

# **ACHIEVING THE SDGs THROUGH A SUSTAINABLE AND JUST TRANSITION: CHALLENGES AND RESPONSES TO COVID-19**

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## Introduction

As European countries are recovering from the immediate impacts of the Covid-19 pandemic and the numbers of new infections are, at the time of writing this Discussion Paper, decreasing, governments across Europe are starting to consider how the long-term economic, social and environmental impacts of this health crisis can be mitigated following the shutdown. This Discussion Paper for the 18<sup>th</sup> ESDN Workshop (held virtually on 24 June 2020) examines how this recovery can be designed in a way that does not jeopardise recent positive achievements in sustainable development overall, the SDGs in particular, and to avoid quick fixes that may potentially turn out to be unsustainable.

The 18th ESDN workshop, entitled “Achieving the SDGs through a Sustainable and Just Transition: Challenges and responses to COVID-19”, will reflect upon how the recovery from Covid-19 can set Europe firmly on the path of sustainable development and achieve the SDGs. As governments roll out substantial stimulus and recovery packages to revive the economy and society, many are considering the environmental aspect and are channelling investments, stimulus and recovery packages into policy actions that require more environmentally sustainable measures to secure these funds.

The first chapter of the Discussion Paper discusses the economic, social and environmental impacts of the Covid-19 crisis and presents a number of proposals from international organisations and stakeholder institutions on how to mitigate these impacts in a sustainable way. The second chapter examines the European Union’s recovery plan that was presented to the public at the end of May 2020 and is being negotiated by the heads of states at the time of writing this Discussion Paper. The third and final chapter will present an overview of the results of a survey of the ESDN National Focal Points, who are representatives of national government ministries in Europe who are responsible for sustainable development policy in their respective administrations. The NFPs were asked to answer three questions about the role that sustainable development plays in their respective government’s recovery plan.

# Chapter 1: Impacts of Covid-19 on Sustainable Development and Proposed Policy Solutions

The Covid-19 crisis is the “worst human and economic crisis of our lifetimes”, argues the UN General Secretariat in their 2020 annual [Sustainable Development Goals \(SDG\) report](#).<sup>1</sup> While the world was not on track to achieve the SDGs by 2030 to begin with, the SDG report states that some positive achievements will now be reversed, and in some areas, developments will be set back by at least a decade if there is no targeted and internationally coordinated effort to prevent this from happening. Most evidently, Covid-19 is devastating health systems around the world. Additionally, the lock down measures and shutting down of economies threaten to exacerbate extreme poverty and advances in education, as over 90% of the global student population has been affected by school closures. In order to reverse these setbacks, the report estimates that 10% of global GDP would have to be mobilized.<sup>2</sup>

The next several pages of this Discussion Paper outline the economic, social, and environmental impacts of the global Covid-19 pandemic and discuss some of the policy solutions that have been brought forward by international organisations and selected stakeholder institutions that published on Covid-19 and how to address its impact from a sustainable development perspective.

## Economic Impacts and Suggested Solutions

On top of the immediate health crisis, the whole world is facing an **economic recession**. Many countries are facing GDP losses of up to 20%. For the Eurozone, the OECD projects an overall decrease in GDP of 9%, which could reach 11.5% if a second wave of the Covid-19 outbreak hits Europe later this year. In this case, the [OECD estimates](#) that **Europe will reach pre-Corona economic output levels only at the end of 2021**.<sup>3</sup>

The economic crisis accompanying Covid-19 has exposed social and economic struggles in communities around the world. The inequalities within and between countries have not only become visible, but were exacerbated by the crisis. Both, the virus and the economic shutdown, have disproportionately affected the poorest and most vulnerable people globally. Also in Europe, there has been a vast disparity in the number of deaths between different countries despite the economies of Europe being the most homogenous compared to any other region in the world.<sup>4</sup>

According to the [World Business Council for Sustainable Development](#) (WBCSD), the health crisis has revealed the **scale of systemic risks** we face and the **lack of resilience** that is built into the current economic system and operating models. One of these is our dependence on economic growth. This is likely one of the reasons why governments were initially so reluctant to shut down, as they wanted to

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<sup>1</sup> United Nations Economic and Social Committee. 2020. "Progress Towards The Sustainable Development Goals- Report Of The Secretary-General". <https://sdg.iisd.org/news/un-secretary-general-releases-2020-sdg-progress-report/>. (p.2)

