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Research Note

Why and how a country lens matters for the SDGs

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Introduction

Under the rallying cry of 'leave no one behind', the Sustainable Development Goals (SDGs) have placed substantial emphasis on inequalities *within* countries. The Open Working Group proposal and other official documents contain multiple references to 'all people everywhere', to empowering and promoting 'the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status'. The zero draft of the outcome document sets out the ambition of leaving no one behind in its preamble and reinforces it later in the document (UN, 2015: 2): '*As we embark on this great collective journey, we pledge that nobody will be left behind. We wish to see the goals and targets met for all economic and social groupings*.'

Relatively less has been said about inequalities *between* countries, an equally important component of this agenda. Nonetheless, a country-based focus needs to feature prominently, because it is an important aspect of inequality in its own right and because it is fundamental to ensuring the reduction of group-based inequalities.

The implementation phase of the SDGs presents a new opportunity to bring both group- and country-based inequalities into relief in the way targets are set and monitored. A signal strength of the SDGs relative to the MDGs is the focus on universality – on goals that will apply to all countries regardless of their development levels. The aspiration of the SDGs is well summed up in the proposed first goal – to 'end poverty in all its forms everywhere'. However, unlike in the MDGs, where the distinction between global and national targets was elided, the outcome document acknowledges the need for country differentiation in target setting (UN, 2015: 8): '*Targets are defined as aspirational and global, with each government setting its own national targets guided by the global level of ambition but taking into account national circumstances*.'

It follows that the national target setting process provides an opportune moment to grapple with country-specific circumstances and to link national ambitions with global goals.

In this note we focus on how to complement a group-based focus with a country lens to capitalise on the potential of the SDGs to accelerate development equitably. Commitments need to strike a delicate balance between being achievable and recognising genuine progress, but also sufficiently ambitious to produce outcomes for all people that is commensurate with the SDG vision. We argue here that greater emphasis on national circumstances would ensure that:

- targets specifying outcomes heed country starting points and stipulate reasonable levels of ambition,
- the potential effects of targets focused on process are considered in the national context, and
- targets are judged to have been met by their effects on people but also on countries.

Applying this approach is essential if the aim is truly to ensure that no one – regardless of where they live – is left behind. We give three illustrations of why and how a country lens matters, why it requires country-specific solution and propose concrete steps that could translate this approach into action.

Three reasons that a country lens matters

Drawing on recent Overseas Development Institute (ODI) research, we argue that a country lens matters for at least three reasons. First, it matters because progress trajectories are usually not linear, meaning that country starting points condition subsequent performance. Having a target that specifies a universal outcome could unduly penalise many countries while overstating the accomplishments of others. Up to 46% of poor countries that were off-track to meet an MDG indicator in official UN and World Bank accounts report actually performed better than expected, when taking starting points into consideration.

Second, we show that the same target – when focused on how to improve people's circumstances, i.e. on process rather than outcomes – can have very different effects across countries, depending again on their initial conditions. For instance, if the income inequality target were implemented in high-poverty countries without very careful consideration of how to achieve redistribution, it could actually push people into poverty.

Finally, the tendency to measure global progress solely in terms of the number of people who have benefitted has value, but means we tend to dismiss progress that occurs in less populous countries. For example, in the case of the MDG goal to halve extreme poverty, progress in India and China alone account for half the progress and the target was met with just eight countries. When countries' contributions to the poverty target are weighted equally instead of by population, it would take 41 countries to meet the target. This is important because it means that the exceptional performance of a few countries can mask the fact that significant problems continue to exist, particularly, in this case, in sub-Saharan Africa.

Reason 1: Country starting points condition their future progress

When we look at progress trajectories across countries, we see that improvements across MDG indicators are often non-linear: in other words, they occur at different rates at different times. It follows that for many MDG targets, countries' starting positions have strongly conditioned progress. Despite this diversity and although intended as global ambitions, MDGs were typically translated into national targets and this is reflected in official United Nations (UN) and World Bank monitoring reports which track country progress against the goals and targets. However, when applied at the country level these targets have required overly ambitious performance for many countries by stipulating similar rates of progress or the

Table 1: Summary of progress towards MDG targets – 'false positives' and 'false negatives'

