The Sustainable Development Goals Report 2021

Extended Report

-Goal 10-

10 REDUCED INEQUALITIES

Reduce inequality within and among countries

Note: The UN Statistics Division (UNSD) prepares the annual *The Sustainable Development Goals Report*, also known as the glossy report, based on storyline inputs submitted by UN international agencies in their capacity as mandated custodian agencies for the SDG indicators. However, due to space constraints, not all information received from custodian agencies is able to be included in the final glossy report. Therefore, in order to provide the general public with all information regarding the indicators, this 'Extended Report' has been prepared by UNSD. It includes all storyline contents for each indicator as provided by the custodian agencies and is unedited. For instances where the custodian agency has not submitted a storyline for an indicator, please see the custodian agency focal point information linked for further information.

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Target 10.1: By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average

Indicator 10.1.1: Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population

While the income of the bottom 40% of the population grew by more than 2 percent between 2012 and 2017, only in about half the countries it has been higher than the average growth for the total population.

Inclusive and pro-poor growth can be achieved by sustaining the income growth of the poorest 40 percent of the population. One way to monitor progress towards this goal is to measure whether the income the bottom 40 percent is growing and if it is growing at the same speed, faster or slower relative to the average income of the whole population.

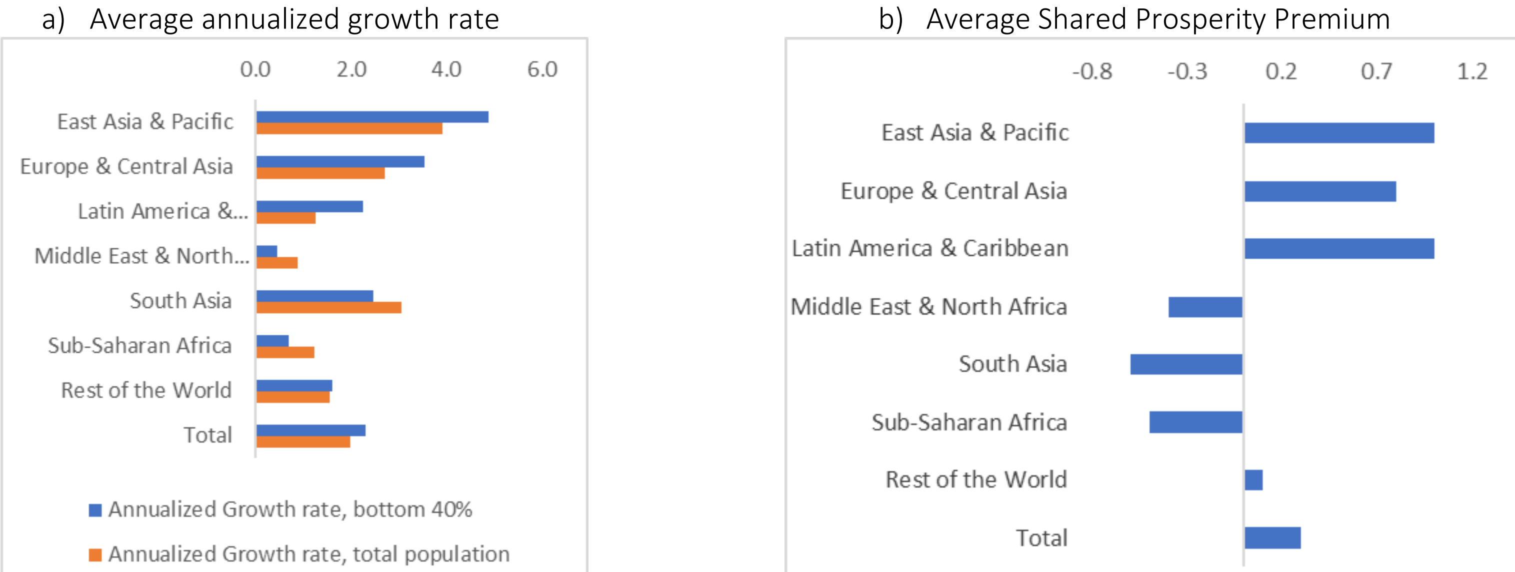
The latest data available for the period between 2012-2017 covering around 60 percent of the world's population show that the annualized growth rate for the bottom 40 percent of the distribution has been positive, with the bottom 40 percent growing by 2.3 percent on average in this sample of countries. However, in the Middle East and North Africa, South Asia and Sub-Saharan Africa the total population grew faster on average than the bottom 40 percent.

The difference between the annualized growth rate of the bottom 40 percent and that of the whole population is referred to as the shared prosperity premium. A positive shared prosperity premium means that the bottom 40 percent have grown faster than the general population, implying a pro-poor pattern of growth. The latest estimates show that, while four fifths of countries with available data between 2012-2017 experienced positive growth for the bottom 40 percent, only about half the countries had a positive shared prosperity premium. In the average country, the bottom 40 percent has been growing, 0.3 percentage points faster than the whole population. This figure hides important differences across regions. While in East Asia and Pacific and in Latin America and the Caribbean the average shared prosperity premium is positive, in Middle East and North Africa (−0.4), South Asia (−0.5), and Sub-Saharan Africa (−0.6) the average income of the total population is growing more quickly than the average income of the bottom 40 percent. This means that on average the poorer part of the population is being left behind in those regions and that this might exacerbate inequalities between the bottom 40 percent and the rest of the population.

Compared with the general population, the bottom 40 percent of the population is overrepresented in rural areas and more likely to have no education or just primary education. Children, adults with less schooling and the rural population are more likely to live in households that are in the bottom 40 percent across different regions, indicating that individuals in the bottom 40 percent share similar characteristics irrespective of the income level of their country(see Poverty and Shared Prosperity Report 2020, Chapter 2 for further analysis).

Figure 1 Average annualized growth rate, bottom 40% and total population (by region 2012-2017)

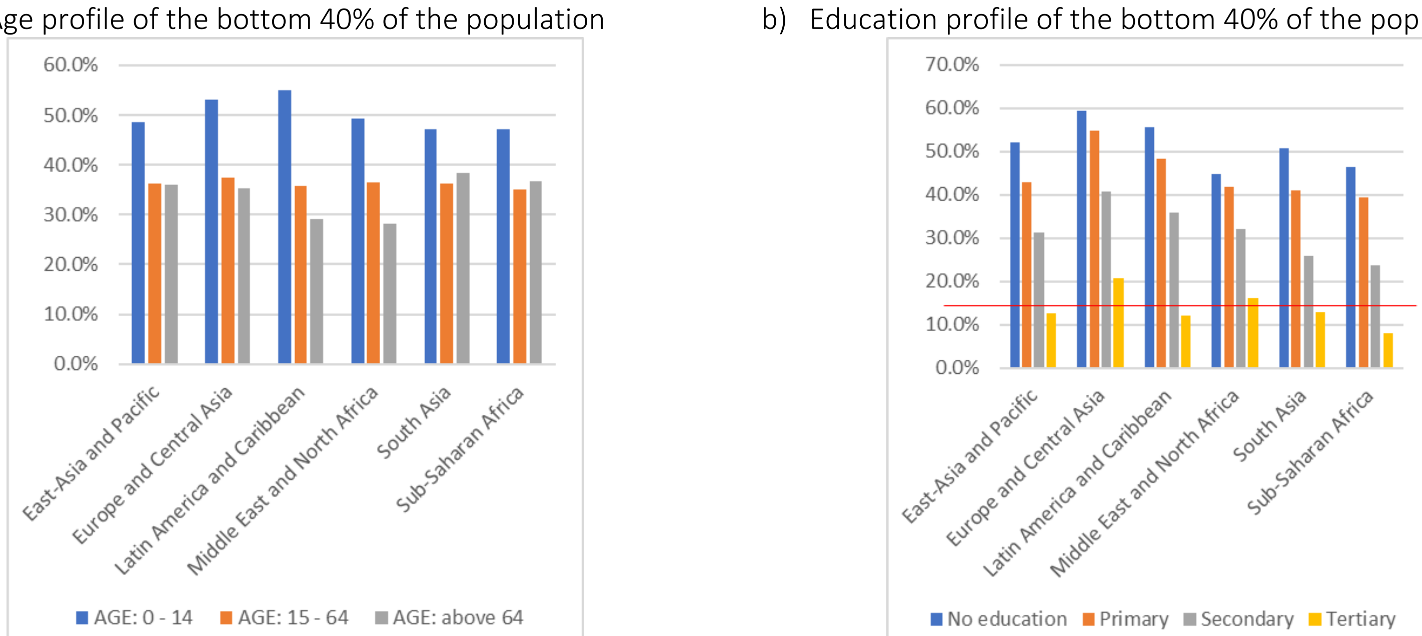
a) Average annualized growth rate   b) Average Shared Prosperity Premium



