COVID-19 RECOVERY: BUILD BACK BETTER

Vol.3/September/2020
HOW COVID-19 AFFECTS WORLD HEALTH AND ECONOMY

A global health catastrophe causing a death of almost 881,000 people from 27,000,000 cases by the first week of September 2020 (WHO, 2020)

ECONOMIC

The global economy will shrink by 5.2% (World Bank, 2020).
COVID-19 to plunge global economy into worst recession since World War II
Reaching the recovery from COVID-19 is considered to be very challenging as 70 countries are still dwelling in response & trough phase, including Indonesia.
Number of the poor increased by 1.63 million people in March 2020, compared to September 2019. (WHO, 2019)

Indonesia remains the country with the highest number of COVID-19 confirmed cases (more than 135,000) and the highest death toll (6,000 deaths) in Southeast Asia as of August 2020.

Nearly three quarters of people in least developed countries lack basic handwashing facilities at home which become vulnerable to be exposed to disease, including COVID-19.
7. Affordable and Clean Energy

Oil price drops could lessen the government’s commitment to encourage the transition to renewable energy.

8. Decent Work and Economic Growth

Economic activities suspended; lower income; less work time; increased unemployment for certain sectors and job types.

12. Responsible Consumption and Production

During quarantine, the change in transaction method of consumption of goods would drive up the generation of household waste. In Jakarta, the additional medical waste due to COVID-19 is predicted to be 212 metric tons per day.

15. Life on Land

Increased agricultural activity as an alternative livelihood during COVID-19 would promote forest conversion. This condition poses the risk of zoonotic diseases.
Why is Sustainable Recovery needed?

"...sustainable recovery will enhance economic and environmental resilience, create jobs, and improve health and wellbeing in both rural and urban communities."

"...if sustainably designed, these improvements in health care and social protection can build resilience to future shocks, including natural disasters and the impacts of climate change."
HOW TO ADDRESS SUSTAINABILITY AGENDA IN ECONOMIC RECOVERY FROM COVID-19

**Prioritizing Sustainable Sector**
- Sustainable agriculture to support food security issue and environmental risk
- Social forestry and sustainable forest management
- Promoting cleaner energy mix and energy efficiency
- Promoting sustainable ocean economy

**Refocusing on Project Infrastructure**
- Climate resilience infrastructure
- ICT infrastructure for equitable education
- Sustainable waste management
- Public transportation

**Employment Promotion**
- Incentive for businesses to absorb employment
- Supporting employee skill transition to potential recovery sectors
- Enhancing nationwide job placement platforms

**Multiplying the Benefit of Cash Transfer**
- In order to gain both environmental and social outcomes, we could put conditionality on cash transfer, such as:
  - Sustainable practice of agriculture & fisheries
  - Better household waste management
Making Financing Stimulus Impactful
Adding condionality that supports SDGs’ achievement into the loan support program:
- Financing green sector
- Reducing environmental risk of business operation
- Empowering women and vulnerable people

Managing National and Local Budget Sustainably
- Optimizing tax revenue from extractive resources
- Spending better by reducing unnessecary subsidy and improve spending efficiency

Moving Towards Innovative Financing Instruments
- Green bonds/sukuk
- Social impact bonds
- Impact investments
- Sovereign wealth fund
- Debt for climate swaps

Strategic and Responsive Government for Effective Program Implementation
- Improving database and promoting ICT for smart program delivery
PUBLISHED BY:

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