

Role of Sustainable Finance and Environmental Social Governance Criteria in Sustainable Development Goals

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Abstract

In context of the financial sector's decision-making process about investments, the practise of sustainable finance refers to the incorporation of ESG concerns. This is done in order to encourage a greater number of individuals to make long-term financial commitments to projects and endeavours that will have a beneficial effect on the economy. The economic systems of the globe are cooperating closely in order to achieve set goals for sustainable development. This stands in sharp contrast to tactics that were used in the past, which included governments actively seeking to improve their economies. The pursuit of economic development and progress has upset the ecological balance by hastening the depletion of natural resources and contributing to the widening of economic gaps between countries. The effects of this may already be seen in the form of changes to the climate and an increase in global temperature. Because of the current state of affairs, which endangers the very existence of mankind, it is of the utmost importance that efforts be taken to save the earth for future generations. SDG is coined to define method of advancing society that does not leave any negative impact on the natural resources of the planet for people who will live on it in the foreseeable future. This article aims to provide an explanation of the challenges that India has in its efforts to SDGs and to provide potential solutions to those challenges. India has the 2nd largest population in world after China. Whatever steps India takes toward accomplishing Sustainable Development Goals (SDGs), those steps will have far-reaching effects. If India is successful in achieving all of SDGs, it will signal that significant chunk of the rest of the world has also accomplished this goal. Therefore, India has to devise effective methods for accomplishing the SDGs and assess how well those strategies are working. It would seem that India's most pressing problem is the development of suitable indicators. Researchers in India are now altering the Ibrahim index in order to establish the Indian Index for Sustainable Development. This will help to solve the issue (IISD).

Keywords: Sustainable Development Goals, Environmental Social Governance (ESG) Criteria, Sustainable Finance

[1] Introduction

1.1 Sustainable Finance

It is practice of considering ESG problems in financial sector's investment decision-making process. This is done to encourage more people to make long-term financial commitments to initiatives and endeavours that will have a positive impact on the economy. Conservation of biodiversity, prevention of pollution, and the adoption of a circular economy are all examples of environmental concerns. However, addressing climate change and devising plans to adapt to its impacts are equally important. Human rights violations, social exclusion, poor working conditions, a lack of investment in people as a resource, and a lack of community growth are all examples of what some could call "social difficulties." Management structures, employee interactions, and CEO remuneration are all aspects of governance that play a role in ensuring that environmental and social considerations are taken into account when making decisions for public and private organisations. Given the importance of good governance in guaranteeing the inclusion of social and environmental considerations, this is a crucial consideration. According to the EU's policy framework, sustainable finance is defined as financial aid for economic development that also decreases environmental strain and takes into consideration the effect of social and governance factors. Risks from environmental, social, and governance (ESG) elements may be reduced by sound financial management. Risk disclosure related to environmental, social, and governance (ESG) concerns that may impact the financial system is also essential to sustainable finance.

1.2 Environmental Social Governance

Investors that care about societal concerns use a set of criteria known as environmental, social, and governance (ESG) investing to determine whether or not a company is a good fit for their investment portfolio. Companies are graded on their environmental policies and practises, such as their response to climate change. Evaluation of the company's treatment of its employees, vendors, consumers, and local communities is made in light of ethical principles. Business governance includes issues.

1.3 Sustainable Development Goals

When compared to their predecessors, the MDGs, SDGs that took effect on January 1, 2016 represent improvement (MDGs). There has been significant progress in basic global economic development in India as it relates to MDGs. However, improvements in mortality, morbidity, and other health indices linked to environmental factors leading to ill health were delayed to materialise. Now that SDGs are in existence, Indian govt. is working to coordinate its progress toward the MDGs with the SDGs. The scope of the SDGs is broader. Here are the 17 goals of SDGs:

