ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS

The state of play and policy options

Strategies to deliver on the Sustainable Development Goals in Africa

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With one-third of the 2030 Agenda journey already complete, it is an opportune time to examine Africa's progress on the Sustainable Development Goals (SDGs) so far as well as assess what adjustments to strategies are needed to overcome the remaining obstacles. The SDGs provide time-bound targets in key sectors—including health, education, employment, energy, infrastructure, and the environment—for all nations to achieve. Nowhere is the need to achieve these targets larger than in Africa. While progress in some areas and countries is encouraging, overall, the region will need to redouble its efforts if it is to achieve the SDGs by 2030. To be successful, there is need for effective and coordinated partnerships to domesticate the SDGs—i.e., to fully transpose the SDG ecosystem into national and regional planning and implementation mechanisms—as well as the African Union's (AU) Agenda 2063, and to bridge the large financing and data gaps.

Progress so far on the SDGs has been notable but falls significantly short

Progress so far on the implementation of the SDGs has been uneven across countries, goals, and targets. According to the Africa SDG Index and Dashboard 2019, the best-ranked country, Mauritius, had an aggregate score of 66.19—implying that the country is, on average, 66 percent of the way to the best possible outcome across the 17 SDGs.[1]

Other top performers include Botswana, Ghana, and Rwanda (for more insights on how Rwanda is approaching the SDGs, see page 14). However, 18 countries (of 46 total) in sub-Saharan Africa are, on average, less than 50 percent on the way towards meeting the best possible outcome on all SDGs. Overall, at the indicator level, these countries are off track on most of the SDGs, reiterating the urgency for countries and global partners to jointly accelerate reforms and implementation.

Gains in health and education show promise, but gaps linger

Notably, the under-five mortality rate for Africa (excluding North Africa) has fallen from 85 deaths per 1000 in 2015 to 76 deaths per 1000 in 2018,[2] an encouraging sign, but still double the global average of 38. Neonatal deaths have also improved from 29 per 1000 to 27 per 1000 over the same period. North Africa had already reduced under-five mortality rates to fewer than 35 deaths per 1000 births by 2015, and is likely to meet the goal of fewer than 25 deaths per 1000 births by 2030. With an intensified and accelerated response, the other African regions could feasibly meet this target.[3] Large-scale

1 The Africa SDG Index and Dashboards includes *inter alia* countries' specific performance and trends for each of the 17 goals, the overall country aggregate SDG index score ranking, as well as the trend analysis showing the respective countries' distance to achieving the SDGs. For example, if a country has a score of 100 percent, that country has attained the 2030 goals across all SDGs. Note that this score is not reflective of progress since 2015, the SDG inception year. In other words, countries did not start 2015 with a score of zero.

2 "Under-five mortality rate—Total", *United Nations Inter-Agency Group for Child Mortality Estimation,* 2019, https://childmortality.org/data.

3 Enock Nyorekwa Twinoburyo et al., *Africa 2030: Sustainable Development Goals Three-Year Reality Check* (Kigali: Sustainable Development Goals Center for Africa, 2019).

progress on both health and education remain a concern, though, given that most Africa countries have not carried out demographic health and national surveys over the SDG period.

The net enrollment rate for primary school in sub-Saharan Africa has increased marginally from 77.4 percent in 2015 to 77.6 percent in 2017. More than half of the countries in Africa have a primary school enrollment rate of over 90 percent and are likely to meet the target of 100 percent by 2030 if current efforts are sustained. In particular, North Africa is poised to meet the 2030 target, and the other African regions are also within range. However, the net enrollment rate for lower secondary education has fallen slightly from 28.9 in 2015 to 28.3 in 2017.

Infrastructure and service delivery improved but needs are apparent and pressing

To house and serve Africa's young and fast-growing population—expected to increase from 1.3 billion today to over 2.5 billion by 2030—governments must address sorely needed infrastructure and service requirements quickly. There have been improvements in recent years: For example, access to clean drinking water in sub-Saharan Africa has increased from 59 percent of the population in 2015 to 61 percent in 2017. Access to electricity increased from 39.4 percent to 44.6 percent over the same period.

At the same time, African urban areas will need 565 million additional housing units between 2015 and 2030 just to keep up with rapid population growth and urbanization.[4] This is about 40 million new houses per annum over that time.

Poverty and hunger persist, exacerbated by climate change

As of 2015, sub-Saharan Africa had the highest concentration of the world's poor, with 41.3 percent of people living under the poverty line.[5] An estimated 600 million people do not have access to electricity, and millions die every year from preventable diseases.[6] Relentless population growth and climate change also present two major threats to continued economic progress. Thirty-one African countries need food aid, and more than 30 percent of the 830 million people worldwide suffering from inadequate food supply are in Africa.[7] The prevalence of undernourishment, in fact, increased from 234.6 million in 2016 to 256.1 million in 2018.[8] In addition, experts predict that a temperature change of two degrees Celsius could contribute to farmers losing 40 to 80 percent of cropland conducive to growing maize, millet, and sorghum by the 2030s-2040s.[9] (For more on combatting climate change, see Chapter 4 on page 48).

