

closing the gap

priorities for the High-level Political Forum 2019

a summary of key evidence

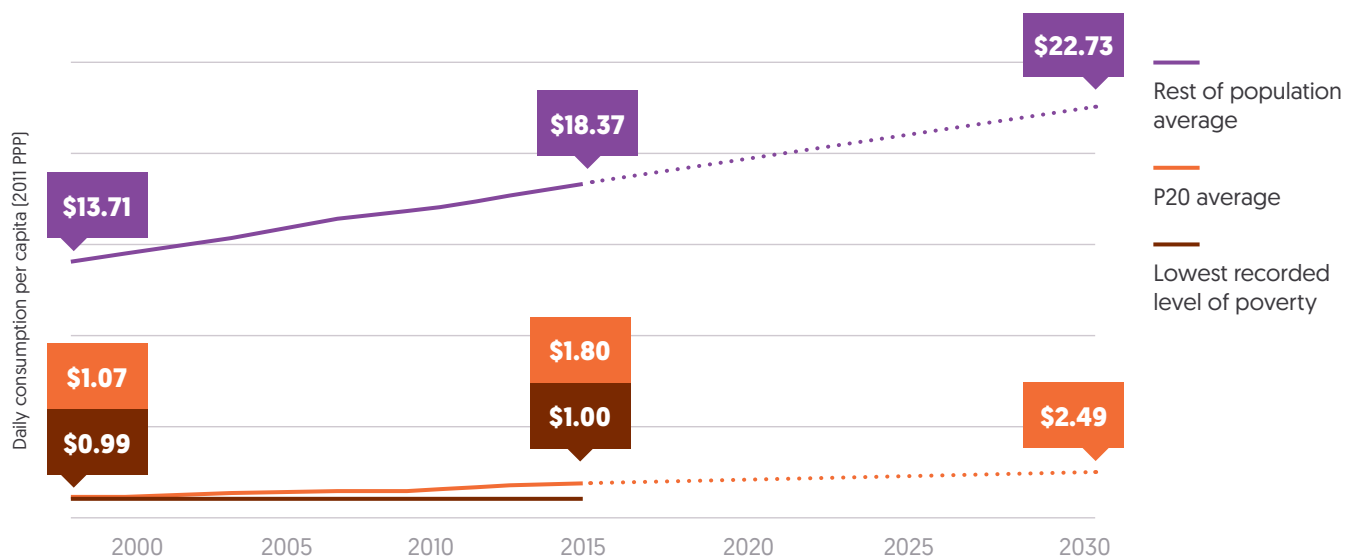
As the High-level Political Forum meets in July to review progress on the Sustainable Development Goals (SDGs) and hear presentations on voluntary national reviews (VNRs) from 47 countries, it is increasingly clear that progress is insufficient to meet the ambitions of the 2030 Agenda for Sustainable Development. While the theme of this year's forum is Empowering people and ensuring inclusiveness and equality, our data shows that the income gap between the poorest 20% of people and the rest has been growing, both globally and in most countries. Although there is progress at an aggregate level, people are being left behind – excluded from progress as a result of their poverty, location or aspects of their identity that contribute to their marginalisation. Despite a pledge to reach those furthest behind first, the very poorest, who are starting from a very low baseline, have seen little progress over the past 15 years.

The message is clear – if we are serious about ending extreme poverty and reducing inequality, we need to be equally serious about closing the gap and raising the income and living standards of the poorest people. We need to target vital public and concessional finance much more effectively to where it is most needed. And we need better data to identify those being left behind, starting with a commitment to ensure that everyone is counted.

figure 1: the income gap between the poorest 20% of people and everyone else has been growing

Despite the commitment of SDG 10 to reduce inequality, the daily income gap between the poorest 20% of the global population and the rest has been growing, and on current projections, will continue to do so. Those who are furthest behind, living at the lowest recorded level of poverty, have seen very little progress in the last 15 years.

Source: Development Initiatives calculations based on World Bank PovcalNet.
Notes: The P20 is the poorest 20% of people. Lowest recorded level of poverty also referred to as the consumption floor. PPP is purchasing power parity.



