

## **A territorial approach to the Sustainable Development Goals: A role for cities and regions to leave no one behind**

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### **Why regions and cities matter to SDGs**

The Sustainable Development Goals (SDGs) approved in September 2015 by the General Assembly of the United Nations set the global agenda for the next fifteen years, stimulating crucial actions for humanity and the planet. The 17 SDGs and related 169 aspirational global targets are action oriented, global in nature and universally applicable. The SDGs aim to reach environmental sustainability, social inclusion and economic development in both OECD member and non-member countries.

The 17 SDGs are very comprehensive in their scope and cover all policy domains that are critical for sustainable growth and development. They are also strongly interconnected (meaning that progress in one area generates positive spillovers in other domains) and require both coherence in policy design and implementation, as well as multi-stakeholder engagement to reach standards for shared responsibilities across multiple actors. The implementation of SDGs should therefore be considered in a systemic way and rely on a whole-of-society approach for citizens to fully reap expected benefits.

Cities and regions have a crucial role to play in the achievement of SDGs, although the 2030 Agenda was not designed specifically *for* or *by* them. Indeed, most underlying policies and investments are a shared responsibility across levels of government and it is estimated that 65% of the 169 targets underlying the 17 SDGs will not be reached without proper engagement of, and coordination with, local and regional governments.<sup>1</sup> For example, subnational governments were responsible for 59.3% of total public investment in 2015 throughout the OECD area and for almost 40% worldwide (OECD/UCLG 2016). Most of such investments are related to infrastructure for basic services over which cities and/or regions have core competences, and which are sometimes the subject of dedicated SDGs (e.g. education, health, social infrastructure, drinking water, sanitation, solid waste management, transport, and housing).

Lessons from the 2010-2015 *Millennium Development Goals* showed that national averages as the only metric for reporting on progress can misrepresent realities on the ground, highlighting the need for disaggregated subnational metrics. The use of national aggregated data and averages masks regional disparities, and by only measuring progress at the global and national levels, the MDG targets were not able to inform and guide national policies and provide governments with the information, data and incentives they needed to reach the poorest and most marginalised groups. The way of aggregating the global narrative needs to change drastically. The global assessment needs to pay more attention to how global targets make a difference at subnational levels so as to avoid distorted analysis, priority setting and the efforts to develop relevant statistics in countries. Territorial indicators and disaggregated data are therefore essential to improve government capacity, at all levels, to reach SDGs.

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<sup>1</sup> UN Sustainable Development Solution Network (2016) *Getting Started with the SDGs in Cities. A Guide for Stakeholders* <http://unsdsn.org/wp-content/uploads/2016/07/9.1.8.-Cities-SDG-Guide.pdf>

That is why this project proposal seeks to support interested cities and regions in “localising” the SDGs. This means: tailoring them to place-based contexts; understanding how they translate in their territorial specificities and realities; measuring distance from the national average and peer cities or regions; and providing tailored guidance to mainstream the SDG lens into territorial planning, strategy setting and policy making. It is expected that the outcomes of the project can help cities and regions “(re)think” their approach to sustainability and well-being at the scale that matters the most.

The initiative will build upon and complement national and international projects focusing on the localisation of the SDGs. Most of these initiatives are i) mainly targeting developing and emerging economies (while this project seeks primarily to support OECD and partner countries) and ii) seeking to boost knowledge and experience sharing (while this project seeks to enlarge the evidence base through a localised indicator framework, city and regional benchmarks, dedicated multi-level dialogues and reports to document concrete cases). In particular, the OECD is already partnering with the UN Global Task Force and contributing to the related Toolbox on the localisation of the SDGs.<sup>2</sup>

### **The need for a territorial approach to the SDGs**

In 2016, the OECD adopted an [Action Plan](#) to support the implementation of SDGs, which was welcomed by all member states at the 2016 Meeting of the Council at the Ministerial Level. The proposed vision behind the Action Plan is articulated around three mutually reinforcing pillars:

- Be part of the “GPS” (global positioning system): supporting countries in assessing where they stand vis-à-vis the implementation of the goals and proposing sustainable pathways based on evidence;
- Be a go-to place for expertise: showcasing good practices and standards in economic, social and environmental areas of public policy that are relevant to the SDGs; and
- Encourage a “race to the top” for better policies: through the use of OECD tools (peer reviews, bench-learning), legal instruments, monitoring and statistical reporting, and policy dialogue.