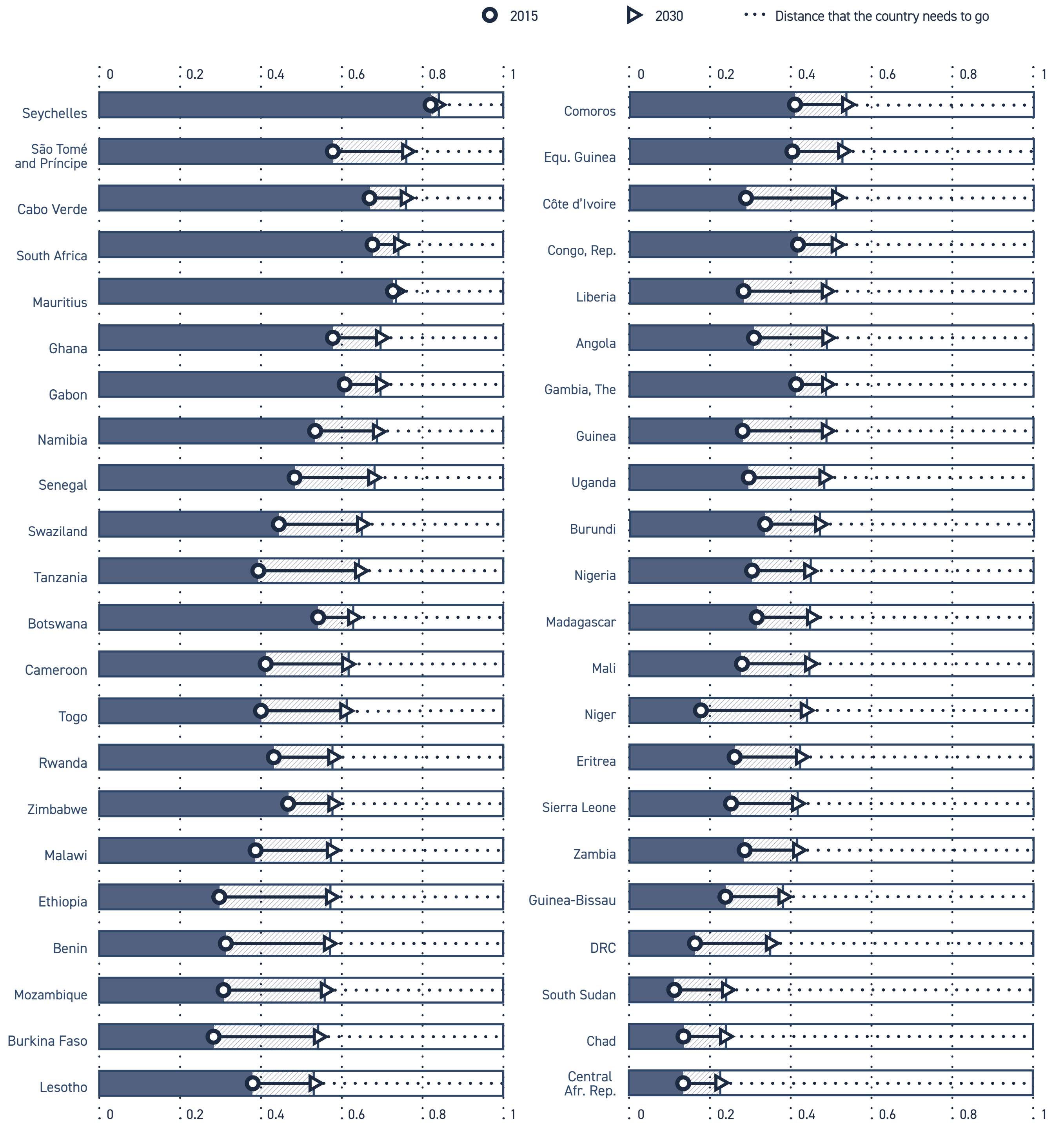
> Firmly determined to take its future into its own hands, Africa is growing out of adopting agendas to, instead, setting the agenda.

4 Afdhel Aziz, "The Power of Purpose: Unlocking Africa's $10 Trillion Opportunity in Housing," *Forbes,* September 12, 2019.
5 "PovcalNet," *World Bank,* October 29, 2019.
6 "Electricity for All in Africa," *Sustainable Energy for All,* accessed December 2, 2019.
7 Food and Agriculture Organization of the United Nations et al., *The State of Food Security and Nutrition in the World: Safeguarding Against Economic Slowdowns and Downturns* (Rome: Food and Agriculture Organization of the United Nations, 2019).
8 Ibid.
9 "What Climate Change Means for Africa, Asia, and the Coastal Poor," *World Bank,* June 19, 2013.

Figure 1.1

SDG progress projections by country

All sub-Saharan African countries are expected to make some progress towards the SDG targets by 2030. However, 18 out of 44 countries are expected to get less than halfway to the absolute targets by 2030. In particular, the Central African Republic, Chad, and South Sudan, which are starting furthest behind, are expected to make limited progress by 2030.



Note: Average across 18 absolute indicators.
Source: Homi Kharas, John McArthur, and Krista Rasmussen, *How many people will the world leave behind?* (Washington, D.C.: Brookings Institution, 2018).

