



July 2018

# **countries being left behind**

tackling uneven progress to meet the SDGs

executive summary

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Over the past 30 years substantial progress has been made in the fight against poverty, and this accelerated in the Millennium Development Goals (MDGs) period after 2000.<sup>1</sup> To build on these successes, world leaders have agreed a new set of Sustainable Development Goals (SDGs) that commit them to ending extreme poverty “for all people everywhere” by 2030. However, they will not succeed in this aim unless the people and countries furthest behind make huge strides.

The geography of poverty has shifted remarkably since 2000. Progress has been uneven and, if left unchecked, will be even more so over the coming decade. The bulk of poverty is expected to become increasingly concentrated in sub-Saharan Africa, while the growth of poverty in many fragile and conflict-affected states witnessed over the last 25 years will continue.<sup>2</sup> GDP growth that lifted significant numbers of people out of poverty in large economies like China and India will not be enough to ensure no one is left behind. This makes it essential to identify which people and countries are most at risk in the coming decade and prioritise investment in their progress.

As highlighted by the P20 Initiative,<sup>3</sup> which focuses attention on the poorest 20% globally, nationally or locally, it is people, as well as countries, who are being left behind, and people who are frequently excluded along lines of subnational geography, gender, age, and disability. The policy and financing needs to address widespread poverty and political fragility are different from contexts where severe needs are primarily concentrated in a small population. This paper seeks to better identify what common attributes exist among countries where many people are currently and likely to remain excluded.<sup>4</sup> A better understanding of the challenges (and opportunities) faced by people and places at most risk of being left behind will inform what types of financing and investments are needed, and the specific role official development assistance (ODA) can play to be most effective.

## Which countries are being left behind?

There are several models used to project the number and distribution of people in poverty as well as ways to measure progress in human development. Rather than add to these burgeoning methodologies, this paper considers a range of key **poverty, human development and fragility** models and measures to assess the commonality of the three lists of countries at risk that each creates.

There is, in fact, a remarkable degree of commonality. Thirty countries feature in either two or all three of the three resulting lists, meaning many such countries face multiple barriers to progress. Notably, 12 of the countries with the highest poverty projections also have significant fragility that threatens to set them further back. This commonality also implies a clear consensus on the countries most at risk. It is therefore time to move from generating lists of countries to understanding their key challenges and finance constraints and taking action. By applying a weighting to account for how severely countries are affected across the poverty, human development and fragility measures, this paper identifies an illustrative list of 30 **countries being left behind** as a basis for further analysis.

### Illustrative list of 30 countries being left behind (alphabetical)

Afghanistan	Guinea-Bissau	Nigeria
Benin	Haiti	Papua New Guinea
Burundi	Lesotho	Somalia
Central African Republic	Liberia	South Sudan
Chad	Madagascar	Sudan
Congo, Republic of	Malawi	Syria
Democratic Republic of the Congo	Mali	Togo
Eritrea	Micronesia	Uganda
The Gambia	Mozambique	Yemen
Guinea	Niger	Zambia

In 2013 the countries being left behind were home to 36% of people living in extreme poverty, and this projection could rise to between 76% and 86% by 2030, depending on which poverty model is used. By 2030 the average country being left behind will have 23% of their people living in extreme poverty, compared with 3% in other developing countries. These countries also face a relatively high level of multidimensional poverty, meaning they are more likely to lack essential services and to face poor life chances as well as being cash poor.

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### **Countries being left behind will be home to four-fifths of all people living in extreme poverty by the SDG deadline in 2030**

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As expected, sub-Saharan Africa accounts for the overwhelming share of countries being left behind, and most of the six which are outside of this region – Afghanistan, Haiti, Micronesia, Papua New Guinea, Syria and Yemen – are facing significant political or environmental challenges or persistent and widespread conflict. Countries being left behind also have a history of poor growth, together with a weak private sector, and some will struggle to grow in the future. South Sudan, Yemen, Burundi, the Republic of Congo and Chad are likely to see negative GDP per capita growth. While growth is not a panacea, this will throw up further barriers to reducing poverty in these countries.

### **Countries being left behind have low domestic and international resources**

The countries being left behind lack the domestic and international finance they need to tackle poverty. One study has estimated there are 11 countries that are 100 years away from being self-financing, all but one of which are countries being left behind.<sup>5</sup>

Domestic public resources are the backbone of finance in any country; they allow governments to fund public services and institutions needed to tackle poverty, support environments for healthy private sector growth and ensure stability and resilience to shocks.<sup>6</sup> Of the 30 countries with the lowest domestic public finance globally, 20 are countries being left behind. Somalia is the lowest of all at just US\$7 per capita. On average, countries being left behind also have over seven times less domestic public finance per capita than other developing countries. Trends are also moving in the wrong direction. After periods of growth, Chad, Republic of Congo, Papua New Guinea, Liberia, Micronesia and Nigeria have all seen domestic public resources fall in recent years, and others have seen the rate of growth in domestic public resources slow down and stagnate.

