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Sustainable and resilient recovery from the coronavirus disease pandemic that promotes the economic, social and environmental dimensions of sustainable development: building an inclusive and effective path for the achievement of the 2030 Agenda for Sustainable Development in the context of the decade of action and delivery for sustainable development

Report of the Secretary-General

Summary

The coronavirus disease (COVID-19) pandemic has infected more than 152 million people and taken close to 3.2 million lives worldwide.^a The resulting crisis, while exposing many weaknesses of socioeconomic systems and policy frameworks, has also demonstrated that, when called upon, Governments and other stakeholders are capable of extraordinary and determined action. Importantly, the setbacks caused by the COVID-19 pandemic need not be permanent. The international community must work to gain the momentum necessary to achieve the Sustainable Development Goals by 2030 during the decade of action and delivery for sustainable development. It is particularly important at this point in time that countries use the COVID-19 recovery process as an opportunity for building back better by creating a strong foundation for sustainable development and enhanced resilience against future shocks. That can be done by gearing policy interventions towards strengthening human and planetary resilience and directing many of the resources earmarked for the recovery towards investment in the Goals. The COVID-19 recovery process can thus contribute to building a more sustainable and inclusive economy and robust universal health-care and social protection systems, and to protecting the planet. The present report is designed to provide information relevant to the high-level segment of the



2021 session of the Economic and Social Council, to be held in July 2021, and is complemented by the report of the Secretary-General entitled “Long-term future trends and scenarios: impacts in the economic, social and environmental areas on the realization of the Sustainable Development Goals” ([E/2021/61](#)).

^a World Health Organization (WHO), “Weekly operational update on COVID-19”, issue No. 53, 3 May 2021.

I. Introduction

1. In the present report,¹ economic, social and environmental strategies that countries could consider are highlighted, with a view to promoting a sustainable and resilient recovery from the coronavirus disease (COVID-19) pandemic and achieving the Sustainable Development Goals by 2030. The report includes analysis and policy recommendations to inform discussions at the high-level segment of the Economic and Social Council at its 2021 session. It draws on substantive contributions made by United Nations system entities, among others, and is complemented by the report entitled “Long-term future trends and scenarios: impacts in the economic, social and environmental areas on the realization of the Sustainable Development Goals” (E/2021/61).

2. Prior to the COVID-19 pandemic, global progress in the implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals had been made in a number of important areas.² That included reductions in extreme poverty and child mortality, and hepatitis being on the retreat, with the number of new chronic hepatitis B viral infections approaching zero. Globally, access to safe drinking water and electricity had increased, the proportion of the urban population living in slums was falling, and the coverage of terrestrial and marine protected areas had expanded and improved. Many countries had integrated the Goals into their national plans and strategies, and some had also linked the Goals to their national or local budgets.

3. Overall, however, prior to the COVID-19 crisis, the world was not on track to achieve most of the 169 targets under the Goals, including the 21 targets designated for implementation in 2020.

4. The COVID-19 pandemic has exposed the systemic and interlinked nature of risk in a tightly intertwined world, in which a health crisis can disrupt global trade and financial flows.³ The pandemic has thus created significant new risks for the implementation of the 2030 Agenda, in particular for the coming two to three years.

5. The impact of the COVID-19 pandemic has varied across Goals and the three dimensions of sustainable development. The global crisis has led to significant economic contraction and increased unemployment, which has led to the worst economic situation the world has faced in 90 years, with a huge impact on both developing and developed countries. In 2020, the global economy shrank by 3.6 per cent, which was significantly more than during the global financial crisis of 2007–2009. The latest estimates show real gross domestic product (GDP) per capita having declined by 4.6 per cent (see E/2021/58). The cumulative output losses during 2020 and 2021, which are projected to be nearly \$8.2 trillion, could wipe out almost all output gains over the previous four years.⁴ In addition, global public debt grew by approximately \$9.9 trillion in 2020 and the global unemployment rate increased by 1.1 percentage points to 6.5 per cent – the biggest increase since the Second World War. Furthermore, global trade decreased by 8.1 per cent in 2020 owing to major disruptions to global supply chains and tourism. In 2021, the modest 5.4 per cent

¹ The present report is submitted in accordance with the mandate provided by the General Assembly in resolutions 61/16 and 72/305, as well as resolution 74/298 on the review of the implementation of General Assembly resolution 67/290 on the high-level political forum on sustainable development, resolution 70/299 on the follow-up and review of the 2030 Agenda for Sustainable Development at the global level and resolution 72/305 on the strengthening of the Economic and Social Council.

² *The Sustainable Development Goals Report 2019* (United Nations publication, 2019).

³ *Financing for Sustainable Development Report 2021* (United Nations publication, 2021).

⁴ *World Economic Situation and Prospects 2021* (United Nations publication).

growth of the global economy projected in the report of the Department of Economic and Social Affairs entitled “World economic situation and prospects as of mid-2021” will barely offset the losses sustained in 2020 in most countries.