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Main obstacles to progress

Given the complexities caused by rapid population growth and climate change, African nations must attempt to achieve the SDGs with urgency, as many of the challenges will become harder to manage if left unattended.[10]

Even with Africa's enthusiasm, without a robust global and localized governance structure the SDG agenda will falter

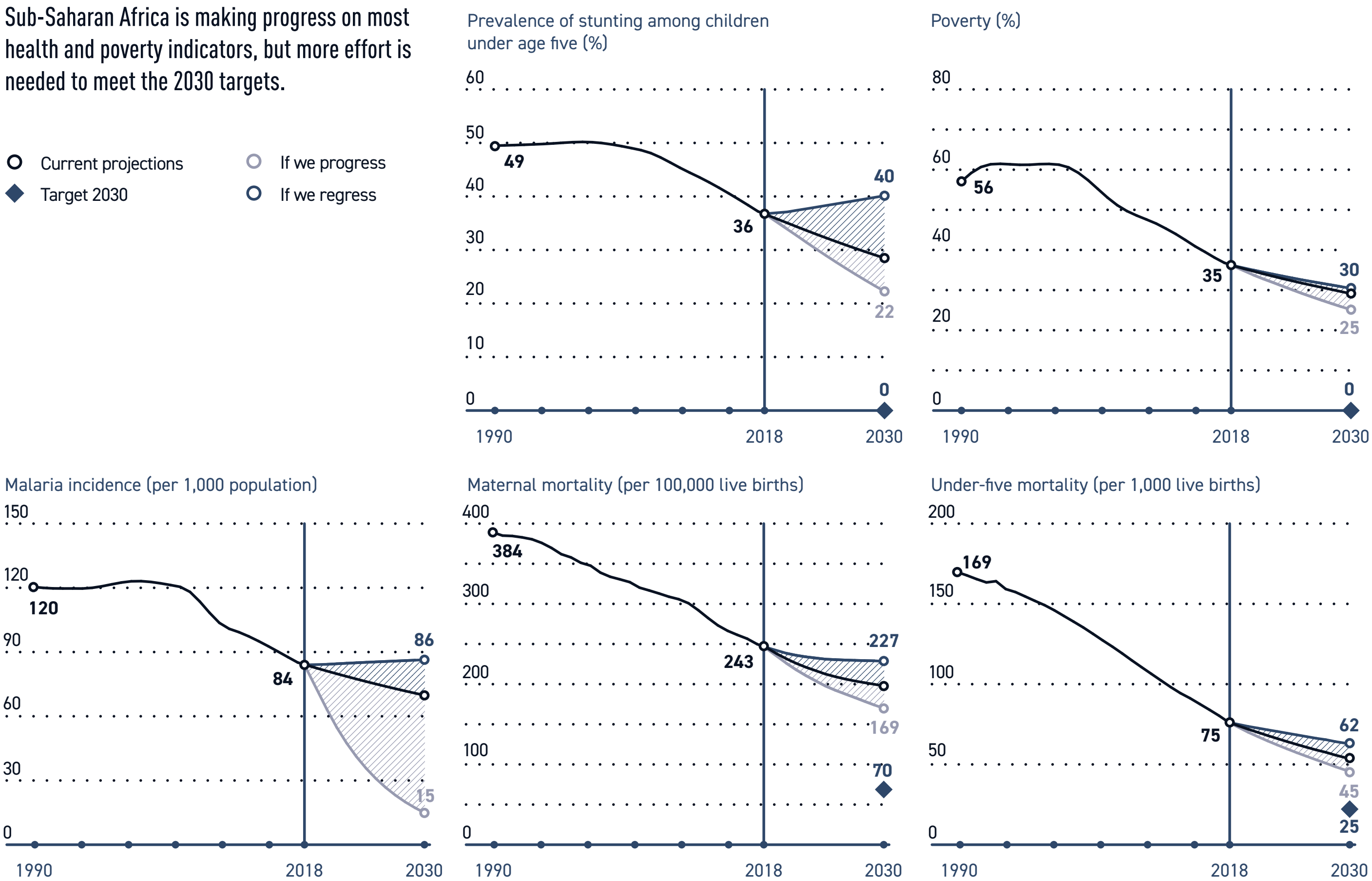
One major reason to be hopeful for Africa's progress is that the SDGs are in direct alignment with the African Union's Agenda 2063—the continent's long-term social and economic transformational blueprint for a prosperous continent. In fact, the two ambitious agendas align on over 85 percent of their goals, and African countries have shown enormous enthusiasm and endeavors in implementing the SDGs, with 90 percent of countries mainstreaming the SDGs into their national development plans.

At the same time, many weak links in the SDGs—largely due to the lack of a global governance structure—are waiting to be addressed. Despite data innovations embedded in the SDG

Figure 1.2

Poverty and healthcare SDG projections in sub-Saharan Africa

Sub-Saharan Africa is making progress on most health and poverty indicators, but more effort is needed to meet the 2030 targets.



Note: The "if we progress" and "if we regress" scenarios, are based on Institute for Health Metrics and Evaluation's determination of the 85th and 15th percentiles of the observed district-level annualized rate of change for the period 2000 to 2017. For more on the methodology behind these projections, see www.gatesfoundation.org/goalkeepers.
Source: Gates Foundation, Goalkeepers Report (Seattle: Gates Foundation, 2019).

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10 Eve de la Mothe Karoubi et al., *2019 Africa SDG Index and Dashboards Report* (Kigali: Sustainable Development Goals Center for Africa, 2019).

formulation, the data gap remains wide and manifests into poor planning and, consequently, poor decisionmaking and results. There is neither a defined reporting nor accountability mechanism, nor clarity on pathways and interventions, and little experience or scalable practice when it comes to social inclusiveness. Not much has been done in changing mindsets; we are continuing to do new things the old way. Like in decades past, key stakeholders continue to work in silos, duplicating interventions with little coordination. Finally, the world only agreed on goals and targets, leaving solutions to be developed locally.

