

SDG Progress and Transformative Pathways



Perspectives from
the Five Regions



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The five United Nations regional commissions have prepared selected country profiles on “SDG Progress and Transformative Pathways” to support discussions among member States, various United Nations entities, and other development partners during the SDG Summit on 18-19 September 2023. The following key messages reflect shared global progress as well as region-specific challenges and policy considerations.



Our common messages

All five regions continue to exhibit slow progress in achieving the SDGs, with assessment being further hampered by lack of data across countries and indicators.

Achieving the SDGs by 2030 requires significant additional annual investments, with considerable variation amongst the six transition pathways across the regions.

A robust SDG stimulus package could help close the wide SDG financing gaps, while integrated national financing strategies would help mobilize the resources needed to close these gaps, including through effective international development cooperation.

The overarching challenge is achieving climate resilience and environmental well-being. Countries across regions are reeling from the impacts of climate change and natural disasters, exacerbating water scarcity and food insecurity.

This daunting situation will have to be managed by supporting a just green transition. Elements of this transition include long-term national energy strategies with an emphasis on energy efficiency and renewable energy, tackling pollution and prioritizing environmental protection, and providing support for locations and population groups negatively impacted during the green transition.

Inclusive economic growth and structural diversification are the key socioeconomic challenges common to all regions. Countries continue to be blighted by pervasive poverty, persistent inequalities and economic vulnerability, underpinned by natural resource dependency and low value-added production.

Industry, innovation, and infrastructure investments, especially through digitalization, have the potential to power inclusive economic growth and generate decent employment opportunities. Investments in inclusive education, strengthened social protection schemes through better targeting and streamlined and digitalized operations, and promotion of agricultural productivity can play important roles in this regard.

The large investment needs arising from these necessary transformative policy actions bring to the fore the imperative of fiscal sustainability and resource mobilization. Despite large SDG financing gaps, experience from across the regions highlights numerous avenues to mobilize the resources for sustainable development.

Countries can strengthen domestic revenue mobilization by expanding the tax net, deepening capital markets, and curbing illicit financial flows. Reforming and rationalizing tax systems to enhance their progressivity and compliance can be a major source of enhancing domestic revenues, whilst improving the efficiency of public administration and spending can also generate significant gains. Innovative financing options, including green, social and sustainable bonds, also need to be explored.

Increasing domestic resources, however, will not be enough; strategies for accessing greater external resources are also crucial. The Bridgetown Initiative offers important recommendations for accessing further funding from the international community, including through exploring debt relief modalities that benefit social and/or environmental outcomes.

It is clear what needs to be done to transform economies across regions to achieve the SDGs. Now is the time for governments to move from ideas to action.

Africa

This synthesis highlights the key messages of the country profiles on SDG progress and transformative pathways prepared for five African countries, namely the Democratic Republic of Congo, Ethiopia, Mauritania, Mozambique, and Niger.

Major Development Challenges

Progress in achieving the SDGs is mixed and many countries exhibit low overall SDG rankings, emphasizing the need for accurate country and sector level investment estimates as well as mobilization of significant resources to achieve the SDGs. Regionally, \$1.6 trillion is needed to meet the SDGs by 2030, with an annual sustainable financing gap of 7 per cent of Africa's combined GDP and 34 per cent of its investments in 2021.

Poverty, unemployment and underemployment are prevalent in many African developing countries. The impact of climate change and natural disasters is also severe, increasing food insecurity.

Countries are also impacted by economic vulnerability, underpinned by natural resource dependence, limited economic diversification, high debt levels, and exacerbated by external political and economic shocks. Furthermore, the lack of quality statistical data continues to limit evaluation.

Selected policy priorities

Policy options need to be prioritized that promote both strong economic growth and development outcomes. Economic diversification and investment in economic, social, digital, and regional integration infrastructure are also needed. Efforts to promote quality universal education, matching training to jobs, good healthcare systems, and support for small and medium-sized enterprises are key.

Developing and implementing climate resilient strategies is vital. Investing in climate resilience seeds and agricultural practices will also be crucial to improving food security. Leveraging abundant natural resources and international climate financing markets can enable greener economic expansion and contribute to raising development funds, respectively.

Institutions need to be strengthened for good governance, peace, and security. In this vein, addressing underlying socio-economic issues, such as poverty, inequality, unemployment, underemployment and grievances, which can exacerbate conflicts should be prioritized.

Domestic revenue generation should be boosted, including through expanding the tax net, addressing debt vulnerabilities, deepening capital markets, and curbing illicit financial flows. This would drive progress, improve liquidity and enable the achievement of the SDGs.

National statistical capacities are critical to produce quality, timely and internationally comparable data and statistics, particularly for monitoring and evaluating SDGs.