6. The COVID-19 pandemic has also had a severe impact on progress towards eradicating extreme poverty and hunger, pushing an estimated 114.4 million people into poverty in 2020, with women and girls disproportionately affected by job losses and assuming the extra burden of care. That figure includes 57.8 million women and girls. By 2030, as many as 797 million people could find themselves in extreme poverty, representing a poverty head count ratio of 9 per cent.⁵ By the end of 2020, the number of people facing acute food insecurity had doubled to about 265 million.

7. The massive stimulus measures adopted by governments, amounting to \$16 trillion as of March 2021, prevented a total collapse of the world economy and averted a great depression. Developed countries accounted for approximately 80 per cent of that amount. There are, however, small signs that those measures will boost long-term investment and create new jobs. Analysis also shows that the majority of the stimulus resources have gone towards business-as-usual activities and sectors.⁶ In addition, the stark disparity in the size of the stimulus packages rolled out by developed and developing countries risks putting them on different recovery paths. The group of the 46 least-developed countries, for example, only managed to increase direct and indirect fiscal support on average by 2.1 per cent of GDP, while the size of the stimulus for developed countries averaged 15.6 per cent of GDP. That disparity underscores not only the magnitude of the inequality that exists in the global economy, but also the need for greater international solidarity and support, including debt relief, for the most vulnerable group of countries. Many developing countries are now on the brink of a debt crisis. The financing of the stimulus measures entailed the largest peacetime borrowing in history, which has increased global public debt by some 15 per cent and will burden future generations unless a significant part of those resources is channelled into productive and sustainable investments and towards rekindling economic growth.

8. The COVID-19 pandemic has also laid bare the importance of digital technologies and digital skills in our lives. The provision of essential services, classrooms, workplaces and social lives have largely shifted online as a result of the pandemic. That development may have significantly accelerated the pace of digitalization, automation and robotization, which is likely to have a further impact on labour demand in the medium to long term. At the same time, the COVID-19 pandemic has exposed a major digital faultline within and between countries, with an estimated 3.7 billion people unable to harness the benefits of such technologies during the crisis. Women have been particularly affected by the new digital divide laid bare by COVID-19 owing to a lack of access to quality Internet connections, devices and skills.⁷ The digital divide is thus increasingly becoming an expression of inequality in the global economy.

9. One lesson from the COVID-19 pandemic is the critical role that social protection systems play in stabilizing household income and aggregate demand and in contributing to economic recovery. In almost all countries, the social protection systems were not equipped to deal with the sudden economic shock caused by the

⁵ Ibid.

⁶ United Nations Environment Programme (UNEP), “Green economy: building back better – the role of green fiscal policies”, policy brief, June 2020.

⁷ Inter-Agency Task Team on Science, Technology and Innovation, “COVID-19 exposes the gender digital divide, emerging science, frontier technologies, and the SDGs, perspectives from the United Nations system and science and technology communities”, report for the Science, Technology and Innovation Forum, 2021.

pandemic. As a result, some 190 countries and territories had to introduce or adapt in one way or another their social protection measures in response to the economic impact of COVID-19.⁸

10. Prior to the pandemic, only 45 per cent of the global population, or 3.2 billion people, were covered by at least one social protection scheme (target 1.3), leaving 55 per cent, or approximately 4 billion people, without any such security. The global numbers, however, mask significant regional differences. In Africa, for example, more than 80 per cent of the population has no social protection at all. Furthermore, only 29 per cent of the global population enjoys adequate social security, with 71 per cent, or more than 5 billion people not, or only partially, protected. Expenditure estimates also show that, worldwide, a relatively low share of public social protection expenditures is spent on persons of working age and children, with the weakest protections often provided to people with disabilities, who account for some 15 per cent of the global population.

11. Public health care is another critical element of the social dimension of sustainable development that has been put under enormous strain because of the COVID-19 pandemic. Prior to the pandemic, of the nine health-related targets, only target 3.2.1 (under-five mortality) and target 3.2.2 (neonatal mortality) were on track to be achieved by all countries by 2030. The world was also not on track to achieve universal health coverage by 2030. According to the most recent estimates by the World Health Organization (WHO) (2017) only between 33 and 49 per cent of the world population was covered by essential health services, and, in low-income countries, that percentage was between 12 and 27 per cent. Even prior to the pandemic, the global ratio for access to health services was projected to be between 39 and 63 per cent in 2030, well below the full coverage aspiration of the 2030 Agenda.

12. The COVID-19 pandemic has had a disproportionately severe impact on women, exacerbating gender inequality and reversing progress towards empowering women and girls to achieve their full potential. The occupations with the highest risk of COVID-19 infections are health professionals and personal care workers, of whom 70 per cent are women. Women, on the other hand, are often underrepresented in decision-making in most national and global health institutions. The social and economic impact of the pandemic on women overall has been significant, as they bear the brunt of care responsibilities and face a greater risk of domestic violence when family members fall ill or become unemployed, or when schools close. Globally, nearly one in five schoolchildren, or 320 million children, were also affected by school closures as of December 2020, which resulted in setbacks to their education and increased the risk of abuse or neglect at home.

