

The Build Back Better agenda and COVID-19

Laura Bolton

Institute of Development Studies

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Question

How is the Build Back Better (BBB) agenda defined by the international development community (and in the UK) in relation to the COVID-19 recovery and what are the emerging approaches, particularly for economic recovery?

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1. Summary

The phrase 'build back better' (BBB) emerged from natural disaster recovery following the 2004 SE Asia Tsunami and the 2005 Pakistan earthquake. Some history of the term is discussed in the appendix. The interpretations range from improving infrastructure destroyed in earthquakes to empowering women. Academics and think-tanks have noted the lack of clarity of BBB and suggest that policymakers consider 'What does better look like?' and 'Better for whom, where, and how?' (Fan, 2013, p2). The Asian Development Bank (ADB) emphasises the need for a clear and concrete definition of BBB for effective strategic direction (Noy et al., 2019). They make suggestions for framing as building back safer, faster, fairer, and with more potential for future growth opportunities.

For this rapid review it was necessary to focus on a small number of multilateral and regional organisations to get a view of how BBB is being framed and approached in relation to COVID-19. The United Nations (UN) was the main focus looking globally. UN reports are using the term 'recovering better'. Key terms and phrases in the UN reports include sustainability, prosperous, inclusive, just, and resilient. Investment in the future could mean linking donor support to the Sustainable Development Goals (SDGs) and climate change. Policies should be evaluated against the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda, and the Paris Agreement on Climate Change. Areas for action include renewable energy, sustainable food systems, gender equality, stronger social safety nets, and universal health coverage. An overarching whole-of-society approach is recommended coordinated by a wide range of actors across organisations, governments and civil society.

Discussions within the UN High-level Advisory Board on Economic and Social Affairs on 'recovering better' are centred around challenges related to economic uncertainties; digitalisation; inclusive economic structures; sustainable financing for sustainable (and owned) development; bottom-up production structures for sustainable development; and equality and democracy. The managing director of the International Monetary Fund (IMF) makes 3 recommendations for inclusive recovery: 1) Using fiscal stimulus wisely; 2) Empowering the next generation through education; and 3) harnessing the power of financial technology.

Regional UN policy briefs had similar themes with some different priorities. A policy brief for the Arab region had a greater emphasis on safeguarding human rights and achieving peace. The Latin America region have a strong focus on rights and transparency. Rapid search on BBB and the ADB suggests a focus on promoting low-carbon recovery. They also outline plans to collaborate with UN Women for gender equality in the COVID-19 response promoting gender-responsive budgeting and procurement.

The OECD suggests that BBB should identify policy options that have positive outcomes for employment creation and better outcomes for long-term sustainability and resilience. Dimensions recommended for consideration are: improving supply chain resilience and circularity, innovation building on behaviour change, aligning with net-zero greenhouse gas emissions, strengthening climate resilience, and reducing biodiversity loss. Recovery should be people-centred and consider both social and environmental factors.

Business Fights Poverty¹ and the Harvard Kennedy School Corporate Responsibility Initiative are producing advice on how to support the vulnerable in response to COVID-19. They highlight potential impact from core business activities, philanthropic donations, and policy engagement. They prioritise lives, livelihoods, and learning. They also highlight the gender dimension and encourage thinking on human dignity, fairness across value chains, the living wage, and universal basic income. They urge businesses to embed the 10 Principles of the UN Global Compact.

The current UK government recovery strategy for the UK prioritises health first, protection and restoration of livelihoods second, and thirdly the social effects of social distancing. This national strategy focuses on the short-term. On the global response the UK are discussing working towards building cleaner, healthier, more inclusive, and more resilient economies and societies. And that the SDGs are a valuable framework for COVID-19 recovery and future resilience. A larger scope piece of work is required to look further into the UK response.

2. Build Back Better from COVID-19 global response

The **United Nations High-Level Event on Financing for Development in the Era of COVID-19 and Beyond** discussion notes uses the phrase **recovering better for sustainability** (UN, 2020c). International cooperation is needed for recovery and this is an opportunity to “*reshape the global economy towards the future we want*” (p.2). Objectives should “*be bold: to build **more prosperous, inclusive, just, resilient and sustainable societies and economies***” (p2). It is noted that it will be less expensive to invest in addressing systemic risks now than paying for them later. The approach may include “**positive conditionality**” (p.2) linking support to the **Sustainable Development Goals (SDGs)** and **climate change**. It is important to avoid supporting business who do not align with societal and environmental goals just to stimulate growth. Suggested targets are “*breakthrough investments in health and education systems, social protection and expansion of social services, renewable energy, green public transport, and smart housing*” (p3). The **2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and the Paris Agreement on Climate Change are recommended as frameworks for action**. “*Policies should be evaluated on whether they accelerate the implementation of the goals of these agreements or not*” (p.4).

