# A Post-Pandemic Assessment of the Sustainable Development Goals

## IMF AFRICA TRAINING INSTITUTE
## SEPTEMBER 30, 2021
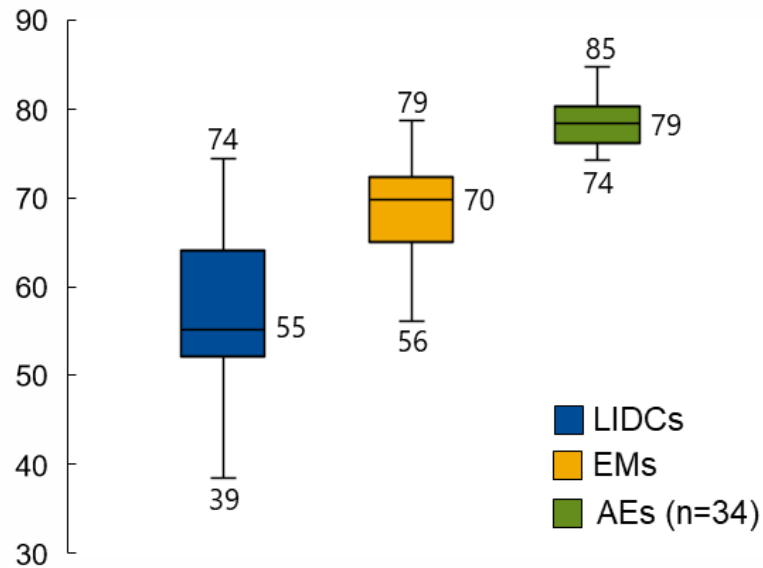
Dora Benedek
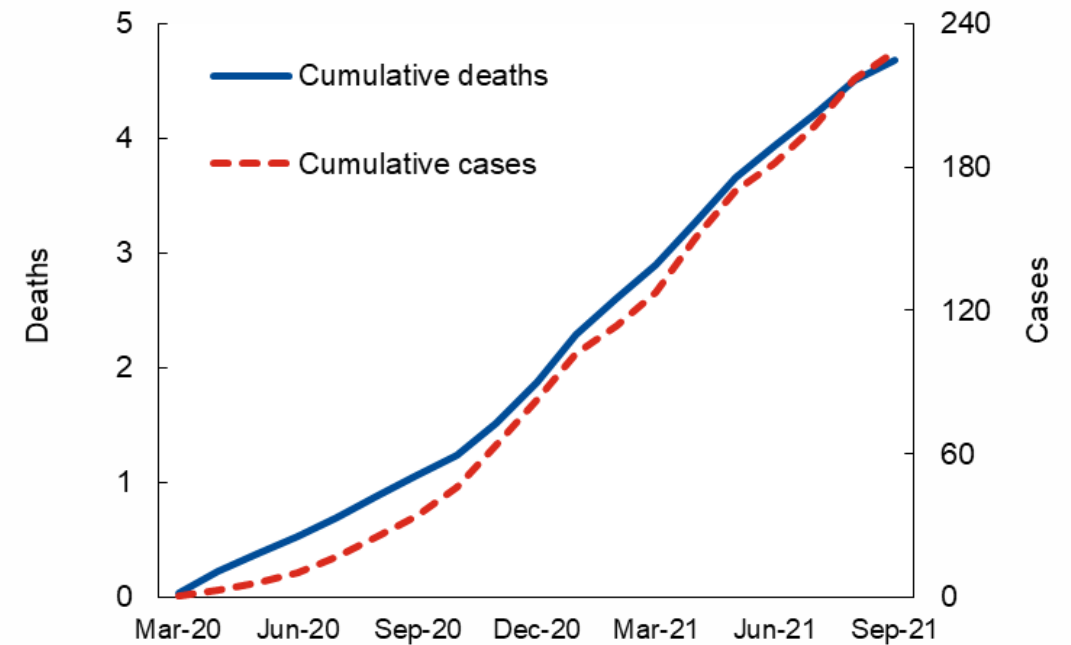
Edward Gemayel

International Monetary Fund

# Context

## SDG Composite Index, 2020
### (Range: 0-100)



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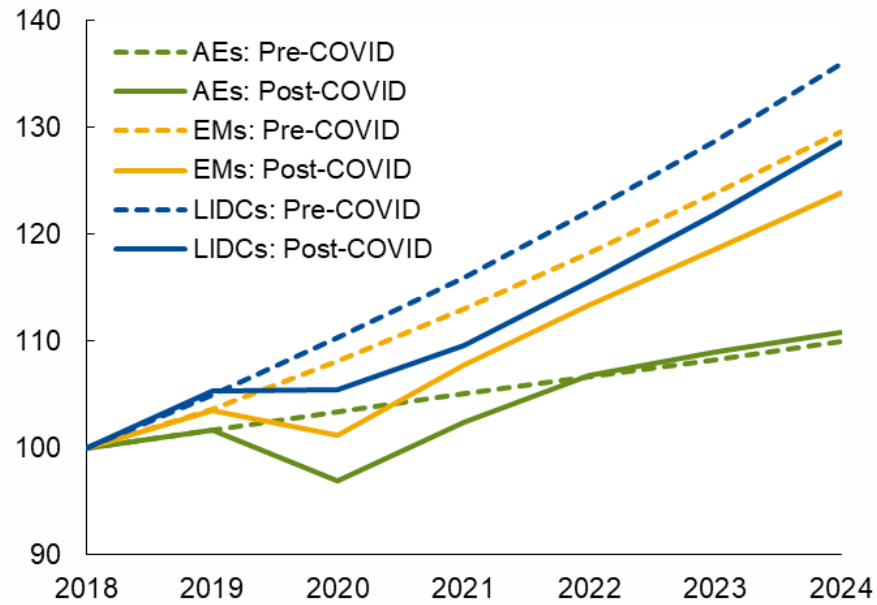
## COVID-19 Deaths and Cases, 2020-2021
### (Millions of people)



