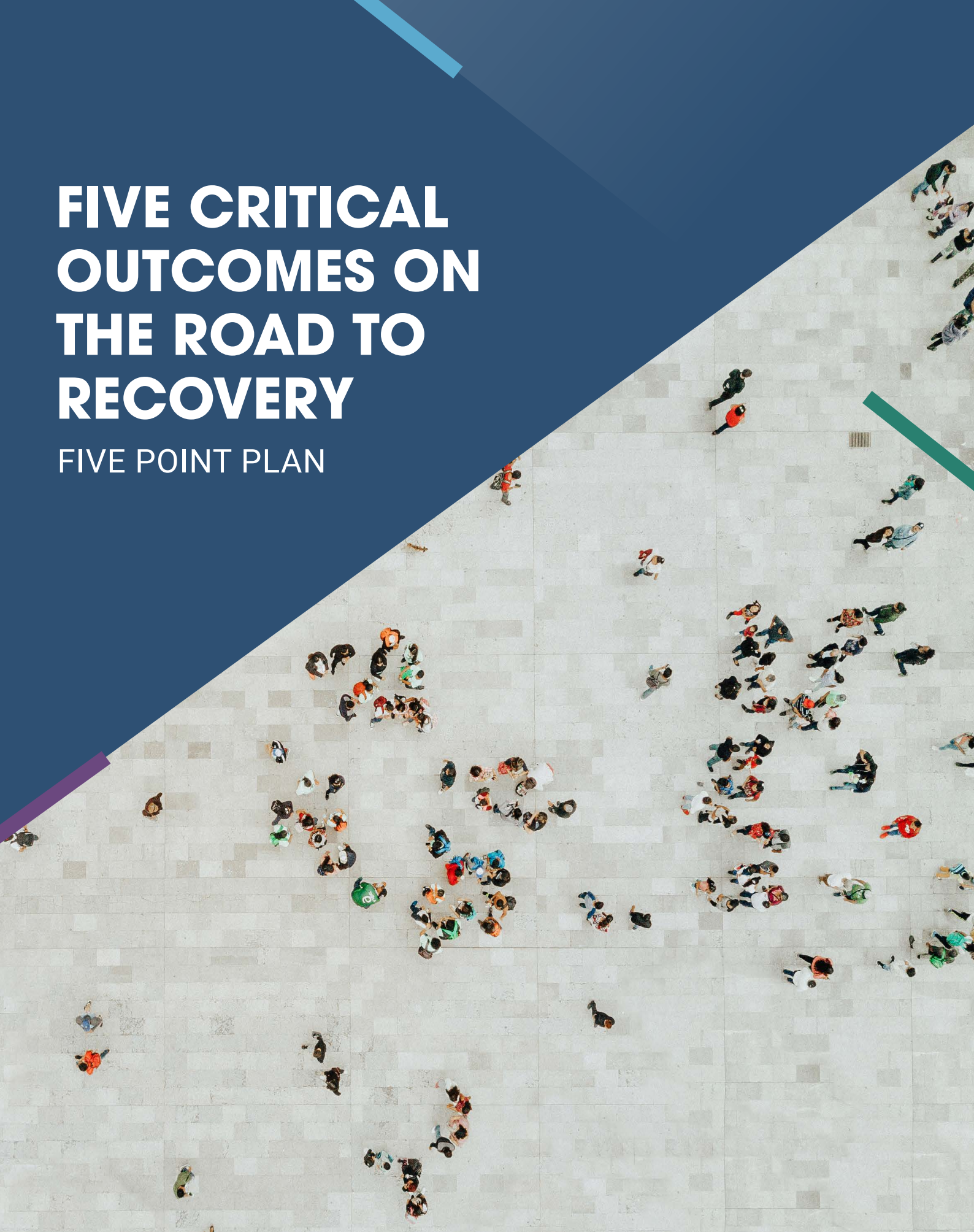


FIVE CRITICAL OUTCOMES ON THE ROAD TO RECOVERY

FIVE POINT PLAN



FIVE CRITICAL OUTCOMES ON THE ROAD TO RECOVERY

As trillions of dollars in fiscal stimulus flows through the global economy in response to the COVID-19 crisis, we can set a new course towards inclusive and sustainable growth.