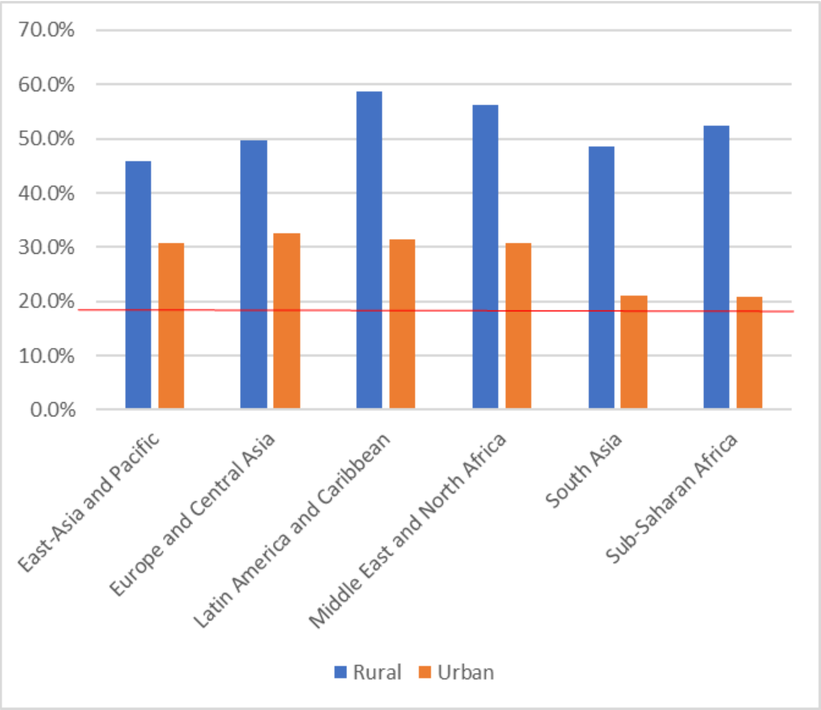
Source: Global Database of Shared Prosperity (7th edition, circa 2012–17), World Bank, Washington, DC, *https://www.worldbank.org/en/topic/poverty/brief/global-database-of-shared-prosperity*

Figure 1 Representation of different groups in the bottom 40 percent, by region

a) Age profile of the bottom 40% of the population   b) Education profile of the bottom 40% of the population



c) Place of residence profile of the bottom 40% of the population



Note: The figure shows for example the share of the population that is living in rural and urban areas among the bottom 40 percent and among the total population. Since the share among the bottom 40 percent is greater than 40 percent, they are more likely than the general population to live in rural areas. Estimates for countries in the Rest of the World/Other High Income category are not reported. Source: World Bank Poverty and Equity Briefs.

Additional resources, press releases, etc. with links:

- World Bank, 2020 "Poverty and Shared Prosperity 2020: Reversals of Fortune". Washington, DC: World Bank. https://openknowledge.worldbank.org/handle/10986/34496
- Atlas of Sustainable Development Goals 2020, World Bank. https://datatopics.worldbank.org/sdgatlas/goal-10-reduced-inequalities/
- World Bank Global Database of Shared Prosperity (7th edition): https://www.worldbank.org/en/topic/poverty/brief/global-database-of-shared-prosperity

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World Bank

Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

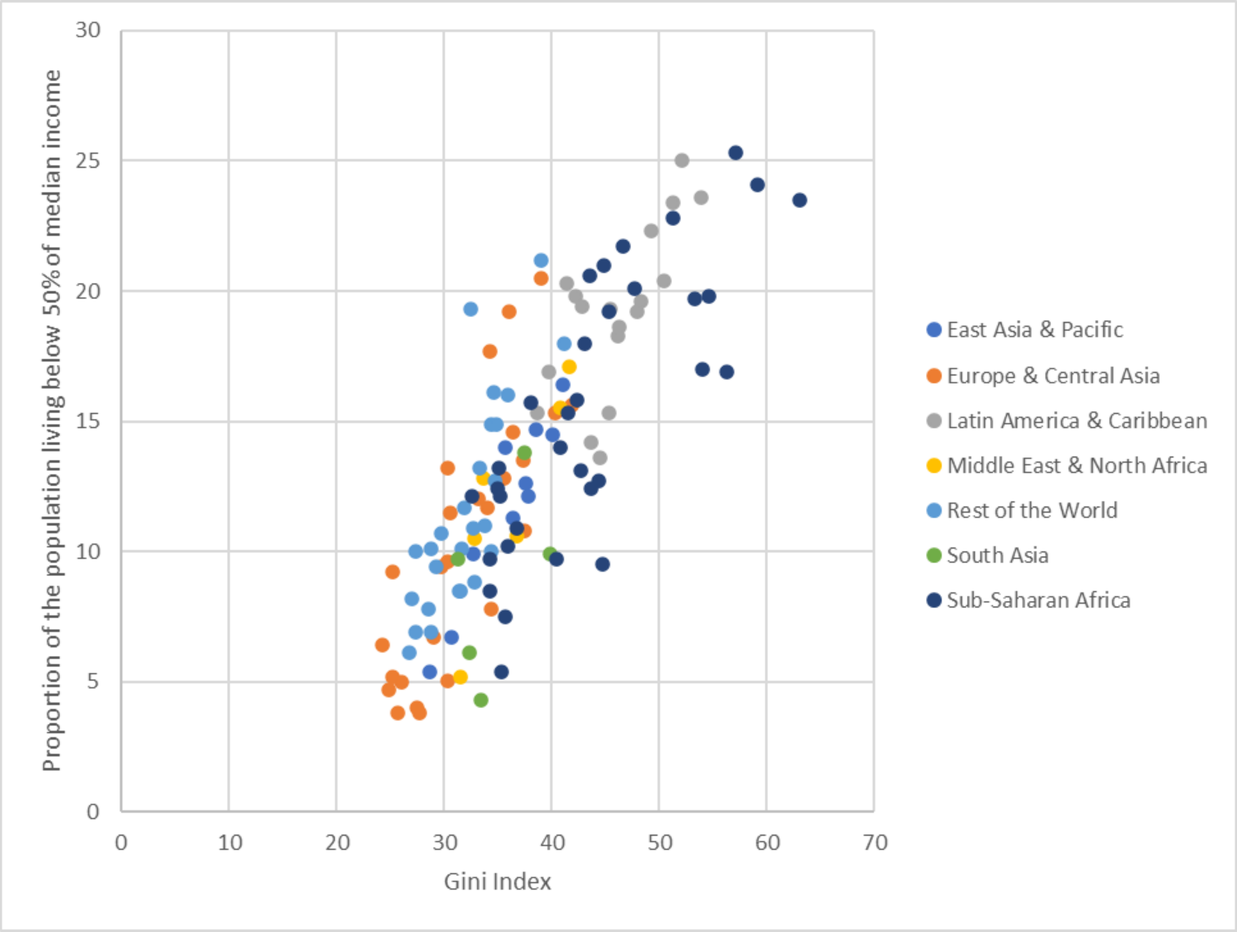
Indicator 10.2.1: Proportion of people living below 50 per cent of median income, by sex, age and persons with disabilities

Indicator 10.2.1 measures the share of the population living below 50 percent of the median national income. This is a measure that is useful for monitoring the level and trends in social inclusion, relative poverty and inequality within a country. If the median grows, while the share of the population below 50 percent of the median increases, the poorest are falling behind in relative terms, i.e. growth is not pro-poor.