<sup>2</sup> United Nations Economic and Social Committee 2020

<sup>3</sup>OECD. 2020. "OECD Economic Outlook 2020 Preliminary Version". [https://www.oecd-ilibrary.org/sites/0d1d1e2e-en/1/3/1/index.html?itemId=/content/publication/0d1d1e2e-en&\\_csp\\_=bfcaa0426ac4b641531f10226ccc9a886&itemIGO=oecd&itemContentType=](https://www.oecd-ilibrary.org/sites/0d1d1e2e-en/1/3/1/index.html?itemId=/content/publication/0d1d1e2e-en&_csp_=bfcaa0426ac4b641531f10226ccc9a886&itemIGO=oecd&itemContentType=).

<sup>4</sup> United Nations Department of Economic and Social Affairs. 2020. "UN/DESA Policy Brief #65: Responses To The COVID-19 Catastrophe Could Turn The Tide On Inequality". <https://www.un.org/development/desa/dpad/publication/un-desa-policy-brief-65-responses-to-the-covid-19-catastrophe-could-turn-the-tide-on-inequality/>.

keep the economy running as long as possible.<sup>5</sup> On the long term, this has probably exacerbated both the health and economic crises. Especially in countries without strong social safety nets, this has led to a humanitarian crisis. Additionally, the focus on efficiency and short-term value by businesses counteracts resilience of supply chains and production systems.<sup>6</sup>

For businesses, the WBCSD recommends to **focus on the three “Rs”: Responsibility, Resilience, and Regeneration**, especially companies that receive government bailouts, as they will come under intensified scrutiny regarding the building of cash reserves and abandoning buyback strategies. Businesses will need to focus on building up resilience to be prepared for the next shock. The WBCSD also emphasises that it will be important to pay attention to creating a perception of fairness and inclusiveness. To this effect, some governments have already indicated that they will not bail out companies registered in tax havens. Ownership and governance arrangements that include all stakeholders should be reinforced. This would mean that **governmental regulation encourages maximising stakeholder value rather than shareholder value**. For example, payment of executives should reflect the value created for all stakeholders (not just shareholders), including communities and the natural environment. These aspects are crucial for a green and inclusive recovery, so the argument of the WBCSD.<sup>7</sup>

## Social Impacts and Suggested Solutions

According to the WBCSD<sup>8</sup> and [UN DESA](#)<sup>9</sup>, economic inequalities have overall led to inequitable access to healthcare and unequal vulnerability to lockdown measures. The most vulnerable to health and economic threats include women, children, ethnic minorities and migrants, and the most vulnerable countries, in particular the Least Developed Countries.<sup>10</sup> Those who were subjected to precarious working conditions before the crisis either saw their income cease entirely or are now heavily dependent on government aid. Additionally, not everyone is able to work from home, and it was often those with lower paid jobs that were deemed essential, who had to continue working to keep society going, such as people working in supermarkets or health care.<sup>11</sup>

UN DESA strongly recommends that recovery measures should **address the social inequalities and vulnerabilities the crisis has exposed**. Governments should focus on strengthening and expanding public services, which include healthcare, education, sanitation and social protection.<sup>12</sup>

Most evidently, health care systems and their resilience to shocks should be strengthened. Because of deforestation, climate change, urbanisation and global connectedness, the world faces the threat of pandemics every three to four years, according to experts.<sup>13</sup> Considering these warnings, most health systems were remarkably underprepared to address the challenges of the pandemic, often due to austerity measures that had been implemented after the Financial Crisis in 2008.<sup>14</sup>

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<sup>5</sup>World Business Council for Sustainable Development. 2020. "The Consequences Of Covid-19 For The Decade Ahead". Vision 2050 Issue Brief. WBCSD. <https://www.wbcsd.org/Overview/About-us/Vision-2050-Refresh/Resources/The-consequences-of-COVID-19-on-the-decade-ahead-Vision-2050-Issue-Brief>.

