The Localization of the Global Agendas

How local action is transforming territories and communities

Executive Summary

UCLG
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Edited by UCLG

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Foreword

The year 2019 constitutes the first major milestone in the implementation and follow-up of the 2030 Agenda. Four years into one of the most ambitious global agendas ever agreed upon, we have the opportunity to assess the progress made. For the constituency of local and regional governments that United Cities and Local Governments represents, the 2030 Agenda is the epitome of a new social contract that must allow us to co-create a sustainable future for our planet. The ambitious vision and concrete targets of this agenda fill us with hope and they show that we know what needs to be done. We need collectively to steer a path away from the development models that have led us to the current climate emergency and to the increasingly unequal and exclusionary societies in today's world.

At the end of the first quadrennial cycle of the 2030 Agenda, the conclusion we have reached is that we are not on track. The unprecedented global consensus in 2015-2016, at the outset of this new agenda, created the opportunity for our societies to transition towards a more sustainable and inclusive development cycle. Yet today this initiative is in desperate need of renewal.

We are convinced, and we hope this report demonstrates, that new impetus needs to come from local action at the level of the communities we serve and represent.

As President of UCLG, I have carried the torch for localization in the fora of the international community and at the highest levels of discussion and consultation. I have been proud to support the representation of our entire constituency through the Global Taskforce of Local and Regional Governments. This has been the tool and platform to convene our constituency following Habitat-III.

It gives me great pleasure to see the growing local-global movement that is accelerating localization. Local and regional governments have embraced the challenges of achieving the global agendas, and mobilization is increasing throughout the world.

The Fifth GOLD Report builds on 15 years of knowledge. It gives our world organization the chance to showcase our constituency's progress with regards to the contribution of local governments to the global agendas, and to place the highest value on the daily actions of local and regional governments, showing just how important these have been and are.

GOLD V brings together the expertise of local and regional governments and their organizations, researchers from different geographical regions, as well as the UCLG Committees and partners through a participatory process. It assesses local, regional and national strategies for the implementation of the global agendas in each world region. It does so by analysing the evolution of institutional frameworks for local, metropolitan and regional governments, paying special attention to local governments' efforts to achieve the Goals and drive transformative change.

The Report demonstrates that cities and territories are the backbone of social, economic, environmental and cultural development. It showcases their commitment and contributions to addressing the climate emergency while sharing the lessons learned with their peers worldwide.

Our organization provides a set of policy recommendations based on the findings of the report which are also included in this publication. **We put special emphasis on building coalitions, defending the commons, and placing local level public service delivery at the heart of the investments needed to realize the development agendas.**

We also call for all spheres of government and all stakeholders to embolden their ambitions and support us in developing a 'whole-of-society' approach through localization.

We will need the commitment of national governments to empower local governments and communities through the development of enabling environments, both legal and financial, that can help us fulfil our responsibilities.

This report shows that well-resourced localization can be a decisive instrument to make the 'acceleration decade' a reality.

We hope you will also see the great potential of this tool — one that we are investing in and using in service to our constituency, the citizens, and the international community, to enhance partnership and action. ◉

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Introduction

Since 2016, the local and regional movement for the localization of the SDGs has been progressively expanding to all parts of the world

Ministerial Roundtable at the ECOSOC Forum on Financing for Development, New York, April 2018 (photo: UCLG-CGLU/ Joel Sheakoski, bit.ly/33dlWf2)

1. Global context

In 2015 and 2016, world leaders came together to set a historic milestone in multilateral cooperation with the adoption of global agreements towards sustainable development. **The 2030 Agenda and the 17 Sustainable Development Goals, the New Urban Agenda, the Paris Agreement on climate change, the Sendai Framework on Disaster Risk Reduction and the Addis Ababa Action Agenda on Financing for Development all showcased a global will to respond to today's global challenges through the adoption of a firm rights-based approach**.

Local and regional governments (LRGs) have risen to the scale of the challenge, demonstrating their commitment to the realization of the global agendas by putting in place elaboration, adoption and implementation processes. From their perspective, the global agendas are interlinked and cannot be achieved in isolation: all sustainability actions to address the highly interrelated challenges affecting our territories and cities must be fully integrated and comprehensive. The 2030 Agenda has been widely embraced across territories and represents a significant step forward in terms of ambition, universality and complexity with respect to the Millennium Development Goals (MDGs). The interconnectedness of the Sustainable Development Goals (SDGs) provides, on the one hand, our best shot at tackling the multi-dimensional challenges facing our societies. On the other, it requires a significant step up in policy-making efforts and the adoption of a truly integrated approach that ensures that 'no one and no place are left behind' — in other words, the UN **'whole-of-government' and 'whole-of-society' approach** to development (see Box 1), encompassing a truly **multilevel** and multi-stakeholder **governance** system that puts people at the centre of development (see Box 2).

We currently stand at the end of the first quadrennial cycle of implementation of the SDGs, which means that the worldwide state of implementation of each SDG has been evaluated at least once. Consequently, the international community is taking this time to take stock of the progress made, the trends that have emerged and the challenges encountered over these past four years, and these will be discussed at the

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Box 1

'Whole-of-government' and 'whole-of-society' approaches

Multilevel and collaborative governance frameworks that emphasize the need to approach policy-making processes in an integrated way, factoring in all government bodies and members of society. Adopting these approaches is critical for advancing sustainable development, since they constitute the basis for policy coherence (see Box 7) by requiring policy-making to happen in an integrated manner beyond institutional siloes, promoting synergies and improving public accountability. Putting governance frameworks in place requires the establishment of adequate coordination and participation mechanisms that ensure that sub-national governments (SNGs) and members of society take part effectively in policy design, implementation and monitoring processes at all levels of government.

Source: UNPAN; GTF, UCLG (2019), 'Towards the Localization of the SDGs'.

SDG Summit in September 2019. According to the UN's quadrennial Global Sustainable Report and the UN Secretary-General 2019 Special Report, positive trends have emerged at the aggregate global level, in particular regarding the implementation of SDGs 1, 3, 5, 7, 8, 11 and 14.[1] Extreme poverty, child mortality rates and the share of the urban population living in slums continue to decrease, while progress has been made with respect to health, certain gender equality targets and access to electricity in poor territories. However, the shift towards a new sustainability paradigm is not taking place at the pace and scale required to trigger the necessary transformation to meet the Goals by 2030. The incidence of hunger has continued to spread in 2019, a trend observed since 2016. Greenhouse gas (GHG) emissions, 70% of which cities are responsible for, also continue to increase, while the loss of biodiversity continues to accelerate dramatically as the intensity of climate change worsens.[2] Despite the progress made in poverty reduction, rising inequality continues to fuel the exclusion of discriminated and disadvantaged populations (such as the poor, women, youth, the elderly, people with disabilities, ethnic and sexual minorities, amongst others). Moreover, although the means of implementation are progressing, finance for sustainable development remains an ongoing issue. Institutions often depleted by territorial conflict are not robust enough to respond to the magnitude of the interrelated challenges they face.

As stressed by the UN Secretary-General (UNSG), the current social, economic and environmental trends that are shaping the world have a major impact on the realization of the SDGs and present a daunting challenge in terms of meeting the Goals in the mandated time. The UNSG identifies five such trends — urbanization, demographic change, climate change, protracted crises and frontier technologies.[3] The interactions, synergies and trade-offs between these trends give rise to highly complex and interconnected policy-making environments at local, national and international levels. One of the main objectives of this report has been to examine how LRGs are contributing to the achievement of the global agendas in the face of such trends. These agendas — and the commitment of LRGs to achieving them — are changing our societies and promoting the evolution of good governance and citizen participation in highly diverse contexts all around the world. It is therefore critical to take this time to better understand where LRGs stand with respect to SDG implementation, and to revisit policy-making processes in order to take full advantage of the mutually reinforcing potential of global agendas and local processes as catalysers for change. The aim of this report is to contribute to such an endeavour, looking at

how to promote integrated policies and actions that meet today's challenges from the local and regional perspective.

The report highlights how, as part of their day-to-day responsibilities, LRGs are implementing policies and carrying out actions which although not always officially 'SDG-labelled', have a direct impact on populations' access to infrastructure, services and life opportunities. As acknowledged by the UN General Assembly, the UNSG and the Habitat III consensus, the decarbonization of our economies and ensuring access to energy, water, food, transport and infrastructure will ultimately be achieved through project-level investments take place mostly at the sub-national level and that are led by LRGs.[4] It is thus crucial to build up a critical mass of knowledge about how territories and cities are progressing towards sustainability, what initiatives are being put forward and what obstacles are being encountered if we are to achieve the SDGs and other global agendas.

One of the main transformations humanity is experiencing is the rapid urbanization of society, and in this respect LRGs find themselves increasingly at the centre of many crucial challenges. The percentage of the world's population living in urban areas is expected to rise from 55% to nearly 70% by 2050 — an increase of 2.3 billion urban dwellers likely to be concentrated in low and lower middle-income territories where urbanization is happening at the fastest rate. Changes in population growth, age composition and migration patterns heavily impact urbanization pathways and those of the surrounding territories, cutting across a wide range of SDGs — for example poverty eradication, access to food and water, health, gender equality, economic growth and decent work, the reduction of inequalities and promoting sustainable cities

1. UN, *Special Edition: Progress towards the Sustainable Development Goals*, Report of the Secretary-General, 2019 session; Independent Group of Scientists (forthcoming in 2019); *Global Sustainable Development Report*; UN-SG (2019), *Long-term impact of current trends in the economic, social and environmental areas on the realization of the Sustainable Development Goals*; UN, *The Sustainable Development Goals Report*, 2019.

2. IPCC (2018), *Special Report on Global Warming of 1.5°C.*

3. UN Secretary-General (2019), *Long-term impact of current trends in the economic, social and environmental areas on the realization of the Sustainable Development Goals.*

4. UN (2014), *The road to dignity by 2030: ending poverty, transforming all lives and protecting the planet.* Synthesis report of the Secretary-General on the post-2015 Agenda, paragraph 94.

Box 2

Multilevel governance

A decision-making system based on coordination mechanisms that allow the allocation of competences and responsibilities of government both vertically and horizontally in accordance with the principle of subsidiarity (see Box 6) and that respect local autonomy. This system recognizes that there is no optimal level of decentralization (see Box 5) and that implementation and competences are strongly context-specific: complete separation of responsibilities and outcomes in policy-making cannot be achieved and different levels of government are interdependent. Multilevel governance necessitates all levels sharing information and collaborating fully, so that every level can publicly and accountably lead horizontal relations with respective stakeholders to optimize policy outcomes.

Source: UCLG (2016), 'Fourth Global Report on Local Democracy and Decentralization. Co-creating the Urban Future'.

5. UNDESA (2019). *World Population Prospects 2019: Data Booklet.*

6. UNDESA (2018), *World Urbanization Prospects: The 2018 Revision.*

7. Internal Displacement Monitoring Center (2018), *Global Report on Internal Displacement 2018.*

that are better articulated with their hinterlands — which significantly influences the prospects for SDG implementation. At the aggregate level, world population growth has slowed compared with ten years ago and stands at an annual growth rate of 1.1%.[5] However, such figures mask highly heterogeneous demographic patterns between regions and urban and rural territories.

While more than half the growth forecast between 2019 and 2050 (estimated at two billion people) is expected to take place in Africa, Asia is expected to grow by 650 million people, Latin America by 180 million whilst Europe's population is expected to decrease.[6] Population growth will be concentrated in the least economically developed regions, which will make it even harder for those territories and cities to eradicate poverty and hunger and improve the provision of education, health and basic services. Moreover, the number of persons aged over 60 is expected to rise to 1.4 billion by 2030, although the pace at which the population is aging varies greatly between world regions. By 2050, all regions of the world are expected to have more than 25% of their populations aged over 60 — with the exception of Africa, which is expected to concentrate the world's largest share of population aged between 15 and 19. Aging territories and cities will face increasing fiscal and political pressure to provide the elderly with pensions and social protection. At the same time, it will be critical for territories and cities with swelling youth populations to provide adequate healthcare, education and job opportunities to ensure the implementation of the 2030 Agenda.

Climate and environmental challenges are profoundly reshaping our territories and have a direct impact on cities. According to the Intergovernmental Panel on Climate Change (IPCC) 2018 Special Report, the world has already warmed by 1°C above pre-industrial levels and, at the current rate of warming of 0.2°C per decade, global warming will reach 1.5°C by 2030. This report stresses the pivotal role played by cities in climate change mitigation and in reaching the agreed goal of limiting climate change to 2°C, and if possible 1.5°C. Allowing global warming to reach 2°C will critically endanger natural and human systems and will particularly affect the most vulnerable populations and territories. Since 1990, climate-related extreme disasters have more than doubled. This, together with drastically changing weather conditions, is causing unquantifiable suffering and loss of human life and the destruction of infrastructure, aggravating resource scarcity and forcing the displacement of populations. Existing tensions act as risk multipliers for violence, putting additional pressure on often fragile political systems and resources. Since 2010, state-based and non-state-based conflicts have risen by 60% and 125% respectively, while the number of globally displaced people has doubled over the past 20 years to reach 65 million.[7] The deterioration of global peace constitutes a fundamental threat to the rule of law and good governance and, consequently, to the cornerstones of sustainable development.

In the face of such challenges, it is imperative that we scale up and accelerate action before it is too late. In order to do so, we need to think differently about development strategies and adopt an evidence-based approach to sustainable development that reflects the reality of today's world. Urbanization, the development of frontier technologies and connectivity are some of the defining features of our contemporary societies, and although they pose challenges to governance, they are also the key to achieving the SDGs and preserving life for future generations. ◉

The Local and Regional Governments' Forum, organized by the Global Taskforce, during the United Nations' SDG Summit in New York on September 24, 2019 (photo: UCLG-CGLU/Ege Okal, bit.ly/2naVvsb).

2. Why SDG localization? Purposes and goals of the report

The purpose of the GOLD V Report is to propose how these ambitious Global Goals and objectives can be met through policies, actions and initiatives designed and put in place by the territories and communities that make up cities, towns and regions. The report suggests that this cannot be done unless urban and territorial planning, strategic design, institutional environments and political roadmaps are fully embedded in the territories, i.e. 'territorialized', taking full advantage of local potentialities, involving all local stakeholders and building on local needs and demands. In other words, these goals can only be achieved through a fully-fledged, co-owned and accountable process of localization of the global agendas (see Box 3).

Territories and cities can lead transformational processes that promote development models that are both respectful of the environment and put people first. Territorialized development strategies based on integrated planning have the power to transform cities and territories, foster inclusion, reduce resource usage and GHG emissions, and improve rural-urban linkages. When coupled with cutting-edge technologies, the economies of scale facilitated by cities and their ability to attract innovation become major catalysts for the achievement of the SDGs, allowing for the development of alternative patterns of production and consumption, decentralized renewable energy systems, individualized healthcare, natural disaster detection solutions, and stronger bonds between cities, towns and their hinterlands. The possibilities are endless. As shown throughout this report, such localized development strategies, developed from and suited to local realities, also have an impact on the global process of transforming development, which in turn reinforces sustainable local

processes. The transformational potential of a **territorial approach to local development (TALD)** is enormous (see Box 4). Yet, in order to fully unleash it and ensure the implementation of the global development agendas, important challenges must be tackled. Significant efforts have been made since 2015 to implement the 2030 Agenda's provisions and advance towards the achievement of the Goals. However, given the multi-dimensional challenges our societies are facing, the 2030 Agenda and the SDGs call for a move beyond narrow targeted policy-making towards a review of governance culture and

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Box 3

Localization

The 2030 Agenda emphasizes the need for an inclusive and localized approach to the SDGs. Localization is described as 'the process of defining, implementing and monitoring strategies at the local level for achieving global, national and sub-national sustainable development goals and targets.' More specifically, it takes into account sub-national contexts for the achievement of the 2030 Agenda, from the setting of goals and targets to determining the means of implementation and using indicators to measure and monitor progress.

Source: GTF, UCLG (2019), 'Towards the Localization of the SDGs'; GTF, UNDP, UN-Habitat (2016), 'Roadmap for Localizing the SDGs: Implementation and Monitoring at Sub-national Level'; UN Development Group (2014), 'Localizing the Post-2015 Agenda' (outcome of the global UN dialogue process realized from June 2014 to October 2014).

institutions. As will be discussed in this report, existing national strategies and institutional frameworks for SDG implementation, as well as the state of **decentralization** and the means available for local implementation of the global agendas, determine the transformational strength that local action can achieve (see Box 5). Questions thus arise: can the SDGs both inspire local action and influence such institutional environments?; and can local action arising from the cities and territories translate into global change?

This is important for shedding light on a number of related issues affecting (and changing) development policy globally. As stated previously, this study primarily aims to show the state of progress of SDG achievement in the territories and emphasize its critical importance for the realization of the global agendas. On the one hand, it is widely acknowledged that fulfilment of the 2030 Agenda requires the full engagement and commitment of all levels of governance including LRGs, civil society and local stakeholders such as the private sector, social partners, academia and grassroots organizations. On the other, territories and local communities are where implementation is taking place. The key question addressed by the report is the extent to which towns, cities, provinces and regions have been able — through their actions and initiatives — to become part of the solution to the fundamental and historic challenges they face. Analyzing the progress that local governments are making in the implementation of the Goals and their 'localization' — bringing them down to the local level, rethinking and re-designing them so that they fit with the characteristics and demands of citizens and territories — is an indication of how well the SDG framework itself is developing, and how much there is still left to do.

The report also aims to provide an updated picture on the current state of decentralization around the world. Achieving the SDGs and the other global agendas at the local level will not be possible unless territories, communities, and local authorities at different sub-national levels are adequately empowered, supported and funded. This implies strengthening and improving decentralization of the political system, promoting the devolution of competences and powers, ensuring respect for the principle of **subsidiarity** and making local governments responsible and accountable (see Box 6).

The report is structured into different regional chapters. Each chapter includes an analysis of national strategies for the implementation of the 2030 Agenda and how LRGs are being engaged in this process, whether the institutional framework enables LRGs to be proactive in the implementation of these agendas, and the status of decentralization in the region. The report aims to answer questions on decentralization trends and the development of a truly multilevel understanding of policy-making: are LRGs more empowered and active than they used to be?; have the SDGs and the other global agendas driven any change in institutional relationships and vertical/horizontal cooperation?; are national planning and decision-making mechanisms and systems more open, sensitive to and aware of LRGs and their unique potential within territories and communities to effect change?

Looking at decentralization and providing up-to-date mapping of how this trend has evolved are all the more essential in studying territorial and municipal authorities, given that rapid (and often uncontrolled) urbanization has become a worldwide phenomenon and a fundamental challenge facing local governance. Urbanization has had a crucial impact on several dimensions of local and regional governance: from urban and territorial planning, to the provision of basic public services; from socio-economic equality to marginalization and informality in housing and work; from the inevitable impact of climate change to the creation of new social and cross-cutting alliances to improve democracy, transparency and the quality of life in cities and territories. However, advances in these fields raise fundamental questions of sustainability and viability. The global agendas were agreed with the expectation that LRGs would act as accelerators and catalysts in the process, but how is this pressure altering the political balance? What room is there for LRGs to see their competences, powers, capacities, financial and human resources grow and improve, making them more aware, responsible and able to play an active role in the global quest for sustainability, prosperity and inclusiveness? What kind of financial autonomy is really granted to local and regional governments? There are plenty of financial and management instruments (climate and green bonds, Public-Private-People Partnerships — PPPPs — and remunicipalizations, amongst many others) that are changing the way actors are empowered at all levels to become drivers of change and leaders in policy-making. In what way are these new opportunities accessible to local governments? And how can those that are more visionary and long-sighted fund and sustain their policies and agendas in the long term?

The ability of LRGs to report on their policies and actions is also problematic since it is currently limited by a substantial lack of data, indicators and measurement which historically has not been devolved or disaggregated enough (with the partial exception of larger and wealthier regions and cities), hindering the capacity to grasp the huge potential at the local level for the localization and achievement of the Goals.

Ultimately, the responsibilities that LRGs are assuming in the localization of the SDGs and other agendas are raising fundamental questions of local democracy, accountability and transparency, representation and the place occupied by the local level in the current global system. Can LRGs be catalysts for change in politics and development policy? Do LRGs have the means and capacities to ensure that 'no person or place is left behind'? Can effective intergovernmental cooperation across all levels of governance improve performance, boost **policy coherence** (see Box 7) and help make the SDGs

and the global agendas a reality, with positive effects on the quality of life of territories, cities, communities and society? Can the SDGs trigger a new model of development — urban, territorial, social, economic and human — which starts at the local level? Each chapter provides inputs, answers and critiques of these points, as well as exploring other relevant issues. The conclusions and policy recommendations provide a common vision and understanding of the way forward for LRGs. ◉

Box 6

Subsidiarity

The principle according to which public responsibilities should be exercised by those elected authorities closest to citizens. The central authority should have a subsidiary function, performing only those responsibilities or tasks which cannot be performed at a more local level. Subsidiarity requires that local governments have adequate financial, managerial and technical and professional resources to enable them to assume their responsibilities to meet local needs, carrying out a significant share of public expenditure. Local governments should be granted the authority and power to raise local resources in line with the principle that authority be commensurate with responsibility as well as the availability of resources. The principle of subsidiarity constitutes the rationale underlying the process of decentralization.

Source: UN Habitat, 'International Guidelines on Decentralisation and Access to Basic Services' (2009); UCLG (2013), 'Third Global Report on Local Democracy and Decentralization. Basic Services for All in an Urbanizing World'.

Box 7

Policy coherence

An approach to sustainable development that calls for the integration of economic, social, environmental and governance dimensions in the policy-making process, acknowledging the critical interlinkages that exist between the SDGs. It aims to foster synergies, promote partnerships and balance transboundary and intergenerational policy impacts in order to identify and manage the relationships between SDGs in a way that limits and overcomes any potential negative impact resulting from their implementation.

Source: OECD (2019), 'Policy Coherence for Sustainable Development 2019'.

3. Structure and analytical approach of the GOLD V Report

The main body of the GOLD V Report is structured into eight chapters. Seven chapters address localization processes in each of the UCLG regions: Africa, Asia-Pacific, Eurasia, Europe, Latin America, Middle East and West Asia, and North America. An eighth chapter, consistent with the approach traditionally adopted by the GOLD reports, will deal specifically with the metropolitan phenomenon, exploring whether the specific context of metropolises has an impact on the implementation of the SDGs and the global agendas. The metropolitan chapter is coordinated with Metropolis, the global organization representing metropolitan areas, with a membership of 138 cities from all regions of the world.

All chapters follow the same structure in order to make cross-chapter reference easier and the information more comparable across different regions. Each chapter consists of a short introduction in Section 1, followed by Section 2 which provides an overview of national arrangements for SDG implementation: national strategies and plans, their degree of alignment with the 2030 Agenda and other global agendas, and the mechanisms that ensure the coordination and follow-up of the SDGs at national level but that also allow LRGs to be involved in the localization process. Where available, for example in the chapter on Europe, this section considers regional strategies and mechanisms. Section 2 also highlights the **enabling environments** for sub-national action and initiatives (see Box 8), change and evolution in the institutional framework (e.g. decentralization processes), and a thorough overview of the territorial organization of the countries in each region and the financing available to LRGs. Finally, Section 2 analyzes the institutional and governance mechanisms that regulate the relationship between different levels of governance and that either hinder or facilitate cooperation in the implementation of the SDGs. Section 3 explores in more detail the actual contribution of LRGs to the localization

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Box 8

Enabling environment

The combination of policies, laws, institutions and systems of governance, fiscal autonomy, and levels of public engagement that hamper or unleash LRGs' potential to function more efficiently, competitively and flexibly to define a development pathway and carry out actions that contribute to achieving the SDGs. UCLG Africa, UCLG ASPAC and Cities Alliance have assessed the institutional enabling environment for local governments by comparing the 'constitutional framework, the legislative and regulatory framework, the share of public finances between central government and local government, local governments' own revenues, local democracy, human resource capacities of local government administrations, local government delivery and management performance, existence of a national and/or local urban policy/strategy, provisions for transparency and accountability mechanisms, provisions for citizen participation and women's participation.'

Source: UCLG ASPAC, Cities Alliance (2018), 'City Enabling Environment Rating: Assessment of the Countries in Asia and the Pacific'; UCLG Africa, Cities Alliance (2015), 'Assessing the Institutional Environment of Local Governments in Africa'.

and implementation of the SDGs. Specifically, it provides information on awareness-raising and dissemination activities to improve ownership by SNGs; the alignment of local plans and strategies with the SDGs and the impact they have on local engagement and proactiveness; and the initiatives, policy actions and experiences of LRGs in their territories and communities in implementing the Goals from the bottom up, as well as issues of coordination, monitoring and funding.

The chapters have been designed in such a way as to allow the reader to approach the GOLD V Report from different perspectives and with different goals in mind. The report can be read in a linear fashion to provide a broad overview of the role of LRGs in the localization of the Global Goals. Those readers more interested in the concrete actions and initiatives put in place by LRGs and with a bottom-up perspective can refer to Section 3 in the various chapters. Similarly, those interested in the evolution of decentralization and the enabling environments that have made localization possible in the first place can refer to Section 2 and the information it provides on institutional balance and opportunity in different contexts.

The chapters were developed by an international group of renowned experts — 18 authors from 13 different institutions — with backgrounds in urban and territorial planning, local development, economics and financial studies, urbanization and development, and geography. Moreover, the GOLD V Report has relied significantly on first-hand information available within UCLG and its constituency. The report builds on the findings of the three editions of LRGs' report to the High-Level Political Forum (HLPF), which UCLG has curated with the Global Taskforce of Local and Regional Governments (GTF) since 2017. In turn, much of this information and knowledge was gleaned from international surveys distributed across these networks and which gathered hundreds of replies, promoting direct contact with local administrations, national local government associations (LGAs), academia and civil society.

The chapters have been through a thorough process of political validation with UCLG's members and networks. They build on information provided directly by cities, regions and associations that are members of UCLG, with content from experts also reviewed by the membership to verify its reliability.

Finally, the conclusions of the GOLD V Report provide an overview of the chapters and a summary of the main findings. More importantly, they provide a platform for debate and conversation on the main trends shaping development and growth across the world: demographic change, decentralization and local
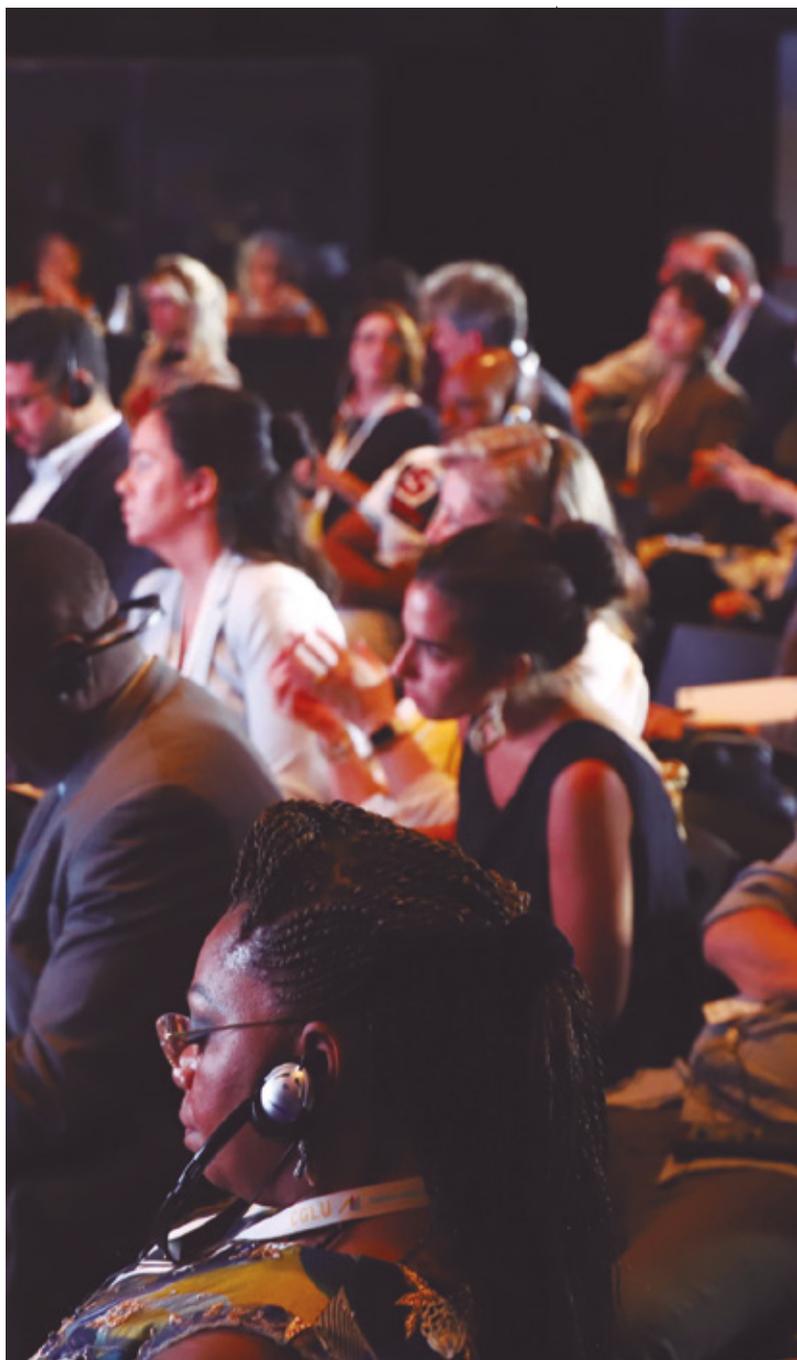
Audience at the proceedings of UCLG's Culture Summit, Buenos Aires, Argentina, on April 4, 2019 (photo: Ciudad Autónoma de Buenos Aires, bit.ly/2pDD5kN).

democracy, climate change and resilience, rapid urbanization, funding local development and local autonomy, and the creation of the city of the future and the future of cities. These lie at the heart of the recommendations put forward by the GOLD V Report: a set of guidelines and a roadmap to make localization a reality, to fully achieve the SDGs and other global agendas at the local level, and a call for territories and communities to 'leave no person or place behind'. ◉
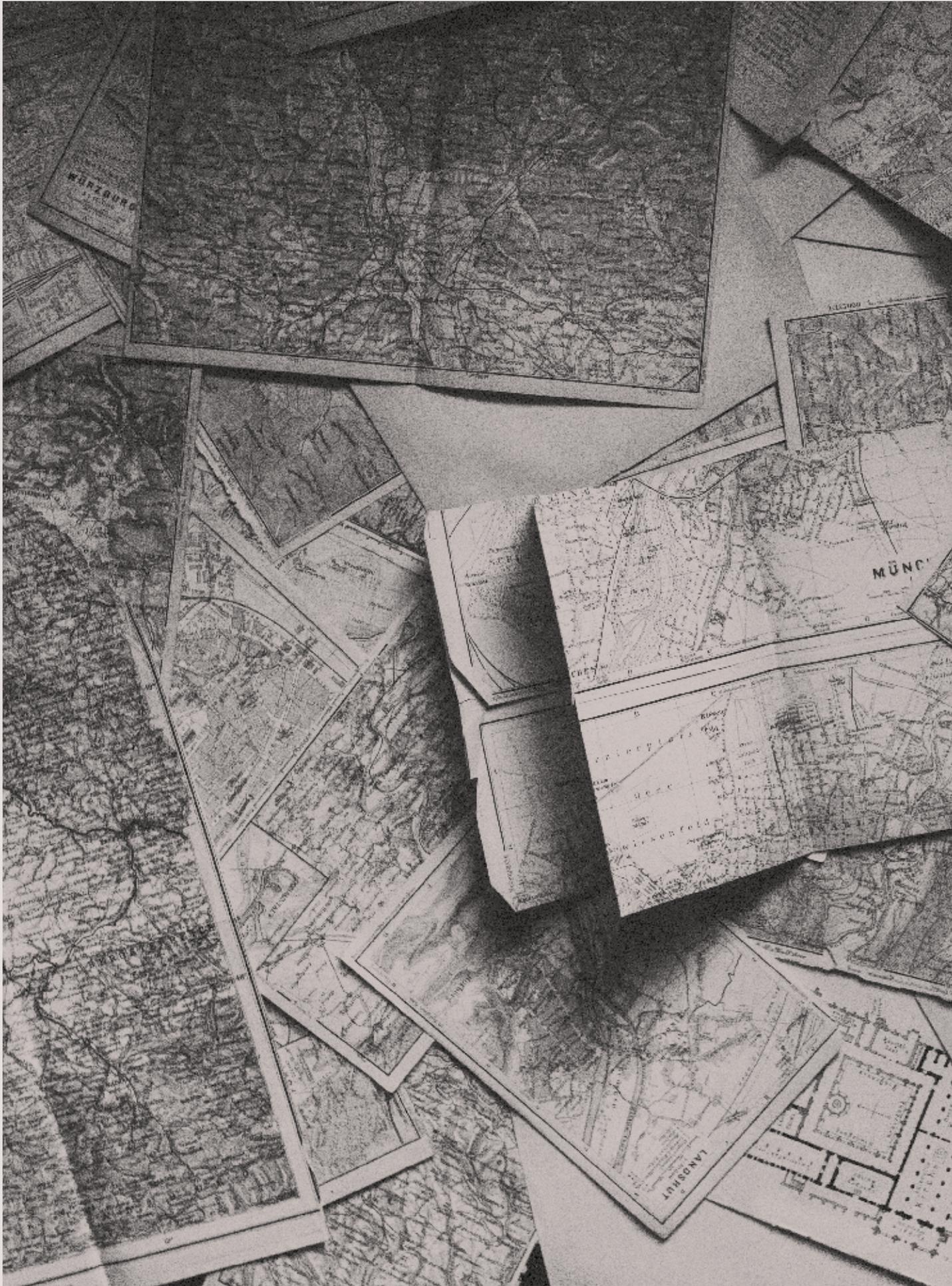
Regional chapters

01
Africa

Northern Africa

Eastern Africa

Western Africa

Central Africa

Southern Africa

Countries within the UCLG region

54

Population

1.29 billion

Local and regional governments

15,000

Number of countries having reported to the HLPF

35

Of the world's population live in this region

16.9%

Of the population live in urban areas

43%

Between 2016 and 2019

47%
of countries have involved their LRGs in Voluntary National Review processes

31%
of countries have involved their LRGs in national coordination mechanisms

Background

Over the past decade African governments have joined other countries in endorsing the global policy shift and convergence on the global agendas: the 2030 Agenda, the Paris Agreement on climate change, the Addis Ababa Action Agenda on Financing for Development, the Sendai Framework for Disaster Risk Reduction and the New Urban Agenda. This commitment is rooted in a continental policy shift towards sustainable development, as formulated in its own Agenda 2063. The shift reflects a growing acknowledgement of the role of cities and territories as key sites and actors of development, the African region being an important hub in the global transition towards sustainable growth.

The African region, as defined by UCLG, is divided into five sub-regions comprising Southern, Eastern, Central, Western and Northern countries. **The region's 54 countries are home to almost 17% of the world's population (1.29 billion inhabitants), of which around 43% live in urban areas**. Twenty-eight percent of the population in Eastern Africa live in urban areas while Western Africa (with 47.5%) and Central Africa (with 49.5%) are about to reach the point of demographic transition and Northern and Southern Africa are already mostly urban (52% and 63.6% respectively). Driven by natural population growth as well as growing rural-urban migration, the current urban growth rate in Africa is nearly 11 times faster than in Europe and three and four times faster than in Latin America and North America respectively. However, growth rates vary across the continent. In Southern and Northern Africa, the urban growth rate is just over 2%, while in the remaining sub-regions the urban population is expected to grow by more than 4% annually until 2020. The major constraints to sustainable urban development, territorial cohesion and social change are in the context of this unprecedented growth, poverty, informality and infrastructural backlog.

In some countries, economic progress is hampered by the effects of conflict together with an increase in natural disasters associated with poorly managed settlements and climate change. As a result, multi-dimensional poverty (related to income, health, hunger, safe access to clean water and energy) remains at a critical level. The United Nations Economic and Social Commission for Africa 'Poverty Clock'[1] is running at real time and the rate remains negative: currently, more people are entering extreme poverty than are escaping it. As of August 2019, an estimated 34% of the continent's population still live in extreme poverty (earning less than USD 1.90 per day), with 49% of this figure made up of children (excluding North Africa). Informality is another major issue to address,

given its predominance in the African urban fabric: 62% of urban African households live in slums and informal work represents 70% - 80% of the urban economy.

