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The role of the International Monetary Fund in achieving the 2030 Sustainable Development Goals

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Abstract:

This study aims to highlight the role of the International Monetary Fund in achieving sustainable development goals within the United Nations plan for the year 2030, in order to ensure the sustainability of natural resources, the environment, economic efficiency and the achievement of social justice.

The study concluded that the International Monetary Fund, despite its adoption of an action plan aimed at achieving the goals of sustainable development, remains practically incomplete regardless of the approved discourse, as the Corona crisis (Covid-19) delayed its work program in this regard in addition to being a tool to consolidate the dominance of developed countries and serve its traditional interests.

Keywords: International Monetary Fund; sustainable development; sustainable development goals.

JEL Classification Codes : O19 ; Q20 ; Q56

1. Introduction :

The comprehensive development experienced by humanity over the past decades has led to major changes never seen before. Human activity has negatively impacted the environment, resulting in an increasing frequency of natural disasters, as well as unwanted and sometimes extreme climate changes. This is in addition to political, social, and even economic instability. All of this has made the Earth vulnerable to many risks that threaten the human race, future generations, and the ecosystem.

In this context, the world had to act, which led to the emergence of the concept of sustainable development, aimed at more effective and efficient management of all resources, minimizing environmental impact and ensuring the sustainable use of resources without endangering future generations. Achieving this required concerted efforts from decision-makers, institutions, and international organizations, most notably the United Nations 2030 Agenda for Sustainable Development.

The International Monetary Fund (IMF) adopted the UN's vision for achieving the Sustainable Development Goals (SDGs), by launching a program to combat poverty, promote equality and justice, and achieve sustainable development for all countries, while preserving natural resources and the environment amidst resource scarcity and environmental constraints.

Based on the above, the following problem statement can be raised:

What is the role of the International Monetary Fund in achieving the Sustainable Development Goals?

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To address this problem and comprehensively explore the topic, the study is divided into three main axes:

- **First Axis:** The nature of the International Monetary Fund
- **Second Axis:** The foundations and concepts of sustainable development
- **Third Axis:** The role of the IMF in achieving sustainable development

1.1 Study Objectives:

This study aims to achieve several key objectives, including:

- Understanding the concept and functions of the International Monetary Fund.
- Defining sustainable development and its goals.
- Identifying the modern dimensions of sustainable development within the framework of the 2030 Agenda.
- Highlighting and discussing the IMF's contribution to achieving the Sustainable Development Goals at the global level.

1.2 Study Methodology:

To answer the stated problem, this study relies on the descriptive-analytical method, which aligns with the nature of the subject. This is achieved by examining and discussing the various elements that highlight the IMF's role in achieving the Sustainable Development Goals of 2030.

2 The International Monetary Fund (IMF):

One of the most significant outcomes of the Second World War was the establishment of a new global economic order and the creation of international institutions responsible for managing the new international monetary system. These institutions continue to play a pivotal role on the global stage to this day. Among the most prominent of these financial institutions is the **International Monetary Fund (IMF)**.

2.1 Definition of the International Monetary Fund:

Within the framework of the Bretton Woods Conference, held in the United States from July 1 to 22, 1944, the International Monetary Fund was officially established in late 1945 following the signing of its Articles of Agreement by 29 countries. The Fund commenced its operations in March 1947.

The IMF is an international financial institution representing the governments of the world. It was created to oversee the functioning of the new international monetary system established after World War II. As a specialized agency of the United Nations, the IMF works to promote the stability of the global economy. Being an international fund, it allows its member countries to access its financial resources to address economic challenges they may face (Essaadi W. , 2020)

The IMF aims to achieve sustainable growth and prosperity for its 190 member countries by supporting economic policies that foster financial stability and monetary cooperation—both of which are essential for increasing productivity, creating employment opportunities, and enhancing economic welfare. The Fund is governed by and accountable to its member countries (IMF, 2022).

