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Accelerating the recovery from the coronavirus disease (COVID-19) and the full implementation of the 2030 Agenda for Sustainable Development**Report of the Secretary-General****Summary**

The economic, social and environmental impacts of COVID-19 have been enormous and have greatly affected the ability of developing countries to invest in the implementation of the SDGs. The COVID-19 experience, at the same time, has shown that countries that had made more progress in achieving the SDGs were in a better position to deal with the impact of the pandemic. Crises like COVID-19 highlight the underlying frailties of the current global economic and social system that the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change were intended to address. The high costs of COVID-19, the war in Ukraine, and climate change, demonstrate the importance of countries shifting to a structural transformation pathway that promotes the goal of sustainable development. Recommitting to the achievement of the SDGs by 2030 would be the best roadmap out of these crises.

The present report on the ECOSOC and HLPF theme serves to inform the Council's high-level segment in July 2023, as well as the HLPF. It is complemented by the report of the Secretary-General A/78/XX-E/2023/XX "Progress towards the Sustainable Development Goals: Towards a Rescue Plan for People and Planet". It should also be read in conjunction with the Secretary-General's report E/HLS/2023/XX "Long-term future trends and scenarios: impacts on the realization of the Sustainable Development Goals."

I. Introduction

1. This report¹ highlights strategies that countries could consider with a view to accelerating the recovery from the COVID-19 pandemic and the full implementation of the 2030 Agenda for Sustainable Development. The report offers analysis and policy recommendations to inform discussions at this year's high-level segment of the Economic and Social Council. It has benefited from substantive contributions made by United Nations system entities and is complemented by the report of the Secretary-General A/78/XX-E/2023/XX "Progress towards the Sustainable Development Goals: Towards a Rescue Plan for People and Planet". It should also be read in conjunction with the Secretary-General's report E/HLS/2023/XX "Long-term future trends and scenarios: impacts on the realization of the Sustainable Development Goals."
2. The economic impact of COVID-19 has been enormous. In 2020, the global economy contracted by 4.9 per cent because of the impact of the pandemic. After expanding by 6.1 per cent in 2021, the global economy was projected prior to the war in Ukraine to grow by 4.1 per cent in 2022 and 3.5 per cent in 2023.² However, the continued negative spillover effects of the pandemic, as well as the war in Ukraine reduced global growth in 2022 to 3.1 per cent, with an increase of 2.3 per cent projected in 2023.³ Furthermore, the least-developed countries have experienced some of the worst outcomes from the global crises. The average economic growth in the LDCs in the 2020 to 2022 period of 2.5 per cent⁴ fell way short of the 7 per cent annual SDG 8 target. As a result, the pandemic has led to the exacerbation of global inequalities across countries.
3. Moreover, the global inflation rate is projected to decline from 7.5 per cent in 2022 to 5.2 per cent in 2023, mainly due to lower food and energy prices and softening global demand but remain well above the 2000-2019 average of 3.1 per cent.⁵ Continuing high inflation in developing countries that are home to large numbers of poor people represents an additional barrier to poverty eradication. As central banks have responded by raising interest rates to tame inflation, there have been downward pressures on economic growth.
4. Taken together, these factors have adversely affected the implementation of the SDGs. The global poverty rate rose from 8.5 per cent in 2019 to 9.3 per cent in 2020 because of COVID-19, erasing more than 4 years of progress. By end of 2022, nowcasting suggests 8.4 per cent of the global population, or about 670 million people, could still be living in extreme poverty, with this figure projected to drop to 575 million by 2030, a fall of less than 30 per cent since 2015.⁶ The number of additional people falling into extreme poverty in countries in, or at high risk of, entering debt distress is estimated to be 175 million by 2030, including 89 million women and children.⁷
5. Some 768 million people also suffered from hunger in 2021 compared to 589 million in 2015. The stunting and wasting of children increased during the pandemic due to higher food prices. The Food Price Index of the Food and Agricultural Organization was 45 per cent higher in August 2022 than prior to the pandemic. According to FAO, 670 million people could face hunger by 2030, or about 8 per cent of the global population, an increase of 78 million over the pre-pandemic scenario.

¹ The report is presented in accordance with the mandate provided by the General Assembly in resolutions 61/16 and 72/305, as well as resolutions 74/298 and 75/290 A on the strengthening of the Economic and Social Council, and in alignment with General Assembly 75/290 B on the review of the implementation of General Assembly resolutions 67/290 on the high-level political forum on sustainable development and 70/299 on the follow-up and review of the 2030 Agenda for Sustainable Development at the global level.

² World Economic Situation and Prospects, UN DESA, January 2022.

³ World Economic Situation and Prospects, mid-year update, UN DESA, May 2023.

⁴ World Economic Situation and Prospects, UN DESA, January 2023.

⁵ World Economic Situation and Prospects, mid-year update, UN DESA, May 2023.

⁶ Report of the Secretary-General on Progress Towards the Sustainable Development Goals A/78/XX-E/2023/XX

⁷ United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030.