The Action Plan stresses that data on progress at the subnational level also presents opportunities to support policies tailored to regional circumstances (e.g. 395 regions are covered by the OECD’s regional well-being statistics). One of the actions of the Plan refers to the role of local and regional governments in the implementation of the SDGs. It aims to build on Regional Development Policy Committee (RDPC) networks and partnerships with cities and other local governments to foster a cross-sectoral perspective on SDGs at the subnational level and enhance thematic projects on public service delivery, which can help foster inter-linkages across several SDGs at local and regional levels.

To support the OECD-wide endeavour and foster a “territorial approach to the SDGs”, the RDPC has included the topic of “Global Agendas” in its 2017-18 *Programme of Work* to support the efforts of regions and cities in developing and implementing place-based and context-dependent responses to achieve the SDGs and ensure no one is left behind. Some cities and regions are already moving towards this direction and have started working on the localisation of the SDGs. At regional level, Valencia (Spain) and Tuscany (Italy) have been particularly active in mainstreaming the SDGs lens into their regional planning, while at city level two interesting examples include New York and Medellin. Despite these initiatives, there is a significant lack of a coordinated and coherent action across and within OECD and partner countries able to support in a more systematic fashion regions and cities (in particular medium and small size municipalities) that are willing to use the 2030 Agenda to guide their policy making, planning and investment strategies. The RDPC can contribute to such an objective by:

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<sup>2</sup> UNDP, UN-Habitat & Global Task Force initiative: <http://localizingthesdgs.org/about-us.php>

- Helping mainstream the SDG lens into local and regional planning and policy frameworks;
- Improving the evidence base on cities and regions in areas where gaps are noteworthy;
- Supporting integrated planning and strategy across levels of government and sectors;
- Promoting a coordinated dialogue to support regions and cities of various size across and within countries;
- Engaging with stakeholders and relevant institutions at different levels to share best practice and learn from pitfalls to avoid.

The project will build on RDPC areas of work that are relevant for the implementation of the SDGs, in particular i) the online regional, well-being and metropolitan databases, ii) the territorial and metropolitan reviews, national urban and rural policy reviews, as well as the national water policy dialogues, iii) the networks on regional, urban, rural development and water policy, iv) the OECD-UCLG Observatory on Subnational Government Finance and Investment, as well as the OECD Council Recommendation on *Effective Public Investment across Levels of Government* and its Implementation Toolkit.

A territorial approach to SDGs implies actions on several fronts. Amongst others, it can contribute to assessing the context-specific conditions and inequalities of different people and places to provide a reality check and evidence-base on the baseline and progress over time considering a diversity of possible strategies and actors that should be part of the multidimensional efforts. It can support place-based indicators that can underpin the production and disclosure of data as a tool for dialogue and learning to improve performance where need be. A territorial approach to SDGs can also support the allocation and targeting of resources (fiscal, human, technical/infrastructure, etc.) to the most vulnerable groups and/or lagging regions. It can help improve the participation of local and regional authorities, as well as of grassroots communities, for greater accountability and outcomes in the achievement of SDGs.

### **Objectives of the project**

This project seeks to support interested cities and regions in fostering a territorial approach to the SDGs through:

- **measuring** where they stand vis-à-vis the national average and their peers (which implies localising and adapting the global indicator framework, with the identification of possible proxies to measure progress when national indicators are not relevant or missing at subnational level);
- **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 (which can take the form of reviews and action plans); and
- **sharing best practice** and lessons from international experience (which can be supported by a technical peer-to-peer network or community of practice).

Some of the key policy questions that the project proposal seeks to address include:

- Which of the 17 SDGs and 169 targets are most essential for cities and regions, and require their strong engagement in cooperation with other levels of governments? How can cities and regions prioritise their action? Where should they focus the most?
- What are the current data and information gaps that prevent an understanding of where cities and regions stand vis-à-vis the SDGs, not only against their national average but also with respect to their peer cities and regions in the OECD area?

- Which are the different roles, competences and data needs of regions and cities for the implementations of the SDGs in their territories?
- Which innovative and territorial responses are being set up within local and regional planning and investment strategies and how can they be scaled up and replicated where relevant?
- What are the governance and financing mechanisms in place to translate the SDGs into local and regional contexts, to balance coherence with a tailored approach, to cooperate with different levels of government, and to raise citizen awareness?
- How can stakeholders be engaged to promote a holistic and coherent approach to achieve the SDGs, enhancing synergies among public and private actors, non-profit organisations, donors and investors?
- How can local and regional governments integrate or mainstream SDGs into their policy frameworks, in particular when it comes to socio-economic development and/or the environment?