13. While the impact of COVID-19 on the economic and social dimensions of sustainable development has been severe, it has generated short-term progress on many planet-related goals, as evidenced by global greenhouse gas emissions decreasing by 4 to 7 per cent in 2020 compared to the previous year, and many countries experiencing improved air and water quality and the regeneration of nature. Carbon dioxide (CO₂) emissions from international aviation, for example, fell by almost 45 per cent in 2020, according to the International Energy Agency, which is equivalent to taking approximately 100 million conventional cars off the road. There is, at the same time, evidence that the lockdowns caused by the pandemic have increased the total volume of household and disposable medical waste.⁹

⁸ Ugo Gentilini and others, *Social Protection and Job Response to COVID-19: A Real-time Review of Country Measures* (World Bank, 2020).

⁹ Ece Ikiz and others, "Impact of COVID-19 on household waste flows, diversion and reuse: the case of multi-residential buildings in Toronto, Canada", *Resource Conservation and Recycling*, vol. 164 (January 2021).

14. Despite the generally positive impact of the COVID-19 pandemic on the environmental health of the planet, the goal of limiting temperature increases to 1.5 degrees on Celsius by 2050, as set out in the Paris Agreement, is unlikely to be achieved without a sustained commitment by countries in this regard so that CO₂ emissions can be reduced by 45 per cent from 2010 levels by 2030, while continuing to drop off steeply thereafter in order to realize the net zero emissions target by 2050. Unfortunately, the world is far from achieving either of those targets, and, if pre-COVID-19 CO₂ emissions trends prevail, global temperatures could increase by 3.2 per cent by the end of the century. In their 2019 Global Sustainable Development Report, the independent group of scientists appointed by the Secretary-General warned that the Earth's natural system is at a tipping point, around which small perturbations can trigger an irreversible transition. The report pointed to several such trigger points, such as the melting of the Arctic summer sea ice and the Greenland and Antarctic ice sheets, and the shrinking of the area of the Amazon rain forest.

15. The differing impacts of the pandemic on the three dimensions of sustainable development demonstrate yet again that the current ways of achieving prosperity are in conflict with the health of the planet. The zoonotic nature of COVID-19 and other recent epidemics, such as severe acute respiratory syndrome (SARS), Middle East respiratory syndrome (MERS), Ebola virus disease and bird flu, highlight the importance of strengthening efforts to protect the planet. The upheavals caused by the COVID-19 crisis have created an opportunity to recognize that conflict in a more profound way and to undertake more energetic efforts to reach the Sustainable Development Goals during the current decade of action and delivery for sustainable development.

16. The COVID-19 experience shows that countries that made more progress in achieving the Sustainable Development Goals were better able to deal with the impact of the pandemic. For example, countries that achieved access to clean water (Goal 6), reduced the number of people living in slums (Goal 11) and decreased the prevalence of pre-existing health conditions such as non-communicable diseases (Goal 3) had more success in mitigating the COVID-19 risk.¹⁰ Progress in smartphone and Internet penetration (Goal 9) also enabled countries to ensure more effective communications between the public and the authorities, which was often critical for the successful containment of the pandemic.

17. While the overall impact of the COVID-19 crisis has been unprecedented in scale and scope, it has not affected all countries and people in the same way, and the setbacks caused by the pandemic need not be permanent. The COVID-19 crisis can thus be used as an opportunity to better recover. That can be achieved by gearing policy interventions towards strengthening human and planetary resilience and directing much of the resources earmarked for recovery towards investment in achieving the Sustainable Development Goals. The COVID-19 pandemic has clearly demonstrated the need for countries to strengthen their economic, social, environmental and climate resilience capacities. It has also highlighted the interdependence of national public health-care systems, which are no stronger than the weakest one. While the crisis has highlighted many of the weaknesses of our socioeconomic structures and policy frameworks, it has also shown the extraordinary capacity of governments and other stakeholders to take determined action when called upon.

¹⁰ S. Nazrul Islam and others, *Variations in COVID Strategies: Determinants and Lessons*, DESA Working Paper, No. 172 (November 2020).

II. Sustained and resilient recovery from COVID-19 through effective rebuilding of the economic, social and environmental dimensions of sustainable development

18. Overall, COVID-19 has been a tragedy. The crisis, however, has also revealed in a new way the importance of sustainable development and has offered valuable lessons that can be used to make progress in achieving the Sustainable Development Goals. As the saying goes, every cloud has its silver lining. Despite the deaths, deprivation, hardships and other setbacks, the pandemic has provided some opportunities. Global greenhouse gas emissions have decreased as a result of COVID-19, air and water quality has improved, and some regeneration of nature has been witnessed, as highlighted above, although those may be only short-term gains. Increased awareness of the critical importance of robust public health and social protection systems can also serve as another silver lining and help in efforts to achieve the Goals.

19. The COVID-19 crisis requires governments all over the world to respond with extraordinary determination. A sustainable and resilient recovery from the pandemic will demand a commitment of a similar magnitude so that countries can build back better by putting in place an inclusive and effective path for the achievement of sustainable development, including the Sustainable Development Goals, by 2030.

20. It is particularly important in this regard that the global recovery efforts prioritize avoiding a great divergence of countries in rebuilding the economic, social and environmental dimensions of sustainable development. That highlights the need to provide equitable access for all countries to vaccines, diagnostic and therapeutic measures and, for the developing countries most affected, emergency financing.