The term ‘**recovering better**’ is also used in the **UN comprehensive COVID-19 response document** (UN, 2020d). Describing recovery as “*an opportunity to address inequality, exclusion, gaps in social protection systems, the climate crisis and the many other fragilities and injustices that have been exposed*” (p.27). And transitioning to “*renewable energy, sustainable food systems, gender equality, stronger social safety nets, universal health coverage – and an international system that can deliver*” (p.27). There is also emphasis on “*a whole-of-society, whole-of-government and whole-of-the-world approach*” (p.27). Gender equality and decarbonisation are highlighted. The frameworks for action are suggested as the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change.

¹ <https://businessfightspoverty.org/about-us/>

The **UN discussion group on recovering better for sustainability**² concept note states that *“recovery must deliver **cleaner, healthier, more inclusive, and more resilient economies and societies**, that accelerate progress towards the 2030 Agenda for Sustainable Development and the goals of the Paris Agreement, **leaving no one behind**”*. The objectives stated are in the areas: resilient health systems, climate and environment, digital, and inclusions. Principles should be taken from the 2030 Agenda on Sustainable Development and SDGs, Paris Agreement, Addis Ababa Action Agenda on Financing for Development, the Sendai Framework for Disaster Risk Reduction as well as taking account of the work of Special Envoy Carney on private finance. The recovery should include creating strong health systems; environmentally sustainable and inclusive economies; fairer societies; expand support for the most vulnerable leverage the positive role of financial systems. These must be integrated into planning processes. Recovery must be coordinated by a broad range of actors. Areas of action are within governments, investment and private sector, and international public finance.

The **United Nations High-level Advisory Board on Economic and Social Affairs** produced a document *Recover Better, Economic and social challenges and opportunities* (United Nations High-level Advisory Board on Economic and Social Affairs, 2020). Discussion is centred on **economic uncertainties; digital challenges; inclusive economic structures; sustainable financing for sustainable (and owned) development; bottom-up production structures for sustainable development; and equality and democracy**. The introduction highlights the need for urgent action: *“initial assessments are already indicating some of the likely outcomes, at least in the short term. As many as 40 million people may fall into extreme poverty, reversing a declining trend that lasted over two decades. Some 1.6 billion working in the informal sector could see their livelihoods at risk, and many lack access to any form of social protection. Numbers such as these are indicative of the immense risks of not acting swiftly, coherently, and in a coordinated manner. At the same time, they indicate the imperative to “build back better,” in order to forestall similar risks to our future”* (p7).

The managing director of **IMF** recommends three priorities in a blog³ on promoting a more **inclusive recovery**. 1) **Using fiscal stimulus wisely**; 2) **Empowering the next generation through education**; and 3) **harnessing the power of financial technology**. Further information on the IMF response does not appear to include the language of BBB or inclusive recovery. An article was identified on how the IMF is promoting transparent and accountable use of covid-19 financial assistance. This is less about making improvements but reaffirming commitment to this amidst a crisis. Largely the IMF has been providing much needed short-term emergency response which is less likely to have aligned with BBB which takes a long-term view.

The **World Bank** don't seem to have any reports using BBB language. They seem to have been working hard on short-term recovery and are beginning to look at **“resilient recovery”**.⁴ There

² Which includes the UK. <https://www.un.org/en/coronavirus/recovering-better-for-sustainability>. Accessed 18.9.20

³ <https://blogs.imf.org/2020/06/11/the-global-economic-reset-promoting-a-more-inclusive-recovery/> Accessed 15.9.20

⁴ <https://blogs.worldbank.org/voices/september-21-2020-covid-19-response-new-research-human-capital-and-looking-ahead-our-annual> Accessed 20.9.20

are blog posts discussing how to address the needs of the poorest in COVID-19 recovery but is relatively general⁵. One blog describes the importance of social protection in recent recovery and that this should be a focus for building back better.