The project would be carried out over a period of **15-18 months**, and would rely on a pool of **10-12 pilots** from local, regional and/or national governments in different OECD member and non-member countries. It aims to bring together such entities seeking to engage in a dialogue with stakeholders on how to prioritise action over the short, medium and long term; how to get the evidence right to define where to start and where to head; and how to make the most of international best practice through peer-to-peer knowledge and experience sharing.

The work would build on the extensive experience of the OECD Regional Development Policy Committee in collecting and disclosing **territorial data at regional and metropolitan levels**, most of which can support a specific analysis on SDGs and comparisons across 280+ metropolitan areas and over 395 regions worldwide. Preliminary discussions have taken place with member countries Belgium, Denmark, Germany, Italy, Japan and Spain as well as non-members Argentina and Colombia that have expressed interest in the project proposal.

The substantive focus of the project could be **tailored to the demand**, and concern all or selected SDGs according to participant needs, but would ultimately seek to deliver the following results:

- Build consensus on a locally-relevant SDG indicator framework, including data and information gaps that are possible to fill in the medium term, within cities and regions considered for the project, while focusing on those policy areas that fall under the core responsibility of local and regional governments and/or cannot be achieved without them.
- Define a baseline assessing the state of play of SDGs in selected cities and regions to measure distance vis-à-vis their national average, but also their peers in OECD member and non-member countries, in order to identify opportunities and challenges ahead and policy changes needed.
- Promote a dialogue across levels of government and selected cities and regions to change the “paradigms” for designing and implementing policies towards a more coherent, holistic and systemic framework that can rely on policy complementarities and manage trade-offs due to potentially conflicting SDGs.
- Provide assessment and recommendations on the local and regional policy frameworks in place to support the localisation of SDGs, and how they contribute to mainstreaming the SDG lens into planning, investment, decision-making and evaluation.
- Review international best practices and promote knowledge sharing across cities and regions from member and non-member OECD countries taking into account the universal nature of the 2030 Development Agenda.

## Outputs

The project will deliver the following outputs:

1. A “localised” consensus-based **indicator framework** to measure SDG targets that are the most relevant for cities and regions, which can later be used in other places beyond the selected pilots, and foster self-assessment and multi-stakeholder dialogue. The indicator framework will build on data already available in the OECD regional and metro databases and will be complemented with a selection of key territorial indicators identified during the project. It will also highlight the different data needs of regions and cities for the monitoring of the SDGs.
2. A **synthesis report** (150 pages) with a cross-cutting analysis for all pilots/volunteers of the project, including:
  - State of play of the city or region on SDGs compared to the national average and peers;
  - A review of international best practices for supporting a territorial approach to SDGs;
  - An analysis of the different roles and competences of regions and cities for the localisation of the SDGs;
  - An analysis of multi-level governance dynamics in terms of who, what and how to localise SDGs, including national, regional and local governments;
  - Tailored policy recommendations to mainstream SDGs into planning and investment decisions;
  - An Action Plan to implement the recommendations on the localisation of the SDGs.
3. **Case studies** (30-40 pages) with place-based analysis on policies and governance frameworks for the localisation of the SDGs in each pilot city or region of the project, including:
  - A tailored, consensus-based and priority-driven indicator framework reflecting the specificities of the pilot city and region;
  - An analysis of policy frameworks in place to achieve the SDGs at the scale considered, and their tentative results to date;
  - An analysis of multi-level governance arrangements related to implementing SDGs, including an institutional mapping of who does what across levels of government and coordination mechanisms;
  - Tailored policy recommendations and a consensus-based action plan identifying concrete milestones, champion institutions, and the timeline for ways forward.
4. A **community of practice** gathering multi-stakeholder knowledge sharing seminars in each pilot city/region/country and fostering peer-to-peer dialogue among the pilots. This can be achieved either through participation in missions to other regions or dedicated workshops convening all participants to share challenges and best practices, and foster place-based solutions and responses to common problems. With the expansion to other cities and regions active in the field of SDGs, this network could ultimately shape a dedicated Forum convening key stakeholders, practitioners and policy makers at different levels to foster peer-to-peer dialogue and learning on how to mainstream the SDG lens into local and regional policies.

