



Regional: Creating an Enabling Environment for Localizing the Sustainable Development Goals in Asia and the Pacific

Project Name	Creating an Enabling Environment for Localizing the Sustainable Development Goals in Asia and the Pacific	
Project Number	56060-001	
Country / Economy	Regional	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 6943-REG: Creating an Enabling Environment for Localizing the Sustainable Development Goals in Asia and the Pacific	
	Technical Assistance Special Fund	US\$ 500,000.00
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Partnerships Private sector development	
Sector / Subsector	Multisector / ADB's corporate management, policy and strategy development	
Gender Equity and Mainstreaming	Some gender elements	
Description	<p>This knowledge and support technical assistance (TA) will support Asian Development Bank's (ADB) developing member countries (DMCs) in localizing the sustainable development goals (SDGs) through innovative, integrated, inclusive, and gender-responsive approaches with the aim to support the attainment of meeting the targets for the 2030 Agenda for Sustainable Development (2030 Agenda), and in improving the quality, accessibility, and inclusivity of public service delivery. The key outputs under the TA are: (i) case studies of innovative initiatives in localizing SDGs; (ii) an information technology-based local SDG monitoring system; and (iii) portfolios of integrated development solutions at the subnational government (SNG) level. The TA builds on the TA for Strengthening Institutions for Localizing Agenda 2030 for Sustainable Development (TA 9387), and complements the TA for Advancing the 2030 Agenda for Sustainable Development, 2021-2024. The TA was endorsed during the corporate priority framework meeting in September 2021 and is included in the 2022 ADB Management-approved results-based work plan of the Sustainable Development and Climate Change Department (SDCC).</p>	

Project Rationale and Linkage to Country/Regional Strategy

The 17 SDGs, together with their 231 related indicators, provide a global policy framework for ending all forms of poverty, fighting inequality, and tackling climate change by 2030. While Asia and the Pacific region was already off-track to meeting the SDGs, the coronavirus disease (COVID-19) pandemic made matters worse. As per the United Nations Economic and Social Commission for Asia and the Pacific's 2022 report, the expected year for the achievement of the SDGs is now 2065. Goals 5 (gender equality) and 11 (sustainable cities and communities), among several others, reported slow progress and in some places even stagnant. While some progress has been made on reduced inequalities (Goal 10), it is still far from the target, and must be accelerated if the region is to meet the 2030 targets. The pandemic has exposed the region's pre-existing social, economic, and environmental vulnerabilities and reinforced the importance of the overarching principle of the 2030 Agenda of 'leaving no one behind.' The 'Decade of Action,' proclaimed by the United Nations General Assembly in September 2019, calls for accelerating sustainable solutions to challenges ranging from poverty and gender to climate change, inequality and closing the finance gap.

SDG achievement depends strongly on the progress made at the local level as two-thirds of the 169 SDG operational targets have subnational or local dimensions. While the 2030 Agenda emphasizes the need for an inclusive and localized approach to the SDGs, the COVID-19 pandemic has clearly highlighted the importance of efficient, inclusive, and good quality public services, and the critical role of SNGs in responding to such crisis and contributing to economic recovery. The World Observatory on Subnational Government Finance and Investment has highlighted that substantial amount of expenditure for the delivery of public services and investments for infrastructure development, which contribute directly to SDGs and local socio-economic development, take place at the SNG level. Without meaningful engagement and tangible contributions by the SNGs, achieving the SDGs by 2030 will not be possible. To better coordinate with the local and regional governments around the world on global policy processes, and undertake joint advocacy work relating to SDGs, among others, the Global Taskforce of Local and Regional Governments was set up in 2013. Five years since the adoption of the 2030 Agenda, while many countries have made significant progress in integrating the SDGs into national development plans and sectoral strategies, localization of SDGs remains a challenge. Localization has been described as 'the process of defining, implementing and monitoring strategies at the local level for achieving global, national and subnational sustainable development goals and targets.' This process would involve development and implementation of policies, guidelines, strategies, and tools to effectively translate SDGs into concrete actions and results at the local level. Creating an enabling environment for SDG localization by identifying and addressing major challenges is key, not only to attain the 2030 targets, but also to improve public service delivery. Effective localization of the SDGs also calls for new planning and investment approaches that are gender responsive and climate and disaster resilient, and are based on integrated development solutions and innovative financing mechanisms. Also, needs and challenges of SNGs vary greatly across countries, and even within the same country, so a differentiated approach based on the local context is critical. Further, multistakeholder partnerships within and outside the country are key.

Weak institutional capacity, and unclear and overlapping mandates and policies among different levels of government remain challenging for SDG localization. SNGs are often mandated to formulate their own policies, set their own development priorities and plans, provide inclusive, affordable, and quality public services, and swiftly respond to emergencies. They, however, lack adequate institutional capacity to undertake their responsibilities efficiently. Weak resource planning and management has been one of the major institutional challenges of most SNGs. SDG indicators and targets are not integrated or are loosely integrated in local plans, programs and budgets. Also, in the absence of strategic investment plans, ad hoc project financing decisions are made, and resources are allocated in nonprioritized areas, which are not aligned with SDG targets. A study by the Network of Regional Governments for Sustainable Development found that while over 90% of respondents were familiar with the SDGs, capacity constraints remain for addressing the goals. Several voluntary national reviews have also highlighted low institutional capacity of SNGs as a critical obstacle to public service delivery and localizing the SDGs. Further, there are significant overlaps in responsibilities and authorities among different levels of government in many countries in Asia and the Pacific region, which has caused confusion, delays, and duplication of efforts and resources (footnote 9).

