



## Policy perspectives

# A Territorial Approach to the Sustainable Development Goals

## 5-year stocktake



## About the OECD

The Organisation for Economic Co-operation and Development (OECD) consists of 38 member countries and works to build better policies for better lives. It provides a forum where governments work together to address the economic, social and environmental challenges of globalisation. The Organisation is at the forefront of efforts to help governments understand and respond to developments and concerns such as corporate governance, the information economy and the challenges of an ageing population. Through the OECD, governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

## About the OECD Centre for Entrepreneurship, SMEs, Regions and Cities

The OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) helps national, regional and local governments unleash the potential of entrepreneurs and small and medium-sized enterprises (SMEs), promote inclusive and sustainable growth in regions and cities, boost local job creation and implement sound tourism policies.

## About the OECD programme on A Territorial Approach to the SDGs

The OECD has developed an ambitious programme to support cities and regions to develop, implement and monitor strategies to achieve the SDGs. Approved in 2015 by the United Nations, the SDGs set the global development agenda for the next fifteen years, stimulating crucial actions for humanity and the planet. The 17 goals are action oriented, global in nature and universally applicable. They aim to reach environmental sustainability, social inclusion and economic development in both OECD member and non-member countries.

The programme seeks to support interested cities and regions in fostering a territorial approach to the SDGs by;

- measuring where they stand vis-à-vis the national average and their peers;
- engaging a multi-level dialogue with their lower and upper levels of government to build consensus on who can do what, at what scale and how; and
- sharing best practice and lessons from international experience.

Find out more: [www.oecd.org/cfe/territorial-approach-sdgs.htm](http://www.oecd.org/cfe/territorial-approach-sdgs.htm)

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# 5 years of A Territorial Approach to the Sustainable Development Goals

Approved in 2015 by the United Nations, the Sustainable Development Goals (SDGs) set the global development agenda for the next fifteen years, stimulating crucial actions for humanity and the planet. National governments have made important commitments to the 2030 Agenda, but cities and regions have a crucial role to play in achieving the SDGs. It is estimated that 105 out of the 169 targets underlying the 17 SDGs will not be reached without proper engagement of, and co-ordination with local and regional governments (LRGs). The SDGs can help foster policy coherence and place-based solutions to complex problems and offer a clear and stable framework to guide local and regional governments in building resilience against future shocks.

The OECD has developed an ambitious programme to support cities and regions in shaping, implementing and monitoring effective strategies to achieve the SDGs.

## Objectives of the OECD programme A Territorial Approach to the SDGs

### Learning



- SDGs as a means to reshape policies from the ground up
- SDGs can help manage trade-offs, prioritise investments & allocate budget
- SDGs to strengthen multi-level governance & coordination

### Measuring



- Where cities & regions stand against national averages
- How cities & regions compare against peers

### Sharing & Guiding



- Multi-stakeholder dialogues across 10 pilot cities and regions
- OECD Roundtable on Cities and Regions for the SDGs
- OECD Toolkit for A Territorial Approach to the SDGs

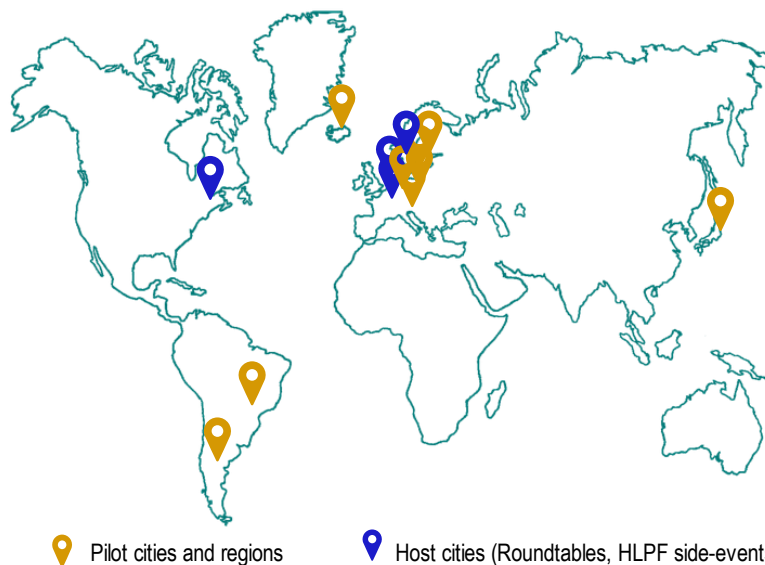
### OECD Action Plan on the SDGs and SDGs Council

The **OECD Action Plan on the SDGs** sets out how the Organisation support Member States and the international community in the achievement of the SDGs. It is conceived as a living document, recognising that countries' needs and interests will evolve over time.

The **OECD Council on the 2030 Agenda for Sustainable Development** provides an appropriate setting for review progress in the implementation of the OECD Action Plan, and benefit from reporting on relevant activities, as well as broader evidence of progress and challenges in the achievement of the SDGs. Regular dialogue with non-Members at Council level further encourage an exchange of experiences.