State fragility and large financing gaps hinder progress

The continent is disadvantaged with a low starting point. Fragility—which manifests in many forms such as weak institutions and economic, political, and social insecurity—remains prevalent in parts of the region, with 80 percent of the world's fragile states found in Africa. Despite being one of the fastest-growing regions in recent decades, 40 percent of African countries are still classified as "low income", with a GNI per capita of below $1,025 per year.[11]

Financing continues to be a constraint as well. The financing gap for SDGs is large for low-income countries, estimated to be, on average, in excess of 14 percent of GDP.[12] Alone, sub-Saharan Africa's annual additional spending requirements are estimated at 24 percent of the continent's GDP, approximately $420 billion.[13] This financing gap is a sizeable challenge for many Africa countries given that, as of 2018, over 20 of the 54 African countries are either in or at a high risk of debt distress. Compounding this challenge, official development assistance, though rising overall, is declining in per capita terms, and foreign direct investment has been dwindling in recent years. Furthermore, while more than a third of the required financing for the SDGs was expected to come from the private sector, the actual contributions from the private sector so far are significantly smaller, at only 4 to 8 percent. (For more on financing the SDGs, see the viewpoint on page 17).

Looking ahead: The time for action is now

Going forward, leaders at all levels must tackle the SDGs head-on with a comprehensive and interconnected approach to effectively optimize resources. Since such an approach seeks high-level horizontal and vertical coordination, it requires persistent and logically framed action plans for ensuring synergies. The domestication process must thus go beyond just mainstreaming the SDGs into national plans; it must now strive to contextualize both the target and its indicators to local socio-economic realities. Our strategy must be changed from the conventional present-to-future to future-to-present planning, cascading from 2030 backward.

Firmly determined to take its future into its own hands, Africa is growing out of adopting agendas to, instead, setting the agenda. Agenda 2063 is one mechanism for doing so. So is the African Continental Free Trade Area, which will integrate a market of 1.2 billion people with a GDP of over $3.4 trillion, creating new opportunities for Africa and its business partners. In addition, many African countries are embarking on ambitious development plans that are driving the adoption of technologies and new sources of energy. Countries are also showing a greater appetite for information technology and knowledge.

While Africa should remain committed to working with its development partners over the next decade and beyond, achieving the SDGs should primarily be its own responsibility.

11 "GNI per capita, Atlas method (current US$)," *World Bank*, accessed December 2, 2019, https://data.worldbank.org/indicator/NY.GNP.PCAP.CD.

12 Vitor Gaspar et al., "Fiscal Policy and Development: Human, Social, and Physical Investments for the SDGs," *IMF Staff Discussion Notes* 19/03 (2019).

13 Twinoburyo et al., *Africa 2030*.

Viewpoint

Strategies for delivering on the Sustainable Development Goals: Some lessons from Rwanda

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The Sustainable Development Goals (SDGs) is the most ambitious and comprehensive global development agenda in history. It succeeded the Millennium Development Goals, whose implementation was rather uneven.

For the SDGs to succeed in Africa, leaders must remember that the continent's context matters. The SDGs were adopted in 2015 at a moment when African economies were slowing down, mainly due to commodity price shocks that particularly affected resource-dependent countries. At the same time, a number of African countries are fragile due to insecurity and instability and must thus spend a disproportionate share of their resources on security—to the detriment of social and investment spending. At the global level, rising trade tensions are projected to negatively impact global growth and investment, and Africa will not be immune.

Despite this difficult environment, Africa has the potential to achieve most of the SDGs if proper strategies are adopted and implemented. Here in Rwanda, we have made progress on many of the goals, especially around poverty reduction, education, health, and access to basic infrastructure (see Figures 1.3).

Although there is no one-size-fits-all formula, African countries do share some common features and advancing on the following priorities could help the African continent achieve the SDGs.