<sup>6</sup> World Business Council for Sustainable Development 2020

<sup>7</sup> World Business Council for Sustainable Development 2020

<sup>8</sup> World Business Council for Sustainable Development 2020

<sup>9</sup> United Nations Department of Economic and Social Affairs 2020a

<sup>10</sup> United Nations Economic and Social Committee 2020

<sup>11</sup> World Business Council for Sustainable Development 2020

<sup>12</sup> United Nations Department of Economic and Social Affairs 2020a

<sup>13</sup> World Business Council for Sustainable Development 2020

<sup>14</sup> World Business Council for Sustainable Development 2020

Additionally, **efforts towards universal social protection** should be expanded, as is argued by UN DESA.<sup>15</sup> This can make social safety nets more responsive to shocks, including climate shocks that are likely to occur within the next decades. In line with this, there should be **increased fiscal spending on public employment programmes** to ensure greater labour market resilience. Here the focus should be on promoting jobs in sustainable and resilient sectors, as suggested by UN DESA.<sup>16</sup>

Finally, there should be a focus on social cohesion and community resilience. Structural vulnerabilities and inequalities need to be assessed and vulnerable groups need to be empowered, for example through increased internet access. In addition, legal and institutional frameworks should be enhanced to scale up community resilience, protect, and foster public institutions, democracy, and multilateralism.<sup>17</sup>

## Environmental Impacts and Suggested Solutions

The OECD<sup>18</sup> has outlined five key dimensions for building back better and ensuring that **the recovery from the economic crisis is green**. Recovery measures should be assessed against these dimensions and all elements should be screened for their long-term impacts. The five environmental dimensions are: 1) alignment with net-zero greenhouse gas emission targets; 2) strengthening of climate resilience; 3) reducing biodiversity loss; 4) innovation building on behavioural changes; and 5) improving supply chain resilience and circularity. In addition, as an overarching theme, the recovery needs to focus on wellbeing and inclusiveness, it needs to be people centred and aim at reducing inequalities.

The OECD brief also includes several practical policy solutions to integrate these dimensions. It is very important that there are **no lock-in effects from emission-intensive infrastructure projects**. Governments may lean towards these kinds of projects, because they know how to implement them quickly. In order to prevent this, it could be useful to have a prepared list with quickly implementable sustainable infrastructure projects, which can be taken out of the drawer. When these projects are easily accessible, governments may be less likely to fall back on commonly used infrastructure projects, like building roads. The International Energy Agency (IEA) recommends **focusing on energy efficient infrastructure programmes**, such as smart grids, electric vehicle charging and digital connectivity.<sup>19</sup>

Furthermore, the IEA argues that governments should also actively support **green financial flows** and organise their public procurement in a way that supports green and innovative sectors.<sup>20</sup> In a similar vein, the OECD recommends investments in areas such as low-carbon and resilient electricity systems,

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<sup>15</sup> United Nations Department of Economic and Social Affairs. 2020. "UN/DESA Policy Brief #63: The COVID-19 Pandemic: A Speedy And Balanced Recovery Of Europe Will Remain Critical For The World To Return To The Trajectory Of Sustainable Development". <https://www.un.org/development/desa/dpad/publication/un-desa-policy-brief-63-the-covid-19-pandemic-a-speedy-and-balanced-recovery-of-europe-will-remain-critical-for-the-world-to-return-to-the-trajectory-of-sustainable-development/>.

<sup>16</sup> United Nations Department of Economic and Social Affairs 2020a

<sup>17</sup> United Nations Department of Economic and Social Affairs 2020a, 2020b

<sup>18</sup> OECD. 2020. "Building Back Better: A Sustainable, Resilient Recovery After COVID-19". Tackling Coronavirus (Covid-19). [https://read.oecd-ilibrary.org/view/?ref=133\\_133639-s08q2ridhf&title=Building-back-better-\\_A-sustainable-resilient-recovery-after-Covid-19](https://read.oecd-ilibrary.org/view/?ref=133_133639-s08q2ridhf&title=Building-back-better-_A-sustainable-resilient-recovery-after-Covid-19).

<sup>19</sup> International Energy Agency. 2020. "Energy Efficiency And Economic Stimulus". IEA Strategic Considerations For Policy Makers. <https://www.iea.org/articles/energy-efficiency-and-economic-stimulus>.