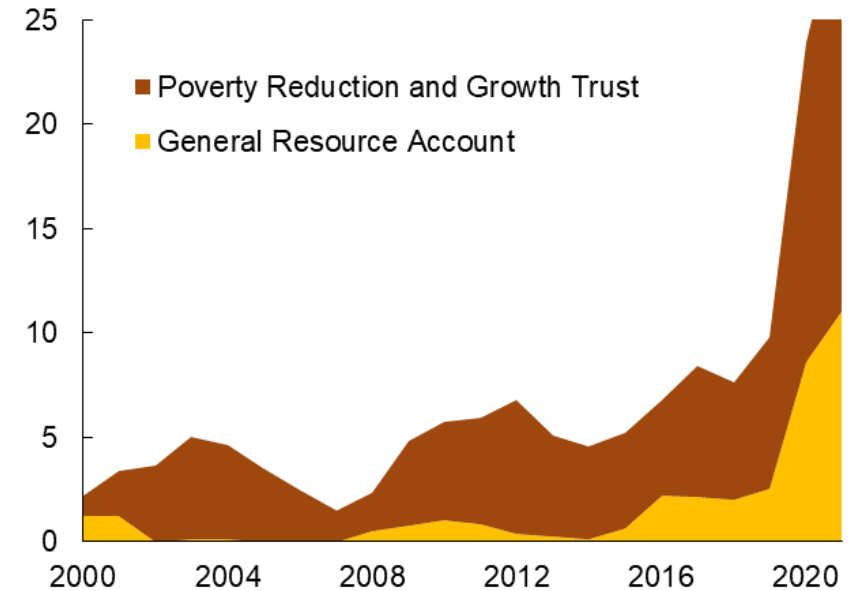Source: World Health Organization as of Sep 19, 2021

# Context

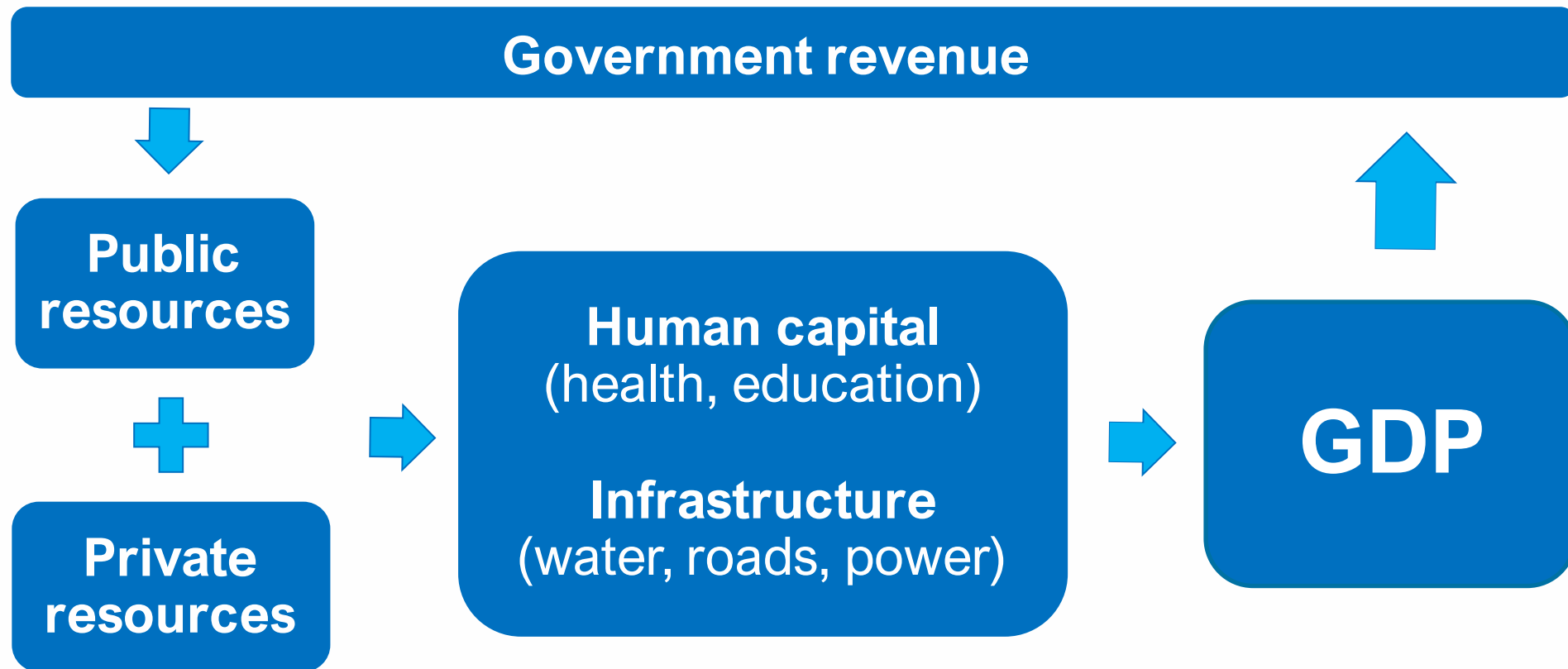## Real Growth Rates, 2018-2024
### (Percent)



