

Development re-imagined

Achieving the SDGs will require a very different approach than for the MDGs – one that recognises the changing world we now inhabit, the interrelatedness of the goals, the growing importance of data and new sources of development finance



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The Sustainable Development Goals (SDGs) are ambitious. They aim to meet the dual challenge of overcoming poverty and protecting the planet, while leaving no one behind. They will build on the experience acquired in pursuing the Millennium Development Goals (MDGs) and pick up the unfinished agenda. But the SDGs go further, highlighting a comprehensive vision of sustainable development that embraces economic, social and environmental dimensions.

The world we live in today is fundamentally different from the world we lived in when the MDGs were adopted. The world is more prosperous and the gravity of the global economy is shifting. In 2000, 41 per cent of the global population lived in low-income countries. Today this stands at a mere 12 per cent. Developing countries now account for a much larger share of global GDP, up from 22 per cent in 2000 to 41 per cent in 2014. The proportion of the world's population living in extreme poverty has fallen by more than half, from 28 per cent in 2000 to about 9.6 per cent (or approximately one in ten people) in 2015.

While highlighting definite progress, these numbers still mean that some 700 million people live on less than \$1.90 a day. At the same time, the world is at a demographic turning point, with the global population growing more slowly and ageing more rapidly. Globally, the working-age population peaked in 2012 and is now on a decline.¹

Major shifts

Trade, finance, communications and migration have all expanded rapidly, bringing the world closer together. Between 1990 and 2015, global merchandise trade grew 1.4 to 2.4 times as fast as the world economy, rising to the equivalent of around 60 per cent of

world GDP. Over the same period, financial flows – including foreign direct investment (FDI), official development assistance (ODA) and private capital – rose from about \$87 billion to \$1.3 trillion. The composition of financial flows has also undergone a major shift. In 1990, FDI was \$21 billion, less than half of ODA at \$53 billion. By 2014, FDI reached \$735 billion and was more than five times larger than ODA flows of \$135 billion.

However, in low-income countries and fragile and conflict-affected states, private inflows are limited and domestic resources constrained, with ODA continuing to play a critical role. Global communications have skyrocketed: for example, mobile subscriptions rose from five per million in 1980 to more than 90 for every 100 people today.² People are also on the move, with one billion international tourists in 2013, and 232 million international migrants (compared with 154 million in 1990).³ Another 750 million people have migrated internally. In seeking to address many of the world's most difficult challenges, the SDGs reflect the unprecedented connectedness of the present age.

Global consumption is growing rapidly, especially in emerging-market economies, and it will be essential to promote patterns that are environmentally sustainable. On top of existing ecological challenges, the current trajectory of resource and energy-intensity of production, scaled to this future level of demand, show impacts that are unsustainable in terms of water, forests, fish, pollution and climate. The consuming class is benefiting greatly from new technologies, with information, applications and online services increasingly available at zero or extremely low cost. However, as emphasised in the SDGs, it will be paramount that emerging production and consumption patterns be increasingly environmentally and socially sustainable.

Climate change is bringing a warming world with more extreme weather events, and urgent mitigation, as well as adaptation, is required if development gains are to be preserved. The science on global warming caused by human activity is unequivocal, and the signs are clear. Of the 15 hottest years since record-keeping began 130 years ago, 14 occurred between 2000 and 2015. The focus of the SDGs on environmental sustainability

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◀ Life in the 'civil concord district' shantytown near Algiers. Algeria is one of 29 countries that have extreme data poverty – no data at all to measure poverty trends between 2002 and 2011

recognises that ending extreme poverty, securing broader development gains and lowering the risk of fragility and conflict will also depend on our ability to directly address our biggest climate challenges.