Our analysis also shows a growing gap between the poorest 20% and the rest of the population in most countries, including over 87% of the countries submitting VNRs this year for which we have data. Among the 2019 VNR countries, the gap is growing in all high income countries, all but one upper middle income country, 77% of lower middle income countries and all but one low income country.

figure 2: there is also a growing gap between the poorest 20% of people and the rest on some other key indicators, while on others the gap remains broadly the same

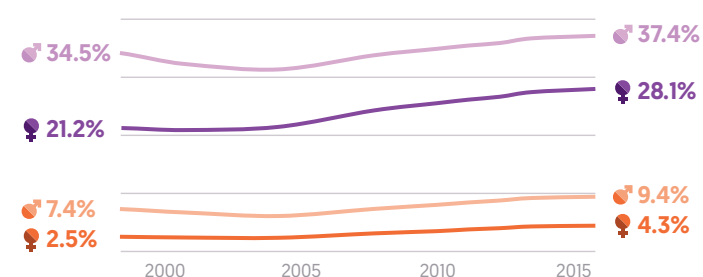
Poverty is multidimensional, and the state of the poorest 20% of people is low across many indicators. On some indicators, the rate of progress of the poorest 20% is slower than the rest of the population, so the gap is widening. On other indicators, the gap remains broadly the same. Within the poorest 20%, some people are even more disadvantaged, as disaggregation by sex in Figure 2 clearly shows.

Source: Development Initiatives based on Demographic and Health Surveys (DHS), World Bank PovcalNet and World Bank World Development Indicators.

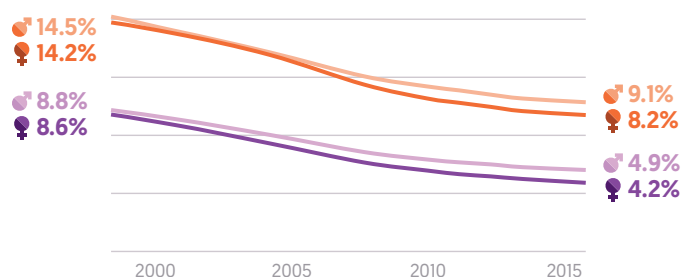
Notes: Data is for 70 countries with DHS surveys.

● P20
● Rest of population

Despite progress in the share of the population aged over 21 who have completed at least secondary education, the gap between the poorest 20% of people and the rest is growing. And in both groups, women are significantly less likely to have completed secondary education than men.



Significant progress has been made in reducing under-five mortality but, again, the poorest people are more at risk. In this case, boys are slightly more likely to be affected than girls.



The share of children aged under five who are stunted is also reducing, but at a significantly slower rate for those in the poorest quintile, so here too we see a growing gap. We are also seeing an increasing gap between the sexes with boys more likely to be affected than girls.

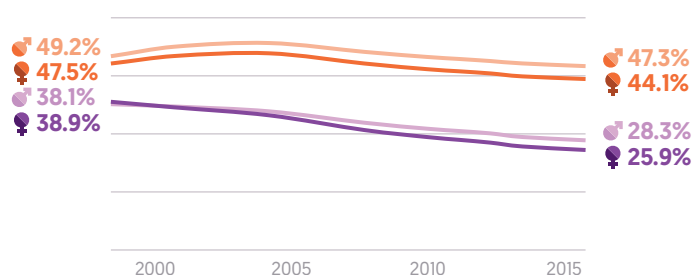


figure 3: limited growth in ODA to LDCs is widening the gap between aid to some of the poorest countries and other aid

Gross official development assistance (ODA) to least developed countries (LDCs) has increased at a third of the rate of other aid since 2010. In most subsequent years, volumes have remained at or below 2010 levels, while until recently, other developing countries have seen aggregate incremental year-on-year growth. Aid to LDCs from bilateral donors is particularly stark: just 0.1% higher in 2017 than 2010, compared with 15% growth in bilateral aid to other developing countries and regions. Meanwhile, against the SDG 17.2 target for developed countries to fully implement their ODA commitments, global net ODA fell for the second year in a row in 2018.

Source: Development Initiatives based on OECD Development Assistance Committee (DAC) data.
Notes: ODA is from DAC members and multilateral organisations.