Source: IMF, World Economic Outlook

## IMF Resources Committed to Low Income Countries
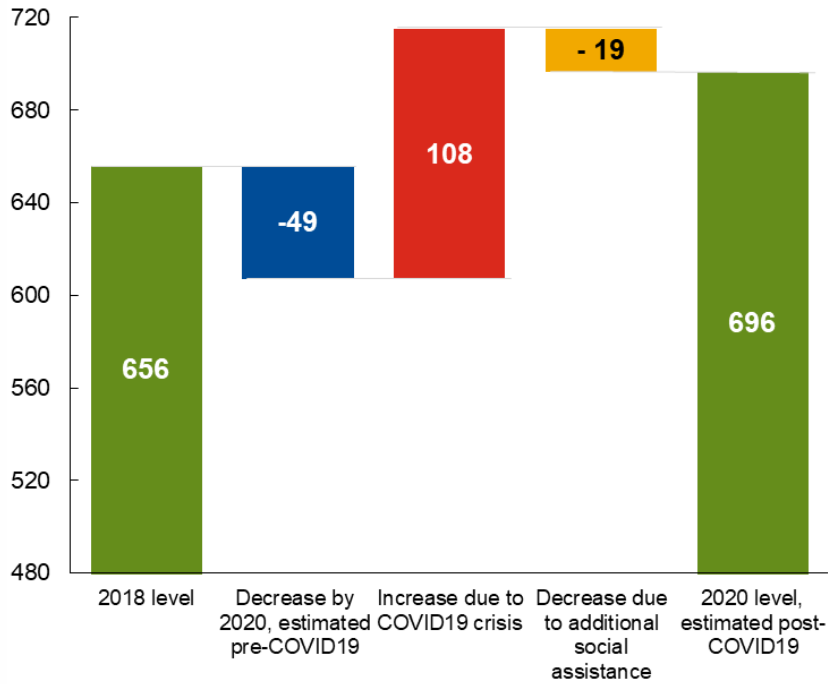### (USD billions)



Source: IMF Staff calculations
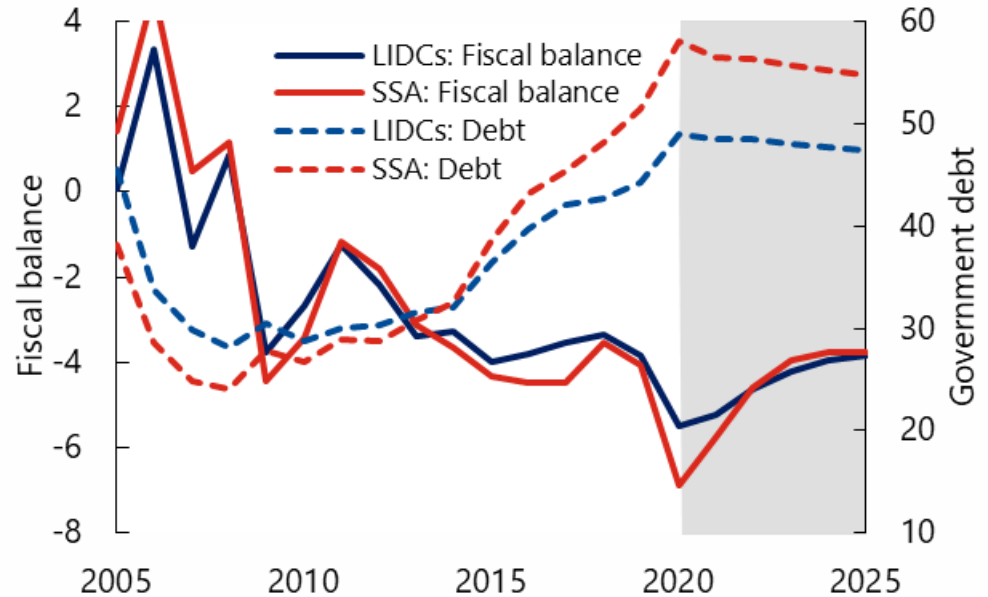
# The Macroeconomic Framework

# The Impact of the Pandemic

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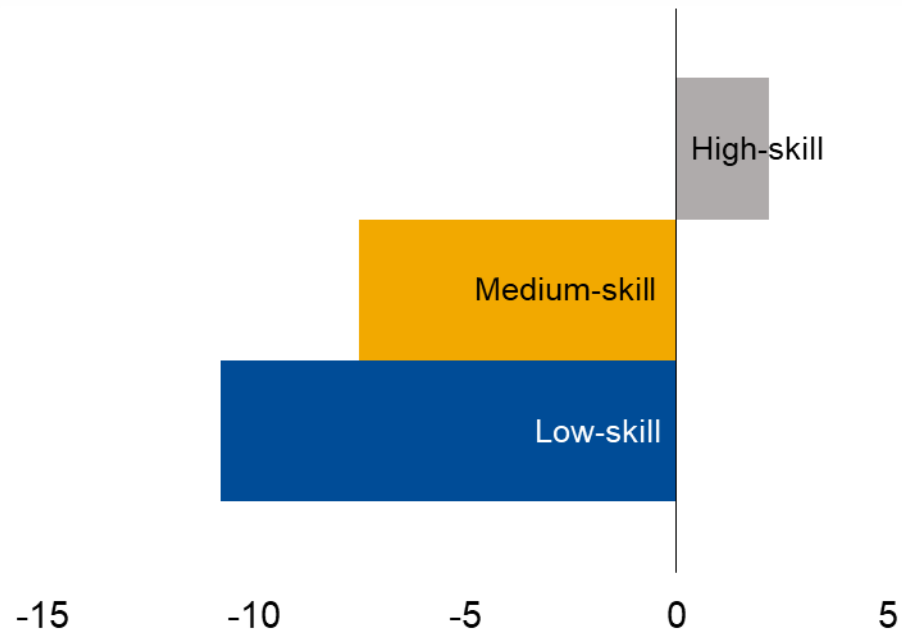### (Millions of people)



Source: IMF, Fiscal Monitor October 2020

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



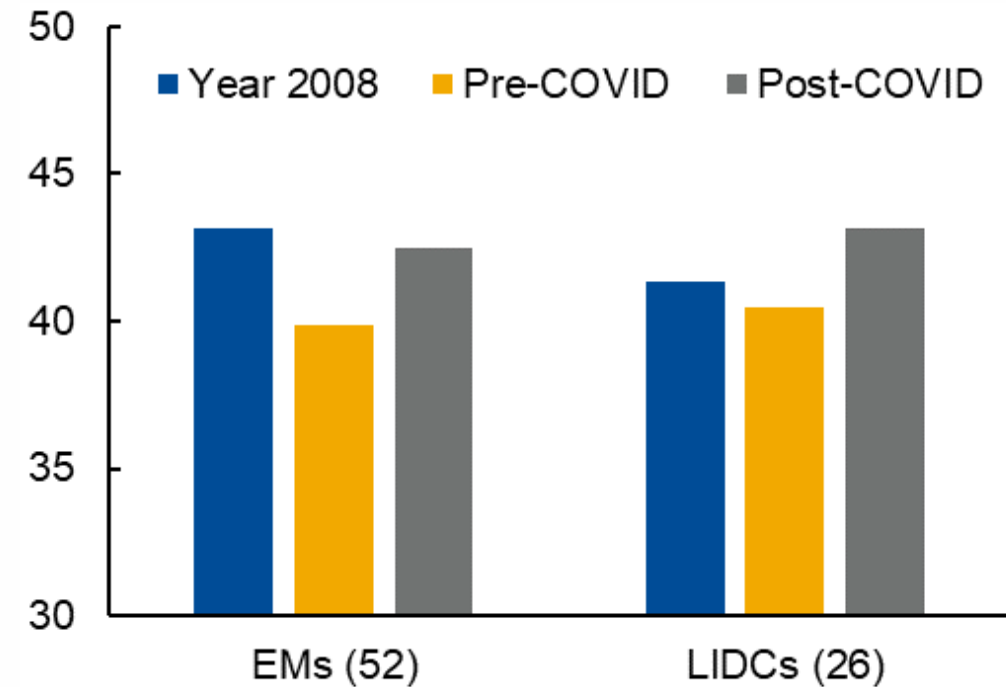Source: IMF, World Economic Outlook October 2020