Goals	Scope of SDGs
1	Put an end to poverty in all its manifestations.
2	Reduce food insecurity, boost nutrition, and advance sustainable agriculture to end world hunger.
3	Help people of all ages enjoy long, healthy, and happy lives.
4	Promote learning opportunities throughout one's life and work to provide access to high-quality education for everyone
5	Bring about full gender parity and provide equal rights to all women and girls.
6	Facilitate access to water and sanitation for everyone and ensure their sustainable management.
7	Guarantee that everyone has access to clean, efficient, and cheap energy.
8	Encourage economic development that benefits everyone, is stable over time, and creates full and productive employment and good work for all.
9	Resilient infrastructure, inclusive and sustainable industrialisation, and innovation
10	Get rid of the disparity that exists inside and between nations.
11	Create human settlements that are accessible to everyone, secure, adaptable, and long-lasting.
12	Ensure environmentally responsible consumption and manufacturing practises
13	Act quickly to mitigate the effects of climate change.
14	The oceans, seas, and marine resources must be preserved and used responsibly if humanity is to progress.
15	Land ecosystems must be safeguarded, degraded, and deforested responsibly, desertification must be fought, and land degradation and biodiversity loss must be stopped in their tracks.
16	Build effective, responsible, and inclusive institutions at all levels; promote peaceful and inclusive communities; and ensure that all people have equal access to justice.
17	Improve the tools for implementation and reinvigorate the international alliance for sustainable development.

Fig 1 Sustainable Development Goals

The idea that "no one should be left behind" is foundational to SDG. India is concerned, SDGs and India's national development objectives intersect nicely, & widely tipped to play pivotal role in deciding SDGs' worldwide success.

Measures taken for implementing SDGs in India

India Govt, has charged NITI Aayog, its top think tank, with coordinating the Sustainable Development Goals. The federal government has urged the states to outline all of their programmes in the same way. When it comes to the SDGs, MoSPI is likewise hard at work developing national indicators. Several of the government's most important initiatives have their foundation in the SDGs. Funding from local and state governments is crucial to the success of these endeavours. States are investing heavily in SDG visioning and the development of implementation mechanisms.

UN support for Sustainable Development Goals activities in India

The United Nations in India is encouraging non-governmental organisations, think tanks, and members of the Indian media to attend the "International Conference on Financing for Development in Addis Ababa and the General Assembly in New York". NITI Aayog's efforts to guarantee that no one is left behind and to get sufficient funds to accomplish the Sustainable Development Goals have the backing of the United Nations India Country Team (UN India Country Team). The United Nations, working closely with the National Institution for Transforming India (NITI Aayog) and other partners, has provided funding for SDG-related subject dialogues. These dialogues bring together representatives from a variety of organisations and academic institutions to discuss certain SDGs.

Support to State Governments

UN in India is now working with the governments of five Indian states to adapt SDGs to their specific contexts and tackle pressing development issues at the regional level.

[2] Literature

Sachs JD [1] proposed millennium development objectives for sustainable development goals. Anita N. [2] examined India's growth as it relates to the Millennium Development Goals. When it came to the Challenges of Intersecting Inequalities, Kabeer N. [3] wasn't going to leave anybody behind. Chatterjee S [4] evaluated India's progress toward achieving the MDG and identified the key drivers of inter-state variations in the country's performance. Rakesh Kumar Maurya [5] looked into the national execution of SDG Monitoring India 2015 and Government Flagship Programs, which are Made in India and Digital India. [6]. Lu Y, [7] centred his attention on the policies that are the 5 Priorities for United Nations SDG. It was decided to take into consideration the report on Financing for Development [8]. In South Asia, Bhattacharya S. [9] was working to make the aim of gender equality more locally relevant by using methods from urban planning. as well as their promises and their realities, as articulated by Abhiyan WN [10]. By taking into consideration ORF Occasional Paper 104, Kurian OC [11] was able to circumvent problems with collecting data and monitor India's progress toward its health and nutrition goals. Avani Kapur [12] outlined the four obstacles that stand in the way of India accomplishing its sustainable development objectives. According to the World Bank [13, 14] and the Millennium Development Goals report [15, 16], India has world's largest living. Expanding access to priority health treatments is framework for understanding barriers that stand in the way of scaling up, as stated by Hanson K. in [17]. [18, 19] Sif Heide-Ottosen was working on the construction of the IIAG.

