



# Sustaining the Sustainable Development Goals





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**Sondang Tampubolon**  
*Network Coordinator*

**Francis Isaac and Marlon Cornelio**  
*Special Edition Editors*

**Alvin Quintans**  
*Editorial Assistant*

**Bea Reyno**  
*Program Coordinator*

**Network of Social Democracy in Asia**  
Unit 3-E, 112 Maginhawa Street, Barangay Teachers' Village East,  
Quezon City, Philippines, 1101

Website: [www.socdemasia.com](http://www.socdemasia.com) Facebook: [facebook.com/SocDemAsia](https://facebook.com/SocDemAsia)  
E-mail: [secretariat@socdemasia.com](mailto:secretariat@socdemasia.com)

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By: Aljo Quintans

# Accelerating the SDGs through Financing

## The Need for Multi-Stakeholder Action

The Sustainable Development Goals (SDG) also known as the 17 Global Goals adopted by the United Nations in 2015 serve as the shared blueprint of all countries in eliminating deprivations in the world, while recognizing the need to protect the planet and preserve our environment to achieve sustainable peace and prosperity for all. Since its inception, we have seen progress in various SDG targets particularly in reducing hunger (SDG 2) and promoting responsible consumption (SDGs 12), as well as in protecting the world's natural resources (SDGs 14 and 15), among others. However, challenges remain in achieving substantial progress for the goals and the need for concerted efforts for the SDGs is deemed vital.

### Where are we in terms of achieving the SDGs?

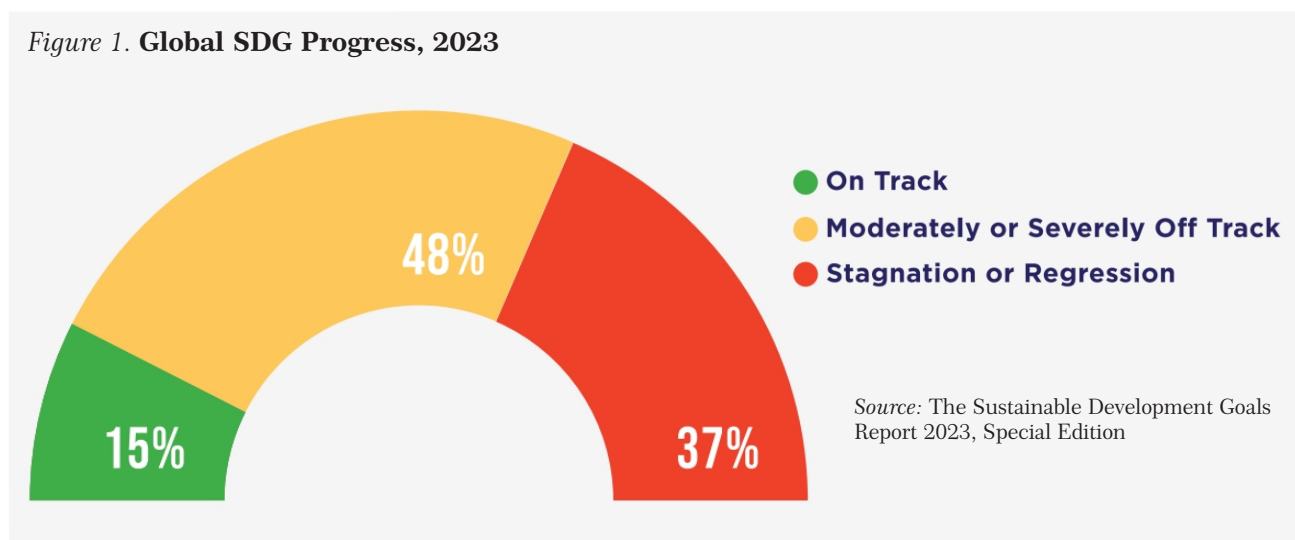
The various global crises we faced in the past three to four years, including the COVID-19 pandemic, have negatively impacted our achievements towards the 17 SDGs. The latest global-level data shows that only 15 percent of the SDG targets are on track and more than 30 percent of the targets

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Image: [www.depedtambayan.ph](http://www.depedtambayan.ph)



