



Four actions to drive and deliver SDG progress: lessons from ODI research

Middle-income/upper middle-income countries

Susan Nicolai and Moizza B. Sarwar

Key findings

- **Urgently accelerate early action on eight goals where progress is slow:** To achieve the Sustainable Development Goals (SDGs), middle- and upper middle-income countries (MICs/UMICs) need to urgently accelerate their trajectory by multiples of current rates.
- **Focus on domestic policies that contribute to leaving no one behind:** MICs/UMICs can achieve quick SDG wins by undertaking specific social policy interventions, providing better public information, and strengthening institutions and legal reforms.
- **Redirect public finance toward marginalised groups and regions:** Progress on the SDGs in MICs/UMICs requires the redirection of public revenue toward sectors benefiting marginalised populations such as health, education and social protection, with support from donors.
- **Focus on collecting disaggregated data to support resource allocation decisions:** Collecting disaggregated data on marginalised populations is needed in MICs/UMICs to inform policy actions.

Summary

With their universal agenda, the Sustainable Development Goals (SDGs) require reform in middle- and upper middle-income countries (MICs and UMICs) as well as low- and high-income countries (HICs and LICs). The SDGs will not be met if progress continues to evade the poorest and most marginalised people. The longer governments take to act, the greater the difficulty of meeting the targets for everyone by 2030.

This policy brief provides an overview of some of the most relevant Overseas Development Institute (ODI) research on actions needed in MICs/UMICs to accelerate progress on SDGs, with an emphasis on the leave no one behind (LNOB) agenda. We highlight SDG targets for these countries that need progress at multiples of current rates and then set out recommendations in the areas of policy, finance and data that MICs/UMICs can undertake to meet the SDGs by 2030.

1. To achieve the SDGs, MICs/UMICs need to urgently accelerate their trajectory by multiples of current rates

ODI research (Nicolai et al., 2016a, b and c) shows that some MICs/UMICs are on track to achieve certain SDG targets at their current rates of progress. For example, in Ecuador income inequality has fallen drastically over the last two decades and progress at this rate will meet the goal of eradicating extreme poverty for all people in the country by 2030 (Nicolai et al., 2016a). Meanwhile, Thailand's headway on food security since 1990 has surpassed that of all its regional peers and levels of undernourishment (SDG 2) are on track to reduce by around 75% (Nicolai et al., 2016b).

However, most MICs/UMICs will need to speed up their progress by two to four times the current rate to achieve the SDGs targets in a number of areas. This group includes eight reviewed targets: eliminating hunger (SDG 2), reducing maternal mortality (SDG 3), secondary-school completion (SDG 4), ending child marriage (SDG 5), universal access to sanitation (SDG 6), halting deforestation (SDG 15), and strengthening domestic resource mobilisation (SDG 17).

For example, Botswana, Argentina and Malaysia will need to increase their current rates of progress by three to four times to achieve SDG 2.1 on ending hunger. On SDG 4.1, calling for achieving universal secondary education, Chile, Peru, Maldives and Panama need to accelerate progress by three to four times the current rate to meet SDG targets. Similarly, Brazil and Costa Rica need to step up progress by two to three times the current rate to meet SDG 6.2 on sanitation.

The SDG outcome document specifies that none of the goals will be considered met if they are not met for all segments of society, implying that a focus on the poorest

and most marginalised people is essential for further progress.

2. MICs/UMICs can achieve quick SDG wins by undertaking specific social policy interventions, providing better public information, and strengthening institutions and legal reforms

Early actions on the SDGs are crucial to achieving the goal of leaving no one behind, while delay puts it further out of reach. Governments and others need to choose the actions that are likely to be most effective to achieve the goal of progress for the poorest first in different contexts.

ODI research sets out a critical path to leave no one behind built on the evidence of what people say they want and what works to allow people to lift themselves out of extreme vulnerability (Stuart et al., 2016).

