



INTEGRATED SDG INSIGHTS MADAGASCAR

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: MADAGASCAR

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

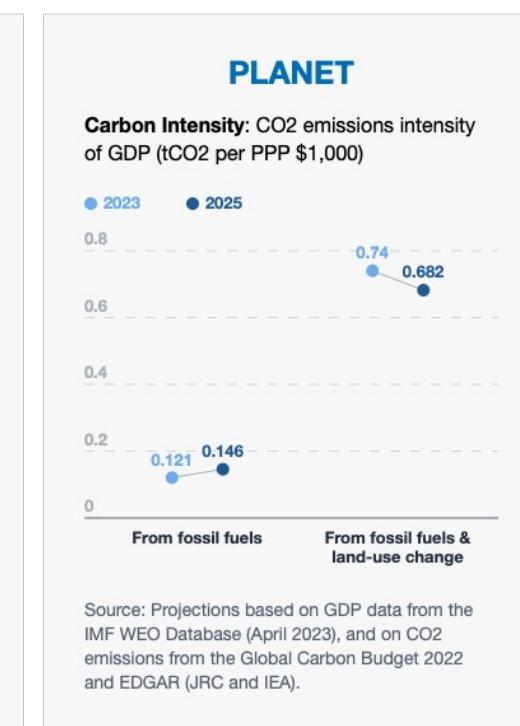
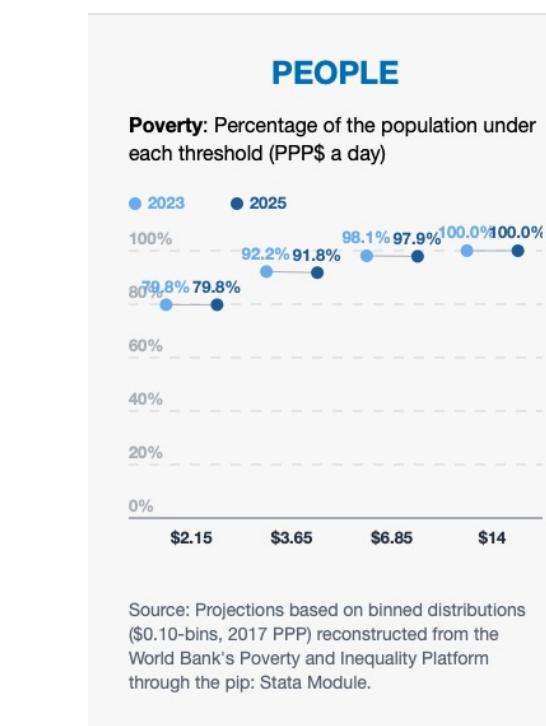
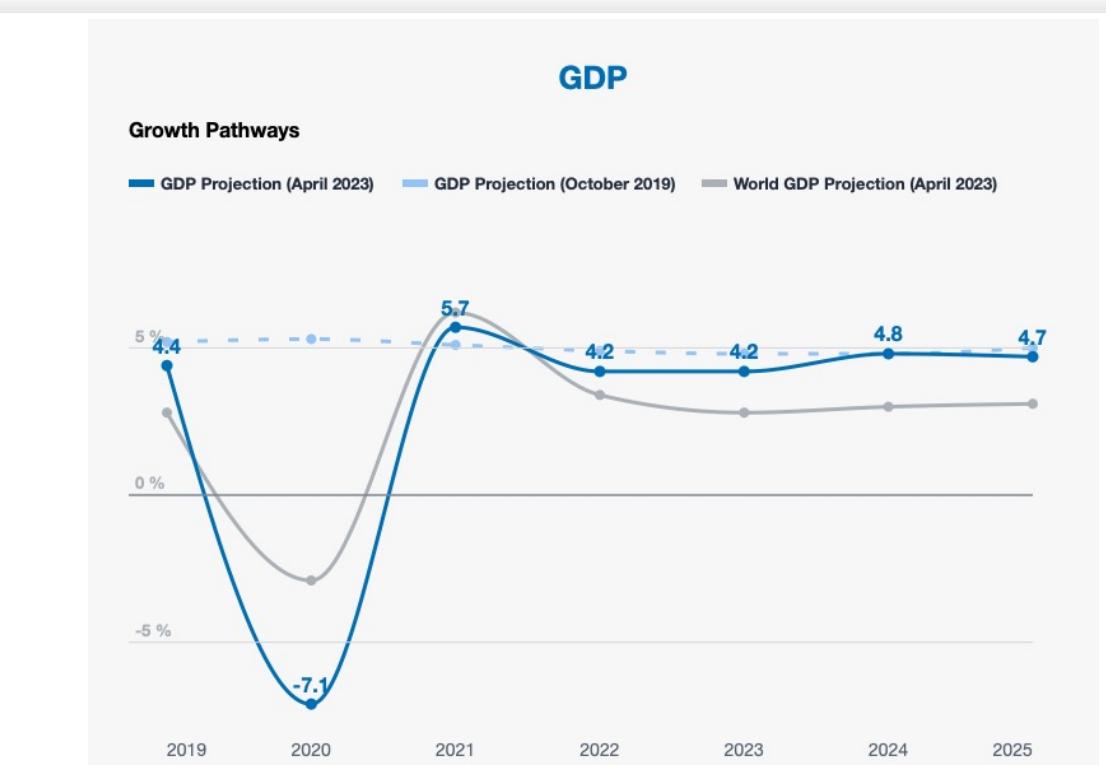
The Malagasy economy is going through a period of stagnation but according to forecasts it will be in a recovery phase over the period 2024-2025.¹ This growth rate is characterized by an average 50% higher growth rate than the rest of the world.

