



## SDG 9: Progress, gaps and recommendations for the UK

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Effective infrastructure is vital to meet the most pressing global challenges of our time, including achieving inclusive economic growth, improving livelihoods and lessening the effects of climate change. The importance of infrastructure is also reflected in many other SDGs, such as SDG 3 (Target 3.6 road safety) and SDG 11 (sustainable cities). However, the Global Infrastructure Hub estimates that there is a \$15 trillion investment gap between what is currently being spent and what is needed.<sup>186</sup>

The UK is an enthusiastic supporter of the 'private first' approach to infrastructure investment. At the G7 summit hosted by the UK in 2021, the Build Back Better World (B3W) partnership was launched, which aims to meet the infrastructure needs of low- and middle-income countries.<sup>187</sup> This is widely seen as a response to China's Belt and Road Initiative.<sup>188</sup> There is an increasing risk that geopolitical rivalry will distort investment decisions to the detriment of low-income countries and the achievement of the SDGs. Other groups the UK is a part of, such as the G20, have focused on mobilising private investment to fill the infrastructure investment gap.<sup>189</sup> This approach has been critiqued by civil society.<sup>190</sup> In reality, a very small proportion of investment in infrastructure in low-income countries comes from private finance for a number of reasons, not

least because it is seen as high risk and unable to provide reliable revenue streams. The majority of infrastructure investment instead comes from the state, and as such it is critical that the UK focus on governance, including strengthening public institutions, tackling corruption and improving transparency.

Public-private partnerships (PPPs) are promoted as the solution to the shortfall in financing needed to achieve the SDGs. However, there are many examples of failed PPPs due to their high costs, lack of transparency and the risks they pose to the public purse.<sup>191</sup> The UK should avoid promotion and incentivising of PPPs for social and economic infrastructure financing and instead promote high quality, publicly funded, democratically controlled and accountable public services and investment in public infrastructure.

The Covid-19 pandemic has shown the risks of corruption and mismanagement in public expenditure.<sup>192</sup> Infrastructure is already amongst the most corrupt sectors. On average, one third of investment is lost to corruption, mismanagement and inefficiency<sup>193</sup>, rising to more than 50% in low-income countries<sup>194</sup>. When a pandemic, or another complex emergency, requires rapid deployment of public investment, the risks increase even further. Investing in governance (including transparency and anti-corruption) to reduce these losses could result in up to one third more in productive investment without having to mobilise additional finance.

The UK must ensure all infrastructure investment decisions are aligned with meeting the SDGs and delivering the goals of the Paris Agreement, including keeping to a 1.5° warming scenario and achieving global net zero emissions

186. Infrastructure Outlook '[Forecasting infrastructure investment needs and gaps](#)' [web page, accessed June 2022]

187. UK Government, '[G7 leaders commit to protect planet and turbocharge global green growth](#)' [online media release, accessed June 2022]

188. The Diplomat (22 June, 2021) '[B3W: Building an Alternative to the BRI or Falling Into the Same Trap?](#)' [online article, accessed June 2022]

189. OECD, '[Roadmap to infrastructure as an asset class](#)'

190. Eurodad (2018), '[Three compelling reasons why the G20's plan for an infrastructure asset class is fundamentally flawed](#)'

191. Eurodad (2018), '[History RePPPeated: How Public Private Partnerships Are Failing](#)'

192. Accountability Lab (16 July, 2020), '[Corruption is rife in the COVID-19 era. Here's how to fight back](#)' [online article, accessed June 2022]

193. World Economic Forum (4 February, 2016), '[This is why construction is so corrupt](#)' [online article, accessed June 2022]

194. IMF (3 September, 2020), '[How Strong Infrastructure Governance Can End Waste in Public Investment](#)' [online article, accessed June 2022]

by 2050. The latest IPCC report on climate change shows how lower-income countries have contributed the least to unprecedented and irreversible climate changes while experiencing the worst impacts.<sup>195</sup> It is clear that we must go further and faster to adapt to the effects of climate change and address the loss and damage it is causing. Targets 9.1 and 9.a should only be achieved through the development of infrastructure that is designed to be resilient to climate change and natural hazards.