Fairtrade Australia and New Zealand, the Global Compact Network Australia and the Sustainable Development Solutions Network Australia, New Zealand & Pacific are collectively united to advance sustainable development and build a fairer, healthier and more resilient world.

We recognise that the first response to the pandemic must be a health one, and this is an ongoing and evolving challenge. Charting a course out of the biggest economic downturn since the Great Depression presents immense challenges and opportunities. It also offers considerable opportunities for a more sustainable future.

The crisis has demonstrated how government, businesses, academia and civil society can work together to drive lasting and positive change. With a coordinated and collaborative response, we can enhance sustainability, ensure a resilient future and secure the health and wellbeing of current and future generations so that no one is left behind.

Together, we have identified five critical outcomes on the road to recovery:

- 1. Achieve the United Nations' Sustainable Development Goals by 2030 through ambitious action**
- 2. Develop coherent policies and market mechanisms that support innovation and move Australia to net zero emissions before 2050**
- 3. Champion multilateral and regional partnerships that drive economic recovery, build environmental resilience and enhance regional outcomes**
- 4. Invest in fair, transparent and more inclusive trade**
- 5. Reduce structural inequalities to protect and support the most vulnerable.**

1. ACHIEVE THE UN SDGS BY 2030 THROUGH AMBITIOUS ACTION

The United Nations' Sustainable Development Goals, agreed by all 193 member states of the UN in 2015, play a vital role in shaping a more resilient, fair and cleaner economy as we work together to re-build a post-pandemic world.

The 17 SDGs encompass 169 targets to be met by 2030. Among the central aims are economic prosperity, social inclusion and environmental sustainability.

The COVID-19 pandemic is an unprecedented wake-up call for governments, businesses and communities. It has exposed deep societal inequalities across our ecosystems and has illustrated the many failings that the SDGs aim to address.

This global health crisis has the potential to reverse hard-won development gains and risks impacting progress towards achieving the SDGs by 2030.

We continue to see a rise in poverty resulting from widespread job losses (SDG 1), poor mental health outcomes (SDG 3), family violence spikes and the disproportionate economic impacts that continue to affect

women (SDG 5), job insecurity and loss of jobs (SDG 8), growing inequalities hitting the poorest and most vulnerable communities the hardest (SDG 10), and an increase in plastic and PPE in our waterways and oceans (SDGs 12 and 14).

As the global economy contracts by 3% in 2020 we have an opportunity to re-shape the narrative by ensuring that key economic, societal and governance outcomes aligns with the SDGs agenda.

Australia can use this globally agreed upon framework to guide key policy decision making, to elevate the needs of the most vulnerable and marginalised, create long-standing and inclusive partnerships and unite all sectors behind a plan that creates a more just, resilient and greener economy that leaves no one behind.

KEY FACTS:

- Australia ranks third among OECD countries in its response to the COVID-19 pandemic, according to the global Sustainable Development Report 2020.¹
- But Australia ranks 37th in the world on progress in meeting the SDGs, and well below other OECD countries on climate action and the environment.
- The UN Global Compact is helping companies advance the SDGs agenda with a portfolio of action platforms to inspire new approaches to sustainable business.²



¹ Sachs et al, *The Sustainable Development Goals and COVID-19*, 2020.

² United Nations Global Compact, *Action Platforms*, 2020.

“The International Monetary Fund says upwards of \$9 trillion dollars will be spent by governments on economic stimulus for the COVID-19 recovery. This includes around 4.5% on average of the GDP for each of the G20 countries. It is vital that this expenditure is aligned to the SDGs. Without a thriving humanity and planet there is no possibility of economic recovery.”

Molly Harriss Olson, Chief Executive Officer, Fairtrade Australia and New Zealand



\$9 Trillion

2. DEVELOP COHERENT POLICIES AND MARKET MECHANISMS THAT SUPPORT INNOVATION AND MOVE AUSTRALIA TO NET ZERO EMISSIONS BEFORE 2050

Recovery from COVID-19 offers Australia the opportunity to tackle the greatest threat to humankind: climate change.

