



SDG 16 INTERLINKAGES

SUMMARY OF RESEARCH FINDINGS
DRAFT JULY 2021

How Does Progress on SDG 16 Affect Progress on Other SDGs?

Main Take-Aways

- There is strong evidence that progress on key aspects of SDG 16 (namely, transparency, accountability, and participation and inclusion) has **enabling effects** on aspects of SDG 1 and SDG 10 that are critical for Covid-19 recovery, namely, social protection, equal opportunities and poverty.
- There is also some, albeit much less, evidence of **some negative or constraining effects** of SDG 16 aspects on SDG 1 and SDG 10.
- There is evidence on causal pathways for these results, but more research is needed to confirm them and to draw cross-country conclusions. Exact pathways will also depend on **country context**.
- It is **encouraging** to see that a systematic literature review can be used to investigate and illustrate causalities, for example, to complement statistical methods such as correlations analysis.
- There are also **caveats**: Systematic literature reviews are labour-intensive. However, their scope can be focused (e.g., on specific questions and countries). It is also important to be aware of possible information gaps, as reviews depend on the existence of literature that, in turn, can depend on many non-objective factors (e.g., political priorities, funding incentives, etc.).
- UNDP OGC is exploring options for further **research** (e.g., including other SDG 16 aspects or effects on other goals) and for developing **guidance** to undertake related analysis at country level (e.g., on how to identify SDG 16 policies with ‘catalytic power’ in a given context).

What are ‘SDG 16 interlinkages’ and why are they important?

In the context of this research, ‘SDG 16 interlinkages’ refers to the potential of **SDG 16** (Peace, Justice and Inclusion) **to help or hinder progress on other SDGs¹ (SDG 16 → other SDGs)**. The research question is thus: “What is the evidence that progress (or lack thereof) on governance aspects of SDG 16 impacts upon the achievement of poverty reduction (SDG 1) and reduced inequalities (SDG 10)?”

There are two main reasons why this question is important, especially in the current global crisis:

- **Intrinsic**: Since the adoption of the 2030 Agenda with its call for integrated, systemic transformation, research on ‘SDG interlinkages’ has increased steadily. However, even the literature concurs that ‘SDG 16 interlinkages’ remain vastly **understudied**. This is so despite the fact that adopting SDG 16 was largely based on the admission that “[r]esponsive and effective governance is [...] a critical means to achieve development”.² It is important to **fill this knowledge gap**.
- **Instrumental**: As policymakers have limited time and financial resources, they tend to look for interventions with a good cost-benefit ratio. Evidence on how Peace, Justice and Inclusion can **leverage progress** on other (economic, social and environmental) outcomes helps them focus their efforts and budgets. The current pandemic illustrates how neglecting **knock-on effects** between policy areas can turn into a costly downward spiral: When the pandemic worsens governance, weak governance worsens the impact of the pandemic.

¹ While the term can also describe the reverse, i.e. how other goals impact on SDG 16, it is not the focus of this research.
² Global Thematic Consultation on Governance and the Post-2015 Development Framework - Consultation Report, 2012.

What did we do?

- UNDP's Oslo Governance Centre (OGC) worked with the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) to conduct a **systematic literature review** of academic papers since 2015. To make it manageable, the review focused on links between key aspects of SDG 16 on the one hand (Entry Level) and key aspects of SDG 1 (poverty reduction) and 10 (reducing inequality) on the other (Impact Level). See Box 1 and Figure 1.
- OGC convened an **Advisory Group** of experts on SDG interlinkages from academia, civil society and the UN to interrupt the results and to discuss next steps.