Fig N° 01: Key Facts and Data on the International Monetary Fund up to 2025

IMF Facts	IMF Lending
 1944 Year Established	 \$1 trillion Amount Available for Lending
 191 Member Countries	 30 Current Lending Arrangements
 162 Nationalities of Staff	 160 Countries Beneficiaries of Financing
 25 Executive Directors Representing Member Staff	 \$382 million For Technical Advice, Training

Source: Prepared by the researcher based on (IMF, 2025)

Figure (01) highlights the significance of the International Monetary Fund, which is evident in the substantial amount available for lending—estimated at one trillion USD. In addition, there are currently 34 active lending arrangements, and 76 countries are eligible to benefit from the IMF's emergency financing program primarily aimed at mitigating the impacts of the COVID-19 pandemic.

2.2 Functions and Objectives of the International Monetary Fund

The IMF has three core missions: promoting international monetary cooperation, fostering the expansion of trade and economic growth, and discouraging policies that may undermine prosperity. In addition to these core functions, several other key objectives can be outlined:

- Reducing international competition over currency values and avoiding currency devaluation by supporting exchange rate stability.
- Eliminating exchange restrictions that hinder the growth of international trade and external transactions by establishing a multilateral payment system.
- Providing short- and medium-term loans to member countries to finance temporary balance of payments deficits, enabling them to address imbalances without resorting to restrictive measures (Douadane, 2018, p. 235).
- Increasing international reserves to provide liquidity for settling international payments through what is known as Special Drawing Rights (SDRs). The SDR is an interest-bearing international reserve asset created by the IMF as a supplement to other reserve assets of member countries. While not a currency in itself nor a claim on the IMF, it represents a potential claim on the freely usable currencies of IMF member countries (IMF, 2021).
- Formulating corrective policies and encouraging their adoption and implementation by member countries to achieve both external and internal equilibrium.
- Addressing short- and medium-term macroeconomic policies through stabilization strategies.
- Tackling structural imbalances in cooperation with the World Bank Group and monitoring the international monetary system in general (Douadane, 2018, p. 236).

- Facilitating the expansion and balanced growth of global trade to help achieve high levels of employment, income, and development of the productive capacities of all member states core objectives of economic policy (Essaadi M. , 2020).

To fulfill these missions, IMF member states collaborate with one another and with other international institutions.

2.3 Mandates and Areas of Focus of the International Monetary Fund

The IMF's areas of interest have evolved, particularly following the debt crisis of the 1980s and the succession of global crises, from the global financial crisis to the COVID-19 pandemic. The Fund has significantly increased its focus on developing countries, with its programs and policies targeting weaknesses in macroeconomic management and financial systems.

In the realm of macroeconomic policy, the IMF focuses on:

- Promoting market economy principles and targeting economic growth.
- Striving for a balanced balance of payments.
- Reducing fiscal deficits.

In its role in financial system management, the IMF is involved in:

- Defining interest rate structures.
- Establishing specific arrangements for exchange rate systems.

The IMF's capital is used to assist member states facing temporary balance of payments deficits. The terms under which a member country may borrow from the Fund, along with the ceiling on loan amounts, are determined by the Fund's Articles of Agreement.

Additionally, the IMF seeks mutually beneficial solutions to economic and financial problems, aiming to convince sovereign governments of the benefits of implementing proposed reforms.

As part of its mandate, the IMF also provides economic assistance, policy advice, and financial support to member countries in financial distress. Its roles also include:

- Monitoring both national and global economies, issuing early warnings when signs of risk are detected.
- Advising member countries on economic policies and helping establish sound standards for economic policy and banking and financial regulation.

Lending to countries facing economic hardship to facilitate policy corrections and support long-term structural reforms (Slimani & Dahia, 2020, pp. 674-675).