Number of countries	MDG 1	MDG 2	MDG 3	MDG 4	MDG 5	MDG 6	MDG 7
Total on track	45	19	16	70	32	27	37
… and better than expected	36	19	15	69	29	27	33
… but not better than expected	9	0	1	1	3	0	4
Total not on track	19	56	51	89	110	92	101
… but better than expected	0	23	15	21	52	55	29
…and not better than expected	19	33	36	68	58	37	72
Total better than expected	36	42	30	90	81	82	62
… and on track	36	19	15	69	29	27	33
… but not on track	0	23	15	21	52	55	29
Total coincidence	55	52	51	137	87	64	105
Total number of countries	64	75	67	159	142	119	138

% of countries	MDG 1	MDG 2	MDG 3	MDG 4	MDG 5	MDG 6	MDG 7
Total on track	70.31	25.33	23.88	44.03	22.54	22.69	26.81
… and better than expected	56.25	25.33	22.39	43.40	20.42	22.69	23.91
… but not better than expected	14.06	0.00	1.49	0.63	2.11	0.00	2.90
Total not on track	29.69	74.67	76.12	55.97	77.46	77.31	73.19
… but better than expected	0.00	30.67	22.39	13.21	36.62	46.22	21.01
…and not better than expected	29.69	44.00	53.37	42.77	40.85	31.09	52.17
Total better than expected	56.25	56.00	44.78	56.60	57.04	68.91	44.93
… and on track	56.25	25.33	22.39	43.40	20.42	22.69	23.91
… but not on track	0.00	30.67	22.39	13.21	36.62	46.22	21.01
Total coincidence	85.94	69.33	76.12	86.16	61.27	53.78	76.09
Total %	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Rodriguez-Takeuchi and Samman (2015: 21). Note: False positive are highlighted in blue and false negatives in orange.

need to reach absolute goalposts. Equally, for other countries, they may not have been ambitious enough.

In a recent paper (Rodriguez-Takeuchi and Samman, 2015), we sought to quantify the extent to which starting points matter. For six MDG targets over the 1990-2010 period,[1] we first used the conventional UN/World Bank method to assess whether a country was 'on-track' or 'off-track' to meet a goal assuming a linear trajectory and goal posts fixed in the target. We then looked at how each country was progressing compared with other countries that had the same starting point and taking into account the overall pattern of progress for that indicator. On this basis, we identified a country as either 'doing better than expected' or 'worse than expected'.

We showed that the two methods of assessing progress coincided in between 54% and 86% of cases, depending on the indicator. A lack of coincidence reflected either targets that were unfeasibly high, or conversely, too low, and is telling of the extent to which the 'shape' of progress deviates from linearity for each indicator.

Many poor countries – up to 46%, depending on the indicator – registered better-than-expected progress on some MDG targets, even though they were not 'on track' to meet them (Table 1). The converse also applies (meeting the target despite 'worse than expected' performance) but this scenario is much less frequent – the maximum level was 15% (for MDG target 1.1 on halving extreme poverty).

This analysis illustrates the way in which the current method of measuring progress, assuming linear pathways,

1 We focus on one target corresponding to each MDG – see Rodriguez-Takeuchi and Samman 2015, p. 13, Table 1. Data availability for trend analysis constrained our sample country sample – we included between 64 and 159 countries depending on the indicator.

Table 2: Summary of findings on poverty impact of the different scenarios

	Actual	Equal gr b40%	1ppt	2ppt	3ppt/60%	3ppt/10%
2010	20.6	16.8	10.0	7.1	7.7	4.4

Source: Hoy and Samman (2015: iv)

is systematically unfair to particular countries – and the extent to which it matters. As the results above would suggest, for most MDG indicators, once starting points are factored into the trajectories of progress, the picture is more optimistic than that presented by World Bank and UNDP monitoring reports using the traditional tracking method. This means that starting points need to be considered when setting targets in particular national contexts and that targets should to be differentiated by country or by groups of countries (Rodriguez-Takeuchi and Samman, 2015; Melamed and Samman, 2014).

Reason 2: Targets specifying process can have very different impacts depending on initial conditions

The second reason a country lens matters is because the same target, where focused on *how* to improve people's circumstances – that is, on process rather than an outcome – can have a different impact in different countries – even a negative one. We illustrate this drawing on research examining the effect of the proposed SDG target on income inequality (Hoy and Samman, 2015). The target is that the incomes of the bottom 40% within countries grows faster than the national average: we consider the likely impact on poverty at a global level and in individual countries had this distribution prevailed over the last three decades.

In 100 countries with reliable data available for some part of this period, the growth of the bottom 40% and the mean was the same, on average. However there was some significant variation between countries. The mean grew faster than the bottom 40% in just over half of countries (55%), which together accounted for about 80% of the world's population.