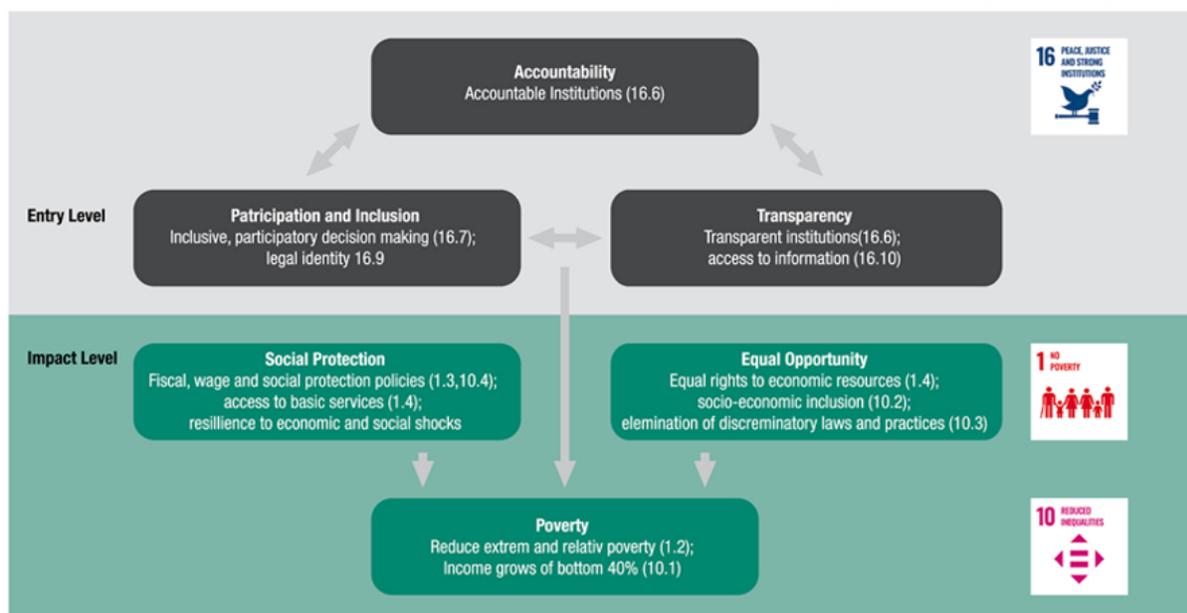


Figure 1: Approach to prepare systematic literature review on 'SDG 16 Interlinkages' – Selecting key aspects of SDG 16 (Entry Level) to examine their effects on key aspects of SDG 1 and SDG 10 (Impact Level)

What did we find?

Research indicates that increased accountability, greater participation and inclusion, and increased transparency have positive effects on social protection, equal opportunities and poverty.

Box 1: Methodology & Process

- A limited number of aspects of SDG 16 targets (**Entry Level**) and of SDG 1 and SDG 10 targets (**Impact Level**) were selected and clustered (see Figure 1), based on joint UNDP and DIE expertise and relevance for Covid-19 response and recovery. With this approach, a Web of Science query yielded 426 academic papers. Through screening, 60 papers were identified as most relevant for in-depth analysis.
- Articles were considered **most relevant** if they explicitly included key terms from Entry and Impact Clusters in title and keywords, provided quantitative evidence and corresponded directly to the research question.
- Of the approximately 60 papers, 70 percent were considered **quantitative** analyses (mostly relying on panel data) and 30 percent **qualitative** (mostly drawing on comparative case studies). About half of the reviewed articles focused at the **national or subnational** scale while the remainder were **multi-country** studies covering between three and 176 countries.
- The **review** was undertaken between December 2020 and June 2021. Screening the initial 426 papers was supported by 19 colleagues, including through pro bono support by the law firm White & Case. In-depth analysis of the 60 most relevant papers was conducted by five expert researchers.

Most papers addressed broader or more specific issues than those covered by this review, so relevant interlinkages and underpinning information had to be extracted and analysed. The review found over 100 relevant interlinkages that can be summarized as follows.

Accountability: Twelve out of 60 papers, with evidence from more than 130 countries, highlighted that **increased accountability** has positive effects on poverty reduction and social protection.

