

SDG localization: Trends and emerging issues

Engaging budgetary and financing processes

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An aerial photograph of a city skyline, likely New York City, featuring numerous skyscrapers and a body of water in the background. The image is overlaid with a semi-transparent blue rectangle that contains the text.

Why does SDG budgeting matter?

Barriers to SDG policy durability over time

- **lack of durable funding** & priority changes
- **personal dimension** of SDGs leadership (mayor or specific staff)
- **economic pressure** to act quickly and address tough trade-offs
- **lack of a clear roadmap** towards implementation (data, policy, budget)
- **long-term agenda** falls victim to political cycles & change of mayor or party in power

Drivers of SDG Consistency Beyond Election Cycles

	Formal	Informal
Internal to local government	<ul style="list-style-type: none">• City council resolution• Master Planning• Budgeting• Procurement• Organizational structure	<ul style="list-style-type: none">• Reporting, data, & VLRs• Political resolution (non-binding)• Governance arrangements• City staff awareness & leadership• Organized transition process
External to local government	<ul style="list-style-type: none">• Central government mandate and alignment• Regional partnerships• Adoption by local organizations	<ul style="list-style-type: none">• Public & youth support & awareness• Buy-in from regional organizations and businesses• Peer pressure and global branding• Outside investments (philanthropy and international organizations)

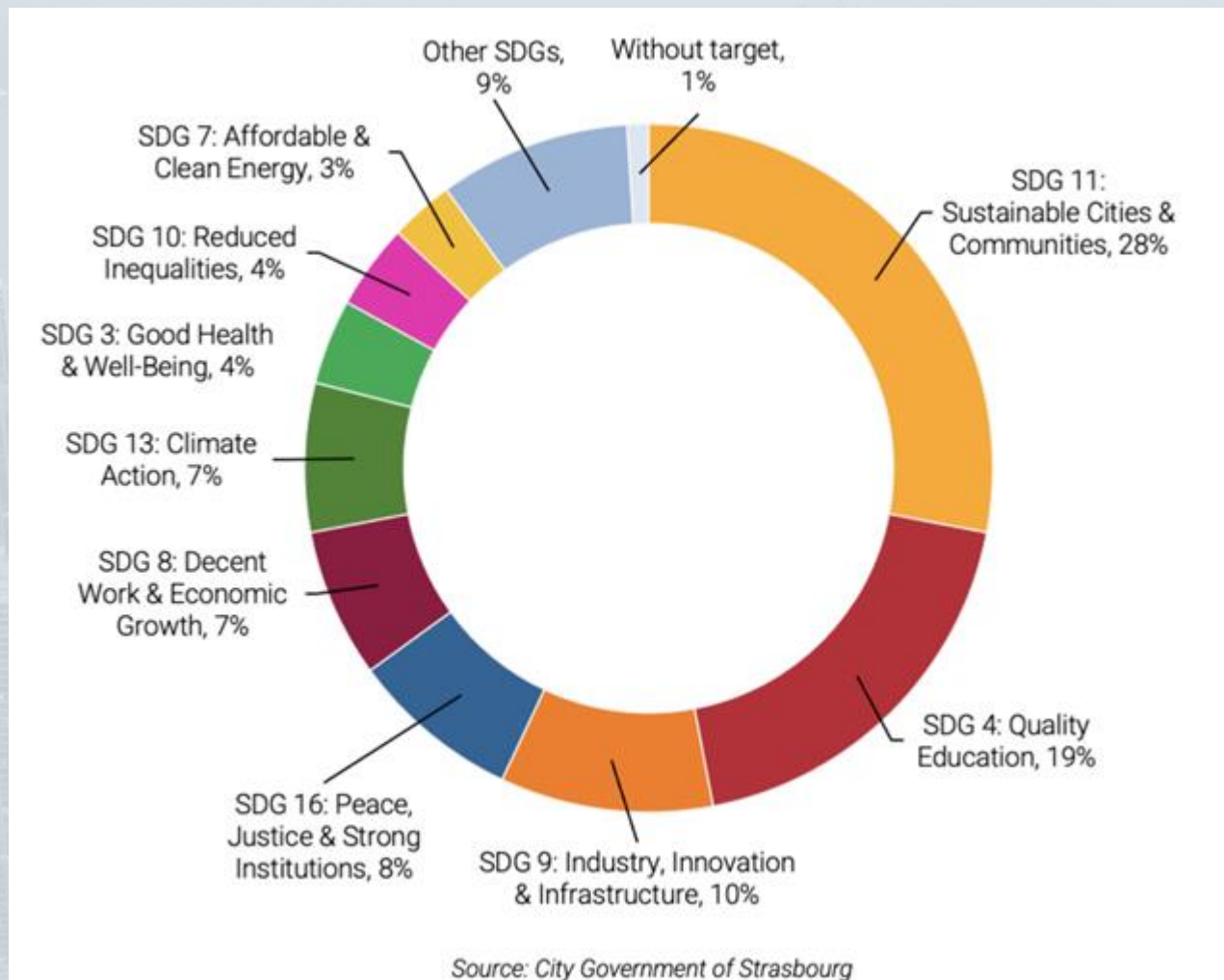
What is the SDG effect on municipal budgets?