Australia signed the Paris Agreement in 2015. To honour this commitment, we must limit global warming to less than two degrees and reach net zero emissions before 2050.

So far, just 17% of Australia's organisations are committed to meeting net zero by 2050; 43% are reducing their emissions but are not in line with net zero by 2050.³

While countries like Australia are lagging behind on climate action (SDG 13) and their targets under the Paris Agreement are insufficient, we have many of the technologies and solutions in place to support a transition to a net zero carbon economy well before 2050. Australia could be a market leader in renewable energy and support a prosperous job market.⁴

We are already seeing other parts of the world use fiscal stimulus to promote a green recovery. The European Union has unveiled a comprehensive, \$1.2 trillion plan for a climate-led economic recovery that prioritises investment in renewable energy, clean transport, smart energy and emissions reduction.⁵



“According to the UN Global Compact 20th anniversary progress report, just 39% of companies have targets that are sufficiently ambitious to meet the Sustainable Development Goals by 2030, and less than a third consider their industry to be moving fast enough to deliver priority SDGs. Change will not happen through incremental improvements. The SDGs can establish the level of ambition for Australia's pandemic recovery and to create intergenerational value that ensures all people in every country live a good life, prospering on a healthy planet now and in the future.”

Kylie Porter, Executive Director, Global Compact Network Australia

³ ClimateWorks Australia, Net Zero Momentum Tracker, 2020.

⁴ Garnaut, Ross, *Superpower: Australia's Low-Carbon Opportunity*, 2019.

⁵ European Parliament, *Next Generation EU*, July 2020.

KEY FACTS:

- Australia's action on climate is falling behind other developed countries. Our annual energy related carbon dioxide emissions are 14.8 tonnes per person – much higher than the 5.5 tonnes for the average UK citizen, and 4.3 tonnes for the typical Swede.⁶
- The total health costs for the Black Summer bush fire season are now estimated at \$2 billion, four times higher than the 2002/2003 bushfire season.⁷
- More than 120,000 job-years of employment could be generated by improving the energy efficiency of Australia's buildings.⁸
- Fairtrade's more than 1.7 million farmers and workers in 75 developing countries are working to improve soil and water quality, protect biodiversity, manage pests and waste, avoid using harmful chemicals and reduce greenhouse gas emissions.⁹



3. CHAMPION MULTILATERAL AND REGIONAL PARTNERSHIPS THAT DRIVE ECONOMIC RECOVERY, BUILD ENVIRONMENTAL RESILIENCE AND ENHANCE REGIONAL OUTCOMES

The COVID-19 pandemic illustrates the interconnectivity of the modern world and reminds us of the importance of international cooperation. A virus knows no borders and all countries are affected. Our response must be more global cooperation, not less.

UN Secretary-General António Guterres has called COVID-19 “the greatest test that we have faced together since the formation of the United Nations”. But other global challenges – climate change and biodiversity conservation, fair trade and poverty alleviation among them – also demand multilateral action.

Now is the time to strengthen Australia's support for the United Nations, World Health Organization and other collective bodies, and to work collaboratively towards reform where it is required.

The SDGs explicitly emphasise this in SDG 17, Partnerships for the Goals, which outline how multi-stakeholder partnerships have the potential to mobilise and share knowledge, expertise, technology and financial resources, especially in developing countries.

Australia is well-positioned to lead cooperative action with governments, businesses, universities and communities across the Asia Pacific to drive economic recovery, build environmental resilience and enhance regional outcomes.

⁶Sachs et al, 2020.

⁷Global Compact Network Australia, *Strengthening Resilience: Acting on Climate Change and Health*, 2020.

⁸Energy Efficiency Council, ACOSS, Ai Group and Property Council of Australia, *Joint statement: Energy efficiency is a machine for creating jobs*, 2020.

⁹Fairtrade Foundation, *Why fairer trade is crucial to fighting the climate crisis*, 2019.