This is compounded by the fact that countries being left behind attract low levels of international finance. This varies substantially, from US\$406 per capita in Liberia to US\$45 in Democratic Republic of the Congo (DRC), but on average the countries being left behind receive less than other developing countries, at US\$144 compared with US\$340 per capita respectively. Commercial finance is particularly low, with fragile and conflict-affected states and the lower-income countries among the countries being left behind struggling most to attract these flows. Of the 30 countries receiving the lowest foreign direct investment globally, 13 are countries being left behind. For example, Burundi has consistently ranked among the lowest of all, exceeding US\$1 per capita just once since 2004.

## ODA plays an important role

Low revenues and international finance for countries being left behind means that ODA is their largest source of international finance and has been since 2000 when the MDGs were agreed. It accounts for more than half of total recorded international finance in 16 of the 30 countries. ODA is important for these countries; in addition to domestic public resources it is one of the only flows that can directly target poverty as well as increase government spending on reducing poverty without increasing the fiscal deficit. It can also work with governments through institutional and policy development to nurture effective and efficient public and private sectors.

However, for many of the countries being left behind ODA has decreased, or suffered from volatility that undermines long-term investment in reducing poverty. Burundi and Afghanistan have seen decreases in ODA over the last decade, and Eritrea has been on a downward trajectory since 2001.

The type of ODA that countries receive also matters. While the countries being left behind receive ODA via a mix of modalities, mixed aid and grants comprise the largest share, with some notable exceptions. Almost two-thirds of ODA to countries being left behind is spent on three sectors: humanitarian assistance, health, and governance and security.

## Getting the countries being left behind on track

Today, governments of countries being left behind are severely constrained by a lack of resources; they are least able to raise domestic public resources, and international finance is not filling the gap. This means they cannot invest in sectors and institutions that will tackle poverty, or build institutions or progressive tax systems to finance development sustainably in the future.

The international community must lend support to these countries, especially the fragile and conflict-affected states among them, and more and better ODA can play a significant role. With an increasing array of other sources of finance, ODA can be better focused where poverty is high and other investments are low. While some donors are looking to use ODA to leverage private sector finance, they should exercise caution. There is a lack of evidence that this will reduce poverty, particularly concerning its impact in different developing contexts, and a risk this could take scarce resources away from more proven ODA investments.

Unless deliberate action is taken, including prioritising finance that targets the poorest people in the poorest places, millions of people will be excluded from global progress putting the SDGs at considerable risk. This means having a better understanding of how to maximise the impact of both ODA and other types of finance in the challenging contexts in which poverty will become increasingly concentrated.



**Please access the full report at  
[devinit.org/post/countries-being-left-behind](https://devinit.org/post/countries-being-left-behind)**

# notes

- 1 Brookings, 2018. *Leave no country behind: ending poverty in the toughest places, working paper*. Available at: [https://www.brookings.edu/wp-content/uploads/2018/02/leave\\_no\\_country\\_behind\\_working\\_paper.pdf](https://www.brookings.edu/wp-content/uploads/2018/02/leave_no_country_behind_working_paper.pdf)
- 2 European Commission, 2016. *Income inequality and poverty reduction in sub-Saharan Africa*. Available at: <https://publications.europa.eu/en/publication-detail/-/publication/913d9058-b864-11e6-9e3c-01aa75ed71a1>; Brookings, 2017. *No country left behind: the case for focusing greater attention on the world's poorest countries*. Available at: [https://www.brookings.edu/wp-content/uploads/2017/01/global\\_20170124\\_no-country-left-behind.pdf](https://www.brookings.edu/wp-content/uploads/2017/01/global_20170124_no-country-left-behind.pdf)
- 3 Development Initiatives. 'The P20 Initiative: Data to leave no one behind.' Available at: <http://devinit.org/post/projects/p20-initiative-data-leave-no-one-behind/>
- 4 To complement this country-level focus, Development Initiatives is also developing poverty projections at a subnational level where data is available. Findings will be presented in its forthcoming *Investments to End Poverty Report*.
- 5 Department for International Development, Chief Economist's Office (Lea, N and Dercon, S), 2016. *Benchmarking aid allocation: Is the global and multilateral aid allocation poverty-focused?*
- 6 Development Initiatives [forthcoming]. *ODA for DRM – progress, prospects and opportunities for effective support*.
- 7 In 2016, the latest year for which data is available, Papua New Guinea received more of its ODA as technical cooperation, due to natural disasters compromising national systems and making other forms of ODA more challenging to implement. Guinea-Bissau received 54% of its ODA as non-transfer.

Development Initiatives (DI) is an independent international development organisation working on the use of data to drive poverty eradication and sustainable development. Our vision is a world without poverty that invests in human security and where everyone shares the benefits of opportunity and growth.

We work to ensure that decisions about the allocation of finance and resources result in an end to poverty, increase the resilience of the world's most vulnerable people, and ensure no one is left behind.

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We encourage dissemination of our work provided a reference is included.

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