Summary of OECD (2020)  
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**Summary**

Building back better should repair humankind’s relationship with nature, ensuring our future on the planet. In addition, it is important to do this inclusively, taking care of the vulnerable who are most adversely affected by shocks such as the COVID-19 pandemic, because this will guarantee public support for the sustainability transition. Business as usual is unsustainable as it increases the likelihood of future shocks. Hence effort needs to be put both on a sustainability transition and on building up capacity for resilience by increasing green inclusive investments as well as stimulating behavior change. The approach argued by OECD is anchored on inclusivity and well-being. The report outlines specific challenges and suggestions for the food, energy, housing, mobility, production and supply chain management sectors.

**Implications for infrastructure**   
According to OECD (2020), there is not a choice between ‘quick recovery’ or ‘build back better’ since ‘quick recovery’ would lock us on the same environmentally destructive path we have been on for decades, which is not sustainable and will come back to seriously threaten our existence in the long run. Therefore, the only real choice is to ‘build back better’, with investments in infrastructure assets that support the sustainability transition. New infrastructure networks should be built for climate resilience, keeping in mind the inevitable impacts from climate change such as extreme unpredictable weather. While, retrofitting existing infrastructure networks for climate resilience is found to be more costly. Other than this, investment in natural infrastructure is stressed as important along with investments that assess the values of biodiversity and ecosystem services and integrate them into decision-making. Specific recommendations are made for housing, mobility, energy and supply chain-management.

**Causal loop and Stock-and-flow diagram**

The state of the current crisis imposes both challenges and opportunities, as shown in the causal loop diagram (see Figure 1). The economic downturn, evidenced by falling GDP, has increased the need to government bailouts and economic support. This gives the government the opportunity to significantly stir the direction of economic development. OECD argues that in this weakened position the public is more willing to accept sustainability standards, thereby shifting their behavior, no matter the strictness of the measures. These green government recovery measures will decrease investments in environmentally destructive activities, which despite benefiting immediate economic growth are otherwise destroying natural capital in an unequal way, driving further segregation. This is an issue since segregation reinforces the myopic worldview that advances environmentally destructive activities to begin with. On the other hand, green recovery policies have the potential to improve the state of natural capital and benefit economic growth in the long term.



Figure 1. Causal loop diagram based on OECD (2020). The dotted arrows are author assumptions implicit in the text.

The stock-and-flow diagram tells a more detailed story of how some of the sectors are involved in this issue. To begin with, housing quality and neighborhood density are influencing the perceived risk of getting infected with the coronavirus. Thus, the demand for housing has been increasing, which has a negative effect on GHG emissions from housing. This makes it clear that it is ever more important to invest in making sustainable inclusive cities, which enable a sustainable lifestyle despite high population density.

Since energy demand has decreased with the pandemic, now is the time to invest in energy efficiency or energy access policies. These would increase the efficiency of distribution as well as make supply more flexible, which would amount to affordability. More efficient energy production and distribution would also lower emissions from energy, even if the % of renewables use is low.

In terms of mobility, it is important to diversify transport options as this will increase resilience to future shocks. The focus is on making mobility accessible; however, the price of vehicle ownership and public transport can be manipulated to improve overall resilience and accessibility. For now, large distance mobility has decreased while micromobility has increased, it is still uncertain what the working trends will be post-COVID. Road infrastructure needs to account for these changes in behavior as well as stimulate a high occupancy rate for private and public vehicles, decreasing congestion and steering individual choices so as to lower emissions per km.

The pandemic has exposed the vulnerabilities of long complex supply chains and increased the popularity of protectionism. However, OECD argues that caution needs to be taken as it is not necessarily true that shorter supply chains mean lower ecological footprint. Although shorter supply chains do make it easier to increase the circularity of supply chains, thereby boosting resource efficiency and lowering emissions from resource use. Digitalization and automation are also said to decrease emissions and improve resilience to future shocks, although they may come at the price of job loss.

Food production has the largest impact on biodiversity loss, which further increases the likelihoods of future shocks. Biodiversity is also important for maintaining food security as it can ensure food supply despite single crop failure. A similar argument can be made in terms of natural resource security. The stressors for biodiversity are driven through meat consumption, which requires more land to be cleared for agriculture, destroying wild habitats in the process. This, along with the density of livestock populations, increases the risk for zoonotic viruses such as the coronavirus that caused the current pandemic. Not only that, but they also result in grave GHG emissions. Food production productivity can balance out their impact on biodiversity, however not if based on monoculture, which undermine biodiversity. Increasing demand for food production also incentivizes fertilizer use as farmers are forced resort to it as a means of delivering high yields. But fertilizer use is an additional driver of biodiversity loss due to nutrient run off. There is a hope for increasing biodiversity through initiatives that value ecosystem services monetarily. However, the implementation of methods to assess their values or include them in decision making is lacking.



Figure 2. Stock-and-flow diagram based on OECD (2020). The dotted arrows are author assumptions induced from the document.

**References**

OECD (2020) *Building back better: A sustainable resilient recovery after COVI-19.* http://www.oecd.org/coronavirus/policy-responses/building-back-better-a-sustainable-resilient-recovery-after-covid-19-52b869f5/, accessed on 14 October 2020.