“Every dollar of stimulus spent on clean energy projects generates nearly three times as many jobs per dollar than investment in fossil fuel projects. We have an opportunity to build back stronger and better, with investment in renewable energy and innovation that drives Australia towards net zero emissions and an economy founded on inclusive, sustainable growth. Fast-tracking renewable projects will show the market that our government takes green growth seriously.”

**Professor John Thwaites,
Chair, Sustainable Development
Solutions Network, ANZ
and the Pacific**

KEY FACTS:

- The International Labour Organization predicts that COVID-19 could cause up to 340 million job losses, most of them in countries without social safety nets or stimulus packages.¹⁰
- While official development assistance from developed countries increased by 66% between 2000 and 2014, humanitarian crises brought on by conflict, natural disasters and COVID-19 demand increased financial resources and aid.¹¹
- Many countries require Official Development Assistance to encourage growth and trade. SDG 17 outlines a target of at least 0.20% of gross national income directed to the least developed countries.¹²

¹⁰ International Labour Organization, *As jobs crisis deepens, ILO warns of uncertain and incomplete labour market recovery*, 2020.

¹¹ Sustainable Development Goals Fund, *Goal 17: Partnerships for the goals*, 2020.

¹² United Nations, *#Envision2030 Goal 17: Partnerships for the Goals*, 2020.

4. INVEST IN FAIR, TRANSPARENT AND MORE INCLUSIVE TRADE

As we recover from the pandemic, our economic structures must support trade that is fair, transparent and inclusive. This crisis shows the critical role that business plays in supporting our food security and the long-term resilience of our supply chains. It also demonstrates the purchasing power of consumers.

In the short-to-medium term, we urge the Australian Government, as a member of the World Trade Organization and the G20, to support existing trade relationships that are inclusive and aligned to our international obligations. This will ensure the continued flow of products from developing countries. Supporting trade that harms people derails development and our achievement of the SDGs.

Looking long-term, a fair restart to this unprecedented halt of the global economy can transform trade. Our government has an opportunity to send a strong signal to the world by developing policies that ensure producers are paid fairly, that workers can make a living wage and that gives consumers confidence that the products they purchase are ethical, sustainable and contribute to stronger communities.

“COVID-19 has threatened to erode 30 years of progress in our fight against global poverty. Trade can either support developing countries on the road to recovery, or it can drive an estimated 580 million people into poverty. We have a globally-scaled system that is already empowering millions of farmers and workers around the world by tackling poverty and poor working conditions, and conserving the environment. That system is Fairtrade.”

Molly Harriss Olson, Chief Executive Officer, Fairtrade Australia and New Zealand

KEY FACTS:

- More than 700 million people live on less than \$1.90 each day, according to the United Nations Development Programme.¹³
- Before COVID-19, the percentage of people living in extreme poverty had fallen from 10% in 2015 to 8.6% in 2018.¹⁴
- 40.3 million people live in forced labour, debt bondage or other forms of modern slavery.¹⁵
- The Commonwealth Modern Slavery Act 2018 requires companies with annual revenues of more than \$100 million to report annually on the risks of modern slavery in their operations and supply chains and to demonstrate the actions they are taking to address those risks.¹⁶
- Fairtrade coffee farmers earn more than \$1.38 billion annually in Fairtrade Premium, which funds social, infrastructure and sustainability projects in local communities.¹⁷

¹³ United Nations Development Programme, *Six Signature Solutions: The road to success*, 2020.

¹⁴ Sachs et al, 2020.

¹⁵ Global Slavery Index 2018, *Findings: Highlights*, 2018.

¹⁶ Department of Home Affairs, *Commonwealth Modern Slavery Act 2018, Guidance for Reporting Entities*, 2019.

¹⁷ Fairtrade International, *Monitoring the scope and benefits of Fairtrade coffee*, 2019.



“To help Australian business navigate new developments and share learnings in a safe space, the Global Compact Network Australia hosts a Modern Slavery Community of Practice for businesses. Together, we discuss the most pressing challenges and share good practice as we work collectively towards eradicating modern slavery from supply chains.”