Scaling up Africa's LRG contribution to the localization of tthe 2030 Agenda is a central element to achieving the SDGs in the region

While the overall picture of local uptake of the 2030 Agenda in Africa appears limited at first glance, this chapter shows that African efforts are underway to enable a greater local and regional government (LRG) contribution to the implementation of the SDGs and its economic, social, cultural and ecological dimensions. In fact, many African cities are members of regional and international LRG networks such as UCLG Africa, as well as AIMF, CLGF, C40, and ICLEI. Through these networks, African LRGs are sharing inspiring innovative efforts to localize the SDGs and related global agendas. Other thematic networks such as REFELA are leading initiatives for gender equality in local governance in the region.

[1.] For more information, visit: https://www.africanpoverty.io/index.html.

Informal work represents

70-80%

of the urban economy

The challenges of informality and poverty come together in particular in the areas of **housing and basic services**. Important work is being carried out, in partnership with civil society, community organizations, academia, and traditional authorities, to recognize the value of local knowledge in delivering basic services at the local level. Frontrunner cities are experimenting with engaging with informal workers to improve **local economic and social development**, with an incremental impact on their working conditions. These same cities are also fostering the principles of sustainable consumption and production and the system of circular economy (reduce, reuse and recycle).

Another important factor determining the capacity of the state to implement the SDGs is the extent to which government is open and responsive to citizens and to organized civil society. Through participatory and inclusive approaches **involving communities in co-creating solutions**, many LRGs are gradually transforming the decision-making and monitoring processes to foster a rights-based agenda. Whilst this is limited to frontrunner cities or regions, it includes bold measures to support peoples' right to housing and land, as well as basic services such as clean water and safe access to sanitation. LRGs are also promoting **peace and tackling discriminatory and violent practices**, in particular those that are inter-ethnic or gender-based, at the same time becoming more aware of human rights obligations.

Transformative actions are not limited to large cities. In intermediary cities and small towns in coastal and rural areas, that host an increasing number of migrants and people displaced by climate change, the report shows compelling examples of a shift from traditional economic development and poverty reduction strategies to a more forward-thinking, climate compatible development approach. The report also highlights the fundamental support of UN agencies and international cooperation in launching pilot projects in municipalities that have spearheaded the transformative process (e.g. Algeria, Cape Verde, Rwanda, Tunisia and Uganda).

This has led LRGs to adopt more **territorially integrated approaches to promote bottom-up development**, **tackle issues related to siloes and reach those 'furthest behind' first**. Many African **cities and territories are leading a range of initiatives to preserve ecosystems and biodiversity, water, agriculture and energy, which link the SDGs to the Paris Agreement on climate change and the Sendai Framework for Disaster Risk Reduction**. For instance, in tackling **food security** in all its dimensions (including hunger, health and preserving ecosystems), projects are also focusing on specific opportunities to promote gender equality, create responsible consumption and production cycles and take advantage of the local economic development urban dimension. Moreover, the aim of increasing children and young people's access to **quality education** —and in particular girls' education — has often been addressed by focusing on improving basic services in schools, including safe drinking water and clean sanitation, micro-gardening and access to electricity and the Internet.

Aiming to embolden local public action on the SDGs, UCLG Africa and several African LGAs and LRG networks are developing initiatives to disseminate and mobilize their members around the 2030 Agenda through i) awareness-raising conferences, trainings and workshops; and (ii) capacity building for SDG policy alignment with local plans (e.g. the African Academy for Local Governments). In some countries there are platforms to promote peer learning and benchmarking (e.g. Mile), and local government associations (LGAs) are also developing handbooks to ensure better alignment of public action with the SDGs. The European Union (EU), bi-lateral cooperation and UN agencies are key financial and technical partners in the scaling up of local initiatives in several cities and countries. Due to their limited participation in the national coordination mechanisms set up by central governments, these practices are not always visible in the Voluntary National Reviews (VNRs) to the UN High-Level Political Forum (HLPF).

Such practices need a favourable institutional environment for them to be sustained and scaled up. However, the mismatch between the demand for progress on all the SDGs in Africa and the weakness of the enabling environment for LRGs in many countries means the localization of the SDGs is not taking place at the necessary pace. This is an urgent issue, given that the social, financial and environmental costs of catching up, retrofitting the expanding urban fabric and responding to and recovering from the climate emergency will continue to grow.

National coordination mechanisms are formally in place, but limited participation of LRGs hampers coherent localization of the SDGs

As a continent, Africa's own Agenda 2063 reflects a shared vision for development. Africa is also the only region in the world to articulate a common position on the 2030 Agenda in the run-up to Habitat III. At the national level, the commitment to implement the SDGs at all scales is apparent in all 35 (out of a total of 54) African Members States of the United Nations that have presented a VNR during the first four-year cycle of the HLPF (2016-2019). Others, such as Burundi, Democratic Republic of the Congo, the Gambia, Liberia, Libya,

Malawi, Mozambique, Seychelles and Zambia have committed to presenting their first VNRs in 2020. In these countries, **the participation of LRGs in the reporting and coordination mechanisms** (limited to 47% for the VNR and 31% for coordination) **still needs further improvement to ensure that the national process truly reflects a whole-of-government approach**.

A majority of countries focus on the **alignment and adaptation of national development plans with the 2030 Agenda**, and continental and sub-regional development agendas. The latter includes examples from South Africa (the Southern African Development Community and Regional Indicative Strategic Development Plan); Rwanda (East African Community Vision 2050); and Cape Verde and Mauritius (SIDS Accelerated Modalities of Action — the SAMOA Pathway).

While all national visions converge towards 2063, in few countries does the national planning cycle coincide with the adoption of the 2030 Agenda and their plans align with the SDGs. In most, however, NDPs are being revised with a view to SDG alignment. This process has not been straightforward: in 2018, out of 18 African countries with a national urban policy (NUP), most do not yet explicitly align it to the SDGs. In addition, almost all countries in Africa have submitted their Nationally Determined Contributions (NDCs) as signatories to the Paris Agreement on climate change. In terms of the rest of the region, only a few NDCs include local governments, for example in Benin, Nigeria, Senegal and South Africa.

Moreover, **national institutional mechanisms to coordinate and lead SDG implementation exist at the highest political levels**, although different arrangements can be observed. For example in South Africa it represents a change in collaborative governance, since these high-level committees and fora are relatively new. In other countries coordination relies directly on a reformed planning system (Burkina Faso, Côte d'Ivoire, Ghana, Chad). Namibia stands out for having extended mechanisms for coordination and reporting, including a Development Partners Forum to provide coordination oversight of SDG implementation. Some countries, such as Kenya, have also incorporated SDG implementation into budget processes.

Finally, while a variety of stakeholders (e.g. civil society, private sector, etc.) tend to be included — at least formally — in coordinating and committees, **few of these structures include LRG representatives or LGAs and LRG networks**. In fact, only nine countries (Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Ethiopia, Kenya, Mauritania, South Africa and Togo) explicitly include or consult LRGs in the coordination mechanism.

A man walks in Bein-al Qasreen street in downtown Cairo, Egypt (photo: PnP!, bit. ly/33avN6k).

Local and regional efforts to align with national sustainable development strategies: local partnerships aim to co-create ownership of the SDGs in local development plans

The alignment of the SDGs with local and regional development plans is gaining ground in Africa, but at different paces in different countries. **LGAs and LRG networks play a key role in synchronizing national and local strategies to align to the SDGs**. In fact, LRGs and their national associations from 19 countries are currently undertaking initiatives or specific projects to support the alignment of local development plans (LDPs) with the SDGs. As a result, groups of LRGs in countries ranging from Cape Verde, Nigeria, Niger, Kenya, Sierra Leone, Benin, Tunisia and South Africa are aligning their local strategies to national plans and the SDGs, either with national government support or with the assistance of international organizations.

In some countries, the focus is on small and intermediary cities, for example in Burkina Faso, Uganda, Togo and Tunisia. This is the case too in Madagascar as well as the African Small Island Developing States (Cape Verde, the Comoros and Mauritius), where pilot municipalities are aligning their local strategies to the SDGs, Paris Climate Agreement and the Sendai Framework. Alongside these developments, the lessons from Cameroon and Uganda on the need to foster coherence by integrating national strategies with fiscal frameworks, in addition to the national-local alignment, should also be examined in more detail.

National government leadership is indispensable for ensuring that alignment and implementation is long-term and covers all territories and levels of government. Yet the report argues that LRGs must draw up their LDPs in a participatory way to reflect local priorities. Localizing the SDGs and aligning them with national strategies must involve LRGs mobilizing local and national resources in accordance with local priorities, matched by adequate fiscal capacity. Successful SDG localization can be driven by a multilevel governance approach.

In tandem with the alignment of the SDGs is the need to monitor progress at the local levels. **The challenge here is that Africa is currently vastly under-represented in existing global urban data bases**. This is a crucial issue that needs to be addressed as a priority, since data availability for monitoring at the local level is key to understanding where progress has been made, the reasons for progress (or lack of it) on the SDGs and where further action is needed. This includes the need for greater knowledge and transparency on national, regional and local finance. The chapter points to initiatives underway, particularly country-led mechanisms (Ghana, Kenya, Rwanda, Tunisia and Zimbabwe), to collect place-based data, but also innovative bottom-up initiatives promoted by community organizations in partnership with local governments (e.g. Slum Dwellers International). Inter-operable data facilities (such as the South African web-based 'municipal barometer') to inform the complex choices faced by local government officials in Africa, built with close collaboration between LRGs and national statistics offices, remain an essential but missing part of the interplay between SDGs and local governance.

A number of examples of research policy partnerships between LRGs and academic institutions, civil society and community-based organizations, are also mentioned in the chapter. Projects aim to empower local-level stakeholders with knowledge and ICT to implement solutions-oriented strategies that are politically do-able and address complex sustainability challenges in the region. Aligning these existing, locally-led practices with high-level policy commitments to devolution incentivizes LRGs to improve their capacity to deliver on the SDGs, taking into account the particularities of sustainable urbanization in Africa.

The commitment to, and process of, accelerating decentralization varies hugely across Africa

Decentralization is crucial for the localization of the SDGs in Africa. **The report shows the extent of the mismatch between national commitments, and de facto the realization of these commitments to devolve powers to LRGs**. **Contrary to the ambitions of the New Urban Agenda, this corrodes the capacity of LRGs to move rapidly towards the continent's 2063 vision and the 2030 Agenda**.

As of 2018, four African countries (Burundi, Madagascar, Mali and Namibia) had ratified the 2014 African Charter on Values and Principles of Decentralization, Local Governance and Local Development. A first group of countries in Africa shows a more enabling institutional environment, including countries such as **South**

Localizing the SDGs and aligning them with national strategies must involve LRGs mobilizing resources in accordance with local priorities, matched by adequate fiscal capacity.

Africa, **Morocco, Uganda** and **Tanzania**. In a second group of countries formal/constitutional decentralization reforms have been more recent, dating back to the last five or ten years. For instance, **Zambia, Benin** and **Kenya** started to revise decentralization policies and laws that were enacted and implemented in the previous decade. In others, such as **Burundi, Ghana** and **Rwanda**, the national government has implemented regular assessments of LRGs' performance and enacted important fiscal reforms.

A third group of countries includes those that still require significant reform in order to move towards an environment favourable to LRGs. For example, in **Guinea Conakry, Niger** and **Cameroon**, local elections have been postponed and progress has been rather limited in the past decade. On a positive note in **Mali** and **Tunisia**, the promotion of local self-government has been a pillar of the recent peace and democratic transition. Finally, there are those countries where decentralization reforms are at a standstill. This is not a static situation, however: **Mozambique** and **Togo** have both undertaken local electoral reforms (Togo's first local elections in 32 years took place in June 2019) and local governments are part of the national coordination mechanism.

The core competences of LRGs in a majority of countries fall largely in the social realm and the delivery of basic services. However, unclear or incomplete legal framework can hinder local autonomy. Territorial divisions at the municipal and sub-municipal level or the information on the share of powers and responsibilities between different levels of government either do not exist or are unclear. Most countries have significant overlaps or opaque power-sharing between the deconcentrated administrations, national agencies or public utilities and local elected bodies. In general, 'appointed officials' tends to imply limited local autonomy. This has major implications for LRGs and the extent to which they are able to plan for, and deliver on, localized priorities in their territories. As the number of national public utilities and other agencies involved with urban infrastructure and development rises, so governance, coordination of planning and urban development become more difficult.

Given current urbanization trends, intermediary cities play an increasingly critical role in connecting rural and urban areas through the provision of services and facilities, although this is not always reflected in their mandates. Similarly, metropolitan city governments often face a mismatch between their administrative areas and sprawling informal urban areas that grow more quickly than the adjustment of administrative boundaries, which affects the extent to which both metropolitan, intermediary and peripheral cities can work effectively towards the implementation of the SDGs.

In addition, across the continent a complex web of interfaces between elected local government and customary governance arrangements, and their direct link to national power structures makes the overall picture of urban and territorial rule very difficult to clarify — or indeed to reform.

Collaborative frameworks to build local fiscal autonomy: the means are not commensurate with the ambition of the Global Goals

Finance is an area where LRGs are not able to act alone. As set out in the Addis Ababa Action Agenda (paragraph 34), the appropriate assignment of autonomous fiscal functions at the sub-national level is crucial for the implementation of wider global development agendas on the continent. Both fiscal decentralization and localized financing must be enhanced, together with administrative and political decentralization. To localize the Global Goals as well as Agenda 2063, LRGs must have the capacity to develop their own financial strategies within national schemes to mobilize domestic resources; some have done so. Conversely, higher tiers of government must build on territorial partnerships and local political leadership so that investment is adapted locally and revenue generated to strengthen local economic and social development. For instance, the strategic debate on how to retrofit and build massive infrastructure to promote greater regional integration and productivity must take into account the issue of scale, together with the specific needs in each context. In this sense, multi-level governance matters.

Levels of fiscal autonomy vary enormously between as well as within countries across the continent. Given the current process and the weak fiscal base — due to both poverty and informality — LRGs face an increasing fiscal squeeze. There is a general lack of awareness of the cost of implementing the Global Goals in each country. Stronger dialogue and collaboration across all levels of government are vital to explore alternatives for delivering Africa's sustainable development in an integrated way.

Crucially there are two major gaps in the intergovernmental fiscal system that mitigate against making the necessary infrastructural transformations to shift Africa's urban development along the trajectories of the 2030/2063 agendas. First, the flow of funds through intergovernmental transfers to the local level remains unpredictable in many countries; there is a lack of clarity in the allocation formula and equalization grants need to be reformed to reduce fiscal imbalances between regions. Second, the extent to which LRGs can effectively

There is a general lack of awareness of the cost of implementing the Global Goals in each country. Stronger dialogue and collaboration across all levels of government are vital to explore alternatives for delivering Africa's sustainable development in an integrated way.

mobilize revenues, control expenditure priorities, and engage in borrowing activities is fundamental to the effectiveness of LRGs and their ability to innovate and implement the SDGs. Given the levels of poverty and informality across Africa,

improved fiscal autonomy at the sub-national level must go hand in hand with improved systems for resource mobilization across different levels of government in order to better share the national wealth. Reforms at city and regional level have involved experimenting with modernizing the cadastral system and increasing transparency. However, for these reforms to be implemented in a coherent and timely manner, the formal involvement of parliamentarians, LRGs, traditional authorities and other local stakeholders is fundamental. This has been the case — to some extent — in Benin, Ethiopia, Kenya, Mauritius, Rwanda, Malawi, Sierra Leone and South Africa.

In response to the need for infrastructure finance, several special multilateral funds have been announced. However in many countries, LRGs do not possess the legal authority to contract debt. Even in cases where LRGs can borrow, it is often restricted, tightly controlled or the project does not meet the current feasibility, bankability and risk standards. It is therefore essential that national governments and cities are in dialogue with credit institutions so that lenders have a better understanding of local financial contexts and needs. Given the priority of the localization of the SDGs, it is also crucial that international donors take the opportunity to transform their financing mechanisms so that they are more supportive of local development and investments.

This chapter presents compelling examples of initiatives in cities and regions that have mobilized Public-Private Partnerships (PPPs) to support local development, setting an example by them and learning from them in order to trigger a virtuous dynamic of transformational change. This is the objective of the African Territorial Agency (amongst other project preparation programmes) led by LGAs and LRG networks. Such initiatives are characterized by supportive national legislative frameworks and capacity building to enable local governments to bolster their financial resources and fiscal planning, develop projects and adopt innovative approaches to mobilize and improve access to finance, including down to the community level. ◉

Community work for the protection and management of the Mutsamudu River Basin, Comoros (photo: IWRM AIO SIDS, bit.ly/2MkhQvQ).

Conclusions
and way forward

The localization of the SDGs and related global agendas represents an opportunity for LRGs to promote a bottom-up development approach that is better articulated with national development strategies — in other words, a territorial development approach. As the level of government closest to communities, LRGs have a fundamental role to play in localizing national development strategies, setting local priorities and increasing trust in public action. For this to happen, LRGs need to benefit from an enabling institutional environment that forms part of a whole-of-society strategy to become more transparent and accountable. The whole-of-government approach involves developing an integrated and articulated strategy that is better resourced, with adequate human, technological and financial tools. This forms the cornerstone of coherent development strategies with international partners, but also local communities. Stronger dialogue and collaboration across all levels of government and mechanisms to share and upscale local initiatives and policies will be instrumental in delivering Africa's sustainable development. This continent is one of two regions where time is of the essence and where all stakeholders must now pick up the pace to reach the most vulnerable areas and populations first.

02
Asia-Pacific

Countries within the
UCLG region

37

Population

4.12 billion

Local and regional
governments

437,000

Number of countries
having reported
to the HLPF

28

Of the world's population
live in this region

54%

Of the population
live in urban areas

50%

**Eastern and
North-eastern
Asia**

**South-eastern
Asia**

**Southern
and South-
western Asia**

Pacific

Between 2016 and 2019

39% of countries have
involved their LRGs
in Voluntary National
Review processes

21% of countries have
involved their LRGs in
national coordination
mechanisms

Background

The Asia-Pacific (ASPAC) region, as defined by UCLG, is divided into four sub-regions comprising Southern and South-western Asia, South-eastern Asia, Eastern and North-eastern Asia and Pacific Island countries. **The region is home to 54% of the world's population (4.1 billion inhabitants), of which around 50% live in urban areas**. It is one of the most diverse and fastest growing regions in the world, accounting for more than 60% of the world's economic growth and development. Urbanization levels are high and advancing rapidly in the region. Most of the 2.26 billion Asia-Pacific urban dwellers live in relatively densely populated urban environments, with the urban population predicted to reach three billion by 2035. The region has more than 4,400 urban centres with populations of over 50,000 people.

More than 300 cities have populations over one million, of which 21 are megacities (urban agglomerations with more than ten million inhabitants); several of them are forming supra-cities or urban regions with populations of over 50 million (such as Delhi-Lahore or the Pearl Delta Metropolitan Region). Small and medium-sized cities, which host around 56% of the urban population, are growing fast, creating long urban corridors and clusters in many countries. There are approximately 437,000 sub-national government (SNG) entities in the ASPAC region, with up to four distinctive levels of local government ranging from large cities with large populations to small semi-autonomous self-governing neighbourhoods or villages with a few thousand inhabitants.

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) 2019 assessment of progress on SDG implementation underlines that significant improvement has been made in the region, particularly with respect to poverty reduction, education and improvements in life expectancy. **However, the report also stresses that 'on its current trajectory, Asia and the Pacific will not achieve any of the 17 Sustainable Development Goals (SDGs) by 2030'**. Several areas show little progress: food security (SDG 2), supporting industry, innovation and infrastructure (SDG 9), reducing inequalities (SDG 10), building sustainable cities and communities (SDG 11), combatting climate change (SDG 13), protecting life below water (SDG 14) and life on land (SDG 15), and towards supporting peace, justice and strong institutions (SDG 16). For three Goals, the situation has deteriorated, those being water and sanitation (SDG 6), ensuring decent work and economic growth (SDG 8), and supporting responsible consumption and production (SDG

12). Inequalities within the region are widening and many sub-regions are lagging behind. According to SDG performance indexes, Southern Asian countries' scores are below the regional median (except in Bhutan), South-eastern Asian countries are distributed around the median (except Myanmar with far lower scores), while Eastern Asian countries (Australia and New Zealand) score over the median.

Scaling up Asia-Pacific LRGs' contribution to the localization of the 2030 Agenda is a central element to achieving the SDGs in the region

The momentum and commitment in support of the localization of the SDGs in Asia-Pacific has grown, yet progress throughout the region remains uneven and dependent on institutional environments at the national level. LRGs, their national associations and regional networks play a decisive role in supporting territorial strategies for the localization of the SDGs and other global agendas. The networks' efforts ensure regional dissemination and knowledge-sharing as well as peer-to-peer exchange. They also play an important advocacy role with regards to national and regional institutions, and they foster alliances with civil society organizations (CSOs), academia and the private sector. In a

The region accounts for more than

60%

of the world's economic growth and development

handful of countries, LRGs are making steady progress in the alignment of their policies and plans with the SDGs (Japan, South Korea, China and Indonesia, followed by Australia, Philippines and New Zealand). In other federal countries, such as India and Pakistan, alignment efforts are more sluggish and concentrated at the state or province level, although districts and local government bodies are also taking action. Here, initiatives are expanding at a different pace to LRGs in other countries in the region (Cambodia, Malaysia, Nepal, Sri Lanka, Thailand and Viet Nam), as well as in the Small Developing Islands in the Pacific. However, dissemination of the SDGs at the sub-national level in the region is still limited and **needs stronger engagement from all partners — including LRGs that are already part of the local movement for sustainability, civil society, national governments and international institutions — in order to make significant progress with respect to LRGs' involvement in the localization of the SDGs and other sustainable development agendas**.

At the same time, there exist a multitude of initiatives in cities, regions and provinces that are promoting sustainable changes, although they are not always specifically labelled as SDGs. Most tend to be project-oriented, but they could form the basis of an integrated territorial approach. **Mainstreaming and upscaling local actions through integrated territorial approaches is needed to catalyse governance transformations and meet the 2030 targets**. However, the potential of LRGs to contribute to the SDGs is not always clearly acknowledged and governance, financing and public management reforms are needed to allow local action to reach its full transformative potential.

Lao PDR (photo: Sasha Popovic, bit.ly/31XrtXZ).

National strategies and institutional arrangements differ between countries: adopting a territorial approach to local development that enhances policy coherence is key to SDG implementation

Asia-Pacific countries have taken significant steps towards mainstreaming the SDGs into their national planning processes. The UNESCAP synthesis report on the 2019 VNRs highlights the fact that a majority of countries have revised or realigned their national development plans to support the mainstreaming of the 2030 Agenda, thus ensuring the integration of the SDGs in their development plans.

Analysis in the chapter reveals that many countries view national planning systems as a means to localize the SDGs. **However, there are clear differences in strategies between countries**, ranging from policy efforts to integrate planning and harmonize sectoral policies to engage LRGs and ensure their buy-in, to weak or incipient national SDG strategies with poor or ill-defined policies to promote localization.

A first group of countries in the region has developed clear policies to foster national-local coordination and enhance the sub-national capacity to lead development processes by developing training initiatives and exploring new financing mechanisms to incentivize vertical–horizontal cooperation. **Japan**, for example, has a long tradition of strong collaboration between central and local governments which the Japanese government has built on by partnering with LRGs to incorporate the SDGs into their strategies and policies. In **South Korea**, LRGs took the lead in promoting sustainable development. In 2018, the new Korean government designed a roadmap to implement the SDGs and launched a five-year Urban Regeneration New Deal and a revised Bill regarding the Special Act on Autonomy and Decentralization and Local Administration, which was promulgated with the aim of strengthening collaboration between local and national

governments. In **China**, which has traditionally adopted a top-down approach that involves local implementation of national strategies, the central government has developed a set of tools involving a mix of policy initiatives to overcome governance challenges and strengthen local buy-in. One of them, 'pilot initiatives', is designed to involve LRGs in experimentation and up-scaling, with 'awards' to encourage local governments to make sustainable priority choices. Another approach combining top-down and bottom-up initiatives is being developed in **Indonesia**, where the government is implementing a multifaceted strategy to promote the localization process, with a special focus on integrated planning to respond to the diversity of Indonesian sub-national governance systems across this large archipelagic nation. UCLG ASPAC is involved in this process through the three-year project 'LOCALISE'. In **Australia**, the Australian government released the Smart Cities Plan in 2016. Here, 'City Deals' is a key component supporting LRG localization initiatives. It is a special purpose vehicle for investment, conceived as a partnership to leverage funds for project financing. **New Zealand** is still defining its national strategy for the SDGs, but the national government is seeking to implement a new Urban Growth Agenda. Local councils have long been active in developing sustainable policies.

A second group of countries has not yet defined clear territorialization strategies or followed a 'trickle-down' approach. Although they recognize the need to embed the SDGs into local processes, they currently lack adequate frameworks, technical assistance and incentives to support real local buy-in and territorial developmental approaches. The legal framework in the **Philippines** requires LRGs to implement the national development plan with the aim of reducing regional inequalities. However, in the current context, the modalities and the funds to support local governments' plans to integrate the SDGs are not very clear and local involvement is uneven. In **Pakistan** the National Economic Council, under the aegis of the Planning Commission of Pakistan, set up the National SDG Framework in March 2018. However, most national and provincial policies and action plans are not backed up by adequate financial resources, whilst top-down decision-making processes hamper sub-national prioritization. **India**'s national government has promoted the establishment of a special centre, unit or team in every state in the country to focus on matters relating to the SDGs, but local government units' involvement is still limited.

Other countries, such as **Bangladesh, Cambodia, Lao PDR, Malaysia, Myanmar, Nepal, Sri Lanka, Thailand** and **Viet Nam**, follow more traditional top-down approaches, with limited or no consultation of SNGs or administrations.

Faster progress in SDG localization has been observed in the first group of countries. Still, one of the most important tasks facing the region in localizing the SDGs is to promote adequate integration of policies and strategies by enhancing coordination mechanisms. Challenges remain regarding the different planning approaches adopted by countries in the region, the mismatch between plans and allocated budgets, between existing indicators and availability of data, and in terms of improving territorial development approaches such as coordination at sub-national levels.

Institutional environments across the region in terms of how they enable local action: decentralization and local community participation reinforce the push towards the achievement of the SDGs

Effective decentralization policies are key to reinforcing governance efforts, empowering LRGs and supporting SDG localization through robust territorial development strategies. Decentralization and state reforms have taken place in most Asia-Pacific countries since the 1990s, yet the pattern of decentralization varies greatly from country to country. Although decentralization is not a panacea per se, and countries show divergent progress and experiences in the region, **the report reveals clear differences between empowered LRGs in decentralized countries and LRGs with less enabling environments. The former, particularly when they are led by committed local leaders, play an active role in SDG implementation by developing bottom-up initiatives and mobilizing local actors and resources, thereby involving the whole potentiality of territories**. On the other hand, when LRGs operate under constrained powers with weak capacity and resources, their contribution is limited and they play a more passive role. This is also reflected in the pace of SDG implementation, which is faster in the former.

According to the UCLG ASPAC and Cities Alliance 2018 Cities Enabling Environment (CEE) Assessment, the most economically developed countries in the region — Australia, Japan, New Zealand and South Korea, followed by Bhutan, Indonesia and the Philippines — overall offer the most conducive environments for local action. Despite being a more centralized political regime, China also performs well. LRGs benefit from a relatively large degree of autonomy to implement local development policies. Indonesia scores lower on urban and sustainable development

policies, while the Philippines does so on fiscal decentralization.

A second group of countries with intermediate rankings includes Thailand, Viet Nam and India, as well as some Pacific Islands such as Vanuatu. The majority of these countries have a low score for fiscal decentralization. A third group comprises countries where local government reforms are still at an early stage or where local administration is effectively more deconcentrated than decentralized. This group includes Cambodia, Lao PDR, Malaysia, Myanmar and Sri Lanka. All have a low score for local autonomy and fiscal decentralization. The last group comprises those countries with the lowest score, namely Bangladesh, Pakistan and Timor-Leste. Here, reforms towards decentralization have either stagnated or regressed. The Maldives, Fiji, Kiribati and the Solomon Islands in the Pacific Region also form part of this group, since local governments here are remarkably weak.

The empowerment of local governments and their communities is key for regional reform according to the CEE Assessment, and some progress has been observed. LRGs hold the key to mobilizing other local actors such as CSOs, the private sector and academia. In many countries, LRGs are also developing different modalities to boost civil society participation in local decision-making (as called for by the SDGs) such as participatory planning and budgeting. Yet in order to develop local capital to its fullest potential, the mechanisms to foster coordination at sub-national level should be reinforced further. Moreover, women's representation is still limited (on average only 19% of seats in national parliaments and local governments are occupied by women), although some countries such as Nepal, India, Indonesia and Sri Lanka have introduced mandatory quotas for women representatives.

Financing LRGs in the region: extended fiscal imbalances and the need to support sustainable infrastructure investments

Massive investment is needed to achieve the SDGs in the ASPAC region (estimated at USD 1.5 trillion annually). However, in general LRG funds are insufficient to face these challenges and fiscal decentralization has not endowed them with adequate resources. The average level of LRG expenditures and revenues in the ASPAC region represents around 33% of general government expenditures and revenues (or around 8%-9% of GDP respectively, compared to 16% of GDP on average for OECD countries). However, there are enormous differences between more fiscally decentralized countries such as Australia, Japan and South Korea, where LRG expenditures and revenues correspond on average to 15.2% and 15.4% of GDP respectively, and less fiscally decentralized countries such as Cambodia, Malaysia, Myanmar and Sri Lanka, where LRGs' expenditures only represent 1.7% of GDP and their revenues 2.2%. Between these two groups lies Indonesian LRG expenditures and revenues, representing 8.1% of GDP, while the figures for LRGs in the Philippines and Thailand are closer to the group of less fiscally decentralized countries. China and Viet Nam are particular cases: sub-national government expenditure levels represent 21.6% and 15% of GDP respectively.

Over the past few years, fiscal reforms have been implemented in the majority of countries in the region although there is a divergence in trends towards both decentralization and recentralization. Many countries in the region are recentralizing finance through tied grants. (e.g. Indonesia, Thailand and Viet Nam).

According to CEE and UNESCAP's assessments of progress on SDG implementation, LRGs' fiscal autonomy is still the area where most reform is needed. Applying an empowerment-and-progressive approach to develop adequate local tax systems and ensure better allocation of national fiscal revenues (i.e. to rationalize intergovernmental flows) is needed to boost resource mobilization efforts in the region and promote inclusive and accountable governance. Tackling inadequate borrowing frameworks and regulations to facilitate LRGs' access to responsible loans and credit markets is also needed, so that they can invest in the services and infrastructures required at the local level. **Innovative financial instruments should also be developed to redirect funds to sustainable development projects that link investment in infrastructure to cities' and territories' sustainable development, climate change targets and resilient communities**.

Social housing apartment blocks in Fitzroy, Melbourne, Australia (photo: © Ainara Fernández Tortosa).

Multilevel governance mechanisms for implementing the SDGs are advancing, yet the overall involvement of LRGs in coordination and reporting mechanisms remains low

Interaction across different levels of government has intensified following the adoption of the 2030 Agenda. The 2030 Agenda's imperative to 'leave no one behind' involves a strong spatial and territorial component that makes coordination across all government levels critical for the realization of the agenda.

In order to ensure coordination and follow-up of SDG implementation processes, many countries have used pre-existing national institutional arrangements, and some have created national focal or nodal agencies (mostly at high levels of government) or created mechanisms involving other non-governmental stakeholders. However, LRGs' involvement in these mechanisms is limited across the region. Only in six countries have LRGs been involved in, or consulted through, national mechanisms (in Japan, Indonesia and, to a lesser extent, Australia and Samoa; in India and Pakistan only state governments have been consulted). In some countries, LRGs are involved to a greater extent in sub-national mechanisms at regional or local levels (e.g. China, India, Indonesia and the Philippines). In other countries, despite the existence of national multi-stakeholder

Fishermen gathering net in Mannar, Sri Lanka (photo: Adam Jones, bit.ly/2p7TtK4).

mechanisms, LRGs are not clearly associated with them (e.g. South Korea, Malaysia and Thailand). Some countries have not yet defined coordination mechanisms.

Furthermore, national reporting systems on progress made in SDG implementation do not systematically involve LRGs, hindering local ownership and the institutionalization of the SDGs across different levels of government. This is particularly problematic in the reporting process to the UN. Twenty-eight countries have presented VNRs between 2016 and 2019 and nine more countries have committed to present their VNRs in 2020. The majority of the VNRs reveal that countries are making progress in the preparatory and implementation phases, yet LRGs were invited to participate in the consultation process in only 11 out of the 28 reporting countries and did so mostly through multi-stakeholder workshops or occasional consultations. LRGs also participated in the Asia-Pacific Forums on Sustainable Development and in the ASEAN Mayors Forum, organized yearly by UNESCAP, both of which contribute to regional coordination.

Efforts must be made to involve LRGs in national and regional coordination and monitoring mechanisms for SDG implementation, as well as to reform institutional frameworks to support vertical and horizontal collaboration between governments and institutions at all levels. Vertical coordination remains a real challenge and requires governance reforms to foster multilevel dialogue and cooperation. Horizontal cooperation at the sub-national level is also critical fostering territorial development strategies, strengthening collaboration between regions, provinces, cities and municipalities, and managing growing metropolitan areas, megacities and urban corridors. ◉

Countries are making progress in the preparatory and implementation phases, yet LRGs were invited to participate in the consultation process in only 11 out of the 28 reporting countries, mostly through multi-stakeholder workshops or occasional consultations.

Conclusions
and way forward

Asia-Pacific's inherent complexity, size and diversity have made the localization progress uneven throughout the region: the challenges affecting these countries are massive and diverse; the range and complexity of multiple levels of governance, plans, strategies and institutions across the region make it impossible to define one standard roadmap where 'one size fits all'. However, **adequate governance frameworks, efficient planning and resource mobilization and a robust territorial approach that catalyses local action are urgently needed to boost SDG implementation, mainstream local experiences and further engage LRGs and communities in the achievement of the 2030 Agenda**. These steps are necessary to reverse the region's current trajectory and accelerate the transition to a sustainable future.

03
Eurasia

Countries within the UCLG region

12

Population

289 million

Local and regional governments

67,000

Number of countries having reported to the HLPF

8

Of the world's population live in this region

3.8%

Of the population live in urban areas

65%

Between 2016 and 2019

28% of countries have involved their LRGs in Voluntary National Review processes

14% of countries have involved their LRGs in national coordination mechanisms

Background

The 12 Eurasian countries reviewed in this chapter have adopted the 2030 Agenda and the SDGs, yet their commitment and approach to implementing the Global Goals varies considerably across the region. Eight countries have already submitted their Voluntary National Reviews (VNRs) to the UN (namely, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Mongolia, Tajikistan and Turkmenistan), and four more are planning to do so in 2020 (Kyrgyz Republic, Russian Federation, Ukraine and Uzbekistan). Overall, **national governments recognize the role played by LRGs and their significant responsibilities in achieving the goals and targets**.

Nonetheless, decentralization is still limited in most Eurasian countries, despite the positive contributions made by LRGs in past decades to improve local service provision. In addition, the massive economic transformation that followed the dismantlement of the planned economy led to the reallocation of people, generally between urban and rural areas. This has had a significant impact on quality of life and health and safety.

This economic transformation, coupled with the institutional reforms of the 1990s, has caused strong polarization and favoured larger cities — particularly capital cities — to the detriment of provincial regions and mono-sectoral industrial cities and districts which were more vulnerable in the context of the new economy. In Armenia, Azerbaijan, Georgia, Kyrgyzstan and Tajikistan, 35%-50% of the total urban population are concentrated in capital cities, which usually benefit from an administrative special status. In the remaining countries in the region, the distribution of the urban population is more balanced between large, intermediary and small cities. In recent years, armed conflicts and revolutions have also affected the political stability of many Eurasian countries.

The localization of SDGs in the Eurasia region is progressing with the support of international organizations but is still in its infancy

Centralized policies and central government control over LRGs continue to weaken the efficiency of local governments and hinder citizens' involvement in local decision-making. However, **LRGs in Eurasia have been implementing a broad range of initiatives related to different aspects of the SDGs** in order to respond to the main challenges in the region: improving local service provision, promoting sustainable economic development, addressing growing territorial inequalities and dealing with pressing environmental issues.

LRG-driven initiatives that respond to the main challenges in the region contribute de facto to the localization of the SDGs, even if LRGs may not always be aware of the global agendas. Eurasian LRGs are taking steps to address human development challenges and provide healthcare and educational opportunities for different sections of the population. They are also undertaking a range of projects aimed at improving cities' infrastructures and the built environment so that there is better provision of public utilities, improved living standards, and opportunities for the population are enhanced.

In terms of environmental protection and disaster risk reduction, many LRGs have been developing projects related to ecosystems and biodiversity, water, forests, agriculture and energy, infrastructure and waste management, which link to a number of the 2030 Agenda and the Paris Agreement on climate change objectives.