21. The present section lists the different recovery strategies that countries could consider with a view to strengthening the economic, social and environmental dimensions of sustainable development, including the achievement of the 2030 Agenda for Sustainable Development.

A. Pursue a more sustainable and inclusive economic recovery

22. The insufficient global progress thus far in achieving the Sustainable Development Goals, including on climate change and biodiversity, increases the importance of COVID-19 recovery measures being aimed not only at returning the economy to pre-pandemic levels, but also at directing resources towards a more sustainable, inclusive and planet-friendly development path. Building resilience and sustainability in the economy is critical to ensuring the recovery is not derailed from the sustainability track to which world leaders have committed under the Sustainable Development Goals.

23. The shift towards a planet-friendly economic recovery is particularly important if the world is to stay within the 1.5 degrees Celsius threshold by 2050 set by the Paris Agreement on climate change, and to increase the resilience of economies to future shocks. The transition towards a greener economy has also become more feasible through the recent commitment, by the countries accounting for more than 65 per cent of global CO₂ emissions, to carbon neutrality by 2050 and the introduction of many new clean energy technologies that are increasingly cost-competitive with their fossil-fuel alternatives. The World Bank estimates that \$1 million invested in the oil and gas sector would create just 5 jobs, compared to 17 jobs if the same amount were invested

in energy-saving building retrofits; 22 jobs for mass transit; 13 for wind; and 15 for solar.¹¹

24. A well-planned and executed planet-friendly recovery package would not only produce favourable environmental outcomes but can be expected to generate high rates of return, create jobs and generate long-term cost savings as well. That could include building clean energy infrastructure, which is labour intensive, and likely to create more employment per dollar than fossil-fuel investments. Such a recovery package could include investments in improving the energy efficiency of buildings, education and training, natural capital preservation and clean energy research and development.

25. A planet-friendly economic recovery package could also include levying or increasing carbon taxes and winding down fossil fuel subsidies, allowing market prices to provide signals that encourage sustainable consumption and investment in society. The stabilization of oil prices is likely to make the introduction of a carbon tax and the lowering of fossil fuel subsidies more acceptable to the public and thus less politically sensitive. Inefficient and ineffective agricultural subsidies could also be repurposed and redirected towards strengthening smallholder farmers and scaling up nature-based farming practices. Fiscal policies and other market-based mechanisms could therefore play an important role in transforming agriculture and food systems through incentives that shift production and consumption behaviours toward more sustainable practices. Environmental taxation could also raise additional public revenues, which could be used to finance recovery efforts and support needed investments in priority sectors such as health, education, agriculture and the rural economy. In 2020, the International Monetary Fund estimated that a carbon tax of \$75 per ton would increase pump prices by less than the overall decline due to falling oil prices.¹²

26. Those in low-skilled and low-paid employment have been particularly hard hit by the COVID-19 pandemic. The situation is particularly dire for young people. It is therefore important that economic recovery measures target that group in order to prevent long-lasting damage to the labour market prospects of young people. That will require governments to put in place forward-looking employment frameworks that target employment growth for young people. Recovery measures can also ensure that support is channelled to those sectors that have the potential to create decent and productive employment for specific groups in society, such as young people.

27. It is estimated that the acceleration of the structural transformation of energy systems, smarter urban development, greater emphasis on sustainable land-use and water management, and the shift towards a circular industrial economy could deliver cumulative economic gains of \$26 trillion between now and 2030, compared to the business-as-usual scenario.¹³ These strategies could also generate over 65 million additional low-carbon jobs by 2030. The gains would be particularly pronounced in countries that opt to invest in complementary infrastructure and institutions that help to foster more effective markets that actively promote the realization of the commercial potential of the green sectors.

28. Harnessing the potential of digital technologies and enhancing digital skills, particularly in developing countries, is another key economic strategy for achieving sustainable development. The COVID-19 pandemic has accelerated the trend towards a digitalized and networked world, and the adoption of these technologies and the development of the necessary digital skills may be key to the economic survival of

¹¹ UNEP, “Green economy: building back better”.

¹² Ibid.

¹³ New Climate Economy, *Unlocking the Inclusive Growth Story of the 21st Century: Accelerating Climate Action in Urgent Times* (Washington, D.C., 2018).

both developing and developed countries in the long run. There is a genuine risk that developing countries will face even greater inequalities than before if they are not able to embrace the ground-breaking digital technologies that have already been a major tool in combating the pandemic. The income gap between developed and developing countries increased in real terms, from \$17,000 in 1970 to nearly \$41,000 at present, and that gap could grow even larger in the coming decade if the digital divide is not closed. Ending the digital divide is also critical to advancing human development around the world.

29. The International Telecommunication Union estimates that it could cost \$428 billion to provide an Internet connection to the current 3.7 billion people without access, which includes meeting the costs associated with infrastructure needs, enabling policy and regulatory frameworks, and building basic digital skills and local content needed to extend networks to unserved communities. Ensuring the inclusion of all groups in the digital revolution will require a “whole of society” and a “whole of government” approach. The array of digital solutions available for life after COVID-19, with a current market value in excess of \$350 billion, is likely to be worth over \$3 trillion by 2025, making it critical for developing countries to invest in training and infrastructure in order to be a part of that technological revolution.