This pace of economic growth would not have a rapid impact on reducing the poverty rate and accelerating progress towards the SDGs in the short term. Therefore, the country's commitment to achieving the SDGs should focus on reducing extreme poverty. Moreover, this recovery in economic growth would be based on the use of fossil fuels to the detriment of the environment: the intensity of carbon emissions relative to GDP should increase at an annual rate of 10.5%. In addition, Madagascar faces significant challenges related to climate change.

The country is among the most vulnerable to the effects of climate change, with an expected increase in extreme weather events, such as cyclones and droughts. In addition, about 80% of the Malagasy population depends on agriculture for their livelihoods, making rural communities particularly sensitive to climatic variations.

¹ The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

² CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



SDG TRENDS

Understanding how Madagascar performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



SDG PRIORITIES

Madagascar's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



Key documents for analysis:

1. Plan d'Emergence Madagascar 2040
2. Plan Emergence Madagascar 2019-2023
3. General State Policy, Madagascar, 31 January 2019

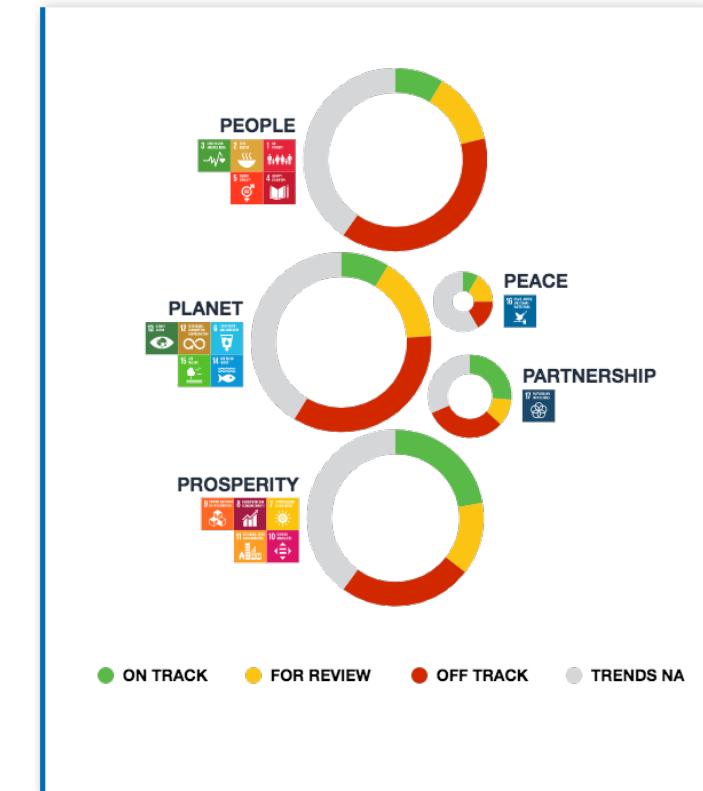
SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Madagascar to achieve the 2030 Agenda for Sustainable Development and navigating trade-offs.

