26 March 2020

Dear YB Minister of Finance,

Stimulus for a Resilient, Sustainable and Socially-Responsible Economy

As the world grapples with the Covid-19 pandemic, the handling of this crisis requires unprecedented measures. We all support the Malaysian government's priority to place the health of Malaysians first and the steps taken to tackle the health crisis.

This pandemic is threatening the global economy and Malaysia is no exception. The country's economy and the livelihood of Malaysians are severely impacted, and we welcome the government's initiative to introduce stimulus packages in a timely manner to help Malaysians weather the crisis.

While we focus on our urgent needs today, we must not sacrifice our future. We must continue to work to avoid and mitigate the future dangers of biodiversity loss and climate change. These are looming crises that threaten to overshadow even this pandemic. That means focusing on helping workers in all affected industries, but avoiding perverse subsidies that would increase heavily polluting activities and infrastructure investments that lock in greenhouse gas emissions warming our planet for decades to come, as well as incentivise the destruction of our natural resources and hence our natural capital which protects and provides us with social and economic benefits.

We must also continue to maintain our global commitment to retaining at least 50% of our national heritage of land as natural forest. Retaining half of Malaysia for the wellbeing of biodiversity and protection of ecosystem services is our insurance and security against a warming climate that would devastate our future.

On this, a coalition of civil society in Malaysia recommends to YB Minister of Finance to consider the following four Asks:

1) Jobs

Provide funding to promote training and job opportunities for rural, coastal and indigenous communities to enhance their livelihoods, particularly those related to safeguarding and rehabilitating natural resources. These include fire prevention, patrolling against poaching of wildlife such as tigers that form our national identity but which are on the brink of extinction, forest carbon monitoring, reforestation, managing water catchments and river rehabilitation. On remote coastal areas and islands, the job opportunities could include coral restoration, patrolling to protect turtle nesting beaches, removal of plastic and solid waste on beaches and nearshore, rehabilitation of mangroves and beaches, and monitoring for climate change impacts. Priority should be given to Orang Asli communities in Peninsular Malaysia and indigenous communities in Sabah and Sarawak who lack access to basic state services and whose livelihoods and wellbeing are more heavily dependent on natural resources.

Given the link between wildlife industry and Covid-19, it is imperative that wildlife poaching and trafficking is stemmed and thus the need for more patrolling in our forests and beaches.

Provide funding to hire and train unskilled workers in urban areas to green our cities and towns, especially through tree planting to establish green lungs. This will create longer term

resilience to other future threats from climate change that can also disrupt health, social and economic well-being by helping to absorb floodwaters and reduce the urban heat-island effect.

This can create social safety nets in resolving rural poverty. A good case study is from South Africa, where the government ran two programmes called "Working for Water" and "Working for Wetlands" which helped give 2,230 of the "poorest of the poor" training and jobs, allowing them to lift themselves from poverty. Our forests provide us with clean and reliable water sources thus safeguarding them will also improve water security for the country.

These contribute towards the UN Sustainable Development Goals No 1 No Poverty, Goal 6, Clean water and Sanitation, Goal 13 Climate Action, Goal 14 Life Below Water, and Goal 15 Life on Land.

Government should allocate RM100 million for this.

2) Tourism Sector

This sector is highly dependent on people with disposable income to travel. With the drastic impact from Covid 19, it will take a long time for a sufficient number of people with the financial means to visit Malaysia. While we await the recovery of the industry, support must be given to rebuild this sector, sustaining current jobs and enabling additional jobs to be created in transitioning towards a sustainable form of tourism.

Provide funding and incentives for tourism in Malaysia to move towards higher-value low-impact eco-tourism models. Ecotourism thrives on the natural wonders of Malaysia. These natural attributes such as coral reefs, sandy beaches, cave and karst or limestone habitats, pristine rivers and virgin forest are however fragile and the activities promoted must adhere to carrying capacity. Funding and incentives can be made available to tour companies, tour guides, hotels and tourist attractions to attain responsible tourism certification (i.e. mainstreaming Green Hotel certification run by MOTAC, or international certification such as those by the Global Sustainable Tourism Council), including uplifting existing facilities to comply with sustainable best practices.

