Localizing the Sustainable Development Goals to Address Interlinked Crises in the Post-Pandemic era

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I. An urban world of colliding crises

The world is facing a series of multiple and interlinked crises; a perfect storm that is testing the limits of current development paradigms. As countries and cities across Asia and the Pacific struggle to recover from the socio-economic crisis resulting from the COVID-19 pandemic, the climate crisis continues to ravage the region. Added to that, the war in Ukraine and the growing food and energy crisis is undermining prospects for a true recovery and in turn affect the achievement of the Sustainable Development Goals (SDGs) in the region.

Current data from the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) shows that the Asia-Pacific region has not met expected progress for any of the goals from 2019 until 2021. Progress has slowed in 2021, including for Goal 7 (clean energy) and Goal 9 (Industry, innovation and infrastructure) which in 2019, were on track to be achieved. The pandemic and other crises (such as food and energy insecurities) are pushing up inflation across the world. Rising prices are driving countries, especially low-income countries, into debt distress. About 60 percent of low-income countries are in debt distress compared to 30 percent in 2015.[1] Rising prices are widening inequality as poor and vulnerable groups of the population are finding it harder to afford basic necessities.

Figure 1: SDG Progress, Setbacks and Regressions in Asia and the Pacific in 2019 and 2021
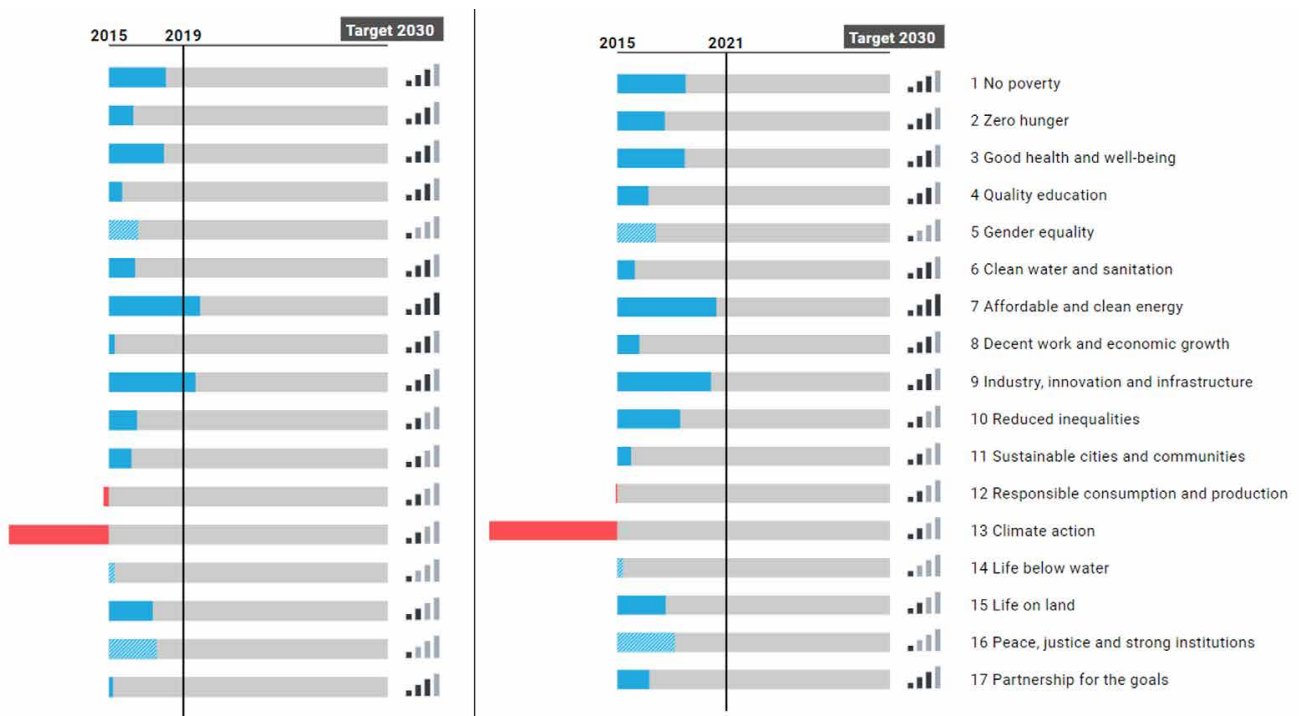
Source: UNESCAP, SDG Gateway Asia-Pacific https://data.unescap.org/data-analysis/sdg-progress#

Cities in the region are home to 54 percent of the world's urban population or about 2.3 billion people.[2] Even prior to the pandemic, cities had not kept pace with continued and often unplanned urbanization. This led to long-standing challenges, such as urban poverty, inequalities and environmental degradation.