6. Estimates by the International Labour Organization indicate that the global jobs gap stood at 473 million people in 2022 and about 2 billion people were in informal employment.⁸ Total weekly hours worked in 2022 remained 1.4 per cent shy of their level in the fourth quarter of 2019, when adjusted for population growth, equivalent to 41 million full-time jobs. The COVID-19 pandemic has also impacted progress towards SDG 5 by exacerbating the gender divide, particularly in developing countries where women have experienced sharper declines in employment and labour force participation than men.⁹ Many women are also shouldering additional care work burdens and facing significant barriers to re-entering the labour force, especially those with young children.
7. The COVID-19 pandemic also brought many education systems around the world to a halt with major impact on global progress in implementing SDG 4. In 2020, 1.5 billion students in 188 countries were unable to attend their schools due to the pandemic, and learning disruptions continued over the course of 2021. School closures caused by COVID-19 and the relative ineffectiveness of remote learning have resulted in significant educational losses among children, particularly in the developing countries furthest behind in achieving SDG 4.¹⁰ As a result of school closures, it has been estimated that this generation of students risks losing \$17 trillion in lifetime earnings at present value, or about 18 per cent of global GDP in 2022. This impact is most severe in the poorest countries that did not have the resources to provide equitable distance learning opportunities of good quality for all.¹¹
8. For most countries, the costs of climate change are rising. Over the past 10 years, storms, wildfires and floods alone have caused losses of around 0.3 per cent of GDP globally according to data from the Swiss Re insurance company.¹² According to the sixth Intergovernmental Panel on Climate Change Assessment Report (AR6), between 3.3 and 3.6 billion people live in areas that are highly vulnerable to climate change, reinforcing the need for adaptation.
9. Recent analysis conducted by S&P Global Ratings suggests that economic output losses that are exposed to climate risks could reach 3.7 per cent of global GDP by 2030.¹³ This would constitute a huge potential cumulative loss in world output if countries pursue the current pathway for climate change policies.¹⁴ The S&P vulnerability assessment also finds that the regional impacts of climate hazards are most pronounced in South Asia (10-18 per cent of GDP at risk by 2030) and are also high for Central Asia, Middle East and North Africa, and Sub-Saharan Africa. Lower and lower-middle-income countries are likely to see 3.6 times greater losses on average in economic output than upper-middle- and high-income countries. Economic losses are also likely to be higher and more persistent for those developing countries, which have less capacity to adapt, weaker institutions and less financial capacity, and invariably bear little responsibility for the global climate change problem. The International Renewable Energy Agency projects a need for annual \$5.7 trillion global energy investments until 2030, equivalent to about 6 per cent of world output, significantly higher than the estimated \$1.0 trillion investment level in 2021.¹⁵
10. However, the crippling cost of debt financing for many developing countries has hamstrung their recovery from COVID-19, forced cutbacks in development spending, including on the SDGs, and constrained their ability to respond to further shocks, according to the UN Financing for Sustainable Development Report 2023. In 2022, it is estimated that 25 developing countries paid more than 20 per cent of total government

⁸ World Employment and Social Outlook, Trends 2023, International Labour Organization.

⁹ United Nations Secretary-General, Policy Brief: The Impact of COVID-19 on Women, 9 April 2020.

¹⁰ The State of the Global Education Crisis: A Path to Recovery, UNESCO, UNICEF and World Bank, December 2021.

¹¹ Global Education Monitoring Report 2021/2, UNESCO, December 2021.

¹² Weather Warning: Assessing Countries' Vulnerability to Economic Losses From Physical Climate Risks, S&P Global Ratings, 27 April 2022.

¹³ Ibid.

¹⁴ If the global output loss from climate change is estimated at 3.7 per cent of annual world output, it would amount to \$53 trillion in the 2015 to 2030 period, according to UN DESA staff projections.

¹⁵ World Energy Transitions Outlook 2022: 1.5°C Pathway, International Renewable Energy Agency

revenue in external debt service.¹⁶ As of November 2022, 37 of the world's 69 poorest countries were either at high risk of, or already in, debt distress, while one in four middle-income countries, which host the majority of the extreme poor, were at high risk of fiscal crisis.¹⁷ Higher interest rates in developed economies in response to inflation are also putting additional stress on developing countries that are dependent on food and energy imports and were already contending with balance of payments stress due to rising commodity prices.

11. Urgent measures are needed to accelerate the recovery in developing countries due to the high economic scarring caused by COVID-19, the war in Ukraine and climate change, to address rising costs of borrowing and heightened debt risks, bridge the current financing gap of SDG implementation, and undo the poverty traps and unsustainable economic growth patterns created by these crises. This is why I have called for an annual SDG Stimulus, amounting to at least \$500 billion in additional long-term lending by the multilateral development banks on improved borrowing terms by increasing their paid-in capital bases, with a view to massively boosting the sustainable development prospects of developing countries, by focusing on investments in renewable energy, universal social protection, decent job creation, health care, quality education, sustainable food systems, urban infrastructure and the digital transformation. Another key pillar of my SDG Stimulus proposal is to convert short-term lending of developing countries into long-term debt at lower interest rates.

