



CAN INTERNATIONAL

Fundamentals for Recovery & Economic  
Stimulus Packages in response to  
Covid-19  
May 2020

*Climate Action Network (CAN) is the world's largest network of civil society organizations working together to promote government action to address the climate crisis, with more than 1300 members in over 120 countries.  
[www.climatenetwork.org](http://www.climatenetwork.org)*

The COVID-19 pandemic presents real and immediate risks to people's health and livelihoods.

We must not respond to this disaster in a way that could put people's health at greater risk and worsen other crises, notably climate change. This is a transformational moment. The decisions made today will shape our societies and economies for years or decades to come. This is the same window of time we have left to take the necessary action to stem the climate crisis and limit warming to below 1.5°C.

The most vulnerable people already gravely impacted by the climate crisis are at risk of being pushed into further uncertainty and poverty. To minimize the harm of COVID-19, protect people, and ensure long term resilience and prosperity, governments' reactions must be swift, people-centered and in the spirit of solidarity.

That means focusing on helping workers in all affected industries, but avoiding subsidies or bailouts that would keep or increase heavily polluting activities or infrastructure investments that lock in greenhouse gas emissions for decades to come. And it means understanding and addressing the underlying inequalities that make people especially vulnerable to both climate change and COVID-19.

The response to this pandemic will require a great short and mid-term effort by governments and all stakeholders, it is expected that this intervention will take shape in several waves, broadly differentiated between:

- 1) immediate measures dealing with the acute shocks preventing further spread of the virus, ensuring medical supply and financial liquidity  
*--intermediate period of economic stabilization--*
- 2) recovery measures to rebuild after the crisis aimed at long-term prosperity.

## PHASE 1: IMMEDIATE RESPONSE

### HEALTH IS THE TOP PRIORITY, FOR ALL PEOPLE, WITH NO EXCEPTIONS

Resource health services everywhere; ensure open access for all and Invest in public health services, including:

- Access to and affordable care for COVID-19 patients, including accessible and affordable testing;
- Protection for the health and safety of healthcare workers, emergency, and critical services and infrastructure workers;
- Gender responsiveness in social protection measures taking specifically into account women's role in care duties will double as they are at the forefront of caring for the sick, home-schooling, working informal jobs;
- Transfer of technology, extend adequate training and finance to lower-income countries and communities to allow them to respond using these principles and share solutions across borders and communities, including a Global Public Health Emergency Plan doubling the public health budget of the 85 poorest countries of USD159.5 billion to help prevent millions of deaths as a result of the Coronavirus<sup>1</sup>.
- Debt relief and cancellation is urgent. Any new additional loans should not come with crippling Structural Adjustment Policies (SAPs) that undermine public services in the name of “market forces” as part of their conditionalities<sup>2</sup>.
- Pause construction of all fossil fuel projects and approval procedures due to the massive COVID-19 infection risks for workers and frontline communities.

### PROVIDE ECONOMIC RELIEF DIRECTLY TO THE PEOPLE, SMALL FARMERS, INDIGENOUS PEOPLES AND WORKERS

Focus on the people, in particular small farmers, indigenous peoples and workers - particularly those marginalized in existing systems. Assistance directed at specific industries shall be channeled to communities and workers, not shareholders or corporate executives (as in the 2008-9 financial crisis); there must not be no-strings-attached bailouts, public money shall only be given linked to social and environmental responsibility:

- Support to companies shall come with conditions, at a minimum to avoid permanent layoffs, secure jobs, the suspension of dividends to shareholders, and to provide safe and fair working conditions or retraining of workers, e.g. in the fossil fuel sector;
- Industries and companies that have been assisted must create public value in return; for example, industries invest in the development of new green technologies, addressing air pollution in their production chain, etc.
- Allow all workers to have a right to self-quarantine if they are concerned about their or their family's exposure to the virus, and protection from termination if they are quarantined.

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<sup>1</sup> This is less than 10 percent of the US fiscal stimulus to fight Coronavirus:  
<https://oxfamlibrary.openrepository.com/bitstream/handle/10546/620973/mb-confront-coronavirus-catastrophe-public-health-plan-300320-en.pdf?sequence=4>

<sup>2</sup> For more context, please see: <https://fpif.org/the-world-needs-a-new-social-contract-not-more-structural-adjustment/>

- Stimulus money should offer immediate relief directly to workers and may provide opportunities for training, education and employment in existing and emerging low-carbon sectors like energy efficiency, technology, healthcare and renewable energy.
- Small Farmers and workers, whose ability to harvest and sell food is affected by sickness, lockdowns, closed marketplaces or disrupted supply chains, must be provided with income support. This is also necessary to ensure that small farmers have the funds and incentive to plant for the following season, so as to prevent a food crisis extending in the longer term.
- Protect the rights and land rights` of indigenous peoples and ensure medical supply including the evacuation of critically ill individuals in remote communities to local hospitals.