3 Sustainable Development:

The concept of sustainable development emerged as a global effort by countries to promote an economic development model that aligns with environmental preservation and social justice. Below are the most widely recognized definitions of sustainable development:

3.1 Definition of Sustainable Development

Sustainable development has been defined in various ways, but the most frequently cited definition is that adopted by the United Nations, also known as the *Brundtland Report*. According to the United Nations, sustainable development is defined as:

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Sustainable development requires concerted efforts to build an inclusive, resilient, and sustainable future for both people and the planet.

Achieving sustainable development necessitates coordination among three core elements: economic growth, social development, and environmental protection. These elements are interdependent and essential for the well-being of individuals and communities, and for eradicating poverty in all its forms and dimensions. To realize these goals, it is crucial to promote inclusive and sustainable economic growth, ensure equal opportunities and equity, reduce inequalities, foster fair social development, and ensure the integrated and sustainable management of natural resources and ecosystems (United Nations, n.d.).

This same definition—development that meets present needs without compromising the ability of future generations to meet their own—has been adopted by numerous international bodies and organizations, such as the International Institute for Sustainable Development (IISD, n.d.).

The concept of sustainable development can be interpreted in various ways; however, at its core, it represents a development approach that seeks to balance diverse, and often competing, needs while being mindful of the environmental, social, and economic limitations faced by society (The Sustainable Development Commission, n.d.).

Based on the foregoing, sustainable development can be understood as development that satisfies current needs without infringing on the rights of future generations to meet their own. It harmonizes economic, social, and environmental development, establishing a dynamic and integrated relationship among these dimensions. Thus, it becomes economically viable, socially equitable, and environmentally sustainable, respecting natural resources and ecosystems.

3.2 Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015. They consist of 17 interconnected objectives designed to achieve a better and more sustainable future for all. These goals aim to eradicate poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030. They form part of the 2030 Agenda for Sustainable Development, which succeeded the Millennium Development Goals (MDGs) that concluded in 2015. The SDGs are as follows :

- **No poverty:** End poverty in all its forms everywhere
- **Zero hunger:** End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
- **Good health and well-being:** Ensure healthy lives and promote well-being for all at all ages
- **Quality education:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- **Gender equality:** Achieve gender equality and empower all women and girls
- **Clean water and sanitation:** Ensure availability and sustainable management of water and sanitation for all
- **Affordable and clean energy:** Ensure access to affordable, reliable, sustainable, and modern energy for all
- **Decent work and economic growth:** Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all
- **Industry, innovation, and infrastructure:** Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation
- **Reduced inequalities:** Reduce inequality within and among countries
- **Sustainable cities and communities:** Make cities and human settlements inclusive, safe, resilient, and sustainable
- **Responsible consumption and production:** Ensure sustainable consumption and production patterns
- **Climate action:** Take urgent action to combat climate change and its impacts
- **Life below water:** Conserve and sustainably use the oceans, seas, and marine resources for sustainable development
- **Life on land:** Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss
- **Peace, justice, and strong institutions:** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels
- **Partnerships for the goals:** Strengthen the means of implementation and revitalize the global partnership for sustainable development (United Nations, 2022).

The following figure illustrates the Sustainable Development Goals using the official design adopted by the United Nations.

Fig N° 02: Sustainable Development Goals



Source : (UNDP, 2023)

3.3 Modern Dimensions of Sustainable Development (Les dimensions modernes du développement durable)

The Sustainable Development Goals (SDGs) are universal, integrated, and indivisible, balancing the three traditional dimensions of sustainability:

- **The Social Dimension (People):**

It focuses on eliminating poverty, ensuring social justice and equality, and providing healthcare and education for all. This dimension creates a human-centered environment that motivates individuals to contribute to economic development. It is mainly reflected in the first five SDGs.

- **The Economic Dimension (Prosperity):**

This entails achieving sustainable economic growth and satisfying basic needs while maintaining economic equity. It requires integrating environmental considerations into economic policies—such as reliance on clean energy. This dimension corresponds to Goals 7 to 11 of the SDGs.