<sup>20</sup> International Energy Agency 2020

improving the resilience of supply chains and promoting a shift towards circularity.<sup>21</sup> Investments in energy-efficient housing can create many green jobs while simultaneously reducing CO2 emissions.<sup>22</sup>

In a working paper<sup>23</sup>, the OECD developed lessons learned from green bailout funds after the Great Financial Crisis of 2008. The most notable finding from assessing the 2008 green recovery packages was that many governments conducted ex ante, but few ex post evaluations, meaning that many packages were never really evaluated regarding their impact. It is hard to say whether they had a positive environmental impact. Therefore, it is recommended that **evaluation and review mechanisms are built into the packages.**

The OECD working paper also recommends investments in reparability, recycling and the circular economy. This could also create a large number of new, green jobs. Another measure are investments in renewable energy. Different to 2008, large scale financing for renewable energy projects is now more affordable and economically attractive. Research and Development Stimulus should also target **renewable energies** as well as technologies that are currently underdeveloped and further away from the market, for example energy storage or smart grids.

For the debts that governments are likely to accrue by financing these measures, the OECD recommends considering environmental taxes, as they will further steer the economy in a green direction. However, it is important to **address potential social and distributional consequences** of such policies.<sup>24</sup> The effects of environmental policy that does not take social dimensions into account became evident in France after a carbon tax was implemented in a way that working and middle class people were the most affected. This sparked the Yellow Vest movement, which led to massive social unrest initially and is still active to this day.<sup>25</sup>

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21 Agrawala, Sahrdul, Damien Dussaux, and Norbert Monti. 2020. "What Policies For Greening The Crisis Response And Economic Recovery? Lessons Learned From Past Green Stimulus Measures And Implications For The Covid-19 Crisis". Environment Working Paper. <http://www.oecd.org/environment/workingpapers.htm>.

22 International Energy Agency 2020

23 Agrawala, Dussaux and Monti 2020, OECD 2020

24 Agrawala, Dussaux and Monti 2020, OECD 2020

25 Schofield, H. BBC 2018. France protests: PM Philippe suspends fuel tax rises.  
<https://www.bbc.com/news/world-europe-46437904>

## Chapter 2: The European Union Recovery Plan

Like in the rest of the world, the Covid-19 pandemic has exposed already existing challenges in Europe. In [her speech](#) introducing the European Recovery Package, EU Commission President Ursula von der Leyen identified the key challenges for Europe, due to Covid-19, as rising inequalities, a digital divide, and the advancing climate crisis. The [EU recovery plan](#) is inspired by “competitive sustainability” and has the Green Deal at its core.<sup>26</sup> Therefore, SDGs could become more crucial now than they were before the crisis.

The EU Recovery Plan comprises a budget of €750 billion on top of the Multiannual Financial Framework of €1.1 trillion. Its main sustainability related aspects are the increased investment in health, investments in climate change mitigation measures, such as agricultural and rural development, and in a just transition. Overall, the European Commission emphasises the need to **combine the recovery process with a transition to a more sustainable future** and argues that **going back to business-as-usual is not an option**. One measure in that direction is that 25% of the recovery fund is set aside specifically for climate action.

The **Just Transition Fund**, which is part of the Green Deal, has been strengthened and will receive an additional €40 billion. It supports regions that will undergo great structural transformations during the shift from fossil fuels to renewable energy. Among its mechanisms are the re-skilling of workers, the creation of economic opportunities for Small and Medium Sized Enterprises (SMEs) and overall diversification of economic activity. It is part of the just transition scheme of the Green Deal, which also includes InvestEU. This investment programme focuses on sustainable infrastructure and Research & Innovation, as well as digitalisation, SMEs and social investment and skills. InvestEU will be reinforced and the Commission proposes a new Strategic Investment Facility that invests in key value chains in the context of the green and digital transitions.<sup>27 28</sup>

Investments should adhere to the newly released Sustainable Finance Taxonomy, which lays out six objectives for investments, such as climate change mitigation or biodiversity.<sup>29 30</sup> Crucially, the taxonomy also includes a '**Do-no-significant-harm principle**', stating that activities cannot do significant harm to any of the six objectives.

The EU Commission has also adjusted its Work Programme through 2021 to adapt to the new challenges presented by the pandemic. The “renovation wave” was already the flagship of the Green Deal, as buildings are estimated to be responsible for around 40% of the EU’s greenhouse gas emissions. The European Commission has emphasised its commitment to **modernising buildings and critical infrastructure**, and increasing the number of charging stations for electric vehicles. As part of the economic stimulus, the Commission wants to double the renovation rate.<sup>31</sup> The focus is on schools, hospitals and social housing. However, the Commission hopes that these efforts will encourage additional private investment into the renovation sector. Overall, these measures are likely to create

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<sup>26</sup> European Commission. 2020. "Speech By President Von Der Leyen At The UN High-Level Event On Financing For Development In The Era Of COVID-19 And Beyond".

