

Global Development Report



中国国际发展知识中心
CENTER FOR INTERNATIONAL
KNOWLEDGE ON DEVELOPMENT



About the Center for International Knowledge on Development

The Center for International Knowledge on Development (CIKD) was announced by Chinese President Xi Jinping at the UN Sustainable Development Summit in September 2015 and was officially launched in August 2017. President Xi Jinping and UN Secretary-General António Guterres sent congratulatory letters to the launching ceremony. The mandate of CIKD is to study and exchange with other countries the development theories and practices suitable to their respective national conditions. Its main functions are: to pool and coordinate domestic and international development research resources; to undertake research on development theories and practices; and to organize exchanges of research findings on international development issues, including the implementation of the UN 2030 Agenda for Sustainable Development.

Since its establishment, CIKD has conducted dozens of research projects on such topics as governance, poverty reduction, industrialization and urbanization, Belt and Road Initiative, COVID-19 and global health, carbon emission peak and carbon neutrality, and common prosperity. It drafted the *China's Progress Report on Implementation of the 2030 Agenda for Sustainable Development* respectively in 2017, 2019 and 2021, hosted the Sustainable Development Forum (SDF) in 2019 and 2021, and convened a series of domestic and international exchange events. By so doing, CIKD is making its due contribution to research and exchanges of development philosophies, international cooperation on development, and the implementation of the 2030 Agenda for Sustainable Development. Looking forward, CIKD will take the Global Development Initiative (GDI) as the overarching guideline and sustainable development as the main theme, enhance research and exchanges of development knowledge, and act as an active contributor to common and sustainable development of the world.

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Acronyms and Abbreviations

ADF	Asian Development Fund
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
AU	African Union
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China, and South Africa
B2C	Business-to-Consumer
CELAC	Community of Latin American and Caribbean States
CH	Cadre Harmonisé
CIKD	Center for International Knowledge on Development
CSO	Civil Society Organization
DAC	Development Assistance Committee
DRC	Development Research Center of the State Council of China
EMDEs	Emerging Market and Developing Economies
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
GDI	Global Development Initiative
GDP	Gross Domestic Product
GEF	Global Environment Facility
GNI	Gross National Income
GSMA	Global System for Mobile Communications Association
HDI	Human Development Index
HLPF	High-level Political Forum on Sustainable Development
IDA	International Development Association
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMF	International Monetary Fund

IPC	Integrated Food Security Phase Classification
ITU	International Telecommunication Union
IUCN	International Union for Conservation of Nature
LDCs	Least Developed Countries
MNCs	Multinational Companies
MSMEs	Micro, Small and Medium-sized Enterprises
NDB	New Development Bank
NEPAD	New Partnership for Africa's Development
NSC	North-South Cooperation
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PPP	Public-Private Partnerships
PPP	Purchasing Power Parity
SCO	Shanghai Cooperation Organisation
SDG	Sustainable Development Goal
SDF	Sustainable Development Forum
SIDS	Small Island Developing States
SSC	South-South Cooperation
SSCAF	South-South Cooperation Assistance Fund
STI Forum	Multi-stakeholder Forum on Science, Technology and Innovation for the SDGs
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDESA	UN Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNFCCC	UN Framework Convention on Climate Change
UN-HABITAT	United Nations Human Settlements Programme
UNIDO	United Nations Industrial Development Organization
UNOSSC	United Nations Office for South-South Cooperation
VNR	Voluntary National Review
WBG	World Bank Group
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization

Foreword

“With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

higher standards of living, full employment, and conditions of economic and social progress and development;

solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and

universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.”

-----Article 55 of Chapter IX of United Nations Charter, October 24, 1945

Development is the eternal pursuit of human society. It holds the key to people’s wellbeing.

Today, as changes of the times combine with the once-in-a-century pandemic, the world finds itself in a new period of turbulence and transformation with increasing instability and uncertainty. The pandemic severely disrupts gains in poverty alleviation. Global crises such as food insecurity, refugee and climate change are worsening. The North-South development gap keeps widening. Global economic recovery faces strong headwinds. Global development deficit grows. The Human Development Index (HDI) has dropped for the first time in 30 years. The implementation of the 2030 Agenda for Sustainable Development (2030 Agenda) is facing unprecedented challenges.

As the global cause of development stands at a crossroads, Chinese President Xi Jinping proposed the Global Development Initiative (GDI), calling on the international community to accelerate the implementation of the 2030 Agenda for stronger, greener, and healthier global development, and foster a global community of development. The GDI calls on the world to stay committed to development as a priority, to a people-centered approach, to benefits for all, to innovation-driven development, to harmony between man and nature, and to action-oriented approaches. It focuses on practical cooperation in such key areas as poverty reduction, food security, COVID-19 and vaccines, financing for development, climate change and green development, industrialization, digital economy, and connectivity, so as to make sure that no country and no person is left behind.

The GDI is rooted in the fine traditional Chinese culture and draws on the development practices of China's modernization drive. It is embedded in the cultural genes of the Chinese nation that a just cause should be pursued for the common good, the principles of good neighborliness and harmony in relations with all other countries are respected, and solidarity and mutual help are advocated. These are also the firm beliefs that inspire China's engagement in global development cooperation. Since the founding of the People's Republic of China, the Communist Party of China has united and led the Chinese people to tread a Chinese path to modernization based on national conditions and through continuous learning and exploration. China has achieved its own development in the process of integrating into the global development system. Having benefited from the capital, markets, technology, and managerial expertise of developed countries in its economic development, China continues to make greater contribution to global development through deeper reforms and higher levels of openness. As a member of the developing world, China has always been a good friend and good partner of all fellow developing countries. While striving to achieve its own development, China is committed to doing its best to help other developing countries achieve common development through trade, investment, assistance, and development knowledge sharing. China's experience demonstrates that the problems of development can only be solved by development and in development, and that only by unswervingly adhering to development can countries overcome their economic and social challenges and gradually enhance prosperity and strength and improve people's wellbeing.

The GDI, which puts development at the center of the global cooperation agenda, is another major public good provided by China for the world. It shows China's commitment as a responsible major country and is an important measure for practicing the concept of a community with a shared future for mankind. The GDI highlights peace and development, which are the dominant trends of our times, and puts development and people's livelihood high on the global macro policy agenda. It is committed to making development more open, inclusive, balanced, and beneficial for all. It is a "remobilization" for global development cooperation and a "reaffirmation" of the people-centered approach as a core human rights concept. The GDI upholds true multilateralism and the spirit of extensive consultation, joint contribution and shared benefits, and calls for enhanced cooperation with UN development agencies through existing mechanisms and platforms to jointly promote the work in key areas for greater synergy. Since its inception, the GDI has received warm response from the international community. As of now, more than 100 countries have expressed support for the Initiative, which shows the international consensus on accelerating development and facilitating practical cooperation.

The *Global Development Report* (the Report) analyzes the progress and challenges in implementing the 2030 Agenda (Chapter 1), delineates the context of global development (Chapter 2), explains the core concepts, fundamental principles, implementation pathways, and early harvests of the GDI (Chapter 3), and offers policy recommendations for building a global community of development (Chapter 4). Focusing on the severe challenges facing the world, especially the developing countries, the Report seeks to renew focus on development issues, build international consensus, and explore pathways for practical cooperation. The Report provides a comprehensive analytical framework for global development and draws on the excellent research of UN agencies, other multilateral development institutions and scholars from various countries, in the hope of making contribution to promoting sharing and mutual learning of development knowledge and enriching knowledge on development. We stand ready to work with all partners to enhance knowledge sharing on global development and will release subsequent reports in due course.



Chapter One

The 2030 Agenda for Sustainable Development: Progress and Challenges

In the year of 2015, which marked the 70th anniversary of the founding of the United Nations (UN), 193 member states adopted “*Transforming Our World: the 2030 Agenda for Sustainable Development*” (2030 Agenda). This was the first time in human history that nations across the world joined hands to promote a global action plan for people, planet, prosperity, peace, and partnership. Over the past six plus years, the UN and its member states have

worked hard to promote the implementation of the 2030 Agenda and achieved notable progress. However, facing challenges that were complex, non-linear, and dynamic, and constrained by inadequate resources, incomplete information and insufficient capacity, the implementation of the 2030 Agenda was stagnating or even reversing in many areas, dimming the prospects of realizing the 17 Sustainable Development Goals (SDGs) on time.

01

Encouraging progress on SDGs

Over the past six plus years, the UN development system held the implementation of the 2030 Agenda as the core mission. Nations across the world acted actively to implement the 2030 Agenda. Many have integrated the SDGs into their national development plans. A growing number of enterprises regarded sustainable development as part of their social responsibility. With the joint efforts of international organizations, governments, enterprises, and civil society organizations (CSOs), global implementation of the 2030 Agenda witnessed some encouraging progress.

The UN has put in place an all-dimensional coordination mechanism to support member states in implementation of the 2030 Agenda. Through specialized agencies, intergovernmental processes and other mechanisms, the UN has been promoting the implementation of the

2030 Agenda through strategy analysis, policy coordination, monitoring and assessment, and development financing.

The UN Department of Economic and Social Affairs (DESA) dedicated several divisions to support the follow-up and review of the 2030 Agenda, to provide policy research, capacity building, inter-agency coordination, stakeholder engagement, and knowledge management, and to promote global financing for sustainable development.

Multiple intergovernmental processes have been established to promote coordination and exchange, including High-level Political Forum on Sustainable Development (HLPF)¹, Financing for Development Forum, Development Cooperation Forum, Multi-stakeholder Forum on Science, Technology and Innovation for the

SDGs (STI Forum).

The global indicator framework for SDGs was developed to strengthen coordination and collaboration on data and statistics among nations and agencies. Progress reports, such as Report of the Secretary-General to the HLPF, *Sustainable Development Goals Report*, and *Global Sustainable Development Report*, have been published regularly to assess global progress and to promote policy coordination and common actions.

The UN Secretary General appointed 17 SDG Advocates to raise the awareness of the general public on SDGs through workshops, international conferences, open letters, public events, competitions, etc.

National governments have taken various measures to promote the implementation of the 2030 Agenda. National governments, in line with national development contexts, transformed SDGs into national development goals through legislation and development plans, promoted the localization of SDGs and the indicators, and streamlined horizontal coordination across government departments and vertical coordination among central and local authorities to promote the implementation of the 2030 Agenda.

For instance, China in 2016 released the *National Plan for the Implementation of the 2030 Agenda for Sustainable Development*, which outlined the guiding principles, roadmap and detailed plans for achieving the SDGs, and established a coordination mechanism

consisting of more than 40 government departments. In Denmark, all bills must be examined for their impact on the SDGs beginning from 2021, and for those bills having significant impact on the SDGs, a separate section must be included to detail the impact². Countries like Kazakhstan, Brazil and South Africa, among others, incorporated most of the SDGs into the national development plans³. Some countries, such as Pakistan and Mexico, set up a specialized department to promote the implementation work.

Countries also took various measures to enhance national monitoring and statistics on SDGs, including clarifying responsibilities of data collecting and reporting among different agencies, strengthening national statistical systems, and adopting new technologies to improve data collection and analysis.

Progress was made in some areas. The *Sustainable Development Report 2020* found that most countries made progress in SDG 1 (No Poverty), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), and SDG 13 (Climate Action). Member countries of the Organization for Economic Cooperation and Development (OECD) and high-income countries have nearly realized SDG 1, SDG 4 (Quality Education), and SDG 9 (Industry, Innovation and Infrastructure). Asian countries were making visible progress in SDG 1 and SDG 8 while countries in Sub-Saharan Africa and Oceania were on the right track to achieve SDG 13. Some countries reported realization of some SDGs. In their

2021 voluntary national reviews (VNRs), China, Czech Republic, Denmark, Norway, Qatar, and Sweden reported to have eliminated extreme poverty⁴. Norway also accomplished SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality), SDG 7 (Affordable and Clean Energy), SDG 10 (Reduced Inequalities), and SDG 17 (Partnerships for the Goals)⁵. Specifically,

- Development was registered in hygiene and health. Between 2000 and 2019, global life expectancy rose from 66.8 years to 73.3 years, and healthy life expectancy increased from 58.3 years to 63.7 years⁶. Over the same period, global mortality rate of children under five years of age decreased from 76‰ to 38‰, and global neonatal mortality rate fell from 30‰ to 17‰⁷. Prevalence of stunting (low height for age) among children under five dropped by 2.4 percentage points between 2015 and 2020, equivalent to 14.2 million children⁸. The rate of new HIV infections among adults (15 to 49 years of age) declined from 0.48‰ to 0.37‰ between 2010 and 2019⁹. The incidence of tuberculosis decreased by 25% between 2000 and 2019, with new and relapse cases fell from 174 per 100,000 population to 130¹⁰. The incidence of chronic hepatitis B infections among children under five reduced to 0.9% in 2020, achieving the 2020 target of 1% seroprevalence in this age group¹¹. For people aged between 30 and 70 years, the probability of dying from any of the four main non-communicable diseases (cardiovascular disease, cancer, diabetes or chronic respiratory disease) dropped from 19.9% in 2010 to 17.8% in 2019¹².

- Access to energy and telecommunications infrastructure expanded. Global access to electricity rose from 83% in 2010 to 90% in 2019, with population unable to access electricity dropped from 1.22 billion to 759 million¹³. The percentage of renewable energy in total final energy consumption grew from 16.4% in 2010 to 17.1% in 2018¹⁴. In 2021, 95% of global population had access to a mobile broadband network, and the coverage of 4G network doubled since 2015, reaching 88% of global population¹⁵.

- Ecological conservation marked some progress. Global carbon dioxide emissions from manufacturing have been decreasing since 2014 and dropped to 5.9 billion tons in 2018¹⁶. As a result of the COVID-19 pandemic and other factors, global carbon dioxide emissions dropped considerably in 2020¹⁷. The public financial support reported by Parties included in Annex II to the UN Framework Convention on Climate Change (UNFCCC) continued to rise, reaching an annual average of USD 48.7 billion over the period 2017-2018 and registering an increase of 2.7% compared to the 2015-2016 period¹⁸. Global mean share of marine key biodiversity areas rose from 28% in 2000 to 44% in 2020. Green coverage of the world's mountains remained steady at around 73% between 2000 and 2018. As of May 2022, 90 countries had implemented the system of environmental economic accounting, an increase of 30% since 2017¹⁹. Forest coverage increased in Asia, Europe and Northern America between 2000 and 2020, with one quarter of the increase coming from China.