### ENSURE ACCOUNTABILITY, TRANSPARENCY AND DEMOCRATIC PRINCIPLES

All stimulus packages must be transparent and implemented in an accountable manner. However, corrupt and anti democratic administrations around the world are exploiting the Covid-crisis to push for non-transparent corporate bailouts and regulatory rollbacks or to limit civic space and democratic liberties permanently. It is critical to scrutinize these measures and make governments accountable for adopting such measures. It is crucial

- to not use the crisis as an excuse to undermine or violate human rights, civil liberties, and democracy.
- all financial and other support given must be accountable to the people, and information about money spent on which measures and which beneficiary must be publicly available;
- corporate bailouts must be issued under social and environmental safeguards - no-strings-attached bailouts are not acceptable;
- to not rollback environmental regulation protecting people and nature
- Any such measures should be time-limited to within a reasonable timeframe

### PROTECT FOOD SECURITY AND FARMERS' RIGHTS

- Ensure minimum income support for small and medium farmers and farm workers, to help them through the crisis and loss of earnings.
- For people unable to earn a living or access food due to lockdown, and for children normally reliant on schools to provide their main meal of the day, income and food support (including food or cash transfers) are needed.
- Support innovative ways to connect small and medium farmers and consumers (direct sales, supporting local markets, adopting digital tools) to avoid food being wasted, small and medium farmers losing income and people going hungry.
- Provide advice and support for safety measures for COVID-19 for production, handling, processing and sale of food.
- Procurement policies, including for food aid, should favour and support local small and medium farmers wherever possible.
- Ensure price stability of food items through regulatory measures.

## PHASE 2: CREATE RESILIENCE FOR FUTURE CRISES AND BUILD AN ECONOMY FIT FOR THE 21ST CENTURY

In moments of crisis and cataclysmic change, the previously unthinkable suddenly becomes reality. The Covid-19 crisis is already shifting our sense of the possible. Now is the time to be far bolder in our demands for something different; for something better. There is no going back to the old "normal", because "normal" was untenable for billions of people around the world and led directly to a massive overbuild of fossil fuel infrastructure and climate disaster.

COVID-19 and its economic risks are rightfully the forefront of governments' action today. But as we look to boost the economy, we also need to consider tomorrow.

While immediate government responses to ensure liquidity should not bail out dirty industries or at least have conditions attached to ensure rapid decarbonization in line with the Paris Agreement goals, recovery packages and public investment to revive the economy might have even greater lock-in-effects: We can create millions of decent green jobs and contribute to local and regional strengthening of people led initiatives that will help power a just transition for workers, small and medium farmers and communities to a socially inclusive, sustainable, zero-carbon and climate-resilient future global society. Korea is a first example of a political proposal for this resilient pathway<sup>3</sup>. In planning and implementing recovery packages governments must:

- ensure forward-looking planning and investments shall meet environmental and social standards and build resilient infrastructure systems, sectors and communities, including in particular
  - energy efficiency
  - renewable energy
  - energy grid development
  - public transport
  - efficient housing taking into account in particular reduced ecological footprint as well as using materials and services in line with the circular economy
  - environmentally sustainable and healthy food systems based on principles of agroecology, food sovereignty, and less and better meat.
- ensure that equity and a just transition are at the heart of any government response to the current crisis
- evaluate investments against

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<sup>3</sup><https://www.greenpeace.org/international/press-release/29305/south-koreas-ruling-political-party-becomes-east-asias-first-to-announce-green-new-deal-manifesto/>

- decent job creation and security of workers, and their participation in the design of a just transition.
- short- and long term emission reduction
- reduction of dependency on fossil fuels and industrial agribusiness
- their ability to address and reverse inequality,
- support to smallholder and agroecological farmers, rather than concentrating land and wealth
- support for strengthening of local and diversified food economies with short, equitable supply chains between food producers and consumers
- positive lock in effects
- agroecological practices that benefit people, nature and the climate
- protection and restoration of biodiverse ecosystems
- exclude investments in harmful industries such as fossil fuel infrastructure, additional roads, automobile industries, agribusiness corporations
- end fossil fuel subsidies and ensure any carbon price reflects climate and equity imperatives
- introduce oil and gas production caps in line with the ambition of the Paris Agreement
- “Buy Clean” to prioritize use of the most efficient, resilient and cleanest materials and products with the lowest carbon, ecological and toxicity footprints and “Buy Fair” to enhance labor standards, workers’ rights, career pathways, equity and community benefits;