



HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

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Building resilience against future shocks through structural changes and investment in sustainable infrastructure

Tuesday, 6 July 2021, 3:00 – 5:00 PM

Secretariat Background Note

Introduction: Resilience-building

Resilience is critical to softening the impacts of extreme shocks – such as those caused by COVID-19 or the unfolding climate emergency – on individuals, households, communities and countries, including the poorest and most vulnerable.

As evidenced by the COVID-19, the use of existing systems was not sufficient to cope with a disastrous event of such magnitude. Severe shortcomings are found in institutional settings, particularly in public health but also in the social and economic systems and in the international financial and economic structures and approaches.

Post-pandemic recovery is the opportunity to introduce structural economic and social reforms and boost investment in the SDGs and in the related supportive sustainable infrastructure, so as to achieve the 2030 Agenda and build resilience.

The recovery should be used to trigger and accelerate the transition towards a more prosperous and more inclusive world; a world where economic security and people's well-being are ensured, a world where no one is left behind, a world where sustainable development can proceed based on sustainable infrastructure and a world better equipped to deal with environmental crises, including climate change and biodiversity loss.

This session will reflect on how we can restructure our social systems to overcome the weaknesses revealed by the crisis and on how we can bolster sustainable infrastructure to support social and economic development.



Sustainable and resilient recovery from the COVID-19 pandemic that promotes the economic, social and environmental dimensions of sustainable development: building an inclusive and effective path for the achievement of the 2030 Agenda in the context of the decade of action and delivery for sustainable development



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Using the recovery to strengthen economic security and build long term social protection

The COVID-19 pandemic has exposed the fragilities in economic, social and ecological systems and in many cases reversed years of development progress. This is particularly evident in SDG 1, where the pandemic-related economic downturn has pushed an additional 119 to 124 million people into extreme poverty in 2020.¹

The pandemic exposed systemic flaws, weaknesses and rigidities of national and international coping mechanisms, also exemplified by the major increases in inequalities and the near collapse of several national health systems.

At the same time, in the wake of the COVID-19 pandemic, global recovery spending has been inadequate compared to the scale of the impacts of the pandemic and of the climate and environmental crises. Too little resources and efforts have been invested in supporting developing countries in addressing the socio-economic impacts of the pandemic.

Especially in developing countries, the availability of public resources did not ensure equal access to public services. Some segments of society, which already faced socio-economic insecurity before the crisis, suffered more than others in terms of economic security and social protection. In addition to the tragic loss of human life, the economic and social impacts of COVID-19 will last for years to come. In many countries, the trust in public institutions waned.

Still, through a time of unprecedented risk and insecurity, societies recognized the need for enhanced social protection mechanisms, including income support, wage subsidies, enhanced healthcare supports and housing services. In many countries, notably developed countries, the unprecedented levels of income support and health measures put in place by governments as a response to the COVID-19 pandemic attests to the recognition of the primary role that social protection plays in confronting economic risk and insecurity and in narrowing inequalities. Similarly in the developing world, African countries have implemented or announced 200 social protection measures that have certainly helped mitigate the social and economic impact of the crisis. This emerging policy thrust should be maintained in post-pandemic recovery². It should lead to systematic efforts and investments to ensure universal social protection systems.

¹ Secretary-General's SDG Progress report 2021

² UN/DESA Policy Brief #93: Social Policy and social protection measures to build a better Africa post COVID-19



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The reforms, policies and investments we implement today to restructure and strengthen our social protection systems will impact on the economic, social, and environmental trajectories for the years to come and build resilience for future generations.

Investment in sustainable infrastructure:

Public infrastructure provides the foundation for delivery of essential public goods. Sustainable infrastructure can help support social development and health and education. Countries that have succeeded in reducing poverty and inequalities have invested in infrastructure and public services. The improved access to public services through better infrastructure empowered the most vulnerable. Adequate infrastructure in the area of water and sanitation is also critical for both public health in general and controlling the pandemic.

Infrastructure investments are also catalysts for economic recovery from the pandemic and for job creation, thus reducing economic insecurity. Sustainable infrastructure also increases productive capacity, propels climate action and expands biodiversity protection, while strengthening resilience to withstand risks and shocks.

The Addis Ababa Action Agenda thus placed infrastructure development at the core of the 2030 Agenda. There is broad agreement that investment in sustainable infrastructure is essential for the realization of the 2030 Agenda, climate targets, and the recovery from COVID-19.

Many developing countries lack hard infrastructure in transport, water and sanitation, energy - including renewable energy, ICT, and urban systems. Many people are yet to benefit from drinkable tap water and functioning sewerage. Globally, 840 million people live more than 2 kilometers from all-weather roads, 1 billion people lack electricity, and 4 billion people lack internet access³. These gaps need urgent attention and support in the global recovery strategy.

The disruptive effects of the pandemic have also highlighted again the need for increased investments in a resilient health infrastructure and the role of digital technologies in health and education.

³ World Bank





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Besides the focus on “hard” infrastructure represented by buildings and structures, including health infrastructure, social infrastructure, including institutional or governance aspects, also require strengthening.