The rate of deforestation in tropical regions has slowed in the past decade²⁰.

- Certain indicators of the global partnership for sustainable development improved. The official development assistance (ODA) from member countries of the OECD Development Assistance Committee (DAC) kept on the rise since 2016

and reached a new peak of USD 178.9 billion in 2021, increasing by 4.4% in real terms compared to the previous year²¹. *World Investment Report 2021* shows that, despite COVID-19, total inflow of foreign direct investment (FDI) towards the Least Developed Countries (LDCs) kept stable and its share in global flow increased from 1.5% to 2.4%, the highest since 2003²².

02

Multiple challenges to global implementation of the 2030 Agenda

The outbreak of the COVID-19 pandemic posed serious challenges to the implementation of the 2030 Agenda, resulting in the fall of global average SDG index score for the first time in 2020²³, and threatening the realization of two thirds of the 169 targets²⁴. It is likely that the pandemic may delay the realization of SDGs in the poorest countries and regions for a decade²⁵.

Global population living in extreme poverty increased. It is estimated that the pandemic impoverished 119 million to 124 million people globally in 2020²⁶, leading to the rise in extreme poverty rate for the first time in more than two decades (9.5% in 2020²⁷) and reversing the antipoverty progress achieved in the past years. The global population living in extreme poverty were estimated to be 732 million in 2020 and 711 million in 2021 by the World Bank, among them COVID-induced poor were 97 million and 98 million respectively

(Figure 1-1). Without further proactive actions, the global poverty rate was estimated to be around 7% in 2030, meaning that 600 million people would be living below the extreme poverty line at that time²⁸. The low-income countries in Sub-Saharan Africa and Middle East and North Africa were the ones hit hardest. The population living in extreme poverty in Sub-Saharan Africa was estimated to rise from 439 million in 2019 to 467 million in 2020, and the number in Middle East and North Africa was estimated to rise from 28 million in 2019 to 32 million in 2020 (Figure 1-2).

Global food security deteriorated. The global prevalence of undernourishment was around 8.3% between 2014 and 2019, yet it soared to 9.9% in 2020²⁹, meaning that 768 million people across the world were unable to consume sufficient food to maintain a normal active and healthy life. The prevalence of undernourishment in

Figure 1-1
Global Population Living
in Extreme Poverty

Source:
 Mahler et al., 2020

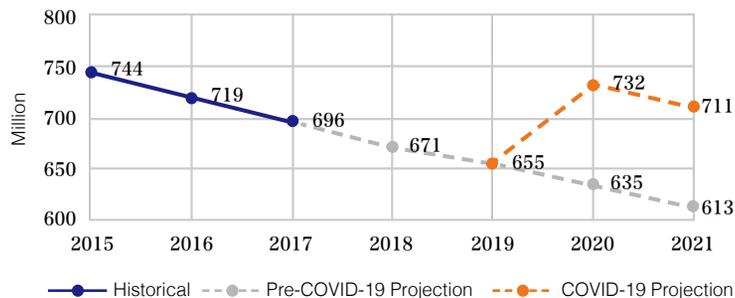
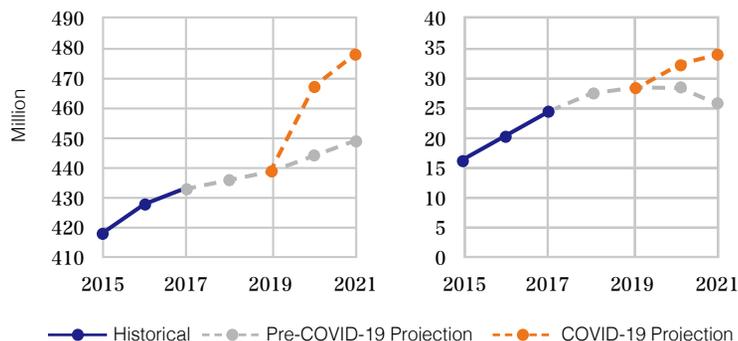


Figure 1-2
Population Living in
Extreme Poverty in SSA
(left) and MENA (right)

Source:
 Mahler et al., 2020



the LDCs reached 23.1% in 2020 (Figure 1-3). Findings from *Global Report on Food Crises 2022* show that in 2021 around 193 million people in 53 countries/territories were in food crises or worse situations (IPC/CH Phase 3 or above³⁰), an increase of 40 million people compared to 2020 and the highest number since 2016 (Figure 1-4). The causes of recent food crises and undernourishment incidences mainly include regional conflicts, climate change and extreme weathers, COVID-19 pandemic, and economic slowdown etc. In 2021, the people affected by extreme weathers exceeded 23 million, much higher than the number of 15.7 million in 2020.

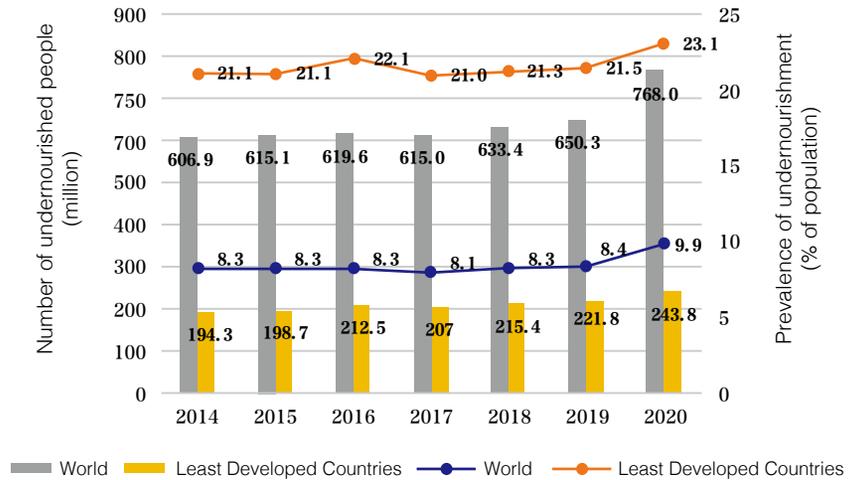
Global vaccination gap is hard to close.

New variants of COVID-19 virus and vaccine deployment bottlenecks have become the

major challenges in fighting the pandemic, posing constant threat to human health and prosperity³¹. As of 23 May 2022, a total of 11.8 billion vaccine doses had been administered worldwide³², nonetheless with serious inequality across countries. Most people in developed economies and a growing number of emerging market and developing economies (EMDEs) have been vaccinated, yet only a few of those in low-income countries have received jobs. More than 75% of people in developed economies have received at least one job, and the number in EMDEs was around 55% and only 8% in low-income countries. The World Bank estimated that by the end of 2023, only one third of the population in low-income countries could receive one job (Figure 1-5). Meanwhile, the need to revaccinate populations as a result of emerging variants may perpetuate

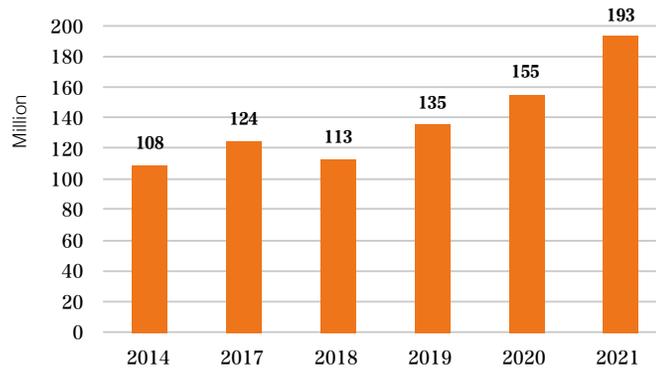
**Figure 1-3
Number of
Undernourished People
& Prevalence of
Undernourishment**

Source:
FAOSTAT, CIKD



**Figure 1-4
Population in Food Crisis or
Worse (IPC/CH Phase 3 or
above) or Equivalent**

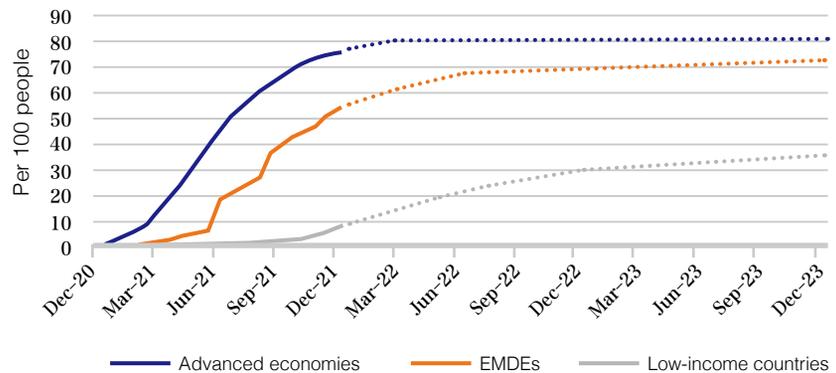
Source:
*Global Report on Food
Crises 2022*



**Figure 1-5
Global Vaccine Coverage***

Source:
World Bank 2022b

*Dash lines represent projected vaccine coverage based on recent vaccination rates.



global vaccination inequality³³.

The gap of sustainable development financing remains huge. To achieve the SDGs, the low-income countries would need to augment their

spending on sustainable development by roughly 12% of GDP. This need outstrips the potential revenue of these countries, leading to an estimated SDG financing gap between USD 300 to USD 500 billion per year³⁴.

The low-income countries were haunted by entrenched financing difficulties, and their development budgets were further stretched by the COVID-19 pandemic. With limited market access to financing, these countries had to deal with rising debt stock, huge servicing burden, decreasing net inflow of FDI (Figure 1-6) and ebbing flows of remittances³⁵. Moreover, although ODA increased on the whole, bilateral ODA flowing into low-income countries was only USD 25 billion, declining by 3.5% in real terms in 2020 compared with 2019.

Transition to green and low-carbon development stalled. Research finds that the higher a country’s HDI is, the more pressure it imposes on the planet, which is measured by carbon dioxide emissions per capita and material footprint per capita (Figure 1-7). The *Sustainable Development Report 2021* shows that, high-income countries represented by OECD members experienced inadequate progress in sustainable consumption and production, climate action, and biodiversity conservation. The same report finds that, compared with other countries, high-income countries generated more negative international

spillovers through unsustainable consumption, trade, supply chains, tax havens, profit shifting etc., undermining other countries’ ability to realize the SDGs³⁶. In terms of reducing the domestic material consumption per unit of GDP and rationalizing inefficient fossil-fuel subsidies per unit of GDP, the world had little progress while Sub-Saharan Africa, Northern Africa and Western Asia, Central and Southern Asia, Latin America and the Caribbean were regressing in one of the two indicators³⁷.

Transformation of industrial structure in developing countries remained slow. The world manufacturing employment as a proportion of total employment has been declining since 2012 (Figure 1-8). For low-income countries, this indicator began to decline in 2017 after years of stabilization at a low level. The lower-middle income countries witnessed a sharp drop in this indicator in 2020. The structural transformation and upgrade in the LDCs was lagging behind, and the COVID-19 induced recession further threatens the incipient industrialization in few LDCs³⁸. Manufacturing in the LDCs was estimated to have grown by 1.2% in 2020, much lower than the 8.7% in 2019³⁹. With this

Figure 1-6
Aggregate Net Financial
Flows to Low- and Middle-
income Countries

Source:
World Bank 2022a



Figure 1-7
Human Development
Index value and Index
of planetary pressures
value, 1990-2019

Source:
 UNDP 2022

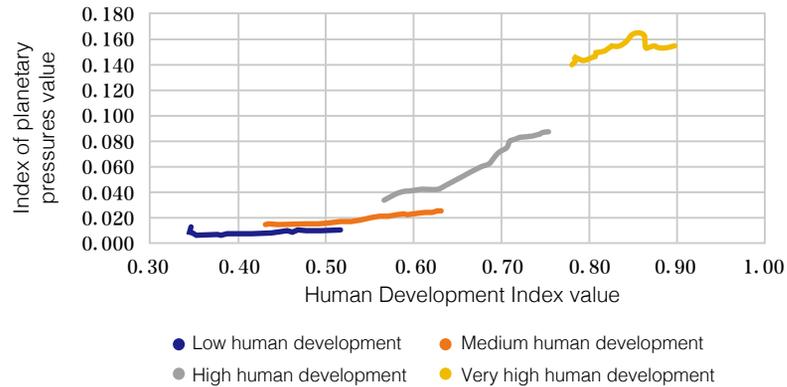
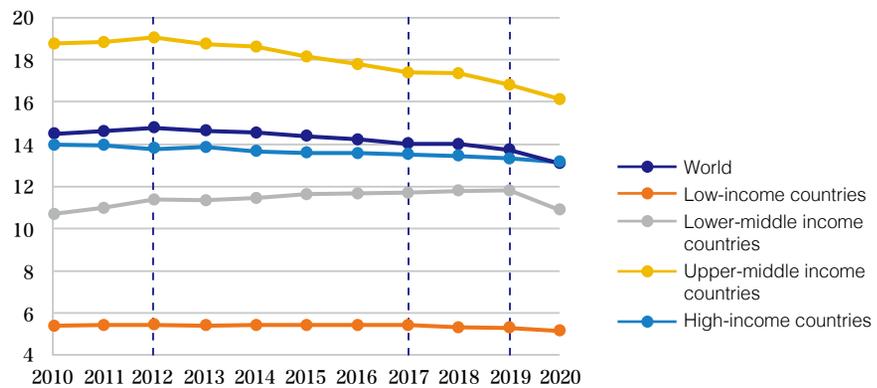


Figure 1-8
Manufacturing
employment as a
proportion of total
employment (%)

Source:
 ILOSTAT, CIKD



trend, the LDCs would be unable to meet the target of doubling industry’s share of GDP by 2030⁴⁰. The pandemic might accelerate the relocation and reshoring trends of global value chains, negatively affecting the industrialization and foreign investment in developing countries, and undermining their economic growth and sustainable development⁴¹.