- Increased accountability results in an increase in the **'poverty reduction effects'** of per capita GDP growth. This was reportedly **due to increased security of economic and property rights, respect for contracts, predictability of government decision-making, as well as improvements to gender equality and equitable access to resources**. However, the direct mechanisms for these impacts were not always established.
- Increased **social accountability** was reported to have an enabling effect on **social protection through improved public perceptions of program effectiveness, legitimacy and buy-in**.
- Increased **electoral accountability** (such as through local elections) resulted in **increased citizen engagement and political competition**, which, in turn, resulted in the prioritization and better targeting of social expenditure and increased access to basic services.
- A range of **measures** was identified that increased accountability, including financial transparency, redress mechanisms, citizen engagement and involvement in governance and oversight.

Participation & Inclusion: Eighteen of 60 studies, with evidence from more than 130 countries, identified enabling interlinkages between increased participation and inclusion and SDG 1 and SDG 10 aspects.

- Increased participation **implies greater citizen engagement and more inclusive institutions, which, in turn, deliver more effective social spending and policy instruments**. The review identified a programme-level counterfactual example showing how top-down, non-participatory interventions can have fewer or adverse effects (e.g., an anti-poverty programme using digital disbursement channels leading to fraud to the detriment of illiterate beneficiaries).
- Democratic governance and political inclusion are also found to **increase 'poverty reduction effects' of GDP growth**. Independent media and education support greater access to information and awareness, which leads to higher political participation. This amplifies the voice of citizens in policymaking and enables efficient and equitable distribution of benefits.
- While data and comprehensive research with regard to the current pandemic are still emerging, one paper in the review found that social capital derived from **civic engagement is associated with lower levels of mortality from COVID-19**.

Transparency: Of the 60 reviewed papers, 20, covering evidence from more than 145 countries, identified evidence that **increased transparency** has positive effects on SDG 1 and SDG 10. A key focus for the studies related to the **relationship between corruption and inequality and poverty**:

- Corruption creates a biased tax system and supports tax evasion, which reduces revenue and undermines the **capacity of governments to fairly redistribute wealth and to spend on social services**, which would otherwise reduce poverty. Conversely, inequality motivates corrupt behaviour and fosters an environment in which the rich are more able to pay bribes. **Enhancing contract enforcement and economic and property rights** can help to control corruption and ensure fairer distribution.
- Increased transparency in governance and the control of corruption are crucial **for inclusive financial development, which, in turn, reduces income inequality**. If corruption is controlled while domestic credit and finance increase, then income inequality will decrease.
- Corruption is less likely to occur when the likelihood of being caught and punished is relatively high; this largely depends on **financial transparency, oversight, regulation and enforcement, and access to information**. Factors such as education and awareness, an independent media and higher salaries also inhibit corruption.
- Controlling corruption results in **greater access to health and education services**. Increasing access to information also increases awareness of target populations and improves social protection programmes.

Figure 2 provides an overview of the review results by showing how SDG 16 aspects (Entry Clusters, on the left) influence SDG 1 and SDG 10 aspects (Impact Clusters, on the right).