Policy interventions in social policy arenas, better public information, and strengthened institutions and legal reforms are especially important to ensuring MIC/UMIC countries deliver on their SDG promise to leave no one behind (Stuart et al., 2016). Many of the countries in this income category will have well developed policies but limited implementation on the above three areas (although not all); that is, some countries will already be further along and we highlight policy actions from these countries as evidence of rapid actions MICs/UMICs can take.

Countries should develop an integrated social policy to realise synergies between health, education and social protection. For instance, Chile's renowned Solidario program has combined social transfers with a household support worker to address vulnerabilities in education, health, employment, household dynamics, income, housing and registration for the country's poorest households (Stuart et al., 2016). In the education sector, MICs/UMICs should significantly improve the quality of primary and secondary education and opportunities for the poorest children to progress through the system. For example, in 2010, Vietnam's Prime Minister launched a scheme to expand investment in school infrastructure and teacher training for ethnic minorities and by 2012-2013, so just three years later, ethnic minority children represented 16.3% of all school-age children registered in pre-school education, a higher percentage than the ethnic minority share of the country's total population (14%) (Stuart et al., 2016). Where this doesn't already exist, MICs/UMICs should also develop a unified national social protection database and pilot insurance instruments for poor and marginalised people for asset loss, death, weather-related crises and ill health. For example, South Africa's Financial Sector Charter of 2003 laid out product standards to meet the specific insurance needs of the country's low-income population, which in turn prompted commercial insurers to offer micro-insurance schemes to the low-income

market with the majority focused on funeral insurance to cover expenses that would otherwise drive households into debt and poverty (Stuart et al., 2016). To improve connectivity, MICs should implement targets on grid- and renewable-based electricity coverage, internet connectivity, and extension of rural roads.

Additionally, policy measures that raise public awareness on anti-discrimination policies and public information campaigns that challenge discriminatory norms are crucial for achieving the LNOB agenda. Equally important is raising public awareness amongst marginalised groups of their rights and opportunities. Although normative change can take a long time to implement, some rapid change is also possible. For instance, in Turkey the 'Hey Girls, Let's Go to School' campaign was recognised to have encouraged 350,000 out-of-school girls to enrol between 2003 and 2006 using mass media and community-based mobilisation by volunteers and health and education professionals (Marcus et al., 2016).

Policy measures on institutional and legal reforms for the poorest also need to be a key focus. Here too quick wins are possible. This might involve drafting legislation to enable women to own land and inherit assets, supported by training and information campaigns to ensure implementation. For example, in Brazil, the National Documentation Program for Rural Women Workers helps rural female workers obtain the necessary documentation to get access to land, credit and government services. It resulted in an increase in the share of women who own land titles from 13% to 56% between 2003 and 2007 (Stuart et al., 2016). MICs/UMICs can expand the minimum wage to the informal sector, implement employment targeting, provide discrimination-free employment through public works programmes, and reduce barriers to employment for the female labour force. For example, in 2002, South Africa introduced a (relatively high) minimum wage for domestic workers, who comprise around one in five women in the country. Just 16 months later, wages increased by 20% and the probability of an employee having a formal contract had doubled, with no discernible negative impact on the number of hours worked or employment rates (Stuart et al., 2016)

While the examples above show that some MICs/UMICs have the right policies in place, implementation doesn't always follow. Having pro-poor and pro-LNOB policies on paper is not enough if they are not put into force. Implementation requires investment – both financial and technical – in the capacity of public agencies to deliver and an explicit aim to leave no one behind crafted into policy interventions (Stuart et al., 2016).

3. Progress on the SDGs in MICs/UMICs requires the redirection of public revenue toward sectors benefiting marginalised populations such as health, education and social protection, with support from donors

If the goal is to leave no one behind, how financing is allocated is just as significant as the amount being spent. Many MICs/UMICs have higher revenue capacity than LICs and can finance health, education and social protection policies – key elements of social policy reform necessary to deliver the leave no one behind agenda, as set out above - themselves. Per ODI calculations, in at least 45 middle-income countries, governments have the potential to generate enough public revenue to meet these costs (Stuart et al., 2016; Greenhill et al., 2015). The challenge facing MICs/UMICs in leaving no one behind is, therefore, to allocate higher shares of their public spending to these services. For instance, ODI research has highlighted the mismatch between available resources and expenditure on sectors significant to well-being (Stuart et al., 2016; Greenhill and Rabinowitz, forthcoming). In a study of 28 countries, 22 high or upper middle income countries saw spending on primary education fall.

