support more sustainable and just economies and generate synergies across goals can build on good examples from different regions adjusting solutions to fit new contexts or scaling up successful projects to reach a larger population. Promising initiatives include:

- Indonesia, Ghana and several other countries are redirecting their fuel subsidies to finance social protection programs; Bolivia, Mongolia and Zambia are financing universal retirement pensions, subsidies for dependent children and other social programs on the basis of increasing taxes on mining and gas; Algeria, Mauritius, and Panama, among other, have supplemented their social security revenues with high taxes on tobacco; Chile and Norway, among others, are using fiscal reserves to support social development.⁵⁴
- In the Philippines, trade unions in collaboration with the ILO developed a proposal for just transitions for work in response to the closure of 23 mines (mostly nickel mines) and the suspension of seven others, because of their environmental impacts. This document was used as a basis for negotiations with social partners interested in operating in the key mining region of Caraga. One of its noteworthy results was the establishment of a mechanism for tripartite cooperation, which provides guidance in terms of just transition policies and programming.
- Bridging the Gap II – Inclusive Policies and Services for Equal Rights of Persons with Disabilities, funded by the European Union and implemented by a consortium of partners, supports the implementation of the CRPD and the attainment of the SDGs in five countries (Ecuador, Paraguay, Burkina Faso, Sudan and Ethiopia) through the capacity development and empowerment of government institutions, civil society and organizations of persons with disabilities.
- In Tamil Nadu, India rural villagers have organized into cooperatives – the Association of Sarva Seva Farms – in over 10,000 villages collectively pooling produce from agriculture and animal husbandry to reduce costs and achieve greater economies of scale.
- Plan International’s 2019 research on women’s economic empowerment in the Ready-Made Garment sector showed that the provision of interventions such as paid maternity leave, daycare

⁵⁴ These are examples in an evolving situation. There are comprehensive lists available in various places including the IMF COVID-19 policy tracker <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19> and examples of Social Protection action in 168 countries and territories compiled at: <https://www.social-protection.org/gimi/ShowWiki.action?id=3417>

facilities, on-site health clinics and menstrual hygiene, accrued savings for participating factories that range from \$427,000 to \$1.7 million per year.

- Regional institutions scaled up their work to promote fair labour migration governance and mobility with ILO support. The African Union, for example, operationalised the Labour Migration Advisory Committee (LMAC), a regional tripartite mechanism which promotes fair labour migration governance and protects the rights of migrant workers and their families, while the ASEAN aligned its International Labour Migration Statistics (ILMS) database with the ICLS Guidelines concerning Statistics on International Labour Migration.
- The United Nations Economic and Social Commission for Western Asia (ESCWA) has launched a Climate/SDGs Debt Swap Mechanism (DSM) to support member States that are facing challenges of climate finance, high debt burdens, and fiscal pressures exacerbated by the adverse impact of COVID-19. The DSM provides opportunities for debtors, creditors and donors to accelerate progress toward the SDGs and Paris Agreement, while achieving climate-sensitive national development objectives in line with global development goals.
- Argentina is one of the few countries where COVID-19 has been recognised as an occupational disease and where short- and medium-term social, fiscal, labour and environmental measures have been taken to help curb the loss of jobs and the closure of businesses. These steps in consultation with social partners helped to prevent even worse outcomes for workers in health and economic losses.

2. Science, Technology and Innovation for sustainable and just economies

The application of and advancement of science, technology and innovation are critical for mitigating trade-offs and managing the risks stemming from them, for example between production and the environment; addressing the COVID-19 crisis and generating new productive job opportunities. If guided toward these objectives in an active way that does not exacerbate inequalities, STI can reduce costs and increase access to life saving health technologies, clean water and sanitation systems and quality education reducing the need to make tough choices under constrained budgets. Several examples illustrate how STI can be applied to advance goals of equity and sustainability with many advancing the principle of open access.

- IFAD is very actively engaged in geospatial technologies, having leveraged them across more than a hundred countries. These solutions have helped target areas and communities according to their needs and vulnerabilities, improved social vulnerability assessments, reduced biases in project design, and improved the monitoring and evaluation of development initiatives.
- The Climate Technology Centre & Network (CTCN) is the operational arm of the UNFCCC Technology Mechanism, hosted by the UN Environment Programme and the UN Industrial Development Organization (UNIDO). CTCN harnesses the expertise of a global network of technology companies and institutions to offer technology solutions, capacity building and advice on policy, legal and regulatory frameworks tailored to the needs of individual countries.
- Financial technology or FinTech, are technologies and innovations that support the delivery of financial services through digital means. As part of ESCAP's Catalyzing Women's Entrepreneurship programme, which is aimed at creating an enabling ecosystem for women's entrepreneurship, ESCAP and UNCDF have partnered with FinTech providers to address women's MSME financing gap.
- ITU and partners have launched initiatives at the regional level such as African Girls Can CODE Initiative and Americas Girls Can Code (AGCCI) which aim to train and empower girls and young women aged 17 to 20 years old to become computer programmers, creators and designers. The key objectives are to promote ICTs for girls and digital skills for young women and girls; encourage

countries to mainstream ICT studies to provide girls and young women with more opportunities to learn digital skills.