3. Build Back Better from COVID-19 regional response

The **United Nations** Policy Brief on the impact of COVID-19 in **Latin America and the Caribbean** emphasises that building back better is building back with **equality** (UN, 2020a). It also suggests including **environmental concerns** and “*redefining the development model towards one anchored in human rights*” (p6) with a focus on **democracy**. Social conflicts in this region suggest importance for BBB to protect rights, uphold the law, ensure welfare, and provide economic resilience. Policy recommendations include multi-stakeholder dialogues and partnerships with accountability and transparency. For better managing economic shocks for heavily indebted countries creditors are recommended to systematically include state-contingent elements.

The **United Nations** Policy Brief on COVID-19 in the **Arab Region** highlights improving **support to local authorities, strengthening democracy, safeguarding human rights, and achieving peace** in recovery (UN, 2020b). The Brief also recommends focusing on vulnerable groups and improving **social protection** reforms for **equality and inclusion**, particularly women and youth. And strengthening participation as part of institutional reform.

The Vice President for Knowledge Management and Sustainable Development at the **ADB**, Bambang Susantono, in a Milken Institute essay suggests improving economic resilience by making lockdowns smarter to reduce their cost in relation to BBB. This is through testing, tracing, and isolation which requires significant investment. For an **integrated regional approach, ‘building back differently’**, he suggests regional traveller databases or mobile health certificates, and decongestion of urban development. He suggests ‘building back together’ for trade and investment. **Becoming better integrated will harness the increase in resilience that comes with trade.**

An infographic⁶ from the **ADB and the ASEAN Catalytic Green Finance Facility (ACGFF)** describes a ‘**green recovery**’ in response to COVID-19. It illustrates regional and national **stimulus packages for economic recovery which have an environmental element** such as the Clean Growth Fund⁷ in the UK supporting green start-ups and clean technology. Airlines should be given stimulus packages in return for emission reduction plans. An ADB brief highlights the importance of looking beyond the short-term to identify medium-term recovery measures and long-term transformation interventions (Hughes et al., 2020). The brief focusses

⁵ <https://blogs.worldbank.org/voices/ida-securing-more-resilient-future-fragile-and-conflict-affected-settings> Accessed 20.9.20

⁶ <https://www.adb.org/sites/default/files/related/185636/responses-post-covid-19-green-recovery.pdf> Accessed 15.9.20

⁷ <https://www.gov.uk/government/publications/clean-growth-equity-fund> Accessed 15.9.20

on reducing carbon suggesting several interventions, outlining an approach and suggesting a framework for assessing **low-carbon interventions**.

A speech from the ADB Vice-President for Knowledge Management and Sustainable Development, at the **ADB/UN Women Webinar: Promoting gender equality in COVID-19 response and recovery** suggests four areas for future collaboration:⁸ 1) Enhanced technical collaboration on SDG 5⁹ and contribution to the ‘UN Women Rapid Assessments of COVID-19 and gender’, 2) Promote gender-responsive budgeting as a COVID-19 response governance tool, 3) Promote gender-responsive procurement to support women’s businesses and jobs, producing an output report on gender-responsive procurement in the Asia and the Pacific region, and 4) Gender-based violence.

An **OECD** presentation highlights the need to shift to sustainable practices for a more resilient recovery (OECD, 2020). It **urges for economic stimulus to consider long-term impacts**. It suggests that BBB will involve assessing policy options to favour those with similar employment creation outcomes but also better outcomes for **long-term sustainability and resilience**. The key dimensions suggested by OECD for consideration are: improving supply chain resilience and circularity, innovation building on behaviour change (for businesses and the public), aligning with net-zero greenhouse gas emissions, strengthening climate resilience, and reducing biodiversity loss. People-centred recovery is emphasised. **Both social and environmental factors should be considered**. Policy actions are recommended for enhancing biodiversity while ensuring a resilient supply of food; investing for low-carbon, resilient electricity systems; energy efficient housing as part of compact, resilient and sustainable cities; catalysing the shift towards accessibility-based mobility systems; and improving resilience of supply chains while accelerating the shift towards circular economy principles.

4. Build Back Better from COVID-19 - think-tanks and academia

A report from **Business Fights Poverty** and the **Harvard Kennedy School Corporate Responsibility Initiative** produced a framework for how businesses can support the most vulnerable in initial response to the crisis in March (Torres-Rachman & Nelson, 2020a). Impact areas identified are **core business activities, philanthropic donations, and policy engagement**. These are considered in impacting **lives (health and safety), livelihoods (jobs and income), and learning (education and skills)**. In May, a further paper considers beyond response and looking longer-term at recovery and rebuilding better. The paper highlights the **gender** dimension with the impacts of the crisis adversely affecting women. A specific definition of rebuilding better is not described. But that “what ‘better’ can look like” (p4) should be by both governments and business. The report urges that this is a time for **embedding responsible business within the universally agreed responsibilities, the 10 Principles of the UN Global**