Global digital divide keeps widening. Despite remarkable expansion of mobile network coverage and broadband coverage in recent years, digital infrastructure is still in serious short supply in some developing countries, especially in the LDCs. The 2021 data from the International Telecommunication Union (ITU) indicates that, in the LDCs, just 53%

of the population were covered by 4G and 30% were covered by 3G, merely 1.4% had the privilege of fixed broadband (Figure 1-9), and only 27% were using the Internet (Figure 1-10). In terms of fixed broadband connection, the average speed in developed countries was almost eight times faster than in the LDCs⁴², reflecting the huge gap in digital infrastructure and technology between the two types of countries. The cost of using digital technology in the LDCs was much higher than that in the developed countries (Figure 1-11). Two thirds of school-age children were unable to access online courses at home during the pandemic (Figure 1-12). In 2021, among the top 100 digital platforms in the world, 41 were located in the United States, 45 in the Asia Pacific, and

Figure 1-9
Population coverage by mobile network and fixed broadband subscriptions in 2021

Source: ITU

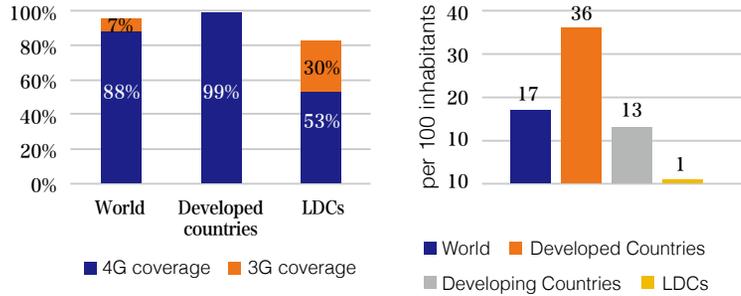


Figure 1-10
Share of population using the Internet in 2021

Source: ITU

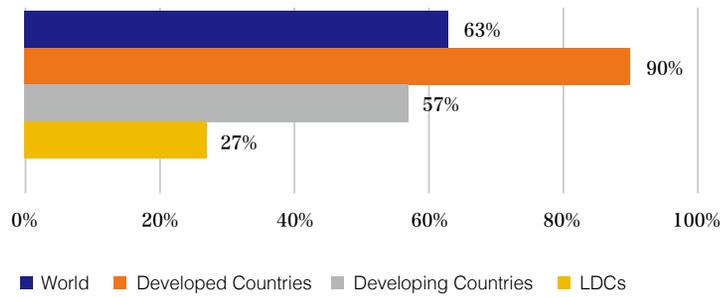


Figure 1-11
Price of 1.5 GB mobile broadband as a share of GNI per capita in 2019

Source: UNCTAD 2021a

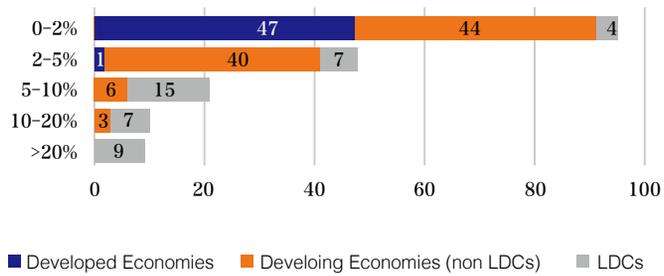
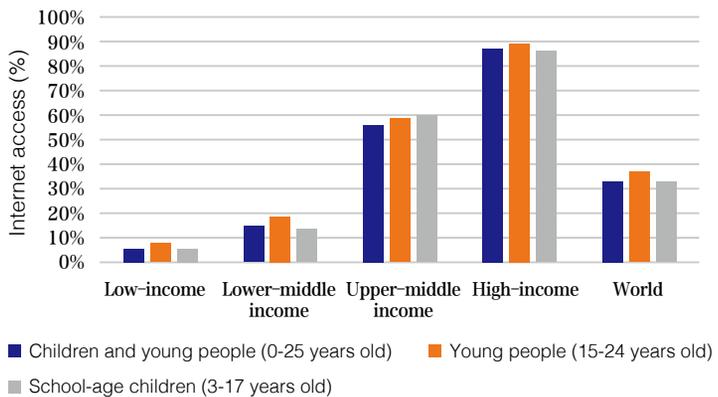


Figure 1-12
Children and young people with Internet access

Source: United Nations Development Programme (UNDP) 2022



**Table 1-1
B2C
E-commerce
Index in 2020**

Source:
UNCTAD 2021a

	Share of individuals using the Internet (2019 or latest)	Share of individuals with a bank account (15+, 2017)	2020 Index value	2019 Index value (2018 data)
Africa	30%	40%	30	31
Latin America and the Caribbean	64%	53%	49	48
Developed economies	88%	93%	86	87
World	60%	60%	55	55

only 2 in Africa. The market value of US digital platforms accounted for 67% of the total value of the top 100, and platforms from the Asia Pacific and Africa took up only 29% and 2% respectively⁴³. The business-to-consumer (B2C) E-commerce Index compiled by the United Nations Conference on Trade and Development (UNCTAD) shows that, the Index for African countries dropped in 2020 and was only half of the world average and much lower than that of the developed countries (Table 1-1).

The world faces huge challenges in digital connectivity. Although digital technology can drastically reduce the cost of global connectivity and improve efficiency, issues like interoperability of different digital systems and

data security, if not properly addressed, may impede the connectivity of goods, services, persons, and infrastructure in the digital era. The fourth UN Global Survey on Digital and Sustainable Trade Facilitation finds that, global implementation of cross-border paperless trade measures, including laws and regulations for electronic transactions, recognized certification authority, electronic exchange of trade-related data and documents, remained limited⁴⁴. Countries in the Pacific Islands and Sub-Saharan Africa faced severe challenges in implementing these measures. Only 30% of the countries surveyed had legal frameworks for electronic transactions fully in place and just 32% of the countries had recognized certification authority fully in place.

1. As of July 2021, 176 UN members had presented their voluntary national reviews.
2. UNDESA 2021
3. Cheng et al. 2021
4. UNDESA 2021
5. Cheng et al. 2021
6. WHO 2021
7. UN 2021
8. UNICEF, WHO, World Bank 2021
9. UN 2021
10. UN 2021
11. UN 2021
12. UN 2021
13. UN 2021

14. UN 2021
15. <https://www.itu.int/en/ITU-D/Statistics/Pages/SDGs-ITU-ICT-indicators.aspx>
16. UN 2021
17. UN 2021
18. UNFCCC 2021
19. <https://seea.un.org/content/global-assessment-environmental-economic-accounting>
20. UN 2021
21. OECD 2022
22. UNCTAD 2021d
23. Sachs et al. 2021
24. Cheng et al. 2021

25. UN 2021
26. UN 2021
27. UN 2021c
28. UN 2021c
29. UN 2021c
30. IPC/CH acute food insecurity phase combines two widely acknowledged measures of extreme hunger, i.e. Integrated Food Security Phase Classification (IPC) and Cadre Harmonisé (CH). It consists of five phases, among which Phase 3 means crisis, Phase 4 means emergency, and Phase 5 means

catastrophe/famine.
31. World Bank 2022b
32. <https://covid19.who.int/> accessed on May 27, 2022.
33. World Bank 2022b
34. Gaspar et al., 2019
35. UN 2021b
36. Sachs et al. 2021
37. UN 2021b
38. UNCTAD 2021b
39. UNIDO 2021
40. UN 2021
41. UN 2021d
42. UNCTAD 2021a
43. UNCTAD 2021a
44. UN 2021e

Chapter Two

The Current Macro Settings of Global Development



What kind of a world do we live in? How to locate the present era in human’s development history? These are the epochal questions facing today’s global development. In general, once-in-a-century change of global landscape, COVID-19 pandemic, digital revolution, and green transformation are the four fundamental

“variables” in our time. They will not only affect all countries in realizing stronger, greener, and healthier development and promoting global development towards a more balanced, coordinated and inclusive phase, but also influence the implementation progress of the 2030 Agenda.

01

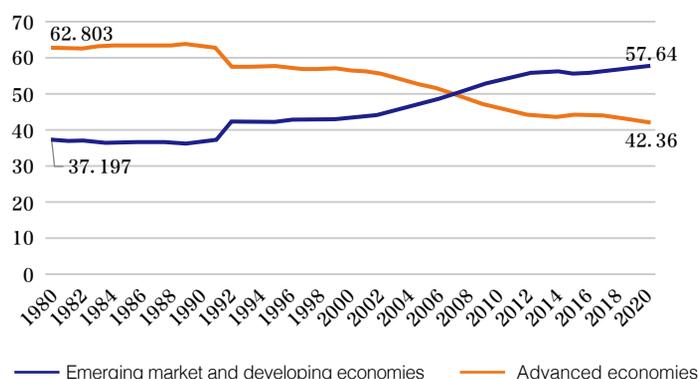
Once-in-a-century change: structural shift of the global landscape

The global economic pattern is changing dramatically. Following the global financial crisis of 2008, major economies took a significant hit and entered the so-called “new mediocre” of low growth and high risks. Meanwhile, the world’s economic center of gravity has been shifting from the North to the developing South. The gross domestic product (GDP) share of EMDEs in the global economy evaluated by purchasing power

parity (PPP) has increased from roughly the same as that of advanced economies during the financial crisis to nearly 60% in 2020 (Figure 2-1). Globalization faces strong headwinds. Protectionism and unilateralism are on the rise, and cross-border movements of products, services, technology, and talents are increasingly constrained. Some developed economies have prioritized economic security and pursued economic

Figure 2-1
GDP share of EMDEs and advanced economies (PPP, %)

Source:
 International Monetary
 Fund (IMF), CIKD



rebalancing policies such as “reshoring of manufacturing” and “reindustrialization”, which have increased localization, decentralization, and regionalization of industrial and supply chains. Forces against economic globalization will rise and fall in the coming decade, but the logic of putting cost and efficiency first will not alter, and neither will the underlying change in global economic power balance. While the United States, the European Union (EU), and Japan will remain global major economies, emerging markets and developing economies will continue to thrive and contribute more to global economic growth and development.

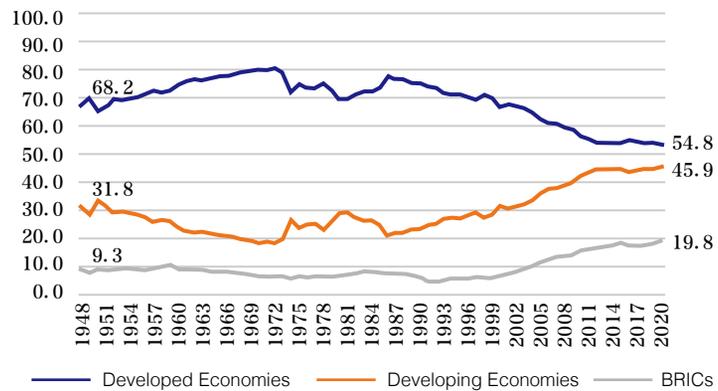
ment is undergoing significant adjustment.

Since the beginning of the twenty-first century, developing economies have increased their share of trade in goods globally. Exports and imports of developing economies accounted for 45.9% and 42.1% of world totals in 2020, narrowing the gap with developed economies. In particular, BRICS (Brazil, Russia, India, China, and South Africa) are playing a growing role in world trade. Goods exports and imports of BRICS countries made up 19.8% and 16.4% of the world totals in 2020 respectively (Figure 2-2 and Figure 2-3). In terms of trade in services, developed economies accounted for over 70% of total exports, while developing economies accounted for less than 30%. The

The regional structure of trade and invest-

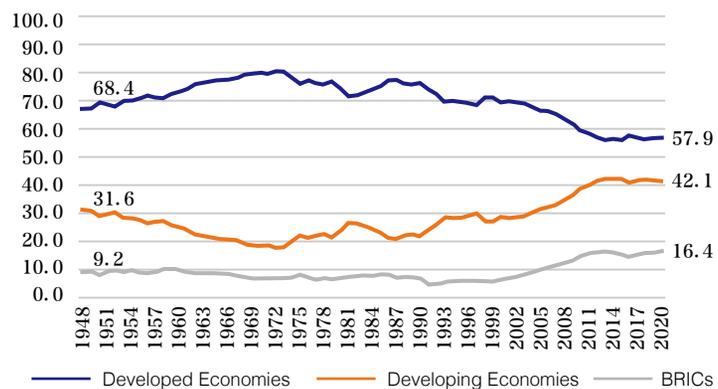
**Figure 2-2
Proportion of exports
of goods (1948-2020)**

Source:
UNCTADSTAT, CIKD



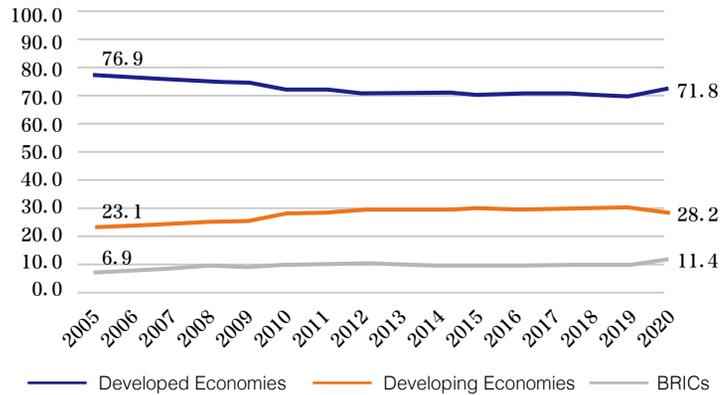
**Figure 2-3
Proportion of imports
of goods (1948-2020)**