B. Build robust and universal health-care and social protection systems

30. An analysis of COVID-19 experiences shows that many countries took emergency measures to strengthen their health-care, social protection and overall governance systems to deal with the pandemic.¹⁴ Of all the determinants of COVID-19 performance, the most important proved to be the health-care system (Goal 3), social protection system (Goal 1 and 8) and overall governance system (Goal 16). The success of the post-COVID-19 recovery process will thus depend to a significant extent on whether countries can sustain and further build on these emergency measures, thereby laying a strong foundation for the revitalization of the social dimension of sustainable development.

31. Rebuilding public health-care systems in developing countries is particularly important as a strategy to strengthen the social dimension of sustainable development. High priority could be accorded to scaling up primary health-care services, with the objective of expanding the access of the poorest and most vulnerable members of the society to affordable services of good quality. Greater use of technology and telemedicine could be an important part of such a strategy. WHO estimates that the current level of total global health spending would need to be increased by approximately 5 per cent of GDP to achieve universal primary health care. For most countries, increasing domestic spending on health care by 1 per cent of GDP could be a good starting point. However, for low-income countries, that would neither be affordable nor sufficient, and additional financial support from development partners would be critical.

32. Building a strong primary health-care system in each country is also important in a highly interconnected world, as discussed earlier. Prior to COVID-19, WHO estimated that progress towards universal health-care coverage would need to double at least if the world was to achieve Goal 3 by 2030. That would require an additional \$200 billion annually until 2030 to scale up primary health services and another \$170 billion to strengthen overall health systems. Together, that would represent the additional 5 per cent increase in global health spending referred to above. WHO

¹⁴ *Sustainable Development Outlook 2020: Achieving the SDGs in the wake of COVID-19 – Scenarios for Policy-Makers* (United Nations publication, 2020).

estimated that an investment of that magnitude could save 100 million lives by 2030. However, the COVID-19 pandemic is likely to have raised these cost estimates further. In many countries, particularly developing countries, there is also a need to invest in shock-proofing health systems for possible future global pandemics, including through further strengthening of legal frameworks, systems and institutional capacities.

33. Building back better social protection systems has also become critical in the post-COVID-19 era. In particular, high priority could be accorded to achieving target 1.3 by 2030 (nationally appropriate social protection systems for all, including floors); shock-proofing social protection systems; and adapting them to the rapidly growing digital economy. The average incremental cost for all developing countries of achieving target 1.3 is estimated at 1.6 per cent of GDP, or \$56 billion annually, based on a sample of 57 countries.¹⁵ Many upper-middle-income countries have already established such universal social protection schemes for vulnerable segments of society, which lowers the average cost for developing countries as a group. For low-income countries, the average cost is estimated at 4.2 per cent of GDP. While some developing countries have the fiscal space to develop nationally appropriate social protection floors for vulnerable groups, others would need to extend such benefits to their population in stages. The objective should be to ensure that 100 per cent of the global population has access to at least one of the four main components of the nationally appropriate social protection floors (target 1.3) by 2030.

34. There are several options for financing the implementation of target 1.3 in developing countries, including: reallocating public expenditures; increasing tax revenues; expanding social security coverage and contributory revenues; providing official development assistance; eliminating illicit financing flows; and managing debt, including borrowing, or restructuring existing debt. Governments could replace high-cost, low-impact investments with those offering higher socioeconomic returns, identified, for example, by undertaking public expenditure reviews, while also reducing spending inefficiencies and tackling corruption. That could include shifting budget allocations away from military expenditures to social protection programmes. Military expenditures in developing countries account for some 40 per cent of the average cost of a social protection floor package. Another measure would be to curtail illicit financing flows, which account for some 10 per cent of GDP in many developing countries, a staggering amount when compared to the necessary investments in social protection floors. Overall, there are enough resources to cover the financial cost of the social protection floor in developing countries (target 1.3), with international support and capacity-building to help countries shape, implement and finance the necessary measures.

35. Social protection systems must also cope with the ongoing transition of a significant number of workers to digital platforms and a more precarious employment environment. While such new forms of employment provide greater flexibility to enterprises and workers and lower the cost of services for clients, they also often translate, for workers, into lower and more volatile earnings and higher levels of income insecurity, inadequate or unregulated working conditions, and no – or limited – social protection. It is difficult to identify the party responsible for contributing to social insurance since neither the buyers (those requesting the service) nor the organizers (the digital platforms) may recognize an employment relationship entailing responsibilities concerning social protection. Several policy options could help to address those gaps. For example, the coverage of legislative frameworks could

¹⁵ Isabel Ortiz and others, *Universal Social Protection Floors: Costing Estimates and Affordability in 57 Lower Income Countries*, ILO Extension of Social Security Working Paper, No. 58 (Geneva, International Labour Office, 2017).

be broadened to include workers on digital platforms, who are almost invariably classified as independent contractors and thus lack social protection. Minimum thresholds on enterprise size, working time or earnings for contributions could also be lowered or removed in order to expand social protection coverage to all workers and create a level playing field for all employers. In addition, it could be possible to simplify administrative and financing requirements, for example by using mobile platforms.