[3] Problem statement

Achieving the SDGs presents challenges for India in four key areas. We'll talk more about them down below.

Defining Indicators

Developing reliable metrics to track India's progress toward the SDGs is one of the country's greatest problems. India has not had much success in the past in developing useful metrics for

gauging progress. Statistics showed that 86 percent of Indians have access to clean water, putting them "on track" to meet the MDG target for this indicator; nevertheless, the availability of hand pumps and tube wells has led to a misunderstanding of what constitutes "safe" drinking water. However, water-related illnesses and fatalities from diarrhoea are surprisingly common in India.

Financing SDGs:

Despite India's greatest efforts, the country still has the largest number of people living below the international poverty line. Thirty percent of its inhabitants lived on less than \$1.90 per day in 2013, according to World Bank data. The United Nations MDG 2014 report stated that one-third of the world's 1.2 billion extreme poor were located in India in 2010, despite the country's strong economic improvement. 14 For the period from 2015 to 2030, the yearly finance shortfall in developing countries in sectors connected to the SDGs is about \$2.5 trillion. 15 This gap may be closed by increased private sector expenditures in sectors like as infrastructure, food security, and climate change mitigation.

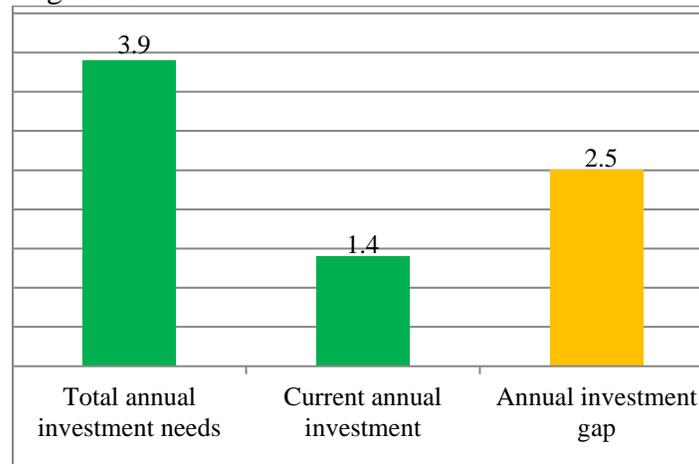


Fig 2 Gap in funding SDGs in developing countries

Look at the Indian context reveals According to a recent analysis, it would cost around US\$14.4 billion by 2030 for India to fulfil the SDGs. It is expected that there would be a sizable financing vacuum as a result of the recent cuts in social sector initiatives in India.

Monitoring and Ownership: Implementing the SDGs would be further complicated by a third major obstacle: ownership. Members of NITI Aayog have raised doubts about their organization's capacity to monitor the SDGs, despite the fact that this is their primary responsibility.

Measuring Progress: As a last difficulty, determining how to evaluate success in reaching the SDGs is essential. The Indian government has acknowledged that the inability to accurately measure progress toward the MDGs is mostly because to a lack of data, periodicity concerns, and limited coverage of administrative data.

[4] Scope of research

Countries throughout the globe are pooling their resources to achieve the sustainable development goals. The traditional approach, in which governments actively attempted to improve their economies, stands in sharp contrast to this new approach. Attempts at economic expansion and improvement have changed ecological balance by depleting natural resources and causing economic disparities across nations. The results of this are already visible in the form of climate change and global warming. This situation poses a danger to the very survival of humanity, making it urgent to take steps to protect the planet for future generations. The phrase "sustainable development" was developed to describe an approach to progress that leaves no trace of its actions on the planet's natural resources for future generations. This article seeks to clarify the obstacles India faces in its pursuit of the Sustainable Development Goals and proposes solutions to those obstacles.

[5] Conclusion

India has the world's second biggest population. Whatever measures India takes toward achieving the SDGs will have far-reaching consequences. If India is able to complete the SDGs, it would indicate that a significant portion of the globe has finished the task. India must thus create efficient strategies for achieving the SDGs and evaluate their success. To address this, researchers in India are adapting the Ibrahim index to create the Indian Index for Sustainable Development (IISD).

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