- **Shift government budgeting and procurement to align spending with policy commitments**
- **Direct public expenses and investments to maximize progress on their SDG priorities**
- **Facilitate political arbitrations**
- **Identify gaps**

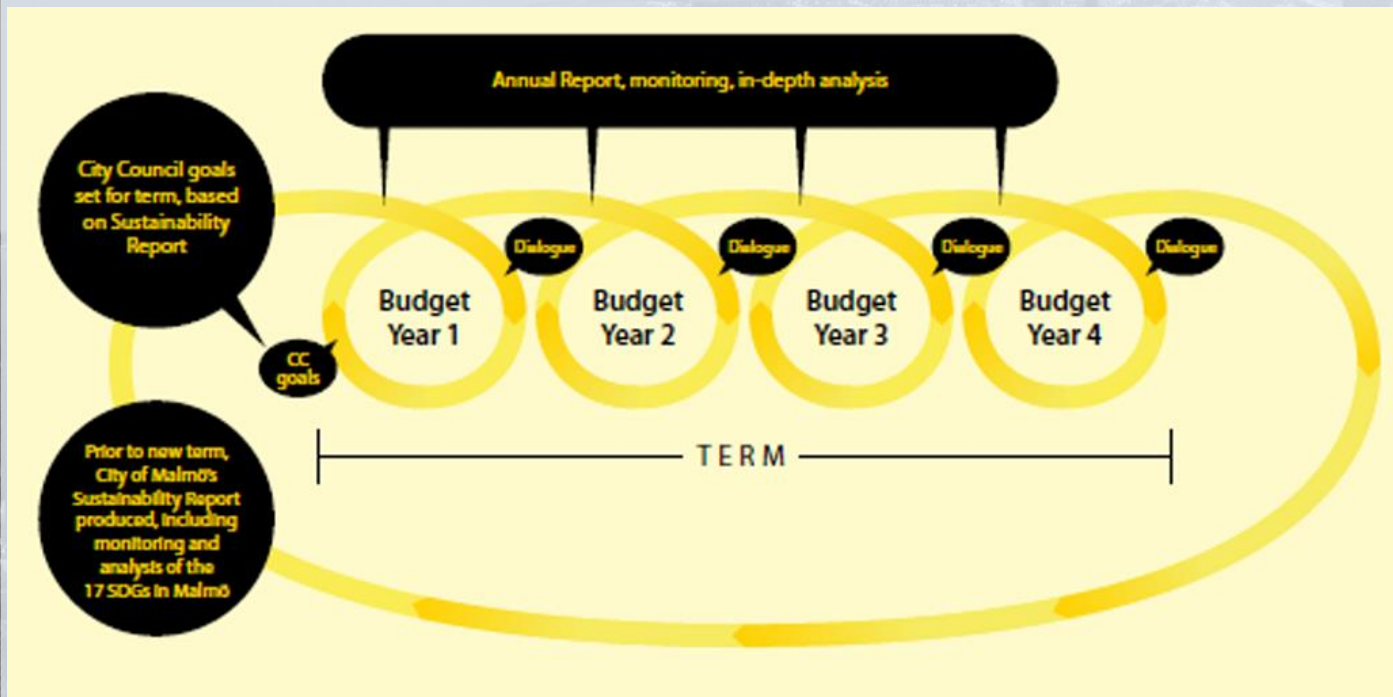
1) Mapping the municipal budget to the SDGs

Strasbourg (France)'s 2022 investment budget

- Deciding how to allocate budget lines by SDGs: primary & secondary targets
- Investment budget vs. functioning budget
- This budget alignment exercise can also reveal missing pieces in the SDG framework.