Kylie Porter, Executive Director, Global Compact Network Australia

5. REDUCE STRUCTURAL INEQUALITIES TO PROTECT AND SUPPORT THE MOST VULNERABLE

COVID-19 has laid bare the structural inequalities that expose millions of people to income deprivation and its deep consequences.

We applaud the Australian Government's commitment to provide income relief to many Australians and urge them to support an economic recovery that leaves no one behind.

But decades of progress against poverty and inequality in our region have been undone in a matter of months.

Job losses stemming from COVID-19 are hurting households around the world, but for Asia and the Pacific's 91 million migrant workers, who account for a third of the global migrant workforce, the impacts will be particularly severe.

Millions of people across the Australia and the Asia Pacific are being pushed into poverty, and without decisive leadership the poorest people will pay the highest price.

Inequality fuels COVID-19 deaths in both developed and developing nations. Ongoing funding must support healthcare, a social safety net and other urgent help to mitigate the virus' disproportionate impact on poorer people.

Many organisations, including the International Monetary Fund and the World Bank, have called for cancellation or suspension of debt owed by low income countries, especially those reliant on export revenues that have fallen due to this crisis. We support these calls, as this would free up funding for greater investment in public health measures. But we also emphasise the importance of strengthening governance institutions in these countries to ensure funding supports the most vulnerable.

Leaving no one behind also means ensuring the equitable access and efficient deployment of a COVID-19 vaccine. The world will not recover until a vaccine is distributed to both developed and developing nations.



“Our procurement choices are powerful. As companies and individuals we can make a difference when we choose products that are Fairtrade, low carbon and support people who are most at risk of poverty as a result of COVID-19.”

Molly Harriss Olson, Chief Executive Officer, Fairtrade Australia and New Zealand

KEY FACTS

- United Nations' University estimates that up to 580 million people could be pushed into poverty, and Covid-19 could erode 30 years of gains.¹⁸
- Asia Development Bank economists estimate that the Asia Pacific region faces remittance losses of up to \$76 billion.¹⁹
- Imperial College London has estimated that, without intervention, more than 40 million people could die in 2020 alone, with people in low-income countries shouldering the greatest burden.²⁰

¹⁸ Sumner, A., Hoy, C. & Ortiz-Juarez, E., *Estimates of the impact of COVID-19 on global poverty*, 2020.

¹⁹ Asia Development Bank, *COVID-19 Impact on International Migration, Remittances, and Recipient Households in Developing Asia*, August 2020.

²⁰ Imperial College London, *Report 12 - The global impact of COVID-19 and strategies for mitigation and suppression*, 26 March 2020.

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ABOUT US



FAIRTRADE AUSTRALIA AND NEW ZEALAND

Fairtrade Australia and New Zealand is part of the world's only globally scaled, inclusive trade network. Fairtrade connects more than 1.7 million farmers and workers in 75 developing countries with consumers to promote fairer trading conditions, reduce poverty and improve lives. A massive 30,000 products bearing the Fairtrade Mark are available to shoppers in 125 countries, with \$1.2 billion invested every year from the Fairtrade Premium to help farmers and workers improve their communities. As 50% owners in the whole global Fairtrade system, these farmers and workers are able to have significant power in supply chains to take more control of their future. www.fairtradeanz.org



Global Compact Network Australia

GLOBAL COMPACT NETWORK AUSTRALIA

The United Nations Global Compact is the world's largest corporate sustainability initiative, with more than 11,000 business participants and 3,000 non-business organisations. Locally, the Global Compact Network Australia (GCNA) brings together signatories to the UN Global Compact, including more than 30 ASX 100 companies and other major corporates, non-profits and universities, to advance responsible business practices and the private sector's contribution to sustainable development. <https://unglobalcompact.org.au/>



SUSTAINABLE DEVELOPMENT SOLUTIONS NETWORK AUSTRALIA, NEW ZEALAND & PACIFIC

This network brings together members in the region to develop and promote solutions, policies and public education for sustainable development. The Sustainable Development Solutions Network Australia, New Zealand & Pacific mobilises scientific and technical expertise from academia, civil society, and the private sector in support of sustainable development problem solving at local, national, and global scales. www.ap-unsdsn.org