Figure 1. Global SDG Progress, 2023

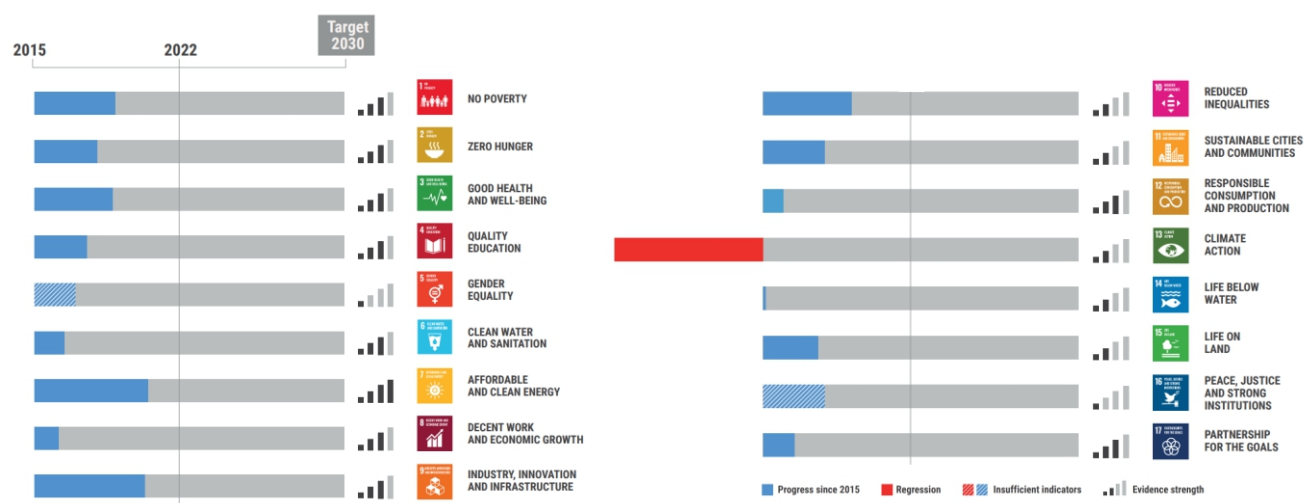


have experienced no progress or have worsened from the 2015 baseline (See Figure 1). According to the 2023 SDG Progress Report,<sup>1</sup> if countries continue with this pace of growth, by 2030, around 575 million people globally will still be living in extreme poverty and around 84 million children will still be unable to attend even elementary school. Thus, an urgent call for intensified efforts from all stakeholders to push our SDG progress forward is indeed critical.

In the Asia-Pacific region, the largest progress has been observed in reducing poverty (SDG 1) as well as in having sustainable and resilient industry, innovation, and infrastructure (SDG 9). Meanwhile, combatting climate change (SDG 13)

remains to be the most challenging Goal as it continues to regress since 2015 (See Figure 2). Despite advancements, strong action towards improving access to decent work and supporting economic growth (SDG 8) as well protecting life below water (SDG 14) and life on land (SDG 15) are also necessary for the region to significantly accelerate its SDG attainment. Based on the latest report of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP),<sup>2</sup> if the region continues with this current SDG trends, the Asia-Pacific region will only be able to achieve the SDGs by 2062. This means that the region, given its ongoing pace, is behind by around three decades or 32 years to successfully achieve the 17 Global Goals.

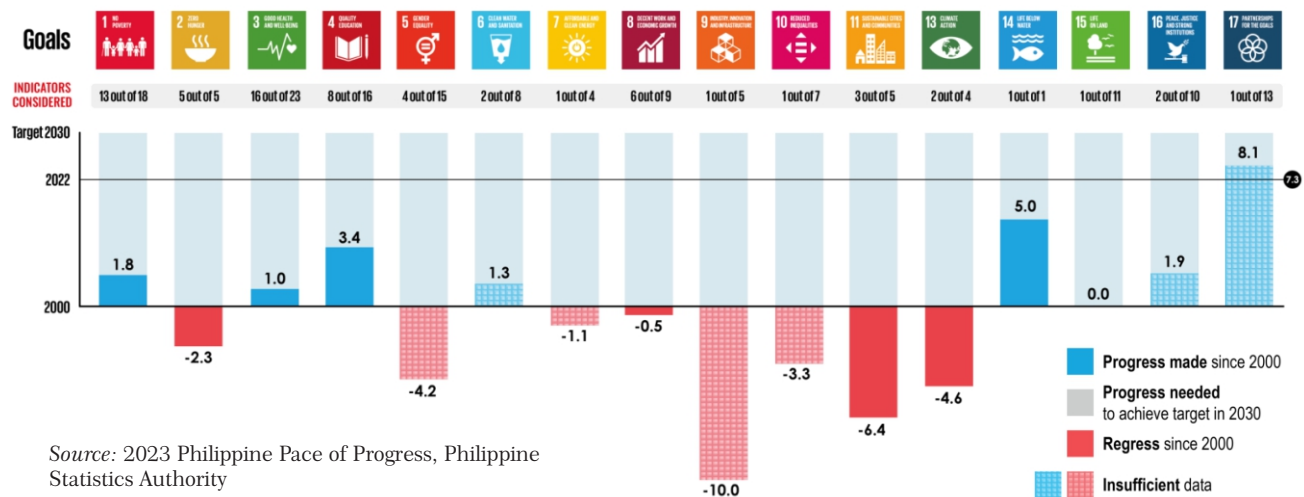
Figure 2. Asia-Pacific Region SDG Progress, 2023



<sup>1</sup> United Nations (2023). *The Sustainable Development Goals Report 2023: Special Edition*. New York.