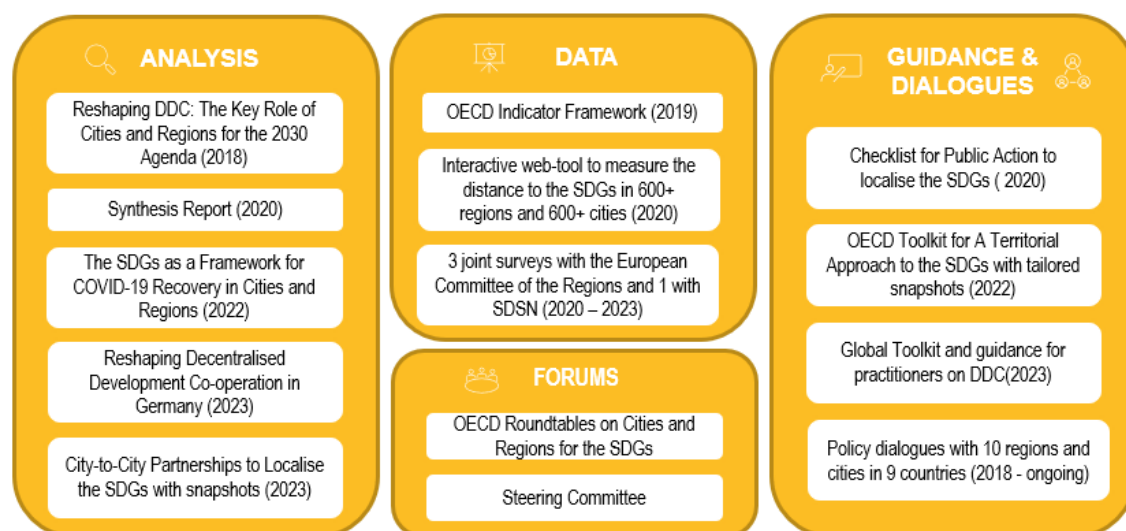
## Pilot Cities and Regions

- Province of Córdoba | Argentina
- Region of Flanders | Belgium
- State of Paraná | Brazil
- Region of Southern Denmark | Denmark
- City of Bonn | Germany
- Rhine-Neckar Metropolitan Region | Germany
- Municipality of Kópavogur | Iceland
- Autonomous Province of Bolzano | Italy
- City of Kitakyushu | Japan
- County of Viken | Norway
- Basque Country | Spain

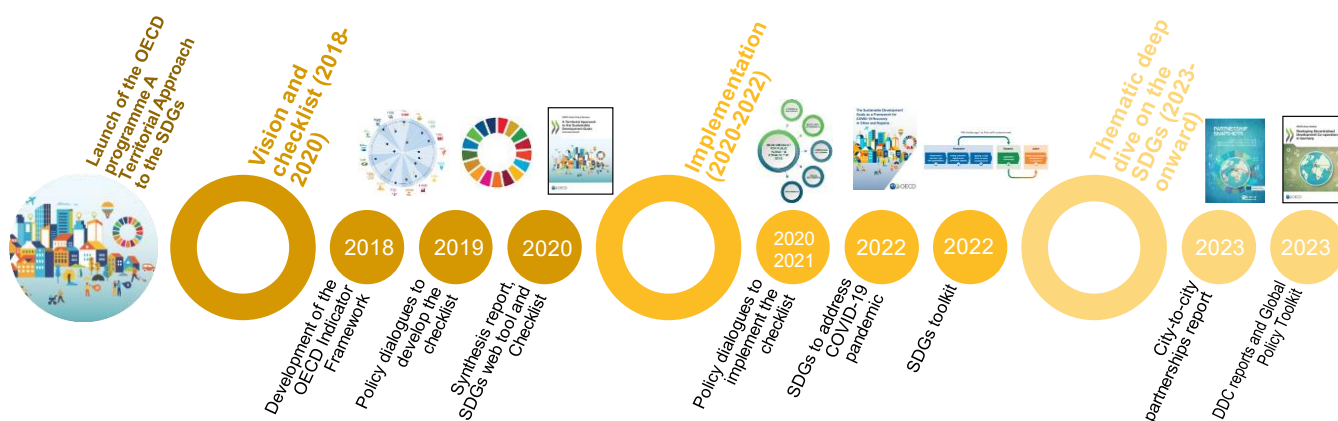


## Achievements

Since 2018, the OECD has conducted cross-cutting analysis, advanced data and measurement, and created a community of practice to share experience and knowledge on the localisation of the SDGs. The programme has also provided tailored guidance through policy dialogues to advance the implementation of the SDGs in cities, regions and national governments.



The OECD programme on a territorial approach to the SDGs has organised its work in 3 main phases: (i) Vision and checklist (2018-20); (ii) Implementation (2020-22); and (iii) Thematic deep dive in the SDGs (2023-onward). The OECD and its community of practice discuss the outcomes of the programme on a regular basis, through its series of OECD Roundtables and webinars, as well as during the various editions of the UN High-Level Political Forum and the World Urban Forum.



# Cities and regions are facing many development challenges

Cities and regions have a hand in policies that are central to sustainable development and people's well-being, from water and housing to transport, infrastructure, land use and climate change, among others. Subnational governments in OECD countries carry out 55% of total public investment and 37% of public spending on average. Yet many cities and regions are facing a variety of territorial development challenges, often related to sustainable mobility, affordable housing and the need to transition to green and inclusive growth.