A number of cities and regions have also developed local strategies and plans for sustainable development, taking into account sustainable development principles. In some cases, these local plans have been drawn up by working groups with the participation of NGOs and civil society in countries such as Ukraine, Armenia, Georgia and Kyrgyzstan, reflecting the

In half the countries of the region,

35-50%

of the urban population are concentrated in capital cities

need to forge a new path towards more inclusive and sustainable urban and territorial development.

National and international local government associations (LGAs) and networks also play quite a significant role in promoting sustainable development and creating ownership of the SDGs amongst local stakeholders at regional level. LGAs have only been established and are functioning in half of Eurasian countries but, in spite of their limited presence, they are helping raise awareness of the Global Goals through capacity-building activities, workshops and training sessions to local leaders and experts. Since its creation in 1998, the Assembly of Capital and Large Cities has gathered together cities from almost all the Commonwealth of Independent States (CIS) countries (e.g. 55 cities in Russia, 11 in Kazakhstan, ten in Ukraine, four in Belarus, three in Georgia, two in Kyrgyzstan, one in Tajikistan and one in Armenia) and has been particularly active in implementing projects and programmes aimed at sustainable urban development and promoting peer-to-peer learning and exchanges amongst its members.

In all Eurasian countries (besides Russia), **international organizations are playing an active role in supporting LRGs' efforts towards implementing the SDGs through technical assistance and co-funding**. UNDP in particular has a key role to play in supporting countries in the Eurasian region to achieve the SDGs. These countries have greatly benefited from financial and technical support from international financial organizations, as well as from the international donor community. International organizations — through peer-to-peer exchanges between municipalities and platforms for knowledge-sharing — act as levers to support localization of the SDGs in the region.

However, this chapter also shows that the activity and initiatives of local governments in achieving the SDGs are closely linked to the degree of political decentralization in the country. Local-level initiatives to localize the SDGs in countries where decentralization has made progress (such as Russia, Ukraine, Armenia, Georgia and Kyrgyzstan) demonstrate that the different geographic, climatic, economic, demographic and ethnographic characteristics across regions of the same country force LRGs to find their own unique approaches to the implementation of their tasks, even when mandated by the national government. Similarly local governments, especially when they are elected, cannot carry out SDG implementation effectively without involving civil society and local business, which in turn has an impact on local performance as is the case in Kyrgyzstan, Armenia, Georgia, Russia and Ukraine.

The territorial organization and institutional frameworks of LRGs reflect strong historical patterns specific to the Eurasian region

In Eurasia, **the existing administrative structure and local government systems reflect the peculiarity of a 'quasi-decentralized' system of governance, which combines deconcentrated and partially decentralized bodies**. With the exception of Georgia, all Eurasian countries are divided into a three-tiered system of sub-national government which often combines deconcentrated and decentralized functions. At the highest level are regions (*oblast*), autonomous republics and cities of national importance. Regions are sub-divided into districts and cities of regional importance. Districts, in turn, include cities of district importance, towns and villages, and rural and urban settlements. In many cases, particularly at the regional level, executive bodies are appointed by the central or higher level government and are under the direct supervision of higher tiers of government. These deconcentrated bodies coexist with elected bodies or councils in a dual system of territorial administration.

Furthermore, all Eurasian countries reviewed in the chapter appear to be at different stages of decentralization, which varies from highly centralized systems such as Kazakhstan and Belarus, through relatively autonomous local self-government such as Armenia and Georgia, to a two-tiered system of local self-government such as Russia. In other countries, for example Ukraine and Azerbaijan, local self-government bodies exist alongside the quasi-decentralized bodies of the central government.

The particular territorial organization of Eurasia has influenced development policy in the region. In the majority of Eurasian countries, the role of both local government and civil society in the planning of urban development remains quite limited, with neither having clear or formal roles or power in the process. **Centralized administrative systems and national legislation often limit the ability of cities and territories to adapt development plans to rapidly changing social, economic, and environmental conditions**. Decentralization and the empowerment of LRGs are essential to improve the efficiency of urban development planning and strategies.

In past years, **many reforms have affected LRGs in the region, either strengthening or reducing their autonomy**. The major overall trend in the last five to ten years has been the merging of municipalities and their consequent enlargement, promoted by central governments in Armenia, Azerbaijan, Georgia, Kyrgyzstan, Russia and Ukraine. The arguments in favour of

these initiatives are a lack of managerial capacity in small-sized local governments, a limited tax base which leads to fiscal inequalities, and the inadequate funding for the provision of local public goods. The amalgamation process in Eurasian countries has had dual effects. On the one hand, enlargement of municipalities distances local governments from citizens and makes it more difficult for them to participate in decision-making on matters relating to their neighbourhoods. On the other, small-sized municipalities do not have the resources or the competences to undertake significant investments (e.g. in water supply or energy provision) or provide socially important public goods (e.g. education, healthcare, social protection). Meanwhile amalgamation results in economies of scale in terms of public spending used to solve these problems. However, even in the larger self-governing cities, local taxes contribute only a small share of the resources needed to carry out local responsibilities.

LRG participation in national coordination and reporting mechanisms remains insufficient in a context where a top-down approach to SDG implementation prevails

The implementation of the SDGs, the New Urban Agenda and other global agendas affects the organization of national and sub-national institutional and political relationships in Eurasian countries. All Eurasian countries have institutionalized mechanisms at the highest level of government to manage, coordinate and monitor development strategies. These mechanisms or bodies are charged with leading the process of 'nationalizing' the SDGs — that is, adjusting them to the national context. Seven Eurasian countries have created new coordination mechanisms that specifically address SDG implementation, while three countries are using pre-existing government bodies but assigning them with new mandates for SDG implementation and monitoring. In Armenia and Kyrgyzstan, specific bodies have been created, namely the Inter-Agency Task Force in Armenia and the Coordination Committee in Kyrgyzstan, both of which are in charge of adapting, implementing and monitoring the SDGs.

According to the eight VNRs presented to the HLPF between 2016 and 2019, almost all Eurasian national governments mention the significant role of LRGs in the institutional frameworks for the implementation of the SDGs. At the same time, simply referring to LRGs in the context of the implementation stage in the VNRs does not necessarily mean that national coordination mechanisms actually involve LRGs. In a majority of countries, **LRGs are merely seen as implementing agencies without being actively involved in strategic decisions**. Only two out of the eight countries that reported to the HLPF involve LRGs in high-level coordination mechanisms for the implementation of the SDGs (namely Belarus and Georgia). In addition, LRGs were directly or indirectly involved in elaborating the VNRs in only a handful of Eurasian countries (e.g. Armenia, Azerbaijan, Belarus, Georgia, Mongolia and Tajikistan). The Kyrgyz Republic, Russia, Ukraine and Uzbekistan have all committed to report in 2020.

The composition of coordinating bodies reflects the top-down approach to elaborating and following up on development strategies. **Indeed, top-down approaches to the implementation of the SDGs remain a predominant feature in Eurasian countries**. Although LRGs in Eurasian countries have sufficient expertise to carry out the tasks to achieve the SDGs, it is assumed that their role is mostly to implement the goals and initiatives determined by central government. In most countries, central governments elaborate and adopt national and regional development programmes without explicitly engaging their local governments and then mandate LRGs to elaborate local development programmes independently, taking account of national guidelines and priorities. Local governments are also assigned with the responsibility of providing statistical data on indicators for the achievement of the SDGs. The central government delivers methodological assistance and coordinates (or even approves) sub-national development strategies. It also provides grants for the implementation of local and regional strategies. Additionally, international donor organizations and agencies in all Eurasian countries play a critical role in supporting countries to achieve the SDGs by providing technical and financial assistance.

In Eurasia, LRG's role is mostly to implement the goals and initiatives determined by central government. Local governments are also assigned with the responsibility of providing statistical data on indicators for the achievement of SDGs.

Administrative, fiscal and financial autonomy are essential for LRGs to make the most of their investment capacities and effectively implement the SDGs in their territories

Eurasian SNGs (whether self-governing or deconcentrated bodies) perform important social and development functions that relate directly to the SDGs and have been identified as key priorities for the Eurasian region. These include general and pre-school education, primary, specialized and general healthcare, housing and amenities, public transportation, affordable energy, urban planning, recreation and cultural activities, economic development and small business support amongst others. Nevertheless, the implementation of some of the SDGs (SDGs 8, 9, 12, 13, 16) appears to be a new challenge for LRGs in this region.

Unfunded mandates and lack of clarity in the division of powers between different levels of government remain critical challenges in Eurasian countries. While the implementation of the 2030 Agenda appears to be a responsibility shared by all levels of government, the assignment of competences remains predominantly top-down in the Eurasian region. Maintenance and operation are generally assigned to the lower levels of government, while all responsibility for function remains with the upper levels of government. This dual or joint financial responsibility for a function blurs the role of each tier of government and has led to a lack of coordination and malfunctioning of public facilities and public services. **Sound, transparent and accountable management of local resources and access to long-term financing are crucial if LRGs are to carry out their responsibilities properly**.

In addition, most SNGs in the Eurasian region have quite substantial budgets and investment capacities, with the exception of Kyrgyzstan, Armenia and Azerbaijan. The share of Eurasian LRGs in gross domestic product (GDP) reaches 9.4%. In Belarus, Kazakhstan and Russia for instance, LRGs represent 40% of general government expenditure. In Uzbekistan and Tajikistan they make up about one third of total expenditure, followed by Ukraine (26%). In both groups of countries, the share of SNG spending amounts to 70%-80% of general government expenditure in certain sectors such as education, healthcare and housing. Regional governments in many Eurasian countries also have a significant role as investors compared with central governments. Despite these positive trends, in practice Eurasian LRGs possess rather limited powers over their expenditure policy, and only in Russia and Kazakhstan are the expenditure functions of SNGs distinct from those of central government. In other countries, the allocation of functions is vague and unclear.

With regards to revenues, Eurasian LRGs are highly dependent on shared national taxes and equalizing grants. In all countries, shared taxes have increased in importance as sources of local government revenues, accounting for 20%-36% of total revenues in Armenia and Ukraine, 40%-50% in Georgia and Russia and 60%-80% in Uzbekistan, Kyrgyzstan, Belarus and Tajikistan. In addition, in countries where shared taxes have replaced equalizing grants (e.g. Tajikistan, Belarus), a lower share of grants in SNG revenue can be observed. Only a few countries have fomalized the allocation of grants (e.g. Russia, Kazakhstan). Conversely, the chapter reveals that LRGs enjoy limited own revenues since local taxes only represent a small share of local budgets. The ratio ranges from 3%-8% in Ukraine, Russia and Tajikistan to 15%-20% in Armenia, Georgia and Kyrgyzstan. **The persistent financial dependence of local governments on transfers from central government ultimately acts as a constraint on effective implementation of the principles and objectives of the New Urban Agenda and the SDGs**.

The limited availability of stable and predictable revenue assignment and transparent fiscal grant allocation are also critical issues for LRGs in the region: only a small proportion of local revenue sources is provided to local governments on a regular basis, with the majority distributed through irregular and non-transparent rules. This leads to uncertainty about the fiscal capacity of local governments to fund initiatives directed at sustainable development. **Improving intergovernmental fiscal relations in Eurasia forms the basis of the decentralization process and is needed for the localization of the SDGs. It should cover three components: the delimitation of competences and expenditure powers; endowing local governments with their own stable tax resources; and establishing a clear, transparent and predictable distribution of fiscal transfers**. Russia and Kazakhstan have made some steps in this direction, with positive results. ⊙

Most SNGs in the Eurasian region have quite substantial budgets and investment capacities, but in practice Eurasian LRGs possess rather limited powers over their expenditure policy.

Conclusions
and way forward

LRGs in the Eurasian region are committed to achieving sustainable development, but a revision of current frameworks is needed to strengthen the accountability of local governance and local institutions. National governments must tackle a number of challenges so that LRGs are empowered to take full ownership of the SDG localization process. These are: **further decentralization; increased fiscal autonomy and more transparent intergovernmental fiscal relations; reduced top-down and excessively paternalistic approaches to intergovernmental relations; a reduction in extreme economic disparity between regions and localities to promote a more balanced regional development; and equalization in access to basic public services**. LRGs in turn need to strengthen their position in relation to central governments, at the same time as maintaining their responsibility and accountability to their citizens.

04
Europe

Countries within the
UCLG region

41

Population

555 **million**

Local and regional
governments

100,000

Number of countries
having reported
to the HLPF

37

Of the world's population
live in this region

7.3%

Of the population
live in urban areas

74%

Between 2016 and 2019

63% of countries have
involved their LRGs
in Voluntary National
Review processes

50% of countries have
involved their LRGs in
national coordination
mechanisms

Background

The European region, as defined by UCLG, comprises 41 countries and is the third most urbanized region in the world after North America and Latin America. As highlighted by Eurostat, cities in the 28 EU Member States make up 59% of the total population in Europe, accounting for 68% of gross domestic product (GDP) and providing 62% of employment. Forty-one percent of the population live in rural areas, thereby reinforcing the need to implement specific policies to ensure territorial balance.

The current situation in Europe is affected by 'Brexit', global trade tensions and significant policy uncertainty. Despite the economic recovery that has taken place following the 2008-2009 global economic crisis, territorial and socio-economic inequalities in the region are growing, fueling social unrest and political developments that have led to institutional changes within countries in Europe. Migratory policies are creating huge controversy amongst EU Member States. At the sub-national level, LRGs are still finding it difficult to recover the level of investment they had before the crisis, which hinders their capacity to respond to new challenges. These include mitigation of climate change, the impact of new technologies, growing social demands — such as the housing crisis and increased precariousness — and adapting to an aging population in most countries.

European LRGs, LGAs and their networks provide innovative actions that contribute to the wellbeing of their communities

In Europe, LRGs are particularly active in the localization of the 2030 Agenda, taking the lead in areas such as climate action, social inclusion, the development of an inclusive and circular economy, and urban and territorial governance. Many cities, provinces and regions have already aligned or are in the process of aligning the SDGs with their local development plans and policies, with some of them adopting a more integrated approach to mainstreaming the SDGs in their development plans. As the level of government closest to their citizens, they are taking measures to tackle rising inequalities and environmental challenges, strengthening cooperation between and within territories (e.g. through inter-municipal cooperation and urban-rural partnerships). Policies to combat social segregation and discrimination and for achieving of gender equality together with higher education, health and healthcare standards have been a priority for European LRGs. They are strengthening the involvement of civil society, the business sector, social partners and academia to co-create sustainable alternatives. This chapter also reveals that LRGs have taken on an increasingly significant role in international development cooperation, notably through decentralized cooperation.

The chapter stresses the crucial role of LGAs and networks at both the European and national level. LRGs and their national associations (LGAs) in Northern and Western Europe (e.g. Austria, Belgium, Denmark, Finland, Germany, Iceland, Norway, Sweden and the Netherlands) have led the localization process in the region. In many other countries, mobilization is growing (e.g. France, Italy, Portugal, Spain, UK, and the Baltic countries), but it is more limited in Ireland and Central Europe (with the exception of the Czech Republic) and still in the preliminary stages in East and South-East Europe. European supranational institutions such as the Committee of the Regions (CoR), and LGAs such as the Council of European Municipalities and Regions (CEMR) and PLATFORMA,[1] the Conference of Peripheral Maritime Regions (CRPM) and Eurocities, have taken advantage of the strong global consensus on the 2030 Agenda to upscale territorial priorities within the framework of EU policies. **LGAs have been strong catalysts for**

[1.] PLATFORMA is a pan-European coalition of 30 local and regional governments, and includes the associations representing them at the national, European and global level.

Cities in the 28 EU Member States make up

59%

of the total population in the region

the localization process, informing citizens, raising awareness, engaging their members in SDG implementation, facilitating the exchange of knowledge, information and experience, creating space for experimentation, and influencing major European political initiatives. Despite all these efforts many LGAs, particularly in Central and South-eastern Europe, still perceive the SDGs as an additional external framework that does not necessarily relate to the territory. They need support to accelerate awareness-raising efforts and stimulate municipalities and regions to take action to achieve the SDGs.

Frontrunner cities, regions and LGAs have also been active in establishing — or trying to establish — monitoring instruments.[2] Reporting on SDG implementation at the sub-national level is key to capitalizing on results, strengthening coordination with national level and European institutions, and fostering transparency and accountability towards citizens and local stakeholders. In this respect Voluntary Local Reviews (VLRs) are useful, since they contribute to national monitoring and to the global debate (e.g. in Barcelona, the Basque Region, Besançon, Helsinki and Vienna), as well as promoting knowledge-sharing and emulation between LRGs. However, many LRGs cite insufficient financial resources and lack of multilevel coordination, as well as limited local awareness and lack of human resources and capacity as the main challenges to SDG implementation in the region.

European LRGs are the most involved in national mechanisms for SDG implementation compared to other regions, yet greater support from national governments and the EU is required

Thirty-seven European countries submitted Voluntary National Reviews (VNRs) to the UN between 2016 and 2019. Most countries have expressed their political commitment to implementing the 2030 Agenda, establishing national SDG coordinating mechanisms at the heart of government (e.g. at head of state or prime ministerial level). Most coordinating mechanisms are inter-ministerial in order to encourage policy coherence across government. They also entail multi-stakeholder engagement, including LRGs and their representative associations. In several cases, such as in the Nordic countries and the Netherlands, well-established procedures for consultation ensure effective dialogue and involvement. However, the degree of LRG engagement in these processes is still limited and requires improvement. Indeed, LRGs are only formally represented in (or consulted by) national SDG mechanisms in 20 out of the 37 countries that reported to the UN, and in many of these they are only on multi-stakeholder advisory committees rather than part of the main policy commissions or intergovernmental structures. LRGs cite limited support from national governments as the most serious problem. EU and national governments should work harder to engage **LRGs and other stakeholders when reporting on the SDGs**.

This chapter also stresses that most European countries have already mapped their national strategies against the SDGs (e.g. Belgium, France, Germany, Hungary, Italy, Luxembourg, Romania and Switzerland). A few countries have not yet defined a specific national framework or cross-sectoral strategy (e.g. Austria, Iceland, Moldova, the Netherlands, Norway, Portugal and the UK), while others are currently in the process of doing so (e.g. Bosnia and Herzegovina and Spain). At the regional level, European institutions have reaffirmed their commitment to the implementation of the SDGs, yet no SDG strategy has been defined by the EU to date. The chapter's recommendations call for the drafting of an EU sustainable Europe 2030 strategy and an action plan, to be developed in partnership with LRGs and CSOs and to include a territorial approach for the delivery of the SDGs.

In addition, recent studies show that LRGs and their national LGAs have been involved in defining SDG national strategies in a number of European countries, and that LGA participation in the drafting of European VNRs has increased steadily over the past few years. In 23 countries in Europe (63% of the 37 European countries that reported), local governments were involved in consultations as part of the drafting of the VNR (compared with 44% at the global level), making European countries the most inclusive in terms of LRG participation. However, the degree to which local governments are consulted and involved in a country's SDG implementation is partly a function of their political relationship with central government and the extent of decentralization. It is also often driven by how proactive LGAs

Reporting on SDG implementation at the sub-national level is key to capitalizing on results, strengthening coordination with national level and European institutions, and fostering transparency and accountability towards citizens and local stakeholders.

Londonderry, Northern Ireland, United Kingdom (photo: PLACE Built Environment Centre, t.ly/800DP).

are in their engagement in the VNR process and the extent to which local political leadership is committed to SDG implementation. **Greater support and joint efforts between national and sub-national governments to undertake SDG-related work, such as SDG awareness-raising or promotion of SDG alignment, are urgently required**.

Multilevel dialogue and vertical and horizontal cooperation at all levels of governance (local, regional, national and European) should be strengthened

Many European institutions have been promoting a multilevel governance approach to SDG implementation, including respect for the principle of subsidiarity and recognition of the role of LRGs in the institutional framework of the EU. In 2011, the Presidents of CEMR, the Assembly of European Regions (AER), the Conference of Peripheral and Maritime Regions (CPMR) and Eurocities adopted a declaration, 'Governing in Partnership — United to Build a Stronger Europe' to promote an approach that involves all relevant

actors in cohesion policy via vertical and horizontal cooperation. A European multi-stakeholder platform on the SDGs, with a sub-group on delivering SDGs at local and regional level, was also established in 2018 with the participation of CEMR and Eurocities amongst others.

The territorial approach must be acknowledged as a lever to ensure stronger involvement of LRGs, civil society, social partners, the business sector and public institutions. The partnership principle, introduced in EU cohesion policy, is an important element in this regard since it aims to ensure cooperation of the relevant actors, including LRGs. The region has also placed particular emphasis on the concept of multilevel urban governance. The Urban Agenda for the EU (Pact of Amsterdam) was adopted in 2016 to address the need to apply an integrated and sustainable urban development approach in direct partnership with cities. The concept of the Urban Agenda for the EU, which fosters cooperation between all levels of government, could inspire the governance of the future EU Strategic Agenda 2019-2024. At a national level, some countries have developed national urban policies (NUPs) as a lever to better coordinate and ensure policy coherence (e.g.

Belgium, France, Germany, the Netherlands, Poland, Portugal, Spain, Sweden and Switzerland). Several countries are working on the formulation of their NUPs (e.g. the Slovak Republic), while others have developed specific national urban programmes that could form the main elements of national urban frameworks (e.g. Finland).

In more decentralized countries, dialogue and collaboration between different levels of government are embedded in institutions. Multilevel coordination has been enhanced through the creation of broader intergovern-mental and inter-legislative forums, especially in federal and Nordic countries, and standing commissions and intergovernmental consultation boards that cover a wide range of areas. Structures for dialogue between central and local/regional government exist in Germany, France, Italy, Spain and the Nordic countries and are often chaired by the prime minister and attended by national ministers and top representatives at all LRG levels, including their respective national LGAs. **In European countries that are less decentralized, collaboration with LRGs which is currently either insufficient or unsatisfactory must improve**. Likewise, there is little evidence of such cooperative multilevel governance and intergovernmental mechanisms in the non-EU Member States of the Balkans or, for example, in Moldova, which remains strongly centralized in its governance structure despite various attempts at decentralization dating back to 2012. However, many of these countries have now established national LGAs and these should provide a means to initiate intergovernmental dialogue with their central governments in the future. As described above, the SDGs also provide an opportunity to develop new high-level coordination mechanisms

to ensure the implementation and follow-up of the SDG targets, whilst adopting a multilevel and multi-stakeholder approach.

Finally, the chapter highlights the close link between European countries' implementation of the SDGs domestically (and at EU level), and the pursuit of the 2030 Agenda in non-European partner countries through international development cooperation, in line with SDG 17 on global partnership for sustainable development. Most European bilateral development cooperation agencies have integrated SDG implementation into their Official Development Assistance (ODA) and related policies. LRGs, in particular through PLATFORMA, have been acknowledged by EU institutions as important partners in development cooperation and key players in the achievement of many of the SDGs.

Executive Bureau in Strasbourg, hosted at the European Parliament (photo: UCLG-CGLU, bit.ly/2AULQJg).

Strong decentralized governance structures with greater local autonomy are essential to support SDG implementation

Europe is one of the regions where decentralization is strongly embedded in institutions and policies. Since 1985, the European Charter of Local Self-Government has been ratified by all 47 Member States of the Council of Europe. **Decentralization has been progressing in almost all countries**. The chapter reveals that decentralization is most advanced in the northern and western countries of the region: Denmark, Finland, Norway and Sweden record the highest level of local autonomy in Europe, together with Switzerland, Poland and Germany, followed by Italy, France, Norway and Austria. In Central and Eastern Europe, most EU Member States are still in the process of further decentralization and their LRGs tend to have high legal and, to some extent, organizational/administrative autonomy (e.g. Bulgaria, Romania, Estonia, the Czech Republic and Slovenia). In non-EU Member States in the Balkans, decentralization is at a very early stage, except in Croatia where resources are more decentralized. Recent decentralization trends show that LRGs in federal and quasi-federal countries enjoy wider functions and responsibilities and have higher levels of sub-national expenditures and revenues as a percentage of GDP than unitary countries. In federal countries, LRG expenditures account for 21.5% of total public spending, compared with 9.7% in unitary countries. However, in some unitary countries such as Denmark, Finland and Sweden, LRGs represent a larger share of public spending (27.4%).

LRGs in the region have in recent years experienced major challenges and critical reforms in their institutional environments that have impacted on the scope of their responsibilities, resources and autonomy. In federal or quasi-federal European states, reforms have improved the distribution of responsibilities between different levels of government, created better intergovernmental fiscal relations, and strengthened internal stability pacts, which has altered equalization mechanisms and enhanced policy coordination. In unitary states, public sector reforms have sought to strengthen decentralization and improve multilevel governance systems, economies of scale and efficiency, and public management. However, the policy responses and reforms that followed the global crisis of 2008-2009 — and subsequent national austerity measures — have impacted decentralization trends to varying degrees. Reforms implemented over the past decade have been most pronounced in those countries in Southern Europe most affected by the

Countries with strong decentralized structures tend to be at the forefront of SDG implementation, thanks to a sustained effort to adopt a multilevel governance approach and a strong commitment from their territories and cities.

2008-2009 global economic crisis (Greece, Spain and Italy). Recent reforms have also had an impact on territorial organization in Europe. Many countries have experienced amalgamations of municipalities and regions. Today, the total number of local governments across the continent numbers close to 100,000.

The chapter also highlights that **decentralization in Europe is of an 'asymmetric' nature whereby the same SNGs have different political, administrative or fiscal powers**. Among federal states, Spain and Belgium are highly asymmetric, whereas Austria, Germany and Switzerland show more symmetry. Among unitary states, Italy and the United Kingdom are notable in their asymmetry. Likewise, most non-EU Member States in the Balkans display asymmetrical functions and responsibilities. In countries where the extent of decentralization is low, local government functions tend to be restricted to sectors such as general public services, recreation and culture and, to a lesser extent, economic affairs, transport, housing and community amenities. In summary, the creation of an enabling environment, with greater autonomy for LRGs, is a key component of the implementation of the SDGs: the chapter shows that countries with strong decentralized structures tend to be at the forefront of SDG implementation, thanks to a sustained effort to adopt a multilevel governance approach and a strong commitment from their territories and cities.

European LRGs are facing significant budget restrictions which affect their ability to implement the global agendas

While the concept of sustainability is widely accepted, the **current state of fiscal autonomy of LRGs limits their capacity to fully realize SDG localization efforts**. The impact of the 2008-2009 global economic crisis has led to an overall decline in LRG expenditure relative to GDP and general government expenditure (down from

13.9% in 2009 to 10.8% in 2016 and from 27.3% in 2009 to 23.3% in 2016 respectively). In the majority of countries, taxes are the primary source of revenue followed by grants and subsidies and local public service charges. Nevertheless, the share of own revenue sources in sub-national revenue varies considerably: it is close to 70% (or more) in Iceland, Bosnia and Herzegovina, Montenegro, Switzerland, Germany, Latvia, Finland, France, Sweden and Portugal, whilst it only accounts for 30-40% in Belgium, Poland, Denmark, Greece and the UK. Important fiscal reforms have reinforced the tax and financial autonomy of LRGs, including regions in federal or quasi-federal states (e.g. Belgium and Spain). In addition in certain countries, the crisis actually served as an impetus to accelerate fiscal reforms (e.g. the Czech Republic and Estonia) and to seek optimization of revenues from property taxes through new local taxes or revaluation of existing taxes (e.g. in Ireland, the Netherlands, Spain, Portugal and France).

Most LRGs are under significant financial pressure, yet they must develop and implement new policies related to climate change. They are also impacted by the new financial and fiscal rules of the EU, introduced to manage the financial crisis. **These rules and restrictions limit opportunities for LRGs to make the investments needed to build infrastructure and prepare for a sustainable future**.

Despite restrictive budgetary policies, **LRGs continue to be an important public investor (representing 51% of total public investment in EU countries) and their actions are critical in terms of complying with — and finding the necessary funding for — the SDGs**. LRGs in Belgium, France, Finland, Germany, Italy, Portugal, Romania, Spain, Sweden and Switzerland accounted for the highest share of total public investment in 2016 (over 50%). Local governments in some countries have been able to improve access to external funding on the financial markets and share common mechanisms; and this has often been down to the initiative of national LGAs. Particular efforts have also been made to reinforce intergovernmental fiscal coordination in macro-economic management through cooperation agreements, internal stability pacts and 'fiscal councils', with the aim of promoting sustainable public finances and fiscal discipline (e.g. in Austria, Belgium, Germany, Italy, Portugal and Spain). ◉

Conclusions
and way forward

This chapter provides key recommendations to accelerate the localization of the global agendas in the region. These include: **mainstreaming the SDGs in EU strategies and policies** whilst ensuring a territorial approach to sustainable development and policy coherence; **boosting LRG and LGA involvement in the localization process across the whole of Europe; empowering LRGs through effective decentralization** and adequate policy and financial instruments; **strengthening multilevel governance mechanisms** and cooperation at all levels of governance; supporting greater LRG involvement in national reporting and coordination mechanisms for SDG implementation; supporting local and regional efforts to **build adequate local monitoring systems** compatible with national and European ones; and **promoting the European multi-stakeholder platform on the SDGs** as a permanent advisory body to contribute to the development of an EU Strategy for Sustainable Europe 2030.

05
Latin America and the Caribbean

Caribbean

Latin America

Countries within the UCLG region

22

Population

630 million

Local and regional governments

17,000

Number of countries having reported to the HLPF

18

Of the world's population live in this region

8.3%

Of the population live in urban areas

81%

Between 2016 and 2019

50%
of countries have involved their LRGs in Voluntary National Review processes

35%
of countries have involved their LRGs in national coordination mechanisms

Background

The region of Latin America and the Caribbean has recently undergone major political transformations. Seventy million people have been lifted out of poverty in the region over the past 15 years, but GDP growth has slowed considerably over the past four years (and even shrank in 2016), and an upsurge in extreme poverty occurred in 2017. Several countries are affected by growing economic and social uncertainty (e.g. Argentina), while others have seen social conflict worsen to such an extent that it is compromising institutional stability (e.g. Venezuela and Nicaragua). Intra-regional migration is now taking place in addition to traditional migration, particularly due to the critical situation in Venezuela and Central America. As stressed in the Economic Commission for Latin America and the Caribbean's (UNECLAC) Quadrennial Report presented at the Forum of the Countries of Latin America and the Caribbean on Sustainable Development in April 2019, inequality and violence are on the increase in the region, and further efforts are needed to combat climate change and strengthen regional integration.

Latin America is one of the world's most urbanized regions. Just over 80% (80.7%) of the population are urban, but this level of urbanization has inevitably produced many challenges linked to access to public services, housing, and social inclusion, as well as the governance of large metropolises and the role of intermediary cities in often vast and under-developed territories. Urbanization has also provided a gateway into the labour market, yet there is a high prevalence of low-quality employment. Citizens' trust in public institutions is on the decline and their dissatisfaction with public services such as health and education is rising.

The increasing responsibilities of LRGs within the governance systems of cities and territories make them pivotal actors for the achievement of the Goals

LRGs in the region are undertaking a wide range of actions that contribute to the realization of the sustainable agenda. The chapter offers examples of actions taken to achieve the SDGs in the territories in the region. Some of these experiences are particularly significant because of their potential to effect change. A number of cities and regions are taking action to fight social segregation, improve living conditions in poor neighbourhoods and promote peace and inclusion. Others have begun to take action on climate change and the protection of the environment and biodiversity, even without clear policy guidelines from national governments (e.g. LRGs in Ecuador, Argentina, Brazil, Mexico and Colombia).

Many LRGs have taken advantage of the 2030 Agenda to review their strategic plans and public policies and adopt a more integrated approach to development in their territories, engage territorial actors and broaden their alliances with citizens. In federal countries (e.g. Brazil, Mexico and Argentina) and in decentralized unitary countries (e.g. Colombia, Ecuador and Peru), regional governments (federated states, provinces and departments) have been particularly active in promoting territorial development strategies and supporting small local governments to align the SDGs with their local strategies. In addition, some frontrunner LRGs are developing VLRs to gather information and data on the localization of the SDGs and to participate as peers in the global conversation on the achievement of the Global Goals (e.g. Mexico City and the state of Oaxaca in Mexico, Barcarena, Santana de Parnaíba and the state of Paraná in Brazil, Buenos Aires in Argentina and La Paz in Bolivia).

A remarkable feature of Latin American LRGs is that many of the solutions provided by Latin American local governments are the result of citizen participation through initiatives such as participatory planning and budgeting, which gained international recognition and have

The region is one of the world's most urbanized regions, **80.7%** of the population being urban

been disseminated throughout the countries of the region and beyond. These experiences can help to build more transparent governance systems in response to the region's need for greater accountability and transparency, with institutions that are open and accessible to the most vulnerable populations (e.g. in Canoas and Curitiba in Brazil, San Salvador in El Salvador, La Paz in Bolivia, Medellín and Bogotá in Colombia and Buenos Aires in Argentina).

However, given the magnitude of the challenge, the mobilization of LRGs is still insufficient and is largely limited to large cities and regions and a few more innovative intermediary cities. **A joint effort by national governments, LRG organizations and international institutions is required to extend local mobilization efforts and, above all, to generate the necessary support to sustain and amplify change**, upscaling bottom-up initiatives and strengthening cooperation with national strategies. The strong mobilization of regional networks and national LGAs has also been particularly critical for the dissemination of the SDGs and development agendas at the regional level. In Argentina, Bolivia, Brazil, Costa Rica, Ecuador, Mexico, Peru and the Dominican Republic specifically, the advocacy and awareness-raising strategies of national LGAs, together with national governments, universities, the private sector and civil society, have promoted the importance of the localization of the SDGs.

The adoption of the 2030 Agenda has reinforced multilevel dialogue but the engagement of LRGs in reporting and coordination mechanisms still needs to be systematized

The 18 Voluntary National Reviews (VNRs) produced between 2016 and 2019, and the strategies promoted by most countries to integrate the SDGs, reflect a strong commitment in the region to the 2030 Agenda. The preparatory reports, together with that of the Economic Commission for Latin America and the Caribbean (UNECLAC) which organizes annual regional forums in Santiago de Chile, reflect the main trends arising from the VNRs. The 2030 Agenda has an important influence on medium and long-term national development strategies and plans in the region and on the national planning and coordination systems for implementing these strategies.

Most countries have sought to integrate their pre-existing development plans with the SDGs (e.g. Argentina, Bolivia, Brazil, Chile, Costa Rica, El Salvador, Paraguay, Peru, the Dominican Republic and Venezuela) while others (e.g. Colombia, Ecuador and Mexico) formulated or revised their development plans during and after 2016. Some countries also developed specific roadmaps or strategies for the SDGs (e.g. Colombia, El Salvador, Mexico and the Dominican Republic), as well as territorial plans to implement the SDGs (e.g. Colombia and Ecuador). To articulate and coordinate the implementation of the 2030 Agenda, some countries in the region have set up new institutions (e.g. Brazil, Chile, Colombia, Costa Rica, El Salvador, Honduras, Mexico, Panama, Paraguay, the Dominican Republic and Uruguay), while others have chosen to strengthen pre-existing institutions (e.g. Argentina, Cuba, Ecuador, Guatemala, Peru and Venezuela). In most cases, responsibility for coordination has fallen to institutions in charge of planning or been assumed directly by the country's presidency office.

There is still limited involvement of LRGs in the processes of preparing the VNRs and in the coordination mechanisms for implementing and follow up of the SDGs. In several countries, LRGs were directly included in the consultation mechanisms for the preparation of the VNRs (e.g. Brazil, Costa Rica, Honduras and the Dominican Republic). In others, consultation ranged from ad hoc, to partial or indirect and conducted through questionnaires and general workshops. Furthermore, although the VNRs indicate that consultation with local governments has taken place, the national organizations representing local governments note that in some cases the consultation did not directly include them (e.g. Argentina, Bolivia, Chile, Colombia, El Salvador and Paraguay). The level of involvement of LRGs in coordination mechanisms is limited. However, remarkably, in the case of Brazil, Costa Rica, Honduras, Mexico and the Dominican Republic, LRGs have been included in or consulted as part of high-level coordination mechanisms. Generally however, LRG engagement has remained limited for most countries in the region. In order to improve the participation of local institutions, LRGs in the region need to be properly represented and active in the national coordination frameworks for the implementation of the 2030 Agenda. This is important if LRGs, rather than viewing these agendas as alien to their national and local contexts. **The strengthening of multilevel governance mechanisms to coordinate the implementation of SDGs is an essential lever to strengthen the coherence and impact of public policies.**

Many of the solutions provided by Latin American local governments are the result of citizen participation through initiatives such as participatory planning and budgeting.

Decentralization across countries in the region is uneven and current political change may contribute to halting or reversing it altogether

Decentralization processes in Latin America began in the 1980s and 1990s as part of structural reform policies, with significant progress being made — as shown in previous GOLD reports. One of the most significant outcomes has been that local authorities in almost all countries in the region are currently democratically elected. However, it has not been a linear or homogeneous process. More than 14 countries have adopted significant reforms in local administration over the past decade and steady progress has been made but there have also been setbacks.