Inadequate human, financial, and technical resources is another challenge of many SNGs in Asia and the Pacific region. Several local governments suffer from inadequate and, often, unskilled human resources, which has direct implications on their operations and service delivery functions. Also, the operating systems in many SNGs remain manual and not fully digitized, which diminishes the operational efficiencies and transparency. Further, adequate financing remains one of the major challenges in localizing SDGs, and in financing quality public services and infrastructures. While the own source revenue of most SNGs remains low, they account for nearly a quarter of total public expenditure and more than a third of total public investment (footnote 7). Hence, most SNGs rely on grants or fiscal transfers from the central government. While this is essential to meet the expenditure needs of the SNGs, they often pose as disincentive in mobilizing own revenues. Besides, with increased public debt and expenditure, and decreased tax revenues (due to the pandemic and post economic recovery), public resources have become more limited, and therefore, not sufficient to finance SDGs. Exploring diverse funding sources and innovative financing mechanisms will be instrumental to meet the growing needs and to localize the SDGs. Partnerships and collaborative platforms with the private sector and philanthropic organizations need to be proactively explored. Also, it is not always the lack of resources, but also policy and institutional barriers that prevent funds from flowing to SNGs. Therefore, the interlinkages between policies, institutional capacity, and financing also need to be analyzed.

Data and knowledge gaps on SDGs remain major impediments to monitor progress and to design strategic interventions at the SNG level. While data availability on SDG indicators has improved year on year, significant data gaps remain. Of the 169 targets, progress on 57 targets (34%) cannot be measured because of insufficient data or unclear target values (footnote 4). The 2020 synthesis report on voluntary national review highlighted gaps in data availability and insufficient data as major challenges in monitoring progress toward the SDGs. Without the ability to track progress against indicators, it has been difficult to analyze the effective utilization of public resources, issues, and gaps in meeting the targets, and to formulate strategic policy and technical assistance to address the challenges. While public statistics system provides important data, it does not provide granular and disaggregated data on the status of public services and SDGs. The core principle of the SDGs of leaving no one behind requires that data is disaggregated (by sex, age, location, income, etc.). The 2021 High-level Political Forum on Sustainable Development highlighted knowledge gaps in SNGs in integrating SDG targets in local plans, budgets, and programs. The forum also stressed the importance of practice-based (implementation experience) and SNG-led innovations for effective localization of SDGs.

Inadequately integrated approach and effective mechanisms for coordination and partnerships has limited the progress on SDG implementation, in general, and SDG localization, in particular. The SDG framework embodies an interconnected set of global priorities. The social, economic, and environmental challenges that SDGs aim to address are complex and cut across sectors and themes. Given the interdependence of SDGs, an integrated approach across all sectors, thematic areas, and multistakeholder collaboration and coordination is fundamental to unlock the constraints and potentials, and thereby ease the implementation of SDGs. Integrated approach has been largely overlooked or not given adequate attention, and one of the reasons for this is the complexity around coordination. There needs to be a robust platform or a mechanism for coordination, common goals, and clarity on responsibilities and outputs among different stakeholders, including governments, private sector and civil society. The civil society organizations could in fact support SNGs in delivering public services and in monitoring progress in SDGs. The whole of government' and the whole of society' approaches, which are the principles of the SDG framework, are intended to overcome inadequate coordination and resource constraints, and foster multi-stakeholder partnerships. With financing needs too large to be shouldered by the public sector alone, partnerships with private sector have only grown in importance.

The TA is in line with ADB's Strategy 2030 operational plan for operational priority (OP) 6 on strengthening governance and institutional capacity, and contributes to OP 2 on accelerating progress in gender equality; OP 3 on tackling climate change, building climate and disaster resilience and enhancing environmental sustainability; and OP 4 on livable cities. One of the lessons learned from the implementation of TA 9387 is that while SNGs are committed to localize SDGs, they need policy and technical support to strengthen their institutional capacity and knowledge.

Impact	Enabling environment for localizing SDGs in selected ADB DMCs enhanced
Project Outcome	
Description of Outcome	Localization of SDGs in ADB projects improved
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Case studies of innovative initiatives in localizing the SDGs prepared and disseminated Local SDG monitoring system developed and tested Portfolios of integrated solutions developed and disseminated
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Regional
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services	To be selected and engaged by ADB and UNDP (for output 3) The procurement for output 3 will be conducted in accordance with the administrative arrangement, as described in para. 20. ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.
Procurement	The procurement for output 3 will be conducted in accordance with the administrative arrangement, as described in para. 20. ADB will carry out procurement following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.

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Responsible ADB Department	Sustainable Development and Climate Change Department
Responsible ADB Division	SDTC-GOV
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines

Timetable

Concept Clearance	24 May 2022
Fact Finding	-
MRM	-
Approval	10 Aug 2022
Last Review Mission	-
Last PDS Update	24 May 2022

TA 6943-REG

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
500,000.00	0.00	0.00	0.00	0.00	0.00	500,000.00	-	0.00

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