Sustainable Development in South-East Asia

All South-East Asian countries homogenously support the Sustainable Development Agenda although they are heterogeneous in the progress in achieving the Sustainable Development Goals (SDGs) as well as their implementation plans and policies, according to countries’ Voluntary National Reviews (VNRs) and the Asia and the Pacific SDG Progress Report 2019 (ESCAP, 2019a). In South-East Asia, nine countries1 have completed their VNRs except Brunei Darussalam and Myanmar.

The VNR reviews progress of countries to date of all SDG implementations, with an in-depth review of the prioritized SDGs. Especially, the VNR reports on countries’ efforts on adapting and delivering the SDGs through the establishment of national institutions and mechanisms; their integration within the national development plans and strategies and public budgeting; and SDG advocacy and citizen engagement. According to the VNRs, SDGs are institutionalized from their highest national level to subnational entities and integrated in national, subnational and local development planning.

The Asia and the Pacific SDG Progress Report 2019 analyses SDGs trends and assesses progress towards the SDGs and the gaps which must be closed for these to be achieved by 2030. The assessment in the report is designed to ensure countries’ actions remain on target, shortcomings are addressed as they arise, and all interested parties remain engaged. It is an invaluable resource for stakeholders involved in prioritisation, planning, implementation and follow-up of the 2030 Agenda.

Figure 1: Snapshot of SDG progress in 2018: South-East Asia

---

SDG Progress in South-East Asia in 2018

The snapshot of SDG progress in 2018 (Figure 1) shows that the South-East Asian subregion as a whole has made great progress in three goal areas between 2000 and 2018: quality education (Goal 4), affordable and clean energy (Goal 7) and industry, innovation and infrastructure (Goal 9).

In eleven areas, the progress has been slow or stagnant in South-East Asia between 2000 and 2018. They are: no poverty (Goal 1); zero hunger (Goal 2); good health and well-being (Goal 3); gender equality (Goal 5); clean water and sanitation (Goal 6); reduced inequalities (Goal 10); sustainable cities and communities (Goal 11); responsible consumption and production (Goal 12); life below water (Goal 14); life on land (Goal 15); and partnership for the goals.

On the other hand, South-East Asia is regressing in decent work and economic growth (Goal 8), climate action (Goal 13), and peace, justice and strong institutions (Goal 16). South-East Asia is all showing negative progress on taking urgent action to combat climate change and its impacts.

Lack of sufficient and robust data has limited progress assessment towards the goals. Ten out of 17 Goals lack sufficient data to confidently assess progress such as for Goals 1, 5, 6, 10, 11, 12, 14, and 17. The assessment for these goals was based on the analysis of only a subset of indicators for which data was available, constraining the accuracy of the results.

As described, the South-East Asia subregion moved backwards on Goal 8, Goal 13 as measured by emissions of greenhouse gases (13.2.P2) and carbon dioxide from fuel combustion (13.2.P1), and Goal 16. Areas under Goal 3 and 15 requiring immediate action to reverse trends include harmful use of alcohol (3.5.2) and road traffic (3.6) and shrinking above ground forest biomass (15.2.P1), along with a number of other social and environmental indicators.

The subregion needs extra effort to get on track for Goal 12. Work toward sustainable use of natural resources (12.2) needs acceleration, and management of chemical wastes (12.4), measured by Sulphur dioxide emissions (12.4.P1), require turnaround. Based on available data, the subregion needs to reverse trends to meet Goal 16 by 2030.

Accelerating the SDG Achievement

The subregion, among all subregions of Asia and the Pacific needs to fast-track progress or reverse negative trends regarding all SDGs to achieve the ambition of the 2030 Agenda. At the current rate of progress, no Goal is likely to be met by 2030.

While South-East Asia leads other subregions of Asia and the Pacific in Goal 4, Goal 7, and Goal 9, many targets within these Goals will not be achieved if the development pace is not accelerated, notably for renewable energy (7.2).

The subregion is making progress on Goal 17, but not enough to achieve the SDG Targets. Official development assistance for technical cooperation (17.9.1) and fixed broadband access (17.6.2) are two indicators that the subregion needs to substantially accelerate. The subregion also needs to increase the pace of mobilization of resources for strengthening statistical capacities in developing countries (17.19), while the current positive trend needs to be maintained in South-East Asia.

The subregion also needs to increase the pace of mobilization of resources for strengthening statistical capacities in developing countries (17.19), while the current positive trend needs to be maintained.

Financing for the implementation of SDGs

Although countries in the Asia-Pacific region has made considerable progress towards several of its national goals and is committed to the implementation of SDGs, many countries do not have adequate financing mechanisms and few have examined the financial implications to ensure effective implementation of the SDGs.