II. Accelerating the recovery from COVID-19 and the full implementation of the SDGs

12. The overall progress in achieving the SDGs has dimmed since the assessment undertaken in the Global Sustainable Development Report 2019, as highlighted above.¹⁸ For goals where progress was too slow in 2019, the situation has not materially changed, according to an assessment undertaken in the Global Sustainable Development Report 2023. For those targets where improvements had been slowing, progress has not accelerated; and for others the world is still moving in the wrong direction. When it comes to the eradication of extreme poverty, progress has been disrupted by a multitude of recent crises, erasing years of solid advances. My report this year on SDG progress has similarly shown that many of the SDGs are moderately to severely off track and an extraordinary effort is required to achieve the goals by 2030.¹⁹
13. The experience from COVID-19, at the same time, has shown that countries that had made more progress in achieving the SDGs were in a better position to deal with the impact of the pandemic. Investment in the SDGs not only materially improved the lives of people in those countries but also served as a cost-effective insurance policy against the effects of unexpected crises. Countries that had achieved greater access to clean water (SDG 6), reduced the number of people living in slums (SDG 11) and decreased pre-existing health conditions such as non-communicable diseases (SDG 3) were in a better position to mitigate the COVID-19 risk, particularly in the period prior to the availability of vaccines and treatments. Similarly, past progress in introducing inclusive social protection systems (SDGs 1 and 8), robust universal health care (SDG 3) and effective public institutions (SDG 16), as well as smartphone and internet penetration (SDG 9), all contributed to more successful containment measures.
14. As such, the recovery from COVID-19 has been uneven and incomplete both within and across countries.²⁰ By the end of 2021, the top 20 per cent of individuals in terms of the global income distribution had recovered about half of their income, but the bottom half had not recovered at all. High-income countries were also able to resume education more quickly than most developing countries. This uneven recovery doesn't just affect

¹⁶ United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030, February 2023.

¹⁷ Ibid.

¹⁸ Global Sustainable Development Report 2023, UN DESA.

¹⁹ A/78/XX-E/2023/XX

²⁰ Ibid.

the countries that are slowest to recover but all countries because of the high integration of the global economy.

15. For an accelerated recovery from COVID-19 and the full implementation of the SDGs, countries must avoid returning to the “business as usual” investment patterns and activities of the past and opt to make their economies more socially equitable and environmentally sustainable. The economic measures must encourage investments and behavioural changes that decrease the risk of future shocks while increasing countries’ resilience to them if they occur. Global environmental emergencies like climate change and biodiversity loss have the potential to impose much higher and longer lasting economic and social costs.
16. Accelerating the recovery from the pandemic and the full implementation of the SDGs are thus inextricably linked. Recurrent crises highlight the underlying frailties of the current global economic and social system that the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change were intended to address. Crises at the same time often offer an opportunity for transformational change that responds to growing concerns about the need to find a better balance between the three dimensions of sustainable development. The high costs of crises provide a historic opportunity for countries to shift to a structural transformation pathway that promotes the goal of sustainable development. Recommitting to the achievement of the SDGs by 2030 would undoubtedly be the best roadmap out of these crises.
17. Looking ahead, countries, both individually and collectively, have a unique opportunity to accelerate the recovery from the pandemic and bring the world on a sustainable development path by forging a strategy that recognizes and addresses the multiple interlinkages that exist among the SDGs and their targets. Seizing this opportunity will require significant adjustments to how policies are made, and, in the way, societies produce, consume and share benefits and risks.

A. Capitalizing on opportunities for transformational economic change

18. Today, the world is riding a new wave of technological change sometimes referred to as the Fourth Industrial Revolution that promises to alter in a more fundamental way than ever before the work and lives of people. 3D printing, for example, is increasingly used in the production of goods that previously required extensive labour inputs. The introduction of 3D printing may become an important development strategy for increasing boutique manufacturing in rural areas in the future. The technological revolution thus offers developing countries an opportunity to bypass a traditional structural transformation pathway anchored in the rapid expansion of a highly polluting manufacturing sector to one with a lighter environmental footprint and greater emphasis on growth in services. The share of intangibles such as patents and copyrights is also steadily increasing in global economic output. Many developing countries, on the other hand, are in urgent need of increased investment in education, health and social protection as a strategy to enable their societies to take advantage of the new technologies in their pursuit of sustainable economic development.
19. COVID-19 has played a major role in accelerating digitalization in society, which is changing the world, with the potential to advance the achievement of all the SDGs. Digital adoption has taken a quantum leap in industry, business, government and society in both developed and developing countries as the result of the pandemic. The 2022 E-Government Survey of UN DESA particularly notes improvements in telecommunications infrastructure, human development and service provision, although the pace of this progress has differed between high- and low-income countries. Governments have also been forced to become more innovative, resourceful and effective because of the impact of the pandemic. UNEP estimates that the digital transformation has the potential to reduce CO₂ emissions by at least 20 per cent, the use of natural resources in products by 90 per cent, and waste and detoxifying supply chains by a factor of 10 to 100 times, all critical measures for transformational economic change.
20. The sharing economy is perhaps the most ubiquitous manifestation of the rapid technological change the world is experiencing. Through smartphones and the internet, sharing economy platforms are facilitating the

creation of markets and better use of underutilized assets. The significant underutilization of resources that could be shared in society is well symbolized by private vehicles which often remain idle 95 per cent of their lifetime.²¹ By reducing search and transaction costs, the “sharing economy” unlocks such resources through cheaper and more accessible options for consumers. It also creates an option for individuals to complement their incomes as drivers at their convenience. Sharing economy companies have created solutions to large-scale coordination problems in the provision of transportation, housing, ambulances, agricultural machinery, and many other resources in developed and developing countries alike.²²