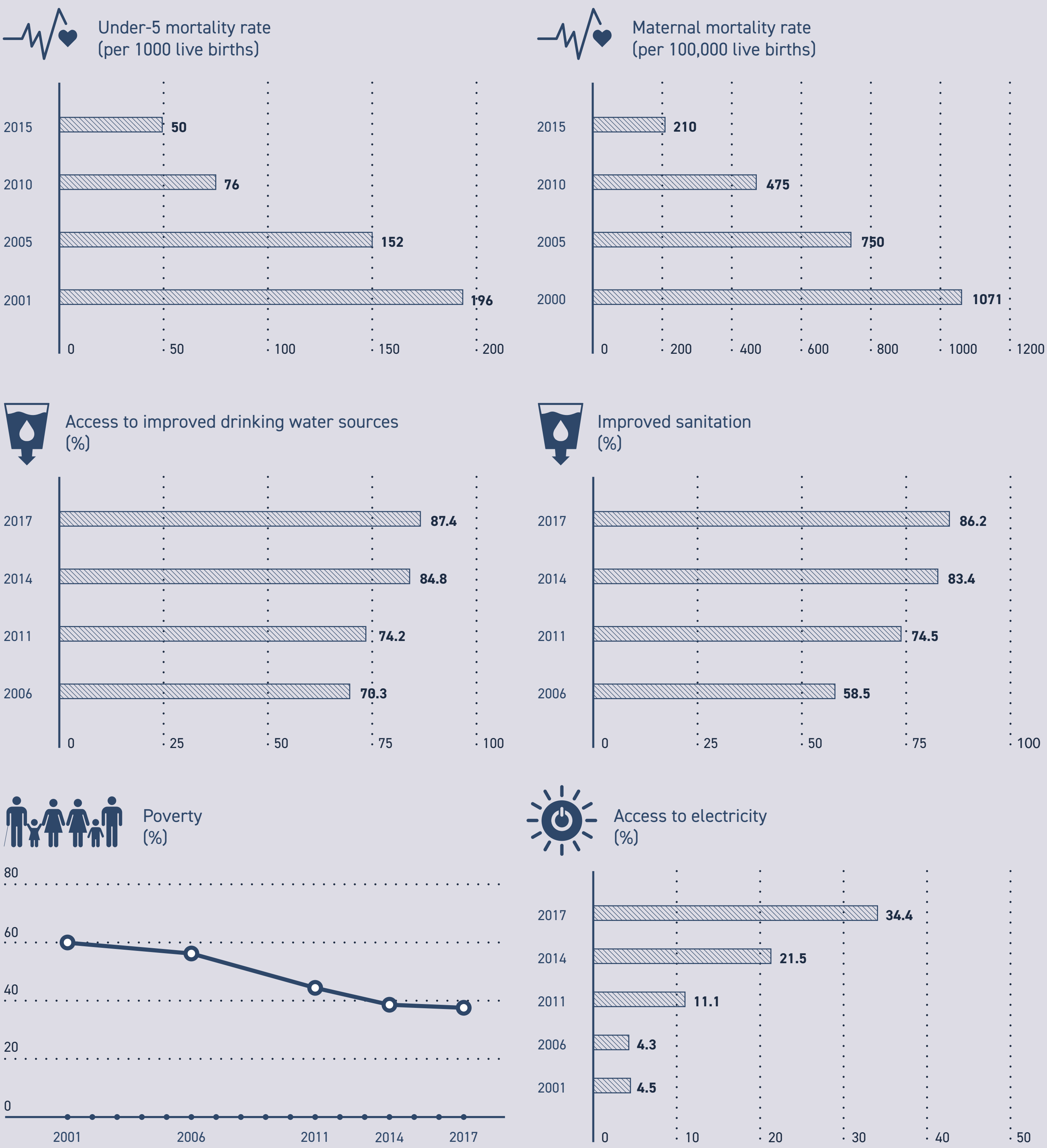
> The SDGs should not be treated as a stand-alone project from New York. They should be fully owned by countries and integrated in national plans and strategies, domesticated and adapted to the national context.

First, national ownership and domestication of the SDGs: The SDGs should not be treated as a stand-alone project from New York. They should be fully owned by countries and integrated in national plans and strategies, domesticated and adapted to the national context. In the case of Rwanda, this approach helped achieve many Millennium Development Goals by 2015, and it

Figure 1.3

Rwanda's immense progress towards the SDGs

Rwanda had made immense progress towards many of the Millennium Development Goals and is continuing that success under the Sustainable Development Goals.



Source: National Institute of Statistics of Rwanda.

underlies our strategy for the SDGs. Indeed, the SDGs have been integrated into the National Strategy for Transformation 2017-2024 and Vision 2050 in order to ease planning prioritization, resource allocation, and monitoring of progress.

Second, strengthening statistical capacity and monitoring: Countries need to strengthen their statistical capacity to measure SDG indicators. They also need to build a robust monitoring system that continuously evaluates and monitors progress so that policymakers are informed in real time about any challenges that require intervention.

Third, increasing implementation capacity: We've found that this recommendation seems to be the most critical area for improvement. It requires institutional capacity (both systems and human resources), proper planning, transparency and accountability in implementation, and attention to anti-corruption measures. Without tackling the issue of governance in Africa, it would be impossible to expect significant achievement of the SDGs.

Fourth, resource mobilization and ease of doing business: SDG financing is a serious challenge. None of the commitments made under the Addis Ababa Action Agenda has been met so far. Domestic resource mobilization is still low, and the commitment of developed countries to allocate 0.7 percent of GNI to official development assistance has not been met. African countries need to make policy reforms aimed at improving the investment climate to attract private investment, reform their tax systems to increase domestic revenues, and adopt measures to reduce tax evasion and illicit financial flows. In the case of Rwanda, improvement of the business environment over the past 10 years has paid off: Rwanda's ranking in the World Bank's Doing Business index has risen from 150th in 2008 to 29th in 2018, and this has contributed to the increase of private investment, particularly foreign direct investment. Indeed, total private investment in Rwanda increased threefold between 2009 and 2018, and FDI increased nearly fourfold.

Fifth, human capital development and job creation: Africa has the youngest and fastest-growing population in the world. Over 40 percent of the population is under age 15 and 20 percent is between 15 and 24, presenting the potential for a demographic dividend. However, to realize those gains, there is a need for firm commitment from African governments to invest more in people by increasing access to quality health and education services. A more educated, healthier, and productive population will only increase the chances of SDG success.

Sixth, implementation of the African Continental Free Trade Agreement (AfCFTA): Though at first seemingly unrelated, the recently concluded AfCFTA presents an outstanding opportunity for accelerated progress on the SDGs, as expanded intra-African trade, investment, and job creation will lead to greater economic and social development overall. While trading under the AfCFTA will commence in July 2020, the agreement's promise will only be fulfilled if African governments work together to accelerate the pace of its implementation.

Implementation of the SDGs in Africa is possible, despite the challenging national, regional, and global contexts. What matters most is the resolve and commitment of Africa's governments, with the support of our private sector.