Based on a global framework of interconnections, Madagascar's progress on the SDGs is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Madagascar:

- Target 7.2: By 2030, significantly increase the share of renewable energy in the global energy mix.
- Target 8.2: Achieve high levels of economic productivity through diversification, technological upgrading and innovation, including a focus on high value-added and labour-intensive sectors.
- Target 13.2: Incorporate climate change actions into national policies, strategies and planning.
- Target 16.6: Develop effective, accountable and transparent institutions



TRANSFORMATIVE PATHWAYS



SDG INTERLINKAGES

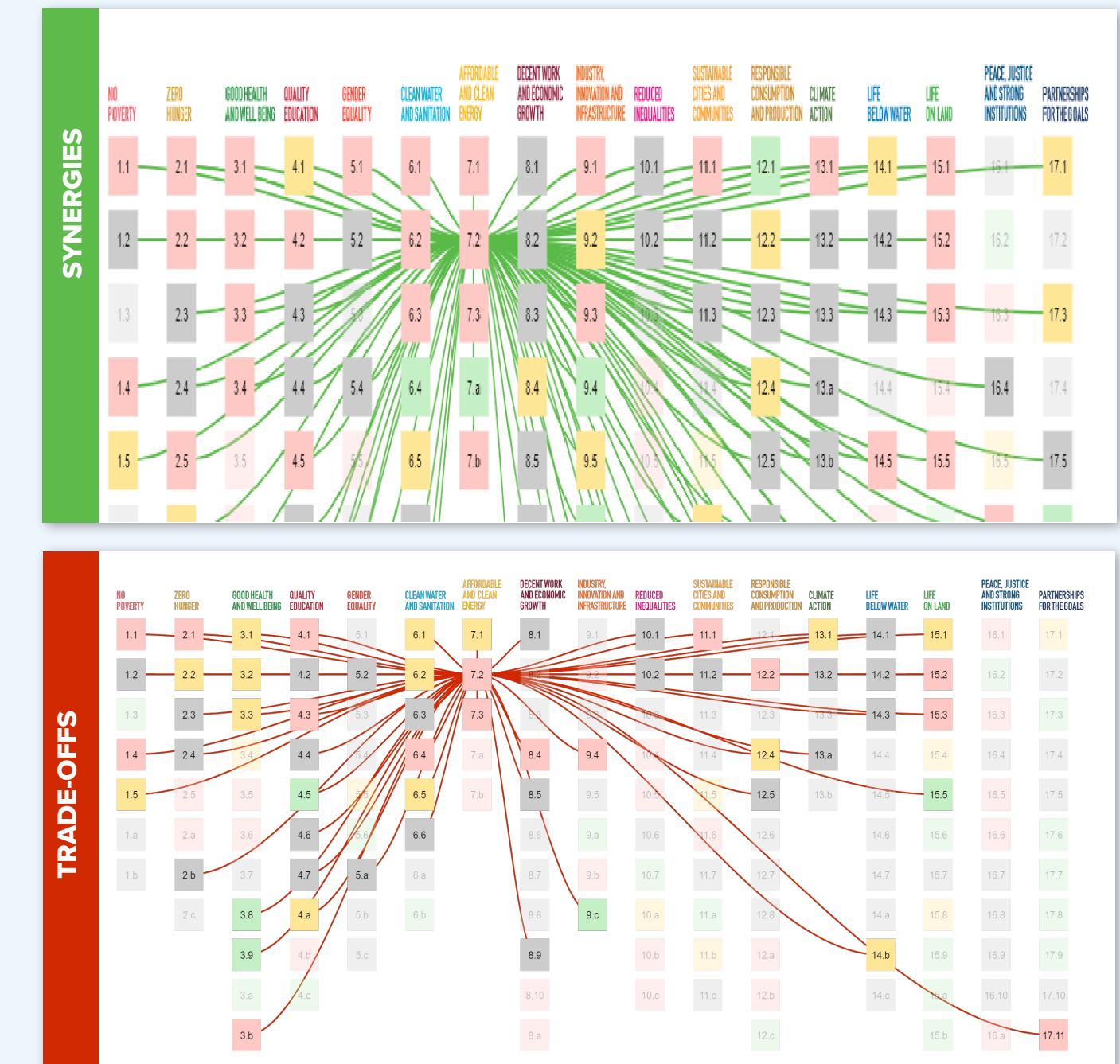
7.2: By 2030, significantly increase the share of renewable energy in the global energy mix