## Mobility



The transport sector, mainly road transport, is the second-largest contributor to GHG emissions (24% in 2018) in OECD countries after the energy sector. Although vehicle energy efficiency has improved, the distances travelled and the vehicle numbers, size and weight have increased, leading to higher fuel consumption and related emissions. Reaching climate neutrality and cutting oil use requires further development of public transport, reducing private car use and accelerating the adoption of electric and more energy-efficient vehicles. Ensuring good accessibility to public transport is essential not only to reduce GHG emissions but also to reduce congestion and air pollution, and to improve quality of life in cities and regions.

## Housing



Cities across the world are battling a housing crisis, driven in large part by the increasing unaffordability of housing in recent decades, putting pressure on household finances, especially for lower-income groups. Real house prices rose by 77% between 1996 and 2022, compared to GDP per capita growth of only 29%. On average in metropolitan areas in OECD countries, buying a house in the city centre is 30% more expensive than in the suburbs. In many cities, housing supply has failed to keep pace with rising demand. Public investment in new homes has declined across the OECD in recent decades, with direct public investment in dwellings amounting to less than 0.01% of GDP in 2018. The increasing scarcity of land, restrictive building regulations, and rising construction costs are impacting private investment, especially in affordable housing. Poor-quality or inadequate housing is another serious challenge in many cities, impacting not only on residents' wellbeing but also on household finances and climate objectives, as many poor-quality homes are also energy inefficient.

## Green and inclusive growth



Many OECD cities and regions face challenges when it comes to achieving economic growth while simultaneously transitioning to carbon neutrality and battling inequalities. Most OECD regions are far from meeting climate neutrality targets by 2050 and will have to undergo deep structural transformations. On average, regions will have to cut their emissions by a factor of 6 by 2030 to meet the United Nations (UN) target of 2.1 t CO<sub>2</sub>-eq per capita. In particular, energy-related greenhouse gas emissions account for the largest share of production-based emissions across OECD countries (38% in 2018). At the same time, cities and regions experience persistent inequalities. In capitals and less developed regions, the disposable income of the richest 20% is around 7 times higher than that of the poorest 20%.

# The SDGs help cities and regions solve their challenges

## Tackle interrelated policy areas like mobility, climate action and inequalities



The SDGs provide a framework to identify interlinkages and manage trade-offs between key policy areas for sustainability in cities and regions, such as those between climate and air quality, sustainable mobility, and inequalities. Various cities and regions use the SDGs to take such trade-offs into account in their policies and strategies, e.g. expanding public transport to reduce inequalities by making mobility more

affordable, accessible and less polluting, upgrading cycling infrastructure to provide low-emission mobility options, and increasing car-sharing supply.

### DID YOU KNOW?

*For 49% of cities and regions, improving multi-modal transport – such as active and clean urban mobility – is the top priority for sustainable mobility and accessibility.*

*OECD, 2022*

Reducing air pollution and transitioning to low-carbon transport (SDG 9) is key to building sustainable cities, but requires managing trade-offs between policy areas (e.g. climate and air quality, transport and sustainable mobility), while striving to reduce inequalities. For example, climate change mitigation and adaptation (SDG 13) through the reduction of greenhouse gas (GHG) emissions (SDG 11), while considering impacts on inequalities (SDG 10), requires:

- reducing private transportation in favour of public transport, while responding to the needs of a growing and ageing population
- considering the impact of climate measures on inequality (e.g. the expansion of renewable and potentially more costly energy sources or the establishment of congestion charges), with special attention to vulnerable groups, in particular elderly and youth populations

### Inspiring examples from pilot cities and regions

#### Rhine-Neckar Metropolitan Region, Germany – Mobility pact

The Rhine-Neckar Regional Association elaborated a mobility pact with federal states, municipalities, chambers of industry and commerce of Palatinate and Rhine-Neckar, public transport associations, and the company BASF. The pact contains a holistic concept for the mobility requirements of the region with working groups for (1) public transportation, (2) traffic management, (3) commuter and freight traffic, and (4) regional mobility challenges. In a context of widespread preference for individual car usage in the region, projects include the development of an integrated transport model for the entire region that considers all modes of private and public transport, cycling and new forms of mobility such as car and bike sharing. The plan also features an assessment of the CO<sub>2</sub> reduction potential of measures to achieve climate protection targets in the transport sector in the metropolitan region.

#### Autonomous Province of Bolzano-Bozen, Italy – Reducing private transportation

As part of its efforts to achieve the SDGs and address the provincial mobility challenges, the province of Bolzano-Bozen, Italy, has put in place a variety of measures, including a Sustainable Mobility and Logistics Plan that foresees the integration of all modes of transport aiming to ensure their environmental, economic and social sustainability, a gradual replacement of the public transport fleet with hydrogen buses and measures to strengthen the cycling infrastructure. A key action put in place to increase the attractiveness of public transport is the South Tyrol Pass, an electronic ticket valid for one year on all means of public transport, with a degressive price structure, i.e. a fixed price per kilometer that becomes cheaper as the distance travelled increases.

## Provide access to quality and affordable housing



The challenges of large metropolitan areas include environmental issues, pressure on public services and access to quality and affordable housing (SDG 11). Cities often face complex trade-offs addressing such challenges, given that reducing GHG emissions requires maintaining and developing green spaces, while also catering to a growing need for affordable housing, for example.

Urban densification, such as adjusting building codes and spatial development regulation in urban and regional planning, is another way that cities can provide more efficient land use, avoid urban sprawl and achieve sustainable urbanisation in the long term.