Brazil and Colombia are the two countries in the region showing the greatest progress in decentralization, although it has yet to be seen whether this trend continues or reverses under Brazil's current government. In Bolivia, the 2009 Constitution allowed for the adoption of the 2010 legal framework that acknowledges four types of sub-national government authorities: departmental, provincial, municipal and indigenous native peasant peoples, each with its own competences, financial regime and elected authorities. Decentralization has been progressing in Peru since the 2000s and in Ecuador since 2008. Argentina and Mexico are generally considered to be decentralized federal countries where federated states and provinces concentrate much of the power and resources. Progress at the municipal level is more limited. In Mexico, the greatest progress in decentralization in recent years has been the transformation of the federal district into an autonomous government. In 2017, Mexico City adopted its Political Constitution and created 16 municipalities, although the reliance of sub-national levels of government on federal government resources remains. In Argentina, there is persistent debate on recentralization versus decentralization policies, particularly following the 2018 (IMF) intervention. In Central America and the Caribbean, local governments have limited powers and resources, except in Guatemala and Nicaragua, where municipalities benefit from more fiscal autonomy relatively speaking compared to the rest of the sub-region. Decentralization in the remaining three Southern Cone countries — Chile, Paraguay and Uruguay — is also limited, although Uruguay has made progress in the last few years.

LRGs in the region show variations between countries and municipalities in terms of their responsibility and functions. The activities of municipal governments generally include the management of basic services, urban development, economic promotion, social and cultural services and the promotion of local democracy. Regional governments also have powers and responsibilities in these areas, in addition to other fields (e.g. planning and promotion of regional development, health and services, and infrastructure, amongst others). However, in many countries there is a lack of clarity about 'who does what' and, above all, 'with what means'. Certain competences may be assumed de facto by the central government or intermediary governments, either directly or through specialized companies or agencies (e.g. Chile, Paraguay and in Brazil for certain services such as water and sanitation and road maintenance). **The abundance of shared, concurrent and delegated competences within countries, especially with regard to major sustainable development issues, reinforces the need for effective coordination**.

Fiscal disparities are widespread: transfer systems need to be reviewed in order to improve decentralization and better address budgetary imbalances between territories

LRGs in Latin America and the Caribbean represent 19.3% and 22.7% of general national government expenditures and revenues respectively. But relative to GDP, they represent only 6.3% and 6.2% in terms of expenditures and incomes — less than half that in OECD countries (where the figures are 16.2% and 15.9% respectively). LRGs in Latin America and the Caribbean play an important role in public investment in the region, representing 40% of total public investment (below the OECD average of 57%).

LRGs' own revenues represent on average 48% of their budgets, while transfers play an increasingly important role; in most countries in the region, they represent between 45% and 58% of the budgets of intermediary and local governments. Transfer systems are generally managed with transparency and regularity using formulas, but grants are heavily conditional in many countries, which limits local autonomy. Latin American countries thus need to reform their transfer systems to achieve greater equalization and address territorial imbalances. LRGs' access to financing is permitted in most countries (except in Chile), but it is heavily regulated and is usually only allowed for investments (the so-called 'Golden Rule').

There are considerable challenges to political and fiscal decentralization in most countries in Latin America. LRG budgets have increased, but vertical budgetary imbalances have become more pronounced. LRGs have therefore become increasingly dependent on transfers from central government, which has often weakened local

Metropolitan areas account for 45% of the urban population in the region. Establishing metropolitan governance systems would represent an important step forward for the realization of the global agendas, given the potential they have to trigger social, economic and environmental change.

autonomy and local development planning capacities. Inequalities between territories have persisted or increased between peripheral and border regions, and central regions with greater economic dynamism and better connections. **The implementation of the SDGs is an opportunity to advance decentralization processes and strengthen LRGs and their financing in order to promote the localization of the global agendas** and move towards new models of development that are more inclusive and sustainable.

Development planning should be informed by local data and indicators to support the localization process

To foster implementation of the SDGs in the region, the majority of countries need to improve collaboration between national and local governments to align national and local development plans with the 2030 Agenda - both in large, intermediate and small cities and between urban and rural areas. Coordinating development planning creates synergies, reduces overlaps, avoids duplication and promotes coordinated mobilization of local and national resources.

The chapter presents a number of examples of national policies designed to better integrate the SDGs in national and local planning systems and improve coordination mechanisms between different levels of government. It details the efforts made in Colombia and Ecuador, as well as the difficulties of vertical and horizontal cooperation between various levels of government (as is the case in states and municipalities in Mexico and provinces in Ecuador). Admittedly, there are still significant problems in locating and disaggregating data and producing joint indicators for national and local governments, making it difficult to improve the articulation of national and local planning systems and ensure the follow-up of the 2030 Agenda. To enhance the coordination of national and territorial development strategies, **it is vital**

to reinforce LRGs' planning capacities and define and reinforce financing mechanisms that encourage coordination between different levels of government. The availability and collection of localized data and indicators is also crucial.

Territorial governance systems need to be strengthened, as metropolitan areas in the region continue to grow both in size and importance

As mentioned throughout the chapter, reforms have been promoted in recent years to create or strengthen metropolitan areas by strengthening metropolitan management systems (e.g. Brazil, Bolivia, Colombia and Costa Rica, amongst others). Despite these efforts, many large cities do not yet have a metropolitan government with the requisite powers and resources to properly plan the development of the metropolitan area as a whole, overcome jurisdictional fragmentation, and respond to the problems of externalities and spill-over effects with sufficient institutional and financing mechanisms. In light of the importance of metropolitan areas in the region (accounting as they do for 45% of the urban population), establishing metropolitan governance systems that respond to these challenges would represent an important step forward for the realization of the global agendas, given the significant potential they have to trigger social, economic and environmental change.

Moreover, persistent territorial inequity between rural and urban territories calls for territorial governance frameworks and more collaboration between rural municipalities, mid-sized cities and towns in order to foster effective and integrated territorial development approaches. Territorial development policies (or their absence), together with imbalances in public investment, tend to aggravate the inequalities between better-connected central regions with greater economic dynamism, and peripheral cities and more remote territories. The reinforcement and governance of urban agglomerations and intermediate and small cities should not be achieved at the expense of the surrounding rural areas. As demonstrated in the chapter, the subsistence of urban areas depends on rural ones. **Extending the involvement of intermediary cities and towns — as well as rural areas — in SDG implementation is both a priority and a challenge that will require the support of national governments and, in federal countries, regional governments**. More integrated territorial development strategies will be central to the achievement of the SDGs. ⊙

Conclusions and way forward

This chapter outlines how the region's urban and territorial agenda is central to achieving the SDGs. LRGs have a key role to play in supporting citizen participation and moving towards more effective forms of cooperative governance. However, as the UNECLAC report to the Regional Sustainable Forum stressed, there are still issues to be resolved regarding the ownership of the global agendas by Latin American society. Many cities and territories face structural problems which they cannot respond to alone. Favourable conditions need to exist so that initiatives can flourish, multiply and have a significant impact, including **revising current models of unsustainable development, strengthening the institutional environment and improving resource mobilization. Cooperation and collaboration between different government levels, strengthening LRG capacity and creating spaces for participation and consensus will also be needed if the region is to move towards the realization of the sustainability agendas**.

06
Middle East and West Asia

West Asia

Middle East Asia
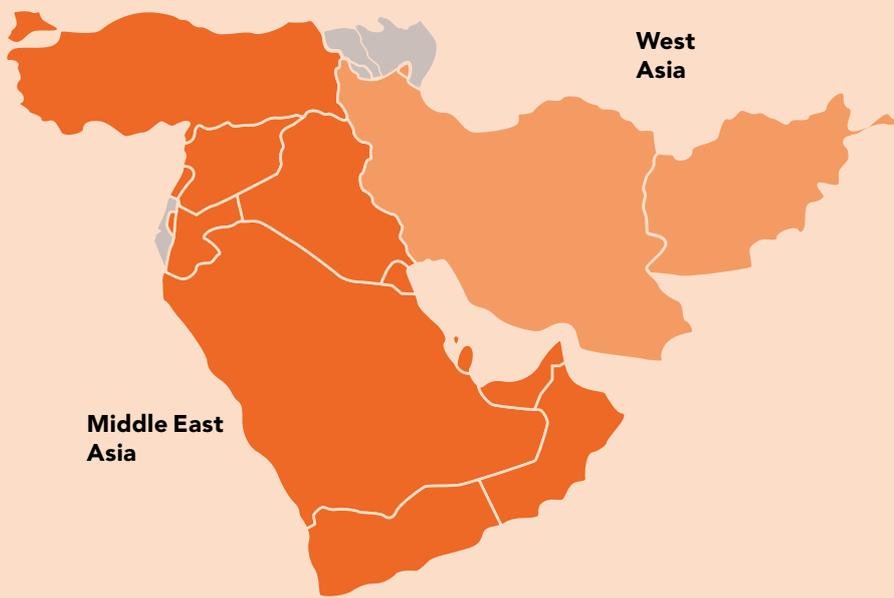
Countries within the UCLG region

15

Population

364 million

Local and regional governments

3,100

*This figure includes only the elected local governments of Iran, Jordan, Lebanon, Palestine and Turkey.

Number of countries having reported to the HLPF

12

Of the world's population live in this region

4.8%

Of the population live in urban areas

67%

Between 2016 and 2019

8% of countries have involved their LRGs in Voluntary National Review processes

8% of countries have involved their LRGs in national coordination mechanisms

Background

With a total area of 7,126,420 square kilometres and a population of 364 million, the Middle East and West Asia (MEWA) region is one of extreme heterogeneity. While the Gulf Cooperation Council (GCC) monarchies of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE) are among the wealthiest countries in the world with a purchasing power parity GDP per capita ranging from USD 50,526 to USD 154,008, the State of Palestine, Yemen and Afghanistan are among the poorest with a purchasing power parity GDP per capita of USD 4,885, USD 2,150 and USD 1,981 respectively. The MEWA region is highly urbanized, with 67% of its population living in cities and with estimates that its cities will have to accommodate over 96 million new residents by 2030. Jordan and the GCC countries are the most urbanized (84% of the population live in cities) whereas Afghanistan and Yemen are the least (respectively 27% and 35%). MEWA's annual urban population growth rate of 2.6% is well above the world average of 1.97% and rural migration is expected to continue to fuel urban growth in the foreseeable future. Over 50% of the population are under the age of 25 and young workers aged 15-25 account for 20% of the labour force.

Parts of the region have, since the turn of the century, been plagued by wars and recurring conflicts — e.g. Afghanistan, Iraq, the State of Palestine, Syria and Yemen — which have caused massive destruction and the displacement of vulnerable populations. Refugees fleeing the most recent conflict in Syria have moved to neighbouring countries: approximately 3.6 million to Turkey, 1.1 million to Lebanon, 630,000 to Jordan, 245,000 to Iraq, and 118,000 to Egypt. In Yemen, one of the two poorest countries in the region, 22 million people — three-quarters of the population —have been forcibly displaced in multiple waves and are in desperate need of aid and protection. In addition, poor water resources management, overgrazing, and climate change are putting increasing stress on the MEWA region. The majority of countries are extremely vulnerable to earthquakes, droughts, water scarcity and desertification.

The political situation in parts of the region has also presented problems. The uncertain political situation that has prevailed for years in some countries of the region, together with their socially conservative societies and a tradition of centralized authority, present significant challenges to the implementation of the SDGs. Meanwhile the GCC countries have expended considerable resources on SDG-related programmes and are well on their way to meeting many of the goals, including eradicating poverty, achieving food security and universal access to health care and education. However, inequalities in general — and gender inequality in particular — remains an issue and local cultural norms and prevailing customary laws have often prevented women from exercising their rights. Nonetheless, progress is being made and the labour force participation rate of women in the region is increasing rapidly. Since 2015, municipal elections have been held in various countries in the region, where women candidates have won seats (e.g. Saudi Arabia, Iran and Iraq).

Increasing the capacity of LRGs to become drivers of change and implement the SDGs in their cities and territories is key

Despite the historical legacy of strongly centralized governance systems and the intense pressure caused by conflict in many parts of the region, **LRGs have an opportunity to contribute to SDG implementation**. At the regional level, UCLG has maintained an active presence through the regional headquarters of UCLG MEWA: in the past year it has developed several dissemination initiatives in the region on the SDGs, aimed at training local governments and their officials on the process of SDG localization through workshops and conferences. In 2018 and 2019, UCLG MEWA completed a pilot project to map SDG implementation, launched in Turkey but with the

Over 50% of the population are under the age of 25

intention of it being replicated in other countries in the region. International organizations such as UNDP and UN-Habitat have also played a crucial role in supporting MEWA countries to implement the SDGs at the local level (e.g. in Bahrain, Saudi Arabia, Jordan, the State of Palestine, Iraq and Afghanistan).

Turkey, Lebanon and Palestine are essentially the only MEWA countries with a developed, established network of local government organizations. Turkish local governments have come together in the Union of Municipalities of Turkey (UMT), which has taken on the task of circulating information and knowledge about the SDG framework to all Turkey's mayors and municipalities. The Regional Municipal Union of Marmara has also organized workshops and seminars on the SDGs for its member municipalities. Turkish local governments have also been active in organizing SDG-related workshops and some of them have developed their own local reports on the SDGs (e.g. Bakırköy, Esenler and Maltepe). In the State of Palestine, the Association of Palestinian Local Authorities (APLA) has historically been proactive in global networks of local authorities and has granted their members increasing visibility on the global stage. Similar efforts have been made in Iraq to improve information exchange between municipalities through the establishment of a national LGA, but it is still in its institutional and political infancy.

The chapter highlights that many LRGs in the MEWA region have sought ways to introduce and localize the SDGs in their territories and communities — often in opposition to the constraints imposed on them by their national systems. Informal settlements, access to essential services and urban management challenges have become increasingly central to national and local policies across the MEWA region. Several municipalities have actively participated in international initiatives, particularly on issues such as climate change, sustainability and resilience. Many cities in the MEWA region are part of the Global Covenant of Mayors for Climate and Energy. Amman in Jordan, Byblos in Lebanon, and Ramallah in Palestine have joined 100 Resilient Cities (100RC), a philanthropic project established by the Rockefeller Foundation, and are preparing assessments of their resilience challenges and the development plans to address these challenges.

Over the past few years, several countries in the region have also put in place urban development strategies to address their main urban and territorial challenges (e.g. Turkey, Saudi Arabia, Qatar and Afghanistan). In response to massive population influxes and the rapid growth of informal settlements, several municipalities have fostered projects aimed at upgrading and rebuilding the urban infrastructure while improving living conditions. Other essential elements of the SDGs, such as sustainable water consumption and provision, waste management, and transportation and energy, are increasingly being integrated in the region's municipal agendas. This notwithstanding, limited information is available at the local level on new programmes catalysed by the SDGs and other global agendas. In most cases, **the role of national governments, international donors and cooperation agencies, as well as the private sector has been significant in supporting (financially and/or technically) SDG implementation projects at the local level**. The chapter shows that the motivation, commitment and leadership of LRGs in the localization of the SDGs is strongly correlated with the degree of (planned) decentralization and/or the level of wealth and financial resources available at the national level.

Promoting an enabling environment for LRGs through greater autonomy, devolution of responsibilities and increased participation in local decision-making

As mentioned throughout the chapter, the countries of the MEWA region are characterized by a high degree of centralization. Only Turkey, as the founding member of the Council of Europe, has restructured its local administrative system to align with the European Charter of Local Self-Government. All countries in the region share similar multi-tiered governance structures: governorates, districts and municipalities in urbanized areas, with governorates and villages in rural areas. In Turkey there are also metropolitan municipalities. In the majority of countries, provincial governors tend to have substantial powers over municipal governments through the direct appointment of local authorities and the delivery of local services. Many countries in the region have established a separate ministry addressing local government matters, but concrete impact has been limited.

LRGs have limited authority, autonomy and capacity in all MEWA countries except Turkey. Accordingly, the ability of LRGs to advance in policy-making and either adapt to or introduce the SDGs in their activities is severely limited. Inconsistent devolution has provided most MEWA cities with an uncertain and unreliable mandate to plan and manage urbanization and urban expansion and development. In most countries, LRGs do not have adequate local revenues of their own to finance their annual expenditures and are dependent on national transfers. Political and financial resources are still concentrated in national government and the devolution of

responsibilities to the provincial, metropolitan or local level has been partial. Additionally, many countries of the MEWA region are disadvantaged by a legal and administrative framework that fails to address the lack of transparency and clarity in the allocation of tasks between central, local and private stakeholders, resulting in institutional competition and duplication.

Across the MEWA region, the predominance of centralizing models and initiatives has paved the way for territorial coordination via hierarchical processes rather than through co-ownership, negotiation and inclusive consultation. This has also affected the role and effectiveness of national LGAs, making representation of local governments in national decision-making even weaker. An important exception is Turkey, where the UMT, established in 1945, has a consultative role in the drafting of legislation and holds one seat in the Presidential Local Government Commission. In Lebanon a Committee of Mayors, which gathers representatives of the country's major cities, has been active since 1995.

Finally, in the MEWA region **most legal frameworks for citizen mobilization have been historically weak, and participatory channels have been either inadequate or non-existent**. While mayors can play a pivotal role in creating a culture of participation in their cities, their actions seldom go beyond formal policy practices. Participation, however, varies significantly across the region. While citizen participation in decision-making is recognized in Afghanistan, it is marginal but improving in Lebanon and Jordan. In Turkey, municipal elections are still the main institutional channel for participation: citizens vote for their mayor and for lists linked to political parties.

Allocating adequate financial resources to support LRGs in implementing the SDGs

With the exception of Turkey, LRGs across MEWA countries still lack adequate financial resources and mandates to fund themselves, their activities and their actions towards implementing the SDGs. This translates into difficulties in funding service provision and infrastructural assets. Revising the allocation of financial resources across different levels of government is thus essential to overcoming these challenges and achieving the SDGs and their targets in the MEWA region. Turkey and Palestine are probably the most decentralized countries in the region in terms of the spending capacity of their local governments. With regard to revenues, although municipalities in Iran, Jordan, Turkey and Palestine are able to generate income through property taxes, their share of local revenues is still limited (with the exception of Turkey, where they represent 50%

Turkey and Palestine are probably the most decentralized countries in the region in terms of the spending capacity of their local governments.

of municipal revenues). Local taxes and fees have so far played a minor role in the financing of local governance. Inadequate property records and the particular organization of tax revenue and collection systems (many MEWA local governments, for example, are still unable to collect user fees reliably) have hindered the capacity of local governments to fund themselves and provide basic public services. Conversely in Iran, Iraq, Jordan and Lebanon and in the GCC countries, local governments are dependent on central government transfers. However, clearer allocation criteria and formulas are not necessarily conducive to more effective local finance de facto. In most cases, metropolitan areas have been benefitting more than intermediary cities or smaller towns from intergovernmental transfers.

Increasing urbanization has put even more financial pressure on local governments in the region. Across the entire MEWA region, an inadequate regulatory framework has limited local governments' access to alternative sources of funding and finance. Most MEWA local governments cannot legally issue municipal bonds, implement land-value capture models, PPPs, value-based zoning mechanisms and many other financial options which would require advances in financial decentralization for them to be accessible locally. Although existing legislation does not allow for the issuance of municipal bonds, some attempts have been successful, for example in Iran, where both Tehran and Tabriz have implemented municipal bond initiatives. In addition, the extensive reliance on short-term funds has led to general financial weakness and many national governments in the region have used this to leverage greater municipal amalgamation.

If MEWA local governments are to play a more active role in the implementation of the SDGs and other global agendas — such as the New Urban Agenda, the Sendai Framework on Disaster Risk Reduction, and the Paris Agreement on climate change — **they will need enhanced, reliable, effective local financing sources**. Capturing their fair share of land-value appreciation following public investment and improvement will be essential for funding infrastructure and delivering better and more inclusive services.

Supporting the involvement of LRGs in reporting and monitoring mechanisms for SDG implementation to achieve enhanced vertical and horizontal coordination

With the exception of Syria and Yemen, SDG principles have been incorporated in current national development strategies (NDSs), with some modifications to reflect the Islamic values that prevail in many countries. **Twelve MEWA countries submitted their Voluntary National Reviews (VNRs) to the HLPF in the 2016-2019 period**. In the MEWA region, almost all countries share the same mechanisms of follow-up and implementation of the SDGs: a high-level council of ministries; a national coordination committee; and a national commission for sustainable development, formed by various ministry-level representatives and usually led by one ministry in particular, often the one in charge of planning and/or economy or the prime minister's office. While the VNRs submitted by countries in the region refer to participatory processes, the development and implementation of the SDGs are in fact the responsibility of national agencies. This is in line with their tradition of centralized systems of governance.

In most countries (with the exception of Turkey), participatory processes to involve local government and civil society are unclear and their level of involvement is generally limited or non-existent. As a rule, **local governments are only rarely included as active participants in defining the strategy for implementing the SDGs**, in the national coordination mechanisms, and in the preparation of the VNRs. Again, Turkey is an exception. There, the national association of LRGs — UMT — was selected as the coordinating institution for local administrations contributing to the reporting process, bringing together the experiences of SNGs in the country. The UMT directly engaged with 50 municipalities in the process, reaching out to over 1,400 municipalities to contribute to the document's recommendations. The UMT attended the 2019 HLPF in New York, along with the national government delegation. In contrast, the national LGAs of the State of Palestine and Lebanon were not invited to contribute to the VNR process. ⊙

Crowd in Istiklal Caddesi, Istanbul, Turkey (photo: © Jaume Puigpinós Serra).

Conclusions
and way forward

Despite the immense socio-economic, cultural and historical diversity of the MEWA region, similar trends and challenges can be observed in the way in which countries approach the SDG framework and the global commitments of the different agendas. To boost SDG implementation at the local and regional levels, MEWA countries **should increase the involvement of their LRGs and strengthen their capacities and resources** to ensure the maintenance and effective delivery of basic public services, as well as **improve LRGs' role in urban and territorial development** (which becomes all the more important in war-torn territories). **A governance mechanism that empowers a growing youth and urbanized population is also a priority** — one that allows them to truly co-own their future, in their land, through the opportunities offered by the SDGs.

07
North America

Countries within the UCLG region

13

Population

386 million

Local and regional governments

94,000

Number of countries having reported to the HLPF

4

Of the world's population live in this region

5.1%

Of the population live in urban areas

82%

Between 2016 and 2019

50% of countries have involved their LRGs in Voluntary National Review processes

25% of countries have involved their LRGs in national coordination mechanisms

Background

The chapter on North America focuses primarily on the United States and Canada, with additional information on Jamaica (as part of the UCLG North America region). The first two countries rank amongst the most developed in the world (12th and 13th respectively in the 2018 Human Development Index) meaning that comparatively speaking, a majority of residents enjoy a wide range of basic services that function relatively well. Both countries have high urbanization rates (roughly 82%), with the population concentrated in a few urban centres. The rest — over 250 million inhabitants — are scattered in relatively dense suburban and smaller settlements across a huge territory.

Despite their relative wealth, both countries also experience significant socio-economic inequalities. In the United States, urban segregation, poverty and violence remain at a high level compared to other OECD countries. Gender and racial discrimination too have long-standing, critical implications for coexistence. In Canada these issues are less pronounced, but cities are witnessing an increase in homelessness and households are experiencing greater socio-economic hardship.

Both countries are among the main contributors to climate change as well as being increasingly exposed to its effects: severe and unpredictable climate events sweep the continent regularly and several coastal metropolises face rising sea levels which threaten to displace, harm or kill millions of people. Given the institutional context and the prominence of the climate agenda in local-national dialogues, the chapter stresses the environmental dimension of the SDGs while keeping the economic, social and cultural pillars integrated in the analysis. Areas of particular social concern include housing, access to water, employment, education, health, social distress, and high suicide rates among indigenous communities. These are just some of the challenges that both countries will need to address in order to fully meet the ambitious targets of the SDGs.

There are many commonalities between the two countries, as well as key differences. **The chapter demonstrates how political volatility can be a serious hindrance to consensus on the fulfilment of the Global Goals**. In 2016, the change of political leadership at the federal level resulted in the United States government threatening to pull out of the Paris Climate Agreement, thus changing its international agenda. Conversely, Canada has maintained a clear international stance in terms of climate change, promoting peace, safety and occasionally even adopting an overtly feminist approach to policy-making in its territories and in international cooperation. Besides the territorial hegemony of these two countries, it is also worth mentioning Jamaica's political commitment since 2017 to implementing the SDGs.

States and municipalities are uniquely empowered to drive change: urgent transformations are needed to address important geographical imbalances

The chapter showcases innovative examples from several pioneering and high-profile cities, states and provinces in North America that have initiated efforts to pursue the SDGs and related agendas, firmly embedding them in local strategies and planning. However these initiatives, which focus mainly on states and the largest cities, present a skewed map of progress. Indeed, the chapter highlights that the toolkits currently available for SDG implementation are perhaps less suitable in a socio-economic and geographical context where most North American municipalities are small, isolated towns.

In this context, **LRG networks, LGAs and civil society are crucial in raising awareness, fostering knowledge exchange and generating**

Over **250** million inhabitants are scattered in relatively dense suburban and smaller settlements across a huge territory

bottom-up engagement of LRGs as well as their communities. Throughout the region, the high level of commitment of non-profit organizations, academia and the private sector (including philanthropic foundations and charities) is responsible for what would otherwise be an unachievable degree of mobilization, participation and 'whole-of-society' inclusion in the process. They are also key actors when it comes to supporting local governments in implementing the sustainable agendas in their cities and territories.

In the United States, in terms of strategic alignment at the local level, the total number of local sustainability plans is unknown. However, out of 1,800 local governments surveyed in 2015, 32% had adopted plans aligned with the spirit and purpose of the SDGs. States have implemented a range of different actions, for example cap-and-trade systems such as the Regional Greenhouse Gas Initiative, and the Western Climate Initiative which includes American states and Canadian provinces. At the municipal level, collective responses include the 'We Are Still In' coalition, bringing together 280 United States cities and counties, and the Climate Mayors initiative, uniting 250 mayors engaged in peer-to-peer networking to 'demonstrate leadership on climate change through meaningful actions in their communities'.

While many of the actions highlighted in the chapter are not directly connected with the global frameworks of the global agendas, they are evidence that the daily work of local governments is essential for the achievement of the SDGs. In North America, as in other regions, LRGs are very much concerned with the link between their actions and reducing poverty (SDG 1) and inequality (SDG 10), as well as strengthening the inclusiveness and sustainability of human settlements (SDG 11). Planning, housing, basic service provision, mobility, environment, resilience, culture and prosperity are critical dimensions of territorial development that can be substantially impacted by proactive, engaged local governments willing to contribute to the realization of the Goals.

The analysis highlights how the shortage of affordable housing is gradually excluding households, resulting in a very high incidence of households at risk from homelessness. The challenges are even more acute for migrant populations, households suffering from historical discrimination and single-parent families (often female). **LRGs must be empowered to find solutions that reach these populations first, 'leaving no one and no place behind'**.

Transformations are happening in many other fields and are particularly visible in the areas of sustainable clean energy (SDG 7) and sustainable transportation systems. Nearly every major city has adopted requirements that public buildings meet LEED standards of energy efficiency.[1] Likewise, many local policies require or incentivize the certification of private development to reduce dependency on non-renewable energy sources. This also provides a source of income for local governments as energy producers. Local governments also hold the key to incentivizing more sustainable transportation through investments in sustainable mobility policies. Transformative projects are competing with a formidable automobile culture, but they are progressively making headway. There are also significant changes in street design, which historically has prioritized automobile traffic at the expense of bike and pedestrian safety.

However, cities are not the only communities that have a role to play in a territory's sustainable development or in the transition to a low-carbon future. The chapter shows that rural and indigenous communities in Canada and the United States are even more reliant on fossil fuels than urban ones. Many of these areas have even fewer public transportation alternatives, and amenities and public spaces are often spread out and less accessible without vehicle travel. In addition, a longstanding demographic decline and a significant loss in economic drive amongst rural and indigenous communities has made them generally more reliant on older infrastructures and has tended to leave them off-grid and with a reduced opportunity to upgrade to less polluting or greener energy. However, compelling examples are offered of low-carbon transformation opportunities, even with relatively few resources, for example the T'Sou-ke Nation solar project.

As in other regional chapters, there is an opportunity for cities and communities of all sizes to share, become inspired by and learn from these lessons. Thus **international LRG networks and institutions must continue to support and raise awareness of the SDGs, particularly in the United States**.

There are no explicit federal coordination mechanisms in both countries but there is a historically strong enabling environment

Any action undertaken in communities and led by LRGs remains small in scale when compared to the tremendous challenges regionally. **The absence of formal national coordination mechanisms, as recommended by the UN, is a common feature in both Canada and the United States**. The chapter argues the need to reform the institutional environment in order to activate the whole-of-government coordination approach required by the 2030 Agenda and other global commitments.

Whilst Canada and Jamaica both prepared a Voluntary National Review in 2018, LRGs

[1.] The Leadership in Energy and Environmental Design (LEED) certification was established by the American non-profit U.S. Green Building Council, and sets a system of assessment and evaluation of the construction and operation of buildings complying with sustainability criteria and policy.

were only directly involved in Canada. To some extent this marked the country's first steps to localizing the SDGs in home affairs, beyond the international cooperation agenda. In Jamaica, the 'Roadmap for SDG Implementation in Jamaica' explicitly acknowledges the crucial role of local government.

With regards to SNGs in the United States, there are three levels: federal, state, and local governments with an upper tier (counties) and a lower tier (municipalities, townships and special districts), making approximately 89,000 SNGs in total. Territorial organization in Canada is also divided into three tiers: federal government, provinces, and local governments (comprising counties, districts and municipalities), with 5,209 SNGs in total. Jamaica has a single level of SNG made up of 14 local governments. The chapter argues that the specific federal organization of Canada and the United States has also given SNGs greater capabilities and room for manoeuvre; and as a result, **in both countries a bottom-up leadership has emerged to support the implementation of the global agendas**. Nevertheless, the main effect of non-institutionalized decision-making mechanisms in North America is that, with no formal nationwide system, there is a cost — in terms of human welfare, environmental quality and protection, and even economic productivity — with a negative impact on the coordinated action required by the 2030 Agenda.

The prospects for SDG localization in the region must be measured against a complex process of decentralization and devolution imposed by the federal system. In the United States and Canada, local government laws are adopted at state and provincial level. In Canada, municipal governments have no formal constitutional status or rights under the federal model. Over time, they have gained the de facto status of a legitimate stand-alone level of government in each of their territories. The United States has one of the most complex LRG legislative frameworks in the world, in addition to a complex system of taxes and transfers established to provide services at the three levels of government. In both countries the ability to make policy and, most importantly, control local revenues via taxation and spending is shared between national, state/provincial and local governments. Proof that local governance can drive change can be seen in the case of energy production. While it is often independent from municipalities, their current financial and planning powers allow them to facilitate the development of local renewable energy projects and incentivize energy consumption reductions within their communities. Local governments across North America are, by and large, comparable in terms of the division of responsibility for delivery of services. In both countries, LRGs are empowered

Localization, mitigation and adaptation to climate change are proof that effective policy and SDG implementation depend significantly on the continuous involvement of all tiers of governance.

with several fundamental competences and responsibilities. Furthermore, LRGs in North America are generally well-staffed and well-resourced, especially in large urban centres.

In order to **address the complexity of decentralization and devolution, it will be essential for North American LRGs and federal governments to align strategies** and act boldly to achieve the SDGs at home and globally. **Partnership**s **and implementation at the local level that support a territorial approach to development and localize the Global Goals are all the more important** given the political and institutional context in North American countries.

Collaborative governance is needed to face the scale of the challenge and its complex local-to-global implications

North America is one of the regions most exposed to the consequences of climate change and global warming. Yet its economy is based on a production and consumption model which is causing more environmental depletion and vulnerability to the impacts of climate change. The United States is the world's second largest emitter of greenhouse gases (GHGs) and is responsible for 15% of the global emissions causing climate change. Although Canada also ranks as one of the highest GHG emitters per capita in the world, given the size of its economy and population its environmental footprint in absolute terms is not as high as that of the United States. Localization, mitigation and adaptation to climate change are proof that effective policy and the implementation of the SDGs depend significantly on the continuous involvement of all tiers of governance.

As previously described, **multilevel governance and power-sharing in both countries follow a complex structure**. While the federal government cannot mandate top-down plans, there is a need to push for integrated frameworks and align funding opportunities that are currently established within a wide array of programmes coordinated at the federal level. The present system allocates funding to state and

local governments through proscriptive spending formulas and competitive grant applications. Currently there is no explicit connection to the SDGs, the Paris Climate Agreement or the New Urban Agenda.

Yet in the United States, formula-based, multilevel funding and grant programmes exist for the provision of affordable housing, public transit, aviation, freight rail, energy, water infrastructure and other critical infrastructure systems. In Canada, initiatives involving the three levels of government are relatively rare. The federal government normally uses its residual and spending power (via grants, transfers and contributions) to move its agenda forward. These initiatives do not usually involve municipal governments directly and, when they do, the federal government has an obligation to engage provinces first. Provinces tend to work more on sectoral plans with the municipalities, to achieve specific economic, social, or environmental goals.

The fragmentation of government authority means that much greater national awareness and a sense of urgency are needed to replicate solutions across thousands of LRGs and special districts. However, different cities have begun to take into account the SDGs as a framework to guide local action. They champion the view that the most economically, environmentally and socially sustainable metropolitan areas will perform well globally. Only a handful of states are aligning with the SDGs, and **without a whole-of-government approach and federal coordination, few cities are actually able to mobilize the necessary staff time, expertise and data availability to implement and follow up on the global agendas**.

This has immediate consequences for the current housing situation and basic service provision, the protection and management of water resources and waste management policies, and the territories' transition to a low-carbon future. At the municipal level, solid waste and wastewater produced by households, businesses and industry is a large overall polluter at regional level across the whole of North America. While LRG-led initiatives can incrementally change behaviours, this only partially deals with the sheer volume of pollution produced in both countries. Federal support for local policies and actions in the field of waste management became more urgent following the 2018 Chinese Sword Regulation, which stopped the trans-Pacific waste route. Prior to this, China received up to 40% of the United States' paper, plastics and other recyclables. The new import prohibition on scrap materials was followed by importation restrictions in Thailand, Viet Nam and Malaysia, where waste had been diverted to following the Chinese ban. This new policy, which affected the recycled materials market worldwide, has had long-lasting consequences in many municipalities. As first responders, some LRGs have maintained policies of waste separation and zero-waste goals, adopting specific fees and implementing strategic programmes. However, some local governments that relied on fees from exporting scrap materials have had to change their local policies altogether, often suspending residential recycling programmes entirely.

The lack of concrete national housing plans and a cut in federal investments, combined with a shortage of land for housing, has created weak regulation of housing markets and resulted in evictions, vacancy, gentrification and income-based discrimination and segregation. There have been policy responses from both governments seeking to co-create solutions with local governments and communities. Some examples include Canada's new National Housing Strategy (NHS), new taxation on vacancies (Vancouver) and the reallocation of vacant property (Los Angeles), help with homeowners' down payments via a tourism tax or similar revenue (Seattle), and extended support for build-to-rent real-estate development. ◉

An environmental demonstration in Oakland, California, United States (photo: Rainforest Action Network, bit.ly/329AiOE).

Conclusions
and way forward

The current trends in SDG localization in North America suggest that some LRGs are indeed far better equipped with human resources, information and the tools to take action to achieve the Global Goals. Yet these actions are too piecemeal in the face of challenges such as the scale and likely frequency of the disaster risk; rising socio-economic vulnerability of the population due to loss of social and financial capital in intermediary and small cities; limited regulation of housing markets; and dependency on private, motor-based transportation. As a result, improvements are very likely to be geographically concentrated and the inequalities that currently exist within societies in the United States and Canada will grow. Due to increasing geographical, economic, social and political disparities, there is a risk that law-makers in these two countries disagree on at least some of the SDGs, with the result that infrastructure and services will deteriorate further, resulting in greater inequality. **Far greater efforts need to be made to 'leave no one behind' if progress towards the SDGs is to be shared more widely.**

08 Metropolitan Areas

North America

hosts

9% of the world's metropolitan areas

Europe

hosts

10% of the world's metropolitan areas

Latin America and the Caribbean

hosts

13% of the world's metropolitan areas

Africa

hosts

12% of the world's metropolitan areas

Asia-Pacific

hosts

56% of the world's metropolitan areas

Background

The world is increasingly becoming an urban society. More than 1.8 billon people live in cities with greater than one million inhabitants (43% of the urban population and 24% of the total world population), while 556 million (13% of the urban population) live in 33 megacities with more than ten million inhabitants. Metropolitan areas, as defined by UCLG, are urban agglomerations with more than one million inhabitants, which includes the physical contiguous urban area and the pattern of its labour market. Large cities and metropolitan areas play a key role in the world economy and global society, but they suffer from unequal distribution of the generated benefits. Moreover, metropolitan areas concentrate the main challenges faced by the planet regarding sustainable development: fighting climate change, building resilient societies, promoting social inclusion and equity and developing new and more sustainable models of economic development.