[https://ec.europa.eu/commission/presscorner/detail/en/SPEECH\\_20\\_963](https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_20_963).

<sup>27</sup> European Commission. 2020. "Recovery Plan For Europe". *European Commission*.

[https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/recovery-plan-europe\\_en#latest](https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/recovery-plan-europe_en#latest).

<sup>28</sup> European Commission 2020. Fact Sheet Recovery Plan, European Commission 2020. Fact Sheet Strategic Investment Facility.

<sup>29</sup> <https://www.euractiv.com/section/energy-environment/news/do-no-harm-eu-recovery-fund-has-green-strings-attached/>

<sup>30</sup> Sustainable Finance taxonomy

<sup>31</sup> <https://www.euractiv.com/section/energy/news/green-building-advocates-underwhelmed-by-eu-recovery-plan/>

additional green jobs, too.<sup>32</sup> <sup>33</sup> The commitment to advancing the circular economy has also been strengthened in the adjusted Work Programme.

**Rural development and agriculture** are another key area that the commission will focus on by increasing funds to the [European Agricultural Fund for Rural Development](#), the financing instrument of the Common Agricultural Policy.<sup>34</sup> The aim is to support rural areas in making structural changes for the Green Deal, such as increasing biodiversity and the [EU's farm-to-fork strategy](#).

Investment in health will mainly focus on preparedness for another health crisis. This includes promotion of research and innovation and cooperation of research facilities across Europe. Horizon Europe, the research programme starting in 2021, will receive additional funds to invest in health research.

Reactions to the EU's recovery plan have been mixed so far. While many activists and NGOs welcome the commitment to green objectives, most say that they are not enough. A major criticism shared by [Greenpeace Europe](#) and the [Climate Action Network](#) is the **continued funding of fossil fuels and industrial farming**.<sup>35</sup> <sup>36</sup> While the taxonomy for sustainable finance should, in theory, prevent such investments, it has not yet come into law and it is unclear how it will be enforced. Furthermore, it only applies to the recovery package and not the MFF.<sup>37</sup> Greenpeace also criticises that there are no strict conditions for bailouts and funding of carmakers and airlines.

The [European Economic and Social Committee](#) also emphasised the need to strengthen the European Green Deal Investment Package. While the commitment to the Green Deal in the MFF and recovery package are laudable, the EESC stresses the **importance of the relevant budgetary allocations**.<sup>38</sup>

[Business Europe](#) welcomed the package and emphasised the need to invest not only in the green and digital sectors, but also in key industrial value chains and ecosystems. The president of Business Europe warns from raising taxes on businesses in order to finance the recovery, as many are currently in a precarious situation.<sup>39</sup>

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<sup>32</sup> EC 2020: Adjusted Commission Work Programme 2020 Annex I

<sup>33</sup> European Commission. 2020. "Recovery Plan For Europe". *European Commission*.

[https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/recovery-plan-europe\\_en#latest](https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/recovery-plan-europe_en#latest).

<sup>34</sup> European Commission. 2020. "Press Corner". *European Commission - European Commission*.

[https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_20\\_985](https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_985).

<sup>35</sup> Climate Action Network. 2020. "EU Recovery Plan allows continued support to climate polluting fossil fuels" <http://www.caneurope.org/publications/press-releases/1935-eu-recovery-plan-allows-continued-support-to-climate-polluting-fossil-fuels-lifting-climate-spending-targets>

<sup>36</sup> Greenpeace Europe. 2020. "Patchy At Best: EU Unveils Coronavirus Recovery Plan – Greenpeace - Greenpeace European Unit". *Greenpeace European Unit*. <https://www.greenpeace.org/eu-unit/issues/democracy-europe/3921/patchy-at-best-eu-unveils-coronavirus-recovery-plan-greenpeace/>.

<sup>37</sup> World Wildlife Fund. 2020. "EU Recovery Package: "Repair & Prepare" Not Yet Fully Green And Fair". *WWF*. <https://www.wwf.eu/?uNewsID=363976>.

<sup>38</sup> European Economic and Social Committee. 2020. "Investment Plan Must Live Up To Green Deal's Ambitions". *European Economic And Social Committee*. <https://www.eesc.europa.eu/en/news-media/news/investment-plan-must-live-green-deals-ambitions>.