Addressing the housing crisis also requires ensuring that land-use planning policies are not overly restrictive and are conducive to private housing developments. Incentivising the renovation of existing buildings, while having the right incentives and support mechanisms in place, especially for lower-income households, is another way to target challenges related to housing.

According to an OECD-CoR survey (2021), providing sufficient quality and affordable housing is one of the priorities of local and regional governments to reduce inequalities (SDG 10) – close to 20% of respondents referred to it as their top priority. Examples of measures to respond to the housing crisis include sustainable construction based on waste recycling as a tool to tackle housing and recycling deficits at the same time, sharing the costs of social infrastructure linked to housing projects with real estate developers, and using private financing mechanisms to increase the availability of affordable housing.

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### DID YOU KNOW?

*Cities are projected to house 55% of the global population by 2050. Between 2006 and 2016, 81% of young people who moved within the same country settled in an urban or intermediate region.*

*OECD, 2019*

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### Inspiring examples from pilot cities and regions

#### Bonn, Germany – The Bonn Building Land Model

Bonn passed a resolution to introduce the Bonn Building Land Model in response to its stressed housing market. The objective was to create more affordable housing throughout the city and share the costs of social infrastructure with real estate developers. The model provides uniform and binding regulations for all housing development projects. It establishes an urban development contract through which developers commit to constructing 40% of the gross floor area of new residential projects as subsidised housing, and to covering a share of the costs for the development of childcare institutions in daycare centres.

#### Flanders, Belgium – Smart living

Households in Flanders spend on average 28% of their expenses on housing, a higher share than in 70% of OECD regions. 'Smart living' (optimal use of information and communication technology (ICT) to ensure smart and sustainable buildings, neighbourhoods and cities) is among the priorities outlined by the region of Flanders, Belgium, in its Vision 2050. The Flemish Housing Agency and its partners are experimenting with transition management principles to involve the private sector in contributing to smart living in Flanders. Their work focuses on developing sustainable neighbourhoods conducive to sustainable lifestyle choices (e.g. living and working in the same neighbourhood), while leveraging new private financing mechanisms to increase the availability of affordable housing.

## Link green and inclusive growth



Many cities are promoting green growth strategies, harnessing the environmental dimension of sustainability to create economic opportunities and inclusion. The SDGs help identifying synergies and minimising trade-offs on certain goals and address them in conjunction with the social and economic dimensions of sustainability. When cities and regions prioritise social or economic goals, the SDGs help consider the effect on the environment and avoid overlooking climate objectives. For example, the development of new industrial spaces (SDG 9) provides an opportunity to strengthen collaboration between the private and research sectors in sustainability and climate action (SDG 13), while providing labour-market (SDG 8) and educational opportunities (SDG 4) to improve inclusion (SDG 10). By conceiving climate and inclusiveness policies in tandem at a local scale, governments can reap the benefits of complementarities.

Initiatives that explicitly link environmental, social and economic SDGs can offer new job opportunities and promote social cohesion while considering environmental and climate-related implications by:

- stimulating clean and affordable energy supply and energy-efficiency cost savings and positive effects for low-income populations.
- expanding the circular economy to create synergies between economic and environmental sustainability, while providing new job opportunities, including for disadvantaged populations
- leveraging technology and innovation as a driver of environmental sustainability using green technology, and of inclusion using digitalisation to reduce inequalities.

According to an OECD-European Committee of the Regions joint survey, exploiting the advantages of urban density and urban form through forward-looking spatial and land use planning to prioritise climate-resilient and low-carbon urban infrastructure is a top priority for 35% of local and regional governments to transition towards greener cities and regions. Local and regional governments also emphasise the transition to a circular economy for more efficient use of resources and more sustainable consumption and production patterns (30%).

### Inspiring examples from pilot cities and regions

#### The city of Kitakyushu, Japan – Green Growth vision

The city of Kitakyushu transitioned from a manufacturing hub to sustainable and green city by emphasising sustainability through green growth, renewable energy and the circular economy. Building on Kitakyushu's long-term commitment to sustainability, the vision "Fostering a trusted Green Growth City with true wealth and prosperity, contributing to the world" was developed within the SDGs framework of the Future City programme launched by the Cabinet Office of the Japanese Government. The programme focuses on three pillars – economy, society and environment – and 17 specific measures to implement it, while prioritising the six most relevant goals in its local planning and policy making, in particular gender equality (SDG 5), clean energy (SDG 7), decent work and economic growth (SDG 8), industry and innovation (SDG 9), responsible consumption and production (SDG 12) and partnerships (SDG 17). The city has also developed an SDGs Future Plan.

#### City of Curitiba, Brazil – Smart city movement

The city of Curitiba is promoting a "smart city" movement, building an innovation ecosystem to foster smart and sustainable solutions aligned with the implementation of the SDGs. An example is the restoration of an entire community in Caximba, in the south of Curitiba, which is the largest socio-environmental project in the city. The goal is to recover a degraded area, which is home to 1 296 vulnerable families. The actions include the creation of a flood containment dam, a park, a defined area for urbanisation, as well as road-network, transportation, electricity, sanitation and water supply infrastructure. New technologies used include autonomous and sustainable domestic rainwater reuse powered by solar energy from photovoltaic plates installed on the roofs of residential buildings.

#### DID YOU KNOW?

*55% of local and regional governments consider that raising citizens' awareness of the urgency of climate action is their main priority to achieve climate objectives in an inclusive way – contributing to SDGs 10 and 13.*

*OECD, 2022*



# Five enabling factors to achieve the SDGs: the OECD Checklist

The OECD checklist aims to guide policy-makers at all levels of government move from recommendations to concrete actions to achieve the SDGs.