21. A significant number of developing countries, particularly in Africa, are in the early demographic dividend phase where the working-age population is rapidly rising as a share of the total population, as discussed in the World Social Report 2023 of UN DESA. Those countries need to adopt policies that nurture a rapidly growing pool of well-trained workers and advance economic and structural reforms that make them a magnet for foreign direct investment and technological diffusion. Ageing developed countries with declining working-age populations, on the other hand, will have a strong incentive to accelerate investment flows to developing countries in regions like Africa with abundant labour. As a result, the Africa region has the potential to become a major driver of global economic growth in the latter half of the twenty-first century if countries adopt the right policies to realize this demographic dividend. An example of such policies includes the recent agreement to create an African Continental Free Trade Area, which took effect in January 2021, and is projected to generate real income gains of 7 per cent by 2035, or about \$450 billion, and lift an estimated 30 million people out of extreme poverty.²³
22. The economic benefits of closing the gender gap in labour force participation are huge. Globally, there is a nearly 25 percentage point gap between male and female labour participation rates, reaching as high as 31.2 percentage points in Asia and as low as 8.7 per cent in North America.²⁴ This significant gap in labour force participation of men and women imposes high economic costs on the countries concerned. The losses to an economy from the economic disempowerment of women have been estimated to range from 10 per cent of GDP in advanced economies to more than 30 per cent in South Asia and in the Middle East and North Africa. This amount can be considered the global opportunity cost of lower labour force participation of women.²⁵
23. Shifting to circular agriculture has become critical for sustainable rural development. The huge increase in global food production in recent decades has come at a high cost for the environment. Half of the habitable land is now used for agriculture, which accounts for 70 per cent of global freshwater withdrawals and this critical resource is projected to experience a deficit by 2030.²⁶ The growth of agriculture has also been driven by more intensive use of chemical fertilizers and synthetic pesticides, which over time have eroded the quality of land for cultivation and degraded the sources of freshwater. Circular agriculture is a way to farm sustainably, while making use of scientific advances, innovations and new technologies. Mixed crop-livestock and organic farming, agroforestry, water recycling and wastewater reuse are key elements of circular agriculture. The strengthening of institutions and incentives, such as water user associations and secure water and tenure rights, along with enhanced international cooperation, can spur greater application of circular approaches in agriculture. The application of circular agricultural practices that focus on using minimal amounts of external inputs, closing nutrients loops, regenerating soils, and minimizing the impact on the environment, is also well-suited for labour intensive smallholder farming and contributes to more inclusive and gender-sensitive economic development in rural areas.

²¹ Knack, R. E. (2005). Pay as you park. *Planning*, 71(5).

²² The sharing economy also creates some policy challenges that require updating regulatory frameworks.

²³ The African Continental Free Trade Area: Economic and Distributional Effects, World Bank, 2020.

²⁴ World Employment and Social Outlook, Trends 2023, International Labour Organization.

²⁵ Closing the Gender Gap, Era Dabla-Norris and Kalpana Kochhar, Finance & Development, International Monetary Fund, 19 March 2019.

²⁶ Circular agriculture for sustainable rural development, Policy Brief No. 105, UN DESA.

B. Refocusing on investment in human wellbeing and institutional capabilities

24. Recent crises have both exposed and exacerbated deep divides across various dimensions of human well-being. The impacts of the crises on key elements of well-being, such as health, education, employment and access to other goods and services were particularly hard-felt by women and girls and by persons in vulnerable and marginalized situations, resulting in some being pushed even further behind.
25. Increased investment in human wellbeing, particularly in health care and social protection systems, is a key lever for closing these divides and realizing the economic transformation needed to achieve the SDGs.²⁷
26. Quality, affordable health care is foundational for individuals to lead productive and fulfilling lives and for countries to have strong economies. It is also central to the realization of many other SDGs, such as those relating to the eradication of extreme poverty, reducing inequality and building human capital in society. Additional investment for primary health care in low- and middle-income countries is estimated at \$200 billion per year through 2030, predominantly in Sub-Saharan Africa and South Asia.²⁸ The WHO estimates that investment of this magnitude could save 100 million lives by 2030.
27. Strengthening of social protection systems is another key enabling factor for enhanced human wellbeing. In response to the COVID-19 crisis, many countries put in place exceptional social protection measures with impressive results. It is estimated that social protection expenditures in 2020-2021 reached \$3 trillion, 4.5 times higher than what had been spent during the global financial crisis in 2008-2009.²⁹ However, in some countries these measures have been withdrawn even where economic growth and employment have not fully recovered, putting their beneficiaries at risk of falling into poverty. Only 47 per cent of the global population has access to at least one social protection benefit, meaning that more than 4 billion people still lack any social protection.³⁰ The cost of achieving SDG target 1.3 in developing countries by 2030 is estimated at \$1.0 trillion, or 3.3 per cent of GDP.³¹ Financing the achievement of this target could come from reformed or more effective tax-based revenue and from domestic carbon-pricing revenue, with a portion of the income from developed countries committed to strengthening social protection systems in developing countries.³² Other financing options include re-allocating public expenditures, expanding social security scheme contributory revenues; official development assistance; and eliminating illicit financing flows. Governments in developing countries could also reduce spending inefficiencies, tackle corruption, and shift budget allocations away from military expenditures.
28. The ongoing transition of a significant number of workers to digital platforms is posing a formidable challenge for social protection systems. While such new forms of employment provide greater flexibility to enterprises and workers and lower the cost of service delivery, they can also translate into lower and more volatile earnings and higher levels of income insecurity, inadequate or unregulated working conditions, and non-existent, or limited, social protection for workers. It is difficult to identify the party responsible for contributing to the employer's share of social insurance since neither those requesting the service, nor the organizers (the digital platforms) may recognize an employment relationship entailing responsibilities concerning social protection. Several policy options can help address these gaps: the coverage of legislative frameworks can be broadened to include workers on digital platforms; minimum thresholds on enterprise size, working time or earnings for contributions could also be lowered or removed in order to expand social protection coverage to all workers and create a level playing field for all employers; and it may be possible to simplify administrative requirements, for example, by using mobile platforms.