The paper then outlines several potential scenarios that assume different rates of growth of the bottom 40% of the population relative to the mean, holding growth constant. Because we hold growth constant, we need to subtract any growth that we shift to the bottom 40% of the distribution within a country away from (some part of) the upper 60%; we explore the effects of taking the growth away equally from each person in the upper 60%, and in one scenario, just from the upper 10%. We argue that the latter scenario may be more likely based on research examining how income distributions are shaped and how redistribution has occurred (Palma 2011, cited in Hoy and Samman 2015).

Our findings suggest that even equalising growth rates between the bottom 40% and the mean would have dramatic effects on global poverty. If growth of the bottom 40% had equalled national averages for all countries, global poverty would be four percentage points lower than it is now – or around three-quarters of its actual rate. The world would be on track to reach zero poverty by 2030 and China would have no poverty today. If growth of the bottom 40% of the distribution exceeded the mean, the effects would be stronger still (Table 2).

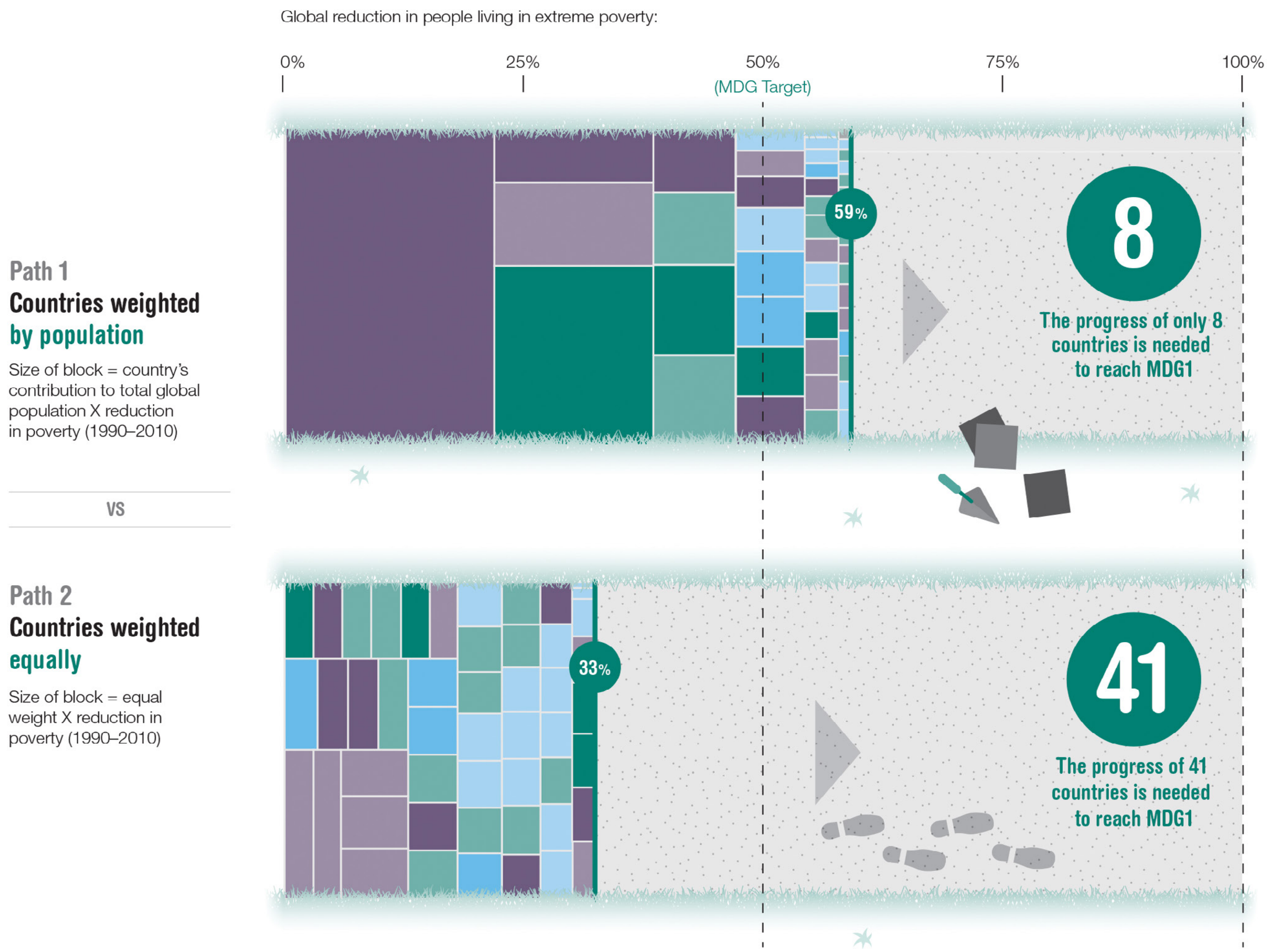
But a key caveat to this largely optimistic scenario is that the impact of this potential target on individual countries is very mixed depending on their initial poverty level, how far non-poor people are away from the poverty line and how redistribution is accomplished. This will affect whether and how poverty falls, or indeed whether it increases (Table 3). For example if growth of the bottom 40% had been at least equal to that of the mean (and the difference was redistributed from the upper 60%) then poverty could have been at least 10 percentage points lower in Bolivia, Bangladesh and China. On the other hand, it would be higher in about one-third of our sample of 100 countries – and at least 15 percentage points higher in Nicaragua, Senegal and Armenia. Even with the threshold for redistribution set extremely high, the amount of redistribution could still make people poor. In Rwanda and Bangladesh, for example, if growth of the bottom

