A Post-Pandemic Assessment of the Sustainable Development Goals

IMF AFRICA TRAINING INSTITUTE
SEPTEMBER 30, 2021

Dora Benedek
Edward Gemayel

International Monetary Fund
SDG Composite Index, 2020
(Range: 0-100)

COVID-19 Deaths and Cases, 2020-2021
(Millions of people)

Source: 2020 SDG Index and Dashboard Reports
Note: The SDG Index aggregates data on individual SDGs into a composite index. The Index is based on pre-COVID19 data. Plots exclude extreme values for EMs and AEs.

Source: World Health Organization as of Sep 19, 2021
Real Growth Rates, 2018-2024 (Percent)

Source: IMF, World Economic Outlook

IMF Resources Committed to Low Income Countries (USD billions)

Source: IMF Staff calculations
The Macroeconomic Framework

Government revenue

- Public resources
- Human capital (health, education)
- Private resources
- Infrastructure (water, roads, power)

GDP
Estimated Change in Global Extreme Poverty Rates due to COVID-19
(Millions of people)

Source: IMF, Fiscal Monitor October 2020

Fiscal Balance and Government Debt
(Percent of GDP, weighted average)

Source: IMF, World Economic Outlook October 2020
The Impact of the Pandemic

Average changes in employment, by skill level, second quarter of 2020 (year-on-year) (Percentage)

Source: ILO (2021)
Note: The sample consists of 50 high- and middle-income countries and territories with employment data for the second quarter of 2020 disaggregated by occupation. The skill levels are based on ISCO-08; see ILOSTAT for further details.

Estimated Change in Inequality due to COVID-19 (Gini coefficient, percent, simple average)

Source: IMF, World Economic Outlook October 2020
Note: The number of the countries in the sample is shown in the parenthesis. The sample size for Year 2008 is smaller due to data availability.
The Impact of the Pandemic

SDG Performance in Selected Countries, 2020

Source: Sachs et. al. (2020)
The Impact of the Pandemic

Post-COVID Financing Needs
(Percent of GDP per year)

- Pre-COVID gap: 11.7%
- Increase due to Pandemic: 2.5%
- Scarring: 1.7%
  - USD 59 billion
- Gap under current policies, without reform: 14.2%

Source: IMF Staff estimates

Additional Annual Financing Needs to Meet SDGs
(Percent of GDP)

- Rwanda: Pre-COVID SDG needs: 15.7%, COVID19 increase (w/o scarring): 6.2%, Added increase due to scarring: 19.3%
- Nigeria: Pre-COVID SDG needs: 16.2%, COVID19 increase (w/o scarring): 8.0%, Added increase due to scarring: 24.2%
- Pakistan: Pre-COVID SDG needs: 18.3%, COVID19 increase (w/o scarring): 9.0%, Added increase due to scarring: 27.3%
- Cambodia: Pre-COVID SDG needs: 6.9%, COVID19 increase (w/o scarring): 8.1%, Added increase due to scarring: 15.0%

Source: IMF Staff estimates
Public policies to advance the development agenda

- Pro-growth structural reforms
- Domestic revenue mobilization
- Policies to spur private investment

+ Donor support

Additional Spending and GDP per Capita in 2030

Source: Gaspar et. al. (2019)
Distribution of Tax to GDP Ratios, 2019

Sources: IMF World Revenue Longitudinal Database and IMF, World Economic Outlook
Note: 37 AEs, 94 EMs and 59 LIDCs.

Losses from Poor Infrastructure Governance
(Percentage deviation from full efficiency)

Source: Schwartz et. al., 2020
Rwanda: Private Participation in Infrastructure
(Percent of GDP)

Source: World Bank PPI Database
Note: World Bank-sponsored projects with private participation, excluding cancelled projects.

Foreign Direct Investment in LIDCs
(2015-19 5-year average, percent of GDP)

Source: IMF, World Economic Outlook
Note: Countries with negative 5-year FDI inflows, small island states, and oil producers not shown.
Post-COVID Financing Needs under Ambitious Reforms
(Percent of GDP per year)

Source: IMF Staff estimates
Note: Financing needs are the average of four case study countries.
A Path for Development: Cross Country Differences

Financing Needs under Ambitious Reform
(Percent of GDP per year)

Rwanda

- Gap under current policies: 21.3
- Revenue mobilization: 4.2
- Structural reforms: 1.5
- Private investment: 1.9
- Gap after full reforms: 13.7

Nigeria

- Gap under current policies: 18.3
- Revenue mobilization: 4.3
- Structural reforms: 0.7
- Private investment: 1.4
- Gap after full reforms: 11.9

Source: IMF Staff calculations
A Path for Development: Long-Term Payoffs

Cambodia: Human Capital
(Index, 2019=100)

Pakistan: GDP Per Capita
(In constant 2019 USD)

Source: IMF Staff calculations
A Path for Development: The Role of Development Assistance

Evolution of Official Development Assistance to LIDCs, 1990-2018

- Percent of LIDCs GDP (LHS)
- Percent of Donor GNI (RHS)
- UN Target (RHS)

Source: OECD; World Bank
Note: Official development assistance covers net loans expressed on a cash basis prior to 2018 and on accrual basis thereafter.

Cambodia and Rwanda: Effects of Increased ODA
(Year in which SDGs can be met)

Source: IMF Staff calculations

- Cambodia
- Rwanda

Full reform, 0.5% of GNI ODA, 0.7% of GNI ODA
Achieving the SDGs by 2030 will be a daunting challenge.
- The pandemic added to the challenge
- Long-term economic scarring could further worsen the picture

Ambitious domestic reforms are crucial
- They can cover up to half of the SDG needs
- Authorities should (re)start such reforms as soon as possible

Even as countries undertake comprehensive reforms, the SDGs will be significantly delayed without a contribution from the international community

Additional donor support is hence critical for the SDG agenda. Contributing to development is in the interest of all.
Rwanda’s Baseline

The baseline scenario provides projections based on data and announced policies at the time of the third review of the Policy Coordination Instrument (PCI).

The tool’s dashboard provides a visualization of when SDGs will be met under the baseline scenario. It also provides information on additional resources needed to achieve the SDGs by its target date.

The tool includes a series of charts and a summary table to capture and visualize the data trends in available resources, path of investment, and output growth.

Creating financing scenarios:
Medium-term revenue strategy (MTRS)
Thank You

WWW.IMF.ORG/sdg-financing