





United Nations Industrial Development Organization (UNIDO) and the Like-minded Group of Countries Supporters of Middle-Income Countries

2023 HLPF high-level side event
"SDG 9 in middle-income countries: accelerating the achievement of the 2030
Agenda"

Monday, 17 July 2023 | 1:15 - 2:30 PM (EDT)

Luncheon at the Delegates Dining Room (West Terrace)
UN HQ, New York

Introduction

The 2023 high-level political forum on sustainable development (HLPF) will conduct an in-depth review of Sustainable Development Goal (SDG) 9 "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation", among the five goals under review this year. The outcomes of the HLPF will provide inputs to the SDG Summit in September, which will review the progress of all the SDGs at the mid-point of the implementation of the 2030 Agenda.

The United Nations Industrial Development Organization (UNIDO), as the custodian UN agency of SDG 9, has been leading the review of Goal 9 in the run up to the HLPF. In complement to the overarching SDG 9 session of the HLPF programme (12 July 2023), the side event will focus on ways to accelerate the implementation of SDG 9 in middle-income countries (MICs) for the full implementation of the 2030 Agenda. Progress in inclusive and sustainable industrialization is essential to generate employment and income, drive socioeconomic development, and safeguard the environment by decoupling economic growth from natural resource depletion and pollution.

MICs are major drivers of global development. They account for 75% of the world's population, 33% of global gross domestic product (GDP), 30% of global exports in goods and services, and 45.7% of investment. However, MICs also represent 62% of the world's people living in poverty, which remains a significant challenge for this diverse group of countries. New and adapted financing tools are needed to support inclusive and sustainable industrial development in MICs as means towards economic growth and prosperity, with many of the countries stuck in the "middle-income trap".

The middle-income trap illustrates the difficulties experienced by a significant number of MICs to sustain significant productivity gains over time, stagnating economic growth and their graduation to high-income status. Premature deindustrialization is a leading phenomenon affecting MICs' graduation, which is typically illustrated by declines of manufacturing shares in gross domestic product (GDP) and/or total employment at lower levels compared to the past.

Research points to a common set of challenges affecting the economic growth of MICs, such as limited infrastructure, limited competitive human capital and lack of access to funding. The role of the informal industrial sector and small and medium-sized enterprise (SMEs) is also an important consideration. MICs

that have successfully transitioned to high-income status in the last decades have made use of industrial policy mechanisms and tools to countervail the middle-income trap, attract investment, master technology, enhance skills and education, and upgrade infrastructure. This contributed to boost productivity, digitalization and spur the structural transformation of economies.

Accordingly, the <u>2023 Financing for Sustainable Development Report</u> calls for scaled up public and private investments in "sustainable industrial transformations" as key to achieving the SDGs. MICs have also called for a broader analysis of new measures and criteria to access concessional finance to address their development needs, including advancing SDG 9, which is critical to many other inter-related SDGs.

The implementation of SDG 9 in middle-income countries is a complex and ongoing process that varies from country to country. It requires a combination of policy measures, investment, technology transfer, capacity-building, and collaboration with various stakeholders to achieve inclusive and sustainable industrial development. In this regard, and in order to track the progress of SDG 9, UNIDO developed the SDG 9 Industry Tracker to reflect the differing reality of SDG 9 implementation in each country.

Objectives

The event aims to take stock of SDG 9 progress in MICs, discuss some of the challenges faced, and identify best practices and innovative solutions to accelerate the implementation of Goal 9. It will contribute to the review of SDG 9 under the HLPF and inform the SDG Summit.

Partners

The Like-minded Group of Countries Supporters of Middle-Income Countries.

Format

This high-level event will be a luncheon, hosted at the Delegates Dining Room (West Terrace). Participants will be seated at round tables. It will consist of an opening segment, a keynote, one interactive panel session, and closing remarks.

Guiding questions for the panel discussion

- 1. What is the status of implementation of SDG 9 and its targets in MICs at the mid-point of the 2030 Agenda?
- 2. What are some of the main challenges faced by MICs in advancing SDG 9?
- 3. What are effective policies, and best practices and innovative approaches to advance SDG 9 in MICs?
- 4. How do MICs cooperate to achieve SDG 9 and promote the implementation of the 2030 Agenda including through South-South and triangular cooperation?
- 5. How could the private sector contribute to the sustainable transformation in MICs and what is the role of SME development in the acceleration of SDG 9 in MICs?
- 6. How can all externalities be integrated into measurements for classifying MICs beyond GDP?