C. Sustainable recovery and protecting the planet

36. The COVID-19 pandemic had a positive, albeit likely short-lived impact on many planet-related Sustainable Development Goals, as discussed earlier. The question is whether countries can build on lessons learned during the crisis to sustain that progress on the regeneration of nature during the economic recovery phase. The Aichi Biodiversity Targets of the Convention on Biological Diversity, established in 2010, may provide a model for how international cooperation can play an important role in furthering the protection of the planet. The Aichi Targets call for the protection of at least 17 per cent of terrestrial land and inland water and 10 per cent of coastal and marine areas by 2020. A recent assessment by the global partnership on Aichi Target 11 informs that, as of September 2019, the first measure has reached 15 per cent and the second 7.8 per cent. These achievements in conservation demonstrate that active national policy measures and robust international cooperation can make a big difference when it comes to protecting the planet and thus lend some optimism to what can be achieved during the COVID-19 recovery phase.

37. It will be particularly important to use the COVID-19 recovery phase to accelerate the process of decoupling economic growth from environmental degradation, including further increases in CO₂ emissions. That will require investments in the green economic recovery package discussed above, but also major progress in areas such as the development of clean energy infrastructure; renewable energy sources; improved batteries; smart grids; new fuels; electric vehicles; and carbon capture and sequestration technologies. Coal, for example, still accounts for approximately 40 per cent of electricity, and its share must decrease to approximately 26 per cent by 2040 in order to achieve the CO₂ emissions target of the Paris Agreement, according to the International Energy Agency. The cost of electricity generated from renewables such as solar and wind has decreased significantly and is now competitive with fossil fuel energy sources. It is important for countries to capitalize on that opportunity if the COVID-19 recovery process is to contribute to sustainable development.

38. The development of lower cost and higher capacity lithium batteries is also making it more economical to shift to the use of renewables as an energy source. Further investment in smart grids is similarly critical for building clean energy infrastructure and making renewable energy sources more accessible to customers over long distances. The development of new fuels such as hydrogen is also making it possible to expand the share of emission-free energy sources, as part of a strategy to combat climate change. Another area likely to play an important role in limiting global temperature increases is the development and rapid commercialization of electric vehicles. Considerable carbon capture and sequestration may also be required in order to materially reduce the volume of CO₂ in the atmosphere.

39. The global ecological footprint of the current material consumption and production patterns exceeds the Earth's biophysical capacity by 1.8 times.¹⁶ This means that, for a long time, economic and social progress has been driven by over-

¹⁶ *Sustainable Development Outlook 2020: Achieving the SDGs in the wake of COVID-19.*

exploitation of natural resources and that strategy is now endangering the systems on which future economic progress depends. For example, approximately 1.3 billion tons of food waste are generated each year as a result of unsustainable practices. The COVID-19 recovery provides an opportunity for countries to reverse that course by shifting in a major way to sustainable consumption and production processes. Increasing resource efficiency, particularly in agriculture, and the promotion of more sustainable lifestyles will be particularly important in this regard.

40. Recent analysis by the Food and Agriculture Organization of the United Nations shows that the Sustainable Development Goal targets for ending hunger and achieving food security can be achieved with a modest expansion of agricultural output, as long as agricultural systems become more sustainable and food is more equitably distributed across and within countries. In that scenario, production processes experience a shift towards more sustainable, less resource-intensive technologies and a circular economy, in response to changing consumer preferences. That transition would involve greater emphasis on conservation and organic farming, which would make it possible to reduce both CO₂ emissions and unsustainable land use by 2030.

41. The new digital technologies also offer many opportunities to achieve the goal of sustainable consumption and production. The Internet, for example, has made “working from home”, or telecommuting, possible. Further development of 3D printing and additive manufacturing will make the congregation of large numbers of people in one place for production purposes less necessary. These new technologies have the potential to fundamentally alter business models and redefine the notion of comparative advantage by facilitating scale-independent, efficient production closer to the consumers. That would contribute to greater resource efficiency and an increased consumption of digital products, thereby facilitating the achievement of Sustainable Development Goal 12. It is critical for developing countries to strengthen their national innovation systems if they are to be able to effectively capitalize on the opportunities offered by the new technologies.

42. The time has also come to rethink the yardsticks used to measure well-being. The flaws inherent in using GDP as a measure of well-being have long been recognized, and practical steps to modify the definition and methodology of computing such an important indicator must be accelerated. The damage done to the environment as the result of the current consumption and production patterns, for example, must be accounted for when measuring economic growth. There is a need to continue and further strengthen the efforts currently under way in the Statistical Commission with the support of the Statistics Division of the Department of Economic and Social Affairs to improve such measurements.

D. Effective multilateral cooperation and partnership

43. COVID-19 has shown that cooperation and partnership among countries are essential for effectively combating the pandemic and its socioeconomic impact. The zoonotic nature of COVID-19 also highlights the importance of countries reaffirming their commitment to strengthening international cooperation to decrease the global pressure on nature, so as to reduce the likelihood of the emergence of such pandemics and similar global challenges in the future.