1. WFP (2022), 'War in Ukraine Drives Global Food Crisis: Hungry world at critical crossroads' https://docs.wfp.org/api/documents/WFP-0000140700/download/
2. United Nations (2019), 'The Future of Asian & Pacific Cities: Transformative pathways towards sustainable urban development' https://www.unescap.org/publications/future-asian-and-pacific-cities-2019-transformative-pathways-towards-sustainable-urban

According to UN-Habitat, 95 percent of confirmed COVID-19 cases were in the urban areas[3] and cities became hotspots for COVID-19 cases worldwide. The socio-economic consequences from the pandemic and the subsequent energy and food crisis are compounding existing challenges of urbanization. Cities, across the developing and developed world, became frontline actors facing multiple interlinked crises, and city-level response has become critical for building resilience and ensuring the achievement of the SDGs.

Poverty, informality and economic inequalities in cities

Globally, the pandemic further forced around 100 million more people into extreme poverty.[4] The poorest 20 percent of society experienced the steepest decline in incomes during the pandemic, and the poorest 40 percent have not yet recovered their income lost due to COVID-19.[5] Asia-Pacific region is also witnessing similar impact.

In the Asia-Pacific region, cities are major drivers of economic growth, but at the same time, urban economies are also characterized by high levels of informality with over 70 percent of employment occurring in the informal sector.[6] Two of the largest employment sectors, the wholesale and retail trade, as well as food and accommodation (a proxy for tourism) sectors which together employed over 350 million workers in Asia and the Pacific in 2019,[7] have a large share of informal workers in their workforce. Both sectors also accounted for a much larger share of job losses with women particularly hard hit by job losses as they accounted for over 50 percent of the tourism workforce and about 40 percent of wholesale and retail trade.[8] With international travel not expected to reach pre-pandemic levels before 2024 jobs – especially in food and accommodation sector – may not recovery until 2024.[9]

Lack of inclusion and consideration for informality in urban planning and governance resulted in ineffective social protection measures during the pandemic. Workers, especially in the informal sector, not only experienced income loss but also faced marginalization as they were not registered for social protection programmes and thus were not immediately eligible for government assistance. Major structural shifts are evident in the labour market (such as gig economy, remote work and so on) that could increase informality, inequity, and marginalization. The rising cost of living is also driven by an unaffordable housing market which prices out the poor, and increasingly the middle class. Monetary policies to curb inflation – including increasing interest rates – are raising the costs of mortgage and loan repayments, restricting access to credit and affecting economic recovery.

The pandemic also disrupted access to education, which will have a long-lasting impact on the economy and on human development. Up to 70 percent of children in low- and middle-income countries globally are underperforming academically due to school closures as well as unequal quality of and access to remote learning.[10] These children stand to lose US$17 trillion in lifetime earnings in present value, or the equivalent of 14 percent of today's global GDP.[11] The proportion of girls losing out on education is higher than men and boys.[12]

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3. UN Habitat, UNCDF et all (2022), 'Guiding principles and practices for urban economic recovery and resilience' https://www.uncdf.org/article/6196/guiding-principles-and-practices-for-urban-economic-recovery-and-resilience
4. World Bank (2021), '2021 Year in Review in 11 Charts: The Inequality Pandemic', published Dec 21, 2021, https://www.worldbank.org/en/news/feature/2021/12/20/year-2021-in-review-the-inequality-pandemic
5. Ibid
6. ADB (2022), 'Informal Services in Asian Cities: Lessons for Urban Planning and Management from the COVID-19 Pandemic' Ed by Ashok Das and Bambang Susantono. https://www.adb.org/publications/informal-services-in-asian-cities-lessons-for-urban-planning-and-management-from-the-covid-19-pandemic
7. ILO (2022), 'World Employment and Social Outlook: Trends 2022', https://www.ilo.org/global/research/global-reports/weso/trends2022/WCMS_834081/lang--en/index.htm
8. ibid
9. ibid
10. UNESCO (2021), 'The state of the global education crisis: a path to recovery' https://unesdoc.unesco.org/ark:/48223/pf0000380128
11. ibid
12. ibid