The challenges facing metropolitan areas show regional specificities. The Asia-Pacific region is home to more than half of the world's metropolitan areas (56%) and those cities most vulnerable to natural disasters. Africa is home to 12% of the world's metropolitan cities, where 40% to 58% of urban dwellers live in slums. Their urban populations are expected to increase threefold by 2050, putting increased pressure on the need to reform urban planning systems in order to manage this urban expansion. The Latin American and Caribbean region hosts 13% of the world's metropolitan cities, where 46% of the urban population in the region are concentrated. A key concern here is security in metropolitan areas, given that most of the world's 50 most dangerous cities are located in this region. Issues relating to social inclusion and sustainability are a key concern for European urban areas, which concentrate 10% of the world's metropolitan areas. Finally, North American metropolises are home to 9% of the world's metropolitan areas and face challenges that include institutional fragmentation, income inequality and access to affordable housing amongst others.

This chapter explores how metropolitan areas in all regions of the world are, through innovative solutions, addressing many of these challenges. SDG localization can be a lever to improve the quality of local public policies and governance, enhance an integrated approach to sustainable development, foster coordination across levels of government and between territories, and improve citizen participation and the involvement of local stakeholders — in particular the most vulnerable groups, adhering to the principle of 'leaving no one behind'. **To achieve all this, reforms in all regions are an absolute necessity**. Human, technical and financial resources must be allocated at the metropolitan level to ensure that transferred competences, as well as a non-fragmented system of metropolitan and multilevel governance, are working effectively towards the implementation of the 2030 Agenda.

Metropolitan areas are providing ambitious solutions to address their inherent challenges whilst also achieving the SDGs

Globally, metropolitan areas are important generators of wealth, employment and productivity growth, with many of them described as the 'main economic engines' of their countries. However, **LRGs need to foster a more inclusive and sustainable socio-economic development that minimizes the current negative externalities of uncontrolled growth and the impact of financialization in urban economies**. Negative impacts for metropolitan cities often include territorial segregation and social polarization, segmentation of labour markets (between skilled employees and precarious workers), and environmental degradation.

Fighting climate change is one of the biggest challenges facing metropolitan areas. The main cities and their networks have been driving

24%

of the total world population live in cities with greater than one million inhabitants
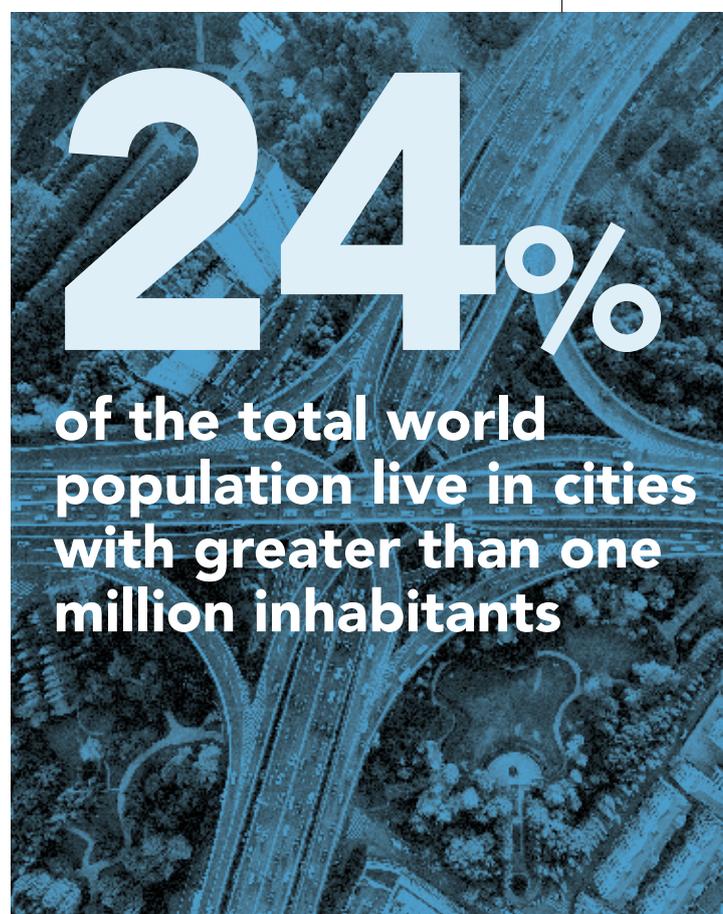
change in global negotiations for over two decades. The Global Covenant of Mayors for Climate and Energy — launched by C40, ICLEI and UCLG, with the support of UN-Habitat, the European Commission and a number of international partners — is an example of this and has produced some striking results at the local level. Metropolitan areas are providing solutions to reduce GHG emissions including clean and renewable energies, integrated and multimodal transport systems (including soft mobility), more energy efficient buildings and the creation of green spaces. Measures are also being taken to rationalize water consumption and improve waste management and treatment. Many metropolitan areas have also adopted resilience strategies to reduce their vulnerability and mitigate the effects of climate change.

Nascent initiatives are being developed as part of economic development policies — e.g. the circular economy, the social and collaborative economy, use of technologies with the emergence of 'smart cities' and the evolution of data as a common good, programmes to support innovation and small enterprises, and integrating informal activities into the urban fabric in developing countries — and these are slowly offering solutions to critical externalities. To strengthen linkages with peri-urban areas and improve food quality and security, some metropolitan areas are also promoting territorialized agri-food systems.

Promoting social inclusion and equality has been another major challenge for metropolitan areas around the world. Many cities are fostering access to affordable and adequate housing, promoting gender equality and the inclusion of youth and vulnerable groups (e.g. migrants, disabled people and the elderly), and providing basic services (e.g. water, sanitation, waste management, and food safety and security). Ensuring access to adequate and affordable housing is one of the most significant challenges metropolitan areas are seeking to address — reflected in their commitment to the global call for 'Cities for Adequate Housing' at the UN in July 2018. This issue is current in both developed and developing countries, as is clearly seen in the need to upgrade increasingly populated informal settlements, especially but not exclusively in the Global South. The challenges of migration have forced many cities to develop specific initiatives such as 'solidarity cities' or 'sanctuary cities' to promote solidarity policies (e.g. tackling the crisis in the Mediterranean Sea), and non-binding agreements such as the Marrakech Mayors Declaration (2018) — sometimes going against national directives.

The 2030 Agenda and other global agendas offer a great opportunity to improve the policy-making process at the metropolitan level

As a general rule, **large cities — and therefore metropolitan areas — have proved most active in the SDG implementation process**

Mural art for the second edition of the Wall Art Festival in Grigny, a city part of the Greater Paris metropolitan area (photo: © Amanda Fléty Martínez).

in different regions in the world, sometimes even in advance of their national governments. Metropolitan areas such as Buenos Aires, Barcelona, Berlin, Copenhagen, Durban, Los Angeles, Madrid, Mexico City, Medellin, New York, Quito, Paris, Shenzhen and Seoul, amongst others, have taken the lead and committed themselves to achieving the 2030 Agenda: by aligning their development agendas and public policies to implement the SDGs; by creating institutional arrangements to facilitate coordinated implementation; by engaging citizens and metropolitan stakeholders in the SDGs; and by sharing experiences.

Mobilization of their own structures and local stakeholders has generally been the first step taken by metropolitan areas in the SDG implementation process. Many cities have created specific mechanisms (at political and technical levels) to guide their approach to sustainable development. At the same time, they have fostered new initiatives focusing on vulnerable groups (e.g. youth in Buenos Aires) and pursued new governance mechanisms and alliances that foster co-responsibility, enhanced legitimacy of public policies and the creation of new knowledge, creativity, resources, and technology. These include, inter alia, business (e.g. Sustainability Week in Quito) and knowledge-based institutions (e.g. Los Angeles City Council's partnership with the Occidental College). However, deficits in metropolitan governance could hamper the articulation of inclusive and sustainable processes beyond the main municipality's administrative borders.

Global spaces for political dialogue (e.g. Habitat III, Conference of Parties (COP) and HLPF) have proven useful for knowledge exchange and voicing demands for change. Networks and associations have also played a crucial role, as have city-to-city cooperation and partnerships with platforms and research centres capitalizing on local initiatives (e.g. the Sustainable Development Solutions Network [SDSN] and LSE Cities).

Three different approaches can be identified in metropolitan efforts to align public policies to the 2030 Agenda. The first is more circumscribed as it views cities merely as executors of the national mandate: the process lacks holistic dimension, stakeholder participation and transparency (e.g. Cairo). wIn the second, cities initiate the process of alignment of their policies with the SDGs but the reforms needed to administer and implement these policies do not always follow, sometimes due to changes in local authority governance after elections (e.g. Madrid). In the third approach, cities have adopted new integral, participative sustainable development plans, either referencing SDGs specifically (e.g. eThekwini-Durban) or not (e.g. Berlin). This approach fosters accountability

The complex landscape of urban metropolitan areas and the challenges posed by the global agendas call for a rethink of metropolitan governance systems in order to better address the whole urban functional area and overcome institutional, social and spatial fragmentation.

(e.g. New York City) and generates data for monitoring, often in collaboration with specialized institutions (e.g. SDSN, and the World Council on City Data [WCCD]). **Transposing the official SDG indicators into the metropolitan reality is, however, still a major challenge**.

Institutional fragmentation and the increasing complexity of metropolitan governance hinders LRGs from implementing the sustainable urban agendas

A metropolitan institutional environment can either help or hinder implementation of the SDGs. While adequate metropolitan governance arrangements can contribute to the development of the integrated vision on sustainable urban development needed for the implementation of the SDGs, the complex landscape of urban metropolitan areas — megacities, urban regions and corridors — and the challenges posed by the global agendas call for a rethink of metropolitan governance systems in order to better address the whole urban functional area and overcome institutional, social and spatial fragmentation. This raises important, often interrelated, challenges such as institutional fragmentation and the system of multilevel governance and financing mechanisms.

A lack of coordination between the different institutions that share SDG-related competences clearly affects their implementation. This has been the case in cities such as Los Angeles, Manila, Bangkok and Sao Paulo. Indeed, the complexity of multiple layers of local government and competition for resources among them has made it extremely difficult to create a competitive enabling environment in large cities. Many countries have addressed significant challenges in the past few years - such as reducing fragmentation in cities and increasing the role played by local governments

in governance — but with varying outcomes (e.g. Canada, Colombia, France, South Africa and New Zealand amongst others). **The need for greater cohesion and integration of policies poses a challenge to metropolitan areas**. To achieve greater policy coherence, cooperation between different levels of government needs to be strengthened to ensure the effectiveness of policies aligned with the SDGs.

Multilevel governance is linked to the process of decentralization: it is a challenge, for example, in complex megacities such as Jakarta or Lagos. The degree of local autonomy affects the capacity to address metropolitan challenges and implement the SDGs. While in Northern European countries municipalities have a high degree of financial autonomy and enjoy competences in health, education and environment, the local governments of most African, Asian and Latin American countries often lack the necessary powers, financial, technical and human resources, and are thus highly dependent on national and regional policies. These structural weaknesses limit their ability to make an impact: they have difficulty in generating new alternatives, mobilizing their own resources and tackling big challenges. **New and improved governance arrangements and structures for cross-level coordination and allocation of resources are required to promote more polycentric and integrated approaches to metropolitan governance**. The chapter also highlights **an urgent need to create governance arrangements that reflect the significance and distinctiveness of peripheral cities and territories within metropolitan areas, which would help reduce territorial inequalities**.

The existence of metropolitan governments is not in itself a guarantee of better SDG implementation for two main reasons: first, metropolitan authorities in many cases are only indirectly elected or appointed, making political leadership weak; and second, the lack of exclusive powers to cover the full metropolitan area. Indeed, most metropolitan areas in the world — including London, Barcelona, Paris and Montreal — have limited powers in relation to the full functional areas (e.g. exclusive and binding competences, and proper financing). The Declaration of Montreal on Metropolitan Areas, approved in October 2015, calls for greater political recognition of metropolitan areas by central governments, as well as more powers and financial tools to address metropolitan problems, and strengthen accountability and citizens' participation. The reluctance of central governments to pool authority and competences, sharing them with cities in order to implement the SDGs is another challenge addressed by the Declaration.

In summary, the chapter argues that a fair and sustainable metropolitan governance system should observe several key principles: **empowered local governments** with elected metropolitan authorities that are **accountable** to their citizens; **subsidiarity**, with a clear definition of roles and powers between different levels of government and among local governments; and **adequate resources and financial instruments** to incentivize and encourage cooperation between local governments.

The identity and specific challenges of metropolitan areas should be better reflected in the Voluntary National Reviews

An analysis of the Voluntary National Reviews (VNRs) submitted by UN Member States to the UN HLPF in 2016, 2017, 2018 and 2019 shows that metropolitan areas go unmentioned when countries report on national achievements. Although national governments increasingly acknowledge the role of LRGs in the achievement of the Agenda (albeit to varying degrees), only a few focus on the metropolitan sphere. This lack of profile is all the more worrying since so many of the challenges included in the 2030 Agenda exist, and need to be tackled, in big cities. **Metropolitan leaders must redouble their efforts to engage on the global stage, particularly in the reporting process through the VNRs and, where possible, develop Voluntary Local Reviews to make their voices heard**.

It is worth mentioning that Mexico's 2018 VNR acknowledges that, with or without a metropolitan government, metropolitan areas as large population centres 'have the potential to impact national achievements'. Poland's 2018 VNR underlines the presence of metropolitan areas in the multilevel governance system for SDG implementation. However, this kind of strategic thinking is the exception rather than the rule. Generally, metropolitan challenges do not seem to feature for national governments in the achievement of the 2030 Agenda; the approach remains rather sectoral and tends to highlight good practice on specific issues (e.g. Greece's 2018 VNR), highlighting these as much as smaller local governments' achievements (e.g. Quito, in Ecuador's 2018 VNR). Other VNRs present key metropolitan challenges using a top-down approach, including the national urban policies (NUPs) and management plans within cities (e.g. Saudi Arabia for Riyadh, 2018 VNR). **More visibility and joint work between the different spheres of government are required to properly integrate the metropolitan dimension and its specific challenges and solutions into future VNRs**. ⊙

Conclusions
and way forward

The chapter illustrates that many metropolitan cities have been amongst the most active in integrating the 2030 Agenda and other related agendas into their development strategies, plans and policies. Addressing the policy-making process at metropolitan level through **integrated approaches, ensuring adequate coordination between the different spheres of government, and involving citizens as well as metropolitan stakeholders will be vital for implementing the 2030 Agenda** in an effective manner. Capitalizing on the innovations and solutions provided by metropolitan areas is crucial; it builds bridges to share knowledge and experiences to improve public policies. However, there is still much to be done — creating legal and institutional enabling environments (e.g. improving decentralization and rethinking traditional financial schemes), as well as new multilevel and multi-stakeholder governance mechanisms and financing for sustainable investments — to encourage the development of quality metropolitan public policies.

Conclusions

The possibilities are endless. Localized development strategies, stemming from and suited to local realities, transform the global development model

Group work UCLG Learning activities in the 2017 Retreat and Campus, Barcelona (photo: UCLG-CGLU/Mark Schardan, bit.ly/2oqhSu3).

The 2030 Agenda calls for the eradication of poverty, the promotion of human prosperity, a reduction in inequalities, the fostering of peace, reversing the degradation of the planet, and the strengthening of the Global Partnership for Sustainable Development. Its adoption, together with the adoption between 2015 and 2016 of the Paris Agreement on climate change, the Addis Ababa Action Agenda on Financing for Development, the Sendai Framework on Disaster Risk Reduction and the New Urban Agenda, represented a moment of great hope that multilateral cooperation could herald more inclusive and environmentally sound models of development. **Local and regional governments (LRGs) have demonstrated their firm commitment to the realization of these agendas by widely embracing their objectives and becoming actively involved in their implementation**.

At the end of the first quadrennial cycle, the agreed period for evaluating progress, the first global assessments are emerging and show mixed results. Multilateral approaches to development are currently under threat from the polarization of national politics as the world economy experiences another global slowdown. Growing economic inequalities and global tensions are increasing people's concern about the future and their mistrust in policy systems and institutions, while a larger number of military conflicts and natural disasters are pushing people to migrate on a massive scale.

These Conclusions start with a recapitulation of the report's main findings with respect to the progress made on the implementation of the global agendas. Following an analysis of how global trends have changed the context of SDG implementation, Section 1 finds that the importance of urban and territorial management is only set to increase, and with it the importance of the role of LRGs in achieving the SDGs. The discussion continues in Section 2 with an overview of the progress made in the localization of the global agendas. This highlights how the territorialized policies of LRGs (which involve alignment efforts, the protection of universal access to public goods, and the promotion of local data for SDG monitoring and evaluation, amongst others), are fundamental steps towards the achievement of the SDGs. Section 3 concludes with an analysis of the evolution of institutional environments for SDG localization, taking a pioneering global approach that together examines decentralization, multilevel governance (MLG) mechanisms and the means available to finance the shift toward sustainable development patterns. Section 3 further raises the point that to achieve the SDGs, institutional environments need to improve multilevel coordination to ensure policy coherence and become conducive to local action. At the same time, it opens up the discussion about how to do this in each specific context. Finally, Section 4 advances several policy recommendations to develop an LRG roadmap to accelerate and scale-up local action for the implementation of the SDGs. ◉

1. Global trends affecting the implementation of the 2030 Agenda

1.1 Insufficient progress: several red flags

The UN Secretary-General's 2019 report to the High-Level Political Forum on Sustainable Development (HLPF) acknowledges that 'progress is being made and some favourable trends on SDG implementation are evident', but the 'global response has not been ambitious enough'.[1] Extreme poverty and child mortality rates continue to fall, as does the incidence of diseases, while there has also been progress on some gender equality targets, access to electricity, labour productivity and unemployment. Moreover, the proportion of urban population living in slums has fallen, marine-protected areas have expanded and progress on some means of implementation is moving rapidly.

Overall, national governments have shown a high level of commitment to the achievement of the SDGs: 142 countries have presented their VNRs since 2016. Taken together, they represent 86% of the global population. The majority of countries have incorporated the 2030 Agenda and the SDGs into their national development plans and strategies or have developed specific roadmaps. Almost all countries have set up coordination structures at higher levels of government to ensure more coherent implementation. Many are adapting their institutional frameworks to support the interlinkages between sectoral policies, and they are involving civil society, the business sector, academia and social partners.

However, assessments of the global progress made in the implementation of the 2030 Agenda by the UN and international agencies remain pessimistic. The UN Secretary-General's report underlines that at the current pace, many of the goals and targets will probably not be achieved. For example, the extreme poverty rate is projected to be 6% in 2030, thus missing the global target to eradicate extreme poverty; while hunger is on the rise for the third consecutive year. In Africa, 'more people are entering poverty than escaping it'.[2] At the same time, the majority of indicators measuring ecosystems show a rapid decline and biodiversity is being lost at an alarming rate. Economic growth has exacerbated inequalities between and within countries, while formal markets are not capable of absorbing informal work and high youth unemployment. Half of humanity – women and girls – continue to experience violence, unfair social norms and unequal treatment at home and work. Furthermore, available sustainable development financing is below the levels required to achieve the SDGs. Other means of implementation are not yet mainstreamed, and nor are institutions robust enough to adequately respond to these massive interrelated and cross-border challenges.

Others reports reach similar — or even more pessimistic — conclusions.[3] Several institutions and social movements point out that there is an increasing 'gap between rhetoric and action', which is evident for instance when analysing the Voluntary National Reviews (VNRs) submitted to the UN.[4]

Gaps between commitments and actions are also noticeable with regard to the Paris Agreement on climate change and the New Urban Agenda.

Nationally-Determined Contributions (NDCs) to the UN Framework Convention on Climate Change (UNFCC), were communicated by 190 parties (97% of the parties of the UNFCC) for the first round (2015-2020). The analysis of these shows that the objective of the Paris Agreement to keep the global temperature below 2°C will not

[1] United Nations Secretary General, "Progress towards the Sustainable Development Goals," 2–3.

[2] UNECA, "Economic Report on Africa 2019: Fiscal Policy for Financing Sustainable Development in Africa," 2019.

[3] Sustainable Development Network Solutions, "Quadrennial Global Sustainable Development Report," 2019; UNEP, "Global Environment Outlook - GEO 6," 2019.

[4] United Nations, "The Sustainable Development Goals Report." Thalif Deen, UN's Development Goals Remain Largely Elusive, accessible on: http://www.ipsnews.net/2019/06/uns-development-goals-remain-largely-elusive/.

Floods in East Jakarta in February 2017 as the Sunte River overflow covered the city with up to 150cm of water (photo: Kompas/Hendra A Setyawan, bit.ly/31V7pFI).

be reached unless countries make more ambitious commitments for the next round (2020).[5] However, reduction of climate change impacts is also closely linked to the achievement of sustainable development pathways, the eradication of poverty and the reduction of inequalities.[6]

The implementation of the National Urban Agenda at the national level is making progress at an even slower pace. Around 92 countries are already implementing some form of national urban policy (NUP), but only 13 have reached the monitoring and evaluation stage.[7] At the regional level, in 2016, European Union (EU) Member States adopted the Pact of Amsterdam, which situates the SDGs and the New Urban Agenda in the European context. In Latin America, the United Nations Economic Commission for Latin America and the Caribbean (UNECLAC), in cooperation with the Forum of Ministers and High-Level Authorities on Housing and Urban Development Sector (MINURVI) and UN-Habitat, adopted the Regional Action Plan for the Implementation of the New Urban Agenda, and created a regional platform to facilitate the follow-up and monitoring of the New Urban Agenda. African countries are exploring the development of a harmonized regional framework for implementing the National Urban Agenda. However in most countries, NDCs and NUPs often remain disconnected from the SDGs.

As illustrated in this brief introduction, there is a general acknowledgment that **the shift towards a new sustainability paradigm envisioned by the 2015 commitments is not taking place at the pace and scale required and, in some territories, it is even reversing. As stated by the UN Secretary-General, the ambitions and efforts towards the implementation of the global agendas need to be upscaled and accelerated if the world is to achieve the transformations needed to preserve our future.** ⊙

5. UNFCC, "Synthesis Report on the Aggregate Effect of the Intended Nationally Determined Contributions," 2015; IPCC, "Global Warming of 1.5°C," 2018, 357–58; United Nations, "The Sustainable Development Goals Report."; For the moment only 7 countries, among a sample of 30 countries and the EU, adopted a trajectory that will be compatible with the Paris Agreement. See the Climate Action Tracker available at: https://climateactiontracker.org.

6. IPCC, "IPCC Special Report 2018: Summary for Policymakers."

7. United Nations, "The Sustainable Development Goals Report," 14; UN-Habitat and OECD, "Global State of National Urban Policy."

1.2 New roles for local and regional governments in the face of major global transformation

The world is experiencing major transformations that are undermining the achievement of the global agendas, changing the structure of our societies, their economic and governance models, and affecting the role and capacities of institutions and actors. The UN Secretary-General identifies five such transformations or 'megatrends', namely urbanization, demographic change, climate change, protracted crises and frontier technologies.[8]

The world population is expected to reach 9.7 billion people by 2050, of which 70% will live in urban settlements. Ensuring the sustainability of such **demographic change** and urbanization rates 'will depend on the successful management of urban growth in low-income and lower middle-income countries, where the most rapid urbanization is expected to happen'.[9] In fact, only three countries will account for 35% of the world's urban population growth between 2018 and 2050 (India, China and Nigeria).[10] At the same time, 55% of the population growth will concentrate in Africa, whose urban population is projected to grow three-fold by 2050. The continent will also have the highest percentage of youth population. In contrast, in all regions except Africa, one quarter or more of the population will be people aged 60 years or above. These demographic changes will have a large impact on urbanization patterns and, while today three out of five (57%) urban dwellers live in cities with less than one million inhabitants, in 2035 this number will reach two and a half in five (53%). The number of megacities in the world (cities with more than 10 million inhabitants) will increase from 33 to 48, and these will host 16% of the world urban population. Forty-three of these megacities will be in the Global South, of which 32 will be in Asia.[11] However, it is not only megacities and metropolitan areas that are likely to grow: intermediary cities, with populations ranging from 500,000 to one million inhabitants, are also expanding rapidly. They encompass more than 8,900 cities and are home to nearly 36% of the world's urban population, and many of them are facing significant urbanization and growth management issues.

As emphasized in the Intergovernmental Panel on Climate Change (IPCC) 2018 special report, if global warning exceeds 1.5°C, the world will be pushed towards a highly uncertain scenario in which the magnitude of climate-related risks will depend on the rate, peak and duration of warming. In order to achieve development pathways that are consistent with the commitment to limit climate change to 1.5°C, enabling conditions must be created that allow for transformational and systemic change with respect to the management of energy, land and ecosystems, urban infrastructure and industrial systems. Established patterns of urbanization are highly reliant on fossil fuels and the complexity of the global circuits of production and consumption mean GHG emissions are concentrated in cities, which account for two-thirds of global GHG emissions and energy consumption, and which more and more are suffering the worst effects of **climate change**. The number and impact of natural disasters have multiplied during the last decade and are increasingly urban in nature.[12] Heat waves, terrestrial and coastal flooding, new disease vectors, air pollution and water scarcity will continue to converge and largely impact cities, unless adaptation and mitigation efforts are designed to decarbonize urban societies. Many cities situated in low-lying coastal areas will be exposed to sea-level rise (estimated at 570 cities, home to over 800 million people), as well as other risks associated with the degradation of ecological systems, such as saltwater intrusion, flooding and infrastructure damage.

Moreover, **armed conflicts** are expanding in many parts of the world posing a huge challenge to the achievement of the SDGs. Eight hundred

8. United Nations Secretary General, "Long-Term Impact of Current Trends in the Economic, Social and Environmental Areas on the Realization of the Sustainable Development Goals."

9. United Nations Secretary General, 7.

10. UNDESA, "World Urbanization Prospects The 2018 Revision."

11. UNDESA.

12. IPCC, "IPCC Special Report 2018: Summary for Policymakers."

Systemic changes are necessary to manage better energy, land and ecosystems, urban infrastructure and industries.

Figure 1

Percentage of population residing in urban areas, 2018 and 2050

2018

2050

Percentage urban

- 75 or over
- 50 to 75
- 25 to 50
- Less than 25
- No data
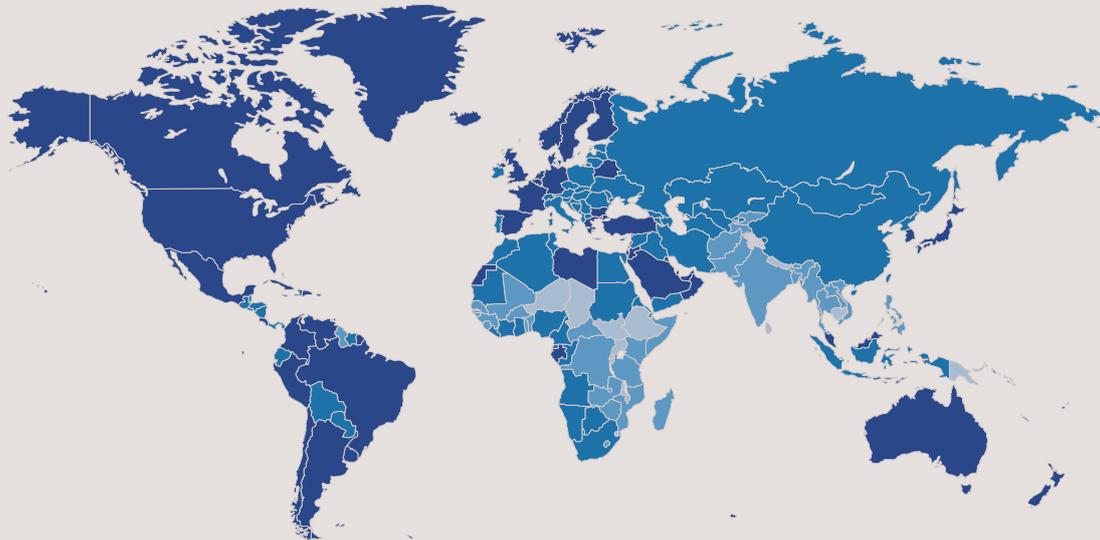
Source: UNDESA, 'World Urbanization Prospects, The 2018 Revision', p. 36.

13. Internal Displacement Monitoring Centre and Norwegian Refugee Council, "Global Report on Internal Displacement."

14. Claire Mc Evoy and Gergely Hideg, "Global Violent Deaths 2017: Time to Decide, Small Arms Survey," 2017.

15. United Nations Secretary General, "Long-Term Impact of Current Trends in the Economic, Social and Environmental Areas on the Realization of the Sustainable Development Goals," 12.

and thirty-six million people are estimated to live in extreme poverty in fragile or conflict-ridden contexts. Moreover, the number of globally displaced people – because of conflict or climate change-related disaster – had risen above 65 million by the end of 2017, almost twice the number of displaced people 20 years ago.[13] According to recent data, however, 82% of violent deaths also occur in 'non-conflict zones', and particularly in urban centres.[14] These include violence from exclusionary processes, interpersonal violence, hate crimes and organized crime. Meanwhile,

corruption, threats to the freedom of the press or to the rights and freedoms of civil society organizations (CSOs) are worsening worldwide, leading to declining social trust, polarization and unrest. Thus, 'local institutions have an even more important role in managing vulnerability and providing incentives to enhance resilience'.[15]

Frontier technologies create immense possibilities to improve human wellbeing, environmental management and boost economic prosperity. They are already influencing city management, optimizing public service delivery

(e.g. smart grids) and improving access to basic services of populations living in remote or marginalized areas through, for instance, decentralized renewable energy and sanitation options. Technologies are also being used to facilitate access to better data and improve accountability and citizen participation, as well as contributing to reducing carbon-intensive energy consumption patterns and helping to monitor urban and natural systems and their interactions. The 'Internet of Things' and Artificial Intelligence will also accelerate these changes. Nevertheless, despite the opportunities they present, the use of new technologies and big data to optimize the management of public goods also gives rise to tensions since public goods are by their nature common goods to which all populations must be ensured — yet do not always have — access. Moreover, ICT and the data it generates often leads to sensitivities around population privacy and monitoring which, together with the effects of the 'gig economy' — facilitated by ICT — on housing and labour rights, are increasingly important issues on local agendas. Many LRGs are trying to address these issues (e.g. the Global Coalition of Cities for Digital Rights, Declaration of Cities for Affordable Housing). A further challenge is the increasing technological divide between more and less economically developed countries, as well as between urban and rural areas. This, technological gap, needs urgently to be tackled to ensure the opportunities brought about by new technologies are accessible to all.

Recent global assessments explore different levers and 'entry points' that could entail the adoption of the systemic approaches needed to accelerate the implementation of the global agendas. '**Sustainable urbanization**' is considered one of the key 'entry points', since it embodies the interlinkages and interactions between the different dimensions of the SDGs and the other agendas.[16] Other reports, such as the 2019 Quadrennial UN Global Sustainable Report and the IPCC 2018 Report, adopt similar approaches in relation to urbanization.[17] Urbanization and territorial development are becoming more and more central to sustainable development strategies. As our societies become increasingly urban, the transformative impact of cities and their interactions with peri-urban and rural areas — the so-called 'rural-urban continuum' — are more and more a focus of the global and national agendas. As such, the initiatives of LRGs are increasingly recognized as central to the progress of these agendas.

Existing analysis considers that, with their concentration of people and economies of scale, their propensity to innovate and their capacity to bring together local stakeholders, local authorities and cities have a privileged position to elaborate development strategies that are more sustainable.

Some reports emphasize that the cumulative benefits of integrated approaches fostered by urban systems can bring as much as a 20-fold improvement in resource and energy efficiency.[18] Well-managed cities can accelerate the transition towards low-carbon societies, strengthen resilience strategies and reduce the impact of the urban carbon footprint, while also facilitating access to sustainable economic alternatives, improving social inclusion and advancing rights-based agendas that put people at their centre.[19] Equally, well-planned territories can contribute to reshaping urban and territorial systems, adopting a more balanced approach to territorial development that tackles growing territorial inequalities by fostering collaboration between towns, intermediary cities and metropolitan areas and their hinterlands, and better managing the development of urban corridors and clusters as well as optimizing urban-rural interactions.[20]

Nevertheless, without definite policy interventions, the population increases expected to take place in urban areas over the next 30 years, and the consequent impact on GHG emissions and depletion of natural resources will be greater than any seen before in human history. Forecasted urban growth translates into 85 million more urban dwellers per year. Thus, the New Urban Agenda must be understood as a 'catalyser' for the implementation of the SDGs, one that fills in the urban dimensions of the 2030 Agenda. At the same time, it is important to remember that the multiple trade-offs between the two agendas could also limit the combined potential for scaling-up local policies. Urban densification, for example, could support climate mitigation strategies by reducing emissions, while simultaneously increasing adaptation challenges by intensifying heat island effects and inhibiting restoration of local ecosystems.[21]

As shown in the aforementioned UN reports, structural transformations are putting increased pressure on the implementers of the global agendas. The progress cities and territories make towards the execution of the global agendas will be determinant in transitioning towards the sustainable development pathways necessitated by these agendas. This requires not only strengthening of the governance of territories and cities but also coordination with national sustainable development strategies (NSDSs) to ensure that LRGs play a greater role incrementally in the transition towards a sustainable future.

The following section summarizes the growing role of LRGs in the achievement of the global agendas and illustrates through different examples how they contribute to developing more sustainable and inclusive development patterns. ◉

[16.] The report proposes "6 SDG transformations". Sustainable Development Network Solutions, "Quadrennial Global Sustainable Development Report," 4–5. See also: UNEP, GEO 6.

[17.] Urbanization is one of the four megatrends. IPCC, "IPCC Special Report 2018: Summary for Policymakers"; Sustainable Development Network Solutions, "Quadrennial Global Sustainable Development Report."

[18.] UNEP, "The Weight of Cities," 2018.

[19.] UN System, Chief Executive Board for Coordination, UN System-Wide Strategy on Sustainable Urban Development, 26 April 2019, CEB/2019/4/Add.4. See also, UN-Habitat 2016. Local Economic Development, HABITAT III Issue Paper, New York, 31 May 2015.

[20.] UCLG, "Co-Creating the Urban Future."

[21.] IPCC, "IPCC Special Report 2018: Summary for Policymakers."

2. How LRGs are taking the lead in the achievement of the global agendas

2.1 A worldwide LRG movement committed to the global agendas

Since 2016, the local and regional movement for the localization of the SDGs has been progressively expanding to all parts of the world, albeit at a different pace within and between regions. Progress is more noticeable in some regions, for example Europe, and particularly Northern and Western European countries, where a remarkable number of LRGs are reported to be involved in the localization process. In Southern Europe and the Baltic countries, mobilization around the SDGs is growing, while it remains more limited in Central Europe and is still incipient in Eastern and South-Eastern Europe. In North America, an increasing number of pioneering high-profile cities and states are demonstrating their commitment to achieving the global agendas, with the support of their local government associations (LGAs), non-governmental organizations (NGOs), foundations, private sector and grassroots organizations. Caribbean LRGs, with the support of international LRG networks, are also increasingly engaged in the localization process, most notably in Jamaica and Trinidad and Tobago and, to a lesser extent, Dominica and Saint Lucia.

Progress has been more varied in **Latin America**. This has been driven mainly by LRGs and LGAs in Brazil, Costa Rica, Colombia, Dominican Republic, Ecuador, and by regional governments and large cities in Argentina and Mexico. Elsewhere, mobilization around SDG localization is slowly growing (Peru, Bolivia, Guatemala and Honduras). In **Asia-Pacific**, a number of LGAs at the national and regional level have made substantial efforts to disseminate the global agendas and mobilize their members, while promoting knowledge-sharing and peer-to-peer exchange (e.g. UCLG ASPAC). Many LRGs are making progress in the alignment with the SDGs of their policies and plans (Japan, South Korea, China and Indonesia, followed by Australia, the Philippines and New Zealand). In federal countries, such as India and Pakistan, alignment efforts remain more concentrated at the state or provincial level. Initiatives are expanding at different rates in the other countries of the region, as well as in the Small Island Developing States (SIDs) in the Pacific. In **Africa**, significant efforts have been made developing local and regional plans and strategies aligned with the SDGs, thanks to the support of national and regional LGAs. LRGs in Benin, Kenya, Rwanda, South Africa and Togo are among the frontrunners, followed by Burundi, Cape Verde, Côte d'Ivoire, Ghana, Mali, Mozambique, Tanzania and Uganda. Meanwhile, progress in the **countries of the Eurasia and the Middle East and West Asia (MEWA) regions** remains slow (with the notable exception of

At the global level, LRG networks encourage and support more systematic local and regional implementation of the global agendas.