<sup>39</sup> Business Europe. 2020. "A Determined Financial And Non-Financial European Response - Message To The European Council Video Meeting On 19 June 2020 | BusinessEurope". *BusinessEurope*. <https://www.businesseurope.eu/publications/determined-financial-and-non-financial-european-response-message-european-council-video>.

## Chapter 3: Survey on the Role of Sustainable Development in European Countries

A survey questionnaire was sent out via email on June 4, 2020 to all 32 ESDN National Focal Points (NFPs), who are all policymakers of national government ministries responsible for sustainable development policy and SDG implementation in their respective countries. The aim of the survey was to gauge the extent to which sustainable development principles and SDGs have influenced the recovery plans and programs with respect to Covid-19. At the time of writing this report, 17<sup>40</sup> countries had returned the survey. It needs to be noted that only 3 out of the 18 countries have published a consolidated medium- or long-term recovery plan at the time of writing, while talks and negotiations are underway in most other countries.

At the workshop, Austria, France, Germany and Romania will present their recovery plans in more detail. Below is a short description of their respective recovery plans. For more information, tune in to the workshop and read the forthcoming ESDN report.

### Austria

In the spirit of leaving no one behind, the Covid- 19 related lockdown in Austria was accompanied by a series of measures undertaken by the federal government. Those measures, such as *Kurzarbeit* (report author's note: the government takes over a share of the wages, while workers are sent home), economic support packages, violence protection measures, implementation of e-learning and investments in a green recovery aim at reducing economic, societal and environmental risks.

### Germany

On 3 June, the German government adopted a recovery programme with the aim to support growth, jobs and sustainability. The package includes measures addressing climate change mitigation and the promotion of technologies that will be important in the future, alongside social-policy components. The programme is to stimulate consumer spending, while also launching structural changes. In sum, many of the measures are supporting the implementation of the SDGs.

### France

While the long-term recovery package is still being negotiated in France, immediate health and economic responses have been characterized by a strong focus on the Sustainable Development Goals. France made headlines as one of the first countries to attach green conditions to a bailout in their package for Air France. There are plans for further industry commitments to decarbonisation and greening the economy.

### Romania

Romania's recovery efforts are characterized by strong inter-institutional coordination and commitments to policy coherence. The country is currently working with the OECD to improve policy coherence for sustainable development. This cooperation will also influence the elaboration of a comprehensive recovery package, which is scheduled for later this year.

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<sup>40</sup> Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Romania

Below is a first summary of the responses of the NFPs to the three survey questions regarding their country's recovery plans. A full analysis of the survey will be provided in the forthcoming ESDN Report.

## The Role of the SDGs in National Recovery Plans

In all 18 countries that answered the survey, the initial focus lay on alleviating the immediate effects of the Covid-19 health crisis and subsequent shutdown of the economy. Most countries launched programmes to support companies having to lay off workers or recently unemployed people. Resources were also mobilised to help the health sector address the added challenges.

As the spread of the virus is currently more or less under control in most countries in Europe, governments are discussing long-term recovery plans for the economy and society. In a few countries, such as Germany and Luxembourg, these plans have already passed or been presented to the national parliament. In both countries, the economic stimulus is directed at green growth, for example by subsidising green mobility and energy efficiency. Germany additionally announced measures to relief some of the more vulnerable groups, for example, by granting a bonus of €300 per child to families.

In countries where recovery measures are still being discussed, the **principles of sustainable development play at least a small role in designing the recovery plan**, and sometimes they are guiding the recovery. In Finland, for instance, several working groups have been established that focus on different areas of the recovery, such as wellbeing, economics and employment. Two working groups specifically advise the government on how the recovery can be designed according to the sustainable development principles. Recommendations from all working groups refer to the SDGs. In Romania, as an example, an interinstitutional working group has been established, comprised of members from government ministries, public institutes, such as the National Statistics Institute, the private sector, industry representatives and the non-governmental sector. This group will create recommendations for a holistic response to Covid-19. In France, the full recovery programme is currently being negotiated, however, many individual measures have already been announced. These can be directly linked to several SDGs. There will be short- and long-term investments in the health sector, where a consultation with over 300 stakeholders is currently taking place. Efforts have been made to digitalise education and guarantee access to online learning to underprivileged students. Furthermore, there will be incentives for buying clean cars and improving the conditions for cycling.

