South Asia's prospects of **achieving the SDGs** in view of the COVID-19 pandemic

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Sustainable Development Goals (SDGs), a set of 17 comprehensive goals adopted in 2015 for sustainable global peace and prosperity to be achieved by 2030, is facing a major blow from the COVID-19 pandemic. The incredibly ambitious goals include, inter alia, poverty elimination, reduction of inequalities, good health and well-being, quality education, clean water, affordable and clean energy, decent work and economic growth.

While the COVID-19 pandemic has imposed a major roadblock in the progress along the achievement of the goals, the progress of the world with regard to SDGs was already under criticism. For instance, the SDG Summit in 2019 did not find the progress made in the first four years satisfactory. Likewise, according to *The Sustainable Development Goals Report 2020* of the United Nations, no country was on track to meet the target, even before the pandemic. The coronavirus pandemic, which is described as the "worst human and economic crisis of our lifetime" by the UN Secretary General, has exacerbated the already slow progress.

The pandemic-led rise in unemployment and disruption in global supply chains have increased poverty and hunger severely, pushing tens of millions of people into extreme poverty. South Asia, which was already lagging in the progress towards achieving the SDGs, is now severely affected by the pandemic.

South Asia and the SDGs: pre-COVID scenario

Some South Asian countries made notable improvements in human development in the past decades. Countries such as Bangladesh, Nepal and Sri Lanka achieved many targets of the Millennium Development Goals (MDGs) in areas of food security, poverty reduction, primary school enrolment, infant and under-five mortality ratio and immunization coverage.[1] However, there were also countries in the region that were laggards in achieving the MDGs.

South Asia scores poorly in the multidimensional poverty index[2] and the region has the second lowest human development index in the world, just above sub-Saharan Africa. Against this background, SDGs for South Asia were keys to address the major development challenges and fulfil the uncompleted MDG agenda.

However, South Asia's progress regarding the SDG agenda has not been satisfactory. Before the pandemic, South Asian countries were performing below the global average in more than half of the SDGs, including good health and well-being (SDG 3), gender equality (SDG 5), clean water and sanitation (SDG 6), and affordable and clean energy (SDG 7).[3] In fact, the overall performance of South Asia was regressing in some indicators such as sustainable cities and communities (SDG 11), climate action (SDG 13), and life on land (SDG 15). Among other things, the region's existing inequalities in terms of caste, gender and class are impediments to the achievement of the SDGs.

Nevertheless, some improvements were visible in the region. In 2018, no South Asian country was in the list of top 100 countries ranked according to the SDG Index. In 2019, two countries in the region—the Maldives and Sri Lanka— made it to the list and one more South Asian country—Nepal—made it to the list in 2020. Notably, these countries were performing above the global average in goals such as poverty alleviation (SDG 1); quality education (SDG 4); industry, innovation and infrastructure (SDG 9); and decent work and economic growth (SDG 8).

Impact of COVID-19 on SDGs in South Asia

South Asia, which was struggling to meet the SDG targets, is now seriously affected by the impact of COVID-19. The large number of people living in the margins, fragmented social protection coverage, high number of informal employment and economic activities, and underdeveloped public health infrastructure have exacerbated the impact. Besides affecting the lives and livelihoods of the people living in the region, the economic contraction is going to leave governments with a hole in the pocket that will affect budgetary commitments towards SDGs.

South Asia's relatively good performance on poverty reduction of the past five years is now immensely affected. Shutdown of economic activities for months has caused massive job losses and resulted in millions of people falling into absolute poverty in the region. As many as 132 million more people will be pushed into extreme poverty in South Asia and bulk of them will be in India, according to a simulation exercise presented in a report published by the United Nations Economic and Social Commission for Asia and the Pacific.[4]

Similarly, according to the United Nations Children's Fund (UNICEF), around 120 million more children in South Asia will be pushed into poverty in the current year.[5] Decades of hard earned progress in the field of children's education, health and other vital priorities will be wiped out by this pandemic. Because of the reduction in incomes of many families due to job losses both within the country and abroad, expenditure on nutrition, health and education will plummet. A survey by UNICEF in Bangladesh and Sri Lanka revealed that around 30 percent of families have reduced their food consumption due to unaffordability. Government spending on health, nutrition and education also appear to be affected as resources need to be diverted towards countering the pandemic.

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Moreover, South Asia has high inequality in access to quality internet connection and electricity. Especially during the pandemic, when online and long-distance education have become the norm, this inequality is going to affect a large number of children who do not have access to quality internet and electricity. This will further the existing social, economic and regional inequalities in the South Asia region.

Millions of people in the region lack basic services such as access to clean water and sanitation facilities, especially in growing urban slum areas. Large investment required to solve this problem is now in jeopardy due to the shrinking government revenues.

South Asia was already underperforming in the SDG concerning gender equality and the pandemic has made the matter worse. Women are more affected than men due to the pandemic in all markers like health, economy, social protection and access to food.[6] Unpaid care work for women has increased due to the proliferation of disease and domestic violence during the lockdown period.

South Asia might see its worst economic performance in the past forty years with at least half the countries projected to experience deep recession according to the World Bank.[7] The collapse of international trade has caused huge economic losses in major labour-intensive sectors such as leather products, garments, handicrafts and shrimps in South Asia. Similarly, tourism and hospitality sectors, which have been heavily affected by the pandemic, are sources of major income for many countries in the region. International remittance inflows, which are significant sources of South Asia's economies and livelihoods, appear to reduce drastically due to the pandemic. Likewise, the backbone of South Asian economies—the micro, small and medium enterprises (MSMEs)—are also heavily affected by the supply chain disruptions, liquidity crunch, demand collapse and labour shortages. The resulting loss of incomes and jobs due to all these factors will have a long term impact on South Asia's journey towards the achievement of the SDGs.