Turkey) in environments dominated by centralized governance systems and, in the case of MEWA, by the persistence of severe conflicts.

At the global level, LRG networks have played a key role in encouraging and supporting more systematic local and regional implementation of the global agendas. Indeed, since the end of 2012, UCLG has been actively involved in the preparation of the post-2015 agenda. Following the participation of its President, the Mayor of Istanbul, in the High-Level Panel of Eminent Persons on the Post-2015 Agenda, UCLG created the Global Taskforce of Local and Regional Governments (GTF), bringing together the world's main global and regional organizations of LRGs. The advocacy work of UCLG, in partnership with the other LRG networks and partners, has been instrumental in strengthening the dialogue with the UN and international and regional institutions, at the same time mobilizing their members for the 2030 Agenda, the Paris Agreement on climate change and the other global sustainable agendas. In this sense, 2015 represented a tipping point in UCLG advocacy, with the recognition of LRGs' role in the SDGs, particularly SDG 11, as well as in the Paris Agreement, and later in the New Urban Agenda, when the representation of Mayors became the symbol of the UN Summit in Quito. Since that time, 'localization' has been recognized as a critical dimension in the achievement of the global agendas.

Furthermore, regional and national LGAs are actively contributing to the localization of the SDGs in most regions. Their actions range from mobilizing their members to the organization of hundreds of conferences, workshops, awareness-raising campaigns, capacity-building, provision of technical support and implementation of pilot projects; as well as actively fostering dialogue and exchanges with regional and international organizations through their advocacy work with national governments. Another common feature is that many **regions**, **metropolitan areas** and large cities across the world have successfully managed to raise the profile of their innovative actions and best practices for the localization of the SDGs. However, while these are all positive trends, outreach is still limited to 'frontrunners' and mobilized cities, regions and their associations, and not across the board.

Finally, several LRGs and their organizations are placing a strong emphasis on mobilizing and building alliances with local stakeholders as part of SDG localization processes, in particular

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Figure 2

Involvement of LRGs in VNR process (2016-2019)

Participation

Weak participation

No participation

No LRGs in reporting countries

Committed to report in 2019, no information yet available

Source: UCLG, GTF, 'Towards the localization of the SDGs, Report to the 2019 HLPF'.
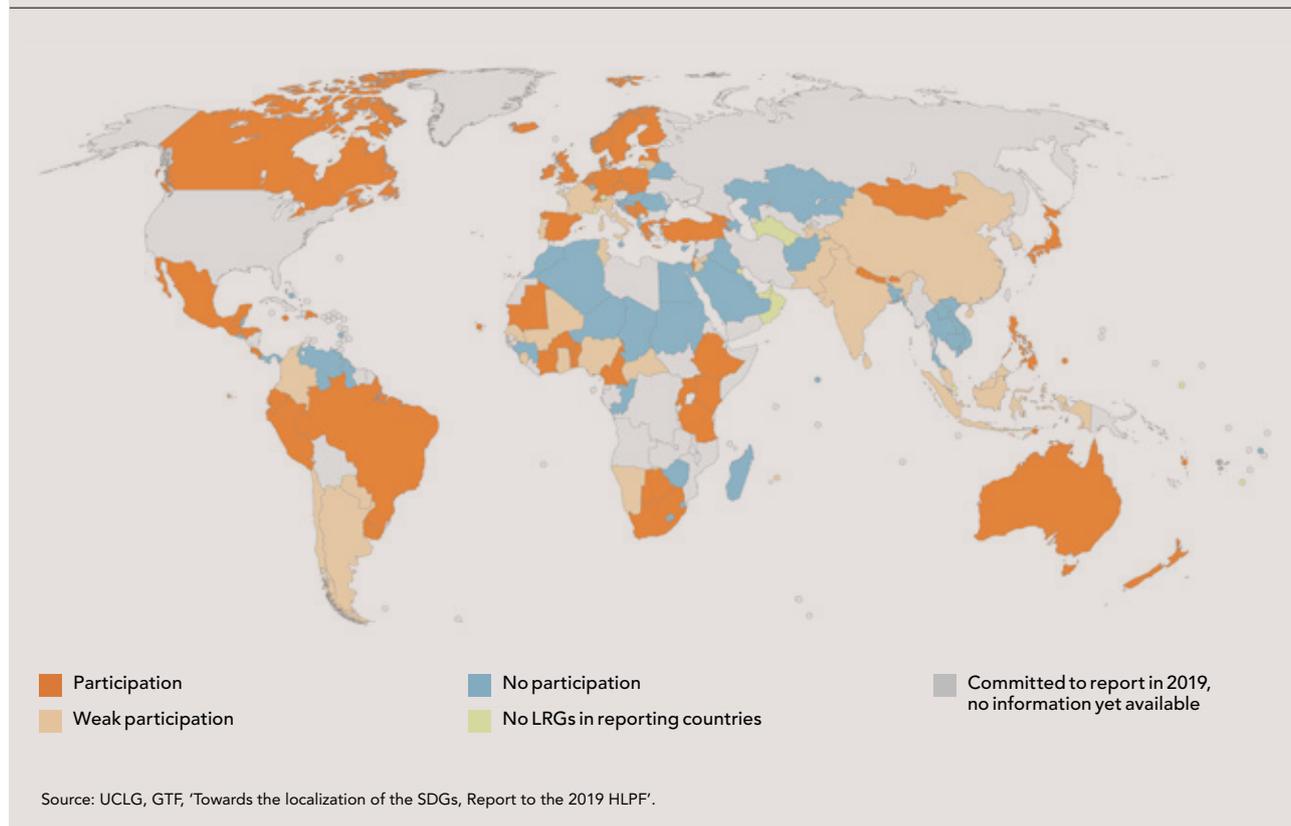
A sticker for the joint booth of the Asian Coalition for Housing Rights and Slum/Shack Dweller International (SDI) at the World Urban Poor Forum in Naples, 2011 (photo: SDI, t.ly/RDWnD).

with NGOs, CSOs, private sector, academia and knowledge-based organizations. Examples of multi-stakeholder platforms and campaigns to support SDG localization are abundant in Europe (e.g. SDG charters and forums), and in North America, as well as in Latin America, the Asia-Pacific region (e.g. Local Sustainability Alliance of Korea) and Africa (e.g. 'Know your City').

National governments and international institutions should take greater advantage of the current mobilization trends to develop real 'whole-of-government' and 'whole-of-society' approaches, as required by the 2030 Agenda. The mobilization of civil society and NGOs in sustainable development is reaching an unprecedented scale. Worldwide social movements have recently emerged, mainly led by young people, women and indigenous people. Within the private sector, some leading enterprises have also begun to move away from 'business-as-usual' approaches, for instance by adopting and reporting on sustainability standards.[22]

However, the openness of the governance systems and follow-up mechanisms for the implementation of the SDGs does not necessarily reflect the degree of mobilization of LRGs and their networks. Institutional arrangements for SDG implementation in each country were reviewed for this report with the aim of assessing the involvement of LRGs in mechanisms set up for the coordination of implementation processes. The analysis thereof concludes that the involvement of LRGs is still globally unsatisfactory. As reported by the GTF to the UN, LRGs were consulted (in some way) during the reporting process, albeit cursorily in some instances, in only 42% of the countries that reported to the HLPF between 2016 and 2019. Moreover, LRGs were involved (in some way) in the national coordination mechanism in only 33% of these countries.[23] This has had a direct impact on the degree of mobilization and engagement of LRGs in the different countries.

Nonetheless, formal participation in itself will not create the desired and necessary transparency and openness of governance of the SDGs. To leverage the positive actions of LRGs, civil society and partners, the objectives and modalities of the HLPF, as well as other regional and global forums, need to be revised. The world needs to **transform the HLPF into an effective multilateral and multi-stakeholder space for dialogue, to foster exchange of experiences and knowledge-sharing, to strengthen collaboration and partnership, and to ensure real oversight of commitments and policy implementation**. Without a revamped mechanism for stronger institutional and stakeholder engagement that promotes coordination and greater accountability to ensure that initiatives perform in a resource-efficient and effective manner, the SDGs will remain aspirational goals only. ⊙

22. The Global Compact registers the commitment of 9900 leading companies. See: https://www.unglobalcompact.org/; Sustainable Development Network Solutions, "Quadrennial Global Sustainable Development Report"; The business sector is increasingly worried about environmental policy failure. World Economic Forum, "The Global Risk Report," 2019.

23. UCLG and GTF, "Towards the Localization of the SDGs 2019."

Regional and national LGAs are actively contributing to the localization of the SDGs in all regions.

2.2 Mapping LRG efforts to align local and global agendas

As summarized in the different regional chapters, LRGs find themselves at different stages of the SDG implementation process. **Table 1 proposes a scheme to identify the different stages of this process**.

Although with important differences, committed LRGs in the majority of the regions are mostly in the preparatory phase of the process: moving from commitments, to the alignment of their urban development plans, policies or territorial strategies with the SDGs; raising awareness between local stakeholders and engaging local partners; and defining coordination or follow-up mechanisms. Only those LRGs that are more advanced are in the operationalization phase, linking SDG priorities and budgets, retrofitting the SDGs within existing programmes and projects, and launching new initiatives. Moreover, a limited number of LRGs have defined systems of indicators supported by monitoring and evaluation mechanisms aligned with the SDGs. In general, these tend to use regular follow-up mechanisms, such as budget tools, and regular reporting systems. Meanwhile, some LRGs have decided to go a step further and are developing Voluntary Local Reviews (VLRs) to measure their contributions to the achievement of the SDGs.

Table 1 Stages of SDG implementation process

Stage	Focus	Activities
1	**PREPARATION** National level	• Preparation of national strategies (integration/alignment of the SDGs with national development strategies - NDSs or development of a 2030 Agenda plan). • Appointment of a responsible national coordination body and building an inclusive governance arrangement to promote a 'whole-of-government' and 'whole-of-society' approach to SDG implementation. • National monitoring and evaluation framework and indicators. • Information and consultation (national and local). • Localization strategy for implementation of SDGs: vertical and horizontal alignment of policies. • Dedicated means of implementation: technical assistance and training programmes, financing mechanisms. • National reporting system for the preparation of the VNR with a multi-stakeholder participatory approach.
	PREPARATION Local/regional level(s)	• Alignment of local development plans (LDPs) with the SDGs and/or national development plans (NDPs) that are already integrated with the SDGs. • Local/regional coordination body: building governance arrangements. • Strengthening local information and consultation. • Setting priorities and targets for implementing local 2030 Agenda plans.
2	**OPERATIONALIZATION**	• Setting priority targets, involving local stakeholders, preparing investment plans and budgets for projects and programmes. • Operationalizing SDG monitoring and evaluation of performance targets and indicators. • Collaborative multilevel governance (MLG) and coordination arrangements established to support co-funded local SDG initiatives. • National and local retrofitting of SDGs to existing projects and programme activities.
3	**SCALING-UP/ MAINSTREAMING**	• Long-term plans, budgets and funding models for scaling-up to long-term programmatic and bundled programme activities. • Mainstreaming and tailoring to context and scale. • Knowledge transfer involving continuous open learning.
4	**ADAPTING/ GLOCALIZING**	• Glocalization of good practices. • Customization and adaption of learning and good practices. • Value-adding through innovation and creativity. • Developing learning systems and technologies.

Source: Brian Roberts for the 'GOLD V Report'.

However, it is not easy to establish a strict separation between the different stages. De facto, as underlined in the regional chapters, local-level sustainable development initiatives were already in existence before the adoption of the 2030 Agenda and, although not branded SDG efforts as such, many contribute directly to the realization of the Goals.

Several variables have been identified as levers that contribute to some LRGs being more advanced in their alignment and operationalization processes than others. These are: 1) the existence of robust national SDG localizing strategies; 2) institutional environments conducive to LRG actions; 3) adequate technical and financing support; and 4) political will and engaged local communities. Based on the analysis provided in the regional chapters, the following patterns can be elucidated to map those countries where

LRGs appear to be more advanced in the SDG localization process, and those where they are lagging behind. Figure 3 (below) identifies 31 countries out of the 88 that were reviewed, where 'territorialization' strategies have been strongly promoted to support LRG involvement in the localization of NDPs and their contributions to the implementation of the Global Goals (e.g. Benin, Costa Rica, Iceland, Indonesia and Serbia, among others).

Countries in **Group A** stand out for having a significant number of their **LRGs contributing to SDG localization through bottom-up initiatives**. These frontrunner countries have NSDSs or policies for the implementation of the SDGs, many of which have been developed through a consultative process involving their LRGs. They include Northern and Western European countries (e.g. Belgium, Denmark, Finland, Germany, Iceland, the Netherlands, Norway,

Figure 3

Correlation between the degree of decentralization and territorialization of the SDGs and the extent of localization in 88 countries
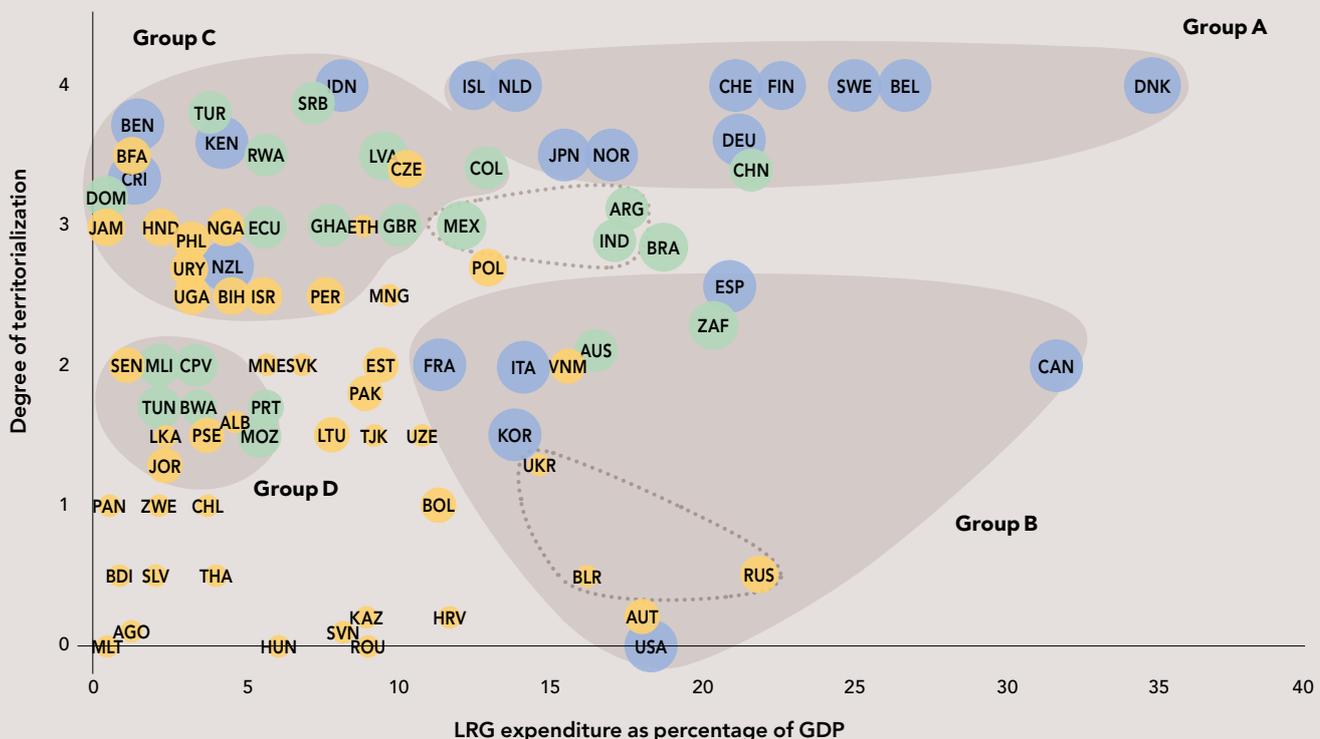
Note: The x-axis refers to the level of decentralization in the 88 countries reviewed, calculated on the basis of 'LRG expenditure as percentage of GDP' as provided by the OECD/UCLG, 2019 Report of the World Observatory on Subnational Government Finance and Investment. Nevertheless, this ratio gives a partial picture of the state of decentralization and should be interpreted with caution. The y-axis indicates the policies for the territorialization of the SDGs included in the NDSs, based on the information collected for this report and the participation of LRGs in coordination and reporting mechanisms as an indicator of the level of importance given to LRGs in the implementation strategies, data for which has been extracted from the 2019 Global Taskforce of Local and Regional Governments' Report, 'Towards the Localization of the SDGs'. 0 has been assigned to countries where there is no LRG involvement in national coordination and reporting mechanisms; 1 to countries that mentioned LRGs in their VNRs, even if LRGs did not participate in national mechanisms; 2 to countries where LRGs participate either in coordination or reporting mechanisms; 3 to countries where LRGs participate in both coordination and reporting mechanisms (advisory role); and 4 to countries where LRGs fully participate in both national mechanisms (in the reporting unit). The size and colour of bubbles reflects the extent of localization, with large blue bubbles and middle-sized green bubbles indicating a stronger degree of LRG mobilization, while small green/yellow bubbles show countries where localization is still in its infancy.

Sweden and Switzerland), as well as Japan. They benefit from a strong legacy of local autonomy and multilevel governance. National strategies for sustainable development policies and existing coordination mechanisms facilitate collaboration between national and sub-national levels. In many cases, LRGs are moving even faster than their national governments and engage in broader national and local alliances with civil society and social partners. China appears to be an exception in this group since, although its LRG spending accounts for a substantial share of GDP, in all other aforementioned criteria it accords with Group C.

Group B comprises those countries with a tradition of local autonomy and in which **localization is mainly a bottom-up process**. Despite limited (or non-existent) national strategies for SDG localization or insufficient coordination, the actions of LRGs to align their plans or initiatives with sustainable policies are in many cases remarkable. In some cases, LRGs build on previous experiences with Local Agenda 21 (e.g. in South Korea) or refer to other commitments such as the Paris Agreement on climate change (e.g. the United States), often in partnership with different stakeholders (NGOs, CSOs, business sector, philanthropy). In other cases, LRGs and their associations play an active role in shaping the national strategy or localization roadmap, while at the same time striving to increase the number of LRGs involved in the process (e.g. Australia, Austria, Canada, France, Italy and Spain). South Africa is also included in this group because of its relatively high level of local spending as a percentage of GDP. Yet, according to the other criteria, it too should be in Group C. Conversely, for the same reasons, New Zealand, which is in Group C, should be included in Group B: it is in Group C due to a lower level of local expenditures as a percentage of GDP, although this low level of fiscal decentralization does not necessarily reflect its overall level of decentralization.

Three Eurasian countries (Belarus, Russia and Ukraine), with small bubbles (showing an incipient level of localization), are part of this group because they have a relatively high level of LRG expenditure as a proportion of GDP. However, the characteristics of these countries do not correspond to those of the other countries included in the second group. They have de facto more centralized planning and low decentralization. The same applies for Viet Nam.

A smaller group placed between Groups A and B, includes federal countries (e.g. Argentina, India and Mexico). While progress aligning SDGs with strategic plans at intermediate levels (states and provinces) has been made at the municipal level, decentralization processes are more limited and remain sluggish. Brazil is close to this group, but both federated states and municipalities are taking actions to localize the SDGs. However, the national government in power since January 2019 is retreating from its commitments thus weakening the localization approach.

Group C consists of countries that are **mixing top-down localization strategies and bottom-up actions through normative and incentive policies**. In all regions, countries engaged in decentralization processes and that have integrated the SDGs in their development strategies are fostering LRG involvement – some of them through robust localization policies. In these countries, LRGs are requested by national governments to align their plans with NDSs, but are also encouraged and supported to undertake their own initiatives. In many of these countries, LRGs and their LGAs are making significant efforts, sometimes in the face of institutional obstacles, to engage in the localization process. In countries with favourable institutional environments, LRG participation can be better facilitated and more innovative and dynamic (e.g. Colombia and Ecuador). As already mentioned, China should be included in this group. Other countries also belonging to this group are Benin, Costa Rica, Dominican Republic, Ghana, Indonesia (where 52% of provincial governments have already mapped their plans against the SDGs), Kenya (where the country's 47 counties have aligned their plans with the SDGs), Latvia, Peru, Rwanda, Serbia, Turkey and Uruguay

Conversely, when strong vertical implementation of national strategies is not matched with adequate support to ensure real buy-in at the sub-national level, progress in SDG localization is limited or uneven. Even with a relatively favourable institutional framework for LRGs, without well-structured support, the localization process and LRG involvement may be patchy (e.g. the Philippines, which is included in this group but with a smaller yellow bubble). In some federal countries with a strong top-down approach (e.g. Ethiopia and Nigeria), and where local governments are particularly weak, the alignment process can become locked at the state or regional level, thus increasing the gap with local governments.

Group D represents those countries in which, although the LRG institutional environment is more constrained (or the decentralization process is only just underway), national leadership, combined with strong support from international

Even with a relatively favourable institutional framework for LRGs, without well-structured support, the localization process and LRG involvement may be patchy.

24. Contribution of C40, ICLEI and NR4SD to the GTF-UCLG Report to the HLPF 2019.

25. United Nations Secretary General, "Progress towards the Sustainable Development Goals."

agencies, provides a good incentive for LRGs to develop pilot projects at the local level (e.g. Botswana, Cape Verde, Mali, Mozambique, Senegal and Tunisia). In these countries, the national associations of LRGs also play a key role in promoting SDG localization.

In addition, the lack of decentralization in the majority of MEWA countries (excluding Turkey) also hinders the localization process. **Overall, LRGs are unlikely to develop initiatives in countries facing adverse institutional environments and significant political uncertainties**.

Although not represented in Figure 3, a handful of globalized metropolitan cities, led by committed mayors, are also leading their **own bottom-up initiatives to articulate the different agendas**. As mentioned in the Metropolitan Areas Chapter, 27 large cities announced that they had already peaked their carbon emissions, and 72 cities committed to achieve carbon neutrality by 2050 through a combination of zero-emission transport, the use of 100% renewable energy, net-zero carbon buildings and zero-waste by 2030, and to do so in an equitable and inclusive way.[24] More than 35 cities have announced their pledges to the right to housing.

Despite the aforemetionned progress, the localization process is still incipient in the majority of countries. To make this process more effective, countries will have to rethink their governance systems to create strong incentives for LRGs to galvanize bottom-up action and participate in the achievement of the global agendas. **Overall, national leadership and the institutional framework for multilevel collaboration, as well as the enabling institutional environments for LRGs to act, are identified as the main levers — and main concerns — from the perspective of LRGs, in facilitating the localization process**.

As emphasized throughout the report, there is an increasing acknowledgement by the international community of the need to harness the potential of sustainable urbanization and territorial development as a transformative force to achieve sustainable socio-economic and environmental dynamics. **To the extent that their national and local realities will allow, LRGs are stepping up to the task, emerging as key institutional drivers of change, and progressively mobilizing to achieve that change and take concrete actions towards the localization of the SDGs.**[25] **Committed LRGs are approaching the targets of the SDGs and related agendas as a catalyst for transformation, building on local action, multilevel coordination and decentralized cooperation to advance people-centred agendas for sustainable prosperity**. The following section provides an overview of localization efforts in relation to the different dimensions of development. ◉

Power generation plant in the Navajo Reservation of Page, Arizona, United States (photo: Alex Proimos, bit.ly/35hAzRh).

2.3 Local and regional government initiatives and challenges in approaching sustainable development

Local and regional governments (LRGs) hold a key position as the level of government that is closest to the needs of the population. Yet, as has already been discussed, institutional development, in terms of decentralization, the establishment of adequate multilevel governance mechanisms and the availability of adequate means of implementation, creates different environments that enable (or hinder) the local transformative action that stems from the territories. Thus, the ways in which local action steers urbanization and territorial development will largely be determined by the institutional contexts and particular realities of communities and territories. Bearing in mind this contextual relevance, this report aims to contrast whether and how the potential of local action is being harnessed to positively impact development dimensions such as ensuring populations' access to basic public services and co-creating more inclusive, prosperous and environmentally conscious settlements and communities. Are the world's cities and regions (re-)urbanizing in ways that realize their transformative potential to confront the challenges that our societies are facing? And if so, how exactly is such transformation taking place and is it happening fast enough?

This report has provided a compilation of urban, territorial, social, economic and human policy innovations that seek to build people-centred and prosperous communities and territories while guaranteeing the planet's preservation. **Cities and territories are the backbone of social, economic, environmental and cultural development in the majority of regions**. However, socially and environmentally unsustainable production and consumption patterns tend to underpin economic development, in turn giving rise to dynamics of inequality and aggravating climate change. As a response, frontrunner LRGs have put forward a wide range of initiatives to address the many dimensions of sustainable development, focusing mostly on the interlinkages between poverty, access to public services, social inclusion, economic development and environmental protection.

The scale and urgency of the aforementioned challenges and the complex web of shared responsibilities require commitments from all levels of government. However, as the level of government closest to the citizens, LRGs are often the first responders to people's demands for basic public services and community protection with a direct or indirect impact on the safeguarding of many common goods (e.g. drinkable water, land degradation, air and ocean pollution, and their impact on biodiversity).

Indeed, a significant number of **LRGs have been at the forefront of climate action, taking the lead with respect to the preservation and restoration of ecosystems across all regions**. In 2019, more than 10,000 cities from 129 countries made a commitment to take measurable climate action through the Global Covenant of Mayors for Climate and Energy. The most ambitious LRGs committed to implement these goals in an equitable and inclusive way. In order to achieve these goals, LRGs are gradually taking action to **accelerate the concerted transition towards clean and affordable energy**, for example increasing the energy efficiency of local government equipment, as well as of buildings, heating and transport systems through urban renewal programmes. Many cities are developing different renewable energies, divesting from fossil fuels, or supporting the transition towards renewable electricity by 2020. Many LRGs are also making **efforts to develop cleaner and more inclusive public mobility systems**. Low-emission mobility strategies are becoming increasingly widespread, and tend to include supporting electric vehicles, reducing automobile travel and promoting active mobility to decarbonize transportation. In all regions, LRGs are rethinking

and expanding public transport networks, and formulating local development plans (LDPs) to create multimodal transport systems, reducing commuting times and including distant and deprived neighbourhoods in the formal economic fabric.

Waste management strategies also rank high on local agendas. In 2018, many leading cities and regions stepped up their actions towards achieving zero waste. This involved a commitment to significantly reduce waste generation and increase move-away from landfill and incineration practices to instead promote the capture and use of landfill gases, transforming waste to energy and adopting zero-plastic policies, taxes and fees (usually based on the 'polluter pays' principle). As part of their waste management strategies, many cities in developing countries are more and more integrating informal waste-workers and communities into the mainstream, in an effort to adopt a holistic approach to development that promotes inclusiveness in access to economic opportunities.

Moreover, LRGs are increasingly **mainstreaming disaster risk prevention** and climate change adaptation programmes within their urban and territorial planning. In partnership with international organizations (United Nations Office for Disaster Risk Reduction — UNDRR, UN-Habitat) and city networks, many LRGs are designing and implementing more innovative and comprehensive resilience strategies. LRGs are increasingly making use of new technologies, promoting the involvement of communities and the most vulnerable populations through comprehensive bottom-up asset planning processes and mainstreaming resilience into neighbourhood upgrading plans.

In response to the increasing inequality brought about by unsustainable economic development, LRGs around the world are promoting innovative policy approaches. These **explore alternative economic models**, such as the social and collaborative economy, circular and green economy, creative and cultural economy, smart specialization and technological clusters. Moreover, they are fostering small, medium and micro enterprises that are a greater source of employment in almost all regions. At the same time, many cities in developing countries are promoting the integration of informal workers

(transport, street vendors, craftspeople), to improve labour conditions and public space use. LRGs are also important local employers, responsible for the respect of decent work and the application of sustainable procurement policies.

Inequalities are also growing both within and between regions and cities (for example between metropolitan areas and peripheral cities and growing and shrinking cities), **and between urban and rural territories**. These territorial inequalities constitute a major modern challenge, and will need to be addressed if the objective of 'leaving no one and no place behind' is to be achieved. In some regions, promoting territorial cohesion and achieving a more balanced territorial development are at the centre of territorial sustainable agendas (e.g. Europe) or part of the regional agendas (as is the case with the African Agenda 2063). For their part, LRGs are advancing initiatives to reinforce cooperation between territories through inter-municipal cooperation and partnerships, and fostering smart specialization that promotes the sustainable development of rural and peri-urban areas located on the urban fringes. Key components usually include shared land planning and economic development strategies, including access to social services for peri-urban areas, supporting territorial food systems and the protection of environmental resources that are critical for urban systems (e.g. watershed management, wetland and coastal areas protections, reforestation, etc.). Nevertheless, it is still necessary to adopt a more proactive approach to the articulation of urban areas into the wider territory they belong to, explicitly acknowledging the fundamental importance of understanding and promoting sustainable development across the whole urban-rural continuum. The adoption at the national level of a territorial approach to local development remains pivotal for scaling-up the reach and impact of such initiatives.

The aforementioned inequalities continue to feed **urban poverty,** posing huge challenges to the governance of cities and territories. Although extreme poverty has decreased in past years, urban poverty has persisted and even worsened in poor territories and large urban agglomerations. Given its multi-dimensional nature, poverty in cities and territories relates to a number of the SDGs, and efforts to combat it are ultimately enshrined in the key principle of the SDGs of 'leaving no one behind'. The urban poor are also particularly exposed to urban violence, which is on the rise in many cities and becoming a key determinant in the governance of cities and metropolises in Latin America, North America and Africa. The fight against poverty remains inextricably linked with access to basic services, food and nutrition, health and education, economic opportunities, adequate housing and disaster risk prevention for the most vulnerable. Consequently, many LRGs are fostering

Territorial inequalities are a major modern challenge. LRGs are advancing initiatives to reinforce cooperation between territories.

inclusive social policies to support the access of the most vulnerable populations to these basic goods.

Informality and the expansion of informal settlements are two of the more salient issues related to urban poverty, as well as prominent characteristics of urban settlements, particularly in African, Latin-American and Asian countries. Informality and unplanned urbanization hinder LRGs' capacity to steer sustainable local development. As informal settlements continue to spread, LRGs face daunting challenges in providing their populations with urban utilities and basic services. In many cases, the lack of resources and inadequate legal frameworks (e.g. regarding the status of land, property and tenancy) do not allow LRGs to develop urban infrastructure. When it is possible and safe, LRGs are implementing incremental upgrading programmes with the participation of civil society, as well as revisiting land-titling procedures to overcome these challenges and develop the necessary infrastructure to provide citizens with basic services. Although the tendency regarding LRGs' responses to informal settlements increasingly leans towards in-situ upgrading, there are still cases where settlements are evicted. LRGs are assigned the responsibility to relocate the settlements' inhabitants, a highly complex task requiring forward-thinking policy innovation.

The expansion of informal settlements is linked **to the right to affordable and adequate housing** which, within the framework of the global housing crisis, is becoming more and more prominent in LRG agendas. Local leaders of the largest cities, both in developing and developed countries, are using their planning and land-use powers to advance their populations' right to housing, in an effort to overcome the effects of the commodification of housing, the lack of national funding and the deregulation of housing markets. They are proposing inclusionary housing policies, regulation of rental urban markets, increasing taxation for vacant housing, designating particular areas within conurbations as destinations for the production of social housing, and establishing affordable housing quotas as mandatory for newly built developments. Moreover, some LRGs, particularly those in less economically advanced territories, are promoting incremental housing production and self-production, as well as supporting their populations with technical and financial assistance, within the framework of slum upgrading initiatives. Nevertheless, action stemming from the territories in this particular field is still far from the scale that is needed, given the magnitude of the housing crisis. Increased housing demand for use, investment and speculative purposes is putting some communities into 'housing bubbles' that unequivocally require bold and integrated policy responses from all levels of government, including supranational, as well as

a strong partnership with communities, NGOs, financial institutions and private sector.

In spite of the challenges posed by informality, **access to basic services** and particularly to piped water and sanitation, have overall improved at the global level, although to a lesser extent in Sub-Saharan Africa. The supply of drinking water and sanitation are usually local competences that LRGs are undertaking in progressively more sustainable and inclusive ways. Nevertheless, the growth of urban agglomerations is putting growing pressure on increasingly scarce water resources, for instance in metropolises such as Bangalore, Cairo, Cape Town, Melbourne or Mexico City. Thus, fragmented urban governance becomes a major challenge with regard to establishing sustainable use patterns and ensuring the preservation of water basins, which oftentimes extend beyond political jurisdictions and serve a number of territories simultaneously. In developed countries, in response to the privatization of water provision and public services that occurred in many cities and regions in the past couple of decades, some LRGs are pushing for the remunicipalization of services (water, energy, transport). Moreover, they are at the forefront of initiatives aimed at increasing affordability and inclusivity of services for the most vulnerable populations, such as the modification of fee structures (introducing progressive fees according to income levels or special tariffs for particular populations), the provision of economic support, and the prohibition of water supply disconnection.

LRGs and their networks are **strongly committed to the protection of human rights** and, on the 65th anniversary of the Declaration of Human Rights, took the opportunity to renew their commitments. Moreover, LRGs are harnessing the conceptual tool of the 'Right to the City' to formulate policy responses and concrete solutions that directly connect with the Human Rights Charters. Poverty contributes to and compounds discrimination, interacting with the discrimination that groups may already face in society and making it even harder for those groups to have access to a dignified life. It disproportionally affects women, indigenous peoples and ethnic minorities, LGBTQIA+ populations, the elderly, the youth, migrants and people with mental and physical disabilities. As part of their daily actions and responsibilities, LRGs contribute in a multiplicity of ways to tackling the discrimination faced by these populations, such as through initiatives aimed at ending violence and promoting lifelong educational opportunities and local culture.

LRGs are at the forefront of promoting **culture** as a fundamental pillar of sustainable development, and their commitment to adopting a multilateral approach to the promotion of culture is crystallized in their endorsement of initiatives such as the Agenda 21 for Culture.

The political leadership of cities is key in drafting human rights-based agendas relating to migration and refugees and reconstruction processes.

Local agendas are increasingly cognizant of gender-based discriminations and working with female leadership to promote their role in SDG localization. Alongside the albeit varied progress in relation to female representation in local governments, LRGs with the support of their organizations are mainstreaming gender-specific approaches to urban management and policy-making. This is through programmes ranging from those that aim to address gender violence to those that acknowledge the role of women in the informal economy, developing targeted initiatives to promote equality for women and girls.

Migration is becoming one of the most concerning phenomena of our time, putting more and more pressure on political systems. The political leadership of cities is increasingly central in drafting human rights-based agendas to do with migration and refugees, usually against backdrops of mounting national tension (e.g. solidarity cities, sanctuary cities, cities and regions for integration). LRGs in Lebanon, Turkey and Jordan, municipalities such as Teheran, Isfahan or Athens among others, are raising awareness, providing accommodation, and implementing capacity-building strategies, as well as working on the inclusion of refugees. Other LRGs have also taken the lead regarding the establishment and strengthening of decentralized cooperation networks for the integration of migrants. However, despite these efforts, the magnitude of migratory crises, such as that currently taking place in the Mediterranean, or the Venezuelan crisis, mean that cooperative efforts still need be greatly strengthened at all levels.

The design of cities and territories has a direct impact on climate change adaptation and urban resilience as well as on social inclusion. **Linking urban planning to regional development and citizen participation**, by adopting integrated urban and territorial planning, is increasingly contributing to these systemic changes. This is through more integrated approaches, fostering more compact cities that promote social integration by reducing barriers in access to economic opportunities and life quality (e.g. those related to basic services and mobility, which particularly affect populations living in peripheral and/or poorly served areas). LRGs, and metropolises in particular, are increasingly emphasizing the importance of strategic planning as a cornerstone of sustainable development. Furthermore, they are highlighting the significance of addressing the fragmentation of service delivery, as well as harnessing the potential of public space design to reduce urban segregation and enhance social inclusion and gender equality through the reappropriation of public space. **Participatory planning and participatory budgeting**, among other modalities of citizen participation (referendums, open councils, e-participation, etc.) are becoming essential practices for thousands of LRGs to adapt decisions to their populations' needs, enhancing ownership and accountability. Participatory processes allow **citizens and stakeholders to co-create their cities and regions**. LRGs even become experimental laboratories to test new strategies, approaches and services. The localization of the SDGs and the strengthening of the quality of local democracy by supporting citizens' ownership of policies requires the permanent update of the tools and mechanisms that are used to involve citizens in decision-making processes.