Figure 1 shows that this measure is highly correlated with measures of inequality such as the Gini index. Using survey data available between 2014 and 2018, the latest estimates show that in some countries as much as 25 percent of the population lives below 50 percent of the median income. The average proportion of the population living below their respective national thresholds is 13 percent across the countries with available data, but this average differs across regions. Figure 2 shows that in the average country in Latin America and the Caribbean, almost 20 percent of the population lives below half the national median. Sub-Saharan Africa also shows high levels of relative poverty with 15 percent of the population below the national median in the average country. These differences in levels need to be interpreted carefully, since some countries use income whereas others use consumption data, with income data resulting in higher levels of measured inequality.

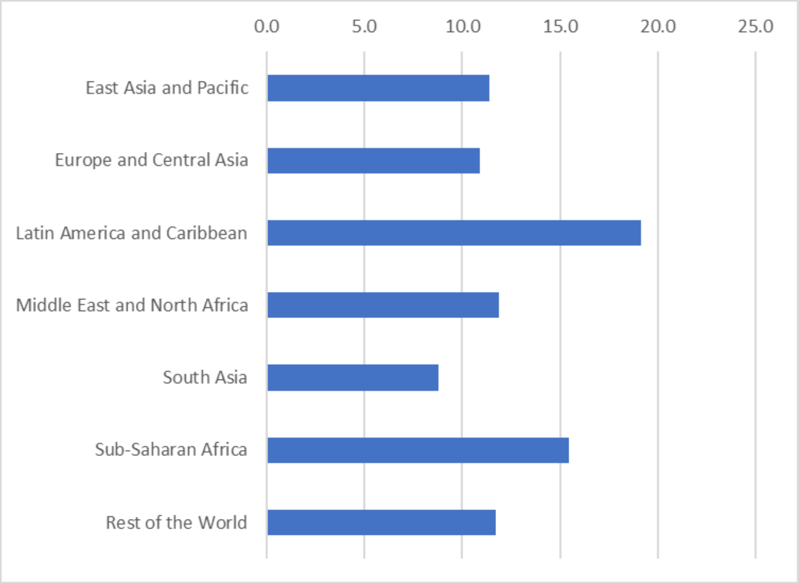
While this might cause some concern towards achieving the 10.2 target, figure 3 shows that many countries have progressed under indicator 10.2.1 over the past two decades. Using data for circa 2000 and circa 2017, most countries in Latin America and Caribbean have made remarkable progress and saw the share of the population living below 50 percent of the median reduced by 2017. Conversely, in about half the countries with available data for South Asia and Sub-Saharan Africa, the share of the population living below 50 percent of the median income has increased since 2000 suggesting that important challenges remain to improve social inclusion as measured by this indicator.

Figure 1 Correlation between indicator 10.2.1 and Gini coefficient, circa 2017



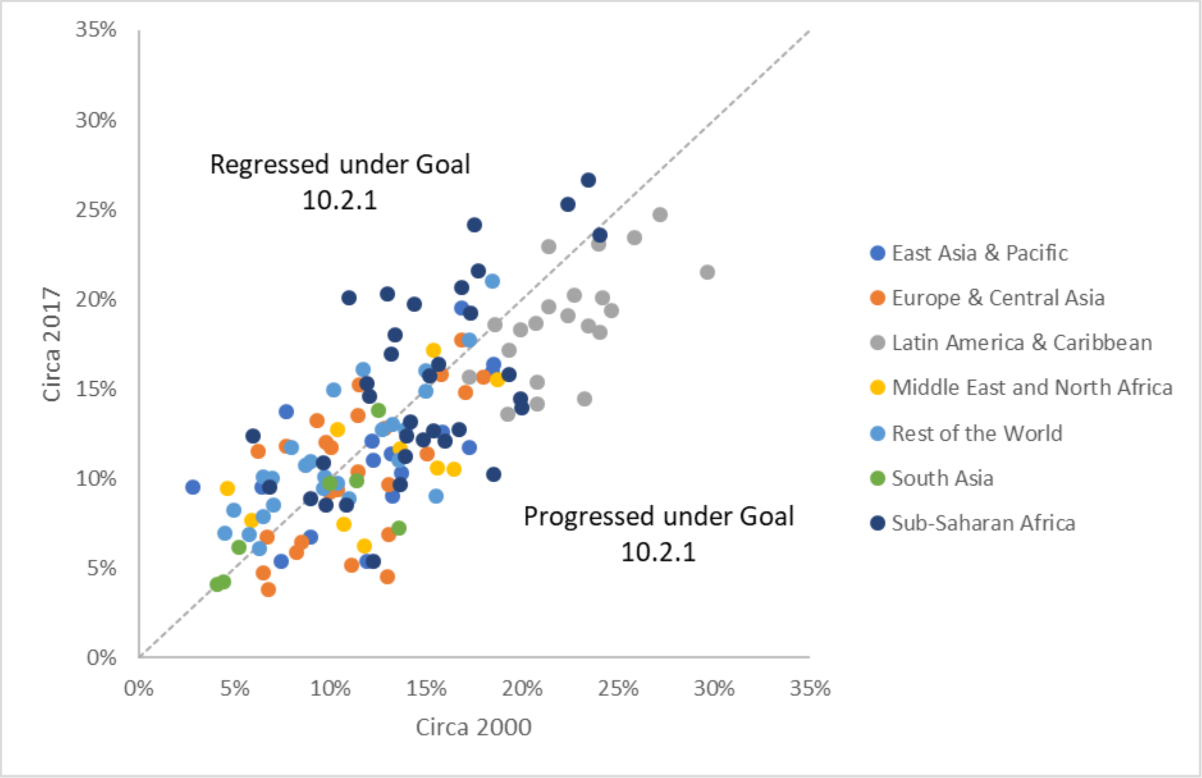
Source: World Bank, World Development Indicators (SI.DST.50MD); PovcalNet: http://iresearch.worldbank.org/PovcalNet/home.aspx

Figure 2 Average share of the population living below 50% of median income, by region circa 2017



Source: World Bank, World Development Indicators (SI.DST.50MD). Unweighted average across countries within a region. Differences in levels need to be interpreted carefully, due to a mix of income and consumption surveys being used across countries.

Figure 3 Proportion of the population living below 50% of median income (%), by country



Source: Atlas of Sustainable Development Goals 2020 https://datatopics.worldbank.org/sdgatlas/goal-10-reduced-inequalities/; World Bank, World Development Indicators (SI.DST.50MD). Showing all countries with a survey ca. 2000 and ca. 2017, which may not be strictly comparable.

Additional resources, press releases, etc. with links:

- Atlas of Sustainable Development Goals 2020, World Bank. https://datatopics.worldbank.org/sdgatlas/goal-10-reduced-inequalities/
- PovcalNet http://iresearch.worldbank.org/PovcalNet/home.aspx
- World Development Indicators, World Bank. https://data.worldbank.org/

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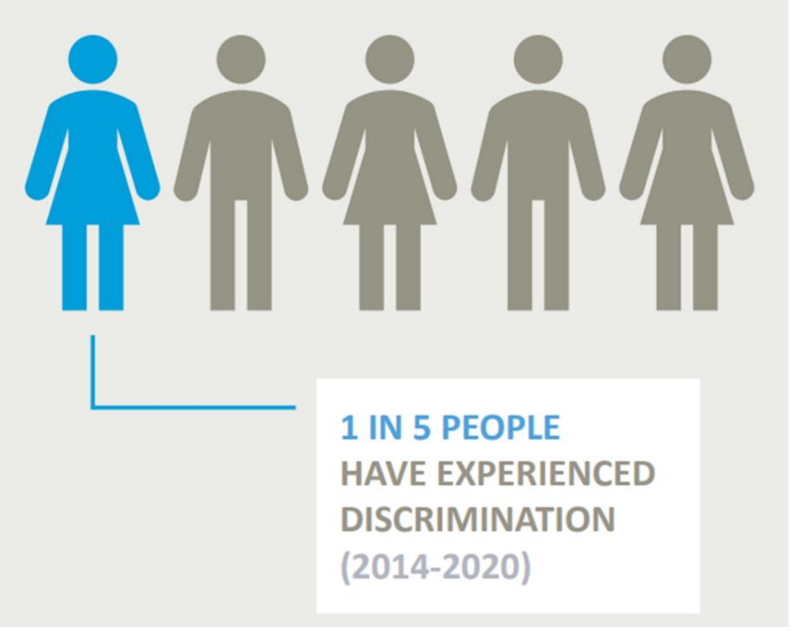
Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