Way forward for South Asia

Existing high levels of fiscal deficit and public debt gives limited fiscal space to South Asia's governments to finance the achievement of SDGs. India alone needs an investment of US$2.64 trillion to meet the SDG targets by 2030 according to the Standard Chartered SDG Investment Map.[8] It is high time to integrate new sources of private capital with scalable and innovative approaches to fill the investment gap as it is not possible for the public sector alone to fund this gap.

Financial guarantees should be scaled up to attract private capital in these countries and reduce investors' exposure to risks. Financial bonds are another tool for bringing additional capital to fund the SDGs. National governments should issue new green[9], social[10] and sustainability bonds.[11]

This is an opportune time to rethink South Asia's current economic growth path, which is coming at a heavy cost to the people and the planet. The region has a large number of countries most vulnerable to climate change and also the world's most polluted cities. Against this background, economic growth in the region should be achieved keeping a long-term vision with the goal of long-term sustainability. Accordingly, economic stimulus packages should have social inclusion and environmental sustainability as major objectives.

The region's fossil fuel subsidy, which is higher than the investments in renewables, should be changed in a manner that will align with the environmental goals of the SDGs. Governments should also utilize the advantage of current low crude oil prices and higher taxes on petroleum products to fund projects that will build greener and sustainable energy systems.

More public funds should be channelized to boost health infrastructure in the region. Increasing annual health expenditure and introducing universal health coverage will help not only in meeting SDG 3(Good health for all), but also to build resilience to future risks. Advanced purchase agreements will lead the private health sector to develop and research solutions that will directly help the lower income populations.

Universal social protection systems can play the role of automatic stabilizers during crises by providing basic income. Scaling up of existing social safety net programmes such as the National Rural Employment Guarantee Act (NREGA) programme in India and Benazir Income Support Programme (BISP) in Pakistan will help to cover the more vulnerable groups, including women. Employment created by these programmes can be used for building local infrastructure and facilities in critical areas such as food, health, education, safe drinking water and sanitation.

Massive public work programmes can be introduced in areas of waste recycling, building new clean-energy systems based on solar and wind energy, climate smart and organic farming practices, transforming waste to energy and creating environment friendly public spaces. This will not only help in job creation, but also in creation of public goods of long-term value and contribute to de-carbonization of the region.

Governments should also reskill their workforce by providing digital literacy and exposure to future growth sectors. The urbanization strategy in South Asia needs to be reconfigured with a more balanced approach that will reduce the pressure from existing urban centres. MSMEs should be kept afloat by deferred payment of taxes, infusion of new funds through stimulus packages and monetary measures.

Regional and sub-regional cooperation is important for South Asian countries in managing the pandemic's impact and to recover in a sustainable manner. Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), South Asian Association for Regional Cooperation (SAARC) and Bangladesh-Bhutan-India-Nepal (BBIN) should be strengthened to harness the potential of cooperation through various joint programmes and projects. The potential of intra-regional trade should be utilized for accelerating recovery and development in the region. Freight corridors in the South Asian region should be strengthened by simplifying documentation formalities, digitization and joint infrastructure building and upgradation.

The world should provide support to South Asia to bridge its gaps in progress towards SDGs. This is critical for the success of the entire world in meeting the SDG targets by the end of this decade. ■

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Notes

1 United Nations. 2015. *The Millennium Development Goals Report 2015.* New York: United Nations

2 Alkire, Sabine, and Gisela Robles. 2016. "Global Multidimensional Poverty Index 2016." *Oxford Poverty and Human Development Initiative Briefing 41*. Oxford: Oxford Poverty & Human Development Initiative.

3 Sachs, Jeffrey D., Guido Schmidt-Traub, Christian Kroll, Guillaume Lafortune, Grayson Fuller, and Finn Woelm. 2020. *Sustainable Development Report 2020: The Sustainable Development Goals and COVID-19.* Cambridge: Cambridge University Press.

4 UNESCAP. 2020. *COVID-19 and South Asia: National Strategies and Subregional Cooperation for Accelerating Inclusive, Sustainable and Resilient Recovery*. https://www.unescap.org/sites/default/files/South%20Asia%20Covid-19%20Paper_5.pdf.

5 UNICEF. 2020. "Urgent action needed to safeguard features of 600 million South Asian children threatened by COVID-19". https://www.unicef.org/india/press-releases/urgent-action-needed-safeguard-futures-600-million-south-asian-children-threatened#_ftn1.

6 UN WOMEN. 2020. "The Impact of COVID-19 on Women". https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/policy-brief-the-impact-of-covid-19-on-women-en.pdf?la=en&vs=1406.

7 Timmer, Hans, Valerie Mercer-Blackman, and Robert C.M. Beyer. 2020."The economic impact of COVID-19 on South Asia: 3 Visuals." *World Bank Blogs*, 16 April 2020. https://blogs.worldbank.org/endpovertyinsouthasia/economic-impact-covid-19-south-asia-3-visuals.

8 Standard Chartered. n.d. "Opportunity 2030: The Standard Chartered SDG Investment Map: Key report highlights." *Standard Chartered Insights*. https://www.sc.com/en/insights/opportunity2030/.

9 Green bonds are any type of bond instruments where the proceeds will be exclusively applied to finance projects with clear environmental benefits.

10 Social bonds are exclusively used to finance projects that aim to mitigate or address any specific social issue or to attain any positive social outcomes.

11 Sustainable bonds are bond instruments where the proceeds will be exclusively used to finance a combination of green and social projects.