## Mainstreaming the SDGs in cities and regions' policies and strategies

The 2030 Agenda provides a long-term vision for strategies, plans and policies with a clear and common milestone in 2030. Many cities and regions across OECD countries use the SDGs as a framework to **put sustainability at the core of their development strategies, plans and programmes**. Examples range from using the SDGs as a checklist to assess how their programmes align with sustainable development outcomes, adapting existing plans and strategies to the SDGs, and formulating new plans and strategies based on the SDGs. Around 40% of LRGs responding to the OECD-CoR survey (2021) have elaborated a dedicated strategy or action plan for SDG implementation.

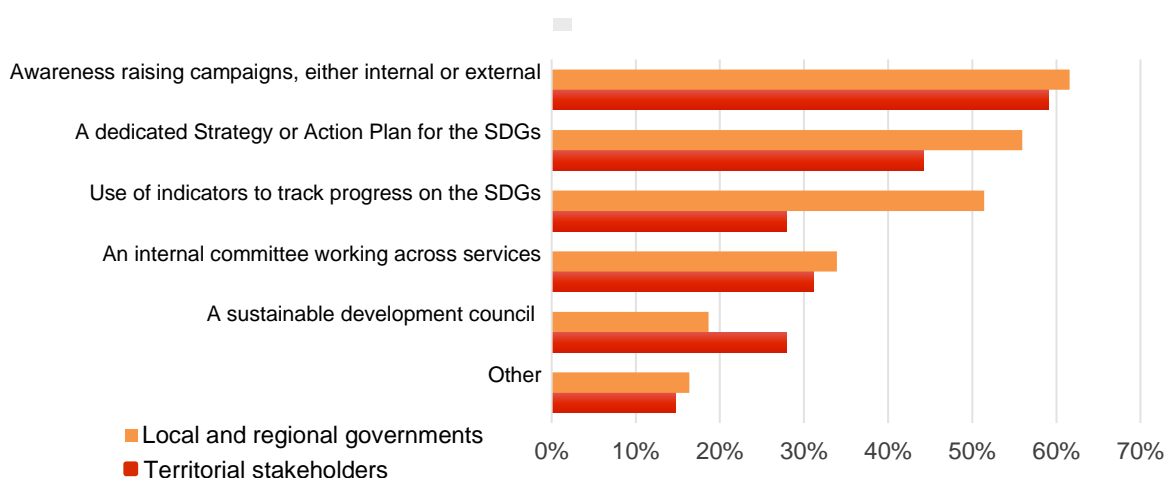
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*“Participating in the OECD programme helped us to focus on local needs, further strengthening the capacity of municipalities, mayors and public managers to support the achievement of the SDGs.”*

*Carlos Massa Ratinho Junior, Governor of Paraná, Brazil*

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### Main actions to achieve the SDGs



### Inspiring examples from pilot cities and regions

#### Southern Denmark, Denmark – Regional Development Strategy

The region of Southern Denmark's regional development strategy, called “Southern Denmark of the Future 2020-2023”, provides a holistic framework for regional development based on the SDGs. In this region, the SDGs have provided an opportunity to design a new strategy building on the earlier regional strategy called “The Good Life”, which had a strong focus on well-being. To address environmental challenges, the new strategy includes a set of initiatives related to green transition, climate and resources, focusing on resource optimisation, including the circular economy, and the use of alternative materials to minimise environmental impacts.

#### Basque Country, Spain – Agenda Euskadi Basque Country 2030 to align government programmes with the SDGs

The Basque Country considers the 2030 Agenda an opportunity to strengthen the Basque model of growth and social welfare, with a focus on human development, sustainable growth and quality of life. In 2018, it established the Agenda Euskadi Basque Country 2030 to align programmes and sectoral policies to the SDGs. The Agenda Euskadi Basque Country 2030 is time-bound, running to 2030 with policy initiatives divided into 4-year blocks coinciding with the legislative cycle. It is intended to be participatory, meaning that all social, economic and cultural stakeholders in each policy area are responsible for contributing to the achievement of goals.

## Strengthening multi-level governance

Cities and regions use the SDGs as a framework to **align policy priorities, incentives, objectives across national, regional and local governments**. They exploit key opportunities provided by the SDGs to strengthen multi-level governance to achieve the 2030 Agenda, notably:

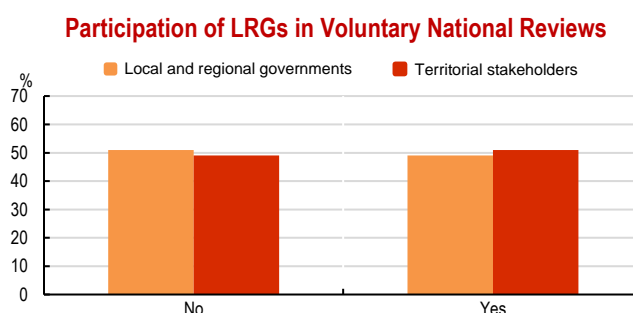
- Vertical co-ordination of priorities across local, regional and national governments for the implementation of the SDGs, including proper engagement of subnational authorities in the preparation of Voluntary National Reviews (VNRs).
- Horizontal co-ordination across sectoral departments of cities, regions and countries to manage trade-offs across policy domains in the implementation of the SDGs and ensure decisions taken or progress made in one area or SDG do not work against other SDGs.
- Stakeholder engagement to promote a holistic and whole-of-society approach to achieve the SDGs, enhancing partnerships between public and private sectors, and engagement with civil society and citizens at large.