Indicator 10.3.1/16.b.1: Proportion of population reporting having personally felt discriminated against or harassed in the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law

In mitigating the effects of COVID-19, focus is needed on women and persons with disabilities who are facing greater discrimination

Almost one in five people reported having personally experienced discrimination on at least one of the grounds established by international human rights law, according to data from 44 countries over the period 2014 to 2020. Moreover, women are more likely to be victims of discrimination than men. Among those with disabilities, one in three personally experienced discrimination, with higher levels still among women with disabilities. Persons with disabilities experience more discrimination on the grounds of gender, ethnicity, and religion, on average 1.5 times more.

The restrictions necessary to combat COVID-19 pose a considerable obstacle to data collection operations related to discrimination. However, it is even more essential that timely and disaggregated data collection on experiences of discrimination continue. As many of the groups already experiencing higher discrimination are further negatively impacted by COVID-19, particularly with regard to their health and socio-economic situation, such data are key to inform UN and countries' COVID-19 responses that mitigate the adverse effects of the pandemic on those most left behind.



Source: Office of the High Commissioner for Human Rights (OHCHR), 2021

Additional resources, press releases, etc. with links:

- OHCHR Annual Report 2020, Presentation to Member States by Michelle Bachelet, UN High Commissioner for Human Rights, available at: https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=27162&LangID=E
- https://ilostat.ilo.org/topics/covid-19/covid-19-impact-on-labour-market-statistics/
- http://mics.unicef.org/news_entries/178/PLANNING-AND-IMPLEMENTATION-OF-FACE-TO-FACE-HOUSEHOLD-SURVEYS-CONTINUE-TO-BE-AFFECTED-BY-COVID-19
- https://unstats.un.org/unsd/ccsa/documents/covid19-report-ccsa_vol2.pdf

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Target 10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

Indicator 10.4.1: Labour share of GDP

Custodian agency(ies):

ILO

Indicator 10.4.2: Redistributive impact of fiscal policy

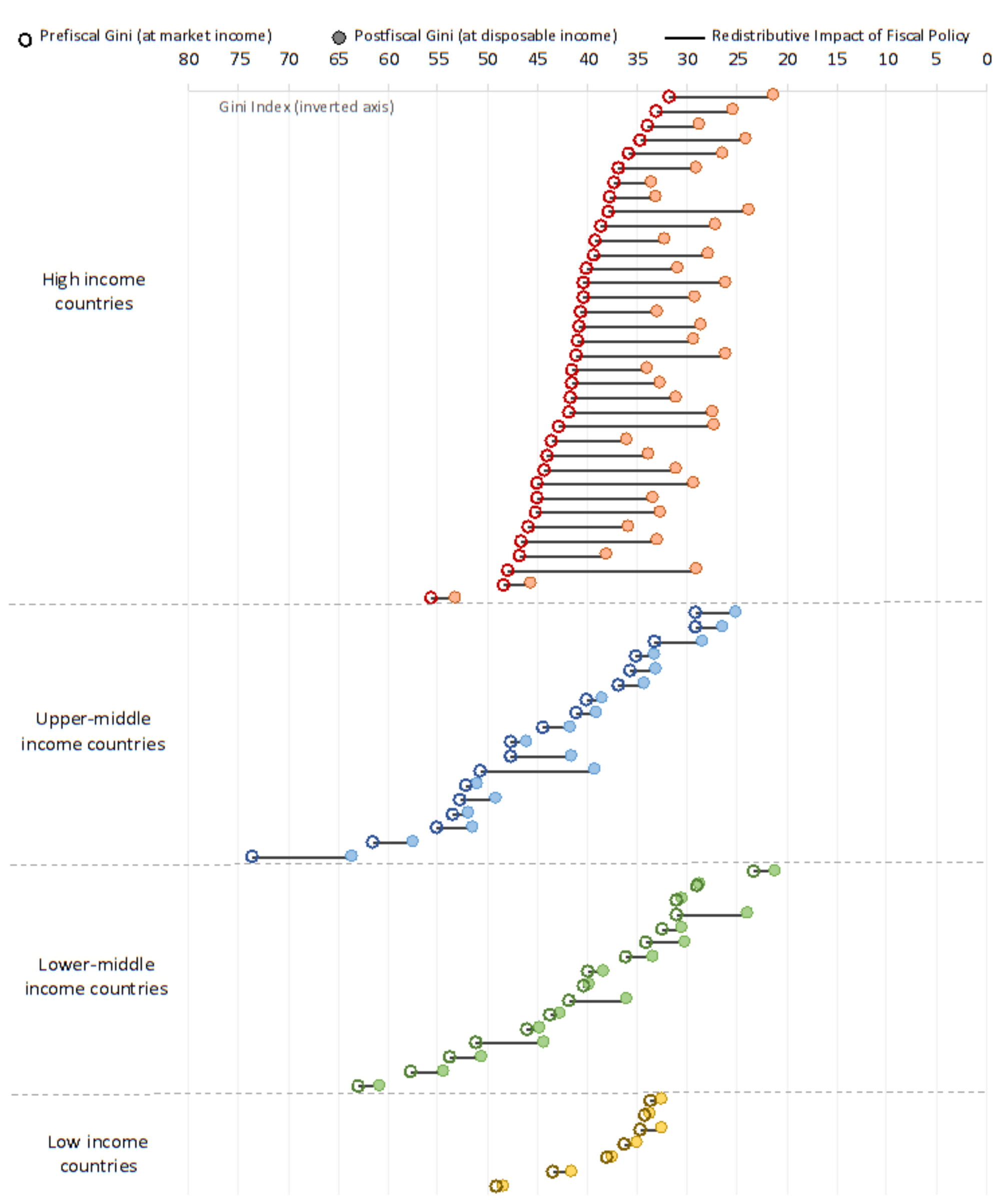
Governments worldwide make use of fiscal policies to help attain more equitable societies and mitigate the negative impacts of the COVID-19 pandemic.

The last decades have witnessed some signs of progress in inequality reduction in most countries, at least in some dimension like educational attainment, water and sanitation and access to electricity. Unfortunately, there are still significant levels of income inequality prevailing in the developing world, and this is likely to increase because of the COVID-19 pandemic. Fiscal policy is one of most effective instruments governments have used to tackle inequality as taxes place a direct burden on households while social spending provides direct income support or in-kind transfers that improve household welfare. Nonetheless, the depth and breadth of how different societies make use of fiscal policies and the resulting fiscal space to attain this goal is still understudied and yet necessary to track and monitor in order to attain more equitable societies in 2030.

The Redistributive Impact of Fiscal Policy indicator is defined as the difference between the Gini index of prefiscal and postfiscal household income. Developed by the Commitment to Equity Institute (CEQ) at Tulane University, the Redistributive Impact of Fiscal Policy indicator demonstrates in an accounting framework the total amount by which current income inequality is reduced or increased by the current execution of fiscal policy (including direct and indirect taxes; social insurance and old-age pension contributions; direct cash or near-cash transfers; and subsidies). For instance, if the Redistributive Impact of Fiscal Policy indicator is positive, that indicates that the net effect of Fiscal Policy is to reduce the Gini index from what it otherwise would be without Fiscal Policy (in an accounting sense, not as an economic counterfactual). The indicator allows policy makers and the broader stakeholder and advocacy communities to systematically track progress at the country level in the contribution of fiscal policy to more equitable societies.

