



UN: Trillions Required to Rescue SDGs

For Prelims: [United Nations](#), [Sustainable Development Goals](#), [Least developed countries](#), [OECD](#), [Climate Finance](#)

For Mains: Progress of India in Achieving SDGs, Measures to Boost SDG Financing.

[Source: DTE](#)

Recently, a new report released by the [United Nations \(UN\)](#) stated that more investment is needed if the 17 [Sustainable Development Goals \(SDGs\)](#), agreed upon by all **United Nations** members back in 2015, are to be achieved by 2030.

- The reason for this situation is due to **staggering debt burdens and sky-high borrowing costs faced by developing countries** that prevent them from responding to the confluence of crises they face.

What are the Key Highlights of UN Financing for Sustainable Development Report 2024 ?

- **Key Issues:**
 - **Lack of Basic Services:** Rising geopolitical tensions, climate disasters and a global cost-of-living crisis have hit billions of people globally, which has halted the progress on healthcare, education, and other development targets.
 - **Increase in Debt Services:** Debt services in the [Least developed countries \(LDC\)](#) will increase from USD 26 billion annually in 2022 to **USD 40 billion annually** between 2023 and 2025.
 - Stronger and more frequent disasters, caused by the ongoing climate crisis, account for more than **half of the debt upsurge** in vulnerable countries.
 - **Higher Burden of Interest Payment:** The poorest countries now spend 12% of their revenues on interest payments, 4 times more than they spent a decade ago.
 - Roughly **40%** of the global population live in countries where governments spend more on interest payments than on education or health.
 - **Slowing Development Fundings:** In **Least developed countries**, development fundings are slowing down.
 - Due to several reasons such as **low domestic revenue growth** due to tax evasion and avoidance, falling rate of corporate tax (which was 28.2% in 2000 to 21.1% in 2023), due to **globalisation** and tax competition etc.
 - Also, **Official Development Assistance (ODA)** from [OECD](#) countries and [climate finance commitments](#) are not being met.
 - According to the **Financing for Sustainable Development Report: Financing for Development at a Crossroads Report 2024**, around **USD 4.2 trillion** investments is needed to close the development financing gap.
 - This number was **USD 2.5 trillion before the Covid-19** pandemic began.

- **Suggestions:**

- International financial system, which was set up at the **1944 Bretton Woods Conference**, is no longer fit for purpose.
 - A “**massive surge of financing**” and a “**reform of the international financial architecture**” can help to achieve SDGs goals by 2030.
 - Setting up a **new coherent system** that is better equipped to respond to **crises**.
- To achieve the SDGs **global cooperation, targeted financing, and, crucially, the political will** is the need of the hour.

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SUSTAINABLE DEVELOPMENT GOALS



What is the Progress of India in Achieving SDGs?

- **Progress:** India ranks **112th out of 166 countries** (from **121st in 2022**) in terms of progress towards the Sustainable Development Goals (SDGs) in United Nations SDG Index and Dashboards Report 2023.
- **Progress in Key Goals:**
 - **Goal 1- No Poverty:** India has successfully lifted millions of people out of poverty, **reducing the poverty rate from 45% in 1993 to around 21% in 2011.**(Goal 1: No Poverty)
 - Around **415 million** people exited poverty within a span of just 15 years between 2005 to 2021 in India, according to the latest **Global Multidimensional Poverty Index (MPI) 2023**
 - **Goal 2- Zero Hunger:** The prevalence of **undernourishment** in India has decreased from 18.2% in 2004-2006 to **14.5% in 2016-2018.**
 - However, India is still home to a **quarter of all undernourished people worldwide**, making the country a key focus for tackling hunger on a global scale.
 - **Goal 3- Good Health and Well-being:** India has made significant improvements in **maternal and child health**, with a reduction in maternal mortality ratio from **384 in 2000 to 103 in 2020 (UN MMEIG 2020 report).**
 - Under-five mortality rate has also declined from 89 per 1,000 live births in 1990 to **34 in 2019.**
 - **Goal-4 Quality Education:** According to the Education Ministry, the literacy rate in rural India stands at 67.77%, while in urban India, it is 84.11%
 - The [ASER 2023](#) data shows that in the surveyed rural districts, more than **85%** of youth (age 14-18) are currently enrolled in some kind of educational institution.
 - **Goal 5- Gender Equality:** The **female labour force participation rate** in India

increased from 23.3% in 2017-18 to 37.0% in 2022-23 (**PLFS-5**)

What Measures can be Adopted to Boost SDG Financing?

- **Dedicated Investment Funds:** Establishing specialized investment funds dedicated to financing projects and initiatives that directly contribute to specific SDGs.
 - These funds could be structured as **public-private partnerships**, attracting investments from governments, institutional investors, and impact-driven private investors.
- **Policy and Institutional Reforms:** Ensure national policies and regulations are conducive to SDG implementation.
 - Enhancing **domestic resource mobilization** through measures such as progressive taxation, reducing tax evasion and tackling illicit financial flows can increase the availability of funds for SDG implementation.
- **International Cooperation:** International cooperation and coordination among governments, international organizations, civil society, and the private sector are crucial for mobilizing resources, sharing best practices, and addressing common challenges in SDG financing.
 - Providing **debt relief** for developing countries to free up resources for SDG investments.
 - Developed countries should meet their **Official Development Assistance (ODA)** commitments to support SDG implementation in low-income countries.
 - Bringing **Global Tax Reforms** to address **tax havens** and ensuring multinational corporations pay their fair share of taxes.
- **Technology and Innovation:** Data analytics and predictive modeling techniques can be used to analyze large datasets and identify trends, patterns, and investment opportunities related to SDGs.
 - By these tools, **financial institutions, investors, and policymakers** can make informed decisions, optimize resource allocation, and maximize the impact of SDG financing initiatives.

Drishti Mains Question:

Discuss India's progress towards achieving Sustainable Development Goals (SDGs) and analyse the key challenges hindering its path. How can India further accelerate its efforts to meet the SDGs by 2030?

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. Consider the following statements: (2016)

1. The Sustainable Development Goals were first proposed in 1972 by a global think tank called the 'Club of Rome'.
2. The Sustainable Development Goals have to be achieved by 2030.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (b)

Q. Sustainable development is described as the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. In this perspective, inherently the concept of sustainable development is intertwined with which of the following concepts? (2010)

- (a) Social justice and empowerment

- (b) Inclusive Growth
- (c) Globalization
- (d) Carrying capacity

Ans: (d)

Mains

Q. Access to affordable, reliable, sustainable and modern energy is the sine qua non to achieve Sustainable Development Goals (SDGs).” Comment on the progress made in India in this regard. **(2018)**

Q. National Education Policy 2020 is in conformity with the Sustainable Development Goal-4 (2030). It intends to restructure and reorient the education system in India. Critically examine the statement. **(2020)**

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