*“The cooperation with the OECD in this programme has generated great added value for us to use the SDGs also as a policy tool and to integrate them into a successful multi-level governance. The SDGs can bring together the different levels and options for action.”*

*Stefan Dallinger, Chairman Rhine-Neckar Region Association, Germany*

Voluntary National Reviews also drive better multi-level governance of the SDGs. However, according to an OECD-CoR survey (2021), around only half of local and regional governments contribute to their national government’s VNR on the SDGs. Most of them (24%) did so by providing input for local or regional Voluntary Reviews, through multi-stakeholder platforms (19%) or ad hoc consultations (17%). Three priorities for local and regional governments in implementing the SDGs are:

- Aligning national and local priorities and ensuring consistency among policies implemented at the national and subnational levels;
- Channelling investment towards sustainability across levels of government;
- Setting incentives to enhance multi-level governance for sustainability.



### Inspiring examples from pilot cities and regions

#### Norway – Engaging local governments in the preparation of the VNR

In 2020, Norway's government initiated the National Action Plan for the Sustainable Development Goals (SDGs), led by the Ministry of Local Government and Modernisation (KMD). The plan, involving civil society, business, academia, and public enterprises, aims to adapt the SDGs to Norwegian conditions. KMD also encourages regional planning to strengthen multi-level co-ordination. The Norwegian Association of Local and Regional Authorities contributed to Norway's 2021 Voluntary National Review, discussing local efforts towards the SDGs and recommending the national government uphold multi-level governance and support local authorities.

#### Germany – Federal efforts to localise the SDGs in Germany

In Germany, drawing on experiences with the Local Agenda 21, the federal government provides technical and financial support to municipalities to implement the SDGs through a multi-level governance framework including SKEW (the Service Agency Communities in One World of Engagement Global) and BMZ (the Federal Ministry for Economic Co-operation and Development). Since 2017, SKEW supports municipalities in federal states to localise the SDGs through the Municipalities for Global Sustainability project. The project helps involve all levels of government and connect with international organisations.

## Measuring cities and regions' progress on the SDGs

Subnational governments need to know where they stand to achieve the 2030 Agenda. Evidence regarding their “distance” to the SDGs is crucial to redefine priorities, budget the necessary resources and redirect action. Monitoring change over time is also critical to drive progress.

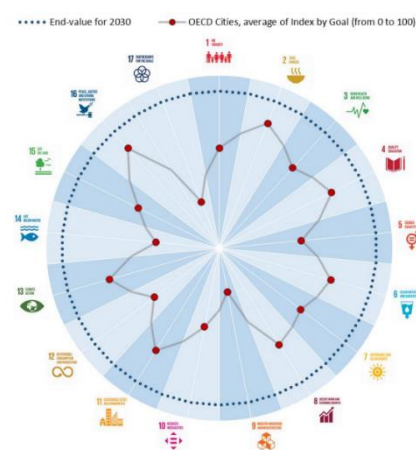
The OECD localised indicator framework for measuring distance to the SDGs in cities and regions helps monitor progress and support public action at local, regional and national level. With its 135 indicators, the OECD localised indicator framework and its [online web-tool](#) cover at least one aspect of each of the 17 SDGs for both regions and cities.

Data from the 135 indicators of the OECD localised indicator framework show that regions and cities in OECD countries are far from achieving the SDGs, and their average distance to the suggested end values varies widely across the 17 SDGs.

At least 80% of regions from OECD countries have not achieved the suggested end values for 2030 in any of the 17 goals. In particular, not a single region in the OECD has achieved the suggested end values for SDG 13 on “Climate action” and SDG 5 on “Gender equality”. In addition, at least 70% of cities from OECD countries have not yet achieved the end values suggested for 2030 in 15 out of the 17 SDGs. The SDGs where most cities lag behind relate to the environment (SDGs 13 about “Climate action” and 15 about “Life on land”) and gender equality (SDG 5), where at least 95% of cities have not met the suggested end values.

*“Indicator-based evaluation is key to measuring success and to planning future strategies for the implementation of Agenda 2030. our work on the SDGs and in particular on the development of SDG-indicators benefitted immensely from the valuable exchange with the OECD team and other cities and regions championing in SDG localisation.”*

*Katja Dörmer, Mayor of Bonn, Germany*



### Inspiring examples from pilot cities and regions

#### Kópavogur, Iceland – The Nightingale Information System and SDG Index

The municipality of Kópavogur in Iceland has taken a data-driven approach to localising the SDGs. To make the data efforts of Kópavogur actionable, the municipality’s IT Office has developed an innovative management and information system through which all local databases are integrated into one data warehouse. The Nightingale system can access all data in Kópavogur, and contains for example Kópavogur’s SDGs composite index. Kópavogur’s composite SDGs index consists of 15 dimensions, with each one corresponding to one SDG. These 15 dimensions contain 36 components that Kópavogur has prioritised as its primary goals, drawing on the targets of the SDGs.