From a first glance at the indicator, there are substantial differences in the redistributive impact of direct fiscal interventions between and within regions of the developing world. Overall, the fiscal systems of the richer countries of North America, Europe, Japan and Australia display a stronger capacity to reduce inequality through progressive direct fiscal interventions, as evidenced by a larger Redistributive impact of Fiscal Policy between prefiscal and postfiscal Gini indexes. This greater redistribution is partly explained due to a much larger personal income tax (PIT) base, which directly reduces inequality by having those who can pay more do so, and indirectly by financing investments in inequality-reducing sectors, such as education, health and social protection. As the COVID-19 pandemic is affecting the poor and vulnerable households disproportionally it will be important to keep track of how governments make use of every available policy lever to help protect those that are more affected, on the one hand, and use available resources to accelerate recovery, on the other.

Redistributive Impact of Fiscal policy from market income to disposable income.



Source: World Bank staff calculations based on SDG 10.4.2. indicator

Notes: countries sorted according to 2019 GDP per capita, PPP (constant 2017 international $). Countries included: Low income: Burkina Faso, Ethiopia, Mali, Niger, Tajikistan, Togo, and Uganda; Lower-middle income: Bolivia, Cambodia, Comoros, Côte d'Ivoire, Egypt, El Salvador, Kenya, Kyrgyzstan, Lesotho, Mongolia, Myanmar, Philippines, Republic of Moldova, Swaziland, Ukraine, and Zambia; Upper-middle income: Albania, Argentina, Armenia, Belarus, China, Colombia, Georgia, Guatemala, Indonesia, Jordan, Mexico, Montenegro, Namibia, Paraguay, Russian Federation, South Africa, Turkey, and Venezuela; High income: Australia, Austria, Belgium, Canada, Chile, Croatia, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Panama, Poland, Portugal, Republic of Korea, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom, and United States.

Progress analysis: [See progress chart]()

Custodian agency(ies):

World Bank

Target 10.5: Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations

Indicator 10.5.1: Financial Soundness Indicators

The 2019 FSI data indicated some improvement of overall loan performance, while capital, which is the main buffer to absorb losses, remained strong despite a slight decline. The fraction of countries reporting nonperforming loans to total loans above five percent declined from 41.9 percent in 2018 to 39.5 percent in 2019. Meanwhile, the fraction of countries reporting total regulatory capital to risk weighted assets above fifteen percent declined from 84.6 percent in 2018 to 82.1 percent in 2019, but the median rose from 17.9 percent to 18.2 percent over the same period. Better loan quality will contribute to higher profitability, thus strengthening banks' ability to withstand shocks.

Custodian agency(ies):

IMF

Target 10.6: Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions

Indicator 10.6.1/16.8.1: Proportion of members and voting rights of developing countries in international organizations

Custodian agency(ies):

DESA/FFDO

Target 10.7: Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies

Indicator 10.7.1: Recruitment cost borne by employee as a proportion of monthly income earned in country of destination

Custodian agency(ies):

ILO, World Bank

Indicator 10.7.2: Number of countries with migration policies that facilitate orderly, safe, regular and responsible migration and mobility of people

Most countries have policies to facilitate orderly, safe, regular and responsible migration, but country reporting of policies is uneven across policy domains

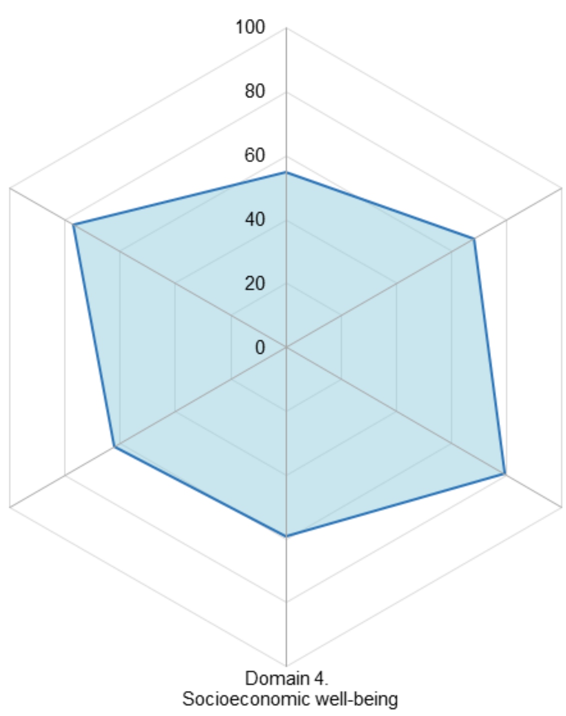
An analysis of 111 responses to a recent survey indicates that 54 per cent of Governments worldwide have instituted a comprehensive set of policy measures to facilitate orderly, safe, regular and responsible migration and mobility of people. The degree to which these policy measures were reported varies widely across policy domains.

Globally, more than three-quarters of Governments reported having a wide range of policy measures to promote cooperation and partnerships and to facilitate safe, orderly and regular migration. Around 90 per cent of Governments reported having inter-ministerial coordination mechanism on migration, bilateral agreements on migration or formal strategies to address trafficking in persons and migrant smuggling, making these measures the most prevalent.

Around two-thirds of Governments indicated that they have whole-of-government or evidence-based policies and measures to address the mobility dimensions of crises. More than 90 per cent of Governments with available data reported having a dedicated Government agency to implement national migration policy.

By contrast, 55 per cent of Governments worldwide reported having a wide range of policy measures to protect migrant rights and 59 per cent to address the socioeconomic well-being of migrants. Measures to promote equal work for equal pay to migrants regardless of immigration status (39 per cent of Governments) or provide social security on par with nationals to all migrants (22 per cent) were least prevalent.

Proportion of Governments with policy measures to facilitate orderly, safe, regular and responsible migration and mobility of people by domain, 2019 (percentage)



Source: United Nations Department of Economic and Social Affairs, Population Division and International Organization for Migration (IOM) (2019). SDG indicator 10.7.2. Number of countries with migration policies to facilitate orderly, safe, regular and responsible migration and mobility of people, Global and regional aggregates.

Note: Based on 111 countries with available data (as of 1 September 2019). Data refer to countries that meet or fully meet the criteria for indicator 10.7.2 (reported having migration policy measures for 80 per cent or more of the sub-categories per domain). Of the countries that provided data, 20 per cent or more have item non-response for domain 4 of indicator 10.7.2 of 10 per cent or more.

Additional resources, press releases, etc. with links:

- Global and regional data, country data, country profiles, a technical paper about the methodology and a policy brief are available on the website dedicated to SDG Indicator 10.7.2 under the following link: https://www.un.org/development/desa/pd/data/sdg-indicator-1072-migration-policies
- In addition, a data booklet is available under the following link: https://www.un.org/development/desa/pd/sites/www.un.org.development.desa.pd/files/files/documents/2020/Jan/un_2019_sdg_10.7.2_databooklet.pdf

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Indicator 10.7.3: Number of people who died or disappeared in the process of migration towards an international destination

Almost 4,200 deaths recorded during migration journeys in 2020 despite COVID-19 mobility restrictions

IOM's Missing Migrants Project recorded 4,186 deaths on migratory routes worldwide in 2020, despite the significant restrictions to cross-border mobility imposed to prevent the spread of COVID-19.

Though the overall number of people known to have lost their lives in 2020 is fewer than previous years, some routes saw an increase in fatalities. Nearly 850 deaths were recorded on the overseas route to Spain's Canary Islands in 2020, a dramatic increase compared to previous years. An increase in migrant deaths was also recorded in South America in 2020, with 127 deaths documented across the continent – most of them Venezuelan migrants – compared to fewer than 40 in all previous years.

At least 2,350 people died on within and en route to Europe this year, including maritime crossings of the Mediterranean and Atlantic, making up the majority of fatalities recorded worldwide; a trend that has continued since 2014, when IOM's Missing Migrants Project began collecting data on deaths and disappearances during migration.

At least 480 men, women and children lost their lives on the United States-Mexico border. At least 296 others perished in South and South-Eastern Asia – most of whom were Rohingya refugees travelling by boat from Myanmar and Bangladesh towards Malaysia, Thailand and Indonesia – while 179 people died in Western Asia.

