



HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

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2023 HLPF thematic review of SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Wednesday, 12 July 2023, 3:00 PM – 6:00 PM

Secretariat Background Note

SDG 9 focuses on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation which are core elements of economic processes and structural transformation with potential synergies across all SDGs.

Globally, improvements in SDG 9 indicators have been registered but this is likely to fall short in terms of achieving the goal. Some SDG 9 targets, including manufacturing value added (MVA) per capita and mobile broadband access have seen significant, though uneven, progress since 2015.

In some groups, such as least developed countries (LDCs) in Africa, MVA per capita is not much higher than the 2015 baseline.¹ The share of manufacturing employment in total employment continues to decline, falling from 14.3% in 2015 to 13.6% in 2021. Global carbon dioxide (CO₂) emissions from energy combustion and industrial processes grew by 0.9% in 2022 to a new all-time high of 36.8 billion tons.

¹ The data in this paragraph are from SDG Progress Report Special Edition 2023.



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Mobile broadband (3G or above) access is available to 95% of the world's population, while 4G coverage has doubled to 88% between 2015 and 2022. In Sub-Saharan Africa, 18% of people are not covered.



Advances on SDG 9 today must take place against a much more challenging landscape than in the early years of SDG implementation. The type of transformational change needed to achieve the SDGs, in climate mitigation and adaptation, in green energy, green industries, sustainable and resilient infrastructure and more, will depend on efforts to identify promising ways forward on SDG 9.



The manufacturing industry's recovery from COVID-19 remains incomplete and has been uneven. Overall, for developing countries, the traditional challenges of industrializing seem to have become tougher and breaking into global value chains more difficult. In many regions, the informal sector and Small and Medium Enterprises carry out a large share of economic activity and are an important source of employment, dynamism and innovation. These sectors, however, were the most highly impacted by COVID-19 and other concurrent crises. Yet they often received limited support, and were not always sufficiently considered in official statistics, policies and programmes.



Lack of access to long-term financing is a key constraint for firms, particularly when aiming to invest in innovation. The financial sector tends to have short-term incentives, but many investments that are critical to the growth of enterprises are long-term in nature and require similarly long-term financing. Banks in industrialized countries provide more long-term financing than in LDCs, where the costs of capital can be up to 7 times higher. On the ground, many promising innovations are unable to reach scale due to lack of financing. High borrowing costs and precarious debt situations in





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many developing countries have also constrained investment in infrastructure, including needed investments for resilience.



Yet, there are also opportunities that have emerged during this time of crisis, including a deepened role of digital technology, the green transformation, capacity-building in the pharmaceutical sector, and increased value added and employment in low and medium-income countries. The green transformation offers opportunities to developing countries by building their industrial capabilities in the green sector, creating jobs, income and global competitiveness. But more can be done so that developing countries can move away from being consumers of such green technologies to become producers in global value chains. Opportunities for countries to boost their food production and reduce reliance on food imports are also becoming salient.



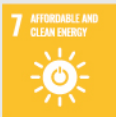
This session will examine how, in the challenging times that we face, innovation, industry and infrastructure, the pillars of SDG 9, can provide a bedrock for the acceleration of SDG progress and realization of Agenda 2030. It is becoming evident that stronger industrial capabilities can help diversify and generate multiple poles of added value within an economy, enabling countries to tap opportunities arising from the green and digital transformations. The session will give a chance to examine the main opportunities and challenges for leaders, jointly with the private and financial sectors, to implement SDG 9. National strategies on SDG 9 will be discussed and opportunities for policy coherence and coordination can be examined.

Risk-proofing infrastructure investments to ensure their resilience to climate change and other disruptions and shocks is increasingly important, and the COVID-19 pandemic provided a stark reminder



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of the importance of digital connectivity to the implementation of the SDGs. This session will further examine how the potential of resilient infrastructure, digital technologies and innovation for development can be harnessed to the fullest, ensuring that these advances close divides and reduce inequality rather than widening them.

Accelerating progress on the 2030 Agenda will depend on an integrated approach to eradicating poverty and hunger, together with decarbonization, sustainable consumption and production, and preservation of the global environmental commons. SDG 9 can generate synergies with all of these with the right mix of actions and investments. This session will explore how progress on SDG 9 can be balanced and coherent with other SDGs and targets.

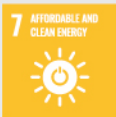
Proposed questions for discussion

- How can we promote industrial development, innovation and sustainable and resilient infrastructure for shifting gears towards recovery, resilience and advancing the SDGs, in the face of recent multiple crises?
- How can industrial development be fostered to achieve sustained economic development, poverty and inequality reduction while serving the imperatives of decarbonization, sustainable production and consumption and restoring the health of the global environmental commons?
- How can countries use policy tools to facilitate financing for sustainable industrial transformation, sustainable and resilient infrastructure and to scale up research and development? What role can multilateral cooperation play in maximizing the efficacy of these policies?



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- How can industrialization, innovation and infrastructure be more inclusive of the needs of women and small-scale enterprises, as well as countries with specific needs, such as LDCs, LLDCs, SIDS and disaster-prone countries?
- What are youth's priorities and challenges pertaining to SDG 9? What skills are needed for accelerating the achievement of SDG 9? How can we ensure that youth have adequate opportunities to acquire these skills in developing countries, and be impactful leaders in the achievement of SDG 9?