The planet is over-heating and global warming is a reality. It is human activity that is responsible for this fact and energy is the main cause, whether it is to produce, transport or consume it. The energy transition is now necessary to limit global warming and its devastating effects on ecosystems and the climate as much as possible. Madagascar aims to significantly increase the share of renewable energies in the global energy mix. This goal is in line with the country's vision for energy sustainability.

However, the current reality is that most of the energy supply is still based on non-renewable sources. Currently, only 15% of energy production comes from renewable sources, highlighting the considerable way to go to reach this challenging goal. To achieve this, Madagascar both need to invest in the development of renewable energies, such as solar and wind energy, and to put in place policies and infrastructure conducive to the adoption of these technologies. The establishment of regular monitoring mechanisms to measure progress towards this target will be essential.

Many countries have already adopted such mechanisms to monitor the transition to renewable energy and to draw valuable lessons from it. In line with the country's vision for energy sustainability, Madagascar is seeking to increase the share of renewable energy in its energy sources. Major renewable energy projects from wind, solar and hydropower are underway. However, to accelerate progress, achieving them will require sufficient financial support.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/MDG/synergies-and-tradeoffs>

SDG INTERLINKAGES

8.2: Achieve high levels of economic productivity through diversification, technological upgrading and innovation, including a focus on high value-added and labour-intensive sectors

In Madagascar, economic growth has been supported by the extractive industry sector since 2012. But this support gradually declined and became negative in 2016 following the fall in the price of nickel and the gradual withdrawal of oil companies. This trend has been reversing since 2017. Madagascar has set itself the goal of achieving a high level of economic productivity through diversification, technological modernization and innovation by 2030. This ambitious vision aligns with the country's aspirations to create a more dynamic and diversified economy. However, the current reality contrasts with these ambitions. Currently, the underground economy is growing significantly, which can limit overall productivity. The share of high value-added sectors in GDP remains relatively low.

To achieve this target, the government will need to invest in technological upgrading and innovation, particularly in structural transformation with high value-added potential. This will require a policy and regulatory framework conducive to the adoption of new technologies and the promotion of innovation. In addition, encouraging training and skills development to meet the needs of high value-added sectors will be crucial to improving economic productivity.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