Arab States

This synthesis highlights the key messages of the country profiles on SDG progress and transformative pathways prepared for three Arab States, namely Egypt, Jordan, and Oman.

Major Development Challenges

Countries continue to face significant challenges in achieving the SDGs, although successes are also evident such as in advancing good health and wellbeing. A significant challenge in accurately assessing SDG progress remains insufficient data, ranging from 25-40 per cent of indicators.

Fostering inclusive economic growth that generates decent employment opportunities is an overarching challenge for many developing Arab States. Education systems are underperforming, hampering efforts to decrease inequality and ensure access to decent employment opportunities.

Climate change threatens to exacerbate water scarcity and vulnerability to extreme weather events in the region. Climate change is also an aggravating factor for food insecurity. Countries that are highly dependent on food imports are also vulnerable to disruptions in global markets.

Selected policy priorities

Investing in renewable energy, tackling pollution and building the resilience of vulnerable populations are critical. Countries in the Arab region are highly vulnerable to climate change, which contributes to increased incidences of extreme weather events and deepens poverty. Policy options include increasing investment to tap the region's vast renewable energy potential, tackling pollution and prioritizing environmental protection, and devising and implementing strategies to increase the resilience of vulnerable populations to the consequences of climate change.

Industry, innovation, and infrastructure investments have the potential to fuel economic growth and generate decent employment opportunities, which are much needed across the Arab region amidst high levels of unemployment in low- and middle-income countries. Further, economic diversification, digital transformation, and the development of high-innovation sectors remain a policy priority.

Reforming education systems can reduce inequalities. While Arab countries have made strides in increasing access to education, the quality of education remains to be improved. Reforming education systems to enhance their effectiveness and increasing investments in ensuring a quality education for underserved populations and communities can reduce inequalities and develop the skills needed to participate in the high-value job opportunities of the Fourth Industrial Revolution.

Opportunities exist to mobilize resources for sustainable development and fiscal sustainability. Reforming tax systems to enhance their progressivity and rationalizing tax policies to facilitate compliance can be a major source of enhancing domestic revenues. Improving the efficiency of public administration and spending can also generate significant gains.

Asia and the Pacific

This synthesis highlights the key messages of the country profiles on SDG progress and transformative pathways prepared for five Asia-Pacific countries, namely Bangladesh, Kazakhstan, Mongolia, Samoa, and Viet Nam.

Major Development Challenges

Progress on achieving the SDGs is mixed in many countries and requires significant additional investments. The financial requirements for accelerating SDG progress vary across countries (7 per cent per year for Kazakhstan and 22 per cent of GDP per year for Bangladesh) and across the six transformation pathways (jobs and social protection for Bangladesh and digital and transport infrastructure for Mongolia and Viet Nam). For many countries, lack of data to assess SDG progress in the areas such as gender equality and peace, justice and strong institutions remains a concern.

Climate change is a pressing issue, with the impact being especially acute for Asia-Pacific countries with inadequate fiscal space and technology capacity for climate adaptation.

Many countries are also impacted by limited economic diversification, which leads to economic vulnerabilities and limits future economic growth potential. Other pressing concerns are the need to accelerate poverty reduction and promote inclusive development.

Selected policy priorities

A greener growth path should be a shared policy priority for all. Policy options include developing long-term national energy strategies with an emphasis on energy efficiency and renewable energy, ensuring prudent sectoral choices in economic diversification through environmental safeguards, strengthening environmental data collection and reporting, and leveraging green financial systems and international climate financing.

Economic diversification should be supported by proactive fiscal and financial policies and investing in enabling infrastructure to promote new, high-potential economic sectors; upskill the labour force and prepare them for the digital transformation; and improve the overall business environment.

Countries should focus on inclusive development through job creation in manufacturing and modern services as these sectors offer productive jobs and foster knowledge transfer. Governments can also significantly upgrade their investment in inclusive education, strengthen social protection schemes through better targeting and streamlined and digitalized operations, and promote agricultural productivity as the rural-urban wage gap could increase inequality during the process of structural transformation.

Amidst large SDG spending needs, governments should explore reforms to increase fiscal sustainability by raising tax revenues through improving tax administration to increase tax compliance and rationalizing tax structures, rates, and exemptions. Governments can also redesign social security schemes if they are financially unsustainable, improve fiscal and public expenditure management, monitor fiscal contingent liabilities more effectively and in a timely manner, and explore debt relief modalities including those that benefit social or environmental outcomes.

Latin America and the Caribbean

This synthesis highlights the key messages of the country profiles on SDG progress and transformative pathways prepared for ten Latin America and the Caribbean countries, namely Argentina, Barbados, Brazil, Chile, Colombia, Costa Rica, Guatemala, México, Trinidad and Tobago, and Uruguay.