- The UN Human Rights Office (OHCHR) has worked to facilitate new partnerships between National Human Rights Institutions (NHRIs) and National Statistical Offices, as a way to make use of non-traditional data on marginalized groups and those most left behind and ensure these groups are counted in SDG planning and national policy-making. For example, in Kenya, a partnership established between the National Human Rights Institution (KNCHR) and the National Bureau of Statistics (KNBS) resulted in counting for the first time in the national census communities and groups of people historically left out, including persons with disabilities, persons with albinism, indigenous peoples and stateless persons.
- The Global Network Resiliency Platform (REG4COVID) is a compilation of over 400 regulatory, policy and industry responses that countries and other stakeholders have taken to ensure that digital networks and services continue to serve people and businesses in the face of COVID-19
- FAO is heavily involved in the transformation of food systems through the promotion and adoption of technical innovations aiming at increasing efficiency, inclusiveness and resilience of food supply chains and at reducing food loss and waste.

3. Building partnerships and new forms of collaboration

Policy responses require partnerships (SDG 17) that build from the joint responsibilities of different actors and sectors (for example, the roles of individuals, different levels of government, human rights mechanisms and institutions, civil society, multilateral agencies, and the private sector) in the pursuit of economic transformation as a collective goal. Partnerships that support the ability and agency of on the ground partners, including those most vulnerable, will lead to greater success. The ILO tripartite approach is one of the most visible successes in bringing together government, employer and worker representatives for sustainable and inclusive socio-economic policy results. Other positive examples include:

- The Action Plan of Sustainable Development 2016-2020 of Quebec, Canada includes a partnership between the Ministry of Labour, Employment and Solidarity and various social and solidarity economy organizations and enterprises at the grassroots level. Achievements include training 3,400 homecare workers for older persons, integrating the unemployed into the labour market and supporting workers cooperatives in cases of business succession thereby addressing multiple goals (e.g. SDGs 3, 5, 8).
- Bangladesh, known for its ship breaking and recycling activities that support the country's economy, has made significant progress towards environmentally sound and safe ship recycling by bringing various national public and private stakeholders and international organizations together such as IMO, UNEP and ILO as well as ODA funding from Norway under the SENSREC project.
- In the city of Utrecht, Netherlands, advancing towards a sustainable, inclusive and just economy was already high on the agenda before the current pandemic. Various initiatives have been deployed, together with local stakeholders, to ensure sustainable local economic development. The Health Hub Utrecht connects local partners with a bottom-up approach where various stakeholders are invited to discuss and choose the three most important areas that need to be improved in the healthcare sector.
- The International Trade Centre's Alliances for Action enables smallholder farmers and MSMEs to be more competitive internationally, diversify their income-risk and address challenges associated with climate change. These partnerships are commercially driven, place the producer at the centre of the initiative and prioritise systems-based solutions incorporating diverse actors. In the

Caribbean coconut industry, over 2,000 farmers have been trained in sustainable farming techniques, including climate-smart agricultural practices designed to maintain production and incomes in the face of climate change.

- The Partnering for Green Growth and the Global Goals (P4G) initiative brings together hundreds of governments, businesses and civil society organisations in public-private partnerships to advance solutions in food and agriculture, water, energy, cities and the circular economy. P4G's public-private partnerships pursue specific global development goals in eight target countries through market-based actions with support provided in terms of funding, facilitation or recognition.
- The World Bank Human Capital Project saw influential champions advocate globally for attention and action, encouraging countries to invest more in people. Philanthropic partners such as the Bill and Melinda Gates Foundation joined to highlight the global learning crisis, while a multi-stakeholder platform, UHC2030, co-convened with WHO, focused on strengthening health systems.

