



Input by the Industrial Development Board to the 2024 high-level political forum on sustainable development

Solutions-oriented sustainable industrial development: Towards a full and accelerated implementation of the 2030 Agenda for Sustainable Development¹

1. Impact of recent multiple crises on the implementation of the 2030 Agenda

- 1.1 Recent global crises have had dramatic economic, social, and environmental, consequences around the world, particularly developing countries, leading to a surge in inflation, rising inequalities, disruption of value chains and an unprecedented increase in extreme poverty and hunger, reversing much of the progress made in recent years in advancing the 2030 Agenda.
- 1.2 Unemployment rates and economic activity has returned to pre-COVID-19 levels in many countries, but the recovery for developing countries, particularly in low-income countries (LICs) has been much slower. In this regard, the surge in food and energy prices has been particularly severe for LICs. LICs are also estimated to lose 1 per cent of their gross domestic product per year due to climate-related disasters, compared to 0.2 per cent in high-income economies.
- 1.3 Research shows that Sustainable Development Goal (SDG) 9 on industry, innovation and infrastructure is one of the SDGs which has the most extensive synergies with other SDGs, notably direct and indirect effects on SDGs 1 on no poverty, 2 on zero hunger, and 13 on climate action. There has been some progress towards the targets of SDG 9, but it has been uneven across countries, sectors and firms.

2. Three key areas where sustainable, resilient and innovative solutions for achieving SDGs 1, 2, 13, 16 and 17 are being effectively delivered

- 2.1 **Job creation through industrial development:** Driven by innovation and cutting-edge technologies, sustainable industrialization has the potential to generate millions of decent jobs. Each manufacturing job creates two to three jobs in other sectors of the economy. During the COVID-19 pandemic, manufacturing industries showed greater resilience in retaining employment than other sectors, and thus positively contributed to SDGs 1 and 2, among others.
- 2.2 **Resource efficiency and sustainable growth:** Firms are increasingly adopting environmentally friendly and low-emission practices and technologies. Environmental innovation and improved efficiency help reduce waste, pollution and emissions, and go hand in hand with increased productivity, cost savings and competitiveness, which is making firms and countries more resilient to shocks. Increased awareness and innovation are driving major structural, economic and social transformations in energy and resource efficiency towards new circular business models, thus helping to address climate change (SDG 13).
- 2.3 **Industrializing in the digital age:** The adoption of advanced digital production technologies in industry is helping to advance SDGs 1 and 2. Evidence shows that while a minimum base of industrial capabilities is required, there is a clear positive relationship between the use of such technologies and increased productivity, growth in manufacturing value added, as well as product innovations that lead to the emergence of new industries. Innovations geared towards reducing environmental and climate impacts also promote sustainability (SDG 13).

3. Three examples of specific actions, policies and measures that are most urgently needed to effectively deliver sustainable, resilient and innovative solutions to eradicate poverty and reinforce the 2030 Agenda

¹ In line with decision IDB.44/Dec.9, this Industrial Development Board input to the 2024 high-level political forum is prepared in close consultation with Member States, following the template provided by the President of ECOSOC.