²⁷ Global Sustainable Development Report 2019, UN DESA.

²⁸ Ibid.

²⁹ Global Sustainable Development Report 2023, UN DESA.

³⁰ World Employment and Social Outlook, Trends 2023, International Labour Organization.

³¹ Financing gaps in social protection: Global estimates and strategies for developing countries in light of COVID-19 crisis and beyond. ILO Working Paper, 14, October 2020.

³² Global Sustainable Development Report 2023, UN DESA.

29. Strengthening public administration capacity of governments, particularly in developing countries, is also critical for successful SDG implementation. This includes governments adopting a clear vision and action plan for achieving the SDGs; enhancing horizontal and vertical coordination across sectoral ministries and between national and sub-national levels; creating an effective monitoring and evaluation framework to regularly assess SDG progress; and ensuring that roles and responsibilities for SDG implementation are well-defined. The SDGs are an integrated development framework across human and natural systems and governments need to focus on fostering synergy across different sectoral policy areas while balancing trade-offs. An important role of governments is also to build effective partnership with civil society and the private sector in the implementation of the SDGs.
30. History has shown that effective public administration capacity is not a luxury but a vital necessity for people's trust in government. The goal of sustainable development will be difficult to achieve without effective public administration. Over time, even the smallest improvements in public administration capacity have shown to make a vast difference in the quality of people's lives.

C. Decoupling economic growth from environmental degradation

31. In the Paris Agreement on Climate Change, states agreed to limit global warming to 1.5°C by 2030, which would require an estimated 45 per cent reduction in CO₂ emissions (SDG 13). To achieve this large reduction in CO₂ emissions, it will be particularly important to accelerate the process of decoupling economic growth from environmental degradation. This would lower the impacts of climate change on biodiversity and terrestrial, freshwater and coastal ecosystems and retain more of their services to humans.
32. Climate change is the result of more than a century of unsustainable energy and land use, lifestyles and patterns of consumption and production. Climate change is causing extreme weather events that have exposed millions of people to acute food and water insecurity, especially in Africa, Asia, Central and South America, on Small Islands and in the Arctic.
33. Climate-related effects, either by directly posing threat to human life and security, or by exacerbating existing conflict drivers such as poverty, food and livelihood insecurity, resource scarcity, and poor governance, can also compel people to move.³³ The 2021 World Bank study, Groundswell, argues that climate change migration will continue to involve significant internal displacement of people and mostly affect developing nations. The report estimates that 216 million people across the six regions could be forced to migrate within their countries by 2050, with Sub-Saharan Africa alone accounting for 86 million internal climate migrants. Hotspots of internal migration could emerge as early as 2030 and continue to spread and intensify by 2050. This trend could have disproportionate impacts on the most vulnerable people living in the poorest countries, further exacerbating inequalities both within and between nations. However, an immediate and concerted action to reduce global emissions, and support green, inclusive and resilient development, could reduce the scale of climate migration by 80 per cent.
34. The current energy transition differs from earlier ones which were largely driven by economic and technological advances and took place over at least century-long periods. However, the present energy transition, which will need to be transformative, is primarily driven by global policy and would need to be accomplished over a significantly shorter span of time, or a quarter century at most, due to the stark potential ramifications of inaction. This challenge also comes against significant global macroeconomic uncertainty, a growing North-South divide over burden-sharing, and the need to scale-up mining of important minerals.
35. The threat of climate change and the war in the Ukraine have strengthened the commitment of countries to accelerate the energy transition by increasing the use of renewables and improving energy efficiency (SDG

³³ Koubi, Vally (2019), Sustainable development impacts of climate change and natural disasters. Background paper prepared for Sustainable Development Outlook 2019 of UN DESA.

7). Renewables are now the fastest growing source of energy in buildings; the electric vehicles industry is growing rapidly, 20 per cent of new cars bought in Europe in 2021 were EVs; favourable economics have greatly boosted the use of rooftop solar systems; and wind power accounts for a substantial share of electricity generation in a number of countries like Denmark (58 per cent), Uruguay (40 per cent), Ireland (38 per cent) and the United Kingdom (24 per cent).³⁴ In 2022, six of the ten largest cross-border greenfield investment projects were in renewables.³⁵ UNEP has estimated that CO₂ emissions will need to be decreased by 7.6 per cent annually till 2030 in order to achieve the 1.5°C target established in the Paris Agreement on Climate Change, but this figure would have been 3.3 per cent if countries had taken decisive action a decade ago.³⁶