ESCAP’s recent analysis estimates that achieving the SDGs by 2030 requires an annual additional investment of 1.5 trillion U.S. dollars for developing countries in the Asia-Pacific region. This means investing: $669 billion per year in people, for poverty, hunger and health and education; $590 billion per year in planet, for clean energy, climate change and environmental protection; and $196 billion a year for prosperity underpinned by sustainable transport, improved access to Information and Communication Technology and water and sanitation services (ESCAP, 2019b) (Figure 2).
An ambitious 2030 agenda is being implemented at the time of slowing foreign direct investment (FDI), inadequate government revenues, shrinking official development assistance (ODA) and time-bound access to concessional financing resulting from a likely change particularly in least developed countries (Cambodia, Lao PDR, Myanmar, and Timor-Leste) in meeting the criteria for graduation from least-developed country (LDC) status although Lao PDR and Myanmar met the LDC graduation criteria for the first time in 2018 and may become eligible for graduation by 2024.

Financing needs are increasing year-to-year. Across the subregion as a whole, ambitions for achieving the SDGs will require mobilizing the right scale and mix of financing, incorporating all resources and having the predictability and sustainability of funding sources.

For the SDG implementation, most countries in the subregion have created a national-level coordinating body on the SDGs with broad stakeholder participation to ensure that the goals are reflected in the government work plans, national policies, and annual budgets and to develop roadmaps for SDG implementation.

Optimizing development finance could include: (1) mobilizing domestic public revenue (improving national tax systems, reducing illicit financial flows); (2) harnessing financial markets (capital market development); (3) stimulating foreign and local investment (infrastructure finance and, FDI, SME financing); (4) establishing public-private partnership mechanisms; and (5) aligning ODA and South-South Cooperation, climate finance.

Concerning the mobilization of domestic public revenue, tax revenue in South-East Asian LDCs currently is the lowest among countries in the Asia-Pacific region. Some strategies could be to increase domestic revenue mobilization through a fair, efficient, and transparent taxation system, including through administrative and legal reforms and extensive use of modern technology. Other strategies can be to strengthen public financial management to support stability and the efficient allocation of public resources.

ESCAP’s analysis (ESCAP, 2019b) also shows that Asia and the Pacific, including South-East Asian countries, can afford the investment required to achieve the SDGs. Most countries can develop the necessary fiscal space to invest in their future through a wider tax base and more efficient public spending as well as active private sector involvement (Figure 3).

With regard to the role of financial markets and private sector, the strategies can target for increasing broad-based access to financial services and strengthening the financial system overall. Other strategies can promote PPP mechanisms which facilitate the development of commercially viable infrastructure projects through greater public-private sector collaboration.

International development assistance can be mobilized and channeled into relevant priority sectors and projects in accordance with development assistance policy, which provides a comprehensive set of policy guidelines, an articulation of procedures and other key related information to ensure that development assistance is used as effectively, and as transparently as possible.

---

Lao PDR is both a least-developed country (LDC) and landlocked developing countries (LLDC).
There is no one-size-fits-all approach and policy to achieving the SDGs. Countries should be free to pursue the SDGs in the manner they choose, considering their national priorities and circumstances. At the same time, they could recognise that there is much that countries can learn from one another in our common pursuit of sustainable development.

The Governments will need to continue identifying development financing needs for implementing the 2030 Agenda. At the same time, strengthening the global partnership for sustainable development, including through various forms of technical assistance initiatives, is important.

Finance has an important role to play in driving forward sustainable development in South-East Asia, and the policies and institutional structures will shape the countries’ ability to mobilize the volume and mix of finance necessary to achieve its sustainable development objectives.

This policy brief on South-East Asia highlights a number of policy recommendations that the governments could consider in order to strengthen its planning and coordination approaches towards financing policy for the achievement of national development agenda and the 2030 Agenda.

Promoting inclusive planning: For all to benefit in an equitable way from economic and other development growth, those most in need must be fully included in current and future development plans for specific targeted Goals. The pledges to leave no one behind is a strong embodiment of the spirit of inclusive and the people-centred approach at the heart of achieving the Agendas.

Managing flows of development finance: The Government needs to mobilize greater volumes of finance through broadening of national tax bases, leveraging the domestic private sector, and utilizing of various financing mechanisms to collect additional resources and to maximize the impact of specific types of finance on the SDGs.

Strengthening regional cooperation to finance SDGs can be fruitful for narrowing development gaps within and among countries and can help the lesser developed countries to grow faster by leveraging the sub-regional dynamism of more developed economies and by exploiting the complementarities in a mutually beneficial manner.

Ensuring long-term sustainable development pathway: Lesser developed countries in particular need to continue focusing on structural transformation to stimulate economic growth, which in turns to improve financing options for the SDGs and ensure these efforts contribute to a longer-term sustainable development pathway.

References


The South-East Asia Policy Briefs aim at generating a forward-looking discussion among policymakers, researchers and other stakeholders to help forge political will and build a regional and sub-regional consensus on needed policy actions and pressing reforms towards the achievement of 2030 Agenda. Policy Briefs are issued without formal editing. This issue was prepared by Naylin Oo. For further information on this issue, please contact Ruhimat Soerakoesoemah, Senior Economic Affairs Officer, Sub-region Office for South-East Asia, ESCAP (ruhimat.soerakoesoemah@un.org).