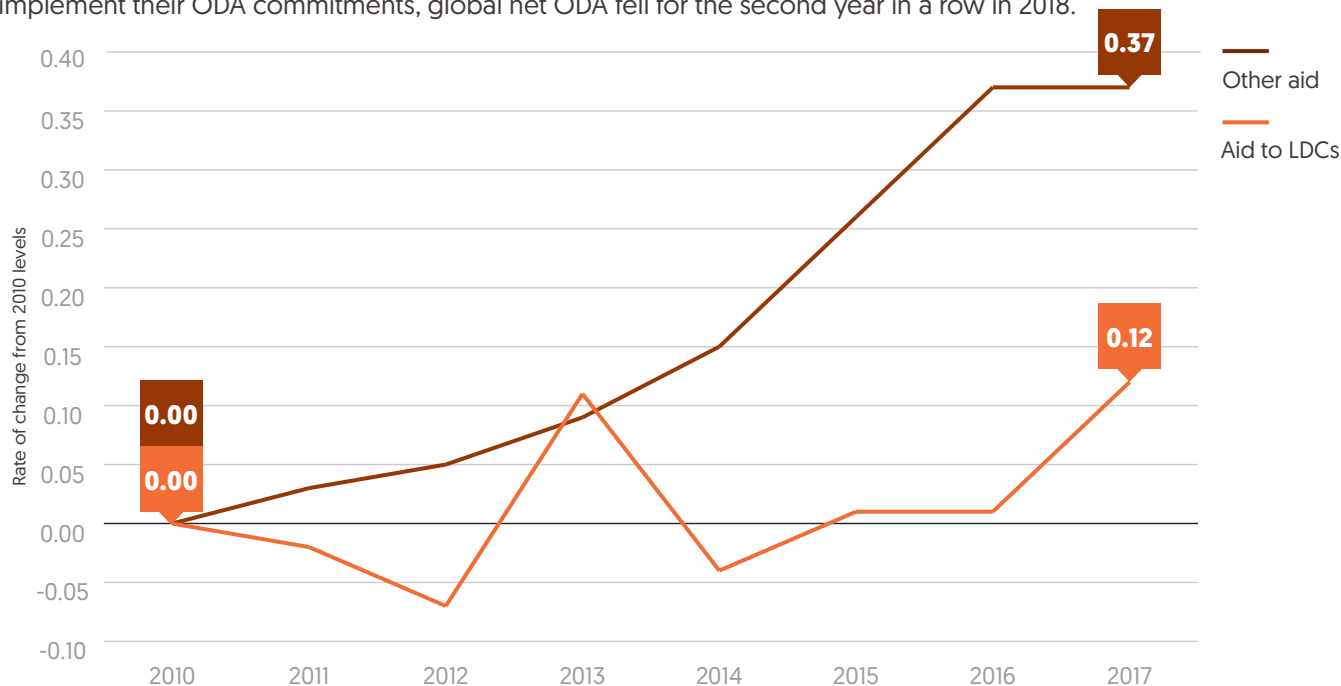


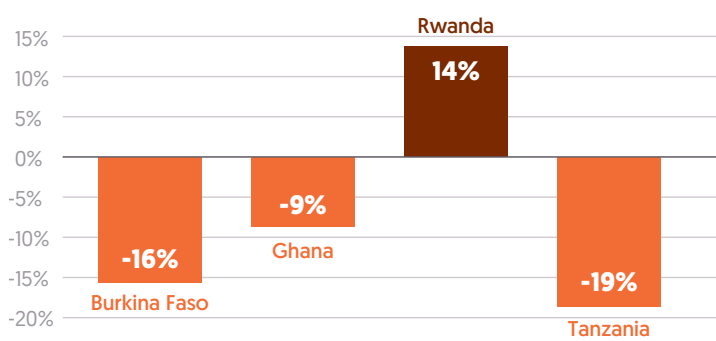
figure 4: at subnational level, financing for vital social sectors is not prioritising the areas of greatest need

Analysis of domestic and international resource allocations at subnational level in four countries undertaking VNRs this year for which data is available shows that spending does not, for the most part, respond to the distribution of poverty in the country. Exceptions are education expenditure in Rwanda and health spending in Ghana.

Source: Reproduced from *Subnational investment in human capital, ODI and Development Initiatives, 2019.*

Discrepancy (%) between subnational government spending per capita in the poorest quintile of regions (relative to the national average).