36. Industry accounts for about a quarter of global CO₂ emissions. Achieving net zero will be challenging and require the introduction of new production processes, low and zero emissions electricity, hydrogen, and where necessary, carbon capture and storage. Agriculture, forestry and other land use will also need to be part of large-scale emissions reductions, in addition to removing and storing carbon dioxide at scale.
37. The Inclusive Wealth Report 2022 of UNEP has highlighted that while manufactured and human capital has grown over recent decades, the stock of natural capital that sustains global progress has declined by 28 per cent, or 50 per cent per capita due to population growth between 1992 and 2019. The Inclusive Wealth Index presented in the report suggests that a large number of countries have suffered a decline in inclusive wealth since 1992, even though GDP per capita has increased in all but a handful of them. These countries are depleting their combined stock of manufactured, human and natural capital at a rate that will leave future generations worse off. The Inclusive Wealth Report provides a strong argument that the wealth of nations should not be measured and reported by ‘income’ instruments like GDP alone, but also others such as the combined stock of manufactured, human and natural capital.
38. The global economy is consuming annually more than 100 billion tons of the Earth’s resources.³⁷ Of all the minerals, fossil fuels, metals and biomass that enter the economy each year, only 8.6 per cent is cycled back. The global ecological footprint of the current material consumption and production patterns exceeds the Earth’s biophysical capacity by 1.8 times.³⁸ Some 1.3 billion tons of food waste are generated each year as the result of unsustainable practices. Recent analysis by the Food and Agricultural Organization shows that the SDG targets for ending hunger and achieving food security can be achieved with a modest expansion of agricultural output, as long as agricultural systems become more sustainable, and food is more equitably distributed across and within countries.
39. With manufacturing being increasingly carried out through geographically dispersed supply chains, there is need for such production to be subject to high standards of circularity in the use of resources along all their component units. Governments can design public procurement processes to promote the goals of resilience, low-carbon and innovation. In addition, an effective national sustainable development programme could include levying or increasing carbon taxes and winding down fossil fuel subsidies, allowing the market price to provide signals that encourage sustainable consumption and investment.

D. Renewing multilateral cooperation and partnership

40. Rising geopolitical fissures are changing the external environment of multilateral cooperation. The pace of economic globalization has also been slowing down during the past decade. The ratio of global exports of goods and services to world GDP peaked in 2008 and has since trended downwards. Foreign direct

³⁴ Renewables 2021, Global Status Report, REN21.

³⁵ Global Investment Trends Monitor No. 44, UNCTAD (2023)

³⁶ UNEP Gap Report, 2019.

³⁷ Circularity Gap Report 2020, Circle Economy.

³⁸ Sustainable Development Outlook 2021, Achieving the SDGs in the wake of COVID-19: Scenarios for policy-makers, UNDESA.

investment in 2007 was 5.3 per cent of global GDP but had declined to 1.3 per cent by 2020.³⁹ The war in Ukraine that started in February 2022 has since led to further global economic and political fragmentation. These developments, if left unabated, could result in the fragmentation of the world economy into geopolitical blocs, with significant implications for multilateral cooperation.

41. Multilateral cooperation also faces a formidable challenge in many advanced economies from a changing political landscape, which has led to growing polarization within and across countries and increased support for populist parties. These political shifts have been heavily driven by public backlash against the economic and cultural impact of globalization and the perception of growing inequality in society.
42. In Our Common Agenda, I have highlighted the need to reinvigorate the United Nations, so the Organization can respond more effectively to the growing number of interconnected global challenges. Addressing these common challenges will not only require enhanced capacity of multilateral organizations but also renewed commitment to work together across the diverse landscape of actors in the public, civic and private spheres.
43. This is why I established the High-level Advisory Board on Effective Multilateralism to identify global public goods and other areas of common interest where governance improvements are most needed and to propose options for how this could be achieved. The sheer scale of the impact of COVID-19, as well as the threats of other catastrophic risks such as those relating to climate change and loss of biodiversity, which could impose much higher costs, all point to the need to renew the institutional foundation of multilateral cooperation.
44. Our Common Agenda also proposes a biennial summit between the Group of 20, ECOSOC, the Secretary-General and heads of international financial institutions with the objective, inter alia, to support a Sustainable Development Goal investment boost, including through a last mile alliance to reach those furthest behind and to resolve weaknesses in the debt architecture.
45. Considering the devastating impact of COVID-19, the war in Ukraine and climate change, it has become important for the international community to anchor the recovery in the full implementation of the SDGs, as recommended in this year's SDG Progress Report. The review of the 2030 Agenda for Sustainable Development at the SDG Summit later this year provides an opportunity to reenergize multilateral cooperation in support of the recovery and the full implementation of the SDGs.
46. In light of the devastating impact of COVID-19, high priority should be accorded to major strengthening of the capacity of the global public health system so that it can withstand and deal with pandemics and other health risks if and when they arise. Strengthening health care systems in developing countries that are particularly deficient in this regard should no longer be seen as a task of those countries alone but of the international community as a whole. Enhanced multilateral cooperation is vital to accomplish this task.
47. The World Health Assembly adopted in December 2021 a decision that establishes an intergovernmental negotiating body to draft a WHO convention, agreement, or another international instrument on pandemic prevention, preparedness and response. The final draft of this instrument will be presented to the World Health Assembly by May 2024. This decision of the World Health Assembly reaffirms that strengthening of the global public health system is a joint priority of all states.
48. A strong commitment to multilateral debt relief and development cooperation, including official development assistance, is much needed to restore the fiscal space of many developing countries in the aftermath of the pandemic and the economic impact of the war in Ukraine. Other measures such as a moratorium on debt service payments, debt restructuring and the use of Special Drawing Rights, are similarly needed to ensure that developing countries are equipped to fully implement the SDGs. Many developing countries furthermore rely heavily on remittances to finance household consumption and reducing the cost of such transfers would

³⁹ The Gospel of Deglobalization, What is the Cost of a Fractured World Economy? Raghuram G. Rajan, Foreign Affairs, January/February 2023.

be a highly significant step to improve their fiscal space. Overcoming these barriers requires effective multilateral cooperation. My proposed SDG Stimulus would help to address these constraints.