Only very few countries responded that sustainable development is not being considered in their respective national recovery approaches. Actual national recovery plans, however, still **need to align, in most countries, with general objectives of sustainable development**.

## The Impacts of Covid-19 on national sustainable development strategies

A number of NFP respondents pointed out that the crisis has exposed existing vulnerabilities in society and economy. Thus, most countries are **either strengthening their commitment to sustainable development or will continue already existing activities** as planned. A few countries, such as Malta or Estonia, are currently working on a new long-term national strategy for sustainable development. In Malta, the opportunity to integrate lessons learned from the crisis into the national strategy is recognized. The objectives in the new Estonian strategy were found to be aligned with the Covid-19 recovery objectives.

None of the respondents have said that their country is lowering their commitment to sustainable development. In Lithuania, for instance, the government has bluntly rejected calls by the private sector

to lower environmental and social standards. In France, different sectors must commit to renewed efforts to mitigate climate change and reduce their emissions.

Romania is currently working with the OECD on improving policy coherence for sustainable development (PCSD). They are committed to integrating this cooperation to create strategic and results-oriented management across the public administration for post-Covid-19 recovery. The German chancellor, Angela Merkel, explicitly referred to the Agenda 2030 as a 'compass' to guide recovery towards a more sustainable future.

In France, an international expert commission has been established in order to work out recommendations on the long-term challenges like climate change, inequality, and aging populations.

## Major elements for creating a more sustainable world after Covid-19

A number of countries, for example France, emphasized the **need for a coordinated European response**. Specifically, this includes transfer of knowledge and exchange of data among the different countries. Additionally, many respondents highlighted the important role of European leadership in the world. A strong commitment to sustainable development, as an important part of the response to Covid-19 challenges, in **Europe could serve as a role model to the rest** of the world. Some countries intend to also use the mechanisms from the EU recovery plans, which are tied to green objectives. About a third of the respondents referred to the 2030 Agenda, the Paris agreement and other international SD agendas as a guideline for recovery. Respondents also frequently referred to European laws and projects, such as the Green Deal. In terms of specific policies, almost all countries referred to the need to invest in **circular economy**, decarbonisation, renewable energy and climate change mitigation. A number of respondents also mentioned digitalization as an important area of investment. Social policies that were mentioned mainly referred to health and inequality. Only three countries specifically referred to social policies, however.

## Summary

Overall, it can be said that most countries are committed to incorporating sustainable development principles and the SDGs into their Covid-19 recovery, albeit to varying degrees. In the vast majority of countries, the commitment to sustainable development has stayed the same or has been reinforced. However, at the time of writing, only very few countries have finalized or officially adapted their medium- or long-term recovery plans. While the overall attitude seems to be positive towards strengthening and incorporating the SDGs in the post-Covid-19 world, it remains to be seen to what extent this commitment is put into action in the formulation of concrete recovery plans.

## Conclusion

It is still too early to assess the role of sustainable development in the Covid-19 recovery plans accurately, both, on the national and on the European level. What is evident, however, is that sustainable development heavily influences the language used around the economic recovery from the Covid-19 crisis. Policy recommendations by leading international organisations, such as the OECD and the United Nations, strongly emphasise the opportunity to use the principles of sustainable development to ‘build back better’ and emerge from the crisis as a more sustainable society.

The focus lies heavily on measures to mitigate the climate crisis and preserving the natural environment. In addition, most reports stress the need for a just and equitable recovery, as inequality is frequently mentioned as a key challenge to sustainable development. The recovery plan by the European Union heavily builds on the Green Deal that was presented shortly before the Coronavirus hit Europe. The Green Deal suggests that investments are to be channelled into green infrastructure and other necessary transitions to achieve carbon neutrality by 2050. Another focus will be the Just Transition Fund, which aims to ensure that the transition to a green economy leaves no one behind and takes into account the challenge of designing a socially equitable recovery mentioned by many international organisations.

Finally, on the national level, most national policymakers from European countries that responded to the survey undertaken for this Discussion Paper, pointed out that their countries are committed to either strengthening or carrying on with their commitment to sustainable development. Again, the focus of economic stimulus is on accelerating and strengthening the green transition, while also investing in health and digital infrastructure. Overall, there seems to be political will to design a sustainable recovery from Covid-19 and to emerge from the crisis onto a pathway that is more sustainable. How this translates into action will be seen in the coming months as more governments present their recovery plans.

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