Funding and incentives should also be provided to tourism sector workers to be retrained on responsible tourism, and to communities in existing and new eco-tourism areas to provide sustainable homestay facilities. This will increase competitiveness and optimise profitability of our tourism industry for the long run. These fulfil SDG Goals 8 Decent work and economic growth, Goal 11 Sustainable cities and communities, as well as Goal 12 Responsible consumption and production.

Government should allocate RM200 million for this.

3) SMEs

Apart from corporate Malaysia, SMEs form the anchor of economic growth that contribute to a wide sector of society. They create jobs and wealth that bring greater equality and distribution of income to the Rakyat.

Subsidies provided to SMEs in certain sectors can be made conditional to future adoption of circular economy principles and sustainable production and material sourcing (supply chain practices), especially among the food, energy, palm oil, rubber, fisheries, timber and non-timber forest products, agroforestry, manufacturing, and construction sectors. This inevitable

economic downturn reminds us of the importance of sustainable use of natural resources and sustainable development which emphasise triple bottom lines – profit, people and planet. We must not sacrifice any of the three.

In addition, support for B40 communities to start microbusinesses in urban, semi-urban and rural locations should come hand-in-hand with resources to ensure businesses operate in a sustainable manner. Funds should be provided to the retraining of the workforce during this downtime, offering financial incentives for workers (particularly B40 communities) taking these retraining courses, for the time being online. This can also generate work locally for another segment in creating courses, translating them to different languages including for Orang Asli communities in some instances.

The SDG goals attained are Goal 8 Decent work and economic growth, Goal 9 Industry, innovation and infrastructure, Goal 10 Reduced Inequality, and Goal 12 Responsible consumption and production.

Government should allocate RM500 million for this.

4) Food Security

Invest in food security by providing funding and training incentives to a new generation of farmers, especially in sub-urban and rural communities to initiate small scale sustainable farming initiatives on idle land, including organic farming. This will encourage more people, especially youth to take up farming and generate income from sustainable farming while at the same time contribute towards food security and a healthy food supply. Sustainable agriculture and aquaculture practices will also reduce the impact of pollution on river systems, which are crucial for water security.

Invest in soft infrastructure which are crucial for irrigation, including protection of water catchment forests and clean rivers. Soft infrastructure and Nature-based Solutions (NBS) are more cost-effective and more resilient when we take into consideration the changing climate.

The government should allocate RM500 million to this endeavour that secures food for our future.

This pandemic has underlined the importance of a resilient economy - one that mitigates and is able to absorb shocks from unexpected crises while protecting the well-being of the *rakyat*. We trust the Malaysian government can lead the economy to build back better, continuing our transition into a resilient, sustainable and socially-responsible economy. In this regard, the economic stimulus packages must improve the resilience of our economy towards the crisis that we face now and the future, ensuring that we continue to enshrine the rakyat's health and wellbeing as the key objective of developing Malaysia's economy.

Prepared by WWF-Malaysia and endorsed by the following organisations:

1. Bornean Sun Bear Conservation Centre
2. Borneo Benkel
3. Borneo Rhino Alliance
4. Catama Borneo
5. Childline Foundation
6. CRIB Foundation
7. CSC eHomemakers
8. Malaysian CSO-SDG Alliance
9. Danau Girang Field Center
10. Ecocentric Transitions
11. ENSEARCH Malaysia
12. Environment Protection Society Malaysia (EPSM)
13. Forever Sabah
14. Global Environment Centre (GEC)
15. HUTAN - Kinabatangan Orang-utan Conservation Programme
16. Kinabatangan - Corridor of Life Tourism Operators Association (KiTA)
17. KSI Strategic Institute
18. Kudat Turtle Conservation Society (KTCS)
19. Land Empowerment Animals People (LEAP)
20. Malaysian Care
21. Malaysian Cave and Karst Conservancy
22. Malaysian Youth Delegation (MYD)
23. Marine Research Foundation
24. PACOS Trust
25. Reef Check Malaysia
26. Reef Guardian
27. Research and Development Movement, Singai, Sarawak
28. Sabah Environmental Trust (SET)
29. Sustainable Development Network Malaysia
30. Treat Every Environment Special
31. Waste Less Kuching
32. Yayasan Kajian dan Pembangunan Masyarakat (YKPM)
33. Yayasan Anak Warisan Alam
34. Wetlands International