Behind every one of these figures is a life lost needlessly, and a family who must mourn the person lost.

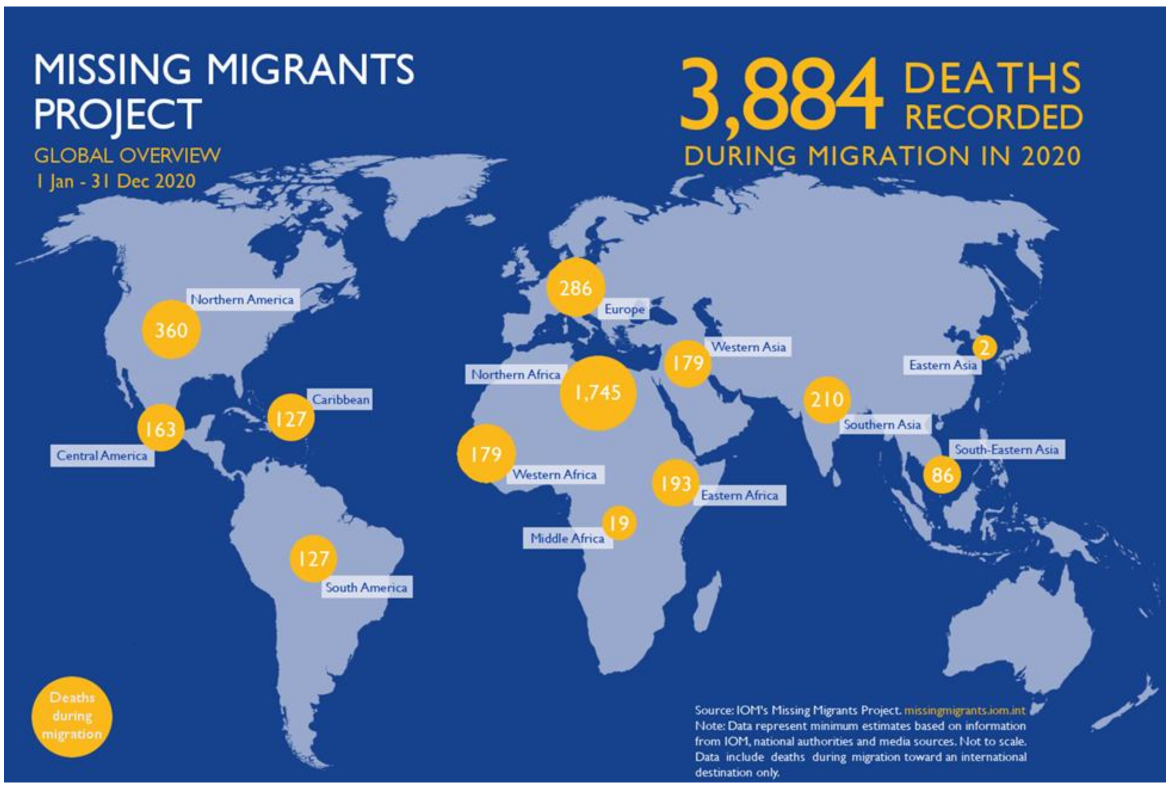
The decrease in recorded migrant deaths is not necessarily an indication that the number of lives lost truly decreased in 2020, as COVID-19 also meant significant changes to the availability of data on deaths during migration and the ability to monitor specific routes.

Even before the pandemic, migrant deaths tend to be underreported or sometimes unrecorded. During COVID-19, many of the constraints to collecting such data have increased. Reports collected from surveys of migrants who may have witnessed a death, for example, were largely unavailable in 2020. Such survey data is often the only source of information on migrant deaths in remote regions such as the Sahara Desert.

These data challenges are exemplified by the number of unconfirmed invisible shipwrecks – vessels which vanished with no survivors – recorded on maritime migration routes to Europe in 2020. According to IOM's internal records, at least nine such cases, totaling around 300 additional lives lost, are not included in the Missing Migrants Project's records due to a lack of corroborating information needed to record a death according to the project's methodology. Reports of invisible shipwrecks largely come from distress calls and reports of missing family members relayed to NGOs who meticulously document such cases.

The issues collecting data on migrant deaths and disappearances in 2020 are emblematic of the wider challenges of collecting data on migration since the outbreak of COVID-19. Better data on migration is urgently needed to understand the vulnerabilities and contributions of migrants during the pandemic.

These data indicate that even the strictest travel restrictions do not stop irregular migration, nor do they prevent the senseless loss of life on these dangerous rotes. The continuation of these deaths across the world shows the urgent need for safe, legal migration avenues.



Additional resources, press releases, etc. with links:

- All data to support SDG Target 10.7.3 is compiled by IOM's Missing Migrants Project. The anonymized dataset can be downloaded from missingmigrants.iom.int/downloads. Analysis of this data and related thematic issues can be found at missingmigrants.iom.int/publications.

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Indicator 10.7.4: Proportion of the population who are refugees, by country of origin

In 2020, the UN Statistical Commission, at its 51st Session, included a new indicator in the global SDG measurement framework. Indicator 10.7.4 measures the proportion between the number of refugees by country of origin and the population of the country of origin. The inclusion of this indicator brought visibility into one of the most vulnerable populations in the 2030 Agenda.

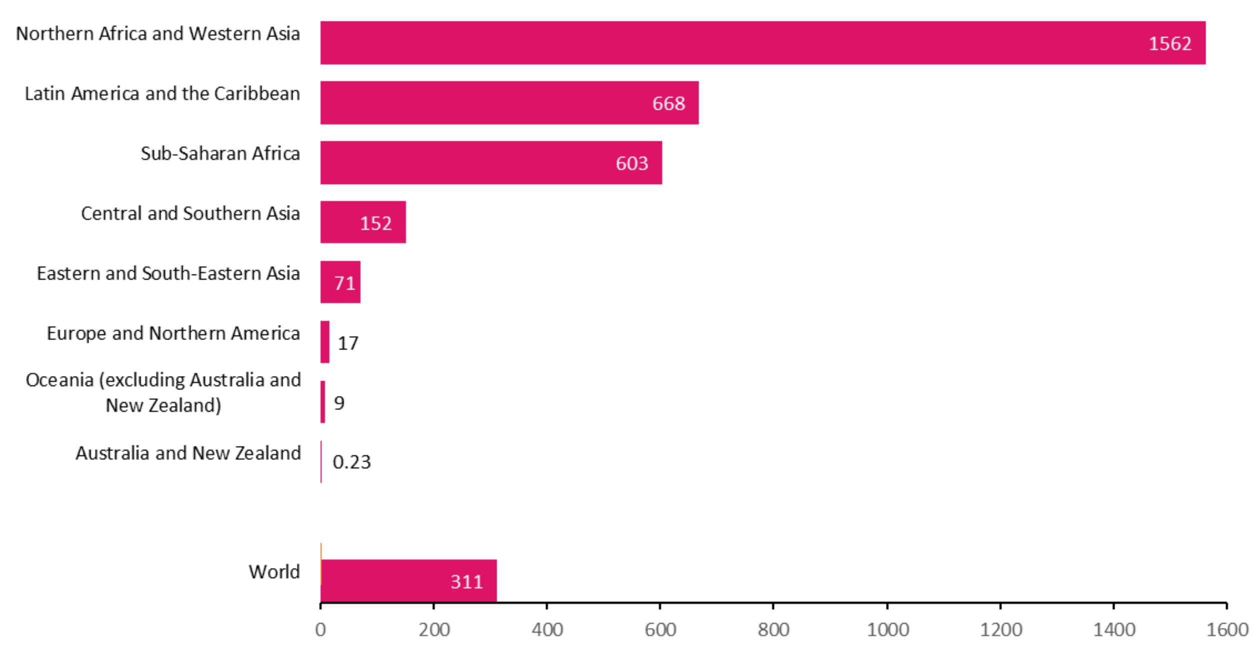
At the global level, by the end of 2020, 311 in 100,000 people had fled their countries of origin and became refugees due to war, conflict, persecution, human rights violation and events seriously disturbing public order. In absolute terms, this proportion corresponds to 24.5 million individuals with known country of origin who were refugees in 2020. Countries in Western Asia and Northern Africa were the largest source region of refugees with 8 million, followed by countries in Sub-Saharan Africa with 6.6 million refugees as well Latin America and the Caribbean with 4 million refugees and others forcibly displaced outside their country.