At the same time, risks related to extreme shocks such as those following a global pandemic, or those of the unfolding climate emergency, need to be integrated in the design of infrastructure projects.

Prioritizing sustainable and resilient infrastructure development will help support necessary transformations for our economic, environmental, and societal systems and put us on track to realize the SDGs. Countries can simultaneously achieve multiple goals by pursuing integrated infrastructure planning and development.

There is a complex architecture to support investment in infrastructure. The Global Infrastructure Forum established following the Addis Ababa Conference on Financing for Development (April 2016) aims to enhance coordination among multilateral development banks and their development partners to better develop sustainable, accessible, resilient, and quality infrastructure for developing countries. The Forum contributed to raising awareness of the global infrastructure gap among stakeholders and to sharpening the policy focus on how governments and their working partners can attract more resources for infrastructure⁴. The Multilateral Development Banks and the IMF help countries by providing financial support, technical assistance, and policy advice, also with the purpose to promote private sector engagement. Other institutions also support infrastructure development. But it is sometimes difficult for developing countries to access these resources and shape infrastructure development projects in a way that meets the necessary criteria. There is also a role for the United Nations, including the Inter-Agency Task Force on Financing for Development, as the custodian of the Addis Ababa Action Agenda

⁴ https://www.un.org/esa/ffd/wp-content/uploads/2016/01/Multilateral-Development-Banks_WBG_IATF-Issue-Brief.pdf



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Recommendations for action:

Social protection and public services play an instrumental role in preventing and responding to hardship, especially for segments of the population that are most vulnerable, and for building resilience.

A large-scale crisis such as the COVID-19 pandemic opens a path for expanding social protection systems. Countries should use the opportunity of the pandemic to prioritize investments in social protection. The temporary measures taken during the pandemic should continue. But, in the poorest countries in particular, investments and efforts should evolve towards supporting social insurance schemes and universal social benefits programmes such as child benefits and social pensions⁵. All countries should aim for universal social protection through policies and programmes that protect all people throughout their lives against poverty and risks to their livelihoods as well as ensure their well-being. All countries should also find policies and programmes to reach those people who were excluded from social protection even before the crisis. As UN/DESA states, “now is the time to reflect on how to bring past systems of protection into the future and to adapt for the new socio-economic reality and guard against the next crisis”⁶.

Such efforts, and social development more generally, also need to be supported by sustainable infrastructure. Such infrastructure are needed to build the foundations of economic security and necessary social protection towards sustainable development. To achieve the Sustainable Development Goals and the Paris Climate Objectives the world will need to invest an estimated \$3.5 trillion each year until 2050 in sustainable infrastructure - energy, transport, housing, agriculture, industry, water and sanitation. Two thirds of this investment will have to be made in the developing countries. Mobilizing these resources is paramount. Investments in sustainable infrastructure should thus be boosted through the COVID-19 recovery phase, which will also reboot economic growth and lead to job creation.

Infrastructure investment is progressively prioritized in many countries as one of the main pillars for post-crisis recovery and resilience-building.

⁵ UN/DESA Policy Brief #93: Social Policy and social protection to build Africa better post COVID-19

⁶ UN/DESA policy brief #95: What triggers economic insecurity and who is most at risk? And UN/DESA policy brief # 91: The politics of economic insecurity in the COVID-19 era



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Building sustainable infrastructure requires mobilizing both domestic resources and international cooperation and solidarity. At the same time, support by governments, multilateral development banks and international donors needs to be supplemented by the resources of the private sector. All investments should be appraised in connection to risk reduction and resilience-building.

Innovative instruments and approaches can support the mobilization of long-term investment in sustainable infrastructure. It is important to build on existing work and tools and avoid duplication. Rapidly scalable interventions are available to us right now—e.g. micro grids, targeted maintenance, and nature-based solutions can provide numerous meaningful services quickly.

Strategies to mobilize sustainable infrastructure investment aligned with the guideposts provided by the SDGs will be instrumental to realize the 2030 Agenda to develop innate and create adaptive resilience.

Organizations that are effective in supporting investment in sustainable infrastructure should have adequate resources. Further incentives should be put in place for increased private sector engagement. Developing countries should be supported in accessing such resources. In the context of the existing architecture, the UN could also deploy its unique auspices to support a conducive environment to attract investors, for example through supporting policy prioritization and project identification and finalization. In addition, the UN could use its convening power, including through ECOSOC and its financing for development forum, to bring together countries, including smaller investors such as local authorities, with relevant actors, particularly private investors, and to consolidate partnerships.

Guiding questions

1. How can we restructure our social protection systems to ensure universal social protection and build resilience against future shocks?
2. What areas of infrastructure investment should be prioritised in the context of the global recovery drive?
3. What are the crucial policy measures for mobilizing resources for sustainable infrastructure?



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4. In what areas are international cooperation and coordination needed the most to build resilience through investment in social protection and in sustainable infrastructure as well as to match resources and needs? What is the role of the United Nations?
5. What kind of reforms, systems and transformations are needed to mobilize resources for sustainable infrastructure investment in developing countries?



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