- **The Environmental Dimension (Planet):**

As a central pillar of sustainable development, it emphasizes the protection of natural resources vital for food and energy production to preserve the rights of future generations. It includes managing the balance between population growth and consumption, protecting ecosystems and biodiversity, addressing climate change, and ensuring that technological and economic progress harmonizes with nature. This dimension is reflected in Goal 6 and Goals 12 through 15.

In the **2030 Agenda for Sustainable Development**, adopted by the United Nations, **two additional dimensions** were introduced to the classical triad: **Partnership** and **Peace**, giving rise to the “**5 P’s**” framework:

- **People** – Ensuring dignity and equality.
- **Prosperity** – Fostering inclusive economic growth.
- **Planet** – Safe guarding natural resources.
- **Partnership** – Building global solidarity and cooperation.
- **Peace** – Promoting just, inclusive, and peaceful societies.

Peace: This dimension represents the ethical component of sustainable development, encompassing values such as justice, equity, respect, responsibility, freedom, and human dignity. It aligns with **Goal 16** of the SDGs.

Partnership: It underlines the **collective and collaborative approach** necessary for achieving the SDGs. Global participation is essential for overcoming global challenges and transforming the world for the better (Marsh, 2017, p. 01). It corresponds to **Goal 17**.

Thus, the **2030 Agenda and the SDGs** provide a **holistic framework** for understanding and addressing global challenges. These five dimensions guide development policy decisions by requiring that any sustainable intervention considers its social, economic, and environmental impacts, resulting in informed trade-offs and maximizing long-term benefits (UNSSC, 2017, p. 02).

Fig N° 03: The Dimensions of Sustainable Development and their Related Goals.



Source: (UNDP, 2017, p. 02)

4 The Role of the International Monetary Fund in Achieving Sustainable Development:

The International Monetary Fund (IMF) contributes to sustainable development by promoting economic stability and inclusive, sustainable growth. The Fund has launched several initiatives to strengthen its support for member countries in their pursuit of the Sustainable Development Goals (SDGs). Below is an explanation of how the IMF contributes to these goals within the five dimensions of sustainable development:

4.1 Promoting Inclusion and Social Integration

In the context of the social dimension (People), inclusion is a central concern for the IMF. Its policies emphasize the importance of maintaining high levels of employment, a key pillar of social integration. The IMF also stresses equality and social justice, recognizing that narrowing gender gaps enhances economic productivity and growth potential. The Fund continues to leverage fiscal policy to reduce inequality by supporting public spending in health, education,

and social protection, as well as ensuring progressive taxation systems. Special attention is given to fostering women's economic participation through gender-responsive budgeting, which involves designing tax and spending policies that account for gender disparities.

4.2 Supporting Growth, Employment, and Poverty Reduction

Within the economic dimension (Prosperity), the IMF focuses on fostering growth, particularly in low-income countries, as a critical precondition for the success of the SDGs. It works to create fiscal space for investment in growth-enhancing sectors such as health, education, infrastructure, and agricultural productivity. The IMF also supports policies aimed at promoting economic diversification and helps develop strategies to address the challenges of the future of work, particularly in the face of disruptions brought about by technological change.

4.3 Engaging in Climate Action

In the environmental dimension (Planet), climate change stands as one of the most pressing global challenges. The international community has undertaken numerous agreements, from the Kyoto Protocol to the Paris Agreement, aimed at keeping global temperature increases below 2°C through a transition to a carbon-free energy system over the next three decades. A key component of this transition is ensuring that energy prices reflect health and environmental costs, such as carbon emissions and air pollution. The IMF assists countries in pricing carbon emissions and phasing out energy subsidies. It has also developed climate policy assessments to help vulnerable countries prepare for climate-related shocks and has enhanced emergency financing mechanisms for rapid disbursement to countries affected by extreme climate events.