- 3.1 *Promote sustainable agri-food systems, eradicate poverty and achieve food security for all:*** There is a need to strengthen systemic approaches to food systems transformation to accelerate progress on SDG 2, achieve a world without hunger and help advance other goals of the 2030 Agenda. Strengthening the link between agricultural production, local food processing and value addition through agro-industries is needed to address high food and post-harvest losses, productivity and value addition in developing countries, and the escalating food crisis, including through technical and financial support, and to meaningfully enhance the transfer of technology, on mutually agreed terms, as well as the transfer of knowledge and capacity-building.
- 3.2 *Industrial decarbonization and climate action in industry:*** To achieve the internationally agreed climate goals, there is an urgent need to decarbonize, especially high-emitting economic sectors. Particular emphasis needs to be placed on capacitating developing countries through conducive policy packages and investments for the adoption of innovative technologies. There is also a need to standardize definitions and methodologies for the calculation of embodied carbon emissions and to enable data transparency to create lead markets for sustainable products. Moreover, universal access to sustainable energy is a critical enabler for poverty reduction and food production. Developing countries need enhanced support, including through financial resources, and to meaningfully enhance the transfer of technology, on mutually agreed terms, and capacity-building to advance innovative technologies, including low-carbon emissions hydrogen, to provide affordable, reliable, sustainable and modern energy for low greenhouse gas emissions and climate-resilient development.
- 3.3 *Fostering local productive capacities and sustainable and resilient supply chains:*** Developing countries need to enhance local value addition, pursue economic diversification and greater integration into regional value chains to counter disruptions in global supply chains and build resilience to future shocks. There is also a need to harmonize relevant and applicable sustainability standards in global supply chains including through establishment and strengthening of standardization bodies to ensure shared gains from global trade and fair globalization.
- 4. Follow-up actions and measures being undertaken by UNIDO to support implementation of the Political Declaration of the SDG Summit**
- 4.1 *Sustainable industrial development in the Political Declaration of the SDG Summit:*** In the Declaration, United Nations Member States reaffirmed their resolve to realize their vision of a world built on sustainable industrialization, in the context of food security and improved nutrition, affordable, reliable, sustainable and modern energy, as well as quality, resilient, reliable and sustainable infrastructure for all, thus emphasizing their close linkages.² As the United Nations custodian agency for six SDG 9 indicators on industrialization, UNIDO is working to support the implementation of related provisions of the Political Declaration through its priorities for action.
- 4.2 *Promote sustainable agri-food systems to eradicate poverty and combat hunger:*** UNIDO expanded its partnership with the Food and Agricultural Organization of the United Nations and the World Food Programme to support food security in developing countries, among others by launching the Agrifood Systems Transformation Accelerator. UNIDO is also a key partner in the United Nations high-impact initiatives on Food Systems Transformation and Transforming4Trade, which were launched during the SDG Acceleration Day. The Organization continued to help countries advance sustainable agri-food systems by developing a portfolio in climate change adaptation and a strategy to reduce biodiversity loss in agribusiness. Moreover, UNIDO expanded its portfolio on integrated agro-food parks to cover 16 Member States.
- 4.3 *Climate action:*** UNIDO significantly expanded its support on industrial decarbonization of high-emitting industries through initiatives such as the Industrial Deep Decarbonization Initiative,

² A/RES/78/1



which is linked to the Clean Energy Ministerial, and the related Green Public Procurement Pledge, where several governments commit to targets and transparency in reporting on embodied carbon. Through new initiatives such as the Partnership for Net-Zero Industries and the Accelerate-to-Demonstrate Facility, UNIDO provides on-the-ground support to developing and emerging economies to establish the right policies and adopt new and state-of-the-art technologies. Under its Global Programme for Hydrogen in Industry, the Organization assists developing countries in overcoming identified barriers to scale up the clean hydrogen economy and encourages a just hydrogen transition that puts social and environmental aspects in focus. Finally, UNIDO's strategy in response to climate change was also developed to enhance the efficiency, effectiveness, and coordination of UNIDO's activities in support of Member States.

4.4 *Productive, resilient, and sustainable supply chains:* UNIDO has been developing a global programme on sustainable supply chains that will, among other things, address five technical dimensions at the macro, meso and micro levels: (1) Value addition contributing to socially just supply chains for inclusive industrial development; (2) Relevant and applicable sustainability standards compliance through enforcing institutional and policymaking capacities; (3) Skills development to allow successful and meaningful participation in sustainable supply chains; (4) Resource efficiency and the sound management of chemicals and waste contributing to environmentally sustainable supply chains; and (5) Sustainable investment advancing economically inclusive and resilient supply chains.

4.5 *Digitalization and innovation:* UNIDO supports increased competitiveness and resilience of developing countries through the development of inclusive and sustainable digitalization strategies, modernization programmes and methodologies. Digital readiness toolkits for industry are helping micro-, small, and medium-sized enterprises in developing countries to adopt frontier technologies such as artificial intelligence (AI). In 2023, UNIDO also launched two multi-stakeholder platforms, namely the Global Alliance on AI for Industry and Manufacturing, which aims at improving the digital framework conditions for public and private actors, and the Alliance for Industry 4.0 and Smart Manufacturing in Africa, to support fair, equitable, and responsible access to AI benefits across countries and industries, help close the digital divide and address other challenges related to digitalization. The Organization is also one of the core agencies supporting the development of the Global Digital Compact.