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SDG INTERLINKAGES

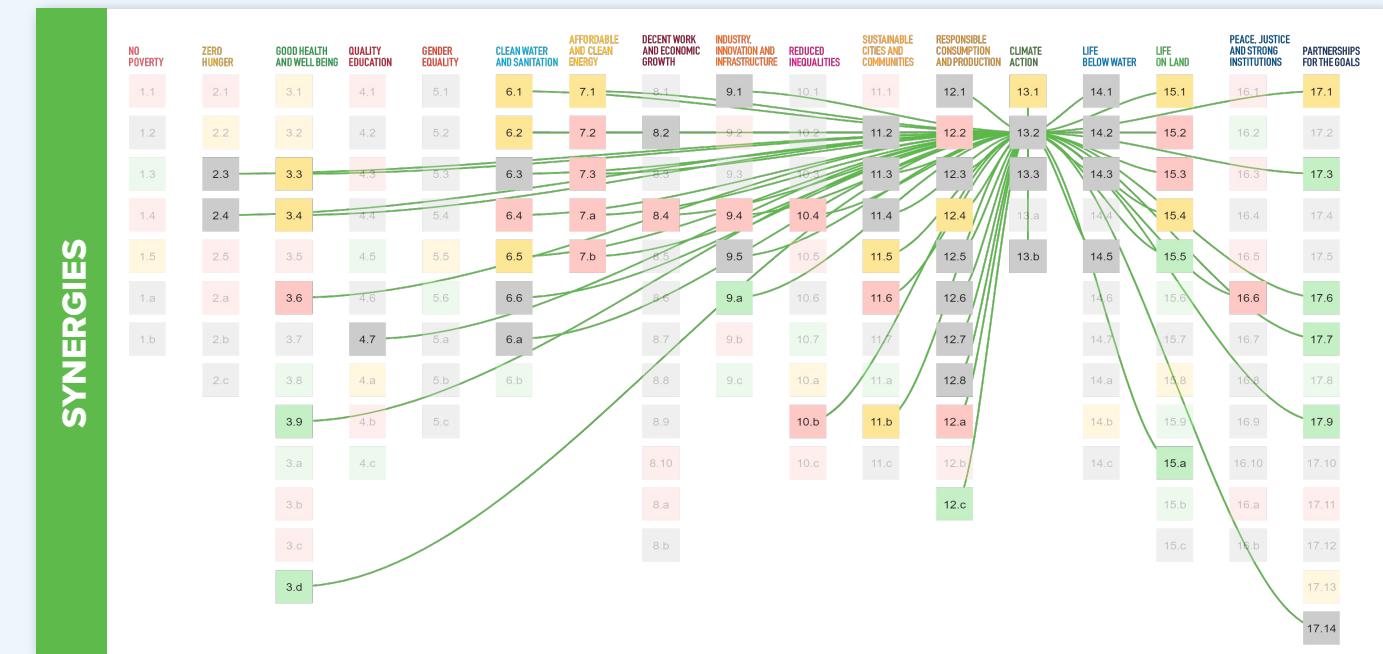
13.2: Incorporate climate change actions into national policies, strategies and planning

Madagascar is ranked the third country most vulnerable to climate change in the world. Deforestation and the destruction of natural ecosystems are among the greatest factors of climate vulnerability, through the loss of ecosystem services. The average annual deforestation rate was 1.5% in 2019. Land degradation affects 12 of Madagascar's 23 regions, with an area of 70,000 km² requiring immediate action in 2024.

Madagascar aims to integrate climate change measures into its policies, strategies and national planning by 2030. This vision reflects the recognition of the urgency of addressing the effects of climate change and promoting climate resilience at all levels of governance. However, the current situation highlights the need to accelerate these efforts. Madagascar is particularly vulnerable to the impacts of climate change, with phenomena such as cyclones and droughts becoming more frequent and intense. Recent statistics indicate an increase in climate disruptions affecting key sectors such as agriculture and infrastructure.