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



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



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 ISC0-08; see ILOSTAT for further details.
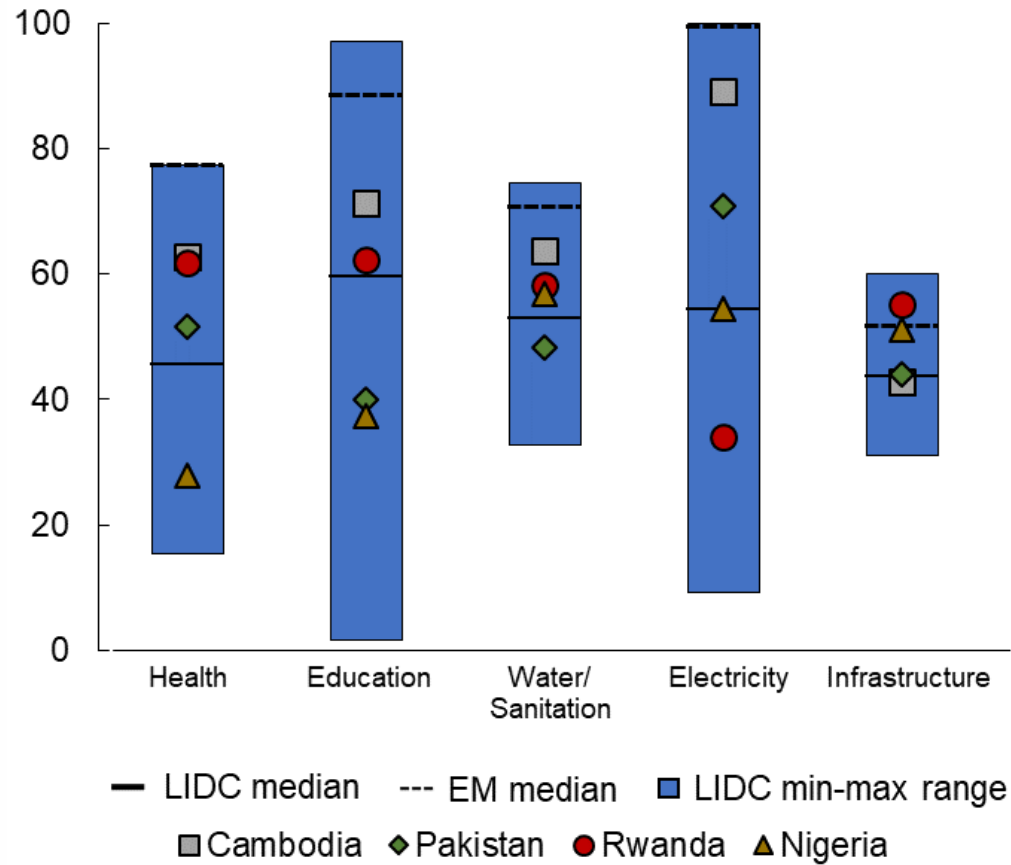
Source: IMF, World Economic Outlook October 2020
Note: The number of the countries in the sample is shown in the parenthesis. The sample size for Year 2008 is smaller due to data availability.
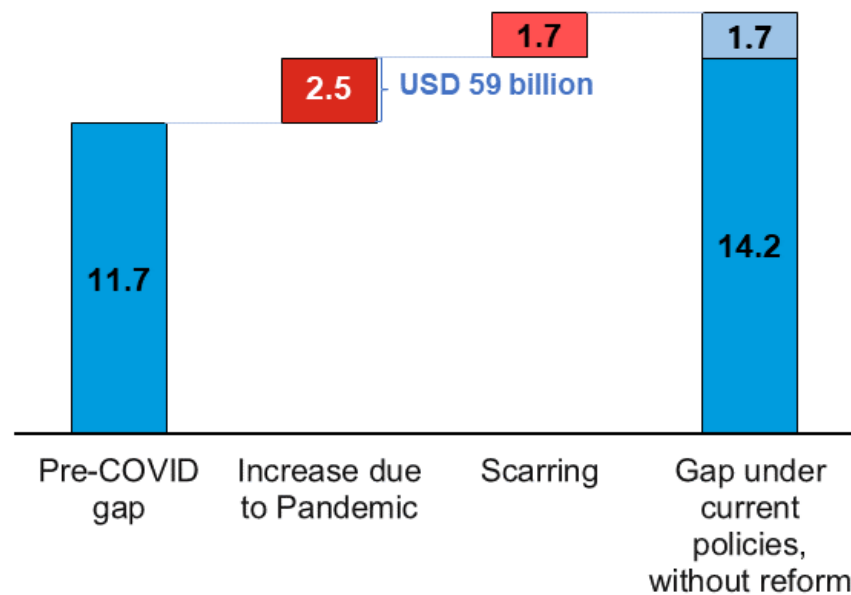
## SDG Performance in Selected Countries, 2020
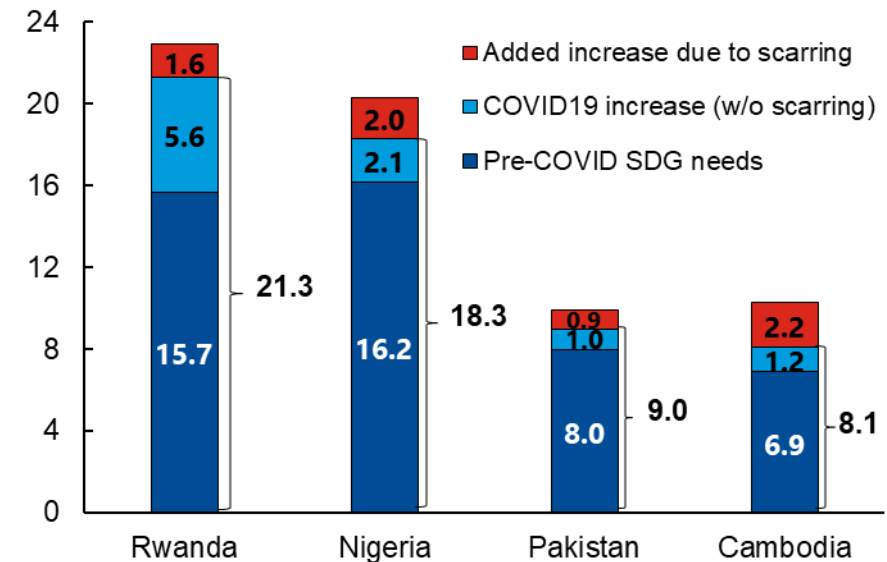


Source: Sachs et. al. (2020)