Urban food insecurities

The pandemic and severe weather events, including La Niña related events that are expected to continue in 2023, have had a devasting impact on food security in the Asia-Pacific region. The war in Ukraine has disrupted supply chains and further compounded food insecurity. Ukraine and Russia together supply 30 percent of globally traded wheat and 20 percent of maize.[13] In addition, Russia is a major supplier of fertilizers as well as oil and gas. Sanctions and export restrictions have affected the global supply chain, increased fuel prices, and hindered countries' ability to grow food, which will increase food insecurity far beyond 2022.[14] On top of that, India – which accounts for 40 percent of global rice exports –banned the export of broken rice and increased export taxes on other types of rice in early September 2022.[15] This could further increase food prices, which have already risen since the pandemic. As of August 2022, the United Nations Food and Agriculture Organization's Food Price Index remained 10.1 points (or 7.9 percent) above its value a year ago in 2021.[16]

While disaggregated data on food insecurity in rural and urban areas is not readily available, the scale of food insecurity in the region is acutely felt in urban areas. Estimates indicate that more than 1.1 billion people did not have adequate food in 2020.[17] An estimated 375.8 million people faced hunger in the region during the pandemic, which is 54 million more people than in 2019.[18] Loss of income, along with rising food prices due to supply chain disruptions, forced households and especially poor urban households, to reduce their food basket (diet diversity) and meal frequency.[19]

The high cost of a healthy diet, which according to the United Nations World Health Organization is a diet that helps to protect against malnutrition in all its forms, and noncommunicable diseases,[20] continues to hold healthy diets out of reach for 1.8 billion people in the Asia-Pacific region.[21] With different parts of the economy recovering at different rates through a "K-shaped recovery", it is evident that lower-income and poor households could face persistent food insecurity and malnutrition. This, in turn, could increase their vulnerability to diseases, and lead to development delays – especially among children.

Rising energy costs and urban households

Rapid economic growth and urbanization also lead to an increase in demand for energy in the region. The current energy crisis has heightened existing issues, such as the high dependency on fossil fuels and an uneven distribution network in Asia-Pacific countries and their cities, particularly in informal settlements. Disruption in fuel supply chains and growing energy demands has led to record prices for natural gas, coal and oil with many Asia-Pacific countries taking measures to regulate prices and reduce non-essential energy consumption.[22] Higher energy prices could push countries into debt-distress and further burden urban households affected by loss of income and food insecurities. Cities are also witnessing protests against rising energy costs with upward trend energy costs possibly triggering further unrest and prolonging recovery. The energy crisis has exacerbated existing implementation challenges in cities. These include ensuring energy access for all, particularly power reliability and clean cooking in slums, as well limited uptake of renewable energy technologies and efficiency improvements in key urban sectors, such as transport.

13. WFP (2022), 'War in Ukraine Drives Global Food Crisis: Hungry world at critical crossroads' https://docs.wfp.org/api/documents/WFP-0000140700/download/
14. ibid
15. CNBC (2022), 'India's rice export ban: The Asian countries set to be hit hard — and those that'll profit,' published SEP 19 2022, Charmaine Jacob https://www.cnbc.com/2022/09/19/philippines-indonesia-countries-most-vulnerable-to-indias-rice-export-ban-nomura.html
16. FAO Food Price Index https://www.fao.org/worldfoodsituation/foodpricesindex/en/
17. FAO and UNICEF (2021), 'Asia and the Pacific – Regional Overview of Food Security and Nutrition 2021: Statistics and trends', https://doi.org/10.4060/cb7494en
18. ibid
19. World Food Programme (2021), 'Food security and diets in urban Asia: How resilient are food systems in times of Covid 19? An analysis and characterization of 8 urban food systems in selected cities in Asia' https://www.wfp.org/publications/food-security-and-diets-urban-asia-how-resilient-are-food-systems-times-covid-19
20. WHO (2020), 'Healthy Diet: Factsheet', https://www.who.int/news-room/fact-sheets/detail/healthy-diet
21. FAO and UNICEF (2021) 'Asia and the Pacific – Regional Overview of Food Security and Nutrition 2021: Statistics and trends.' https://doi.org/10.4060/cb7494en
22. S&P Global (2022), 'Factbox: Asia-Pacific economies face escalating energy crisis' https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/energy-transition/062722-factbox-asia-pacific-economies-face-escalating-energy-crisis . See also https://www.spglobal.com/commodityinsights/PlattsContent/_assets/_images/latest-news/062722-infographic-asia-pacific-economies-ballooning-energy-crisis-oil-gas-lng-coal-electricity.jpg