Source:
UNCTADSTAT, CIKD



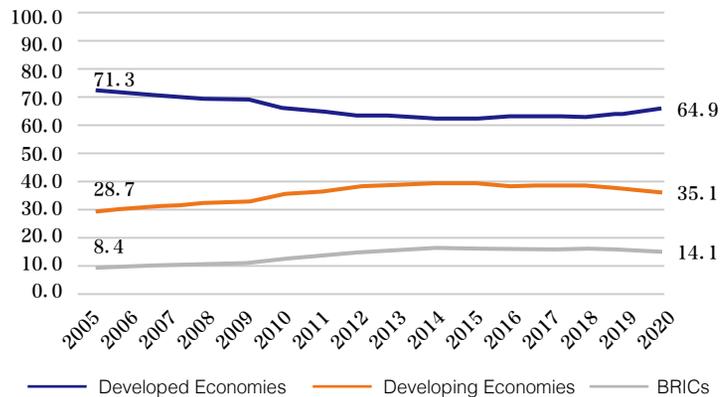
**Figure 2-4
Proportion of exports
of services
(2005-2020)**

Source:
UNCTADSTAT, CIKD



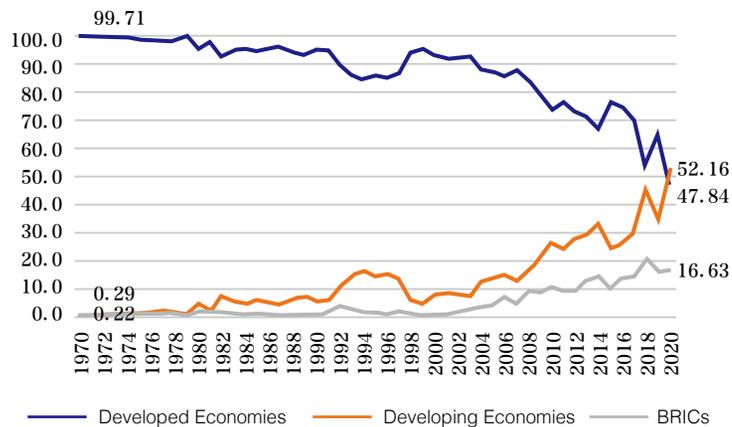
**Figure 2-5
Proportion of imports
of services
(2005-2020)**

Source:
UNCTADSTAT, CIKD



**Figure 2-6
Proportion of FDI
Outflow
(1970-2020)**

Source:
UNCTADSTAT, CIKD



chasm between the two remained visible. However, the export of services by developing economies showed an upward trend (Figure

2-4 and Figure 2-5). Meanwhile, due to the COVID-19 pandemic, the global FDI dropped by one-third in 2020, with flows decreasing to

USD 1 trillion from USD 1.5 trillion in 2019. Developing economies accounted for two-thirds of global FDI, surpassing developed economies for the first time (Figure 2-6).

The global governance system is being rapidly reshaped. First, developing countries are making their voices heard and playing a bigger role in global economic governance. The IMF and the World Bank Group (WBG), as two major global governance institutions, have reformed and gradually increased the shares and voting rights of developing countries. Nevertheless, the actual economic contribution of these countries has not been fully reflected. Second, the challenges of global governance have gotten increasingly diversified and complicated. Aside from terrorism, climate change, refugees, and migration, many new issues that require global responses have emerged, such as the outer space, the cyberspace, the deep sea, the polar areas, and the biological issues. Third, more global governance platforms are emerging. The G20, BRICS, and a variety of regional and sub-regional cooperation bodies are playing an increasingly important role. Fourth, non-state players, such as multinational companies (MNCs) and CSOs, are playing a bigger role in global governance. A multi-tiered, multi-dimensional, and multi-sectoral global governance structure is emerging.

Global geopolitical conflicts are posing new and significant threats. The Russia-Ukraine conflict in the spring of 2022 is one of the world's most notable risk events. While its future course remains uncertain, it

will have far-reaching and systemic impact on the global economy reflected in many areas such as agriculture, energy, trade, and finance. On agriculture, disruptions in the supply of resources and agricultural products from Russia and Ukraine could fuel global inflation, erode incomes, curb demand growth, and even lead to a food crisis. Global supply and demand for oil and gas has been shifted, triggering changes in global market and concerns over energy security, and pushing energy prices to new highs. In terms of trade, a wide range of sanctions affect the trade relations between the economies directly involved, and influence others through the global trade network. This may accelerate the regression and fragmentation of the global industrial chains, making it harder to restore global supply chains and raising the possibility of a long-term international trade recession. In addition, geopolitical confrontations drive relevant countries to raise military spending, raising their financial burden significantly. The massive influx of migrants as a result of hostilities would raise the financial burdens of host nations. Countries subject to financial sanctions may face challenges such as difficulties in servicing foreign currency debt, currency instability, and capital outflows. Other economies may be affected by problems such as reduction in confidence of investors, a decrease in risk appetite, and greater financial market volatility. Financial sanctions may lead to fragmentation of cross-border payment networks and prompt governments to assess and adjust their foreign exchange reserves, raising transaction and replacement costs in affected nations.

02

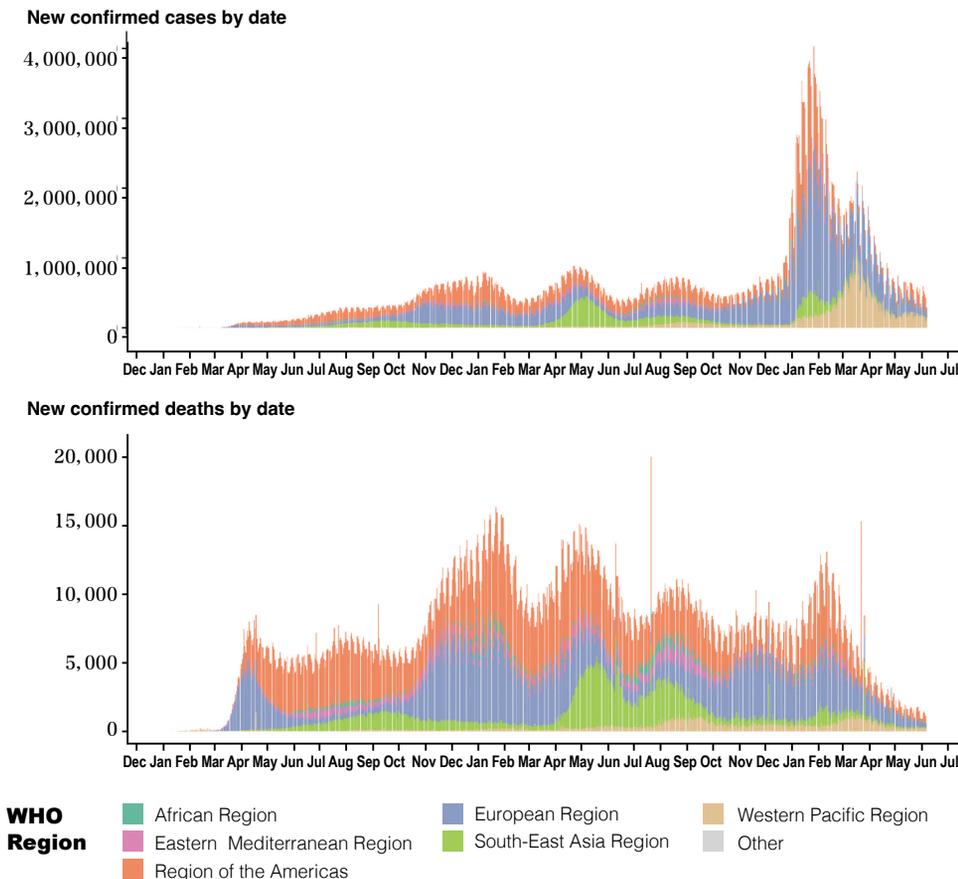
The COVID-19 pandemic: a big disruption to human development

The beginning of 2020 saw the sudden outbreak of the COVID-19 pandemic that swiftly swept across the globe. The pandemic caused tremendous and unpredictable impact to the entire world. Many scholars believed that the COVID-19 pandemic has transformed our

world, and some even stated that the pandemic has separated human civilization into “before corona” and “after corona” eras⁴⁵. Currently, the COVID-19 pandemic is still plaguing the world, and the global COVID prevention and control situation remains grim (Figure 2-7).

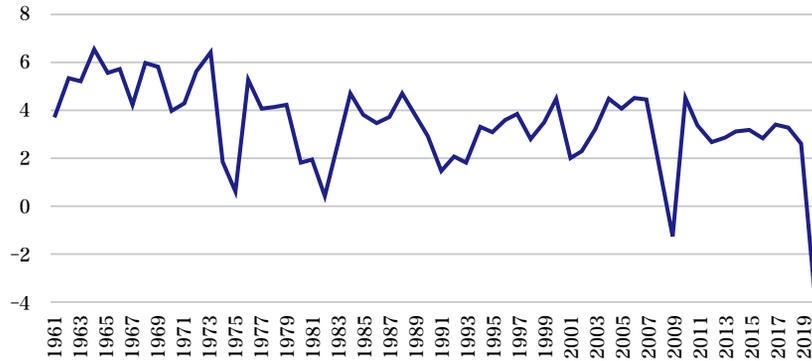
Figure 2-7 Global confirmed COVID-19 cases and deaths over time (from 19 January 2020 to 8 June 2022)

Source: World Health Organization (WHO)



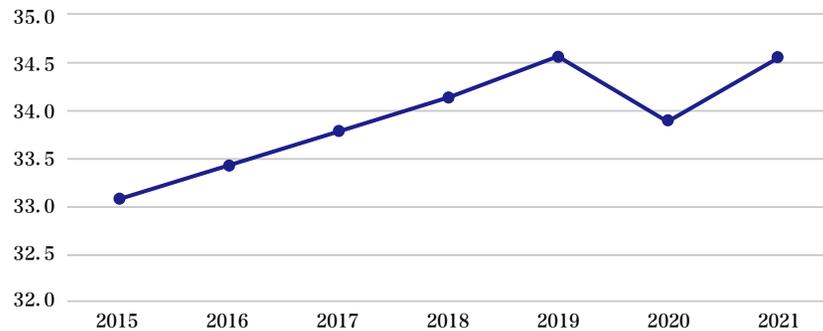
**Figure 2-8
Global GDP Growth
Rate 1961-2020**

Source:
World Bank



**Figure 2-9
Global Labor Force
2015-2021
(Unit: 100 Million)**

Source:
ILO



The COVID-19 pandemic led to a global economic recession. The COVID-19 pandemic not only threatened people’s health and safety, but also greatly disrupted production, demand, employment, and trade on a global level, putting even greater pressures on the already weak and vulnerable global economy. Some research indicates that the negative economic impacts of the COVID-19 pandemic may have surpassed those of the 2008 global financial crisis⁴⁶, making it the single most serious “black swan” incident the world economy has seen in recent years. According to the World Bank, the global economy grew by -3.3% in 2020, which is the lowest growth rate since the Second World War (Figure 2-8). The COVID-19 outbreak also affected global employment and workers’ income. According to the International Labour Organization (ILO), in 2020, 8.8% of

global working hours were lost relative to the fourth quarter of 2019, which is equivalent to 255 million full-time jobs. Nearly half of the lost hours were due to shortened working time and furloughs, and the other half were due to reduced employment. The employment around the world is estimated to have declined in 2020 by 114 million people relative to the level in 2019 (figure 2-9)⁴⁷. The COVID-19 pandemic also caused a USD 3.7 trillion reduction in global labor income in 2020. An additional 108 million workers worldwide are now categorized as poor or extremely poor⁴⁸. The global poverty level has receded to 2015’s level⁴⁹. To stimulate fast recovery, major economies adopted loose monetary policies and expansionary fiscal policies, which contributed to high inflation and led to increased inflationary pressure in the mid to long run.

The COVID-19 pandemic further exacerbated global inequality. To combat the pandemic, countries around the world adopted different strategies based on their unique conditions. However, the differences in strategies and economic conditions have led to uneven recovery results, which further widened the gaps among countries. The economies of many developing countries became increasingly vulnerable due to the constant relapse of the pandemic, which will further aggravate the inequality between developing and developed economies and lead to rising regional disparity. The widening of development gaps could also threaten the resilience of global economic recovery and sustainability.

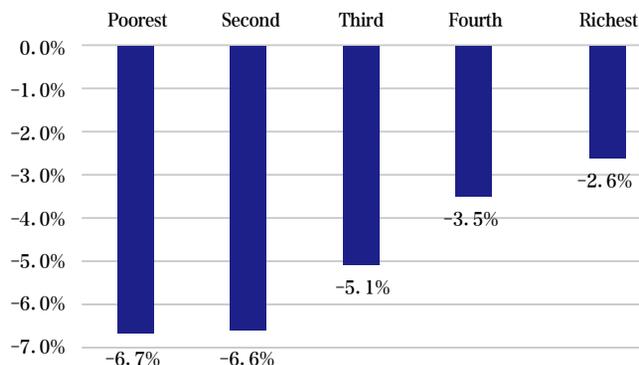
As the impact of the pandemic on employment is highly relevant to workers' skill level, the unskilled workers and those with relatively lower-level skills were disproportionately affected by the pandemic, which contributed to greater domestic inequality. According to the World Bank, in 2021, the average incomes of people in the bottom 40% of the global income distribution are 6.7% lower than pre-pandemic projections, while those of people in the top 40% are only 2.8% (Figure 2-10). Severe

impacts on small and medium enterprises may cause irreversible losses on capital for starting a business and jobs.

The COVID-19 pandemic triggers changes in the global industrial chain, and the need to improve the global governance system becomes more prominent. The pandemic caused shocks to the normal operation of the global production, transportation, exchange, and services systems, which then put enormous pressure on the global industrial chain and global supply chain. This forced many countries to re-evaluate and modify their global resources configuration strategies to deal with the shortcomings of a disrupted global supply chain. As a result, the present global industrial chain and supply chain may change drastically in the mid and long run, becoming increasingly localized and regionalized. The pandemic has also exposed several key weaknesses of the current global governance system. Some countries have become inward-looking, and their ability and willingness to provide global public goods continues to decline. This further demonstrated the importance and urgency to uphold multilateralism and improve the global governance system.