4.6 *Industrial policy:* While industrial policy is back on the development agenda, developing countries and especially LDCs lack the resources and policy capacities to tackle emerging opportunities and challenges. UNIDO's diagnostic toolkits and industrial policy recommendations are assisting Member States in addressing emerging questions around industrial policies for digitalization, climate action, sustainable supply chains, skills development, economic diversification and global changing consumption and production patterns. The support of UNIDO and other development partners, such as the UN Technology Bank for LDCs, will enhance its capacity and effectiveness in bridging the global digital divide. UNIDO's Multilateral Industrial Policy Forum, launched in 2023, advances policy dialogue and mutual learning on SDG-oriented industrial policies to promote productivity and growth, combat hunger, promote climate action and sustainable supply chains.

5. Recommendations and key messages for inclusion into the Ministerial Declaration of the 2024 HLPF

5.1 *Given the extensive synergies of SDG 9 with other SDGs, UNIDO's mandate to address the industrialization needs of its Member States particularly in developing countries is central to the accelerated implementation of the 2030 Agenda for Sustainable Development.* Recent global crises have demonstrated the vulnerability of global supply chains, the need for diversification and crucial role of strong local production capacities to enhance resilience to shocks, especially in developing countries. Inclusive and sustainable industrialization is essential for progress in eradicating poverty and hunger (SDGs 1 and 2), creating decent jobs, driving innovation and economic growth, and addressing climate change (SDG 13), while also providing



a critical foundation to promote peaceful and inclusive societies, provide access to justice for all, and build effective, accountable and inclusive institutions (SDG 16), among others.

- 5.2 ***Integration in regional and global sustainable supply chains remains essential for countries to advance inclusive and sustainable economic growth and their industrial development aspirations.*** Harmonizing relevant and applicable sustainability standards that take into account the economic, social and environmental dimensions of sustainable development, global changing consumption and production patterns and capacitating suppliers to adopt them is essential for ensuring shared and fair gains from trade, while promoting sustainability and increasing competitiveness. Relevant and applicable sustainability standards can further help industries adopt resource efficient and low greenhouse gas emitting patterns of production and investment, facilitate the digitalization of industry and help countries track and report on their progress towards achieving the SDGs.
- 5.3 ***Systemic approaches to promote sustainable food systems are needed to address the food crisis and end hunger.*** Developing countries need to strengthen linkages between agricultural production, food processing and value addition, food safety and transport, as well as develop their agro-industries, including through alternative development projects. The local processing of agricultural products and inclusive and sustainable digital solutions offer significant potential for job creation and poverty reduction, while boosting export revenues and economies.
- 5.4 ***Industrial decarbonization is vital for countries to move forward with the energy transition and ensure a sustainable future for next generations.*** Countries need to work together to align carbon accounting, establish green procurement targets, incentivize investments in low-carbon product development and the decarbonization of high-emitting industries. Developing countries in particular need strengthened capacities to develop conducive and integrated policy packages, mobilize funding, and attract investments for the adoption of innovative and low-carbon technologies, especially in those sectors with the greatest potential for emissions reductions. In parallel, support to the adoption of diverse low-emission energy, including renewable energy and hydrogen, key to power sustainable industrialization and achieve significant emissions reductions.
- 5.5 ***The current revival of industrial policies offers an opportunity for countries to pursue sustainable industrial transformations and accelerate the SDGs.*** A new generation of SDG-oriented industrial policies can pave the way for building domestic productive capabilities for greater competitiveness and economic diversification, as well as for achieving low greenhouse gas emissions and climate-resilient development, creating decent jobs and gender equality, and fostering just transitions. In this regard, developing countries face significant challenges and need policy space and strengthened capacities to advance such policies taking into account mega trends, including industrial decarbonization and digitalization. Increased statistical capacity and access in developing countries is essential for evidence-based policymaking. Industrial foresight creates the basis for meaningful and effective industrial policies that drive SDG-oriented innovation.
- 5.6 ***Cooperation between the public and private sectors and involvement of all relevant stakeholders dealing with inclusive and sustainable industrial development*** is essential for sustainable and resilient supply chains, sustainable food systems as well as industrial decarbonization and climate action, including through the mobilization of investments, technical and financial support, and to meaningfully enhance the transfer of technology, on mutually agreed terms, as well as the transfer of knowledge and capacity-building (SDG 17), as applicable to UNIDO's mandated areas of work.