To meet this target, Madagascar will need to integrate climate considerations into all stages of decision-making, from national policies to local planning. This will require cross-sectoral coordination and strong partnerships to develop coherent and effective climate policies.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



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SDG INTERLINKAGES

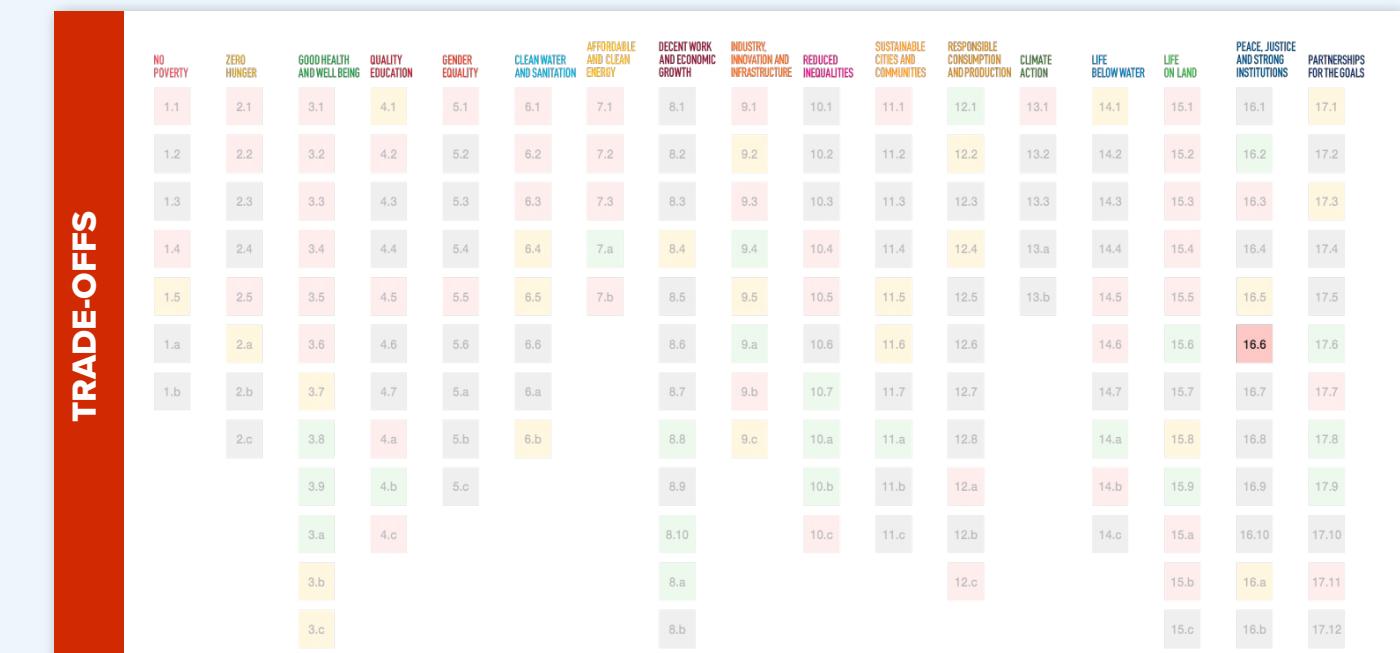
16.6: Develop effective, accountable and transparent institutions at all levels

In 2022, according to the Corruption Perceptions Index, Madagascar was ranked 142nd out of 180 countries with a score of 26/100. According to the Rule of Law Index, the country is ranked 112th out of 139 countries. In addition, only 39.7% of the Malagasy population say they are satisfied with the public services received. The reduction of extreme poverty should be strengthened by improving governance, strengthening institutions, the rule of law, public accountability and the fight against corruption.

This would offer Madagascar the opportunity to grow its economy with a greater focus on structural transformation, resilience and emerging decentralization. In connection with the latter, the government is currently strengthening the implementation of decentralization, in accordance with the Letter of the Emerging Decentralization Policy following the promulgation of Law No. 2021-011 of 24 June 2021.

