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COVID-19: Investing in sustainable natural resource management for green and inclusive recovery in Asia and the Pacific

COVID-19 recovery plans offer immense opportunities for enhanced investments in sustainable natural resource management. These investments can create a more productive, greener and inclusive economic recovery, and transition towards a healthier and more resilient Asia and the Pacific.

The COVID-19 pandemic is one of the greatest crises of the century. Its economic and social ramifications have severely affected global supply chains, and financial and commodity markets. The International Monetary Fund (IMF) currently projects global GDP will contract by 4.9 percent in 2020, a decline of 7.8 percentage points relative to growth in 2019 (IMF, 2020).

Protecting people's health and saving lives is of the utmost importance, but countries are also announcing major plans and stimulus packages to restart their economies and generate jobs. This presents a unique opportunity to enhance investments in sustainable natural resource management (NRM). Such investments can create more resilient ecological and social systems, inclusive economic growth and healthier communities. Asia and the Pacific need that approach. The region continues to outpace the rest of the world in terms of GDP growth, but it also faces enormous risks from pandemics and natural disasters. The World Bank expects the coronavirus crisis will push 176 million people into poverty (World Bank, 2020). Almost half of them will be in South Asia. Similarly, in Southeast Asia COVID-19 has severely impacted the livelihoods of millions of people dependent on water resources from the Mekong River who were already suffering from a severe drought (Weatherby and Lichtefeld, 2020).

This brief highlights the importance of leveraging NRM to contribute to inclusive economic growth, employment and sustainability. It outlines possible NRM-related interventions that countries could actively include in their COVID-19 economic stimulus packages and recovery plans.

THE NEXUS OF NATURAL RESOURCE DEGRADATION AND THE PANDEMIC

Multiple studies have shown that rampant deforestation, ecosystem degradation, and uncontrolled exploitation of wildlife can spread certain diseases to humans. These diseases are turning into pandemics with greater frequency (IPBES, 2019). An untold number of unidentified

viruses exist in the wild and have the potential to infect humans. Any one of them could be more disruptive and lethal than SARS-CoV-2. In many parts of Asia and the Pacific many ecosystems, including small streams, lakes, and wetlands have been degraded beyond critical thresholds and turned into dead zones. The continuing and unabated damaging of ecosystems is making virus spillover events more likely. Additional multiple stressors such as recurring droughts, floods, extreme weather, and climatic aberrations threaten the lives and livelihoods of millions of poor and vulnerable communities who depend on natural resources. They also further reduce our ability to prevent pandemics.

Sustainable NRM underpins the intrinsic connections between human health, resilient landscapes, economic stability and productive livelihoods. To emerge from the current crisis stronger and better, it will be critical to invest in measures that protect and restore nature and that promote inclusive, low-emission and resilient development.

INVESTING IN SUSTAINABLE NRM IN COVID-19 RECOVERY: POTENTIAL AREAS FOR INTERVENTION

The pandemic recovery provides a window for investing in the land, water, forests, and fisheries sectors. Such investments can help promote short-term economic recovery and employment, as well as strengthen long-term well-being and resilience. But there is a risk that decision makers will ignore sustainable alternatives or, despite good intentions, design investments that are poorly targeted and create long-term fiscal burdens (Tollefson, 2020). The following are potential avenues for investing in sustainable NRM that address such risks and lead to a green and inclusive recovery.

Restore and augment ecosystems for increased productivity and resilience

Ecosystem restoration is recognized as a critical means to address major global challenges, from food insecurity to desertification (FAO and Global Mechanism of the UNCCD, 2015). Healthy ecosystems also act as buffers to meet crisis-driven needs for food and shelter. Measures to restore ecosystem health should target smallholders. Smallholders manage 80 percent of the farmland and contribute up to 80 percent of the food supply in Asia (FAO, 2020a). These investments are also vital in the long run to meet the growing food, fibre and energy demands of the world population, which is expected to reach 9.7 billion by 2050. Multifunctional landscapes that integrate, for example, agroforestry and silvo-pasture systems are an effective way to ensure food production and farm productivity. Integrating tree cultivation with farming is already gaining importance as a significant component of climate-resilient agriculture. Similarly, targeted investments to organize small farmers and women engaged in fisheries and aquaculture, and strengthening their entrepreneurial skills and value-addition services, can significantly contribute to employment and economic well-being. The measures to improve productivity, quality and safety in these sectors should also include promoting widespread and rapid adoption of best practices, biosecurity protocols, and product certification and traceability systems.