49. The global community has a common interest in ensuring that the costs of climate change do not jeopardize development and stability in the poorest and most vulnerable developing countries. The 27th Conference of Parties to the United Nations Framework Convention on Climate Change held in November 2022 in Egypt, reached a breakthrough agreement to provide “loss and damage” funding for vulnerable countries hard hit by climate disasters. Governments also agreed to establish a ‘transitional committee’ to make recommendations on how to operationalize the new fund at COP28 in 2023. New pledges, totaling more than \$230 million, were also made to the Adaptation Fund at COP27. The COP27, furthermore, highlighted that a global transformation to a low-carbon economy would require investments of at least \$4-6 trillion a year. Funding of this magnitude would require a comprehensive transformation of the global financial system and its structures and processes, engaging governments, central banks, commercial banks, institutional investors and other financial actors.
50. Our Common Agenda has called for rethinking the yardsticks used to measure well-being, going beyond GDP which does not reflect changes in social and environmental conditions, nor does it include major economic activities such as care work and other non-market services. The flaws of GDP as a measure of well-being have long been recognized and practical steps to complement it with other measurements of progress need to be accelerated. The damage done to the environment as the result of the current consumption and production patterns need to be accounted for when framing policies for economic growth. Multilateral cooperation has a key role to play in this regard, particularly by strengthening the capacity of national statistical offices in the poorer countries to collect the necessary indicators on people’s material conditions and the quality of their lives, inequalities thereof, and sustainability.
51. A revitalized multilateral cooperation is also required to reverse the current trend of protectionist trade policies while simultaneously ensuring the robustness and resilience of global production and supply chains. The recent entry into force of the African Continental Free Trade agreement is an important milestone in this regard. Global production and supply chains have also received particular attention during the pandemic due to the perception that complex and long chains have worsened the country-level implications of the pandemic. However, research shows that shorter production and supply chains and domestic self-sufficiency do not necessarily imply reduced vulnerabilities.⁴⁰ Supplier diversification can instead help firms maintain production and supply lines in times of crisis.
52. A renewed commitment to multilateral cooperation can thus play a key role in ensuring the success of all countries, particularly developing countries, in accelerating the recovery from COVID-19 and the full implementation of the SDGs. If the different stakeholders fail to forge the necessary partnership towards this end, the accelerated recovery from the pandemic and the full implementation of the SDGs is unlikely to materialize. On the other hand, if all countries can see the writing on the wall and recommit to further strengthening multilateral cooperation and partnership, the success of this process would be greatly enhanced.

III. Mobilizing the support of the United Nations system

53. Providing effective support to developing countries to accelerate the recovery from the pandemic and the full implementation of the SDGs is a key priority of the UN system. This includes supporting developing countries in developing integrated national financing frameworks (INFFs) to finance SDG priorities. At the end of 2022, 85 countries had developed INFFs with support from the UN system. At the end of 2022, 39

⁴⁰ Miroudot, Sebastien (2020), Resilience versus robustness in global value chains: Some policy implications.

countries were preparing INFFs for the first time and another 25 countries were broadening the scope of existing strategies, with the first two frameworks launched in 2022.⁴¹

54. Under the technical leadership of UNDP, the UN system is assisting developing countries in implementing the 2030 Agenda Mainstreaming Acceleration and Policy Support (MAPS) tool, which focuses on integrating SDG ambitions into national and local systems. UNDP, in cooperation with UNICEF, UN Women, UN DESA and UN Global Pulse, has also recently launched the SDG acceleration simulator to support UN country teams and programme country governments to define context specific pathways to accelerate the recovery from the pandemic. The UN Sustainable Development Group, with support from UNDP and UNICEF, has updated the SDG Acceleration Toolkit to provide UN country teams, policy experts and governments in programme countries, with access to existing tools to accelerate progress in SDG implementation. UNDP, UNICEF and ILO have recently developed a technical e-course on integrated policy to mainstream the SDGs into plans and budgets, which has attracted over 2000 enrollments from 148 countries and 33 UN entities in its first year of implementation.
55. Under the leadership of the International Labour Organization, the UN system has created the Global Accelerator for Jobs and Social Protection, with the objective of creating at least 400 million jobs and extending social protection to 4 billion women, men and children without coverage, with the overarching goal to achieve a job-rich recovery and just transition to a sustainable and inclusive economy. In 2023, ILO is launching a Global Coalition for Social Justice aimed at strengthening global solidarity and improving policy coherence in order to bring about action and investment in decent work and social justice.
56. UNESCO is spearheading the follow-up to the September 2022 Transforming Education Summit within the UN system, while also co-chairing, with the Government of Sierra Leone, the SDG 4 High-level Steering Committee, whose task is to mobilize political ambition, action, solutions and solidarity, to accelerate the transformation of education and its financing.
57. UN-Water has recently launched the SDG 6 Global Acceleration Framework to achieve the sustainable management of water and sanitation for all by 2030. This framework will contribute to the new Water Action Agenda, which was an outcome of the United Nations Water Conference in March of this year. UNICEF has also developed a “Game Plan” for safely managing sanitation by 2030, which is aligned with the SDG 6 Global Acceleration Framework.
58. UN-Energy has adopted a Global Plan of Action: Towards 2025, for the accelerated implementation of SDG 7. Key priority actions of the global plan include scaling-up energy compacts; leading a global campaign for SDG 7 actions; greening the operations of the member entities of UN-Energy; convening annually a Global SDG 7 Action Forum; informing global agenda-setting and demonstrating thought leadership; and leveraging the power of data, digitalization and visualization for enhanced monitoring, tracking, accountability and communications of results.