Finally, humanitarian crises stemming from pandemics, natural disasters, conflict and rising extremism have increased in frequency since the MDGs were put in place. Between 2000 and the end of 2014, a cumulative 59.5 million people had been forcibly displaced. Even though a small group of countries continue to share the heaviest burden, more than 160 countries hosted displaced people in 2014, indicating that the issue has indeed become a global concern. Consequently, crisis prevention

especially in light of the fact that the SDGs are more holistic in nature. Leveraging the interrelatedness of the SDGs can have far-reaching implications that support the attainment of several of them. For example, well-designed social assistance programmes can help families achieve goals in different areas, such as health, education and nutrition.

To better understand where our gaps, successes and failures are, there is a pressing need for better data to monitor progress, design effective policies and strengthen accountability and transparency. Collecting good data is one of the most powerful tools we have to meet the goals. Achieving better outcomes requires smart investments in evidence and thus better data. Without the

The 2030 Agenda will also require resource mobilisation on an unprecedented scale. While ODA is a cornerstone of development financing, July 2015's Third International Conference on Financing for Development in Addis Ababa made it clear that we must, to a much greater extent, include domestic resource mobilisation and private-sector resources.

The multilateral system and the multilateral development banks (MDBs) in particular have a responsibility to use their capital, knowledge and convening power to leverage the billions of grant and ODA funding to mobilise trillions from public and private sectors. Using ODA funds to attract private resources is especially important and feasible in sectors such as infrastructure. Reducing the private sector's risks and operational costs for development is critical. We must also help countries crack down on illicit flows, strengthen their tax systems, and better mobilise domestic resources. During just the first three years of the SDG period – 2016 to 2018 – the MDBs plan to provide financial support of well over \$400 billion.

Without the evidence and measurement that data makes possible, designing effective public policies and investments to improve the lives and future prospects of poor families is at best difficult and at worst impossible

and response has become an essential element of development and thus of the 2030 Agenda for Sustainable Development.

With these transformative changes and dynamics in mind, there are still relevant lessons to be learned from the MDG period that can assist with the attainment of the SDGs. Three of them are of particular importance: (i) if implementation is to be effective, it is important to recognise the interrelatedness of the goals and targets; (ii) data will be critical to monitoring our progress and targeting work to those areas that are most in need; and (iii) financing must go beyond the traditional ODA model and leverage the private sector while maximising the impact of domestic resources.

While the MDGs were expressed as sector-specific goals, their attainment often required actions not just in a given sector – say, health, in the case of infant mortality – but also actions that addressed other sectors as well, such as poverty, water and sanitation. Many SDGs are interrelated and an integrated approach to address bottlenecks to achieving them will be needed,

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Recent studies show that 29 developing countries have no data at all to measure trends in poverty between 2002 and 2011. A further 28 developing countries have only one data point during the same period. The absence of household surveys from which this information is estimated is a major constraint in the fight to end extreme poverty, and a major effort is needed to address it. Indeed, the call for a data revolution warrants much attention.

One promising approach to stimulate such a revolution is to harness the so-called technology revolution. Advances in technology enable innovative and cost-effective methods based on mobile phones, mapping, sensors and satellite imagery. To use these advances to improve data for development requires new partnerships and collaboration between companies, institutions and civil society.

Ambitious agenda

The 2030 Agenda operates in a different world than that of the MDGs. It requires a more holistic and universal approach that recognises the interrelatedness of the goals and targets, the importance of data in monitoring progress and in targeting interventions for maximum impact, as well as how to tap into the resources available. Achievement of this ambitious agenda will require partnerships across all stakeholders – governments, civil society organisations, development institutions and the private sector – to meet the far-reaching and transformative goals of ending poverty and protecting the planet while leaving no one behind. ●

- 1 World Bank Group and IMF, 2015, *Global Monitoring Report 2015/2016: Development Goals in an Era of Demographic Change*, Washington, DC, World Bank
- 2 Kose, A.M. and E.O. Ozturk, 2014, "A World of Change: Taking Stock of the Past Half Century", Finance and Development, IMF
- 3 UN, 2013, *Trends in International Migrant Stock: Migrants by Destination and Origin*, United Nations database: POP/DB/MIG/Stock/Rev.2013