Cities and the climate emergency

The Asia-Pacific region is vulnerable to climate change. Rising sea-levels, heatwaves as well as increased intensity of precipitation and storms are expected in the coming years.[23] The relative sea-level in Asia has increased faster than the global average, with countries experiencing coastal area loss and shoreline retreat.[24] This increases cities vulnerability to storm surges, coastal inundation, saltwater intrusion into aquifers leading to loss of life, billions of dollars of loss and damages to infrastructure. With informal settlements often located in areas that are flood prone, poorer sections of the population are more vulnerable to the effects of rising sea-levels. Furthermore, exclusionary urban planning and limited investment in infrastructure development increase cities risks to losses from extreme weather events.

Cities also often experience the urban heat island (UHI) effect, which results in air temperature being significantly higher in built up urban areas. A combination of increasing temperatures and UHI effect could lead to an increase in heat-related illness, create additional energy demand for cooling and worsen air pollution.

Figure 2: Types of Disasters and Number of People Affected in Asia and the Pacific, 2000 to 2020

	NUMBER OF EVENTS 2000–2020		NUMBER OF PEOPLE AFFECTED 2000–2020
HEATWAVE	2% / 54 events	HEATWAVE	0.01% / 300 583
DROUGHT	4% / 98 events	BIOLOGICAL	0.1% / 3 million
BIOLOGICAL	8% / 195 events	CYCLONE	14% / 436 million
CYCLONE	27% / 678 events	DROUGHT	36% / 1.1 billion
FLOOD	59% / 1 485 events	FLOOD	50% / 1.6 billion
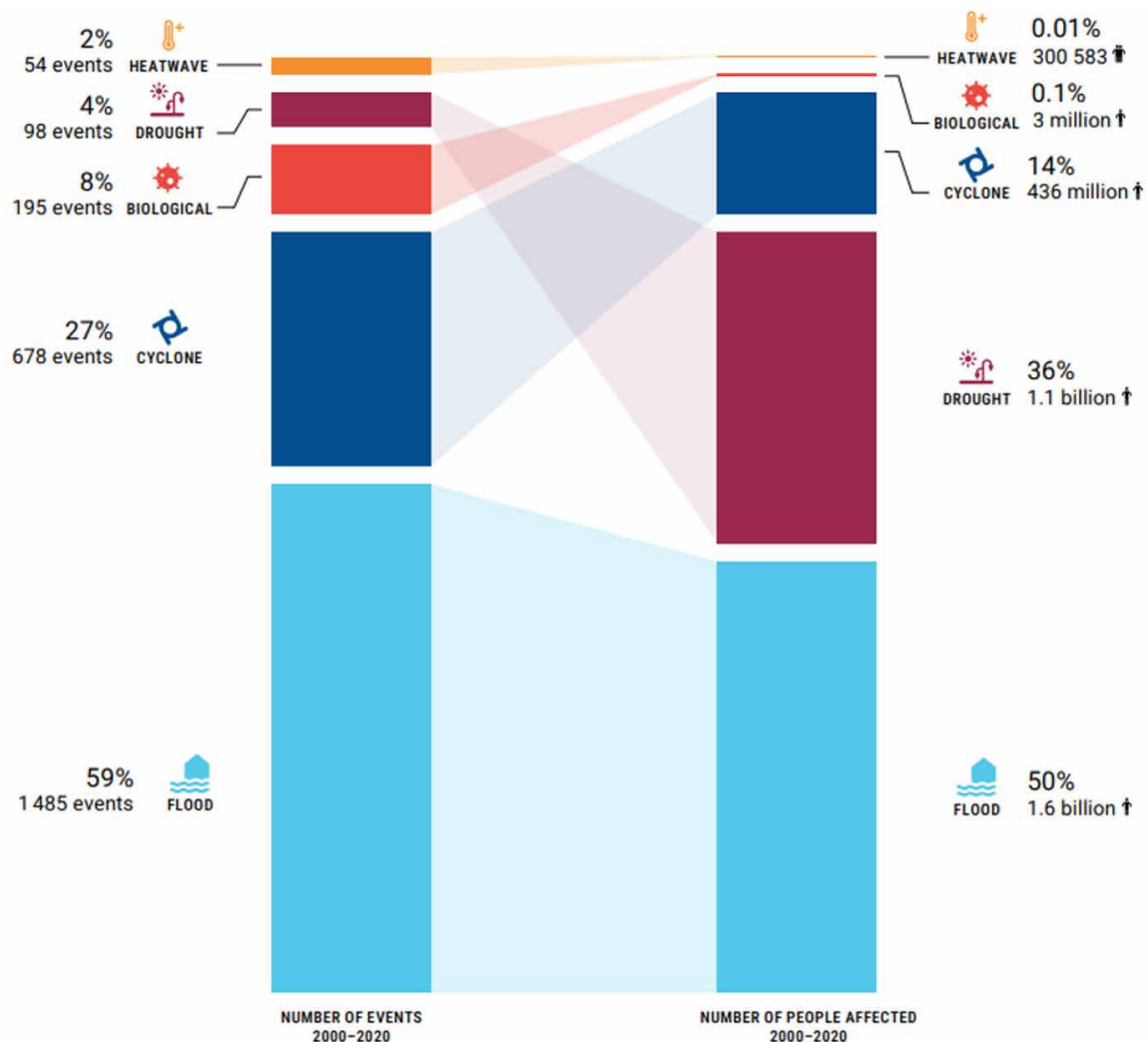
Source: United Nations (2021), 'Resilience in a Riskier World: Managing systemic risks from biological and other natural hazards; Asia-Pacific Disaster Report 2021' https://www.unescap.org/sites/default/d8files/knowledge-products/Asia-Pacific%20Disaster%20Report%202021-Full%20report.pdf . Figures are from EM-DAT- The International Disaster Database and have been rounded off.