<sup>2</sup> United Nations Economic and Social Commission for Asia and the Pacific (2024). *Asia and the Pacific SDG Progress Report: Showcasing Transformative Actions*. Bangkok.

Figure 3. Philippines' SDG Progress, 2023



Source: 2023 Philippine Pace of Progress, Philippine Statistics Authority

For the Philippines, progress has also been observed in reducing poverty (SDG 1), and in other social dimensions including achieving good health (SDG 3) and quality education (SDG 4).<sup>3</sup> Unlike the regional trend, the country is doing relatively better in protecting life below water (SDG 14), although it is still short compared to the expected achievement for 2022 (See Figure 3).

Similar to the regional data, the country also needs to accelerate initiatives for Climate Action (13), but in terms of lowest improvement, the country is experiencing huge challenges in achieving sustainable cities and communities (SDG 11). Most likely, this is due to the continued risks that the Philippines face as a disaster-prone country that experiences more than 20 typhoons yearly.

In its country progress, the lack of sufficient data for several of the SDGs is glaring, wherein more than 50 percent (8 out of 17) of the SDGs require further attention on the data availability component. Without complete data, the country will not be able to amply provide progress for the rest of the SDGs, thereby affecting its ability to create impactful solutions to these respective Goals.

### How can we accelerate SDG progress through financing?

Implementing programs that will effectively and meaningfully address the SDGs is important. This can only be done through a strong financing system that support SDG needs. In the latest

“Implementing programs that will effectively and meaningfully address the SDGs is important.”

Image: www.ruelfoundation.com



<sup>3</sup> Sulat, Dustin Adriel and Rochelle Anne Tabion (n.d.). “The Philippine SDG Pace of Progress.” Powerpoint presentation. Retrieved from: <https://tinyurl.com/ycysts9u>.

Financing for Sustainable Development report<sup>4</sup> by the United Nations Department of Economic and Social Affairs (UN DESA), the financing need, globally, is estimated at 2.5 to 4 trillion US dollars annually. For most of us, this amount appears huge—an unreachable figure to generate for the SDGs. However, in a different perspective, when we look at total global wealth, based on the latest Global Wealth Report,<sup>5</sup> there is around US\$454 trillion available around the world. When compared, the total financing gap is only less than 1 percent of the total global wealth. Therefore, there is an acknowledgement among many development practitioners that the issue may not be in terms of the lack of resources, but more on the proper alignment and leveraging of financing to achieve sustainable development.

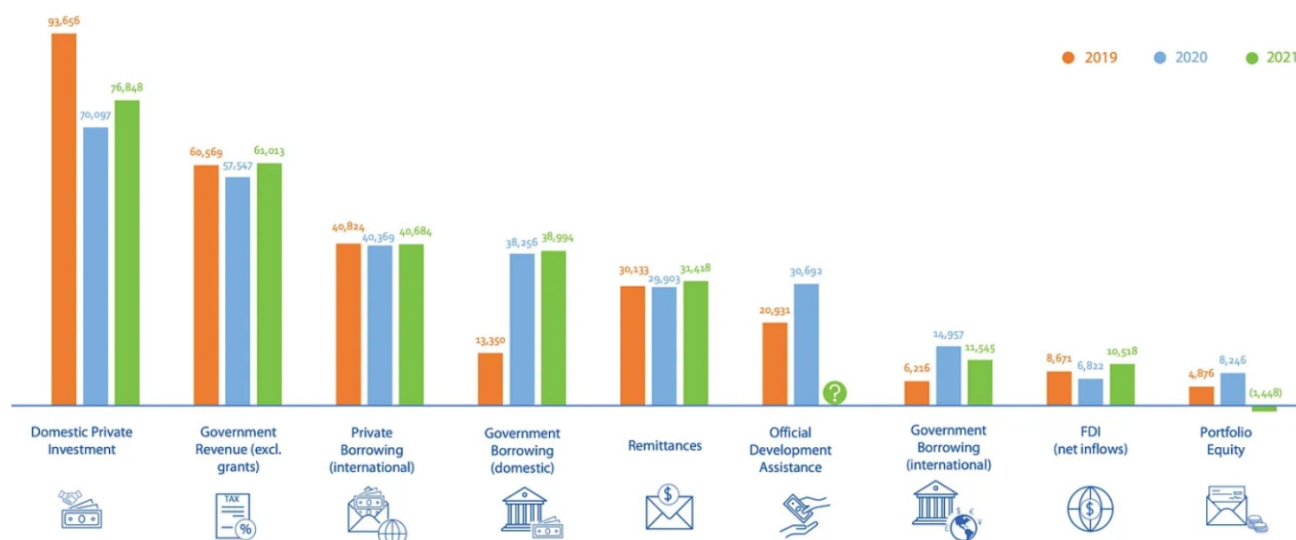
In the Philippines, financing sustainable development has increased through time; however like the rest of the countries around the world, the various challenges that occurred in the past few years had adversely affected its sources of development financing. Based on the 2022 Development Finance Assessment Report<sup>6</sup> by UNDP, there is a dive in some key sources of financing for the country particularly during the pandemic in 2020, such as domestic private investment, government revenues (excluding grants), and international private borrowing (See Figure 4). Inflows of foreign direct investments and remittances also slightly declined during the