Viewpoint

Approaches for better resource mobilization to finance Africa's Sustainable Development Goals

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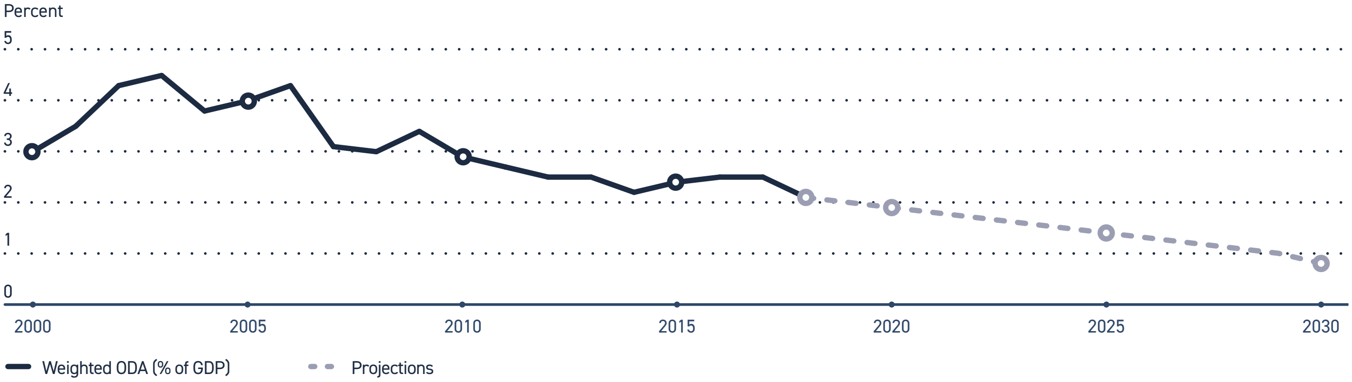
Undoubtedly, one of the key challenges to achieving the Sustainable Development Goals (SDGs) over the next decade will be the ability to mobilize resources to finance them. Indeed, estimates by the Brookings Institution suggest that sub-Saharan Africa will need $574 billion dollars per year until 2030 to finance the SDGs.[1] While projected spending in a few countries, such as Botswana or Mauritius, will meet their SDG financing needs, for the vast majority of countries in the region, there is a substantial financing gap totaling $256 billion per year. Meanwhile, the future of official development assistance (ODA), which has been an important source of financing for several countries, is increasingly uncertain as discontent with globalization and changing political environments are causing governments in many advanced economies to revisit their commitments. Net ODA is not keeping up with the growing financing needs of the region; in fact, as a percent of GDP, it has been declining steadily. Worryingly, given current trends, ODA will likely become insignificant by 2030 (Figure 1.4). Against this backdrop, it is even more imperative that policymakers step up efforts to mobilize domestic resources. The beginning of a new decade offers opportunities for renewed commitments and redoubling of efforts on this front.

Figure 1.4

Official development assistance to sub-Saharan Africa

Official development assistance (ODA) as a share of sub-Saharan Africa's GDP has been declining since the mid 2000s. Based on the current trajectory, ODA will account for less than 1 percent of the region's GDP by 2030.



Source: Author's calculations using data from "World Development Indicators," World Bank, accessed November 2019.

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1 Annual average for 2015-2030 in constant 2015 U.S. dollars. Author's calculations using data from Homi Kharas and John McArthur, Building the SDG Economy: Needs, spending, and financing for universal achievement of the Sustainable Development Goals (Washington, D.C.: Brookings Institution, 2019).

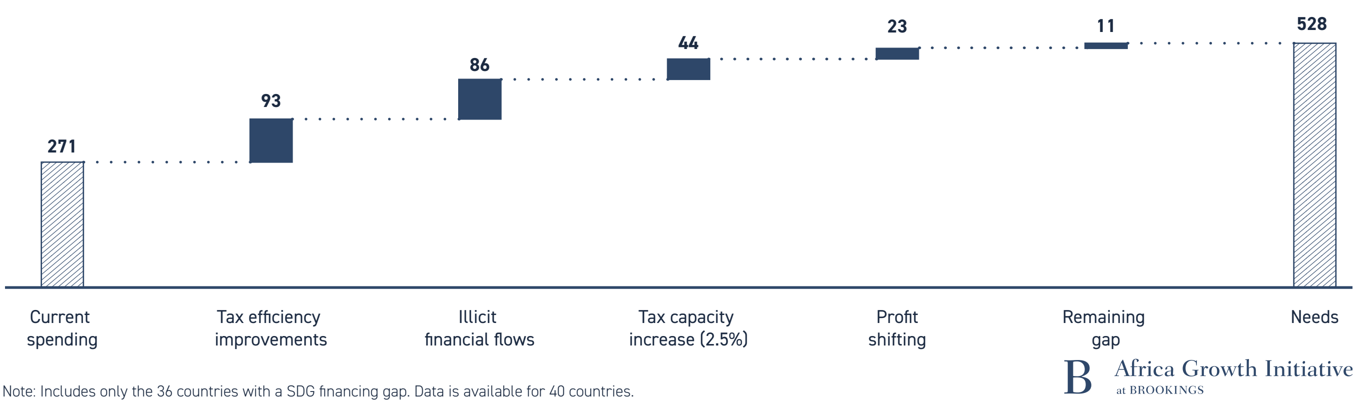
Tax revenues are the most important component of domestic resources, and raising them has been at the center of many domestic reforms and regional and international initiatives.[2] Indeed, these efforts helped boost non-resource tax revenues from 11 percent of GDP in the early 2000s to 15 percent more recently. Even so, Africa's tax ratios are still among lowest in the world, largely due to both low taxation capacities—about 20 percent of GDP on average (compared with 30 percent in OECD countries)—and to inefficiencies in revenue collection.[3] The good news is that there is scope to raise tax revenues above current levels over the next decade by further strengthening tax capacity, such as through reducing informality or broadening the tax base, and by improving governance in revenue collection. A study by the Africa Growth Initiative at the Brookings Institution shows that tax capacity has already been improving, and, in fact, grew by 2.5 percentage points between 2000 and 2015. This pace is admittedly too slow. Even so, assuming the same pace is sustained through 2030, it will generate an additional $44 billion a year in revenues. More importantly, improving governance around tax revenue collection can help close the gap between current taxes and tax capacity on the continent, and raise tax revenues by $93 billion a year through 2030. If, in addition, governments—with the cooperation of external partners—stem illicit capital flows successfully, the continent can raise up to 5 percent of GDP per year. This is equal to an average of $86 billion annually over the next decade.[4] In fact, developing countries lose 1.3 percent of GDP in tax revenues to companies shifting profits to low-tax locations,[5] meaning that the region will lose an average of $23 billion per year over the next 10 years. International cooperation on taxation of multinational companies can help combat this practice and contribute to the mobilization of domestic resources.