23. IPCC (2021), Working Group 1: The Physical Science Basis, 'Regional Fact Sheet- Asia'   https://www.ipcc.ch/report/ar6/wg1/downloads/factsheets/IPCC_AR6_WGI_Regional_Fact_Sheet_Asia.pdf
24. ibid

Cities, as engines of economy, contribute about 70 percent of emissions.[25] If immediate measures are not taken to meet the provisions of the Paris Agreement and limit global temperature increase to 1.5 °C above pre-industrial levels, food insecurity, inequality, life and income loss due to adverse weather events will increase in cities.

To mitigate the impact of climate change, cities will have to invest in low-carbon development, strengthen climate resilience and be prepared for the consequences of higher temperatures and heavier precipitation. Cities located in low elevation coastal zones will have to take measures to minimize the impact of rising sea levels, saltwater intrusion into aquifers and shoreline retreat.

Urban air pollution

Air pollution is a growing environmental challenge in the region. Estimates show that 92 percent of the region's population (approximately 4 billion people) experience levels of pollution that pose a significant health risk.[26] As economies and urban areas continue to expand, it is expected that their emissions will continue to rise. Some pollutants, such as the short-lived climate pollutants (SLCPs) impacting air quality, are also climate pollutants. In fact, many sources of air pollutants are also sources of greenhouse gases, making clean air actions critical to addressing climate change. The 2021 World Air Quality Report by IQAir has shown that among the cities monitored for air quality only 0.1% cities in East Asia, 0.4 % cities in Southeast Asia, and 0.8% cities in South Asia have met the WHO $PM_{2.5}$ guideline in 2021.[27] Cities could do more to decouple air pollution from economic growth through appropriate investment in energy and transport sectors as well as implementing emission control measures across all industries to improve air quality.

COVID-19 disrupts unequal urban health systems

The combination of food insecurity, climate change and pollution, especially air pollution, could increase the risk of communicable and non-communicable diseases for urban populations. Urban health systems in Asia-Pacific have not kept pace with continued urbanization, particularly in providing services to informal settlements and slums. The COVID-19 pandemic has shown that underlying issues of inequality and exclusion, along with overcrowding, inadequate access to housing and basic services in cities, were a factor in a higher transmission and faster spread of COVID-19.[28] Therefore, improving accessibility to health care would be critical for tackling future pandemics and disease outbreaks. In addition, engaging and working collaboratively with local communities have produced better health outcomes during the pandemic. Investing in community partnerships, along with measures to collect disaggregated data and improving access to the internet, would help in addressing health shocks.