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



Source: IMF Staff estimates

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



Source: IMF Staff estimates

# Improving the Odds

**Public policies to advance the development agenda**
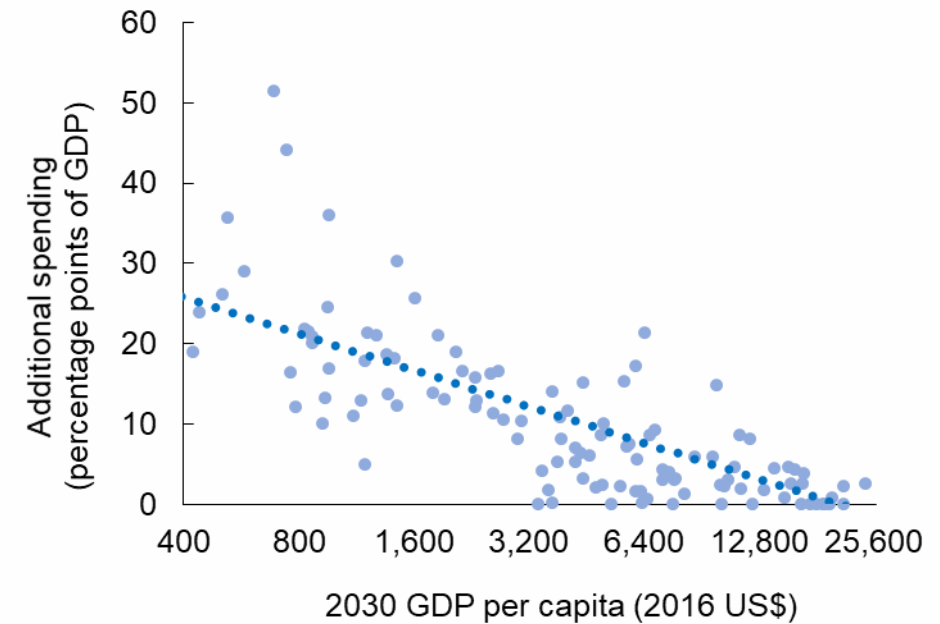
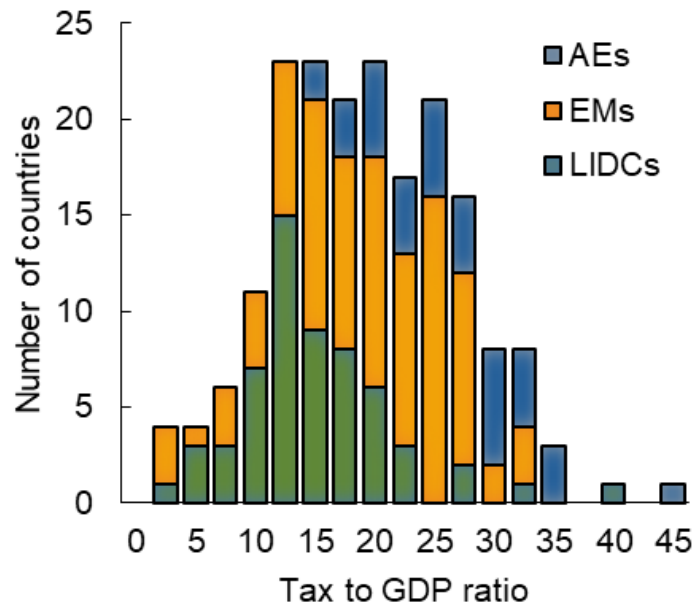| Pro-growth structural reforms | Domestic revenue mobilization | Policies to spur private investment |
|---|---|---|

**+ Donor support**

**Additional Spending and GDP per Capita in 2030**
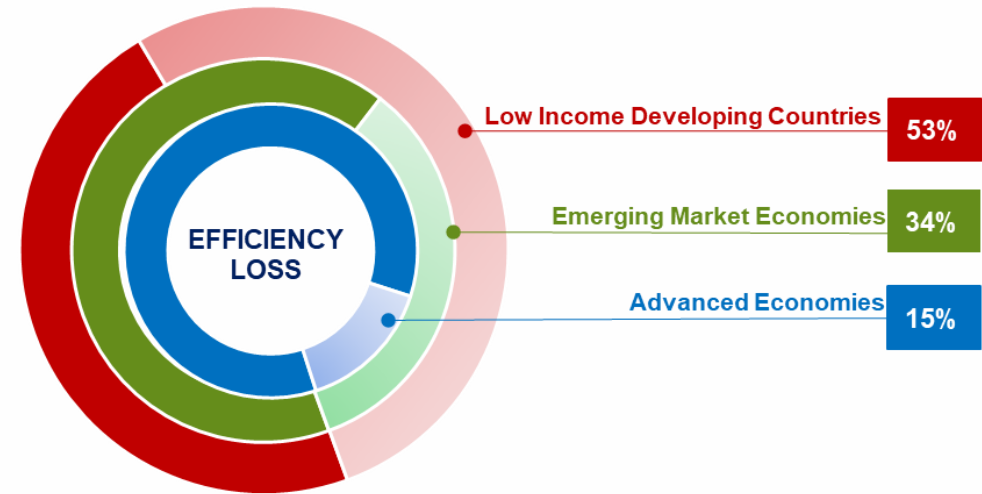


Source: Gaspar et. al. (2019)

# Improving the Odds

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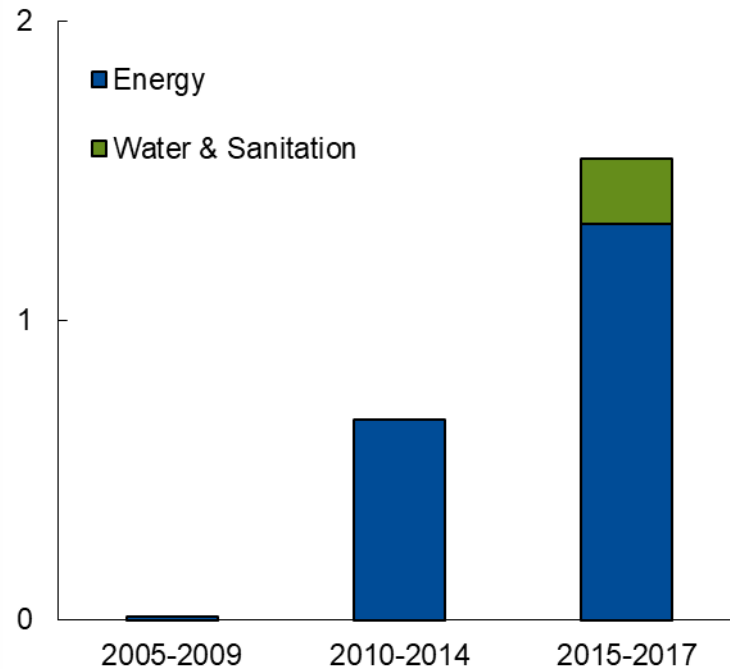
## Losses from Poor Infrastructure Governance
(Percentage deviation from full efficiency)