Figure 2-10
Percent of income loss by global income quintile due to COVID-19

Source:
 Sánchez-Páramo et al.
 2021



03

Digital transformation: a double-edged sword of our society

Digital technology is becoming a fundamental variable acting on economic and social development globally. Relying on a new generation of information technology, the digital revolution brings a trend of increasing digitalization, intelligentization, and networking, transforming traditional modes of production and lifestyles, and exerting profound influences on economic and social development of all countries, the global governance system and the progress of human civilization.

Digital transformation drives a new round of economic globalization. Driven by accelerated deployment of digital infrastructure, the rise of digital platforms, and the iterative upgrade of digital technology, the global Internet traffic in 2020 has increased by 15.9 times compared with a decade ago⁵⁰. The scale and proportion of the global digital economy have risen to a prominent position (Figure 2-11). During the COVID-19 pandemic, the digital economy plays a more important role in supporting production and services. In 2020, the digital economy in developing and developed countries both achieved positive growth, reaching 3.08% and 2.99% respectively⁵¹. Digital trade becomes an important driver of global trade. The value of international trade in digitally-deliverable services increased from

USD 1.2 trillion in 2005 to USD 3.1 trillion in 2020, far exceeding the growth rate of trade in goods and services in the same period⁵².

Digital transformation provides significant opportunities for economic and social development. Digital technology has been integrated and applied in multiple aspects and fields of traditional industries, promoting the transformation of production methods. Smart manufacturing and smart services continue to develop. Collaborative manufacturing, mass customization, remote work, online education, digital health, streaming services, and other new digital business formats and models are emerging. With the help of big data and Industrial Internet, a large number of enterprises match their supply and demand in a more precise way, and improve the efficiency of production and deployment.

Digitalization gradually changes the way of life and empowers people. With the changing structure and form of employment, digital transformation provides more opportunities for marginalized groups to engage in flexible, temporary, and part-time jobs through digital platforms. For instance, e-commerce platforms have greatly improved the market access for micro, small and medium-sized enterprises

(MSMEs). Digital financial inclusion also helps MSMEs and the poor to access financial services. The application of bike sharing, self-driving automobile, and mobile payment optimizes resource allocation, changes people's consumption mindset and behaviors, and makes a low-carbon lifestyle possible.

Governments are increasingly going digital. The efficiency and performance of government public services are improved with ICT-supported operations. The e-government

promotes the transparency and refinement of public management processes, and encourages public participation with more interaction between government and citizens.

Digital transformation also comes with challenges. There are widespread digital divides among regions, between urban-rural areas, and between genders, which hinder sustainable development⁵³. The international and regional digital divides can be seen among and within developed and less developed

Figure 2-11
Development of the global digital economy in 2019-2020

Source: CAICT, CIKD

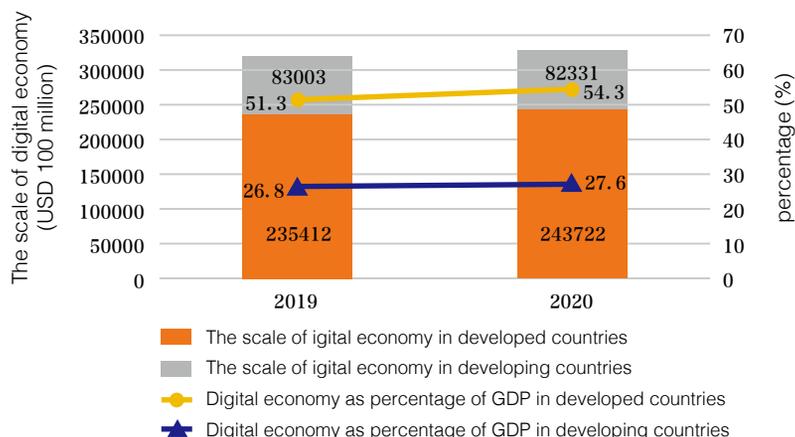
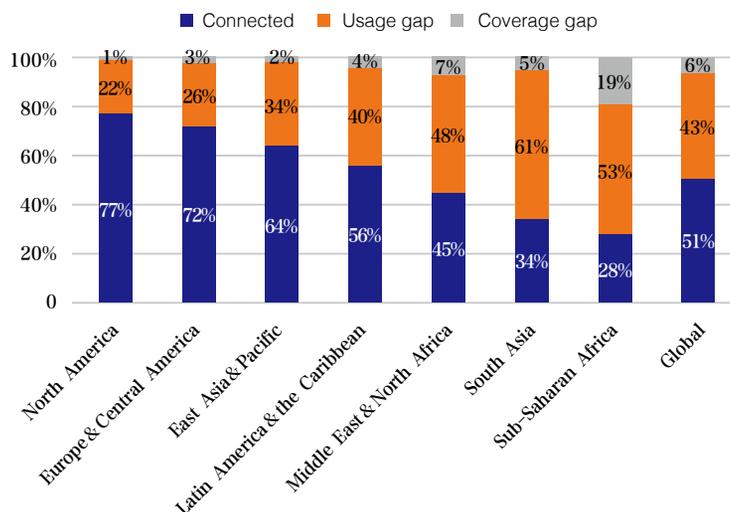


Figure 2-12
State of mobile internet connectivity, by region, 2020

Source: Global System for Mobile Communications Association (GSMA), CIKD

Note: *Connected* refers to people who use mobile; *Usage gap* refers to those who live within the footprint of a mobile broadband network but are not using mobile internet services internet; *Coverage gap* refers to those who live in an area not covered by a mobile broadband network.



countries and regions (Figure 2-12). As of the end of 2021, 2.9 billion people remained offline, 96% of whom were living in developing countries⁵⁴. Globally, people in urban areas were twice more likely to use the Internet than those in rural areas (Figure 2-13). The gender digital divide is visible in most parts of the world (Figure 2-14). Across low- and middle-income countries, 58% of women now access mobile internet, which is 15% less likely than men. There are still 234 million fewer women than men accessing mobile internet⁵⁵. Despite efforts to bridge the digital coverage gap, a

range of barriers still exist to undermine the digital inclusion (Figure 2-15), such as the high price of internet access (relative to income)⁵⁶, the unaffordable cost of mobile devices, and the lack of digital skills for some groups⁵⁷.

Digital technology has changed the comparative advantages and competitive advantages of developed and developing countries. Low labor cost and low value-added production are the traditional comparative advantages of developing countries in the global trade system and industrial division. This pattern may

Figure 2-13
Percentage of individuals using the Internet, by location, 2020

Source: ITU, CIKD

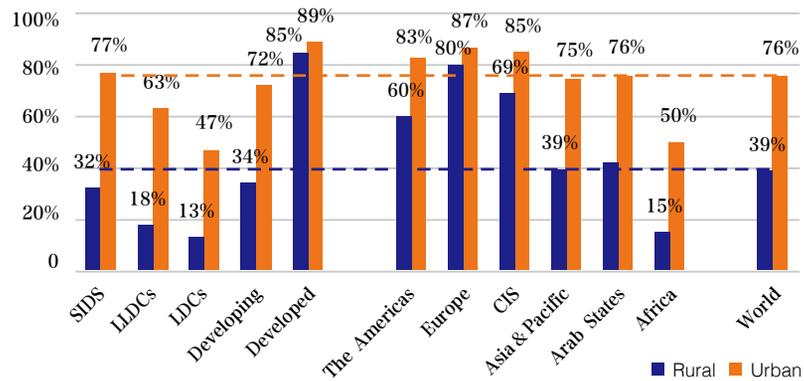
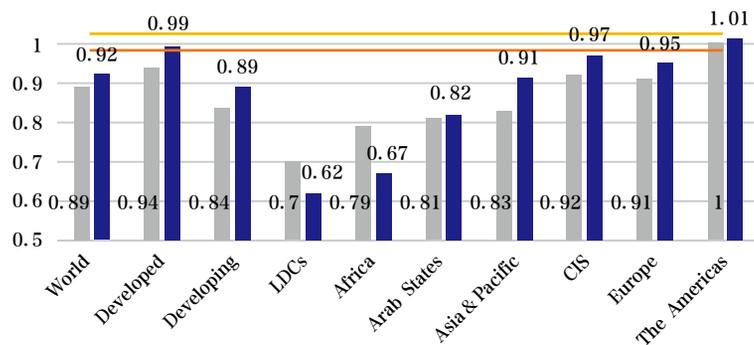


Figure 2-14
The Internet user gender parity score, 2013 and 2020

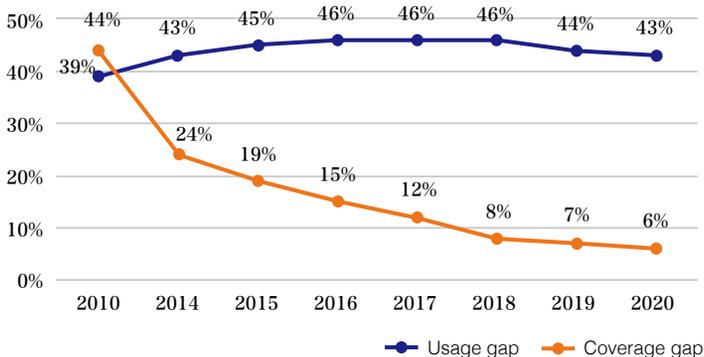
Source: UNCTAD, ITU, CIKD



Note: The gender parity score is calculated as the proportion of women who use the Internet divided by the proportion of men. A value smaller than one indicates that men are more likely to use the Internet than women, while a value greater than one indicates the opposite. Values between 0.98 and 1.02 reflect gender parity.

Figure 2-15
Evolution of global
mobile internet
connectivity,
2010-2020

Source:
 ITU, CIKD



gradually change as the relative importance of labor drops due to artificial intelligence, 3D printing and industrial robotics, from which advanced countries benefit and regain their competitiveness to re-industrialize. Under such circumstances, developing countries are facing great challenges in fostering new comparative advantages and maintaining their position in the global industrial chains.

Digital transformation also brings along social problems. Automated production lines and intelligent robots could replace a large number of workers engaged in repetitive and mechanical work, which may lead to the disappearance of traditional labor-intensive occupations on a large scale. It is estimated that between 2020 and 2025, around 850 million jobs will be replaced by machines⁵⁸. In addition, issues related to ethics, disinformation, and fraud are magnified in cyberspace, causing more negative effects. Problems such as algorithm bias and “information cocoon” brought about by the intelligent algorithms are becoming more and more prominent. Online disinformation may erode public trust in factual and scientific information. Cybercrime

and cyberbullying also cause huge economic damage, with global losses due to cybercrime expected to reach USD 6 trillion in 2021⁵⁹.

Digital governance at the national and global levels needs to be improved. It is of urgent importance to clarify data ownership and improve governance mechanisms related to fair and reasonable data protection, use, revenue, and flow. While different countries are formulating data-related rules, it is still hard to simultaneously meet the requirements of personal information protection, data generation and utilization, public interests, and cross-border data flow. The deficit in digital governance may get worse and the rules and standards introduced by developed countries may become a new “development barrier” for developing countries. Data, as a new production factor significantly different from the traditional ones, concerns the security and economic and social development of all countries, and cannot be governed by the established global governance system and rules. It is urgent for all countries to participate equally and contribute to formulating the rules and standards of global digital governance.

04

Green transition: enabling harmonious coexistence of man and nature

In recent years, the earth has been suffering from frequent and intense extreme weather events, rising sea levels, and accelerated loss of biodiversity. The harmonious coexistence of man and nature has been considerably endangered. We must respect nature and accelerate the green transition of production and lifestyle to make sustainable development possible.

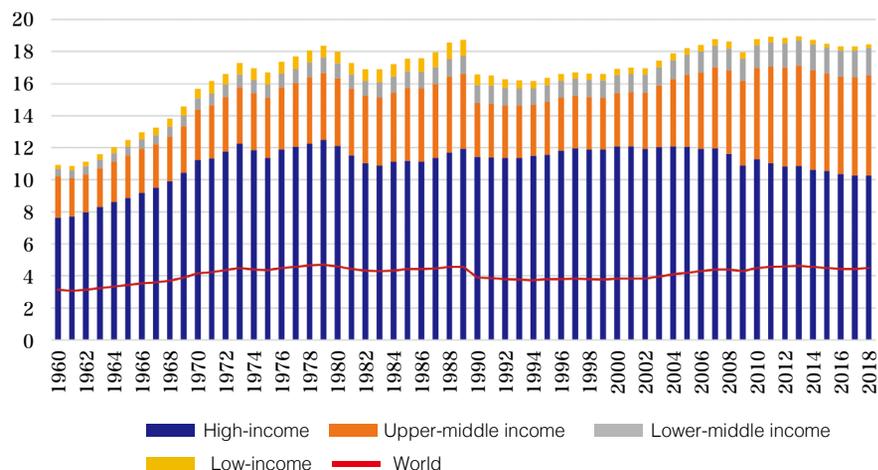
Ecological problems have severely hampered the realization of the SDGs. The earth is being menaced with three major ecological and environmental crises, namely climate change, loss of biodiversity, and pollution⁶⁰. The crises are threatening the wellbeing of the globe, challenging the existence of human beings, hindering the timely accomplishment of the 2030 Agenda, and reversing development achievements of human society. Global carbon dioxide emissions per capita has been on the rise since 1960, with high income countries emitting far more than others (Figure 2-16). Recurring extreme weather events have brought the number of people in hunger up to 700 million in 2019, with an astonishing 60-million increase in five years. By 2030, climate change will have cost the world a productivity loss equivalent to 80 million full-time jobs and created a newly impoverished population of about 35 million

to 122 million⁶¹. One-fourth of disease burden around the world is attributable to environmental risk factors. Pollution is responsible for an annual premature death count of approximately 9 million. Environmental and indoor air pollution kills 6.5 million people every year. Millions of people die from other environmental risks. Global life expectancy has dropped by 2.2 years due to hazardous PM pollution levels⁶².