Large numbers of people are in danger of being left behind in MICs/UMICs as over 200 million people were calculated to be living on less than just \$0.75 per day in MICs (Bulla et al., 2015) in these countries. Donors can help to address these challenges of better allocation matching by building capacity, strengthening targeting capacity, supporting civil society to pursue action from their governments, and by providing targeted financing. The policy areas identified above highlight opportunities for donor countries to provide targeted and strategic support to middle income countries in which large numbers of people have been left behind.

ODI research based on a review of certain MICs/UMICs has shown that aid volume in these countries tends to be a small proportion of overall spend and that donor effort tends to focus on technical assistance (Rabinowitz and Prizzon, 2015). For example, in Vietnam, donors have contributed to the design of rural electrification programs, but much of those contributions were in the form of expert advice rather than large scale funding (ibid). ODI research on a policy guide for MICs/UMICs (Bulla et al., 2015) has recommended that for donors to be pro-poor they need to:

- support countries' efforts to tackle poverty by maintaining predictable technical cooperation,
- link external financing to internal revenue generation and allocation to guarantee that aid is consistent with domestic policies, and
- re-orient state capacity-building towards those state functions which directly relate to government effectiveness as experienced by the poorest people.

4. Collecting disaggregated data on marginalised populations is needed in MICs/UMICs to inform policy actions

There are significant disparities across the globe in progress both between and within countries. MICs/UMICs are no exception. There are several disparities across sub-regions and there are disparities within countries – ethnicity, for example, is a crucial factor in determining whether someone is likely to benefit from development gains. However disaggregated data is worryingly lacking (Stuart et al., 2015) and the very populations who are likely to be marginalised and very poor are those most likely to be left out of household surveys – such as slum dwellers, and those living in insecure areas (ibid). Governments need to invest initially in data to identify the groups furthest behind on their priority targets. This means expanding the respondents for traditional household surveys to include non-traditional households and others overlooked by current surveys, as well as embracing big data analytics and other new forms of data, as well as making better use of existing data (Stuart et al., 2015).

ODI research (Greenhill, forthcoming) has identified that MICs such as Azerbaijan, Botswana, Brazil, Chile, Malaysia and Maldives have not invested in collecting data on their populations for more than five years. The lack of timely and up-to-date data on the country's population will impact their readiness to implement the leave no

one behind agenda because of the lack of information on dimensions of deprivation in the country.

In addition, donor behaviour can often undermine coordinated country-led data collection exacerbating gaps of data on the poorest populations (Stuart et al., 2015). Stymied by the absence of domestically generated data, donors (and NGOs) commission surveys that answer their monitoring and evaluation questions at a time convenient for their own budget cycle. This can occur at the expense of domestic statistical capacity, as staff from National Statistic Offices are commonly hired to conduct the surveys as consultants, undermining the already-stretched capacity of the NSOs (Stuart et al., 2015).

National governments and donors in MICs/UMICs can therefore further the data revolution by:

- coordinating the implementation of major internationally comparable surveys, such as the DHS, MICS, and LSMS, including questions relevant to marginalised populations, and that donors to coordinate their own surveys with them,
- conducting more frequent surveys that make more of an effort to capture marginalised groups and their wants and needs, using sampling frames at the appropriate sub-national political levels, and
- experimenting with linking survey and administrative data, and with big data.

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Overseas Development Institute
203 Blackfriars Road
London SE1 8NJ
Tel +44 (0)20 7922 0300
Fax +44 (0)20 7922 0399
www.odi.org
info@odi.org

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