IV. Conclusion

59. The economic, social and environmental impacts of COVID-19, the war in Ukraine and climate change have been enormous and have affected the ability of many developing countries to invest in SDG implementation. At the same time, the pandemic response has demonstrated that governments and other stakeholders are capable of incredibly determined action when called upon. The recovery and full implementation of the SDGs will require similar extraordinary efforts.
60. The experience from COVID-19 shows that countries that had made more progress in achieving the SDGs were in a better position to deal with the pandemic. Investment in the SDGs not only improved the lives of people in those countries but also served as a cost-effective insurance policy against the impact of unexpected

⁴¹ Nigeria and Mongolia.

crises. Recommitting to the achievement of the SDGs by 2030 would be the best roadmap out of such crises. Accelerating the recovery from the pandemic and the full implementation of the SDGs are thus inextricably linked.

61. The SDG Stimulus that I have proposed, amounting to some \$500 billion annually in new lending by the multilateral development banks on improved terms, is meant to boost the sustainable development prospects of developing countries, including their recovery from the pandemic and other crises.
62. The COVID-19 experience has also shown that the global system is only as strong as its weakest link. This means that further strengthening of multilateral cooperation is critical to achieving a sustainable and resilient recovery for countries, individually and collectively. The COVID-19 experience must be used to renew multilateral cooperation, including institutions such as the United Nations that sustain it.
63. The UN system also has a critical role to play in supporting developing countries in formulating and implementing integrated national financing frameworks to finance SDG priorities.
64. This report makes the following recommendations to accelerate the recovery from COVID-19 and the full implementation of the SDGs:

(a) Countries need to recommit to action to achieve the SDGs at national and global levels between now and 2030, by strengthening the social contract and reorienting their economies towards low-carbon, resilient pathways aligned with the Paris Agreement. This also includes governments setting and delivering on ambitious national benchmarks to reduce poverty and inequality, including gender inequality.

(b) The COVID-19 pandemic has shown the enormous benefits of the digital revolution. Countries need to realize the priorities set out in my “Roadmap for Digital Cooperation” and “Our Common Agenda”, by strengthening the provision of effective public services while fostering enhanced cooperation with the private sector and civil society. To take advantage of the new digital technologies, developing countries need to increase the investment in education, health care, social protection and strengthen their public administration capacity.

(c) Developing countries with a large number of young people entering the labour market need to place high priority on investment in education and skills development while advancing economic and structural reforms that make their economies a magnet for foreign direct investment and technological diffusion.

(d) The full implementation of the SDGs requires countries to address long-term gender inequality in society. If the gender gap in the labour force participation rate can be closed, it can be a major driver of higher growth in GDP per capita, including in countries facing an ageing population.

(e) All countries must step up efforts to combat the threat of global climate change. This will require countries to increase investment in clean energy infrastructure, renewable energy sources, improved batteries, smart grids, electric vehicles, and carbon capture and sequestration technologies. Accelerating the renewables revolution is our best hope of ensuring energy security, affordability, access and independence, while keeping the 1.5 C target alive. This presents one of the greatest investment opportunities since the Industrial Revolution. A climate swaps programme would also allow countries to use debt service payments to invest in sustainable development and climate action by freeing up fiscal space.

(f) The wealth of nations should not only be measured by ‘income’ instruments like GDP but also the combined stock of manufactured, human and natural capital. It will be particularly important to strengthen the capacity of national statistical offices in developing countries to collect the necessary data to monitor the combined stock of manufacturing, human and natural capital and enhanced multilateral cooperation has an important role to play in this regard.

(g) Countries need to commit to the renewal of multilateral cooperation, including institutions such as the United Nations. The geopolitical landscape has fundamentally changed in recent years and the reinvigoration

of multilateral cooperation may be inextricably linked to the ability of states to agree on material strengthening of the institutions that sustain it. I encourage Member States to consider the recommendations of my High-level Advisory Board on Effective Multilateralism with this objective in mind. In addition, I encourage Member States to consider the proposal in Our Common Agenda to convene a biennial summit of the Group of 20, ECOSOC, the Secretary-General and the heads of international financial institutions.

(h) The capacity of the World Health Organization to direct and coordinate on global health needs to be strengthened, including providing the agency with adequate institutional, financial and legal resources to effectively perform that role.

(i) A strong commitment to multilateral debt relief and development cooperation, including official development assistance, is critical to restore the fiscal space of many developing countries in the aftermath of the pandemic and other crises and as a precondition for accelerating the recovery and the full implementation of the SDGs. This calls for the development of an improved multilateral debt initiative to support debt repayment suspensions of vulnerable countries and to take steps towards the creation of a permanent mechanism to address sovereign debt distress. This also calls for greater long-term attention to strengthen the international financing architecture, including renewed commitment to enhance the capitalization of the multilateral development banks.

(j) The United Nations system has an important role to play in supporting programme countries in accelerating the recovery from the pandemic and the full implementation of the SDGs. This includes enhanced support to programme countries to develop integrated national financing frameworks to realize SDG priorities, as highlighted earlier. This also calls for renewed commitment of all United Nations entities to working more closely together in every aspect of planning, programming and implementation of country-level activities and in forging effective partnerships with Member States at all levels.