Green transition is facing acute challenges. As the pandemic is dealing a heavy and lasting blow to the global economy, the arduous economic and social recovery tasks are weakening support for combating climate change. Developed countries have failed in fulfilling their promises to provide adequate financial support for developing countries. Statistics of the OECD shows that in 2019, climate finance provided and mobilized for developing countries by developed ones totaled USD 79.6 billion, far less than the promised amount of USD 100 billion per year. While merely 27% of the funding were grants, as much as 71% were provided through loans from multilateral development banks, which to some extent has brought developing countries extra debt burdens⁶³. Besides severely shrinking financial resources as a result of the need to restore social orders and spur economic growth, green transition in developing countries is facing

Figure 2-16
CO2 emissions
(metric tons per capita)

Source:
World Development
Indicators, CIKD



other challenges, such as low R&D capacity and lack of high-skill labor force. In the meantime, the momentum of transformation in key areas is experiencing backlash in developed countries. G7 governments have taken limited action to keep their pledge made in 2021 of ending inefficient fossil fuel subsidies by 2025. Since the outbreak of the Russia-Ukraine conflict, some European countries have delayed coal exit. Some countries have decided to get retired coal power plants back online or to postpone the phase-out of coal power plants.

Green transition brings new opportunities to global sustainable development. Massive research shows that green development can generate ecological and economic benefits simultaneously. Breakthroughs of green and low-carbon technologies and evolution of techniques continue to cultivate new business modes and industries, which provide

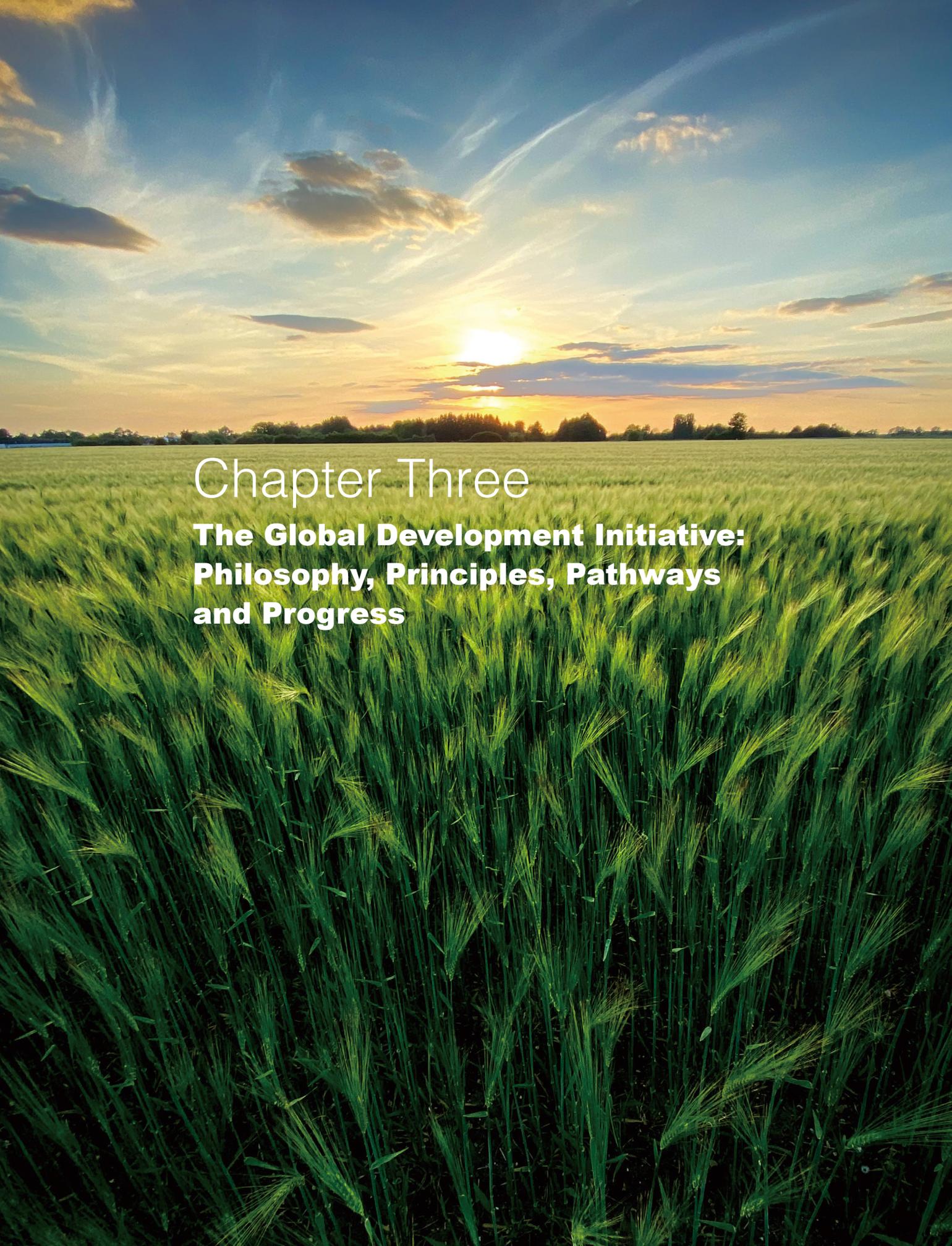
novel momentum for economic growth and offer alternative solutions to environmental pollution and ecological destruction brought by traditional development paths. Transition and upgrade of traditional sectors reduces resource consumption, improves productivity, brings down emissions and creates larger numbers of better and more inclusive jobs. According to the ILO, by 2030, electric vehicles, clean energy, green finance, and other green industries will be able to offer a total of 24 million jobs, observably more than the 6 million jobs lost in oil drilling, coal mining, and other high-carbon industries⁶⁴. The international community has reached consensus and acted steadfastly on green transition. By May 2022, 127 countries have set or proposed carbon neutrality targets. These countries generate 90% of the world's GDP population, cover 85% of the global population, and take up 88% of total carbon emissions⁶⁵.

45. Friedman 2020
46. Gopinath 2020
47. ILO 2021a
48. ILO 2021b
49. ILO 2021a
50. IEA 2022

51. CAICT 2021
52. UNCTAD 2021
53. GSMA 2021
54. ITU 2021
55. GSMA 2021
56. ITU 2021

57. OECD 2021a
58. World Economic Forum 2020
59. UNDP 2022
60. UN 2021
61. ILO 2019; UNEP 2021

62. Lee and Greenstone 2021
63. OECD 2021b
64. ILO 2018
65. Hale et al. 2022



Chapter Three

The Global Development Initiative: Philosophy, Principles, Pathways and Progress

Human development has arrived at a new crossroads. The world is witnessing profound changes and a sweeping pandemic, both unseen in a century. Economic globalization is experiencing headwinds. The digital revolution and green transition are presenting mankind with both opportunities and challenges. In all countries, people long for peace and development more than ever before. Their call for equity and justice is growing stronger, and they are more determined in pursuing win-win cooperation. How to beat the pandemic and how to build the post-COVID world? These are major issues of common concern to people around the world and urgent questions that all countries must find answers to.

Chinese President Xi Jinping put forward the GDI at the General Debate of the 76th Session of the UN General Assembly, calling

on the international community to place development high on the global macro policy agenda, accelerate the implementation of the UN 2030 Agenda, and work together to steer global development towards a more balanced, coordinated, and inclusive phase. The GDI calls for the world to stay committed to a people-centered approach, to development as a priority, to benefits for all, to innovation-driven development, to harmony between man and nature, and to action-oriented approaches. Focusing on practical cooperation in such key areas as poverty reduction, food security, COVID-19 and vaccines, financing for development, climate change and green development, industrialization, digital economy and connectivity, the GDI offers Chinese solutions to the questions of our times, to making the post-COVID world a better place for everyone, and to building a community with a shared future for mankind.

01

The GDI embraces the people-centered philosophy and adheres to the development-first principle

The GDI embraces the people-centered philosophy as its core. People are the fundamental force that drives development. The ultimate purpose of development is to improve the well-being of people. The GDI takes the betterment of people's well-being and realization of their well-rounded development as

both the starting point and end goal. It endeavors to meet the aspirations of all peoples for a better life. The GDI strives to ensure that development is for the people and by the people, and that its fruits are shared among the people through improving people's livelihood and enhancing their sense of happiness, fulfilment and security.

The GDI prioritizes development and follows an innovation-driven approach.

As an important foundation for addressing global challenges and an eternal pursuit of human society, development must be given priority. China, the most populous nation in the world, has made a historic leap from a country with relatively backward productivity to the world's second largest economy. This experience proves that only by focusing on development can a nation achieve prosperity and strength, and its people live a happy life. The solution to global challenges hinges on development, be it extreme poverty, food insecurity, COVID-19, conflicts, or humanitarian crises. The GDI prioritizes development on the agenda of global macro policy coordination, encourages the resolution of the outstanding problems and challenges of governance in the course of development, and takes the opportunities generated by the new industrial revolution, so as to create more opportunities for common development and provide more impetus for speeding up the implementation of the 2030 Agenda.

The GDI strives to leave no country and no person behind.

Problems such as a widening North-South gap, divergent recovery trajectories, development fault lines and a technological divide are rising. The COVID-19 pandemic further exacerbates inequalities within and among countries. According to the UN *World Economic Situation and Prospects 2022*, the GDP per capita of the developed economies, relative to pre-pandemic projections, is expected to fully recover by 2023. In contrast, for developing economies

and economies in transition, a full recovery of their GDP per capita to pre-pandemic projections will remain elusive in the near term. The GDI, as a global public good for bridging the development divide and addressing the development deficit, is committed to promoting inclusive development, addressing unbalanced and inadequate development within and among countries, and making global development more equitable, effective and inclusive, so that no country and no person will be left behind. The GDI pays attention to the prominent development difficulties of the developing countries, especially the LDCs, small island developing states (SIDs), and landlocked developing countries, so that development gains are shared fairly by all countries and all peoples.

The GDI pursues harmony between man and nature.

Green and low-carbon development is the most sustainable growth driver. A sound ecological environment is beneficial to all. The GDI proposes a path of green recovery and sustainable development and calls for speeding up green and low-carbon transition by optimizing energy and industrial structures and harnessing technological progress and economic transition. The GDI advocates respecting, revering, and protecting nature, following the inner workings of the ecosystem, balancing development and protection, coordinating utilization and restoration, and fostering a community of life for man and nature. It upholds the principle of common but differentiated responsibilities and supports the full implementation of the UNFCCC and its

Paris Agreement with a view to strengthening global climate and environmental governance and promoting global ecological progress.

The GDI commits to multilateralism, openness, and inclusiveness. We live in a world where the future of all countries is closely linked and their interests are entwined like never before. Only by pooling the wisdom and strength of all and by mobilizing resources from across the globe can we address global challenges and promote global development. The GDI acts on true multilateralism, follows the vision of global governance featuring extensive consultation, joint contribution and shared benefits, upholds the international order underpinned by international law, as well as the basic norms

governing international relations based on the purposes and principles of the *Charter of the United Nations*, and supports the UN in playing an overall coordinating role in implementing the 2030 Agenda. It calls for strengthening North-South cooperation (NSC) and deepening South-South Cooperation (SSC), and promotes communication and dialogue among all parties to facilitate mutual understanding of their respective needs and strengths and build consensus to lay the foundation for concerted actions. The GDI advocates the spirit of open and inclusive partnership. It is an important public good and cooperation platform that China provides to the international community. It is open to the whole world and the participation of all countries is welcome.

02

The GDI adopts action-oriented approaches and seeks synergy with existing mechanisms

Global development needs practical actions and measures as well as clear visions and goals. Being action-oriented, the GDI aims to translate global development consensus into practical actions for international development cooperation. Starting from protecting and improving livelihood, the GDI tackles the most urgent challenges in global development, and focuses on priority areas such as poverty reduction, food security, COVID-19 and vaccines, financing for development,

climate change and green development, industrialization, digital economy, and connectivity. The GDI provides a platform for all parties to match their development needs and conduct cooperation projects in improving people's livelihood, technology cooperation, knowledge sharing, and capacity building, among other areas, so as to speed up the implementation of the 2030 Agenda.

To create a favorable environment for post-

COVID recovery in a steady manner, the GDI tackles on a priority basis pressing development challenges such as poverty reduction, food security, and COVID-19 response and vaccines.

The GDI supports poverty reduction efforts in developing countries by implementing international poverty reduction cooperation projects that improve people's livelihoods, promoting mutual sharing of experience in poverty reduction, and providing international training on poverty reduction.

The GDI assists vulnerable countries in improving food security by promoting sustainable agricultural development, implementing agricultural assistance projects, improving global governance of food and agriculture, and coordinating international food assistance.

The GDI seeks to jointly build a global shield for immunity and a global community of health by increasing the accessibility and affordability of vaccines in developing countries, improving their vaccine deployment capabilities, and sharing experience on balancing pandemic response and social and economic development.

To promote stronger, greener, and healthier global development after the pandemic, the GDI also focuses on medium- and long-term development challenges.

The GDI is committed to leveling up international coordination and cooperation on sustainable financing for development, and supporting

developing countries in enhancing their capacity for self-generated development and resilience.

The GDI is committed to promoting the international community to fully and effectively implement the UNFCCC and its Paris Agreement, improving global climate and environmental governance, pushing for green and low-carbon transition in production and consumption across the world, strengthening green financing, and stimulating the research and development of green technologies and encouraging their transfer and sharing to achieve green recovery.

The GDI is committed to strengthening policy coordination and capacity building, promoting cooperation on new industrialization, and facilitating developing countries in better integrating into the global industrial chain, value chain and supply chain.

The GDI is committed to providing new opportunities for developing countries to bridge the digital divide, improve digital infrastructure and industrial development capacity, and promote shared and inclusive development through strengthening cooperation in digital economy.

The GDI, in an attempt to better harness digital technology for sustainable development of all countries, is committed to improving connectivity, promoting communication and cooperation with more convenient technologies, facilitating technology transfer and knowledge sharing, and strengthening development partnerships.