Low Income Developing Countries 53%

Emerging Market Economies 34%

Advanced Economies 15%

EFFICIENCY LOSS
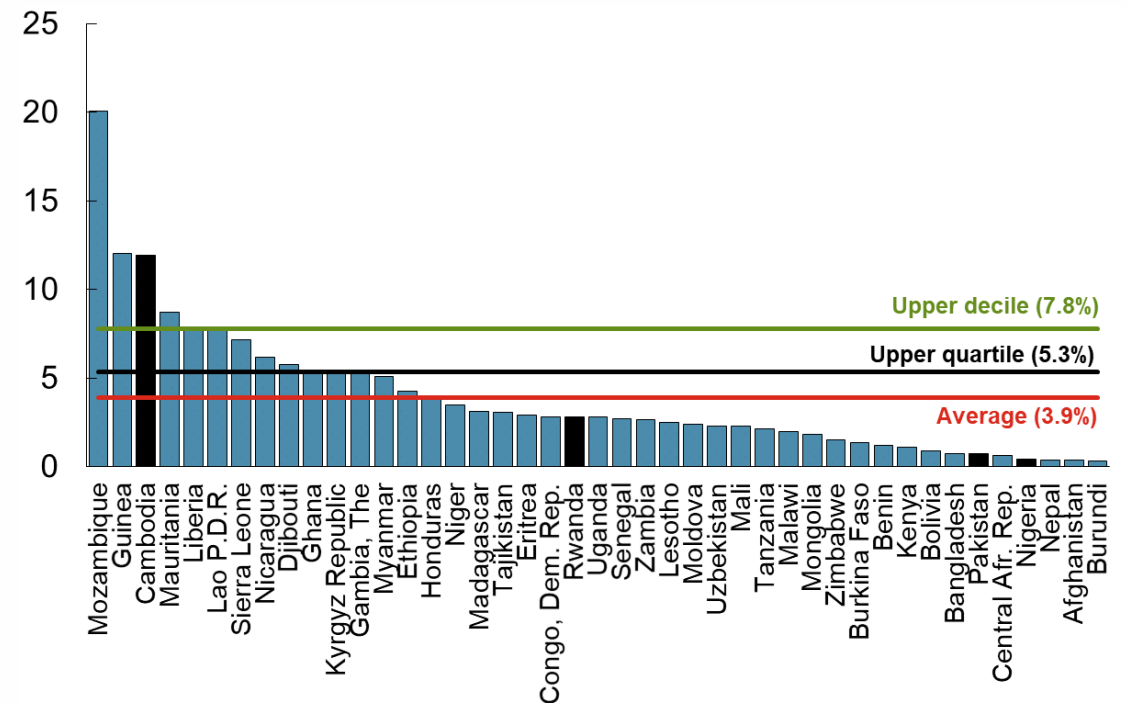
Source: Schwartz et. al., 2020

# Improving the Odds

## Rwanda: Private Participation in Infrastructure
(Percent of GDP)



Source: World Bank PPI Database
Note: World Bank-sponsored projects with private participation, excluding cancelled projects.
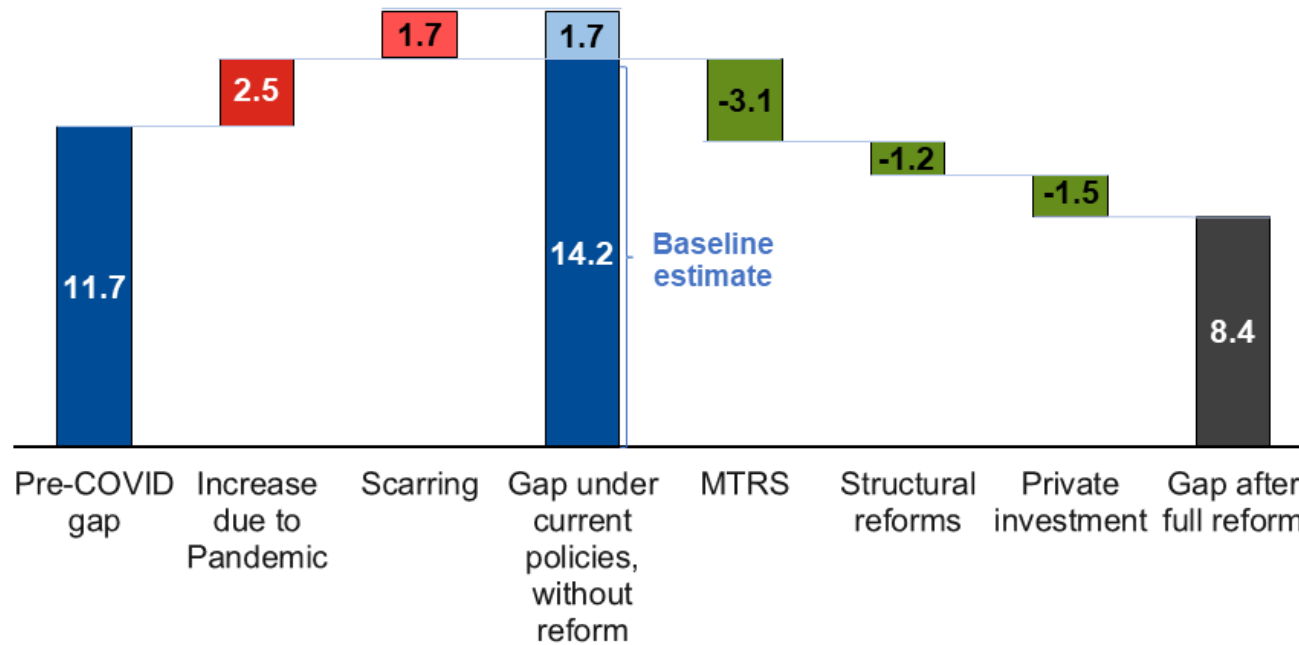
## Foreign Direct Investment in LIDCs
(2015-19 5-year average, percent of GDP)



Source: IMF, World Economic Outlook
Note: Countries with negative 5-year FDI inflows, small island states, and oil producers not shown.