Table 3: Change in poverty at a country level where growth of 40% is equal to or greater than the country average (and growth subtracts from individuals in top 60% of distribution)

	equal	1pp	2pp	3pp
Number of countries where poverty falls	62	51	56	61
Number of countries where poverty increases	18	23	18	12
Number of countries where poverty remains same	20	26	26	23

Source: Hoy and Samman (2015)

Figure 1: Paths 1 and 2 – Paving the way to ending poverty



Source: Computed from data in World Development Indicators (2013)
Note: The data depicted in these infographics may not correspond precisely to official MDG progress figures owing to a somewhat different data set and methodology. The graphics feature those countries that have reduced the proportion of people whose income is less than $1.25 a day. We include 14 countries that have not made progress reducing poverty in the calculations, but not the illustration. For this reason the 8 countries in Path 1 appear to the left of the 50% line.

40% were three percentage points above the average and all redistribution came from the upper 10%, this would push 3% of people into poverty in each country.

Reason 3: How we sum up country performance affects incentives

Using countries rather than individuals as the unit of analysis can give a very different accounting of progress. A country-level accounting can give important complementary insights into the distribution of progress across the world and how this is changing, thereby giving a broader set of incentives to all countries. When considering global progress, we argue that both country-level and individual-level progress matter (see infographics at developmentprogress.org/countrylens).

Targets used to monitor progress toward the MDGs have focused on global achievements, regardless of where they take place. This runs the risk of overlooking the need for incentives that would ensure progress is broadly distributed across all countries – in other words, that no one is left behind either because of their group identity, or the country where they live.

When measuring global progress toward the MDGs, the common practice has been to add up what each country has achieved. A weight is given to each country's contribution toward the goal according to its population: the more people in a country, the larger its contribution to the global goal. This means that each country's contribution is determined not only by its national progress toward the target, but also by its relative contribution to the total global population. The approach emphasises the reduction of deprivation regardless of where people live – with a person in China having the same relative weight as a person in Nicaragua – and is therefore a way to benchmark and monitor global goals that gives each person an equal value.

A second possibility is that each country has the same 'weight'. Also measuring progress in this way would ensure that a large number of countries – instead of just large countries – would need to sustain and continue progress to meet the global agreement. This is not to say that each country should have the same target but rather, that progress in all countries should count in global incentive-setting.

To show what this could mean in practice, we focus on countries' progress in reducing extreme poverty (Figure 1). In the first scenario, each country's contribution is represented by the size of each country block (Figure 1, Path 1). China and India account for over half of the reduction of global extreme poverty – and indeed the target can be reached by progress in just eight countries. In a second scenario, the size of each country block is determined only by the amount of change it has achieved. Now, when countries' contributions to the poverty target are weighted equally instead of by population, it would take 41 countries to meet the target (Figure 1, Path 2).

This comparison of the two scenarios makes the point that a target can be reached – as in the case of extreme poverty – simply because a few countries have performed remarkably well. But it masks the fact that in many countries, especially in sub-Saharan Africa, extreme poverty remains a massive problem – and that there is no room for complacency in tackling it.

Implications for governments setting national targets

So far we have shown that a country-level lens will be important in setting appropriate national targets and giving countries and other actors the incentives to ensure that these are met. We now consider what this research implies for target setting within the SDG framework, with a view to leaving no one – and no country – behind.

First, we consider the implications for setting targets that specify outcomes. We have argued that to provide more appropriate incentives for individual countries to leave no one behind, setting targets in a technical way could help bridge the gap between normative commitment and greater sensitivity to national realities. A recent ODI briefing sets out a proposal to this end (Melamed and Samman, 2014).