The GDI seeks synergy with existing mechanisms, and calls on all parties to build a global community of development.

The GDI is intended neither to replace existing international development agenda nor to dilute the 2030 Agenda or cherry-pick the SDGs. It is intended to renew focus on development issues, to re-commit to the SDGs, to revitalize global partnership, and to reactivate international development cooperation.

The GDI reminds the international community of the pressing need for development, and advocates for strengthening global development partnership and forging international synergy to effectively address the challenges posed by COVID-19, and help developing countries accelerate their recovery and achieve the SDGs on schedule.

The GDI will align itself with development

cooperation strategies of all parties, in particular the Agenda 2063 of the African Union (AU), the Association of Southeast Asian Nations (ASEAN) 2025, the New Partnership for Africa's Development (NEPAD), and the Initiative on Partnership for Africa's Development, among others. It promotes synergy and mutual support among development processes of all countries, regions and mechanisms.

The GDI will join forces with existing multilateral mechanisms and platforms to strengthen effective actions on all 17 SDGs. This includes forming synergies with multilateral, regional, and sub-regional mechanisms, such as the UN, Asia-Pacific Economic Cooperation (APEC), G20, BRICS, SCO, and "10+1", and encouraging international organizations, governments, businesses, the academia, and CSOs to play their roles in the symphony of implementing the 2030 Agenda.

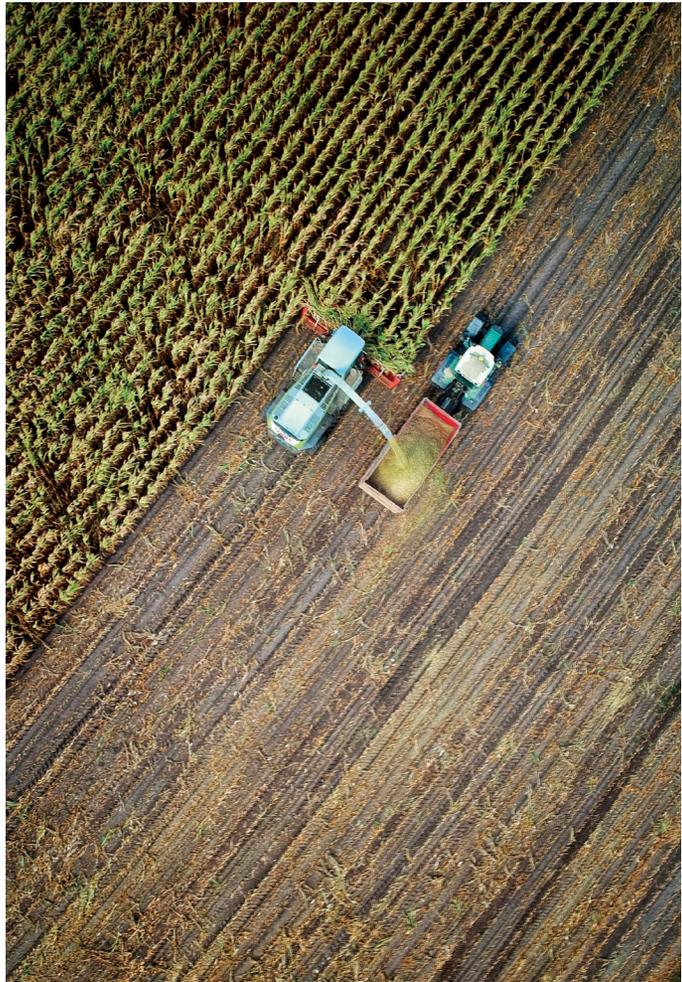
03

Important early harvests of the GDI

The GDI has received warm responses from the international community, with more than 100 countries having expressed their support to date. In January 2022, the Group of Friends of the GDI was launched at the UN. More than 50 countries have joined the Group so far. ASEAN countries acknowledged the GDI in the *Joint*

Statement of the ASEAN-China Special Summit to Commemorate the 30th Anniversary of ASEAN-China Dialogue Relations. In the *Joint Statement of China-Pacific Island Countries Foreign Ministers' Meeting*, the Pacific Island Countries expressed readiness to support and join the GDI to ensure alignment with the

Pacific Roadmap for Sustainable Development and the 2050 Strategy for the Blue Pacific Continent. In the *Dakar Declaration of the Eighth Ministerial Conference of the Forum on China-Africa Cooperation*, African countries expressed their welcome and support for the GDI. They believe that improving the global development partnership is imperative to accelerate the implementation of the 2030 Agenda and Agenda 2063 of the AU. Meanwhile, member states of the Community of Latin American and Caribbean States (CELAC) and the central Asian countries have expressed their welcome and support for the GDI in the *Declaration of the Third Ministerial Meeting of the China-CELAC Forum* and the *Joint Statement between Leaders of China and the Five Central Asian Countries on the 30th Anniversary of Diplomatic Ties*.



Effectively building political consensus on global development. More than half a year after its introduction, the GDI has forged international consensus on solidarity, and cooperation for further development, attracting more attention of the international community to development. It is generally agreed that under the current circumstances, countries should further strengthen their political will, bring development issues back to the center of the international agenda, create

a momentum for prioritizing development and seeking cooperation, and oppose the politicization and marginalization of development issues. The world should deepen cooperation in poverty reduction, agricultural cooperation, and the digital economy, tackle the various challenges in energy and food, and strive for leapfrog development and achieving the 17 SDGs as scheduled. The world should improve the global governance system at a faster pace, increase the representation and voice of emerging markets

and developing countries, build an open world economy, create a favorable environment to accelerate global development, and foster an equal and balanced global partnership for development. The world should support the UN in fully playing a coordinating role in the implementation of the 2030 Agenda, and work with the UN development agencies to implement the GDI to facilitate the achievement of the SDGs. China will “hold a high-level meeting on global development at a proper time to discuss ways to promote development”, as stated by Chinese State Councilor Wang Yi in his address at the High-Level Virtual Meeting of the Group of Friends of the GDI.

Channeling more resources toward development assistance. As a responsible developing country, China, as always, has done its best to provide assistance and support for other developing countries. Ever since the introduction of the GDI, China has made greater contribution to international resources for development. In January 2022, China launched Phase III of the FAO-China South-South Cooperation Trust Fund with a total amount of USD 50 million, providing considerable resources for international cooperation in poverty reduction and food security. China plays an active role in the replenishments of the International Development Association (IDA), the Asian Development Fund (ADF), and the Global Environment Facility (GEF). In October 2021, the 2030 Agenda for Sustainable Development Sub-Fund of the UN Peace and Development Trust Fund established by China approved new

projects on green transition, digital technology, and capacity building in scores of countries in the Asia-Pacific, Africa, Latin America and the Caribbean, taking into consideration the real development needs of developing countries. The South-South Cooperation Assistance Fund (SSCAF) is also giving support to development projects in poverty reduction, food security, and pandemic response in other developing countries. China will “further ramp up support for the SSCAF and the UN Peace and Development Fund”, as stressed by Chinese State Councilor Wang Yi.

Building platforms for project cooperation to drive progress in the eight priority areas of the GDI. The GDI is being translated from concept to reality, with concrete results from cooperation projects in the eight priority areas. In October 2021, China held the Global Rural Development Forum to promote exchanges and cooperation in poverty reduction and rural development. The International Poverty Reduction Center in China and the Ministry of Economic Development and Poverty Reduction of Uzbekistan signed an MOU on poverty reduction cooperation. In January 2022, China and the International Union for Conservation of Nature (IUCN) and other relevant international organizations successfully held the World Coastal Forum to form an international exchange platform for global coastal protection and migratory bird protection. In February, the China-Pacific Island Countries Climate Action Cooperation Center was inaugurated to support relevant countries in enhancing their capacity to cope with climate change and

carry out relevant studies. In March, under the GDI framework, China co-organized with the United Nations Office for South-South Cooperation (UNOSSC) a seminar program named “SSC in Cross-border E-commerce for Poverty Eradication and Global Sustainable Development”. The program has trained more than 1,000 people from nearly 100 countries and was widely acclaimed. Also in March, the United Nations Human Settlements Programme (UN-HABITAT) initiated the Shanghai Global Award for Sustainable Development in Cities to recognize cities with outstanding overall performance in sustainable urban development and to encourage cities across the globe in achieving the SDGs. Under the SSCAF, China worked with the World Food Programme (WFP) to provide food aid to Uganda, Zimbabwe, and East Timor. By the end of March 2022, China had provided around 2.2 billion doses of COVID-19 vaccines to more than 120 countries and international organizations. China will “build on the consensus to establish a pool of GDI projects to be participated by all parties”, as announced by Chinese State Councilor Wang Yi recently.

Setting up platforms for the sharing of development knowledge and experience.

Development knowledge is a key resource for development and its sharing an important component of international development cooperation. The GDI attaches great importance to facilitating sharing of development knowledge. Three progress reports on China’s implementation of the 2030 Agenda were released in 2017, 2019 and 2021

respectively. China participated in two VNRs on Implementation of the 2030 Agenda, and issued *China’s VNR Report on Implementation of the 2030 Agenda for Sustainable Development*, providing references for others in the implementation of the 2030 Agenda. In 2020, China released a selection of poverty reduction cases in the report *Eradication of Extreme Poverty: China’s Practices* to share its experience with the world. Since the inception of the GDI, China has stepped up efforts in knowledge sharing, particularly with other developing countries. In March 2022, China’s Ministry of Finance, the Development Research Center of the State Council (DRC), and the World Bank launched a joint study report titled *Four Decades of Poverty Reduction in China: Drivers, Insights for the World, and the Way Ahead*. The report analyzed the key drivers of China’s poverty reduction over the past 40 years and took stock of the takeaways in China’s experience for other developing countries. In May, the Secretariat of China-ASEAN Knowledge Network for Development was officially launched. The Network aims to share development knowledge and development opportunities, to provide intellectual support for building the China-ASEAN community with a shared future, and to support the implementation of the GDI and the 2030 Agenda. CIKD will release the *Global Development Report* on a regular basis to promote international exchanges and sharing of development knowledge, support all countries in exploring development paths suited to their national conditions, and jointly enrich knowledge on development.

Chapter Four

Join Hands to Build a Global Community of Development



While the 2030 Agenda has achieved certain progress, the world, especially the developing countries, is still faced with enormous challenges in reaching the SDGs on schedule. Against the backdrop of centennial change of global landscape, COVID-19 pandemic, digital transformation, and green transition, the world can keep on the right track towards common and sustainable development only by refocusing on the SDGs and global partnership. The GDI provides the international community with a viable path to accelerate the implementation of the 2030 Agenda. To make the most of this

Initiative requires a great number of research and practices by all parties. In an effort to promote the relevant joint study and practices by the international community, the first *Global Development Report* lays out a range of policy advice in eight areas, i.e. reducing poverty, maintaining food security, safeguarding human health, promoting financing for sustainable development, advancing green and low-carbon development, facilitating the industrialization in developing countries, harnessing digital economy for prosperity and benefits for all, and enhancing connectivity in the new era.

01

Join hands to reduce poverty

Ending poverty in all its forms is the primary goal of the 2030 Agenda and a common aspiration of humanity. As COVID-19 is increasing global poverty incidence, all countries should make helping vulnerable groups and reducing poverty both a domestic policy priority and a priority for global development cooperation. In the short term, attention should be paid to the difficulties facing the population hit by COVID-19 in the developing countries. In the medium- and long-term, capacity building should be the focus to help developing countries seize the opportunities of digital transformation and green transition in order to enhance their endogenous capacities to eradicate poverty.

Increase investment to reverse the rise in

poverty headcount. The world is in dire need of multilateral cooperation, NSC and SSC to curb the rise in poverty. Developed countries should better fulfill their ODA commitments and increase financial and technical support to developing countries, especially vulnerable countries facing severe difficulties. SSC should be further strengthened to help the vulnerable population hit by the pandemic in a more targeted fashion. Governments should also make poverty elimination a priority and make the best use of their own financial and social resources.

Strengthen experience exchanges and knowledge sharing to build up capacities for tackling poverty. Poverty reduction is a systematic undertaking, which requires context-appropriate philosophy, strategies, and

policies as well as funding, technology, and talents. The poverty reduction experience in some developing countries including China can serve as useful reference for others in exploring a path suitable to their respective national conditions. For example, China's approach to eradicating extreme poverty was based on two pillars, the broad-based economic reform and development, and the government-led poverty reduction strategies and policies. The credibility of government's commitment, the coordination across different levels of government, and the cooperation between government and non-government stakeholders laid the foundation for the success of China's poverty reduction⁶⁶. Strengthening SSC in poverty reduction, including experience exchange, joint research, training, policy demonstration, and capacity building will help developing countries level up policy design and implementation capacity and increase the endogenous driving force and the sustainability of poverty reduction.

Grasp the opportunities in digital transformation and green transition to innovate ways of poverty reduction. While digital transformation and green transition are profoundly changing the way of production and lifestyle, they are also creating new opportunities for realizing the value for natural resources, and for developing countries and groups of people in need to shake off poverty through easier ways to trade. China's experience in recent years shows that e-commerce can play a big role in the sales of farm produce from poor regions. Cross-border e-commerce is also helping a growing number of fellow developing countries sell agricultural products to China. Using photovoltaic power generation to increase income and reduce poverty has been proven successful in many poor regions. International organizations, financial institutions, and national governments should better facilitate and support relevant investment, capacity building, and institutional innovation.

02

Join hands to safeguard global food security

Food security is an important guarantee for world peace and development and bears on sustainable development and the well-being of future generations of mankind. The world needs to deepen international cooperation to jointly build a healthier, more sustainable,

and more equitable food system and jointly safeguard global food security.

Promote sustainable agricultural development. The world needs to join hands to help developing countries improve agricultural

66. DRC & WBG 2022

infrastructure like irrigation, increase agricultural mechanization, scientifically use pesticides and fertilizers, deepen technical cooperation, enhance agricultural talent cultivating, improve agricultural productivity, reduce food loss across the production chain, and strengthen the efficiency, quality and safety of agricultural production. Practical cooperation should also be carried out in frontier areas like digital agriculture and green agriculture to help developing countries build stronger and more resilient agriculture.