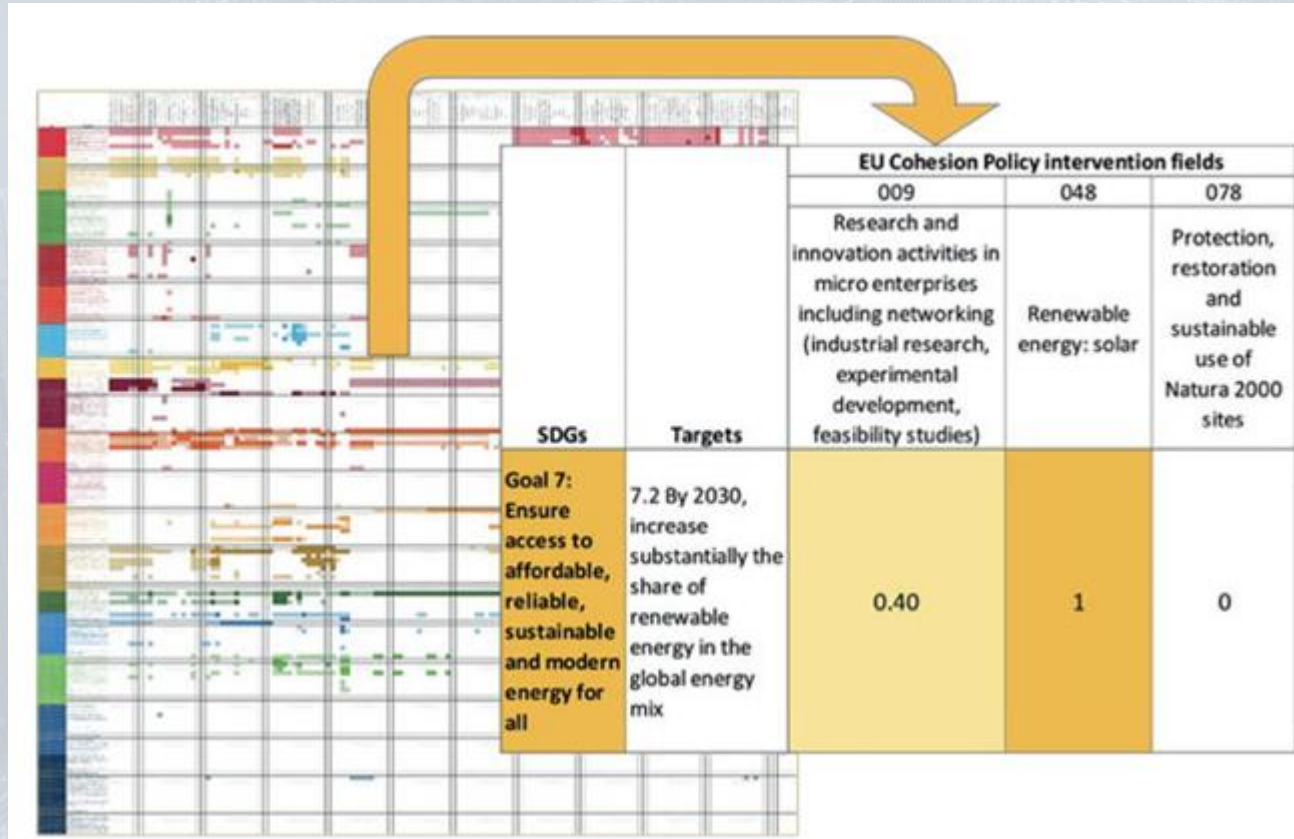
2) Ensuring continuity of action across budget cycles



Malmö (Sweden)'s budget is the central action plan for implementing the SDGs and the Agenda 2030

- Beyond mapping, **integrating the SDGs into budget process**, making this the city's top tool for steering its actions on the SDGs
- **Building relationships and raising awareness**: create a dialogue across all parts of the city administration.

3) Applying SDG data and metrics in the budget systems



Sardinia (Italy)'s measurement tool to assess how local investment policies and programs contribute to progress on SDGs targets

- Without data and metrics, local policymakers struggle to align spending decisions to environmental, economic, and social policy priorities.
- Weighted matrix that captured each investment's **direct/indirect effect** and **scale/direction of contribution** to the 169 targets.

3) Changing municipal procurement policies to reflect local priorities within the SDGs

- **Bristol (UK) requires that all contractors demonstrate the social value of their services, with targets and measures mapped to the SDGs. This value represents 20 percent of the final weighting in the procurement decision-making process.**
- **Yokohama (Japan) established the Yokohama City SDGs Certification System (Y-SDGs) that supports small and medium-sized enterprises (SMEs) and others for their sustainable operations and SDG engagement.**
 - **Certifications can be used as non-financial information in the evaluation by financial institutions.**
 - **Certified companies are eligible for additional points in the scoring for public procurement competitive bid of Yokohama.**

4) Unlocking sustainable financing at scale

- New financing options **are not emerging at the scale and speed necessary.**
- SDG budgeting facilitates alignment with outside partners, including businesses, international development banks and funders, to unlock new financing.
- By aligning their local priorities to a global agenda pursued by the international community, cities are positioning themselves as global leaders. The SDGs offer an opportunity to **influence national and international policymakers** on priorities, policy support, and resources.
- Cities are increasing their **collective advocacy efforts**, especially for creating financial tools and mechanisms that will enable local authorities **to access resources directly from the international financial institutions.** They are clamoring to bridge the gap between projects and funding opportunities and attract new donors.



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