Create small-scale infrastructure and generate local employment for improved rural livelihoods

COVID-19 has caused socio-economic disruptions and activity shifts. Reverse migration by those who lost jobs in urban areas has put added pressure on natural resources such as forests, fisheries, livestock, water and wildlife (Thai PBS, 2020). For these people, natural resources are

a safety net providing fallback livelihoods. Enhanced investments in natural resources that generate income and employment are crucial as a COVID-19 response and recovery measure. Opportunities to reverse resource degradation and rehabilitate/develop new infrastructure – local irrigation systems, desilting and drought proofing ponds – have proven effective in improving rural livelihoods, building disaster and climate resilience, and community cohesion. Enhanced investments in digital and precision agriculture, such as using sensors to manage water, would result in conserving valuable natural resources. Trees and farm forestry contribute up to 40 percent of farm income in certain areas of the Asia-Pacific region (FAO, 2014). Promoting agroforestry and farm forestry will create durable assets and generate additional income and jobs, and some countries have already initiated such efforts as part of their recovery plans (UNDESA, 2020). Promoting digital platforms and other innovative technological solutions can facilitate market transactions and improve product mobility. Examples include China's National Fish Demand and Supply Information Platform (FAO, 2020b) and India's e-NAM, or electronic information portal for agriculture commodities (GOI, 2020).

Support those dependent on natural resources to alleviate poverty and promote equity

The poor are the hardest hit by the COVID-19-imposed lockdowns, other restrictions and socio-economic impacts. Many of these people are dependent on natural resources for their livelihoods. Well-designed investments in conserving and sustainably managing natural resources will help to address COVID-19-induced poverty and social, economic and regional inequalities. About 350 million of the world's poorest people, including 60 million indigenous people, depend on forests for their daily subsistence (FAO, 2014). Similarly, in the fisheries sector, millions of small-scale fishers and women vendors are highly dependent on daily income to buy necessities such as food, fuel and medicine (FAO, 2020b). Helping such groups requires measures such as provision of micro-credit and social protection, and strengthening rural cooperatives, farm-producer organizations, and community-based NRM (FAO, 2020c). Investing in natural capital that benefits the poor often requires low financial commitments and offers flexibility to adapt to diverse conditions.

Establish urban and peri-urban green spaces for general well-being

Natural areas and green outdoors have long been recognized as important sources of cultural, aesthetic, and recreational fulfilment and well-being. Lending credence to that recognition is that a significant part of world tourism is now nature-based (FAO, 2012). As long periods of lockdowns have become frequent, people's longing to visit and cherish forest and wildlife areas has become evident. This could provide the impetus for major post-COVD-19 investments by local and regional governments in enriched, green urban landscapes and a host of environmental services and aesthetics for urban and peri-urban residents. Some of these investments could contribute to local livelihoods and income as well.

PROVIDING A SUITABLE ENABLING ENVIRONMENT TO MAKE INVESTING IN SUSTAINABLE NRM ATTRACTIVE

Many COVID-19 recovery packages include major incentives for the sectors directly affected by the pandemic (e.g. aviation). Similarly, enhanced investments in sustainable NRM require a better enabling environment that offers investors incentives such as tax credits and low-cost

financing. Recognizing the value of ecosystem services, such as carbon sequestration or erosion control, and creating appropriate revenue streams for them (e.g. through cash transfers), could encourage landholders to protect and restore natural resources.

Another vital necessity is building upon and further strengthening polices and frameworks that promote comprehensive land-use planning and biodiversity mainstreaming. However, the urgency to ensure economic recovery could result in a dilution of environmental safeguards (Wilkinson and Chavez, 2020), thereby aggravating resource degradation and opening the door for more future pandemics. Regulatory measures need to be maintained to encourage low-emission activities, investments and innovation.

Moreover, this is also the time to consider removal of unconditional subsidies and other ill-conceived incentives such as unregulated but subsidized ground water withdrawal. These types of incentives result in resource degradation or conversion of productive ecosystems to other uses. Encouraging development along those lines would continue to aggravate future risks of other crises, including pandemics.

Finally, investments in sustainable NRM should be provided when most needed, demonstrate a large impact per dollar spent, and not crowd out private-sector investment. In other words, sustainable NRM investments need to be timely, cost-effective and strategic (Zenghelis, 2014).

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