Build an agricultural trading order that is fair, just, sustainable, and stable. The world needs to safeguard an open and inclusive multilateral trading institution, oppose trade protectionism, and reduce trade barriers. Only in this way can we ensure the stability of the global food production and supply chains, maintain unimpeded global food trade, and improve the efficiency and fairness of global food distribution. The world needs to promote the reform of the World Trade Organization (WTO), raise the voice and say of developing countries in making agricultural trade rules, and form fairer trading rules in agriculture.

Improve global food and agricultural governance. The world needs to support the important roles of international institutions and platforms like the FAO, the International Fund for Agricultural Development (IFAD), WFP, the Committee on World Food Security in global food and agricultural governance. The world needs to increase financial and technical support for developing countries and vulnerable groups. It is suggested that international financial institutions like the World Bank and regional development banks establish specialized trust funds or emergency facilities to speed up granting loans to projects that promote food security. The world needs to strengthen agricultural technical and financial support to developing countries, especially the LDCs, to help them follow development paths suited to their national conditions, achieve independent development and improve food security. The world needs to increase food aid to developing countries that are food-insecure. The international community, in particular developed countries, should step up emergency food supply and assistance to poor countries highly dependent on food imports, especially timely and targeted assistance to vulnerable groups such as women and children.

03

Join hands to protect human health

Life security and good health are the foundation of human progress and the ultimate goal of development. In face of the raging pandemic and public health risks, nations across the world should

support each other in eliminating the vaccination gap, and increase vaccine and medicine supply to developing countries so as to defeat the COVID-19 pandemic and increase capacity to

cope with various diseases, and prevent and respond to public health crises in the future.

Strengthen cooperation to fight against the pandemic. The world should increase cooperation in diagnosis, treatment, research and development in vaccines and drugs, and improve public health emergencies response system. The world should promote vaccine production and fair distribution, ensure vaccine accessibility and affordability, bridge the "immunization gap" and make efforts to achieve the global vaccination goals proposed by the WHO. The world should strengthen cross-border trade cooperation to ensure smooth trade of vaccines and related raw materials. And the world should firmly oppose the stigmatization of COVID-19 virus and politicization of origins tracing, and avoid groundless accusations of countries that discover unknown pathogens, which may impede timely information disclosure and disease control.

Build a resilient health system to better cope with the next public health crisis. The outbreak of communicable diseases is highly uncertain. The world should strengthen public health capacity building, help developing countries to improve their primary health care facilities, and promote community capacity in communicable

disease surveillance, diagnosis and emergency response. The world should cultivate more talents in public health, enhance capacity training for community health workers, and improve primary health care services. The world should improve medical supply chains to ensure provision of emergency medical supplies, and strengthen cooperation on zoonotic diseases research and build an early warning system to strengthen cross-border disease prevention and control.

Improve global health governance and build a global community of health for all. The COVID-19 pandemic warns that we should make global health governance more effective and inclusive. The WHO should play the central role in global health governance, and multilateral development organizations and regional agencies should play their full role in regional and global health. The world should set health agenda and priorities and lay out solutions based on the needs of developing countries, and improve the sustainability of international health aid and cooperation. The world should take the opportunity of the new industrial revolution and apply advanced technologies such as big data, artificial intelligence, Internet of Things, and block-chains to improve the efficiency and capacity of global health governance.

04

Join hands to finance for sustainable development

Financing for development is an important means of implementation for the 2030 Agenda and a

prominent challenge facing global development. The world should approach the issue from an

overall and long-term perspective, pool political will at the global, regional and national levels, promote a global development partnership that is more equal and more balanced, effectively bridge the development financing gap of developing countries, and provide financing support for global public goods.

Increase financial support for developing countries. As the world faces severe development challenges, it is more important than ever that the developed countries fulfill their development assistance commitments, provide developing countries with ODA equivalent to 0.7% of their gross national income (GNI), and give preference to the LDCs, the SIDS, landlocked developing countries, and other countries facing special development difficulties, so as to help them overcome the current severe challenges in poverty, health, education and so on. International development institutions and development financing mechanisms should further strengthen policy coordination to provide debt financing, debt relief and debt restructuring in a timely manner for developing countries facing debt repayment difficulties, reducing their debt burden under the current special circumstances.

Encourage and support developing countries in fully mobilizing domestic development resources. The world should help developing countries enhance their long-term capacity for independent development, formulate and implement comprehensive development strategies in line with their national conditions, strengthen institutions and capacities to

effectively transform external investment into the driving force for economic growth and sustainable development, fully mobilize domestic resources and all social sectors to ensure that the fruits of development are owned and shared by all. The world should strengthen international tax cooperation, combat tax evasion and corruption by improving governance and international efforts, and reduce illegal capital flows via better exchange and use of tax information. The world should strengthen technical and knowledge cooperation on economic and financial institutional reform, the rule of law, and the elimination of corruption in accordance with the needs of developing countries.

Leverage private sector finance. The multilateral development banks should be encouraged to explore co-financing and market-based financing cooperation with other institutions, and further expand their capacity to mobilize funds by optimizing their balance sheets. Private sector funds should be leveraged into developing countries in an orderly manner, especially into areas where development needs are the most urgent. Good practices and experience in public-private partnerships (PPP) should be shared.

Maintain a fair and open international economic and financial environment. The world should create favorable external conditions for all countries, especially developing ones to speed up development. The world should jointly oppose unilateralism and trade protectionism, uphold the multilateral trading system, support free and fair trade, ease export controls for high technology products, and actively build an open world economy.



05

Join hands to promote green and low-carbon development

Envisioning a green and low-carbon future, human society must revolutionize its economy broadly, deeply, and systematically. The revolution calls for alignment of economic growth and green and low-carbon transition,

full and effective implementation of the UNFCCC and its Paris Agreement, and solidarity and cooperation in combating climate change based on the principle of common but differentiated responsibilities, equity, and

respective capabilities. Only through these ways can a fair and just transition be achieved across the globe and a green, low-carbon, and prosperous world be shared by all.

Support R&D of green, low-carbon technologies to accelerate global green transition.

Innovation and breakthrough of technologies generates the principal momentum for green, low-carbon transition and requires enabling domestic policies and international cooperation environments that promote R&D and application. The realization of green development requires: enhanced global cooperation; improved energy accessibility and affordability in developing countries; clean, low-carbon, safe, and highly efficient energy systems; and upgrade and optimization of industrial structures. The world needs to help developing countries realize technological leapfrog through technology transfer, investment, and capacity building in green, low-carbon fields such as renewable energy, new energy power generation, energy storage, hydrogen energy, carbon capture and storage, and low-carbon and zero-carbon industrial process reengineering.

Adapt proactively to climate change and strengthen adaptive capacities of developing countries.

In face of more frequent climate incidents such as extreme weather events, capacities for climate adaptation are increasingly important. The world should continue to place equal emphasis on mitigation and adaptation in international climate governance, enhance adaptation

cooperation in key fields and regions, fill the global financing gap in adaptation, and reduce funding disparities between mitigation and adaptation. The international community could help fragile countries with adaptive capacities, resilient infrastructure, and disaster response through financial and technical support and capacity building. Global scientific cooperation on climate should be strengthened to improve information sharing, early warning, experience exchange and knowledge sharing and to help all countries explore nature-based, locally appropriate solutions to growing climate risks.

Make all efforts to fulfill climate commitments.

The world shall do its best to act practically to uphold the targets, principles, and institutional frameworks of the UNFCCC and its Paris Agreement, reinforce consensus on multilateral cooperation, improve international rules and regulations, and jointly establish a fair, reasonable, and win-win global climate governance system. Developed countries should take the lead in undertaking emission reduction obligations and further bring forward their timelines for reaching carbon neutrality. In the meantime, developed countries need to shoulder their responsibilities, fulfill their funding commitment, maintain mutual trust in climate negotiation, respond to the concerns and requests of developing countries, and increase technology transfer and capacity support. Developing countries are encouraged to contribute proactively according to their own national conditions and capacities and deepen SSC on tackling climate change.

06

Join hands to promote industrialization in developing countries

Industrialization is not only an important path to grow strong and flourish for developing countries, but also a key driver of sustained prosperity for the world. Developing countries have favorable conditions for industrialization, such as dividends from digital transformation and opportunities from green growth. Meanwhile, they also face multiple challenges, such as the shifts of key production factors, tightening environmental constraints, and the changes in global industrial landscape. The world should help developing countries develop industries by adapting measures to local contexts and taking advantage of potential opportunities, continuously improve their ability of sustainable industrial development, and promote the transition from traditional industrialization to inclusive and sustainable industrialization.

Enhance the exchange and coordination of industrial policies and support developing countries to make full use of their comparative advantages based on local conditions. The world should strengthen the coordination of industrial policies at the macro level and jointly forge enabling international institutions and policy environment for developing countries to accelerate industrialization. The world should help developing countries increase their

capabilities of independently making industrial policies according to national conditions and the laws of market economy, select and develop priority industries in line with their comparative advantages based on resource endowments and industrial foundations. The developing countries should objectively evaluate the roles of domestic industries within regional industrial networks and global industrial chains, dynamically analyze their advantages and disadvantages for industrial development, and find their niche in the industrial system and directions for industrial upgrade, so as to form a more sustainable and resilient industrial production system.

Strengthen the cooperation on new industrialization and activate late-mover advantages according to potential opportunities. The world should increase technology transfer to developing countries, deepen manufacturing collaboration, and help developing countries improve their manufacturing capabilities. Opportunities generated by the new industrial revolution should be leveraged, together with human resource training and development, to help enterprises and labor forces in developing countries adapt to new technologies and industrial transformation. Enterprises are encouraged to transform and upgrade

traditional industries with new technologies, new processes, and new business models. The world should actively cooperate in keeping the security and stability of global industrial chains and supply chains, and support developing countries to better integrate into global industrial chains, value chains, and supply chains.

Mobilize resource input from all parties and promote synergy in industrialization cooperation under various mechanisms. The world should support the United Nations Industrial Development Organization

(UNIDO) in playing its due role in promoting and accelerating industrial development in developing countries. Synergy among the GDI and regional industrial development strategies should be promoted. The role of multilateral development institutions, such as the World Bank and the New Development Bank (NDB), should be fully played in providing project financing and other support for the industrialization of developing countries. Emerging cooperation mechanisms, like the BRICS Partnership on New Industrial Revolution, should be made use of to achieve complementary advantages.

07

Join hands to promote digital economy for common prosperity and benefit for all

As digital economy booms, to realize common prosperity in the human society, it is imperative to make digital technologies universally accessible and usable and ensure digital dividends benefit all countries and all people while improving efficiency and promoting economic growth.

Strengthen digital infrastructure and capacity building to narrow the digital divide. The world should work together to help less developed countries and regions improve digital infrastructure and capacity, including accessibility of the Internet, affordability of digital devices and services, and digital

literacy and skills for all groups. With the joint action of international organizations, financial institutions, governments and market forces, innovative digital infrastructure investment and financing mechanisms and operating models can be developed to overcome barriers to digital infrastructure access and use, and bridge prevalent digital gaps among regions and groups. Efforts shall be made to enable MSMEs and individuals in less developed areas to connect to the Internet, so that they get the opportunity to increase income through reaching a broader market via e-commerce, sharing economy and other new digital economic models. Students in remote areas

should be helped to obtain equal, quality education through online education resources.

Strengthen digital innovation and cooperation to promote global economic growth. The world should harness digital innovations to transform and upgrade traditional industries, such as agriculture and manufacturing, to make them new engines for economic growth with stronger capacity, higher value, and more intelligence. As openness and cooperation are intrinsic to digital technology innovation and application, the world should strengthen international cooperation and joint innovation in the digital area, give full play to the comparative advantages of all parties, use digital technologies to improve international division of production and enhance joint R&D capabilities, and thus inject new impetus to global economy. The world should help developing countries improve the

capacity to participate in the global digital economy, integrate into new global division of production, seize new opportunities of digital services trade, create more new employment opportunities, and achieve leapfrog development.

Promote experience exchange and improve capacities of governments. With digital technologies, governments can perform more effectively and more efficiently in providing public services such as education, medical care, social insurance, social assistance, and urban management, and in facilitating women, the elderly, and children in sharing a modern life. At the same time, it is also necessary to improve laws and regulations to ensure a secure cyber space. Countries could learn from each other to improve their ability to ride the wave of digital transformation, and jointly build an inclusive and innovative digital society.

08

Join hands to enhance connectivity in the new era

The digitalization of information and knowledge has greatly reduced the cost of people-to-people, people-to-machine, and machine-to-machine communications. While greatly boosting productivity, it also provides new opportunities for connectivity in terms of information, knowledge, and partnerships around the globe.

Strengthen the application and international

cooperation in technological innovation. The world needs to accelerate the transformation of technological achievements into productivity, and create an open, fair, just, and non-discriminatory environment for technology development. The world should actively promote international cooperation in digital transformation, e-commerce, international standardization, and international talent

exchange. The world should strengthen Internet-based joint R&D and innovation, support Internet-based entrepreneurship, and use the Internet to promote innovation in products, services, processes, organization, and business models. Cooperation on cross-border e-commerce should be promoted and innovation in all parts of the chains should be encouraged. Digital technologies should be fully harnessed to promote connectivity in international production chains, supply chains, and value chains.

Promote knowledge sharing and capacity building. Global and regional development

knowledge sharing platforms should be established to increase exchange and sharing of development experience and knowledge, and to promote mutual learning and capacity building. Exchange and cooperation among statistical agencies should be strengthened, and scientific and technological instruments should be utilized to enrich global data on the SDGs and provide scientific support for the implementation of the 2030 Agenda. The world should strengthen the global development partnership and carry out development cooperation in a more vigorous and effective manner to help all countries achieve the 17 SDGs on schedule.

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Chapter Three

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Chapter Four

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