Refugee protection work has faced increasingly complex challenges in the last decade, as the number of refugees worldwide has more than doubled: in 2010, 149 out of 100,000 individuals in the world were refugees under the mandate of UNHCR, compared to the 311 out of 100,000 proportion of individuals by the end of 2020. The effects of the COVID-19 pandemic had a negative impact on refugees. As the first wave of the pandemic crested in April 2020, 164 countries fully or partially closed their borders, with about 99 of them making no exception for people seeking asylum. This led to an increase in vulnerability and exacerbation of risks of some populations associated with the current and future economic retraction worldwide.

The proportion of refugees in the total origin population has increased in most developing regions in the last decade. In 2010, 579 people out of 100,000 in the total population were refugees from Western and Northern Africa, a proportion that rose to 1562 out of 100,000 by 2020, most notably due to the situation in Syria as the main country of origin for refugees since 2014. As for displacement from Latin America and the Caribbean, the proportion of people who fled across international borders and received international protection increased from 80 to 668 out of 100,000 since 2010, notably due to the deteriorating political, socioeconomic and human rights situation in Venezuela. For Sub-Saharan Africa, this figure increased from 289 to 611 between the beginning and the end of the decade, mostly due to displacement from Somalia, Eritrea and the Democratic Republic of Congo. Lastly, there has also been an increase in displacement from Eastern and Southeastern Asia, from 46 to 68 per 100,000 in the total population, mostly due to the new displacement of Rohingya refugees from Myanmar.

Based on the most recent available sex and age-disaggregated data for the end of 2019, there are approximately equal numbers of women and men among refugees reported to UNHCR, with refugees originating from Central and Southern Asia having the lowest proportion of women and girls (45%). In total, approximately half of the refugee population were under 18 years old at the end of 2019, with the highest proportion of children (54%) being those who had fled from Sub-Saharan Africa.

Proportion of the population who are refugees, by region of origin (per 100,000 population in the country of origin), by the end of 2020



Note: This indicator does not include Palestine refugees under The United Nations Relief and Works Agency for Palestine Refugees' mandate. It includes Venezuelans displaced abroad without formal refugee status.

Additional resources, press releases, etc. with links:

- https://www.unhcr.org/statistics/unhcrstats/5ee200e37/unhcr-global-trends-2019.html
- https://www.unhcr.org/statistics/unhcrstats/5fc504d44/mid-year-trends-2020.html

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Custodian agency(ies):

UNHCR

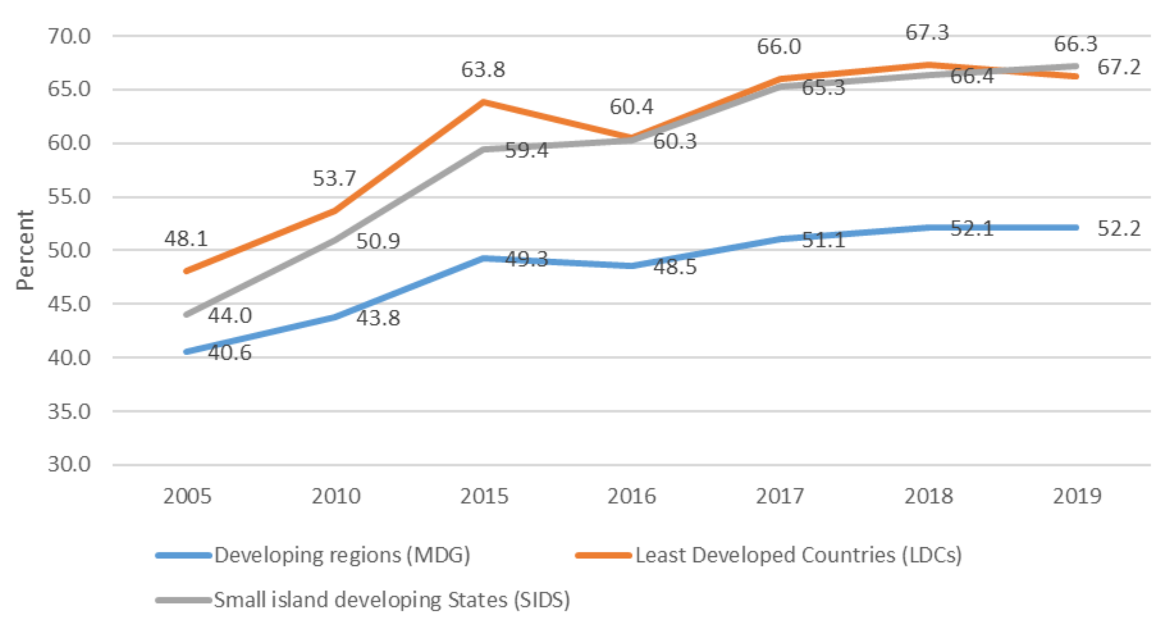
Target 10.a: Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements

Indicator 10.a.1: Proportion of tariff lines applied to imports from least developed countries and developing countries with zero-tariff

The proportion of products imported worldwide from least developed countries and developing countries that are exempted from tariffs has remained stagnant in recent years.

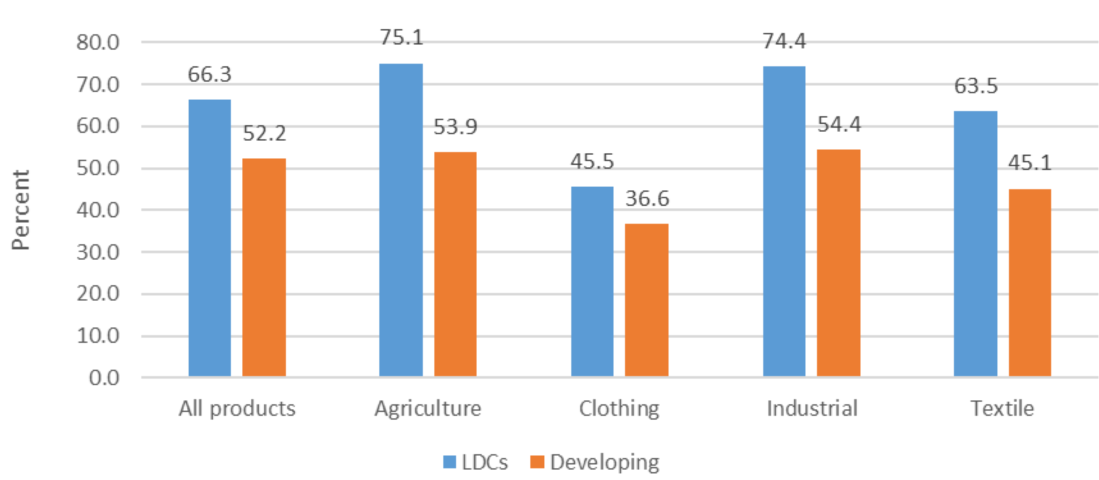
In the last 3 years, no new preferences were registered in major preference giving countries which are mainly developed countries. As a result, the proportion of products exported by least developed countries and developing countries that receive duty free treatment has remained relatively flat at 66% and at 52% respectively during that period. A slight drop in 2019 of the proportion of products imported from LDCs with zero-tariff is explained by an increase in the number of products (specifically, industrial and clothing products) that LDCs export to the World. Most developed countries have opened their markets for 100 or close to 100 percent of exports from LDCs. However, products in two sectors of particular interest to LDCs' and developing countries' exports, namely clothing and textile, continue to receive the least duty-free treatment worldwide, as well as in some developed countries.

