INTERNATIONAL MONETARY FUND
FACTSHEET

The IMF and the Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a set of global development targets adopted by the member countries of the United Nations (UN) in September 2015. The SDGs will guide the global development agenda through 2030. The SDGs are universal and broader in scope than the Millennium Development Goals (MDGs)*, reflecting the view that development needs to be economically, socially, and environmentally sustainable. The IMF, with its expertise on macroeconomic and financial issues and its global membership, supports the development efforts of its member countries and promotes global economic and financial stability, a crucial precondition for the success of development efforts*

The SDGs

The SDGs were officially adopted by UN member countries at the UN Summit in New York in September 2015, replacing the expiring MDGs. The 17 SDGs focus on **five key elements: people, planet, peace, prosperity, and partnership**. In July 2015 the Third UN Conference on Financing for Development in Ethiopia discussed how to mobilize the financing resources needed to meet the development goals. The conference concluded with agreement: the *Addis Ababa Action Agenda* on a sustainable financing strategy. A global agreement on national CO2 emissions targets, aimed at addressing climate change, was reached at the UN Climate Summit in Paris in December 2015, resonating with the SDGs' emphasis on protecting the environment.

Achieving the SDGs

The SDGs are more ambitious than the earlier Millennium Development Goals and embrace the view that development needs to be economically, socially and environmentally sustainable. Achieving the SDGs will require action to address a broad range of issues at both the national and international levels.

At the national level, governments should strive to create a sound macroeconomic environment and robust, sustainable growth. Efforts should focus on building strong institutions to foster investor confidence, strengthening public finances to maintain debt sustainability while ensuring public spending is efficient and well-targeted, investing in infrastructure, maintaining debt sustainability, deepening financial markets and access while safeguarding financial stability, and promoting social inclusion and environmental sustainability. Governments would also identify their key development goals and sustainable ways of financing their achievement.

With elevated risks of spillovers in an increasingly interconnected world, national development also needs to be supported by macroeconomic resilience—with adequate fiscal and foreign reserve buffers—to handle external shocks.

At the international level, economic and financial stability and stable trade and financial flows is crucial for countries' development efforts to thrive. Countries must cooperate to create coherent macroeconomic policies to ensure that financial regulations across major financial centers are appropriately configured, mutually consistent, and rigorously implemented. Such international cooperation is also essential for the creation of a strong global financial safety net that provides confidence that unexpected liquidity needs can be met.

The IMF and SDGs

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Factsheet URL: http://www.imf.org/external/np/exr/facts/sdg.htm

The IMF is committed, within the scope of its mandate, to the global partnership for sustainable development. The IMF has launched a number of initiatives to enhance its support for its member countries in crucial ways as they pursue the SDGs. Specifically, the IMF:

- has expanded financial support for low-income developing countries, including: (i) a 50 percent increase in access norms and limits for all IMF concessional financing; (ii) zero percent interest rate on a permanent basis for IMF lending under the Rapid Credit Facility, (ii) an increase in access limits under the emergency financing instruments for countries hit by large natural disasters; and (iv) an extension of the zero percent interest rate to all other IMF concessional loans until at least end-2018.

- is scaling up support for developing countries to boost domestic revenue mobilization, including by collaborating with other international organizations through the new Platform for Collaboration on Tax. The IMF provides technical assistance on tax policy and administration to over 100 countries every year and is scaling up its support for developing countries, including, where needed, the coverage of international tax issues;

- is providing support—through an Infrastructure Policy Support Initiative—to member countries seeking to increase public investment in infrastructure. The initiative seeks to deepen the IMF's macroeconomic policy advice and capacity building work to help countries tackle large infrastructure gaps without endangering public debt sustainability. Several such pilot programs are underway in a number of member countries. Moreover, the IMF's new debt limits policy adds flexibility to manage financing needs to support growth and investment while maintaining prudent debt levels. The IMF is also reforming the debt sustainability framework for low-income developing countries to better guide countries' borrowing decisions and maintain public debt on a sustainable path.

- is bolstering its support to fragile and conflict states to address their specific challenges and wide and persistent capacity building needs, including through the new Capacity Building Framework, which seeks to support institution building goals, strengthen outcome monitoring, and enhance coordination with other partners; and

- is deepening policy advice on aspects of inclusion and environmental sustainability and bringing this advice to its operational work where relevant.

To deepen IMF engagement with its member countries on key SDGs, the IMF is weaving lessons from policy-oriented research on a number of development issues into its operational work in a targeted manner. These include:

- the role of diversification and structural transformation in sustained growth in developing countries—and the polices needed to support this change. Key policies include those to strengthen infrastructure in a cost-effective manner, support financial deepening, and boost agricultural productivity;

- tackling income and gender inequality and promoting economic and financial inclusion by promoting job creation, enhancing the redistributive role of fiscal policy in an efficient manner, and boosting access to financial services while preserving financial stability; and

- promoting environmental sustainability by reforming energy and enhancing resilience to climate-related events.