The global targets in the MDGs were set by extrapolating global trends. In a similar way, extrapolating existing patterns of progress at the national level, and using these as reference points, would provide a more realistic way of calculating the extent to which new targets might be considered attainable. Calculating patterns of historical progress for each country, however, would be technically cumbersome, overly complex, and problematic given data gaps. A simpler approach is needed. It may be possible to identify groups of countries for which similar rates of progress could be expected between 2015 and 2030 based on historical patterns of progress on different indicators (Box 1). If this approach were to be used to inform target-setting for post-2015 goals, attainable rates of progress for each group could then be identified based on historical progress plus a stretch of, say, 10% to encourage ambition.

The approach could be used in two ways: as an agreed framework for determining targets or as a reference framework to use as a starting point for national-level target-setting. In each case, the groups would differ for the various targets. Two countries may have similar starting points on maternal mortality, for example, and thus similar rates of progress could be expected, while their starting points on educational outcomes might vary, and thus their targets for an education goal would differ. There may be reasons why individual countries would deviate from historical patterns and choose to be more ambitious in their national targets, but this approach could provide a starting point for discussing country-level progress towards global goals based on a realistic approach to universality and differentiation.

Second, where targets are focused on how to improve people's circumstances – that is, on process rather than an outcome – as in the case of the proposed target on reducing income inequality, we need to bear in mind that one size does not fit all and to be sensitive to potentially perverse effects. Our findings suggest that in the aggregate, the likely benefits of a pro-poor growth strategy are vast, but the impact of this potential target on individual countries is very mixed. In some countries, meeting the target on the growth of the bottom 40% of the population relative to the mean would make a huge difference in reducing poverty while in others it may exacerbate poverty, relative to the status quo – depending on how redistribution is done. Policy must be sensitive to this diverse range of potential outcomes and formulate growth and redistributive policies accordingly. A rule of thumb that emerges in our work is that redistributing growth away from the top 60% or top 10% of the population has the potential to increase poverty in high poverty countries (headcount ratios>35) and that policies should be formulated with this in mind.

Finally, for global accounting, and the impact this will have on setting incentives, we should monitor country-weighted as well as individual-weighted progress – each has a different purpose and both can be important. Presenting country- and globally-weighted targets would provide a strong incentive to ensure that progress takes place across a far larger number of countries, independently of their population size. This is not to suggest that the MDGs were, or the SDGs will be, the primary source of country-level incentives to achieve progress, but given their potentially sizeable effects on international policy and resource flows, their importance should not be dismissed either.

Box 1: How a country lens could be taken into account in target setting

Example: targets for a goal to end preventable maternal mortality

Evidence on rates of progress for groups of countries: experience of the last two decades indicates that the rate of change in the maternal mortality rate (MMR) was relatively high for countries with higher initial levels of maternal mortality, relatively low for countries with median rates of maternal death, and higher again thereafter. On the basis of this evidence, reference points to assess attainable progress towards this goal between 2015 and 2030 could be:

- **Group 1*: Countries with over 530 maternal deaths per 100,000 live births***; reduce maternal mortality by 32% between 2015 and 2030.
- **Group 2: *Countries with MMR between 110 and 530***; reduce maternal mortality by 25% between 2015 and 2030.
- **Group 3: *Countries with MMR between 28 and 110***; reduce maternal mortality by 62% between 2015 and 2030.
- **Group 4: *Countries with an MMR of less than 28 maternal deaths per 100,000 live births***; Reduce maternal mortality ratio to below 13, *trying to reach zero preventable maternal deaths by 2030.*

Source: Melamed and Samman (2014: 2)

Conclusion

The proposed SDGs have placed substantial emphasis on inequalities *within* countries. Relatively less has been said about inequalities *between* countries and the need to be sensitive to these inequalities in target setting and monitoring. We argue here that a country focus is an indispensable part of an agenda focused on 'leaving no one behind' and should not be overlooked. As our focus shifts to SDG implementation, the work on target setting offers the potential to incorporate a strong country emphasis, both to mitigate inequalities between countries and to bolster national efforts to leave no one behind.

Taking a country lens into account would ensure that targets heed country starting points and stipulate reasonable levels of ambition, that the potential effects of different means of reaching targets across countries are considered, and that we monitor targets both through the progress of individuals but also that of countries. We look at how these guidelines could influence target setting in practice. Applying this approach is essential if the aim is to truly ensure that no one – regardless of where they live – is left behind.

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