LRGs also play a key role in the reconstruction processes in cities and territories that are affected by the destruction caused by conflicts and disasters, for example in Asia, the Caribbean or the MEWA regions, by restoring basic services and planning urban reconstruction using a more sustainable approach.

While many of the initiatives discussed here are often limited in scale and scope, they could nevertheless be replicated and expanded to drive the transformation of our cities and territories towards a more sustainable future. **It is critical to disseminate local information and facilitate direct exchanges and collaboration between LRGs to multiply and upscale policy lessons learnt, including both those that have yielded positive outcomes and those that have not, and always taking into account the realities of local contexts. National governments and international institutions have an important responsibility to support and assist LRGs and their networks to multiply these exchanges and expand the localization process worldwide**. The consolidation and upscaling of local initiatives is fundamental in contributing to more sustainable patterns of development. ⊙

2.4 Monitoring and reporting on the SDGs at the local level

LRGs also have a direct responsibility to monitor the impact of the global agendas on the (daily) lives and policies that affect their populations, and to monitor how much is being achieved at the local and regional level. Global monitoring and reporting on SDG implementation, however, has hardly included the actions of LRGs. The main issue concerns the methods and tools that are being used to measure progress. The adoption of the 232 indicators of the SDGs is a highly complex and as yet unfinished process. Beyond this, most indicators designed from an intergovernmental standpoint are not meant to capture the reality, diversity and complexity of local contexts, resulting in a significant loss of knowledge and explanatory detail. This, combined with the difficulties that most LRGs in all regions have encountered in being included in reporting processes at the national level, makes monitoring and reporting one of the core issues for LRGs and their participation in the localization process, and one that urgently needs solutions and initiatives that will resolve it.

At the global level, the GTF, with the support of UCLG, has helped highlight the role of LRGs in the monitoring process through the its presentation since 2017 of their global annual report to the HLPF: 'Towards the Localization of the SDGs', summarizing the involvement of LRGs in all the regions and their contributions to each Goal.

However, the lack of disaggregated and localized data, as well as of technical and human resources, has significantly compromised LRGs' ability to contribute to monitoring and reporting at national and regional levels. The response of LRGs to this has varied in each region, depending on the support of their associations and partners, and the extent of their collaboration with national or regional governments.

Eurostat, the statistical office of the EU, has developed a system of 100 indicators, but has not yet taken on the challenge of monitoring SDG implementation at the local level. Several countries (e.g. Belgium, Sweden) have developed national SDG statistical platforms with the involvement of LRGs, even though most countries are still in the process of constructing an effective way to localize indicators while not abandoning those already proposed by the UN system. LGAs often collaborate with national statistical offices (e.g. the Netherlands) or with their members to define localized sets of indicators (e.g. the Association of Flemish Cities and Municipalities - VVSG in Flanders). In Germany, LRGs, with the support of various partners, have created a national platform to collect SDG data from municipalities. Other positive examples can be found in Northern European municipalities. At regional level, the Council of European Municipalities and Regions (CEMR) also contributed to the development of the Reference Framework for Sustainable Cities (RFSC), with 30 'objectives' applicable to all municipalities. The international survey conducted by CEMR and Platforma, in collaboration with UCLG, shows that 64% of European LGAs have had some contact with national or local initiatives on indicators.

In **Asia-Pacific**, many countries are trying to adapt their own national statistical system resources to the SDG framework. In Indonesia and the Philippines, for example, LRGs are struggling to adapt national indicators to local plans. In Indonesia, provincial data hubs are using the OneData portal (*Satu Data Indonesia*) to support follow-up. In the Philippines, different score cards systems have also been used to evaluate progress, linking performance to access to specific funds. China has developed a pilot system of SDG localized indicators in the Deqing County (Zhejiang Province) that will be adapted and upscaled. In New Zealand, finally, the Society of Local Government Managers has already developed a national set of indicators that aligns closely to the SDGs. Some areas have invested in

'localizing' the SDG indicators by tailoring them to their local contexts, for example Delhi (India), and several municipalities and provinces in South Korea.

In **Latin America**, countries are also using national systems to help LRGs participate in monitoring and evaluation, e.g. the Performance Evaluation Information System (SINERGIA) and *Terridata* in Colombia, the Sustainable Development Goal Information System (SIODS) in Mexico, and similar examples in Ecuador, Peru or Guatemala. Localized data, however, have not necessarily been aligned with the SDGs. In Brazil, the National Confederation of Municipalities (CNM) has developed an SDG dashboard — the *Mandala* — accessible to all Brazilian municipalities in order to assess compliance with the core pillars of the 2030 Agenda. To ensure follow-up of their development plans, different regions and cities have developed their own systems of indicators (e.g. Buenos Aires, Medellín, the province of Santa Fe in Argentina, the state of Paraná in Brazil, Oaxaca in Mexico). In partnership with the private sector and civil society, 36 Colombian cities use civil society observatories on quality of life to oversee development plans (e.g. Bogota: 'How are we doing?').

In **Africa**, the situation for LRGs and their participation in monitoring has been complicated. UNECA has warned specifically that in the region as a whole, over 60% of current SDG indicators cannot be tracked because of unavailability of data. The relevance of informality makes it even more difficult to collect reliable data in a standardized and systematic way. These challenges notwithstanding, many countries have progressed. Rwanda has used various systems to collect localized data (e.g. performance contracting, citizen report cards, etc.). Ghana's Statistical Service has conducted a review of data availability for SDG indicators production at all levels. Kenya has established the County Integrated Monitoring and Evaluation System, while Zimbabwe has created focal points — appointed by local authorities — to support the work of the national State Statistical Committee. Only a few of the largest and best-equipped African cities or regions have managed to access place-based data (eThekwini-Durban and the Gauteng region in South Africa). Data and information management innovation in Africa shows the significant involvement of slum dwellers institutions and federations, in partnership with UCLG Africa and Cities Alliance, in data collection across informal settlements, especially through the 'Know Your City' initiative.[26] The involvement of local communities and their contribution to data collection has the potential to significantly enhance the information and knowledge available to LRGs, and to improve the impact and effectiveness of localized policies, in Africa and elsewhere.

In other regions, advances have been slower or had less impact. In **Eurasia**, countries have created de jure mechanisms that should incentivize LRGs to collaborate actively with national statistical offices or competent ministries to collect and elaborate data from the local level. In Ukraine, the United Nations Development Programme (UNDP) has worked on the ground with local authorities to develop a monitoring framework. In **Middle East and West Asia (MEWA)**, conversely, there are no local initiatives for monitoring and evaluation. In Turkey, the National Association of Municipalities (UTM) was mobilized during the preparation of the VNR to collect local experiences. In countries where a monitoring system with indicators is in place, this is only defined for and at national level.

Other initiatives have been successfully promoted by international networks. The Sustainable Development Solutions Network (SDSN) has developed dashboards based on city-level indicators for the United States, a number of European cities and Brazil. A similar methodology was applied to assess local performance in India, Italy and Spain. The World Council of City Data has developed metrics (and an ISO certification) to assess performance and compliance with the goals and targets of the global agendas: more than 100 cities in different continents have already filed for certification. Research institutions have been working with LRGs on monitoring systems in cities such as Cape Town and Kisumu (Kenya). Metropolis, UCLG's metropolitan section, has worked with the London School of Economics and Political Science and the Metropolitan Area of Barcelona to define specific metropolitan indicators and facilitate comparable assessments of metropolitan performance around the world.

Generally, lack of representation and the need for adequate tools to explain local diversity and take advantage of the wealth of information available at the local level, have pushed LRGs to develop more initiatives and seek greater visibility in monitoring and reporting on localization. Many local governments have devised their own **Voluntary Local Reviews** (VLRs), documents that mirror their countries' VNRs and complement this level of knowledge with local on-the-ground information. Three Japanese municipalities and the city of New York were the pathbreakers in this

26. For more information, see also the project report at this link: https://knowyourcity.info/wp-content/uploads/2018/02/SDI_StateofSlums_LOW_FINAL.pdf.

In Africa and elsewhere, the involvement of local communities in data collection can enhance the knowledge available to LRGs and improve the effectiveness of localized policies.

Kitakyushu, Japan
(photo: Pedro Serapio,
bit.ly/2Mqghwi).

regard, and their example has elicited a number of initiatives from cities, large and small, states, provinces and regions, creating a community of aware and accountable authorities calling for better, accessible and disaggregated data. The United Nations has already acknowledged 21 examples of VLRs in a dedicated online database. UCLG has collected and revised in particular the local reports of Barcelona, the Basque Country, Bristol, Buenos Aires, Canterbury, Helsinki, La Paz, Los Angeles, Mannheim, Mexico City, Sydney, Taipei and Vienna. In 2018, UCLG hosted the Local and Regional Authorities Forum in New York, in parallel with the HLPF, wherein the very first VLRs from New York, Toyama, Kitakyushu and Shimokawa were presented. In 2019, UCLG's Learning and Research Department collaborated on a training module to teach local authorities how to design their own VLR and maximize their contribution to the global monitoring effort.[27]

LRGs' involvement in monitoring and reporting is an issue of **transparency** and **accountability**, as well as **knowledge**. Local and regional governance is a potential source of unique experiences, data, indicators, good and bad practices, innovative and trailblazing initiatives, as well as a litmus test for problems, bottlenecks and ongoing issues. LRGs' **engagement in the process of monitoring the implementation of the agendas and reporting on their achievement must be at** **the core of any localization strategy to achieve the global agendas**. The collaboration between LRGs, national governments and statistical offices, as well as the international community, will be essential to improve monitoring at the local level and use the unique knowledge of communities and territories to localize and implement the SDGs and the global agendas more effectively.

Based on the experiences summarized in this report, there can be little doubt that, despite the obstacles and often adverse institutional frameworks, urbanization and LRGs are a central element of the execution of the SDGs and the other development agendas. Increasingly, committed LRGs are undertaking initiatives to implement the SDGs and global development agendas, yet the scale and scope of their actions, as well as the development of monitoring and evaluation mechanisms at the local level, still need to be strengthened. However, as this section has highlighted, the spread and acceleration of local action is conditional on the institutional context and the policies that are in place to support the LRGs. The next section analyses the evolution of these contexts over time and provides an overview of the extent to which the world's territories currently have institutional environments that are conducive to local action. ◉

3. How 'enabling environments' for LRGs facilitate the localization of the SDGs

3.1 A global view of the evolution of decentralization, 12 years after GOLD I

28. This estimate is based on Organisation for Economic Cooperation and Development and United Cities and Local Governments, "World Observatory on Sub-National Governments' Finance and Investment" and UCLG Africa and Cities Alliance, *Assessing the Institutional Environment of Local Governments in Africa.*

29. These figures are based on a sample of 106 countries for expenditure, 104 countries for revenue and 99 countries for direct public investment. OECD and UCLG, "2019 Report of the World Observatory on Subnational Government Finance and Investment – Key Findings."

30. See European chapter. For LAI, see: Ladner, Keuffer, and Baldersheim, "Measuring Local Autonomy in 39 Countries (1990–2014)." quoted by OECD, *Making Decentralisation Work*, p.52.

Empowering LRGs is a key pillar of SDG localization: it promotes devolution of powers and resources, ensures subsidiarity and local self-government, and makes LRGs more accountable and responsible. The **constitutions of 103 countries (out of 153 reviewed) acknowledge LRGs as a fully-fledged level of government.**[28] **This kind of recognition does not always translate into de facto decentralization or LRGs being well-equipped to play a role in the localization process. There are many ways, however, in which decentralization can be effective: regular local elections, clearly assigned functions and responsibilities, adequate human and financial resources empower LRGs and make them more accountable to their communities**.

As shown in the previous chapters, since the 1980s at least, **decentralization trends have spread globally, but decentralized systems remain vastly diverse**. Major reforms of LRG legal, fiscal and administrative frameworks have been high on the national policy agendas of a majority of countries over the past decade. Globally, LRGs make up 24.6% of total public spending and 25.7% of total public revenue, and 36% of total public investment, although the latter accounts for a small share of global GDP (1.3%).[29] Decentralization reforms also incentivized the establishment of intermediate levels of government (e.g. regions, counties, departments, etc.) in many countries, as well as governance reforms of larger metropolitan areas to address the challenges of complex, diverse and vast urban areas. Generally, the analysis of decentralization shows progress that is impressive, but at the same time serious concerns are raised about the scale of ambition for LRGs in the localization of the global agendas, particularly in the context in which they are expected to act.

Most **European** and **North American** countries, for example, already have a long-established tradition of local self-government. LRGs are pivotal in delivering public and social services and key infrastructures, and promoting local economic development (LED) and territorial cohesion. European local governments typically account for a significant share of public revenue and expenditure (25% on average but up to 52% in Northern countries), and play a crucial role in public investment (40%). According to the Local Autonomy Index (LAI),[30] Northern and Western European countries have the highest levels of decentralization. In the other countries of Central Europe, most of them also EU Member States, the decentralization process is more recent, with high legal and (to some extent) administrative autonomy, with the exception tellingly of

Hungary, whose functions and powers have been recentralized since 2012. In South-Eastern European non-EU countries, decentralization is still at an early stage, with the exception of Serbia (high-ranked in the LAI) and Croatia. Generally, however, local financing in Europe as a whole has been affected by fiscal austerity measures following the global economic crisis of 2008-2009, leading to an overall decline in local government expenditure relative to general government (GG) expenditure (down from 27.3% to 25%). Combined with the EU's fiscal constraints on its Member States, many European sub-national governments (SNGs) are facing restrictions that may affect their ability to make the investments necessary to prepare a sustainable future for the region.

In **Asia-Pacific**, the decentralization process is more recent and dates back to the 1990s. LRGs represent about 33% of public expenditure and revenue and 40.6% of public investment. However, there are huge differences between Asian-Pacific LRGs according to each country's development levels, and the 'enabling environment' for LRGs in that region is very different to that of Europe. In most countries of the Asia-Pacific region, local governments operate within constrained institutional frameworks, ambiguous and overlapping power allocations, or under restrictive oversight. In terms of development level, according to the 2018 UCLG ASPAC Assessment on LRG institutional frameworks, the most effective enabling environments for LRGs (Australia, Japan, New Zealand and South Korea) correlate with higher economic development, high quality of local public services and a good standard of wellbeing. This group of countries is followed by Indonesia and the Philippines, while China — in spite of a highly centralized political system — also ranks high in the assessment. Over the past few years, LRGs have used their relative autonomy to mobilize land revenues and borrow to ensure urban development and deliver key infrastructure and services. A second group of countries with intermediate scores for decentralization includes Thailand, Viet Nam, India, and some Pacific Islands (e.g. Vanuatu). Most of these countries' scores are affected by poor fiscal decentralization. A third group includes five countries where LRG reforms are still at an early stage, or where local administration is effectively more deconcentrated than decentralized (Cambodia, Lao PDR, Malaysia, Myanmar and Sri Lanka). Finally, the last group includes countries in which decentralization policy has either stagnated or regressed altogether (Bangladesh, Pakistan and Timor-Leste).

In **Latin America**, decentralization has made significant progress since the 1980s. LRGs represent 19% of public expenditure and 23% of public revenues on average and play an important role in public investment (39%, although with large variations between countries and cities). In almost all countries in the region, local authorities are democratically elected. However, the process has not been linear: in many countries, decentralization has experienced periods of stagnation and setbacks, while in others its evolution has been slow. LRGs in most Latin American countries face considerable challenges. Inequalities among territories and within cities have either persisted or have worsened, which has had an impact on access and quality of local services. Vertical budgetary imbalances make LRGs increasingly dependent on transfers from central governments. Since grants in many countries are heavily earmarked, local autonomy is likely to be restricted. The report identifies Brazil and Colombia as the two countries showing the greatest progress in decentralization, followed by Bolivia, Ecuador and Peru. The federal countries of Argentina and Mexico are generally considered to be decentralized, since federated states and provinces are granted significant powers and resources, but the autonomy of municipalities is more limited. Decentralization in the remaining three Southern Cone countries, Chile, Paraguay and Uruguay, is more restricted, although Uruguay has made progress in recent years. In Central America and the Caribbean sub-region, municipalities have more limited competences and resources. Decentralization leads to greater

Streets of Arequipa, Peru (photo: Phil Robinson, bit.ly/35jbndt).

Globally, LRGs make up 24.6% of total public spending and 25.7% of total public revenue, and 36% of total public investment.

administrative, financial and socio-economic interdependence between the central level and sub-national governments (SNGs) in the region, but MLG mechanisms should evolve to ensure the consistency and effectiveness of public policies.

In **Africa**, the commitment to and outcomes of decentralization have been very varied. LRGs in Africa represent on average 15% and 17% of public expenditure and revenue respectively, and only 19.4% of public investment, the lowest levels among all regions. As of 2019, 17 countries had signed – and only four ratified – the 2014 African Charter on Values and Principles of Decentralization, Local Governance and Local Development, but there is a significant gap between de jure decentralization and the reality on the ground. While waves of decentralization have periodically swept Africa since the 1990s, the level of decentralization varies between as well as within countries. The 2018 UCLG Africa assessment shows that South Africa, Uganda, Tanzania and Morocco have a more stable 'enabling institutional environment' for their LRGs. A second group of approximately ten countries enjoys a 'rather enabling' environment (Benin, Burkina Faso, Burundi, Eswatini, Ghana, Kenya, Rwanda, Senegal, Zambia and Zimbabwe). The last two groups (20 and 13 countries respectively) either still require significant reform efforts to move towards a favourable environment for LRGs or show stagnating or regressive reform policy. There is room for optimism: Mali and Tunisia have progressed in local self-government as a result of recent peaceful and democratic transition. Togo held its first local election in 30 years in June 2019. However, LRGs face growing financial pressure: poverty and informality affect the revenue base of most LRGs, and vertical intergovernmental transfers have been insufficient, compromising the delivery of effective basic services. Decentralization is only one part of the localization challenge in Africa, albeit a crucial axis for the delivery of the SDGs.

In **Eurasia**, all countries reviewed in this report appear to be at different stages of decentralization. Since the end of the Soviet Union, several reforms have either strengthened or reduced LRG autonomy, leading to stark spatial inequalities and an uneven development of regions. The level of decentralization varies from highly centralized systems in Belarus and

Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan), to relatively autonomous local self-government in Armenia and Georgia (at the municipal or district level), to a two-tiered system of local self-government in Russia. In other countries, such as Ukraine and Azerbaijan, local self-government bodies co-exist alongside the deconcentrated bodies of central government. SNGs in the region have quite substantial budgets and investment capacities (41.9% of public investment on average and more than 60% in Belarus, Kazakhstan and Russia). However, in practice, LRGs in most Eurasian countries have rather limited control over their expenditure policy.

The countries of the **Middle East and West Asia** (MEWA) region are also characterized by a high degree of centralization, except Turkey and, to a lesser extent, Palestine (where LRGs account for 10.1% and 10.8% of total public spending respectively, and 18% of public investment). Countries such as Iran, Iraq, Jordan and Lebanon are lagging behind, while local administrations in Gulf countries are dependent on national decision-making.

To complete this overview, given that the implementation of the SDGs requires greater demand for public investment at the local level, which plays a vital role in catalysing other sources of resources, access to borrowing for LRGs is critical in all regions. Access to borrowing is summarized in Section 3.3.

The exact implications and consequences of decentralization for the localization of the SDGs are as varied as the processes themselves. There are several factors weakening or subverting the incentives for LRGs to adopt proactive policies to localize the SDGs. These include weak or partial implementation of the decentralization process; lack of clarity regarding legal frameworks; insufficient sharing of responsibilities; duplication or fragmentation of jurisdictions and functions; insufficient resources; unfunded mandates, and weak mechanisms for reconciling conflicting priorities. Political instability and undetermined electoral cycles add an extra layer of complexity to localization processes. **An enabling legal and institutional environment in which LRGs can fulfil their responsibilities, innovate and capitalize on their resources, is imperative for a strong territorial development that will catalyse sustainable national development processes for the achievement of the 2030 Agenda.** ⊙

3.2 Making multilevel governance work to improve localization and policy coherence

Given the holistic, interlinked and transversal nature of the 2030 Agenda and the other development agendas, the SDGs call on all countries to enhance policy coherence for sustainable development as a cross-cutting means of implementation. **Enhancing policy coherence for sustainable development, as called for by SDG 17.14, entails strong political commitment, a shared long-term strategy, institutional mechanisms for coordination and policy interactions to involve all levels of government and stakeholders, as well as adapted financing mechanisms and inclusive monitoring and reporting.**[31] **Multilevel governance (MLG) arrangements are instrumental for policy coherence and effective localization, with the aim of creating synergies, reducing overlap and critical gaps between institutions, thus contributing to trade-offs and integrated approaches. The progress seen in the different regions over the past few decades in the decentralization processes, have led to a more complex political institutional landscape and the need to enhance multilevel collaboration. The implementation of the 2030 Agenda undoubtedly represents an opportunity to extend the processes of change and tackle many of the existing challenges in strengthening and expanding institutional collaboration**.

As defined in the introduction of the report, **multilevel governance** includes at least two dimensions: vertical and horizontal collaboration — between different levels of government and between governments and institutions at the same level of governance (e.g. inter-municipal cooperation). Better coordination can help create trust and accountability that enhances policy coherence. It can nevertheless increase the complexity of policy decision-making and consensus-building, as more actors and processes become part of the SDG implementation process. On the other hand, well-tailored MLG arrangements facilitate local ownership and the involvement of local institutions and actors while fostering innovation and experimentation that allows for the adaptation of strategies to local

realities. Moreover, effective MLG mechanisms also contribute to regional and national development objectives.[32]

At local levels, the adoption of an integrated territorial approach to sustainable development is a lever to foster policy coherence and MLG in the territories. This brings together the main local actors — institutions and stakeholders — and supports the emergence of a strategic vision, coordinated action and a better articulation of local and regional priorities with NDPs. To be effective, **multilevel governance should be instrumental to reinforce dialogue and accountability based on the principle of subsidiarity and respect for local autonomy**.

The different regional chapters in this report make the case for reforming the institutional environment to be able to activate the 'whole-of-government' approach to coordination required by the 2030 Agenda and the other global commitments, as well as to ensure the engagement of local stakeholders.

Indeed, countries either establishing new or reinforcing existing coordination mechanisms because of SDG implementation processes have contributed to enhancing multilevel governance frameworks. As already emphasized, many governments have created new national coordination mechanisms (e.g. high-level SDG committees), while others have revamped pre-existing mechanisms (e.g. sustainable development councils). Almost all countries have made efforts to integrate the SDGs in their development strategies or define specific roadmaps for the SDGs. At the same time, **countries are enhancing national development planning systems to better articulate the SDGs, for example with national and local development plans — NDPs and LDPs**.

The progress and effectiveness of these efforts, in many cases, still needs to be proven and countries' experiences continue to show the inherent difficulties and contradictions in the MLG architecture.

In all the regions, different strategies are in place to reform planning systems and ensure the SDGs are implemented in a more coordinated

31. The OECD identified eight building blocks for enhancing policy coherence: political commitment and leadership, integrated approaches to implementation (balancing economic, environmental and social concerns), long-term planning horizon, potential policy effects (e.g. negative impacts), policy and institutional coordination, local and regional involvement, stakeholder engagement and monitoring and reporting. OECD, "Policy Coherence for Sustainable Development. Towards Sustainable and Resilient Societies 2017: Eradicating Poverty and Promoting Prosperity."

32. UNPAN, "Working Together: Integration, Institutions and the Sustainable Development Goals, World Public Sector Report 2018."

way. Countries mix normative, policy, technical and financial tools and, with different degrees of flexibility, adopt strategies for vertical coordination. The approaches range from countries with strong national leadership that combine central guidelines with flexible policies to engage SNGs, to more rigid top-down policies that require strict vertical coordination. Generally, more flexible policies for SDG localization focus more on the need to reconcile national priorities with local initiatives and, in addition, to promote local development processes to test experiences on a small scale that could potentially be expanded across different levels of governments. On the opposite end of the spectrum, strict vertical hierarchies are by their very nature less flexible and could inhibit the adaptation of lines of planning, implementation strategies and resource allocation to local contexts, as well as local government accountability — which is key to ensuring the involvement of local stakeholders. Some examples in different regions illustrate the range of approaches in different continents.

In Indonesia and the Philippines, for example, several national decrees have made it compulsory to mainstream the SDGs into national and sub-national development plans, imposing new deadlines and indicators systems for reporting to all levels of government. Furthermore, the role of national ministries or agencies, regional or provincial councils, as intermediate levels of government in coordination and follow-up has been strengthened. Both countries adopted top-down approaches, but differing supporting policies. Indonesia developed broader support initiatives (coordination, guidelines, training and funds), and its outreach is significant (as already mentioned, 52% of provincial governments have developed local action plans in line with the SDGs), although the real impact of implementation needs more assessment. In the Philippines, meanwhile, the country's political context appears to limit the extent to which the SDGs are localized.[33] China, albeit historically adopting a vertical approach to planning (SNGs will follow a five-year NDP), is also closer to the group that applies central guidelines with flexible policies to engage SNGs. To bring LRGs on board, the Chinese government developed a set of tools with a mix of policy incentives for innovation and experimentation to be upscaled if successful (e.g. the Development Plan of China's Innovation Demonstration Zones

for the Implementation of the 2030 Agenda for Sustainable Development).

In Africa, Ghana has taken advantage of its decentralized planning system to ensure better coordination of SDG implementation processes. The national government decided to reinforce the regional and local coordinating councils to ensure vertical (national/local) and horizontal coordination in the territories: to quote the African chapter, 'local governments may choose to prepare local development programmes that are aligned with the national development plan but focus on specific local priorities'.[34] Financing mechanisms are being progressively adapted to support regional or local initiatives (e.g. around 10% of GDP are transferred to the District Assemblies' Common Fund). Benin stands out because it has made significant strides in the integration of the SDGs in national and local plans as well as annual investment plans. It has also integrated its national LGA, the National Association of Municipalities of Benin (ANCB), into the National Steering Committee for SDG implementation, chaired by the Minister of State for Planning and Development. A successful example of a top-down approach to SDG multilevel coordination mechanisms can be found in Kenya, where the national government has established SDG focal points in all 47 county governments and, in partnership with the national association of local authorities, the Council of Governors, prepared county integrated development plans (CIDPs) to guide the implementation of the SDGs.

In Latin America, Colombia and Ecuador are two of the countries where there has been the greatest progress in decentralization in recent decades. In both, LDPs are mandatorily submitted at the beginning of sub-national authorities' mandates. In Colombia, the national government adopted a flexible approach to promoting the integration of the SDGs into local and departmental development plans and created different stimuli to support local buy-in, using 'contract plans' and grants (royalty funds). However, national governments tried to 'tie' transfers to boost regional projects that followed national priorities and not locally determined ones. In the case of Ecuador, the apparent complexity of the 'nationally decentralized participatory planning system' and contradictions between decentralized and deconcentrated approaches, aggravated by policy tensions, make coordination particularly challenging.

The previous examples underline some of the different approaches and the difficulties experienced by countries mixing flexible and more rigid approaches. In other countries in the Asia Pacific region, a more traditional vertical approach dominates and localization processes are more incipient (e.g. Cambodia, Lao PDR, Myanmar, Nepal, Pakistan, Sri Lanka and Viet Nam). Other countries in Africa try to find a middle ground between more flexible and rigid approaches, depending on the

33. See Asia-Pacific Chapter, Section 2.3, for more details.

34. See African Chapter, Section 2.3.

The lack of clear mechanisms for the participation of municipalities, private sector and civil society, can jeopardize the horizontal and vertical coordination.

robustness of national planning systems, which they link to decentralization policies (Chad, Cameroon, Kenya, Rwanda, Sierra Leone, Tanzania, Togo and Uganda). This is also the case in Latin American countries, such as Mexico, Guatemala and Peru. These countries build on their national planning systems, requesting regions and municipalities to integrate the SDGs into their development plans. In Eurasia, LDPs are often regulated by central governments (or regions) and generally developed within the framework of national strategies elaborated by higher government levels. Moreover, the central government coordinates (or gives its final approval to) sub-national development strategies. It also provides grants for strategy implementation. However, more recently cities and towns, particularly in Russia, Armenia and Ukraine, have been more proactive in the design and implementation of their own development plans.

In all these examples, vertical multilevel governance (MLG) is progressing. **Nevertheless, obstacles arise usually because of institutional frameworks**. These obstacles include misalignment between national, regional and local plans due to different priorities, unclear share of responsibilities, different timelines, weak budgetary coordination and insufficient funds, as well as weak understanding and capacities, and the absence or lack of adaptation of indicators for monitoring. Most countries are dealing with enormous disparities between SNGs in terms of development levels, capacity and the resources available for the implementation of the SDGs.

However, horizontal coordination also requires particular attention. In many cases, and especially in federal countries, horizontal coordination at the sub-national level is as complex and problematic as it is at the national level. In India, where the objective of the federal government is the promotion of 'cooperative and competitive federalism' to boost performance in each state by moving from a top-down planning approach to a bottom-up approach, the majority of states or union territories have set up special units for guiding and overseeing SDG implementation. However, these units face several problems in facilitating effective inter-departmental or inter-sectoral collaboration and mobilizing rural and urban local governments. In Pakistan, SDG units have been established in planning and development departments (and boards at the provincial level), yet vertical and horizontal coordination mechanisms are weak at all levels. In Mexico, special offices to follow-up and implement the 2030 Agenda were established at the state level. Some states have made progress in integrating the 2030 Agenda into their development plans but in other cases, these special offices are disconnected from state planning committees, thus hindering the integration of the 2030 Agenda in a way that is structurally cross-cutting. Finally, the lack of clear

mechanisms for the participation of actors such as municipalities, private sector and civil society, can jeopardize the coordination role of these offices.

Compared with other regions, European countries show a complex MLG framework. Consultative structures for dialogue between central and local/regional government, both permanent and ad hoc, exist in the majority of countries, albeit with varying efficacy. Europe is one of the regions where LRG participation or consultation in national coordination mechanisms is more advanced, yet it is still limited to just 54% of countries. The EU also has a critical impact on MLG arrangements (e.g. under cohesion policies and structural and investments funds). In 2017, the European Commission (EC) launched the European multi-stakeholder platform on the SDGs, which includes LRG representatives and advocates for a territorial approach and a 'two ways dialogue' that involves local stakeholders at all levels in the implementation of the SDGs in the EU. However, as stated in the European chapter, cohesion policies are under pressure in the region for the next set of multi-year programmes and the involvement of LRGs still needs to be strengthened.

In summary, the involvement of LRGs in the national coordination mechanisms for SDG implementation is still insufficient and needs to be strengthened, with, as documented, **only 33% of the 142 countries that reported to the UN HLPF between 2016 and 2019 in some way involving or consulting LRGs through their national coordination mechanisms**.

Multilevel governance arrangements have intensified since the adoption of the 2030 Agenda and there is now a wide range of **policies in place although these vary from better integrated planning and national mechanisms to foster harmonized sectoral policies involving different levels of government to weak or incipient national SDG strategies with poor or ill-defined localization policies**. **This variation in arrangements** reflects the varied quality of national institutional frameworks of SNGs.

Countries will have to rethink their planning arrangements. Where local autonomy is progressing, governments are exploring modalities to promote better articulated national and sub-national initiatives, to ensure local involvement and gradual harmonization of plans and policy coherence. **Multilevel governance calls for a dual approach to SDG implementation that articulates both national strategies and strong local initiatives based on the respect of local autonomy**. **This dual approach could recalibrate development policies, create space for more bottom-up initiatives, counter institutional inertia and promote institutional innovation**. ◉

3.3 Localizing financing to lock in socio-economic and ecological benefits

Four years after the launch of the SDGs, regional reports show that generally the global community is still blind to the actual cost of implementing the targets of the SDGs in the majority of national and local contexts. The 2030 Agenda brought a considerable change of scale 'from billions to trillions' in the financing needs to achieve the global agendas. In 2019, the International Monetary Fund (IMF) revised its estimation of the spending needs for low-income developing countries to deliver the SDGs to approximately USD 0.5 trillion per year. This would require a significant increase in investment as a percentage of GDP. In emerging market economies, the figure is USD 2.1 trillion per year, for which the GDP percentage increase would be lower.[35] In cities, the Cities Climate Finance Leadership Alliance estimated that in 2017, meeting the global demand for low-emission, climate-resilient urban infrastructure would cost on average USD 5 trillion per year.[36]

The financing challenge comes from a disconnect between the considerable funds 'available' at the global level, and the lack of financing reaching those territories and communities most in need. Current strategies fostered by international institutions to deliver the SDGs rely on a blended approach that mobilizes public and private, domestic and international finance. Public actors need to create the fiscal space, via fiscal reforms and better asset management, combatting tax avoidance and corruption for instance. Traditionally, they will take risks that the profit-driven private sector will not: with newly available funds, public investments should thus reach those left 'furthest behind' first. The functioning hypothesis is that depending on the particular financial instrument, each dollar of public funding will leverage additional private funding. However, while many national governments of developing — and especially low-income — countries have yet to implement this approach, and often need support from international financial institutions, Official Development Assistance (ODA) has not reached the expected (or therefore necessary) levels. In fact, recent studies have recommended reframing the policy debate to look at the operational costs of implementing a 'blended finance' mechanism to bridge the SDG financing gap. However, such proposals should not undermine the multiple dimensions of poverty eradication and inequalities in the poorest countries.

In all regions, the cumulative shortfall in financing the development of infrastructure, particularly in developing countries, but also that of retrofitting in developed countries to respond to climate change and aging populations, is a critical problem. The challenge is most acute where urbanization is expected to concentrate, as in Sub-Saharan Africa and South/South-Eastern Asian countries. At the local level, from a sustainable development perspective, under the current projections, most cities will not be able to raise the finance required to meet the infrastructure demand.

As mentioned above, the pathways of cities and territories to low-carbon and more resilient societies will be decisive in the achievement of the global agendas and for the protection of our planet. The cross-impact assessment of the SDGs shows that these investments will have a multiplier effect for the SDGs, but also implies that investments should avoid trade-offs with negative impacts, for instance unsustainable

35. IMF, "Fiscal Policy & Development: Human, Social and Physical Investment for the SDGs," 2019.

36. Required investment is estimated at over 6 USD trillion per year. The New Climate Economy, "The Sustainable Infrastructure Imperative: Financing for Better Growth and Development," 2016.

Institutional reforms should be designed to improve the proactive autonomy and responsiveness of LRGs as central components of public finance.

urban GHG emissions, social segregation and pressuring already vulnerable ecosystems. There is an additional time constraint: institutional change does not happen overnight, while socio-economic and environmental costs of laissez-faire rapid urbanization, climate emergency and increasing inequalities are mounting. **Business-as-usual scenarios are 'no longer an option, whether in terms of human dignity, equality or sustainability'**.[37]

Game-changing strategy: acknowledging LRGs' diversity in an urbanizing world

The overall assessment of this report shows that national development strategies (NDSs) rarely consider explicitly the value of unlocking the diversity of sub-national public finance. Given the challenges of the unprecedented pace of global trends, there is an urgency to design reforms in a more systemic and collaborative way.

Generally speaking, using the SDGs to align national policies with local plans is a necessary but highly demanding process. One of the key take-aways of this report is that there is no single path or fixed blueprint for decentralization and that fiscal autonomy varies immensely across regions, between countries and within countries. A second take-away of the regional chapters is that **fiscal decentralization is not a zero-sum game where national governments lose what local governments gain but rather a win-win for all**. There is the potential for LRGs to raise funds for investment and service delivery through a variety of financial and fiscal mechanisms if they are empowered to do so. The paradox is that cities concentrate around 80% of global GDP, but many rapidly growing cities fail to capture the wealth

created and continue to cumulate insufficient budgets and infrastructure deficits.

Accordingly, institutional reforms should be designed to improve the proactive autonomy and responsiveness of LRGs as central components of public finance. Currently, reforms tend to be based on simplified principles that do not provide LRGs with flexible tools to address their distinct sustainable development needs, and adequate powers to mobilize resources from local assets, take advantage of the wealth created in their territories and leverage the full potential of local socio-economic actors in a coordinated manner. For LRGs, this means improving the sources of revenues in their jurisdictions as well as finding more sophisticated options, such as better management of urban assets and improved access to long-term finance.

The previous section used both the volume of sub-national spending and revenue collection as indicative proxies for measuring decentralization. The graph below shows the correlation between the own-revenue/transfer ratio and the volume of expenditure of SNGs by income group. Worldwide, transfers are the primary source of LRG revenue (on average and by income group). This graph also highlights **a positive correlation between the volume of own revenue and capital expenditure**. However, both spending and revenue ratios should be met with a degree of caution and take into account the complex structures at play at sub-national level, and the political context and technical capabilities that either afford or restrict SNGs' flexibility.