However, it is crucial to ensure that this goal is supported by four complementary pathways to accelerate development: (i) enhance economic opportunities; (ii) improve service delivery; (iii) build resilience; and (iv) strengthen governance, with the latter being a precondition for progress on other fronts to achieve the SDGs.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



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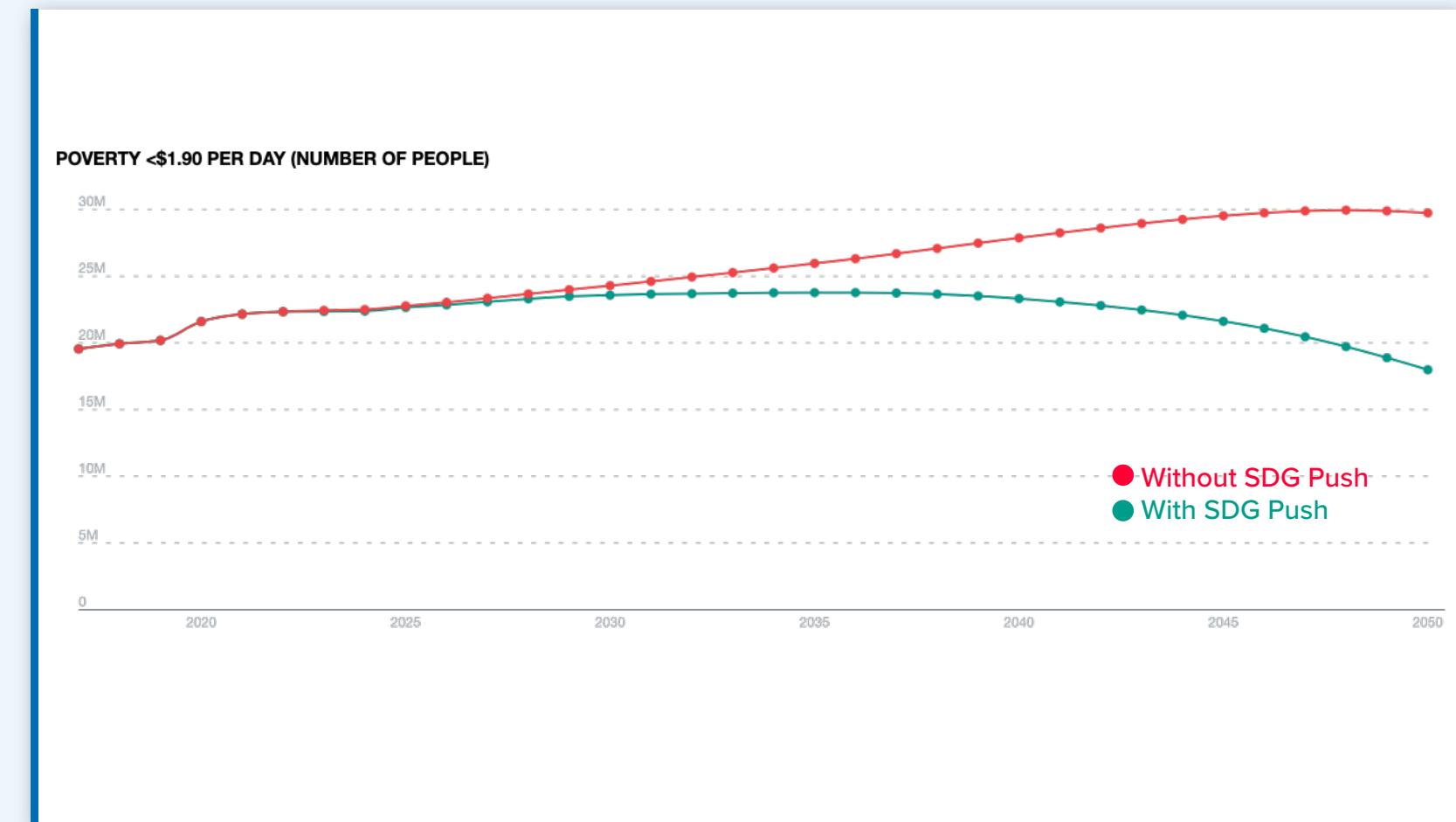
FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating ‘SDG Push’ accelerators into development interventions in Madagascar can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	24,000,000	30,000,000
With the SDG Push	24,000,000	18,000,000