All told, additional efforts to boost tax revenue collection and stem illicit capital flows would mobilize an additional $246 billion and narrow the region's SDG financing gap substantially, to over $10 billion per year (Figure 1.5).

Figure 1.5

Financing the SDGs in sub-Saharan Africa

Efforts to boost tax revenue collection and stem illicit capital flows can mobilize an additional $246 billion and narrow the region's SDG financing gap substantially, to just over $10 billion per year.



Note: Includes only the 36 countries with a SDG financing gap. Data is available for 40 countries.
Source: Author's calculations using Kharas and McArthur, Building the SDG economy; Signe, Madden, and Sow, "Illicit Financial Flows"; Keen et al., "Capital Taxation"; Coulibaly and Gandhi, "Mobilization of tax revenues"

2 Some of these initiatives include the 2002 Monterrey Consensus, the 2011 Busan Agreement, the Addis Tax Initiative launched in 2015, and the Platform for Collaboration on Tax launched in 2016.

3 Brahima Coulibaly and Dhruv Gandhi, Mobilization of tax revenues in Africa: State of play and policy options (Washington, D.C.: Brookings Institution, 2018).

4 Landry Signe, Payce Madden, and Mariama Sow, Illicit financial flows: Drivers, destinations and policy options (Washington, D.C.: Brookings Institution, forthcoming).

5 Michael Keen et al., "Corporate Taxation in the Global Economy," *International Monetary Fund Policy Paper* 19/007 (2019).

Despite the continent's vast endowment of natural resources, inefficient management of those resources has prevented Africa from capitalizing on them, and addressing issues of weak governance in the sector will raise additional domestic resources. According to the Natural Resource Governance Institute, except for Ghana and Botswana, all African countries have "weak" or "poor" governance ratings, and seven of the world's bottom 10 performers with "failing" governance scores are in Africa. Encouragingly, some countries, like Guinea and Liberia, are taking important steps to enhance transparency in the natural resource sector. In addition, governments should resort to more innovative financing mechanisms, such as blended finance or public-private partnerships and other risk mitigation mechanisms, to crowd in more private sector funds and help preserve the solvency of public sector balance sheets.

The run-up in debt that the region has experienced in past years and the current debate about another looming systemic debt crisis in the region reflect the fact that the issue of sustainable financing for Africa's development remains unaddressed.