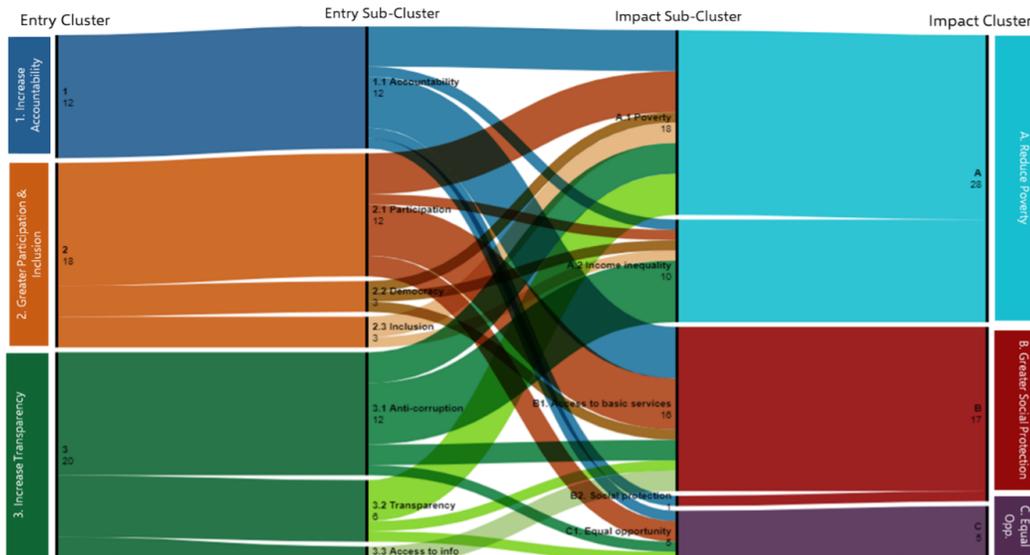


Figure 2: Flow diagram showing enabling effects of key SDG 16 aspects on key aspects of SDG 1 and SDG 10. Width of flows and inserted numbers represent number of publications that state an enabling impact.

The review also identified some constraining effects of SDG 16 issues on SDG 1 and SDG 10.

The systematic literature review found research indicating that

- Increasing judicial accountability can protect the elite and entrench inequalities in income and consumption.
- Representation may have its limits, as voters in advanced democracies seem to fail to punish incumbents for rising income inequality.

The review mapped some causal pathways and feedback loops between the studied SDGs.

To capture relationships identified from the literature, they were mapped in a causal diagram.

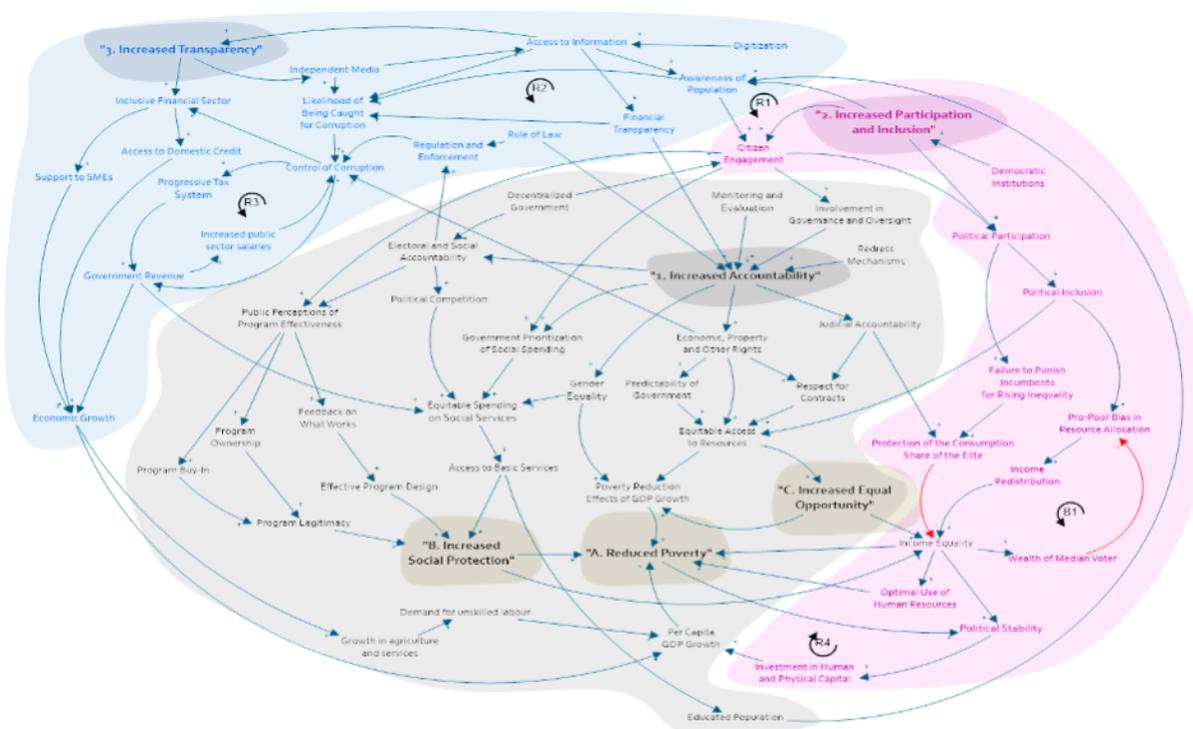


Figure 3: Causal Diagram mapping causal pathways from SDG 16 Entry Clusters to SDG 1 and SDG 10 Impact Clusters [Grey = Increased Accountability; Pink = Increased Participation and Inclusion; Blue = Increased Transparency]

The diagram includes feedback loops (↻) that are important for identifying key entry points, interventions and accelerators that can deliver (or undermine) desirable outcomes. For illustrative purposes, one such feedback loop is included below.