#### Córdoba, Argentina – Open Management Portal

As a complement to its Open Government Roundtable, composed of civil society organisations and representatives from academia, the province of Córdoba has launched an Open Management Portal. This portal is a visual web platform through which the public can access information related to the three axes of governmental actions (social justice, sustainable economic growth, and strengthening institutions) aligned with the SDGs. For example, each visitor to the portal can choose an SDG to learn more about government initiatives and projects targeted towards the achievement of that goal.

## Mobilising financing and budgeting for the SDGs

Cities and regions need to ensure adequate resources to implement the SDGs and foster policy continuity across political cycles. Since the outbreak of the COVID-19 pandemic, the SDGs financing gap has widened from USD 2.5 trillion to at least USD 3.9 trillion per year, and is estimated to increase by USD 400 billion per year from 2020 to 2025. Meeting the SDGs requires mobilising a greater commitment to subnational and urban SDG financing because there is a clear gap between urban finance flows and needs.

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*“The implementation of our holistic strategy including the SDGs through strategic budgeting has had a highly positive impact on our work towards a sustainable future in Kópavogur.”*

*Asdis Kristjansdottir, Mayor of Kópavogur, Iceland*

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The lack of sufficient funding for the implementation of the SDGs is a major challenge for local and regional governments - as highlighted by 63% of respondents of a 2023 OECD-SDSN-CoR survey. Governments need to allocate financial resources based on the identified place-based policy priorities and local challenges, and use the SDGs framework as a means to foster integrated multi-sectoral programmes and priorities. The main measures implemented by cities and regions to secure sufficient funding for the 2030 Agenda are:

- Mainstreaming the SDGs in budgeting processes to ensure adequate resources to implement the 2030 Agenda.
- Integrating sustainability criteria in public procurement to achieve economic, social and environmental outcomes aligned with the SDGs. This requires rules, regulations and awareness about the benefits of sustainable public procurement.
- Mobilising private sector investments to bridge the financing gap by creating an attractive enabling environment.

### Inspiring examples from pilot cities and regions

#### Mannheim, Germany – Towards an SDGs budgeting

In the city of Mannheim, Germany, the 2022-23 budget cycle is based on the Mannheim 2030 city strategy and the SDGs, including 126 impact goals and 412 local indicators. In the analysis of performance accounting and expenses, the city reports how much is spent on core themes related to the SDGs, such as education or the environment. Mannheim also integrates impact and performance targets into budget documents, including specific indicators for strategic objectives linked to the SDGs. Thus, the vision is tied to the measures for achieving the goals, as well as their associated costs. Each year, the results are reviewed, and can feed into reporting, whether national or global.

#### Flanders, Belgium – Mainstreaming the SDGs in Vision 2050 and Focus 2030

In the region of Flanders, Belgium, the Flemish government and municipalities have developed the “Vision 2050” and “Focus 2030” that guide future investments based on seven transition priorities. As part of these development strategies, the region applies sustainable public procurement (SPP) practices to ensure that public spending supports responsible business conduct that promotes social and environmental goals. In January 2016, a plan for a co-ordinated policy for public procurement was adopted, aiming for effective and efficient use of public procurement to contribute to the achievement of all policy objectives. Flanders also supports local authorities through opening its framework agreements, including by providing model tenders and specifications, and by co-financing the SPP Helpdesk for local governments.

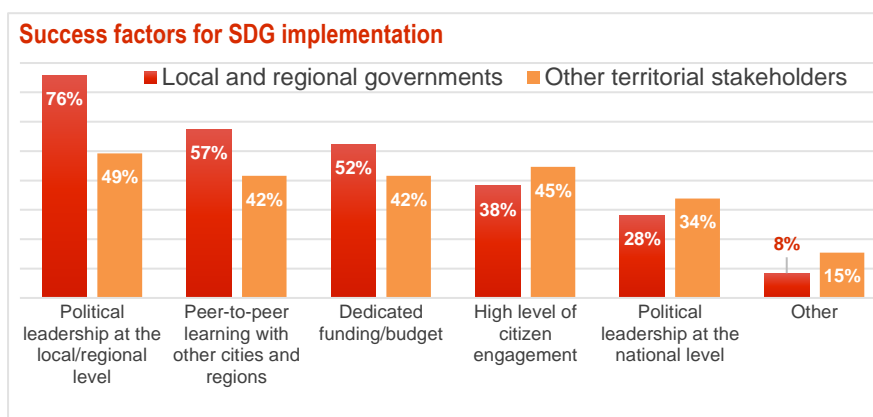
## Engaging public and private stakeholders

The SDGs can only be achieved if local, regional and national governments engage with the private sector, civil society, youth and academia. In particular, businesses that go beyond corporate social responsibility and invest in sustainable development have an essential role in the 2030 Agenda. To leverage private sector contributions to the SDGs, cities and regions use a variety of tools and instruments, ranging from awareness-raising about the SDGs among local businesses, providing space and platforms for networking, and using government support schemes to de-risk investments in innovation.

Civil society organisations have an important role to drive progress towards the SDGs and hold governments at all levels accountable for their commitments to the 2030 Agenda. The SDGs engage civil society in policy-making processes and strengthen accountability. Civil society organisations raise awareness of the 2030 Agenda among stakeholders and citizens, allowing informed citizens to change their daily habits.