said year. Alternatively, official development assistance (ODA) flows have increased and continue to be important sources of development financing in the country. In 2021, some of the key sources of financing have improved including domestic private investment, but not yet at the same pre-pandemic level.

Amidst these trends, there are a lot of financing opportunities for the Philippines that opened-up in recent years. For instance, the Mandanas Garcia Supreme Court ruling will substantially increase the share of local government units (LGUs) from national taxes that is expected to drive faster the delivery of public services on the ground. As part of this, the Growth Equity Fund was created under the Full Devolution Transition Policy and in 2022, around 1.25 billion pesos have been approved to support the poorest LGUs in the delivery of devolved services. Furthermore, the Sustainable Financing Framework and Roadmap issued by the Philippines in 2021 provide guidance in developing and promoting financing instruments that shall increase investments for the SDGs.

While the role of the government is critical in aligning public finance for the SDGs as well as in creating a conducive environment that will increase investments for the SDGs, the need to accelerate efforts through a whole-of-nation approach, particularly with the support of the private sector is also crucial.

Figure 4. Philippine Financing Landscape, 2022



Source: Development Finance Assessment Report, 2022

<sup>4</sup> United Nations Department of Economic and Social Affairs (2024). *Financing for Sustainable Development Report 2024: Financing for Development at a Crossroads*. New York.

<sup>5</sup> Credit Suisse Research Institute (2023). *Global Wealth Report 2023: Leading Perspectives to Navigate the Future*. Zurich: UBS Group AG.

<sup>6</sup> Joint SDG Fund (2022). *2022 Development Finance Assessment Report: SDG Financing in the Philippines*. New York: United Nations Development Programme.



Image: www.pna.gov.ph

**“The SDGs create new opportunities for businesses by driving innovation and enhancing business reputation.**

### **How can the private sector support the SDGs?**

The business case for sustainable development has been strongly established. Based on the Better Business, Better World report,<sup>7</sup> the SDGs create new opportunities for businesses especially as they generate big efficiency gains by driving innovation and enhancing business reputation. In particular, the report highlights that a reputation for sustainability allows companies to attract and retain employees, consumers, and investors, and secure license to operate. Thus, the SDGs is good for business, and in return businesses can also be modelled to support the SDGs more meaningfully.

In the Philippines, the role of the private sector is hugely important. The private sector has been supporting the SDG agenda and this has been increasing over time. For instance, in 2019, around 10.6 percent of bank loans portfolio were allocated for green financing and other social projects, while in 2022, thematic bonds, such as green and sustainability bonds, have also raised more than US\$5 billion to support SDG-related programs of the country, such as climate

mitigation, sustainable energy and other green projects.<sup>8</sup> In addition, according to the Transformational Business Report<sup>9</sup> published by UNDP in 2017, an estimate of at least Php40.7 billion (US\$814 million) worth of investments have been reported by 157 private entities, capturing 457 SDG initiatives nationwide. Considering that the report was seven years ago, and more initiatives have been undertaken by the private sector to advance SDG programs through the years, this estimate is assumed to have increased to date.

In conclusion, given our SDG progress at global, regional, and country levels, there is indeed a recognised urgent need for us to catch up on our global development agenda. The critical job of financing in advancing the SDGs should be considered a priority by key stakeholders, not only by the government but also by the private sector. Businesses, civil society, and other non-government organisations are urged to come together in providing utmost support to countries in designing solutions that shall substantially contribute to achieving the future we want—a future where no one is left behind.

<sup>7</sup> Business and Sustainable Development Commission (2017). *Better Business, Better World: The Report of the Business and Sustainable Development Commission*. London.

<sup>8</sup> Joint SDG Fund, op. cit.

<sup>9</sup> Philippine Business for the Environment (2017). *Transformational Business: Philippine Business Contributions to the United Nations Sustainable Development Goals*. Mandaluyong: United Nations Development Programme.

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