Explore SDG Futures Scenarios at:
<https://data.undp.org/sdg-push-diagnostic/MDG/future-scenarios>

FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

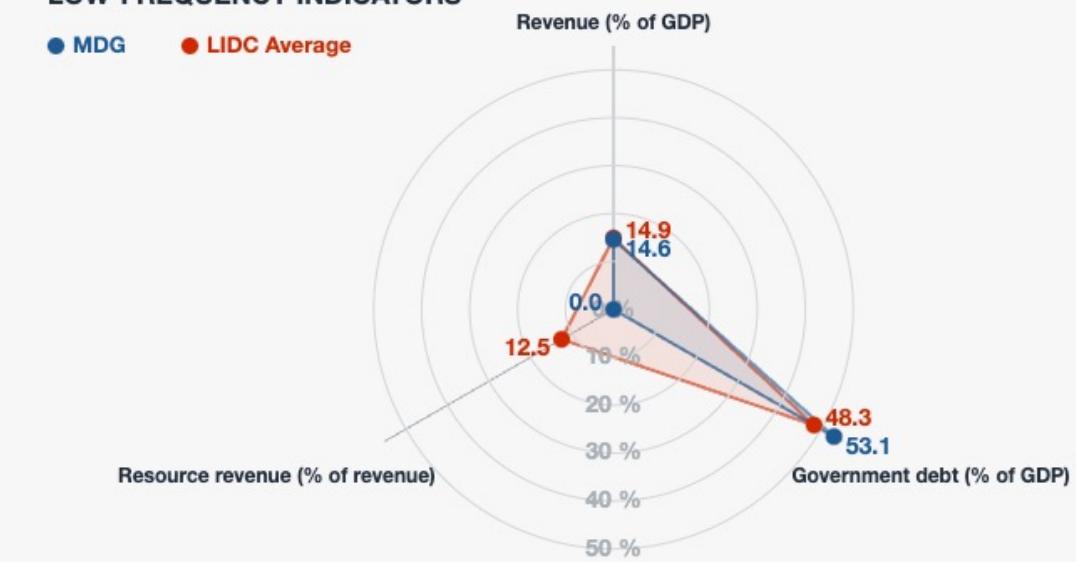
The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP and the natural resource share of total revenue. The financial indicator graphs show external debt servicing relative to revenue and the country's latest Debt Sustainability Assessment (DSA) risk rating.

Madagascar's gross government debt is projected at 53.1% of GDP in 2023, which is 4.8 percentage points (pp) above the low-income developing countries (LIDC) average of 48.3%. The country is projected to collect 14.6% of GDP in revenue this year, thus nearly the LIDC average of 14.9%.

Madagascar's public external debt servicing this year is projected to reach 17.6% of revenue, which is 3.5 pp above the LIDC average of 14.1%. Due to potential liquidity pressures and the risk of a rising debt servicing burden in case of an export shock, the latest World Bank and IMF DSA from March 2023 rated the country as at 'moderate risk of debt distress'.

LOW-FREQUENCY INDICATORS

● MDG ● LIDC Average



FINANCIAL INDICATORS

● MDG ● LIDC Average

Total external debt servicing (% of revenue)

DSA Rating

● ● ● ●
MODERATE



Notes: External debt covers public and publicly guaranteed debt. The LIDC average of resource revenue (% of revenue) only includes the 38 countries that reported data for that indicator.

Sources: UNU-WIDER GRD (resource revenue, data from 2020), IMF WEO April 2023 (debt and revenue, forecasts for 2023), IDS (external debt, data from 2023), IMF/World Bank (DSA Rating as of 31 May 2023).

SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Madagascar, possible funding options for the investments derived from the identified interlinkages are mechanisms in the SDG Stimulus which were selected as relevant to Madagascar:

- Tax and revenue reform
- Debt for SDGs
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing financial markets and insurance
- Remittances, philanthropy and faith-based financing

United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030

FEBRUARY 2023



METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO₂ emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).