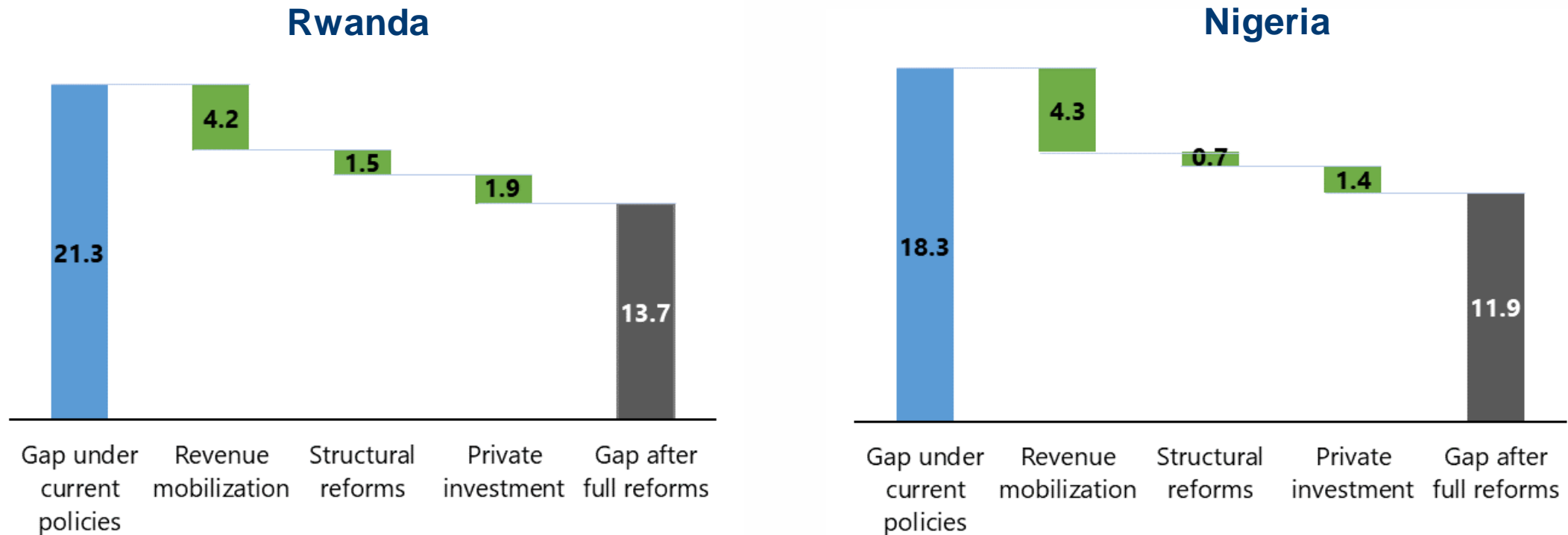**Post-COVID Financing Needs under Ambitious Reforms**
(Percent of GDP per year)



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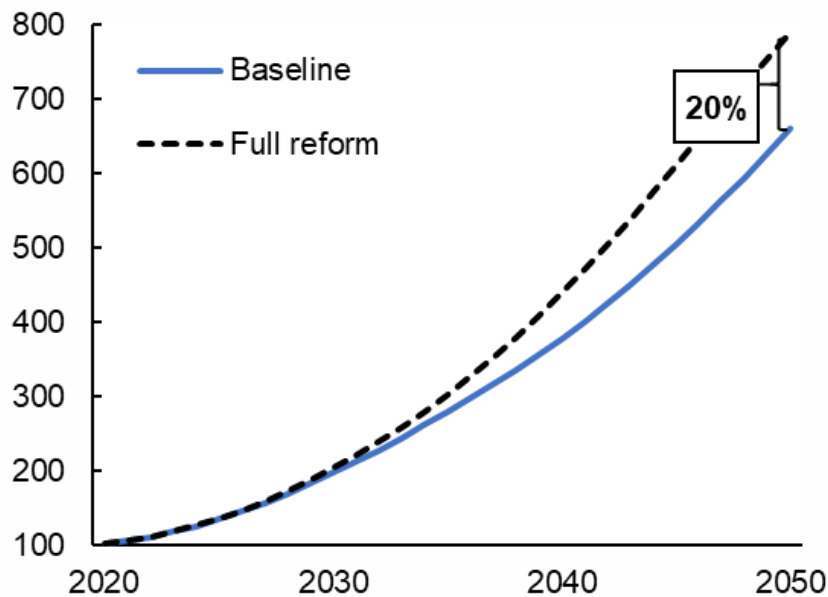
# A Path for Development: Cross Country Differences