44. Countries also have a common interest in enhancing the capacity of the global public health system in order to ensure that it is able to withstand and deal with pandemics such as COVID-19 if they arise. The global public health system can be only as strong as it is in the weakest country. Consequently, strengthening of the health-care system in countries that are particularly deficient in this regard is no longer a task for those countries alone, but for the global community as a whole.

Strong cooperation and partnership among all countries are needed to accomplish that task.

45. The mitigation of the shrinking fiscal space of developing countries is another task that requires strong multilateral cooperation, as that condition constrains their capacity to strengthen national health-care systems and other public services, as a critical element of a sustainable and resilient recovery strategy from the pandemic. Capital flight from developing countries is high, commodity prices and remittances have dropped considerably during the pandemic, and trade restrictions and declines in air traffic are reducing their export revenue, and all of these factors are compounded by the loss of income in some sectors such as tourism. In this context, many developing countries are severely constrained by debt servicing obligations, which stand in the way of investment in a sustainable and resilient recovery that strengthens the three dimensions of sustainable development. Overcoming these barriers requires effective multilateral cooperation to ensure that developing countries have adequate fiscal and policy space to respond to the pandemic and simultaneously plan and implement an effective recovery strategy.

46. It is often the gaps in the international financial architecture, or policy incoherence at the national and global levels, that undermine financing for sustainable development. The COVID-19 crisis has thus opened space to “future-proof” the policy and institutional architecture at the country, regional and global levels. That would entail updating tax policies, capital market rules, development cooperation, competition policies and trade, debt and financial sector regulations, to ensure that they are in line with the new realities, including an increasingly digitalized economy and the systemic nature of risk.¹⁷

47. Meeting existing international development cooperation commitments, along with greater access to concessional finance, is particularly important for developing countries at the outset of their COVID-19 recovery process. Depending on country circumstances, additional measures may include a moratorium on debt service payments, debt restructuring, the use of special drawing rights and building participatory and inclusive tracking mechanisms to ensure that funds are directed towards the social sectors as part of a building back better strategy. Reducing the cost of remittances can also help spur the recovery after the crisis and greatly assist in restoring household consumption in recipient countries. Incentives are also needed to encourage increases in foreign direct investment in developing countries to support recovery efforts and social assistance. The public spending plans of developing countries can communicate national priorities in this regard, with which the private sector and others can then align themselves.

48. Thus, the sustainability and resilience of the COVID-19 recovery process will be heavily influenced by the effectiveness of multilateral cooperation and partnership. If countries indulge in ill-feeling and acrimony towards each other, and the different stakeholders fail to forge the necessary partnership, the COVID-19 recovery process is unlikely to have an important impact on the achievement of the Sustainable Development Goals. On the other hand, if all countries and stakeholders can see the writing on the wall and move forward to further strengthen multilateral cooperation and partnership, the likelihood of a sustainable and resilient recovery from the COVID-19 pandemic would be greatly enhanced.

¹⁷ *Financing for Sustainable Development Report 2021.*

III. Mobilizing the support of the United Nations system for a sustainable and resilient recovery from COVID-19

49. From the outset of the pandemic, the United Nations system has led the global health emergency response and also provided life-saving humanitarian assistance to the most vulnerable people in programme countries. Under the leadership of WHO, the entire United Nations system was mobilized early on to combat the pandemic through measures such as distributing medical supplies; training health-care workers; building testing and tracing capacities; and preventing the spread of the virus.

50. As the United Nations country teams and resident coordinators in programme countries rallied around WHO to support the health response, the United Nations Sustainable Development Group launched the framework for the immediate socioeconomic response along with the global humanitarian plan. That framework mobilized the support of the United Nations development system, under the coordination of the resident coordinators and the technical lead of the United Nations Development Programme, and leveraged the wider system in support of the socioeconomic work. The preparation of the COVID-19 socioeconomic impact assessments was at the core of the response by United Nations country teams. They were followed by the development of 121 socioeconomic response plans covering 139 countries and territories to support governments with a rapid and well-coordinated response. The promotion of a planet-friendly and sustainable recovery has been the thread running through the socioeconomic response plans.

51. In September 2020, the Secretary-General launched a comprehensive strategy for supporting the financing of the response and recovery of programme countries from COVID-19. The strategy stressed, in particular, the need to ensure that the national recovery process in programme countries is designed with a view to capitalizing on opportunities for building back better and by pursuing opportunities for transformative societal change.

52. A sustainable and resilient recovery from COVID-19 will depend in large part on the equitable distribution of vaccines to all countries. Towards that end, WHO, in cooperation with international partners, launched last year the Access to COVID-19 Tools (ACT) Accelerator, which includes the COVAX Facility to speed up the search for and distribution of an effective vaccine for all countries. That major multilateral initiative is supporting the building of manufacturing capabilities and buying supply ahead of time so that 2 billion doses can be equitably distributed to approximately 190 countries and territories by the end of 2021. In late February 2021, the COVAX Facility distributed its first 11 million doses to countries in West Africa and Latin America. By the end of May 2021, the COVAX Facility expects to distribute approximately 237 million doses to 142 countries.