Education spend



Health spend

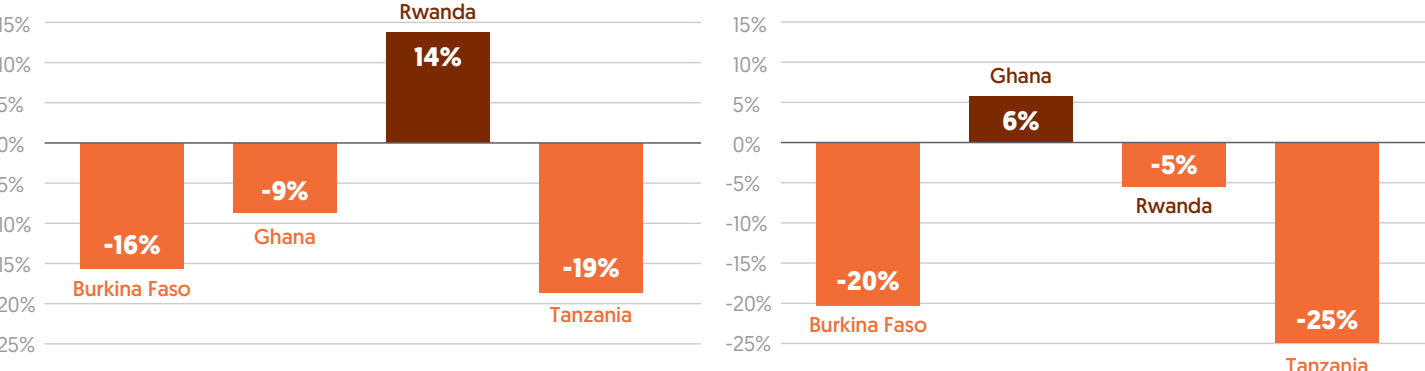
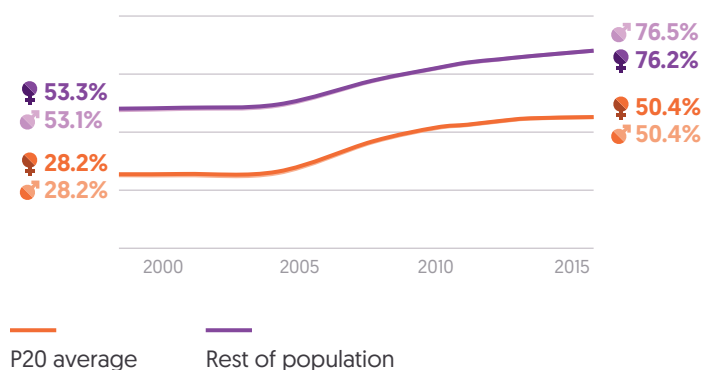


figure 5: the poorest people continue to be excluded from official data and statistics

Children in the poorest 20% remain significantly less likely to be registered at birth and in 2015, nearly half of those aged under five in this group did not have their births registered. Governments cannot begin to ensure that everyone is included in progress if they do not know they exist in the first place. The poorest 20% of people are particularly likely to be disadvantaged with the lack of birth registration resulting in an absence of legal identity and an inability to prove family relationships, enter into contracts and protect their citizenship rights in society or at work.



All countries face data gaps in their SDG reporting, and the poorest and most marginalised people are most likely to be excluded. The UK, one of the wealthiest countries submitting a VNR this year, was able to report against 74% of 244 SDG indicators, but notes that: “gaps remain, particularly concerning the extent to which data can currently be disaggregated, which can make it difficult to identify those most at risk of being left behind.”

This puts the data challenge faced by the poorest countries into perspective. As the VNR submitted by the Philippines notes “Monitoring of the SDGs presents huge challenges for the entire Philippines Statistical System and its respective counterparts in UN member states, particularly with respect to data gaps, including insufficient data granularity which limits the country’s ability to monitor the progress of the ethical imperative of leaving no one behind.”

Countries draw on a variety of data sources in their VNRs. Rather than counting everyone, datasets are often based

on household surveys, which by their very definition miss out populations living in institutions or without fixed abodes and tend to exclude those living in remote or insecure regions. This means significant proportions of the poorest and most vulnerable people who are most likely to be left behind are invisible. Surveys also often lack the sample size to provide comprehensive and robust disaggregation by specific identities or small geographic areas as well as masking disparities in the household. Yet this data is vital if we are to ensure that everyone is included in progress.

Our analysis of the available global data (Figure 2) has clearly shown that within the poorest 20%, some groups are more disadvantaged than others. As the VNR from Bosnia and Herzegovina notes “It is important to look beyond averages and identify **who** is left behind, **where** they are, **why** they are being left behind and **what** they need in order to advance and enjoy the same quality of life as the majority of the population.”

Recommendations

Our data analysis alongside evidence from the VNRs confirms that urgent action is needed to close the growing gap between the poorest people and the rest, and to raise the incomes and living standards of those who are furthest behind. Unless deliberate action is taken, millions of people will be excluded from global progress, putting the SDGs at considerable risk. As governments meet in New York for the July High-level Political Forum, we propose the following agenda for action:

1. Invest in comprehensive, sustainable and interoperable civil registration and administrative data systems to ensure everyone is counted and all populations are visible in official data, to identify and monitor the progress of those being left behind.
2. Reverse the recent decline in overall ODA spending and increase the proportion allocated to LDCs.
3. Increase domestic and international spending on human capital priorities that most benefit the poorest people such as social protection, education, health and water and sanitation, and ensure this spending is targeted towards the people and places that need it most.

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