

# DEBT & THE SDGS

Mae Buenaventura

**Debt Justice Program**

**Asian Peoples' Movement on Debt  
& Development**



**In the Asia-Pacific region, not a single goal is on track to be achieved by 2030.**

- Progress is “alarmingly slow”
- Without “transformational actions”, SDGs will not be achieved by 2062.
- At the current rate, the region will achieve only one third of the necessary progress by 2030

**(Asia and the Pacific SDG Progress Report, 2024)**

# **Polycrisis, Climate change, Debt burdens and war**

- Estimates of SDG financing and investment gaps between USD 2.5 trillion and USD 4 trillion annually.
- Estimated annual debt servicing cost in the least developed countries (LDCs) – US\$40 billion between 2023 and 2025, an increase of more than 50% from US\$26 billion in 2022.
- LDCs today spend 12% of their revenues on interest payments – four times more a decade ago
- Around 40% of the global population live in countries where government spending on interest payments is greater than education and health expenditures.

# Off track: Goal 2 – Zero Hunger

- Already rising before COVID-19, but the pandemic made it worse. In 2021, an estimated 425 million people were undernourished in the region, or more than half of the global figure.
- Southern Asia - highest subregional population in the world facing hunger with more than 330 million people.
- Prevalence of food insecurity increased from 2019 to 2021; highest in the subregion of South and South-West Asia

# Off track:

## Goal 8 (decent work and economic growth)

- Unemployment rates surging
- Overall employment-to-population ratio are still below pre-pandemic levels.
- Employment to population rations remain lower than before the pandemic in the subregions of East Asia, South-East Asia, and South Asia
- ILO: “No progress has been made on its indicators over the last eight years and that the international community today is almost as far from reaching the targets of SDG 8 as it was in 2015.”

# Public debt burdens – rising and obstructing SDG progress

- At least 3.3 billion people live in economies that spend more on interest than on health and education ([United Nations, 2023a](#)).
- External debt stocks of developing economies more than doubled in a decade.
- The external debt stocks of developing economies reached \$11.4 trillion in 2023, more than double the value recorded a decade ago. (\$8.9 trillion excluding China)

# Higher debt servicing costs

- Debt servicing costs - on long-term external PPG debt have risen sharply, especially for the poorest developing economies; also a rising trend among MICs.
- On average, debt service eats up 35% of budget revenue across 139 WB-borrowing countries, a share that rises significantly among low- and lower-middle-income countries (LIC and LMIC) to 57.5% and 44.5%, respectively.

# **Failed debt reduction efforts Urgent need for systemic solutions**



**OCTOBER  
2024**

- **G7 Debt relief schemes--merely postponed debt payments. The suspended payments fall due in 2025, by which time debt accumulation will have sped up even more. Private and commercial lenders, who now hold over 60% of sovereign debt, still evade participation in debt reduction efforts.**
- **Loan Conditionalities still being imposed. Austerity measures from capping public sector wage caps and removing food and fuel subsidies to cutting social spending and privatizing public assets, including those providing essential services.**
- **We need a global commitment to profoundly transform the global financial architecture by prioritizing the needs of developing economies, including their urgent need and demand for the cancellation of unsustainable and illegitimate debts and shifting funds freed up from debt service into fulfilling the SDGs.**