*“The support of the OECD provided us with a solid and professional framework in which we could gather the most important stakeholders of our Province. The key to success was precisely this international framework, which was very effective in supporting dialogue and honesty in the discussions on the very challenging issue of sustainable development.”*

*Arno Kompatscher, Governor of the Autonomous Province of Bolzano-Bozen, Italy*



Youth councils formalise the engagement of young people in the 2030 Agenda and gained a strong voice in sustainable development on the global stage in recent years.

Furthermore, universities support cities and regions by generating the knowledge required to address the SDGs, co-designing policies and strategies, monitoring and

evaluating policies and progress, and contributing to the development of Voluntary Local Reviews.

### Inspiring examples from pilot cities and regions

#### Kitakyushu, Japan – Kitakyushu SDGs Club

The city of Kitakyushu has established two bodies since 2018: the Kitakyushu SDGs Club as an open platform for all stakeholders, and the Kitakyushu SDGs Council, made up of experts appointed by the city. The SDGs Promotion Division of the City Hall serves as the secretariat for the club and council. Registration is open to interested parties via web registration. The Kitakyushu SDGs Club aims to raise awareness of the 2030 Agenda by promoting SDG activities and collaboration among members. Today, the SDGs Club counts almost 1 800 actors, including 878 companies, 245 schools, 233 organisations, and individual citizens (as of 2022).

#### Paraná, Brazil – Civil society partnerships to achieve the 2030 Agenda

Civil society plays a major role in supporting progress towards the SDGs in Paraná. Civil society organisations are engaged in the implementation of the SDGs and promote different initiatives of the 2030 Agenda. For instance, the movement “Nós Podemos Paraná” (meaning “Paraná, We Can”) has been building partnerships with local leaders, non-state institutions and citizens to achieve the SDGs. “Nós Podemos Paraná” was structured through integrative and participatory debate circles, seeking to strengthen existing local actions and projects, implement new actions and projects, and encourage voluntary work from all sectors of society to enhance and sustain actions to promote quality of life and local sustainable development. It represents civil society, government, companies and the academic community committed to improving lives in their communities.

# DDC and city-to-city partnerships are key to achieving the SDGs

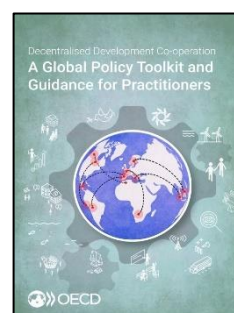
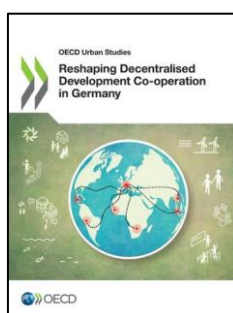
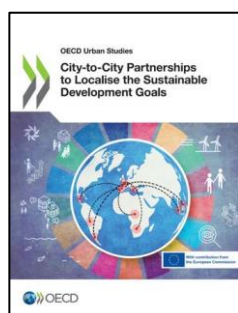
City-to-city partnerships and decentralised development co-operation (DDC) - defined as international development co-operation (including in-kind peer-to-peer learning, capacity building and knowledge exchange) and financial contributions (including in-donor spending as well as resources that cross borders) extended by subnational governments and eligible to count as Official Development Assistance (ODA) - play a key role in advancing global agendas, preparing for global megatrends and adapting to a wide range of crises and shocks. The adoption of global agendas such as the Paris Climate Agreement, the 2030 Agenda and the G20 Rome High-Level Principles on city-to-city partnerships for localising the SDGs has emphasised the importance of cities and regions for sustainable development.

Between 2015 and 2021, the total volume of DDC activities, measured through official development assistance (ODA) data, increased by 38% from USD 2 051 million to USD 2 831 million, but with significant differences across countries. Germany (USD 1 901 million in 2021) and Spain (USD 389 million in 2021) were the top 2 ODA providers. DDC that crosses borders (i.e. excluding in-donor costs, which are mainly attributed to student tuition and refugee hosting costs) increased by 17% over the 2015-21 period, accounting for roughly 20% of total ODA channelled as DDC. However, almost half of the countries with available data saw DDC volumes drop, more than halving in Japan and Italy.

In recent years, city-to-city partnerships and DDC have evolved from bilateral twinning to more sophisticated and comprehensive modalities including multi-stakeholder partnerships with civil society, academia and the private sector. DDC increasingly includes non-financial partnerships fostering peer-to-peer learning activities, knowledge exchange, capacity building and exchange of experiences and best practices amongst subnational actors. Recognising the growing importance of the non-financial and in-kind contributions of DDC is key to fully capturing the importance and the diversity of DDC modalities and approaches. Several key characteristics are DDC's core added value compared to mechanisms with other actors (e.g. bilateral agencies, multilateral organisations, etc.) carrying out development co-operation projects and programmes:

- Promotion of mutual benefits and peer-to-peer learning
- Delivery of technical services and expertise
- A bottom-up approach that brings development co-operation closer to people and their daily lives

The OECD has supported cities, regions and national governments in their decentralised development efforts since 2018 "A Global policy toolkit: Guidance for practitioners" shows how DDC can promote mutual benefits and peer-to-peer learning, bring development co-operation closer to people and their daily lives, and deliver technical services and expertise. "City-to-City Partnerships to Localise the Sustainable Development Goals" proposes a systemic monitoring and evaluation framework for city-to-city partnerships to localise the SDGs, combining self-assessment and SDG indicators. Lastly, "Reshaping Decentralised Development Co-operation in Germany", offers guidance on how to strengthen the German model of decentralised development co-operation.



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