4. Leveraging multilateralism to promote inclusive and sustainable growth

As there are costs to exclusion, the international community must strengthen coordination to more effectively support Member States in addressing inequalities across the board, including in income and wealth, and to ensure labour rights, access to decent work and social protection and human rights for everyone while supporting sustainable enterprises and productive employment. There are ongoing discussions of multilateral approaches to economic and financial issues in fora, such as the G20 and Paris Club; as well as mechanisms for financial cooperation through the International Financial Institutions including the World Bank and IMF. The United Nations system can further engage all levels of government and all stakeholders and foster partnerships and policy sharing to recover from COVID-19 and accelerate progress toward achieving the SDGs. While actions and initiatives will need to be 'place specific', international cooperation can facilitate progress in all areas and at scale. Multilateral approaches including through official development assistance, are especially important for expanding health support, social protection, and poverty alleviation in response to COVID-19 and for building back better for the future.

- In April 2020, the World Bank's Development Committee and the G20 Finance Ministers endorsed the Debt Service Suspension Initiative in response to a call by the World Bank and the IMF to grant debt-service suspension to the poorest countries to help them manage the severe impact of the COVID-19 pandemic. Suspension of debt service by official bilateral creditors are offered to 73 IDA-eligible countries, which include 23 LLDCs and 22 SIDS, and a call for inclusion by commercial creditors to join on comparable terms. The IMF also offered further debt service relief to 25 of the poorest countries and has extended capacity development services including on improving national tax systems. For long term debt sustainability, policy options need to be considered for both financing COVID-19 responses and supporting SDG investments while maintaining sustainable debt. The Inter-Agency Task Force's Financing for Sustainable Development Report (2020) called for continuing efforts in the international community to revisit existing mechanisms and arrive at a fair, effective and timely international process for debt resolution.
- The World Bank has responded to the COVID-19 pandemic to date with operational support of 160 billion USD, 50 billion USD on grant and highly concessional terms, in over 100 countries, representing 75 per cent of the global population.
- The joint ILO-OECD and WHO Interagency Data Exchange is an initiative aiming to help inform and explore interlinkages across the SDGs. By integrating data between agencies, it is possible to expand the evidence base, better identify gaps, and work together to find solutions. UN Women's Women Count programme provides gender statistics and sex-disaggregated data to inform

national policies, including those related to COVID-19 impacts and responses, and supports countries in the development of gender-sensitive national statistics strategies, including specialized surveys and other forms of data collection.⁵⁵

- The UN Inter-Agency Task Force on Social and Solidarity Economy composed of 18 UN Agencies as members and 15 international NGOs and research institutions as observers is an initiative to identify and promote innovative economic relations and activities in the field of the social and solidarity economy (SSE). SSE has the potential to achieve multiple SDGs by reorienting economies and societies toward greater social and ecological sustainability.
- IOM is working with governments, the private sector, diaspora and UN partners in monitoring the impact of the pandemic on mobility and displacement to raise awareness and develop appropriate solutions. The UN Migration Network, coordinated by IOM, is core to this response. The UN Network is producing policy briefs, issuing statements, and holding “listening sessions” with civil society to ensure that the concerns of all actors are incorporated. IOM will facilitate coordination among States and UN partners for cross-border and regional policy development on “health-proofing” migration management.
- The need for country specific population data as an accelerator to inform policy and programmatic efforts across SDG implementation is critical. UNFPAs Population Data Thematic Fund facilitates the production and dissemination of high-quality population data to empower stakeholders to make informed decisions on crucial development issues and collaborates closely with national statistical offices to optimize their use of national and sub-national population data to deliver on the SDGs.
- Enhanced international cooperation to tackle policy and institutional challenges for unlocking and financing low-carbon infrastructure is needed. SOURCE is a global platform to scale up and enhance the quality of projects, launched by multilateral development banks. Its goal is to catalyse better project preparation at scale and provide a platform for engagement with all stakeholders including the private sector.
- The UN inter-agency ‘Inequalities Task Team’, composed of 20 UN agencies, is working to ensure the implementation of the CEB’s system-wide “UN Shared Framework for Action on Leaving No One Behind” to reduce inequalities and eliminate discrimination through support to 2030 Agenda implementation, including making better use of data already collected and developing new methodologies for monitoring inequalities and intersecting forms of discrimination.
- The Global Recovery Observatory is a live database tracking and assessing COVID-19 rescue and recovery spending by the 50 largest economies for impacts on the environment and socio-economy. The Observatory gives users the opportunity to understand where governments are spending, and how they craft green investments. It is a natural port of call for governments looking to design recovery packages that align with their own national development priorities and support progress towards the SDGs, NDCs, and NBSAPs.

⁵⁵ <https://data.unwomen.org/women-count>