## Methodology and timeline

The phases for the development of the project are the following:

#### Set up phase:

- **Agreement** between the OECD and the pilot cities and regions participating in the project. This implies fine-tuning the terms of reference to meet the specific needs of all participants and agreeing on the milestones and financial contributions of each pilot. Interested pilots then send an official letter of commitment to the OECD confirming their participation in the project.
- **Kick-off workshop.** This will facilitate sharing the state of the art of ongoing efforts in the localisation of the SDGs, and develop the conceptual and analytical framework for the analysis of the underlying indicators, policies and governance systems. It will also serve to design the OECD questionnaire to collect the information from partner countries, regions and cities.
- Appointing of the **local team.** Pilots participating in the initiative appoint a core team charged with co-ordinating the project with the OECD on a daily basis (e.g. follow-up on administrative and financial procedures, gathering relevant statistics and data, arranging meetings and logistics for OECD study missions, co-ordinating responses to the OECD questionnaire).

#### Collection of data and information:

- A **dedicated survey** to collect the key information on the indicators, policies and governance for the localisation of the SDGs will be extended to all OECD and partner countries.
- The local team prepares a **background report** on statistics for the localisation of the SDGs, key policy actions and multi-level governance frameworks, for each pilot considered in the project.
- The OECD Secretariat conducts **statistical analysis, desk research and study missions** to engage directly with policy makers and stakeholders.

#### Preparation of the report:

- Drafting of the report. The OECD Secretariat drafts the thematic report and the case studies - which may include input from **high-level international experts and peer reviewers** (public officials from other OECD countries), who use their expertise and their own policy experience to enrich the OECD analysis. The OECD Secretariat sends the draft report to the key stakeholders and to Local Team for fact-checking. Based on their comments and observations, the OECD Secretariat finalises the report.
- Discussion and approval of the synthesis report and case studies. **OECD peer-review** mechanisms and committees (Working Party on Urban Areas, Working Party on Rural Areas, Regional Development Policy Committee, etc.) will be used to discuss interim findings and build consensus on the diagnostic, recommendations and ways forward.

#### Policy dialogue and dissemination phase:

- A series of **multi-stakeholder workshops** and **knowledge-sharing events** will be organised in each pilot city/region/country, and across all selected pilots to discuss key findings and lessons learned throughout the project.
- The launch of the **OECD publication** will be organised and coordinated with partner cities, regions and countries to ensure the maximum dissemination, visibility and impact vis-à-vis policy-makers, experts and the media.

## Tentative budget

The project will be entirely funded through **voluntary contributions** from cities, regions and/or countries interested in participating as pilots. The total funding would cover OECD staff analytical costs, as well as the missions and study visits of the OECD delegation, the organisation of the policy seminars and the final publication. A detailed budget breakdown will be provided to potential donors at a later stage.

The project will deliver:

- **A thematic report** including i) the localised and consensus-based **indicator framework** for measuring distance and contribution to SDGs in cities and regions; and ii) a **synthesis** of key lessons from identified best practice, challenges and ways forward
- **10-12 dedicated case studies** (in each pilot) published as a standalone document, and relying on two OECD missions in the city/region/country to interview a range of stakeholders, carry out seminars to share interim results and best practice, and build consensus on the indicator framework
- **A multi-stakeholder community of practice** that will gather three times physically throughout the implementation project in Policy Seminars (OECD HQ, Paris) and three times virtually through Webinars to share best practice, discuss interim results and build consensus.

It should be noted that i) this budget does not cover the financing of the organisation and work of the Local Team in each pilot city/region/country, nor the costs of interpreters (if/where needed) during the study missions and workshops involving the OECD delegation and peer-reviewers; ii) the total estimated cost for each city/region/country participating in the project will likely slightly vary due to differences in costs for travel of OECD staff, peer reviewers, and experts; and iii) final costs and agreement are validated by the OECD's Programme, Budget, and Financial Management Service as well as the Legal Directorate.

## Timeline

Phase	Estimated Timeline	Milestones
Call for interest	Q1 2018	Identification of volunteers and pool of pilot cases and organisation of a teleconference to finalise the terms of reference
Initiation	Q2 2018	Letter of agreement Nomination of a Local Team Kick-off workshop to define framework and methodology
Data collection	Q2 2018	OECD Survey to partner countries/regions/cities Background reports from local team Fact-finding missions from OECD Secretariat and peer reviewers
Data analysis and issues paper	Q3 2018	Preliminary working document following the mission based on the background report and interviews carried out
Knowledge sharing	Q4 2018	Multi-stakeholder workshops in each pilot to discuss interim results and build consensus on the diagnosis/recommendations
Peer-review	Q1 2019	Finalisation of the report and presentation/discussion in relevant committees and OECD bodies
Launching of the report	Q2 2019	Launch of the report at global level and in pilot cities/regions.

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