⁸ <https://www.adb.org/news/speeches/promoting-gender-equality-covid-19-response-recovery-bambang-susantono> Accessed 15.9.20

⁹ Achieve gender equality and empower all women and girls

Compact¹⁰. And time for greater consideration of the **UN Guiding Principles on Business and Human Rights**¹¹, standards for implementing business for companies. Thinking about **human dignity and the issue of fairness across value chains** is also important. Higher priority should be given to the concept of the **living wage and universal basic income**. Examples of how to tackle gender inequality are given.

Greener After¹² a policy paper from **The Jacques Delors Institute** sets out criteria for policymakers to assess investments for **green economic stimuli** (Lamy et al., 2020). Investment recommendations are made for the following sectors: buildings, road mobility, clean innovation, circular economy, and coastal tourism as essential to green recovery.

The **Wellbeing Economy Alliance**¹³ produced a briefing paper outlining ten principles to BBB for the COVID-19 recovery (Büchs et al., 2020). They are *“based on the doughnut economics framework which combines theories of planetary boundaries and universal human needs”* (p5). The principles are: **new goals for ecological safety, protecting environmental standards, green infrastructure and provisioning, universal basic services, guaranteed livelihoods, fair distribution, better democracy, wellbeing economics organisations, cooperation, and public control of money**. Policy examples are listed in each of these areas.

A **McKinsey** article suggests how a post-pandemic **stimulus can both create jobs and help the climate** (Engel et al., 2020). It describes a framework to help policymakers produce a package that creates jobs and economic demand, produces steady growth, and accelerates the uptake of zero-carbon technologies.

5. UK Government response

The **UK Government recovery strategy** for COVID-19 from the Cabinet Office states the **priority to save lives whilst aiming to minimise harms that the restrictive measures are causing** (UK Government, 2020a, updated 24 July). The first consideration is health, the second is protecting and restoring livelihoods, and the third is the social effect of social distancing such as mental health and education. These factors aim to be underpinned by scientific information, fairness, proportionality, privacy, and transparency. Controls are being put in place to maximise control of the epidemic whilst minimising costs to health, economics, and society. There is a road map to lifting restrictions. **The strategy is focused on short-term response** rather than long-term rebuilding. BBB is not discussed.

A speech on **longer term action for the global arena in response to COVID-19** by the **UK Acting Deputy Permanent Representative to the UN** notes the current challenge to achieving

¹⁰ <https://www.unglobalcompact.org/what-is-gc/mission/principles> Accessed 20.9.20

¹¹ https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf Accessed 14.9.20

¹² <https://institutdelors.eu/publications/greener-after/> Accessed 15.9.20

¹³ <https://wellbeingeconomy.org/> Accessed 17.9.20

the SDGs and how this should be **an opportunity to ‘rebuild better’**¹⁴. *“This is the moment to shape a recovery that delivers **cleaner, healthier, more inclusive, and more resilient economies and societies, that puts the 2030 Agenda for Sustainable Development and the goals of the Paris Agreement** back within reach as we collectively rise to the challenge of the Decade of Action.”*¹⁵ The speech highlights **leaving no one behind and quality health and education provision for the marginalised**. The UK is leading the UN Financing for Development work stream on recovering better for sustainability. It is emphasised that **the SDGs are a valuable framework for COVID-19 recovery and future resilience**.

A report from the **Foreign Commonwealth Office** (now part of Foreign Commonwealth and Development Office) published in July 2020 on **UK work for Human Rights** states “as we evaluate priorities and re-examine relationships to **build back better and greener**, it is vitally important that we, as citizens of the world, not only **reclaim our human rights, but work to strengthen them**” (UK Government, 2020b). Priority themes are democracy and democratic freedoms; civil society (including freedom of expression and human rights defenders); media freedom; gender equality; lesbian, gay, bisexual and transgender (LGBT) rights, freedom; freedom of religion or beliefs; post-holocaust issues; modern slavery; human rights and the private sector; death penalty and torture prevention; overseas security and justice assistance; export controls; migration and human rights; economic and social rights (including women’s empowerment, persons with disabilities, and the elderly); the overseas territories; and human rights and democracy programmes.

¹⁴ <https://www.gov.uk/government/speeches/launching-the-decade-of-action-during-covid-19> Accessed 21.9.20

¹⁵ *ibid*

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