Share of imported tariff lines that are admitted duty free



Source: ITC/UNCTAD/WTO

Share of imported tariff lines from LDCs and developing countries that are admitted duty free by product sector in 2019



Source: ITC/UNCTAD/WTO

Custodian agency(ies):

ITC, UNCTAD, WTO

Target 10.b: Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes

Indicator 10.b.1: Total resource flows for development, by recipient and donor countries and type of flow (e.g. official development assistance, foreign direct investment and other flows)

In 2019, total receipts by developing countries from DAC donors, multilateral agencies and other key providers were USD 400 billion, of which USD 164 billion were ODA.

Custodian agency(ies):

OECD

Target 10.c: By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent

Indicator 10.c.1: Remittance costs as a proportion of the amount remitted

Remittance costs on a decline despite pandemic-induced challenges in 2020.

The global average cost of sending $200 decreased from 9.30 percent in 2011 to 6.51 percent in 2020 with an average annual decrease of 0.31 percentage point over the period. The share of corridors with costs below 5 percent (SmaRT) increased from 23 percent in 2016 to 68 percent in 2020. This shift is accompanied by a decrease of corridors exhibiting total costs above 5 percent. Compared to 2016, the proportion of corridors with SmaRT average between 5 percent to 10 percent has decreased considerably by 30 percentage points (from 53 percent in 2016 to 20 percent in 2020).

Progress has been uneven across different regions. Though Oceanian countries excluding Australia and New Zealand and Sub-Saharan Africa remained as the regions with the highest costs to remit to in 2020 at 9.08 percent and 8.46 percent respectively, both regions have shown significant progress, from their peak in 2011 at 13.39 percent and 12.41 percent respectively. Despite regional remittance costs converging, only Central Asia and Southern Asia have crossed below the 5 percent threshold. Coordinated efforts by public authorities, service providers and NGOs are necessary to achieve the SDG10 10.c.1 target of 3 percent for the Global Average and enabling remittances senders in all corridors to send at a cost of 5 percent or less by 2030.

During the pandemic outbreak (March – May 2020), the World Bank undertook a series of pulse surveys with regulators and RSPs in select markets.

The total cost of sending remittances fluctuated in the first months of the pandemic as operations were adjusting to the 'new normal' and matching their pricing to the circumstances they were in. The majority of RSPs continued to operate but had significantly reduced working hours. The lockdowns implemented in both send and receive markets impacted the operations of many RSPs, both cash-based and digital.

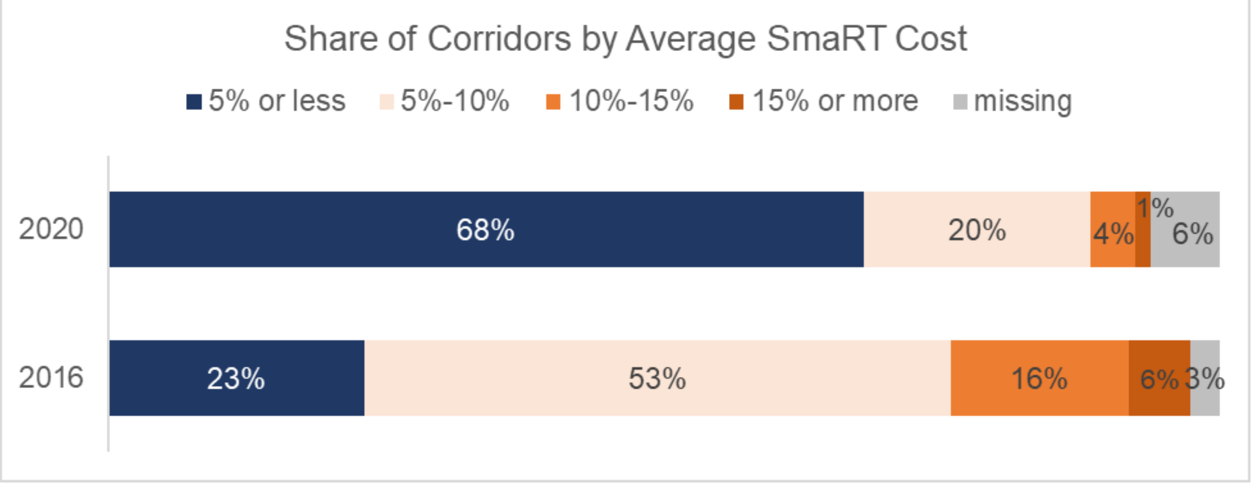
Cash-based services were impacted more than digital services in terms of both volumes and operations. However, low levels of financial inclusion and lack of required documentation in some markets made digital options unavailable to some users.

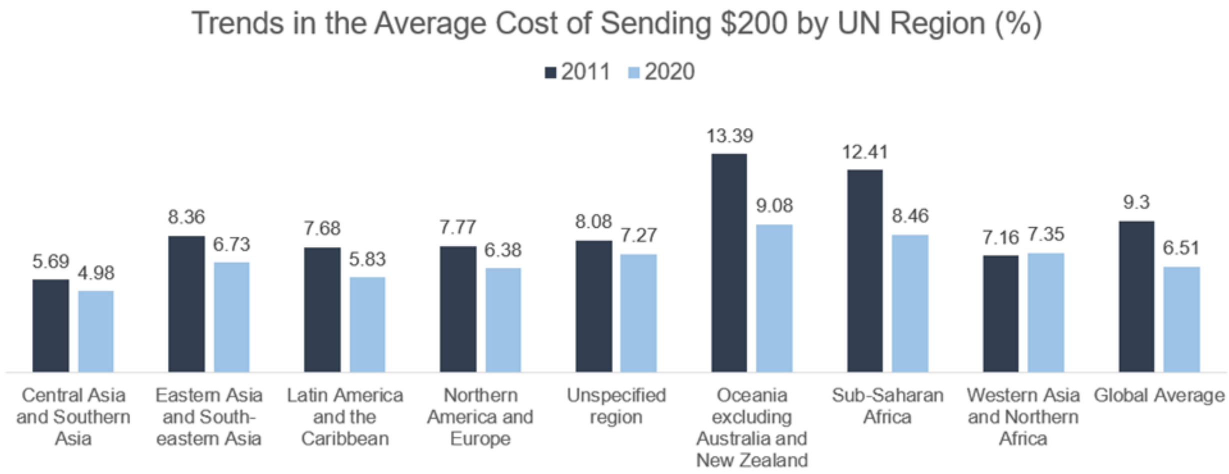
The remittance sector was quick to react to the immediate impact of the pandemic outbreak. There were several actions taken by the private sector to move from cash-based to digital channels, including fee incentives and educational initiatives. The public sector made extensive efforts to collect data and analyze the situation in the markets before introducing measures. In several countries, authorities actively promoted and encouraged the use of digital payment instruments for international remittances.

Ensuring the steady flow of remittances requires concerted efforts from governments, providers and other stakeholders. It is important for RSPs and authorities to work together to mitigate the effects of the crisis and encourage the adoption of digital payments, greater use of regulated channels, and wider availability of cost-efficient services. Some RSPs temporarily waived fees for sending money home, but such waivers are not sustainable. To encourage RSPs to facilitate remittance inflows post-COVID, some governments (notably that of Pakistan) have announced tax incentives equivalent to the remittance fees waived. Some pre-COVID measures in this respect included subsidizing remittance inflows via regulated channels (e.g. in Bangladesh).

At a global level, international stakeholders should collaborate to consistently monitor, advocate and propose greater efficiency in the remittances market in line with the CPMI-World Bank (2006) General Principles for Remittance Services, the post-COVID call-to-action by the World Bank, the Global Call to Action launched in June 2020, and the Blueprint for Action by the Remittances Community Task Force.

Share of Corridors by Average SmaRT Cost





Additional resources, press releases, etc. with links:

- SmaRT is calculated as the simple average of the three cheapest services for sending the equivalent of USD 200 in each corridor and is expressed as a percentage of the total amount sent. In addition to transparency, services must meet additional criteria to qualify for being included in the SmaRT calculation. For additional information on the methodology used to calculate SmaRT see https://remittanceprices.worldbank.org/sites/default/files/smart_methodology.pdf

Custodian agency(ies):

World Bank