On the expenditure side, and particularly capital expenditure, the autonomy of LRGs to manage their own budgets can be in practice restricted. While as a global average, LRGs are responsible

37. Council of Europe, "Conclusions on Transformative Post-2015 Agenda," in *Councils Meeting 16/ 12/2014*, 2014; Global Civil Society, "Spotlight on Sustainable Development: Exploring New Policy Pathways," 2018.

Figure 4

Sub-national own revenue/transfer ratio compared to the volume of expenditure (total and capital) by income groups
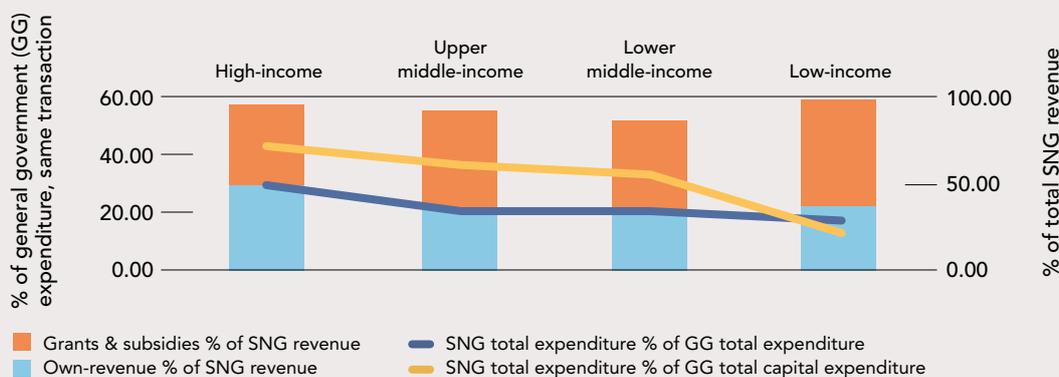
Source: OECD-UCLG, 'World Observatory on Subnational Government Finances and Investments', 2019.

38. Ahmad et al., "Scaling up Investment for Sustainable Urban Infrastructure: A Guide to National and Subnational Reform."

for nearly 39% of public investment, capital expenditure in many regions of the world is often tightly controlled by higher tiers of government to respond to national priorities rather than locally defined needs. Yet, one of the main objectives of decentralization is to make LRGs accountable to the local communities that elected them and

adapt development policies and financing to local contexts. Local autonomous self-government to decide in a democratic and participatory way on local priorities is a cornerstone of SDG localization.

On the revenue side, across most regions, there is a mismatch between the transferred responsibilities and revenues allocated to LRGs. The 'finance should follow function' and subsidiarity principles, commitments in paragraph 34 of the Addis Ababa Action Agenda adopted by UN Member States, illustrate the critical importance of effective financial empowerment of LRGs in achieving the SDGs. This report's analysis highlights that mandates remain unfunded as many LRGs struggle to pay for the delivery of basic services.

A joined-up finance-governance approach must steer innovation to pay for sustainable urban infrastructure and implement the necessary institutional reforms, as recommended by the New Urban Agenda. The current local fiscal systems should be reformed to foster an incremental approach based on a dynamic and buoyant local tax system that should also be inspired by a rights-based approach (see Box 1). Likewise, transfers from the national level to LRGs should redistribute a fairer share of national fiscal revenues to allow LRGs to deliver quality public services, ensuring transparency and accountability. In accordance with the principle of subsidiarity and local self-government, local fiscal systems should not hinder LRGs' powers of discretion and capacity to set local priorities with their communities.

Equalization grants must be reformed (or created) to support those territories 'furthest behind'. New formulas should include the local context (e.g. infrastructural backlog and access to services; socio-economic indicators etc.) and the different financial capacities of LRGs. **Inter-municipal cooperation, supported by a fair fiscal system, usually allows for financial mechanisms that foster solidarity between territories**. In metropolitan areas particularly, these have proven effective to finance infrastructure development by fostering synergies and reducing persistent inequalities between core and peripheral cities.

LRGs should have greater power and technical capacity to manage urban and territorial assets with adequate land management tools. Based on the experience in developed countries and some pilot cities in developing countries (including China), additional efforts are being promoted to better capture land added-values to reinvest in local infrastructures. Improvements in land management need adequate cadastral tools and different land-based financing mechanisms to charge those who directly benefit from public investment in infrastructure such as developers, private persons and the business sector.[38] These experiences need to be shared and supported.

Box 1

The rights-based agenda behind enhanced municipal finance

Providing operational answers to the question, 'How will the world pay for the increasing demand of quality urban services?', is not strictly a technical issue, governed by the mathematical rules of accounting. Sound municipal fiscal management involves more nuanced issues influencing decision-making: the challenge of equitable economic growth to reduce inequalities, and of taking risks that a profit-oriented actor will not take. Moreover, within a new sustainability paradigm, the fair distribution of the cost of the urban infrastructure throughout its lifespan must be considered.

Rethinking LRGs' access to long-term financing is thus crucial to promote intergenerational equity and to not overburden future generations with debt. How revenues are raised (tax, fees and tariffs) and how expenditure responsibilities are defined and implemented can exacerbate or alleviate socio-economic, gender-based and age-related inequality and access to human rights.

Regardless of citizens' tax literacy, there is a direct link between citizen satisfaction of public services, trust in public management and taxpayer compliance. Hence, awareness campaigns must go hand-in-hand with improving LRGs' responsibilities in transparent financial management and service delivery. LRGs, mostly in developing countries, need to build innovative approaches, together with community-based organizations, to overcome the challenge of a weak fiscal base – due to the importance of informality in the urban economy. In this regard, well-managed municipal finance systems can positively challenge national historic legacies of economic and social exclusion of disadvantaged groups.

Fair and ethical considerations to measure the quality of public service management are also an essential part of local sustainable growth and globalized circuits. LRGs are important public procurement agents and many have been experimenting to bolster social responsibility and environmental impact assessments. The inclusion of environmental clauses and decent work conditions in public procurement tenders, for example, allows LRGs to promote sustainable practices for both short and long supply chains. Further considering the link between the performance of municipal finance and the delivery of the SDGs in a rights-based approach is also instructive. Different LRG networks are becoming increasingly aware of their responsibility with regards to international human rights obligations, and promoting core principles such as 'do no harm', as well as non-discriminatory and participatory decision-making processes, of which the participatory budgeting process is the most well-known example.

Market cleaners of a local NGO in Nzérékoré, Guinea, guaranteeing safer health conditions to workers with the support of UNICEF (photo: Julien Harneis, bit.ly/2Vll3y9).

Such efforts could only be achieved through stronger MLG collaboration to **shape fiscal policies and embed financial flows in support of the LRGs, as well as to apply incentives or penalties, such as carbon pricing, to foster behaviour change in their populations**. Only then will local traction truly accelerate energy transition. More controversy surrounds other potential sources of LRG revenue in terms of the tax competition and inter-regional equity considerations they imply. In particular, in an era of climate emergency and socio-environmental impact assessment, there needs to be a more thorough debate about LRGs' fair share of natural resource taxation.

Practical steps to foster investments to localize the SDGs

Having addressed the key strategic fiscal reforms pivotal to the role of LRGs in the localization of the SDGs, we now turn to one of the key challenges in LRG financial capacity, that of **tackling borrowing frameworks and regulations to facilitate responsible loans and access to markets for LRGs adapted to their different levels of financial maturity**.

One main paradox should be highlighted. As of 2019, LRGs in 113 countries have the formal right to borrow at least on domestic markets, and internationally via loan 'on-lending'.[39] In practice however, LRG proposals are often tightly controlled by higher tiers of government. In 2012, another global study identified only 22 countries where municipalities were allowed to borrow without such restrictive controls.[40] When LRGs intend to borrow directly from financial institutions, their projects often do not match the feasibility, bankability and risk standards imposed by lenders. In fact, in 2013, only 20% of the 500 big cities in developing countries were deemed creditworthy in domestic markets; this percentage dropped to 4% when rated on international markets.[41]

This corroborates the view that the capacity of LRGs to access long-term finance is in fact limited by a combination of policies, restrictive rules and institutional weakness (lack of 'bankable projects' and 'creditworthy institutions'). It is therefore essential that LRGs, together with national governments, enhance their institutional dialogue to revise the rules, and create mechanisms to strengthen their capacity to better fulfil the conditions requested to access responsible borrowing. At the same time, credit institutions need to better adapt their lending practices to the different levels of financial maturity of LRGs

39. Out of 121 countries, 7 clearly forbid LRGs from borrowing and one profile has no information. OECD and UCLG, "World Observatory on Sub-National Governments' Finance and Investment. Country Profiles."

40. The study includes 160 countries. M Ivanya and A Shah, "How Close Is Your Government to Its People? Worldwide Indicators on Localization and Decentralization," 2014.

41. John Hogg, "Financing Sustainable Cities: How We're Helping Africa's Cities Raise Their Credit Ratings," The World Bank, 2013.

Operational answers are not strictly governed by the mathematical rules of accounting. Sound municipal fiscal management involves more nuanced issues influencing decision-making.

and better understand the context in which LRGs operate, giving them priority towards the localization of the SDGs and the other global agendas. Meanwhile, international institutions should also revise their rules to invest directly in SNGs (e.g. the World Bank). **Where national and local authorities clearly articulate strategies for sustainable financing at sub-national levels, investment flows can be enhanced**.

A fully-fledged fiscal strategy builds on the diversity of debt finance options responding to the different contexts of LRGs: from regions and metropolitan areas to intermediary cities and small towns. Grants and subsidized loans can be designed (according to clear criteria) for poorer LRGs and non-self-financing projects (particularly in less developed countries); various types of loans should be made available for more fiscally sound LRGs and self-financing projects.[42]

There is a marked split between the preferred tools for borrowing, based on the models developed in different regions. In North America, municipal bonds are preferred while in Europe, bank lending or municipal funds are the traditional approach. In recent years, some European LRGs have also experimented with 'green bonds', 'sustainability bonds' or even 'SDG bonds'. A recent study surveyed more than 70 financing instruments that could be deployed to raise and steer new resources for sustainable urban infrastructure.[43] These range from fiscal decentralization to mutually binding contracts, city deals, and performance-based grants. Other examples include 'blended finance', lending in local currencies to improve LRGs' capacity to repay; and 'sub-national or municipal pooled financing mechanisms' with small to large-scale projects. This is generally done through the creation of national investment vehicles, international finance vehicles and renewed Public-Private-People Partnerships (PPPPs).[44]

Municipal development funds have been successful in addressing the needs of intermediary cities and small municipalities in both the developed and, to a lesser extent, the developing world. Examples include the Colombian Financial Corporation for the Territorial Development S.A. (FINDETER), the Bangladesh Municipal Development Fund, or the Philippines Municipal Development Fund Office. In Africa, this strategic renewal is being discussed by the network of African Financial Institutions for Local Governments (RIAFCO) that brings together the main national development financial institutions (DFIs) from the region.

In recent years, numerous city-focused project preparation facilities have supported cities' climate project pipelines to meet bankability standards. Among these facilities are the Cities Development Initiative for Asia, C40 Cities Finance Facility, and Local Governments for Sustainability (ICLEI)'s Transformative Actions Programme. This has resulted in better mapping and matching of projects with financial opportunities. For example, the Global Covenant of Mayors for Climate and Energy (GCoM) and the European Investment Bank (EIB) have come together to help 'prepare and fast-track financing of urban climate action projects'.[45] LRG networks together with DFIs are developing strategies to combine the transformative impact of project preparation facilities. Initiatives such as the Gap Fund or the proposed Green Cities Development Bank, led by the GCoM and C40 respectively, have also taken significant steps to fill the gaps in the sub-national finance architecture.

Other mechanisms to help project preparation and linkages with financing institutions, such as the African Territorial Agency championed by UCLG Africa and the International Municipal Investment Fund, set up by the UN Capital Development Fund (UNCDF) and UCLG, in collaboration with the Global Fund for Cities Development (FMDV), are also in the process of development. Finally, the Malaga Global Coalition for Municipal Finance brings together LRG leaders, UNCDF and international institutions to discuss alternative strategies to foster SNGs' access to finance. There is another return on investment from this modality of development cooperation that should be considered: the possibility for LRGs to exchange knowledge, and acquire and retain local expertise.

Providing a pathway and regularized, predictable processes for LRGs to access long-term finance can have an enormous impact on advancing investments in sustainable infrastructure. This could include improvements in the structuring of intergovernmental transfers between national and local governments, strengthening systems for generating own-source revenues, localized development assistance, and access to innovative financing mechanisms. LRGs' unequal access to resources must be high on the agenda at both the international and national level so that it can be discussed and remedied through meaningful change in the financial ecosystem. ⊙

42. UCLG and GTF, "Financing Urban and Local Development: The Missing Link in Sustainable Development Finance," Sub-National Finance (UCLG, 2015).

43. Graham Floater et al., "Financing The Urban Transition: A Summary for Policymakers," 2017.

44. Floater et al.

45. Contribution of C40 to the GTF/UCLG report to the 2019 HLPF. See also the European Investment Bank "Global Climate City Challenge.2019, accessible at: https://www.eib.org/en/projects/sectors/urban-development/city-call-for-proposal/index.htm.

Observations

This report has provided a global overview of the progress made so far in achieving the SDGs, and analysed the role played by LRGs in steering transformations towards a more sustainable future. Its main conclusion is that the global agendas will only be achieved through a **fully-fledged, co-owned and accountable process of localization**. In short, steering urbanization and its positive interaction with the territories along the path of sustainability will be pivotal to preserving the future of our societies and of our planet.

The actions that stem from cities and territories constitute policy alternatives that are bottom-up, have the potential to co-create a sustainable future and put people at the centre. Achieving the SDGs means creating fair societies capable of providing life opportunities for all in ways that do not entail the destruction of the environment — and thus, self-destruction.

LRGs are taking the lead in promoting actions that have an impact on the many different dimensions of development and have the potential to drive profound and systemic change. As shown in this report, such localized development strategies, stemming from and suited to local realities, also have an effect on the global process of transforming development, which in turn reinforces sustainable local processes. The transformational potential of adopting a **territorial approach to local development (TALD)** is vast. Yet the magnitude of the challenges that the world faces makes it crucial to accelerate and upscale efforts to localize the SDGs. As these challenges become more and more pressing, so enabling institutional environments that empower LRGs, adequately articulated multilevel governance (MLG) mechanisms, and sufficient mobilization of resources, become more and more essential to accelerate efforts towards sustainable development.

We stand at a critical moment in history: a failure to deliver the 2030 Agenda and to achieve the SDGs goes far beyond failing to reach a political milestone or compromise. It means communities and territories as we know them being pushed into extreme and dangerous environmental and social dynamics, the consequences of which are difficult to predict. Urbanization and harmonized territorial development present an opportunity to reverse this trend — but it is an opportunity that must be seized now. LRGs are increasingly engaged in and committed to the global agendas. Yet to truly capitalize on the potential of local action and ensure the SDGs and related agendas become a reality on the ground, the key challenges summarized in the recommendations below must urgently be addressed.

4. Policy recommendations: our roadmap to accelerate the achievement of the 2030 Agenda through the localization of the SDGs

The transformation that needs to be brought about to achieve the global agendas will only occur if our development model responds to the dreams and expectations of communities, and if there is collective responsibility to make the necessary adjustments and sacrifices to achieve more equitable, fair and sustainable societies.

The global agendas must either be local or they simply will not be. The constituency of local and regional governments (LRGs) has a critical role to play to catalyse change and provide the kind of service delivery that will deliver inclusion, efficient use of resources and sustainability. This LRG constituency shares the sense of urgency to scale-up and accelerate such a transformation.

The findings of the GOLD V Report have inspired policy recommendations that build upon the 'Bogota Commitment and Action Agenda', adopted by the World Organization of United Cities and Local Governments (UCLG) in 2016, as well as the annual reports of the Global Taskforce of Local and Regional Governments (GTF) to the UN High-Level Political Forum on Sustainable Development (HLPF) since 2017.

In a context of increasing inequalities, endangerment of ecosystems and tensions that are threatening human solidarity, the GOLD V Report presents the efforts of a key constituency that serves communities, responding to their needs and hopes. It is a positive message about the impact that well-resourced localization can have in a new vision for the sustainability of our planet. The recommendations are addressed to local and regional leaders and their organizations, to our partners, national governments, international organizations, civil society and social actors, as well as to the business sector.

Local and regional governments lead the way towards a more equal and sustainable world

In the globalized urbanization era, the actions of cities and LRGs are integral to the global agendas: it is at the local level that the interrelationship between the different agendas most clearly manifests itself. With regard to the global agendas, getting the 2030 Agenda commitments right necessitates the full implementation of the principles of the New Urban Agenda and the Addis Ababa Action Agenda, that in turn are fundamental to changing the patterns of production and consumption as the basic premise of the Paris Agreement on climate change and the Sendai Framework for Disaster Risk Reduction. The following recommendations situate the LRGs as drivers of an alternative territorial approach to local development (TALD).

Actions at local and regional levels

Galvanize forces for the localization of the 2030 Agenda in our cities and territories

LRGs and their global and regional organizations have pioneered the localization of the SDGs. To make the 'quantum leap' currently needed they must:

- Adopt the **SDGs as a reference framework** for LRGs' policies, programming, planning and budgets, ensuring a coherent and integrated approach — mindful of the Paris Agreement on climate change, the Sendai Framework and empowered by the principles of the New Urban Agenda.

- Embolden ambitions by fostering **greater ownership** of the communities and attain real **local buy-in** of policies. Co-creation with other local stakeholders will be critical in the definition, implementation and assessment of the localization process.

- Share and learn: Participate in LRG networks and invest in **peer-to-peer knowledge-sharing**, practice exchange and training. Fostering and accessing technical assistance and decentralized cooperation to promote the localization of the SDGs will be key.

- Link with science: Serve as catalyser to foster partnerships with research institutions and promote **'labs' to experiment** with innovative ways to implement, review and follow-up the localization process.

Protect the commons, human rights and culture as foundations of peace

The preservation of the global commons (biodiversity, land, atmosphere, oceans) that determine the survival of all living beings, as well as the protection of peace, cultural diversity and human rights, require strong local action and LRGs' commitment to:

- Foster an **ecological and systemic relationship between people and nature**. LRGs must support cohesion of the 'urban-rural continuum' and strengthen the interconnected policies that halt deforestation and desertification; effectively manage the current network of protected areas, including terrestrial, freshwater (both surface and ground) and marine areas; and improve human wellbeing, particularly of indigenous populations and communities whose livelihoods depend on forests, water and soil conservation and climate change mitigation.

- Achieve **climate neutrality in cities and territories**, taking into account the life-long cycle of GHG emissions to proactively tackle climate emergency. Decoupling socio-economic development from environmental degradation calls for well-planned urban development and land management; responsible and fair management of natural resources and waste; at the same time ensuring reduction of inequalities. It implies divesting from fossil fuels to free up resources. These can in turn be invested to accelerate scaling-up the protection of most vulnerable populations and ecosystems, and offsetting any emissions that cannot be further reduced or avoided.

- Contribute to **holding global warming to 1.5°C** by the end of the 21st century, through the collective definition of Territorially-Determined Contributions (TDCs) feeding into the Nationally-Determined Contributions (NDCs) for the implementation of the provisions of the Paris Agreement. Support the post-2020 negotiation of the global biodiversity framework, as well as the Convention on Wetlands of International Importance and the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

- Promote peace and city diplomacy by tackling the roots of local violence, educating for its eradication and to create a mindset that makes it possible to build a culture of dialogue in cities and territories. Foster cities and territories as spaces for **co-existence and peace** through measures that fight interpersonal violence, extremism, racism, xenophobia, gender-based violence and other forms of intolerance, and introduce measures to integrate all citizens.

- Promote **culture as the fourth pillar of development** and as a core component of local identity, a strand of global solidarity, and a vector for peace and human rights. Foster locally relevant cultural policies and programmes on memory, heritage, creativity, diversity and knowledge, as intrinsic to local sustainable development.

Put human rights and the 'Right to the City' at the core of the local agendas – strengthen inclusive local policies to 'leave no one behind'

Given its multiple dimensions, the eradication of extreme poverty is inextricably linked to the protection of human rights. LRGs should put the 'Right to the City' at the centre of urban and territorial governance to ensure universal access to quality basic services, nutritious food, health and education, economic opportunities, access to adequate housing and disaster risk prevention for the most vulnerable. These are essential components of territorialized pro-poor policies. Partnerships with communities and community-based organisations are instrumental in creating alternative solutions, particularly where public services are scarce. LRGs should commit to:

- **Remove any discriminatory legal and social policy** at the local level to ensure equal opportunities for all, particularly for women, indigenous peoples and ethnic minorities, the LGBTQIA+ populations, the elderly, the youth, and people with mental and physical disabilities. Facilitate migrants' and refugees' access to rights and services, regardless of their status.

- Tackle **gender-based discrimination and violence** with tailored policies, budgets and legal reforms. LRGs can raise awareness and reinforce education on the changing conception of gender roles. Women must be equally represented and granted equal powers in decision-making forums. It is necessary to enact gender-sensitive policies in territories that promote equal access to health and education and acknowledge the role of women in the domestic and informal economy. Gender equality has a multiplier effect in advancing sustainable development, environmental protection and social justice.

- Support the fulfilment of the **right to adequate housing for all**, which includes affordability, legal security of tenure, habitability, accessibility and cultural adequacy standards, and must be understood within the framework of the 'Right to the City'. Promote inclusionary housing policies and slum upgrading initiatives that are undertaken in partnership with the communities and seek to avoid forced evictions.

- Promote the **Principles of Open Government** as a tool for the improvement of policy ownership and accountability. Create spaces and mechanisms that favour citizen participation in local decision-making, access to information and communities' ownership of the 2030 Agenda and other global agendas.

Harness the co-creation of cities and territories through sustainable participative urban and land planning

Planning needs to be the result of the political, economic and social systems within which it is embedded. Deep reforms on planning regulations and frameworks are a critical part of SDG localization and the New Urban Agenda. This includes the need to produce qualified professional planners and researchers. By renewing participatory urban and spatial planning, LRGs should:

- Adopt an **integrated planning approach**, as reflected in the New Urban Agenda, to strengthen the inclusive dimension of cities, climate adaptation and mitigation and disaster risk prevention strategies, and multiply the benefits of interlinkages between urban and territorial areas. Inclusive and participatory planning are key levers for the co-creation of sustainable and inclusive cities and territories.

- Build capacities and retain **local expertise** to address rapid urbanization with adapted approaches to reduce urban sprawl and avoid costlier retrofitting. Most urgent actions are needed in regions where rapid urban growth will be concentrated (Sub-Saharan Africa and South and South-East Asia).

- Scale-up efforts to build **urban resilience and disaster risk preparation**, involving local communities, particularly vulnerable groups, in particular in coastal cities and Small Developing Island States (SIDs).

- Contribute to promoting **'polycentric' urban development** to reduce core-periphery divides, promote more compact and social-mix neighbourhoods, reduce inequalities and avoid urban segregation.

- Create or preserve **open public spaces** to boost inclusion and protect urban heritage and culture, while also pursuing innovative solutions to foster creativity for sustainable urban development.

- **Curb urban sprawl**, reduce distance between home and work places to reduce commuting times and encourage access to alternative and safe modes of mobility (including walkable cities) to reduce GHG emissions. Urban and

spatial planning can lead to transformative use of renewable energy, and reduce the ecological footprint of cities and territories, greening public infrastructure and spaces, reducing air and waste pollution, and reducing risks such as floods, drought or urban heat island effects.

- Improve relationships with the surrounding peri-urban and rural areas, avoid land degradation, and improve **food security** and farmers' livelihoods.

- Enhance the management of **natural protected areas** and ecosystem services, such as upstream watershed areas that the city relies on for fresh water supply, and support reforestation.

Improve access to sustainable and inclusive public services in cities and territories

LRGs need to develop an integrated and systemic approach that will guarantee universal reach. This includes universal access to safe drinking water and sanitation, to quality education and health, to public affordable and sustainable mobility, to integrated waste management and to affordable and clean energy. LRGs need to:

- Develop **infrastructure plans** alongside urban land-use plans, including long-term investment strategies to guide economic and spatial expansion, especially where there are pressures for growth.

- Reduce the **environmental impact** of urban infrastructures and contribute to communities' resilience.

- Support **inter-municipal cooperation** or specific mechanisms that guarantee collaborations to ensure full coverage and adequate quality delivery in territories, be it in metropolitan areas, cities or peri-urban areas, or between neighbouring municipalities in rural areas.

- Guarantee access to affordable services exploring new universal models of service co-production, taking advantage of new decentralized technologies; support small-scale businesses as basic service providers and improve the **quality oversight of services**; and gradually insert the informal economy into the organization of public service delivery.

- Improve the management, delivery and transparency of public basic services, and facilitate innovative **partnerships for co-production and co-management**.

Focus on the future of jobs and local economic development (LED)

It is now urgent to steer a course away from the patterns of economic growth, consumption and production of goods and services that perpetuate deprivations, generate inequalities, deplete the global commons and threaten to cause irreversible damage to the environment. LRGs should therefore:

- Promote LED that helps generate **sustainable socio-economic development tailored** to the particular needs and contexts of cities and territories, and ensure decent work and respect for responsible sustainability standards.

- Prioritize **quality local employment** as a right and tailor fully-fledged policies responsive to the barriers faced by and vulnerabilities of specific groups, including women, youth, ethnic and religious minorities or people with disabilities among others; likewise find inclusive solutions to involve migrants regardless of their status; and facilitate intergenerational knowledge transfers to preserve, disseminate and evolve local know-how and crafts.

- Create spaces for **local innovation** in order to nurture and scale-up local capacities, including those enabled by technology and nature-based industries; develop synergies with local initiatives; support small and medium-sized enterprises (SMEs) that contribute to sustainable growth and to create employment in their local environments, give impulse to productive clusters and cooperative strategies both within and between sectors and territories.

- Ensure that **new technologies and e-platforms** do not widen the divide that is consolidating poor-quality employment, or priviledge extractive systems of production that do not support communities' social cohesion, connectedness and wellbeing. Develop policies to protect people's privacy, and foster traditional local small business.

- Promote **alternative economic models** such as the transition towards a circular and green economy; support the social and collaborative economy and sustainable tourism. Support the transition towards territorialized food systems that foster good health while minimizing environmental impact; and support efforts to reduce the environmental footprint.

- Recognize the critical role that the **informal economy** plays in the urban fabric. Because of this contribution and the growing number of

workers involved in informal economy activities (estimated at over two billion people worldwide, among which women are 'over-represented'), LRGs need to take necessary steps and support and create initiatives to help entrepreneurs in the informal economy. This must support them to evolve their activities towards the social and solidary economy, and promote the creation of mechanisms to facilitate access to social protection.

- Create enabling conditions, capacities and confidence to mobilize the transformative power of **public procurement**, while respecting the autonomy of LRGs to set their own policy priorities. This should be done by mainstreaming and implementing sustainable and decent work policies, and fair, labour-friendly and environmental clauses, and by encouraging a culture of transparent public contracts and disclosure.

At the global and national levels

Foster a global-local movement to localize the SDGs. Localization should be a pillar of national sustainable strategies to implement the SDGs

To achieve the 2030 agendas on time, the pace of change needs to accelerate and ambitions need to be bolder. National governments and international organizations should work in collaboration with LRGs and their networks to increase the outreach and strengthen partnerships of the 'whole-of-government' with the 'whole-of-society' to boost localization. National governments should:

- Integrate (or strengthen) robust **localization strategies** in their sustainable development strategies and action plans to expand the involvement of LRGs and local actors, accelerating and upscaling territorial sustainable development. Localization strategies should be mainstreamed in all plans, programmes and budgets from national to local levels.

- Coordinated strategies for the 2030 Agenda, the SDGs, the Paris Agreement on climate change and the New Urban Agenda are an imperative. **No single agenda can be addressed in isolation**. National sustainable development plans (NSDPs), Nationally-Determined Contributions (NDCs) to the Paris Agreement and national urban policies (NUPs), as well as other strategic plans, need to be articulated in order to overcome sectoral fragmented strategies, improve the allocation of resources and boost implementation at all levels, from global to local and vice-versa.

Create an 'enabling institutional environment' for localization – empowered local and regional governments and adequate financing flows to support localization are an imperative

Effective decentralization policies are intrinsic to empowering LRGs and supporting SDG localization. The principles of effective decentralization are defined in the International Guidelines on Decentralization and the Strengthening of Local Authorities, adopted by the UN-Habitat Governing Council in 2007.

- LRGs need **local autonomy and subsidiarity principles** to be respected in order to respond to the demands of their inhabitants, to innovate and to adapt national policies and the SDGs to the local context. Urgent actions are needed to unlock LRGs' potential to localize the SDGS and ensure access to basic services for all.

- Access to **basic social services** is a universal principle acknowledged by the UN and a building block for human development. LRGs need to be empowered and accountable to ensure the delivery of quality basic services for all, defined as direct or shared responsibilities in the legal frameworks of a majority of countries, to achieve the principle to 'leave no one behind' — one of the core objectives of the 2030 Agenda.

- LRGs' adequate **fiscal powers and capacities**, as acknowledged by the Addis Ababa Action Agenda (paragraph 34) need strengthened local tax systems, including the power to capture part of land and property added-value; a better allocation of national fiscal revenues through fair, regular and predictable intergovernmental transfers; and access to responsible borrowing to invest in sustainable public services and infrastructures. Environmental taxes should

be considered to advance energy transition and enshrine the 'polluter pays' principle into financing frameworks. Equalization funds are also necessary to ensure the adequate redistribution of resources across the whole territory to avoid 'leaving any territory behind', paying particular attention to intermediary cities and small towns and promoting more balanced and 'polycentric' urban systems.

- To mobilize national and international **sustainable investments** toward cities and territories, national policies and legal frameworks should be revised. An appropriate range of debt finance options needs to be adapted and made accessible to LRGs, one that considers multiple sources of financing and innovative financial instruments. It is also necessary to adopt vertically aligned NDC investment plans and open or facilitate LRGs' access to climate and green funds.

- Facilities supporting cities in making transformative projects reach **bankability and creditworthiness** standards are essential and require strong backing and leadership to close financing gaps and enhance match-making opportunities, either through specific funds, or connecting cities with potential financiers. The next phase, already in motion, is to support a more diverse set of financial mechanisms that are adapted to the different capacities of cities and territories, such as the upcoming International Municipal Investment Fund, set up by the UN Capital Development Fund (UNCDF) and UCLG with the support of the Global Fund for Cities Development.

- The promise of 'blended finance' can only be fulfilled with the creation of **adequate regulatory frameworks** and with support for LRGs in setting up partnerships with the private sector. These must be mutually beneficial and have clear contractual parameters ensuring that the needs of their citizens come first and that the poor and vulnerable groups are not 'left behind'.

Effective involvement of all spheres of government, civil society and key stakeholders is imperative to strengthen the governance of the SDGs and the localization process

Strong partnerships and the participation of LRGs, civil society, private sector, social partners and academia in SDG implementation, are critical to achieve the 'whole-of-government' and 'whole-of-society' approaches called for by the SDGs. It is also crucial to ensure policy and institutional coherence both internally and externally. Without the active and collaborative involvement of all stakeholders, the SDGs will remain aspirational goals only.

- At the national level, there is much to do in terms of effectively involving LRGs and stakeholders in the **national coordination mechanisms** for the implementation of the SDGs. Limited consultations and uncoordinated decision-making presently hinder the policy coherence necessary to achieve the SDG targets and reduce local ownership.

- Integrated national planning systems are at the core of **functional multilevel governance systems** and need to be revamped to enhance the coordination between national governments, LRGs and local stakeholders. A renewed approach to planning that articulates national strategies with strong local initiatives in active collaboration could recalibrate development policies, facilitate burgeoning local actions and promote institutional innovation. This collaboration needs to be founded on the respect of the principle of subsidiarity.

- As decision-makers, LRGs need to be involved in the definition, implementation and follow-up of NDCs and national strategies for the implementation of the New Urban Agenda. National urban policies (NUPs), adopted (or in the course of being adopted) by more than 92 countries, need to be integrated in national development strategies (NDSs) to take advantage of the cumulative benefits of urbanization and identify **cross-sector synergies to support SDG implementation**.

- **Horizontal cooperation** at the sub-national level (e.g. intra and inter-municipal cooperation) needs adequate governance mechanisms, tools and fiscal policies to foster urban-rural partnerships and reinforce the management of growing metropolitan areas. Coordination will also strengthen interconnections and cooperation between territories for service delivery and key environmental issues that require reinforced and trans-jurisdictional (and often trans-boundary) actions, such as the management of river catchments and environmental resources.

Support the production and dissemination of disaggregated data for monitoring, evaluation and impact measurement of the localization of the global agendas, including the SDGs

- LRG involvement in the global and **national monitoring and reporting processes** on SDG implementation is crucial and should not be limited to ad hoc consultations. The process of Voluntary National Reviews (VNRs) needs improvement, to ensure the fully-fledged participation of LRGs that brings the voice of the territories and local actors to the process.

- Fragmented reporting systems hinder ownership and the institutionalization of the SDGs across different spheres of government. Strengthening **local reporting capacities** and closing the data gap require particular attention and support. National and local capacities to define and collect disaggregated and localized data should be part of SDG localization strategies to ensure that planning processes at all levels are founded on realistic targets and that effective implementation can be monitored, as well as to ensure accountability and citizen follow-up.

- Voluntary Local Reviews (VLRs) contributing to national monitoring and to the global debate, and promoting knowledge-sharing and emulation between LRGs, are opportunities that need specific support and acknowledgment.

A global governance system that brings together local and regional governments and civil society will boost the implementation of the global agendas

- The UN High-Level Political Forum on Sustainable Development (HLPF) will need to be reshaped to enhance the participation of different stakeholders, as well as facilitate **true innovation and learning**. The HLPF should be an effective multilateral and multi-stakeholder space for dialogue, exchange and knowledge-sharing in order to reinforce multilateral collaboration and partnerships and ensure the real oversight of commitments, policy agreements and implementation.

- The consolidation of the **Local and Regional Governments Forum** is essential as a critical space for interactions between the LRGs, UN Member States, and the UN system. Furthermore, multilevel dialogues need to embolden the local-global leadership, as proposed in the 'Seville Commitment'.

At the continental level, **LRGs' enhanced involvement in the regional forums** (e.g. Regional Forums on Sustainable Development, co-organized by regional UN Commissions), in multi-stakeholder platforms (e.g. the European platform) and spaces (e.g. urban forums) will enhance policy exchange to foster SDG localization and the active involvement of LRGs in the monitoring of the SDGs and related agendas. ◎

The audience at the Local and Regional Governments' Forum, HLPF, 16 July 2018, New York (photo: UCLG-CGLU/Joel Sheakosk, bit.ly/31UjlHR).

The Localization of the Global Agendas

How local action is transforming territories and communities

In July 2019, at the end of the first quadrennial cycle of SDG implementation, the review of the 2030 Agenda stressed that there currently exists a 'gap between rhetoric and action'. Assessments underline that at the current pace, none of the SDGs will be reached by 2030. In its fifth edition, the Global Report on Local Democracy and Decentralization (GOLD V) examines in detail the assessments of the implementation of the global agendas in the 142 countries (representing 86% of the world's population) that have presented at least one Voluntary National Review since 2016.

To complement these assessments, GOLD V provides an up-to-date global mapping of the processes of localization of the global agendas, and in particular how decentralization and multilevel governance contribute to these processes. The GOLD V Report highlights how, within the current institutional frameworks, the involvement of local and regional governments in coordination mechanisms and monitoring and reporting processes is essential to creating a sense of collective responsibility for the achievement of more equitable, fair and sustainable societies.

GOLD V shows how the core elements of the global agendas are interlinked at the local level. It underlines the role of cities and territories as critical pillars for a more sustainable social, economic, environmental and cultural development. As such, local governments must co-own and be accountable for the localization process. In a context of increasing inequalities, endangerment of ecosystems and protracted tensions that are threatening human solidarity, the GOLD V Report states that the global agendas must either be local or they simply will not be.

The report demonstrates that the sustainable goals require fully territorialized strategic policy design, enabling institutional environments and political roadmaps. Localized policies and actions are strengthening the involvement of local stakeholders to take full advantage of local potentialities. With the support of peers worldwide, these policies can help improve and upscale the emerging territorial push for SDG implementation.

The report carries a hopeful message about the impact of well-resourced localization as a fundamental part of a new vision of sustainability for our societies. It presents a unique perspective on the immediate challenges that need to be solved to foster, monitor and scale-up local initiatives by strengthening inclusive and participatory local governance. It also reinforces the pledge of the world constituency of local and regional governments, their networks and associations, to contribute to policy responses to catalyse change. Cities and regions are mindful of their role in delivering efficient, inclusive and sustainable public institutions and policies, advancing a firm rights-based approach to relaunch the social contract and strengthen citizen's trust in public action.

Fifth Global Report
on Decentralization and Local Democracy