Digital technologies, collectively referred to as Infratech<sup>196</sup>, are transforming the way infrastructure and services are being delivered. However, there is scant evidence that Infratech is being mobilised to meet the SDGs. The UK should ensure that Infratech is mobilised to meet the SDGs by, for example, using e-commerce to connect rural producers with markets, ensuring spending on road maintenance is consistent with national development goals, reducing traffic congestion in cities and improving air quality.

The FCDO does not currently have an overarching infrastructure policy. DFID produced a Policy Framework in 2015<sup>197</sup> but it is now very outdated, especially since the merger. The lack of an overarching strategy on infrastructure undermines policy coherence and makes it difficult for external stakeholders to measure progress and exercise accountability.

The UK launched the Construction Sector Transparency Initiative (CoST) as a pilot project in 2008. It became an independent charity in 2012 and has an impressive track. The FCDO was due to renew its commitment to CoST in 2021, but cutbacks in official development assistance (ODA) prevented it. More recently the FCDO agreed to provide £1 million to CoST in financial year 2022/23, but this falls short of what is required.

Construction is a major employer in many low-income countries, but the jobs created are often informal and poorly paid, and workers are exposed to high risks of injury and poor health. Construction workers have a right to decent pay and conditions, safe working environments, to join trade unions and to be paid on time and in full. Migrant workers are often particularly vulnerable to rights violations, and they should not be subject to the constraints and indignities of the kafala system, used in the Middle East to monitor migrant workers, or similar employment frameworks.<sup>198</sup>

In 2019 DFID established the International Development Infrastructure Commission<sup>199</sup> to boost private capital investment into sustainable infrastructure. The pandemic and cuts to official development assistance (ODA) have

195. IPCC (2022), [Climate Change 2022: Impacts, Adaptation and Vulnerability: Working Group II contribution to the IPCC Sixth Assessment Report](#)

196. G20 Infrastructure Working Group (2021), [G20 Riyadh InfraTech Agenda](#)

197. DFID (2015), [Sustainable Infrastructure for shared prosperity and poverty reduction: A policy framework summary](#)

198. Amnesty International (2020), [‘Reality Check: Migrant Workers Rights with Two Years to Qatar 2022 World Cup - Amnesty International’](#) [online article, accessed June 2022]

199. DFID (2020), [International Development Infrastructure Commission: Report](#)

delayed the implementation of its recommendations<sup>200</sup>. In November 2021 the FCDO announced that CDC was being rebranded as British International Investment<sup>201</sup> to help mobilise up to £8bn a year of public and private sector investment in international projects by 2025 (see more in SDG 17). The FCDO is about to launch the British Support for Infrastructure Projects (BSIP) initiative and UK Expertise for Green Cities and Infrastructure. These initiatives must focus on achieving the most pressing global challenges, including tackling the climate emergency and meeting the SDGs.

### To achieve SDG 9, the UK government should:

1. Use its influence in the G7, G20 and B3W to avoid overemphasis on mobilising private investment to meet the infrastructure investment gap and the SDGs. This will require a renewed focus on governance, including strengthening public institutions, tackling corruption and improving transparency.
2. Ensure investment decisions are aligned with meeting the SDGs and delivering the goals of the Paris Agreement. UK investment should not be used to compete with China or any other country for geopolitical influence. Instead, the UK should promote multilateral cooperation to meet the infrastructure investment backlog and tackle global challenges.
3. Promote international standards of transparency and accountability in infrastructure investment, including the Open Contracting for Infrastructure Data Standard, and adopt them domestically.
4. Ensure that Infratech is mobilised to meet the SDGs through, for example, using e-commerce to connect rural producers with markets, ensuring spending on road maintenance is consistent with national development goals, reducing traffic congestion in cities and improving air quality.
5. Promote construction workers' rights through its bilateral and multilateral partnerships. It should also encourage the ratification and implementation of all international labour standards relevant to construction.
6. Consult with civil society and other stakeholders and develop a comprehensive strategy for the FCDO's infrastructure investments. It should describe how its support for infrastructure will contribute to meeting climate targets and achieving the SDGs.

200. DFID (2020), [International Development Infrastructure Commission: Report](#)

201. FCDO UK Government (24 November, 2021), [‘Truss revamps British development finance institution to deliver jobs and clean growth’](#) [online media release, accessed June 2022]