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

### Rwanda



### Nigeria



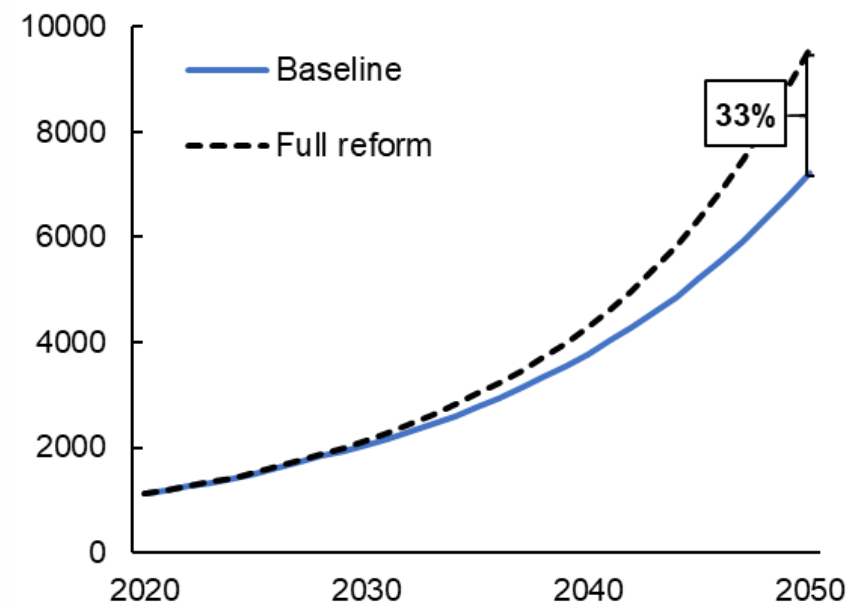Source: IMF Staff calculations

# A Path for Development: Long-Term Payoffs

## Cambodia: Human Capital
### (Index, 2019=100)
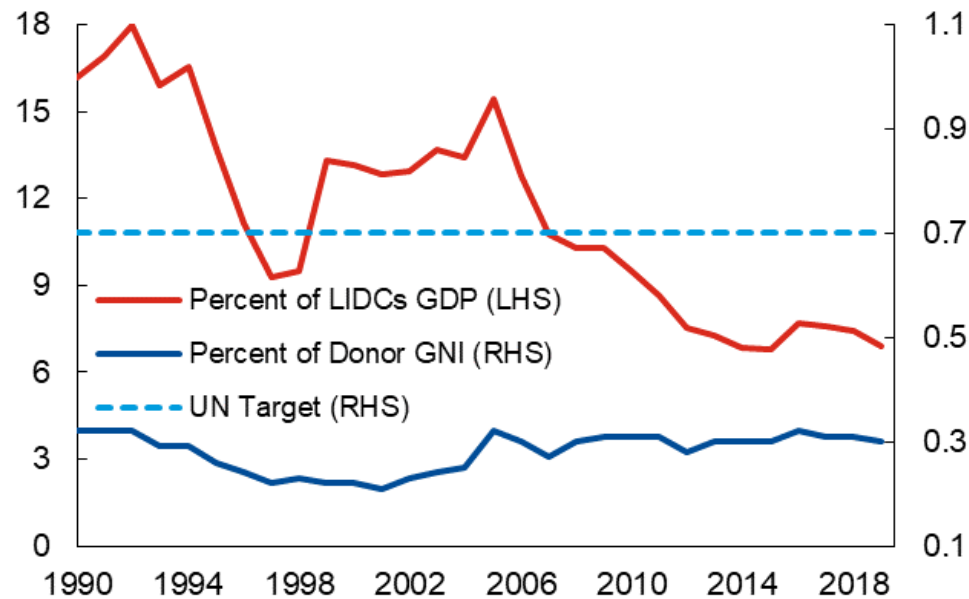


Source: IMF Staff calculations

## 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**



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



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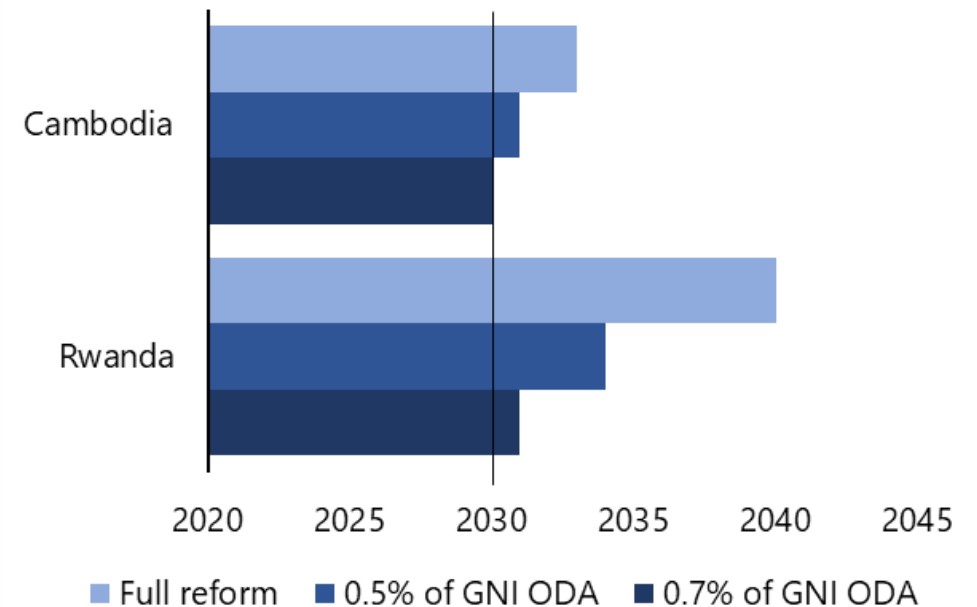
Source: IMF Staff calculations
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# Conclusion

- **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.**

# Interface

## 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.
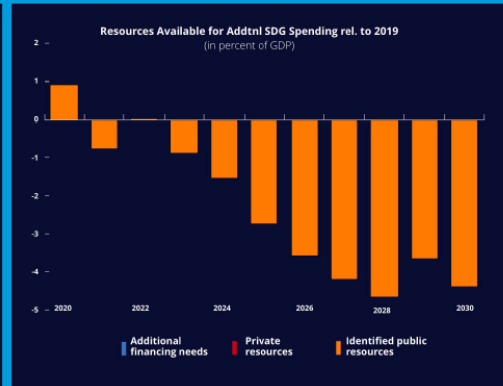


The tool includes a series of charts and a summary table to collate and visualize the data trends in available resources, path of investment, and output growth
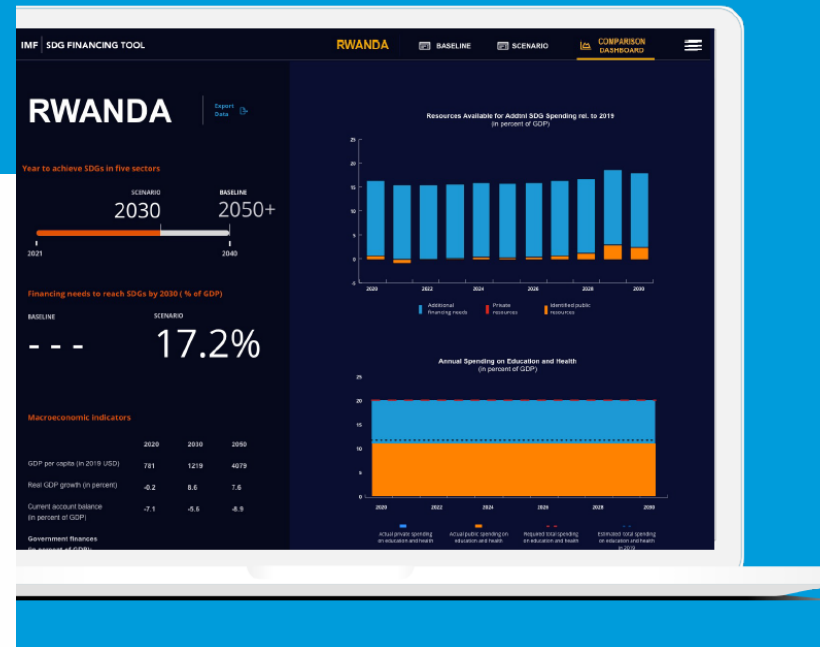


**Creating financing scenarios: Medium-term revenue strategy (MTRS)**

# Thank You

# WWW.IMF.ORG/sdg-financing