4.4 Strengthening Governance and Combating Corruption

In the context of peace, the IMF promotes and strengthens good governance principles, recognizing that strong institutions are essential for peaceful and inclusive societies. Poor governance and corruption are linked to slower growth, lower foreign direct investment, and reduced tax revenues. The IMF has introduced a new framework aimed at fostering more systematic, fair, effective, and candid engagement with member states. Simultaneously, the Fund is intensifying efforts to build institutional capacity, particularly in fragile and conflict-affected states where implementing the SDGs faces significant challenges.

4.5 Financing the SDGs

In the context of partnerships, achieving the SDGs requires substantial financial resources and a significant increase in public expenditure in many countries. The IMF supports this objective in multiple ways. On the spending side, it is developing comprehensive frameworks for assessing expenditure needs to achieve costly SDG targets, especially in health, education, and infrastructure. This is done in collaboration with national authorities, the World Bank, and UN agencies. On the financing side, strengthening tax capacity is critical, particularly given the rising debt levels in low-income countries, which complicate SDG progress. However, domestic revenue alone will not be sufficient to close the financing gap in most developing countries, which will require increased official development assistance and access to private financing options (Annett & Lane, 2018).

Table N° 01: Sustainable Development Goals Targeted by the IMF

Dimension	IMF Policy	Targeted SDGs
Social Dimension (People)	Promoting inclusion and social integration	Goals 5 and 10
Economic Dimension (Prosperity)	Supporting growth, employment, and poverty reduction	Goals 1 and 8
Environmental Dimension (Planet)	Engaging in climate change mitigation policies	Goals 7, 12, and 13
Peace Dimension	Strengthening governance and combating corruption	Goal 16
Partnership Dimension	Financing the Sustainable Development Goals	Goals 3, 4, 6, 9, and 17

Source: Prepared by the author based on (Annett & Lane, 2018)

From the table above, we observe the following:

- Within the **social dimension (People)** of sustainable development, the International Monetary Fund adopts a policy of promoting inclusion in order to achieve gender equality, empower all women and girls, and reduce inequality within and among countries.
- Within the **economic dimension (Prosperity)** of sustainable development, the IMF supports policies aimed at fostering economic growth, employment, and poverty alleviation, with the objective of eradicating poverty in all its forms everywhere and promoting sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
- Within the **environmental dimension (Planet)**, the IMF engages in climate action policies to ensure access to affordable, reliable, sustainable, and modern energy for all, promote sustainable consumption and production patterns, and take urgent action to combat climate change and its impacts.
- In the context of the **peace dimension**, the IMF promotes good governance and anti-corruption measures to foster peaceful and inclusive societies, ensure access to justice for all, and build effective, accountable, and inclusive institutions at all levels.

Regarding the **partnership dimension**, the IMF contributes to financing the Sustainable Development Goals by enhancing well-being, ensuring quality education, providing clean water and sanitation, fostering industrialization and innovation, and strengthening means of implementation and revitalizing the global partnership for sustainable development.

5 Conclusion:

The Sustainable Development Goals (SDGs) represent essential requirements to ensure a dignified life and the well-being of societies today, while safeguarding prosperity for future generations. The SDGs call for global action and collaborative efforts among governments, international organizations, the private sector, and civil society to eradicate poverty and create equitable opportunities for all.

The International Monetary Fund has officially endorsed the SDGs and has pledged to assist member countries in financing sustainable development and achieving sustained economic growth. The IMF has adopted an action plan aimed at fostering long-term growth, particularly in developing countries, and facilitating private investment in SDG-related projects. It has also encouraged countries to implement structural reforms to advance toward achieving the 2030 Agenda.

However, in practical terms, the IMF's commitment remains incomplete. Despite its rhetoric, numerous publications, and formal statements on sustainable development, the Fund's actual support for implementing the 2030 Development Agenda remains limited and not clearly visible. Although it recently published an estimate of the costs associated with achieving the SDGs, this has yet to translate into tangible support.

Given that the official slogan of the SDG agenda is "*Transforming our world*", it is legitimate to question whether the IMF's actions truly contribute to transforming the world for the better.

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