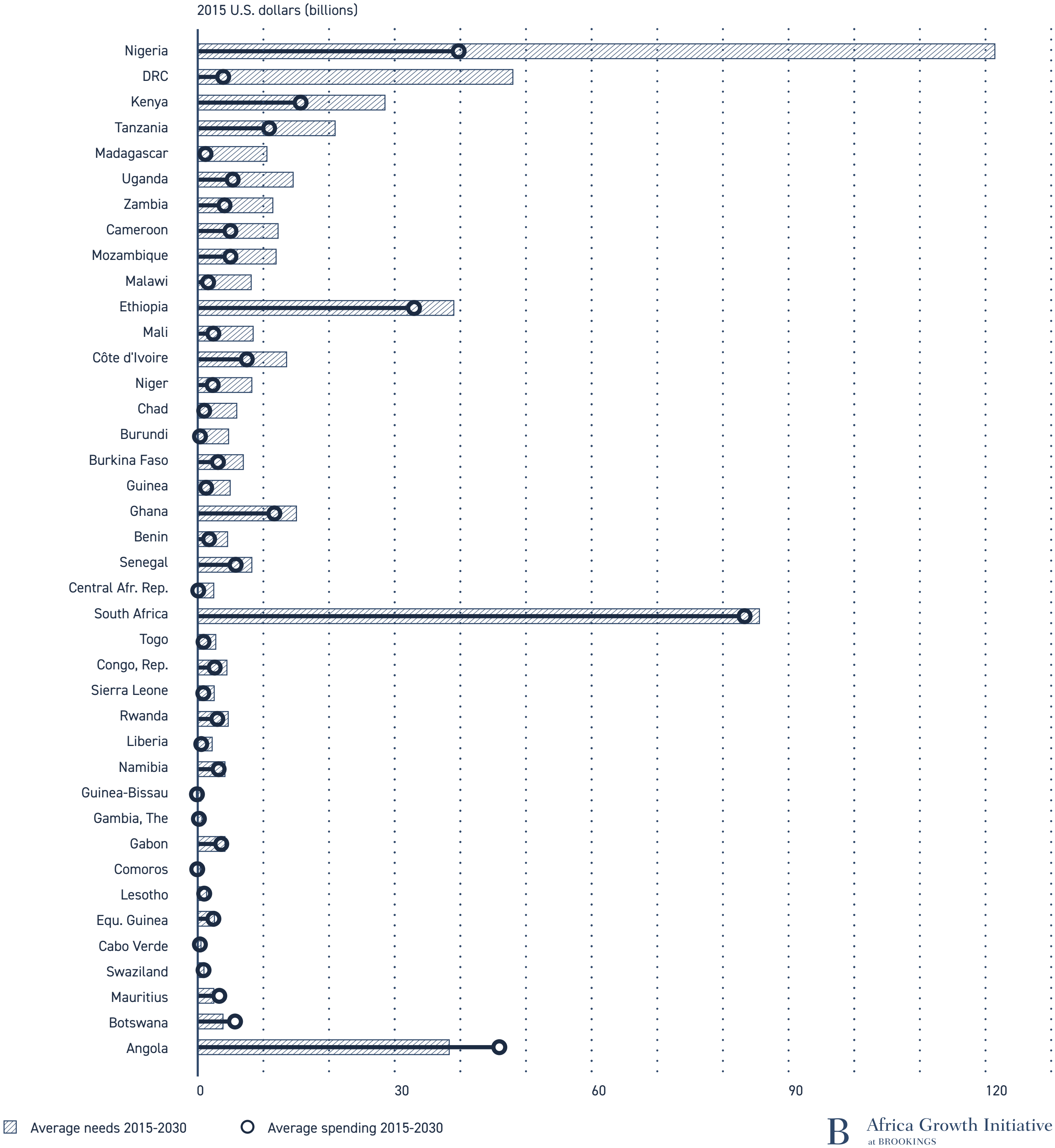
The run-up in debt that the region has experienced in past years and the current debate about another looming systemic debt crisis in the region reflect the fact that the issue of sustainable financing for Africa's development remains unaddressed. The policy priorities to mobilize domestic resources outlined above will reduce the need for external financing and help avoid another systemic debt crisis. Policymakers should also enhance equity in tax systems and increase the efficiency of public spending; citizens are more likely to comply with tax collection when they trust that tax revenues are managed well.[6] As African policymakers and external partners move forward on the domestic revenue mobilization agenda, it will be important to ensure that tax systems are more equitable and supportive of the SDGs.

6 Guglielmo Barone and Sauro Mocetti, "Tax morale and public spending inefficiency," International Tax and Public Finance 18, no. 6 (2011): 724-49.

Figure 1.6

Annual SDG financing gap by country

Current SDG-related spending in most sub-Saharan African countries is not enough to meet the targets by 2030. Only a few countries, such as Angola, Botswana, and Mauritius have sufficient spending. Nigeria and the Democratic Republic of the Congo face the largest financing gaps, with the two countries alone accounting for just under half of sub-Saharan Africa's financing shortfall.



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Note: Not all sub-Saharan African countries shown due to data availability.
Source: Homi Kharas and John McArthur, Building the SDG economy: Needs, spending, and financing for universal achievement of the Sustainable Development Goals (Washington, D.C.: Brookings Institution, 2019)

Figure 1.7

Top African economic performers, 2015–2019 and 2020–2024

Strong growth rates will be essential for Africa to achieve the SDGs. Economic growth will continue to be strong at least through the first half of the decade, with the region's economy expanding at a faster pace than the global economy. In fact, seven of the world's 10 fastest-growing economies will be in the region, but performance will vary. While economies of countries like Senegal, Rwanda, and Niger will grow at over 7 percent, the largest three economies (Angola, Nigeria, South Africa) will continue to struggle. In low-performing economies, policy priorities will be to revive economic growth, while in the high growth economies, policymakers must ensure that growth is inclusive so the living conditions of all can improve.

Top performers based on 2015-2019 growth estimates		Top performers based on 2020-2024 growth estimates	
Country	GDP growth, 2015-2019	Country	GDP growth, 2020-2024
Ethiopia	8.7%	Senegal	8.3%
Côte d'Ivoire	7.9%	Rwanda	7.9%
Rwanda	7.5%	***Niger***	***7.3%***
Guinea	***7.2%***	***Uganda***	***7.2%***
Senegal	6.5%	***Mozambique***	***6.9%***
Tanzania	6.4%	Ethiopia	6.9%
Burkina Faso	5.8%	Côte d'Ivoire	6.8%
Kenya	***5.7%***	***Benin***	***6.7%***
Ghana	***5.5%***	Tanzania	6.2%
Mali	***5.4%***	Burkina Faso	6.0%
Sub-Saharan Africa	2.8%	Sub-Saharan Africa	3.9%
The Big Three (Angola, Nigeria, South Africa)	0.9%	The Big Three (Angola, Nigeria, South Africa)	2.3%
Sub-Saharan Africa excluding "the Big Three"	4.9%	Sub-Saharan Africa excluding "the Big Three"	5.5%
World	3.5%	World	3.5%

Source: Brookings Africa Growth Initiative using data from the International Monetary Fund, World Economic Outlook, October 2019.

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