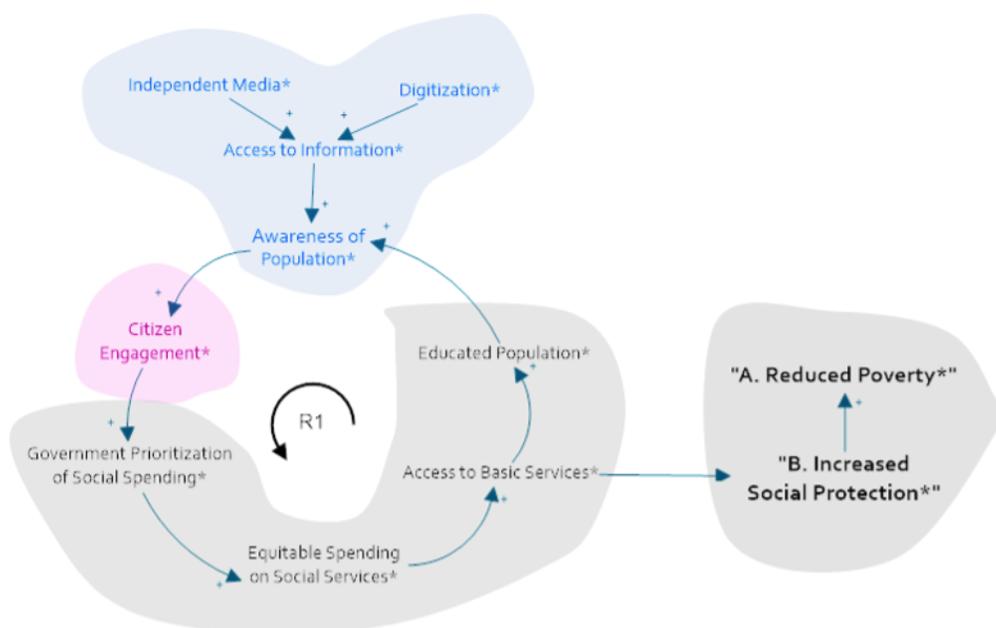


Figure 4: Reinforcing Feedback Loop R1 'Raising Awareness'

It is important to note that the causal diagram is based only on the relationships identified in the literature reviewed and that, given the focus on only a selection of goals, it is unlikely to be a complete representation of all relevant dynamics. Nevertheless, it provides insights into some of the important feedbacks associated with the Entry and Impact Clusters addressed in this study.

How is this useful for practitioners and policymakers?

The present research findings may be useful for practitioners in at least three ways:

- **Legitimacy:** Despite the universal adoption of SDG 16, trends on SDG 16 are regressive across regions. SDG 16 – including accountability, participation and transparency – gets even questioned outright, for example, by falsely contrasting these principles with efficiency in recovery efforts. The present findings provide policymakers with facts to argue that investing in achieving SDG 16 will determine how societies cope with the devastating consequences of the pandemic and other current and future crises.
- **Effectiveness:** More specifically, the findings indicate that, when policymakers do invest in accountability, participation and transparency, their interventions on social protection, poverty reduction and reducing inequalities are more effective.
- **Focus:** Understanding which aspects of SDG 16 are particularly enabling helps policymakers focus their efforts and budgets. The findings flag interlinkages that are enabling in many countries. They need to be verified in a given context and can then be used to prioritize policies and funding (whether domestic resources or ODA) to implement them. At a time when time and money are essential to saving lives and rebuilding livelihoods, this information is more critical than ever.

Where to get more information?

- **Paper:** UNDP/DIE paper (forthcoming)
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