53. At the country level, the resident coordinators in programme countries bear the primary responsibility for coordinating the support of the United Nations system towards the development and implementation of nationally owned response and recovery strategies. That effort is supported by the United Nations COVID-19 Response and Recovery Fund established by the Secretary-General at the global level to assist low- and middle-income programme countries build back better from the socioeconomic impact of the pandemic. The Fund complements other COVID-19 support initiatives led by WHO and the Office for the Coordination of Humanitarian Affairs.

54. The United Nations system has also launched a solutions catalogue to support the work of the United Nations COVID-19 Response and Recovery Fund. The catalogue consists of 206 programmes, which have been assessed by the resident

coordinators as the most critical, urgent and under-funded projects derived from the socioeconomic response plans and developed by 104 programme countries.

IV. Conclusion

55. While the impact of the COVID-19 crisis has been unprecedented in its scope and scale, it has not affected all countries and all people in the same way, and the setbacks caused by COVID-19 need not be permanent. We must work to get on track to move ahead towards the achievement of the Sustainable Development Goals during the decade of action and delivery for sustainable development.

56. It is particularly important that countries convert the COVID-19 crisis into an opportunity for recovering better. That can be achieved by gearing policy interventions toward strengthening human and planetary resilience and directing much of the resources earmarked for recovery toward investment in achieving the Sustainable Development Goals. While the COVID-19 crisis has exposed many of the weaknesses of our current socioeconomic structures and policy frameworks, it has also demonstrated that governments and other stakeholders are capable of extraordinary and determined action, when called upon.

57. A sustainable and resilient recovery from COVID-19 will require countries to adopt policies that drive fundamental transformation towards sustainable development; eradicate poverty and hunger; rein in inequalities, including gender inequality; accelerate the energy transformation and take decisive and effective action against climate change; and halt biodiversity losses and environmental degradation.

58. The COVID-19 outbreak also underscores how interconnected the world has become and why multilateral cooperation is critical to achieving a sustainable and resilient recovery for countries both individually and collectively. It is thus important that the COVID-19 experience not be used as an excuse to weaken multilateral cooperation and partnership, but rather to renew the spirit that characterized the adoption of the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change.

59. The present report makes the following recommendations, as Member States embark on a process to achieve a sustainable and resilient recovery from the COVID-19 pandemic during the decade of action and delivery for sustainable development:

(a) Countries could pursue a sustainable, inclusive, and planet-friendly economic recovery from COVID-19, as a strategy aimed at overcoming deprivation and inequality and producing favourable economic, social and environmental outcomes, job creation, long-term cost savings and the achievement of the Sustainable Development Goals by 2030. A green recovery strategy calls for structural transformation of energy systems; smarter urban development; greater emphasis on sustainable land use and water management; and a shift towards the circular economy, along with a major commitment to investments in human capital and skills development in society;

(b) It is particularly important that the COVID-19 response and recovery plans address long-term gender inequality in society and empower women and girls to achieve their full potential. That could include transforming the inequities of unpaid care work into a new, inclusive care economy; ensuring that socioeconomic strategies have a strong focus on improving the lives of women and girls; providing essential services to prevent and address violence against women and girls; and improving the availability of sex-disaggregated data for COVID-19 incidence, hospitalization and testing;

(c) Developing countries in particular must strengthen their policy, institutional and human resources capacities to harness the potential of digital technologies in pursuing the achievement of the Sustainable Development Goals during the decade of action and delivery for sustainable development. At the global level, multilateral cooperation and solidarity on digital matters should be expanded. Countries could seek consensus on broad principles and common institutions to resolve collective problems in that area. The purpose of such cooperation could be to ensure that the benefits of the data economy are used to build a more resilient, healthier and fairer global society;

(d) The shift towards a planet-friendly economic recovery could include significant new investments in areas such as clean energy infrastructure, renewable energy sources, low-cost and high-capacity batteries, smart grids, new fuels, electronic cars, and carbon capture and sequestration technologies;

(e) It is especially critical that all countries, in particular developing nations, put in place the necessary legal, policy and institutional measures to enable them to build back better social protection and health-care systems as part of their strategy to achieve sustainable and resilient recovery from the COVID-19 pandemic. That includes stepping up international solidarity with developing countries and ensuring that social protection systems are able to cope with the ongoing transition towards the digital economy;

(f) Member States must build on the CO₂ reductions achieved during the COVID-19 pandemic by committing to rapid and sustained action during the decade of action and beyond, in order to achieve net zero emissions by 2050 and limit global warming to 1.5 degrees Celsius by the end of the century. That will require 45 per cent reductions in global CO₂ emissions by 2030. In parallel, Member States must design and implement adaptation strategies to cope with the unavoidable impacts of climate change and protect their communities;

(g) The United Nations system has an important role to play in supporting programme countries in developing and implementing sustainable and resilient recovery strategies from COVID-19, with the achievement of the Sustainable Development Goals by 2030 serving as the loadstar. That will call for a strong commitment by all United Nations entities to common approaches in planning, programming and implementation of country-level activities and effective partnership between the United Nations system and Member States at all levels.