Major Development Challenges

SDG progress is mixed across countries and Goals, with substantial progress in affordable and clean energy and little progress in zero hunger and decent work and economic growth. Achieving the SDGs will require significant investments varying amongst key targets, with greatest need in social protection and pension systems, in ensuring food security, and in implementing mechanisms to reach emission reduction targets, among others.

Low economic growth, high sovereign debt servicing, and tight financial conditions are prevalent for many countries. These conditions have constrained access to financing, including through international financial markets, and resulted in less foreign direct investment. Many countries are classified as middle-income developing countries and therefore are not eligible to receive official development assistance or other concessional funds or grants.

Lack of inclusive and sustainable growth. There continues to be a need to reduce poverty, inequality and food insecurity; cope with exposure to extreme weather events; tackle low agricultural productivity; improve water management; boost the quality of jobs and tackle high labour informality rates; improve access and affordability to quality broadband services and to clean water and sanitation (particularly in rural areas); and improve low attendance rates at upper levels of education.

Selected policy priorities

Achieving the SDGs certainly requires more access to development financing. In a context of fiscal constraints, increasing domestic resources will not be adequate. Strategies for accessing greater external resources are crucial. Alternatives such as green, social and sustainable bonds should be further explored. The Bridgetown Initiative also offers important guidance for accessing additional funding.

Countries need to consider a suite of policy tools to reduce poverty and inequality through increasing social protection systems, providing food security by increasing agricultural productivity, and expanding affordable access to quality health and education services in a context of digital integration.

Economic diversification and identification of key sectors are important. In this vein, services such as commerce, information and communication are relevant options for many countries. For others, manufacturing, tourism, transportation, as well as energy-linked sectors such as mining, oil, gas extraction, hydrogen, and lithium are also relevant. In most cases, public-private partnerships should be explored, as some current examples of countries utilizing them demonstrate their efficiency.

Climate resilience and adaptation in a just manner is a pressing requirement. Latin American and Caribbean countries have committed to mitigation actions. However, more adaptation actions are required, particularly with respect to prevention of risk exposure, as well as more responsive actions such as social protection for populations affected by disasters.

UNECE Region

This synthesis highlights the key messages of the country profiles on SDG progress and transformative pathways prepared for two countries of the UNECE region, namely Serbia and Uzbekistan.

Major Development Challenges

Progress in achieving the SDGs in the region is mixed across countries and indicators. With substantial financing needs, resource requirements depend on increasing public spending efficiency and ongoing reforms to create a supportive policy and regulatory environment that attracts private investment and aligns those flows with developmental needs.

Environmental pressures are significant. Climate change is having a negative impact that emphasizes the need for adaptation investments. Energy intensity is high and the existing set of incentives is discouraging more rapid decarbonization. Resource use patterns are having a negative but diverse impact on health. Agriculture is vulnerable to weather hazards, which are intensifying due to climate change.

Education systems should be improved to provide appropriate skills, enhance inclusion, and facilitate structural transformation. Returns to education need to be enhanced and human capital depletion due to migration should be addressed. This would require growth-oriented policies that create employment.

Selected policy priorities

Investment and incentives are required to foster the green transition such as subsidy removal to improve energy and resource efficiency and increase the share of renewables. Energy system decentralization and distributed generation can facilitate rural coverage and clean energy generation. Managing transition will require initiatives to support incomes, reskill labour force, and facilitate economic diversification.

Addressing skill gaps and disparities in education should be accompanied by more opportunities for vulnerable groups. Efforts should be made to link education with labour market needs, targeting skills to demands, including digitalization and the green transition. Greater early childhood education would broaden opportunities and increase future income. Addressing inequities requires special efforts to increase enrolment rates among the poorest and other disadvantaged groups.

Inclusive development can be fostered through infrastructure and social protection policies. Infrastructure development along with the private sector can contribute to narrowing urban-rural gaps in service provision. Increasing employment of youth, women and vulnerable groups enhances inclusion and economic dynamism. Addressing informality fosters inclusion and sustainability of pension systems.

Strengthening resilience requires integrating climate change concerns across sectoral policies. Adaptation to climate change should inform sectoral infrastructure investments. In agriculture, sustainable food systems should address the impacts of climate change, along with crop diversification, improvement of agricultural practices, and use of risk management tools.

Domestic resource mobilization involves enhancing the efficiency of public spending and aligning incentives. Improved prioritization and monitoring of investments would enhance the impact of public spending. Environmental taxes and carbon pricing could improve incentives and mobilize further resources for spending on sustainable development.