Cities and sustainable development

Considering that cities comprise over half of the region's population and drive the region's economic, environmental and social progress, measures taken at the city-level are crucial for achieving sustainable development. The 2030 Agenda for Sustainable Development highlights the importance of sustainable urban development which includes 'sustainable cities and communities' (SDG11) as one of the 17 SDGs. Actions at the city-level are also significant for achieving targets under other Goals with an estimated 65 percent of SDG targets needing to be met in local contexts.[29] About one-third of SDG indicators are measured at the local rather

25. United Nations (2018), 'Climate Change and National Urban Policies in Asia and the Pacific: A regional guide for integrating climate change concerns into urban-related policy, legislative, financial and institutional frameworks' https://unhabitat.org/sites/default/files/2020/06/regionalguide_print_newversion.pdf

26. ADB (2022), 'Air Quality in Asia: Why is it important, and what can we do?', https://www.adb.org/sites/default/files/publication/780921/air-quality-asia.pdf

27. IQAir (2021), 'World Air Quality Report: Regions and City PM2.5 Ranking', https://www.iqair.com/world-air-quality-report

28. UN Habitat (2021), 'Cities and Pandemics: Towards a more just, green and healthy future' https://unhabitat.org/cities-and-pandemics-towards-a-more-just-green-and-healthy-future-0

29. OECD, 'Achieving the SDGs in Cities and Regions' https://www.oecd.org/about/impact/achieving-sdgs-in-cities-and-regions.htm

than national level. Thus, investments at the local/municipal level and led by local authorities would be vital for achieving the SDGs.[30] The *New Urban Agenda* reinforces the vision of 'Cities for All', and the transformative changes needed at the local level for the achievement of the 2030 Agenda for Sustainable Development. It offers a roadmap for implementing the SDGs locally through a future vision for sustainable urbanization.

In order to practically translate global goals into local actions, cities have embarked on localizing the SDGs, including adopting and adapting SDG targets and indicators for local contexts, mainstreaming or using SDGs as a framework for local plans and strengthening partnerships for implementing the SDGs. In addition, cities have also conducted Voluntary Local Review (VLR) reports to review and monitor progress for achieving sustainable development. The VLRs provide baseline data for decision-making and for cementing multi-stakeholder partnerships around shared priorities for sustainable development.

> *"Cities are central to virtually every challenge we face – and essential to building a more inclusive, sustainable and resilient future. They have been at the frontlines of the COVID-19 pandemic. As we look to recover, promoting more inclusive, gender responsive urban infrastructure and services will be critical to give all people – especially young people, women and girls – access to a better future."*
>
> **Secretary General Antonio Guterres**
>
> Source: UN (2022), Press release, SG/SM/21353, https://press.un.org/en/2022/sgsm21353.doc.htm

The importance of sustainable urban development became further evident during the pandemic. Exclusion and environmentally exploitative urban expansion have heightened the health crisis. At the same time, the pandemic has also shown how municipal governments – as the frontline governments – were quick to learn, innovate and respond to the evolving crisis. Municipal governments were able to better understand the local impacts and implement policy decisions within the purview of their legal framework as well as inform national policies. This capability of cities to learn, innovate and respond are now vital for leading the recovery from COVID-19. Sustainable urban development, which encompasses an inclusive, green approach prioritizing climate action, could help cities generate jobs and leverage private sector investment. Estimates show that green and climate focused recovery in six emerging economies in Asia-Pacific can create investment opportunities up to US$7.9 trillion, add 152 million new direct jobs, and reduce greenhouse gas emissions of up to 2872 million tons by 2030.[31] It could also help cities address vital issues such as access to basic services, affordable housing and infrastructure, mobility, pollution, congestion, flooding, extreme heat and energy access.[32]

However, cities face several governance challenges that may affect their ability to achieve sustainable urban development and the transformation toward a prosperous, just, and green economy.

30. United Nations (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 sustainable development agenda A/69/700 https://documents-dds-ny.un.org/doc/UNDOC/GEN/N14/670/01/PDF/N1467001.pdf?OpenElement
31. IFC (2021), 'CTRL, ALT, DEL A Green Reboot for Emerging Markets: Key Sectors for Post-COVID Sustainable Growth' https://www.ifc.org/wps/wcm/connect/26f79a1b-c191-494b-b2d9-c891e138bb37/IFC_GreenReport_FINAL_web_1-14-21.pdf?MOD=AJPERES&CVID=ns1JVaR
32. ibid

II. Key gaps and challenges

The pandemic has further exposed urban governance challenges and shed light on multiple and interconnected vulnerabilities that cities and their residents face. Some key challenges that hinder sustainable urban development that can be further analyzed through the pandemic and interlinked crisis lens include the following:

Urban legal and policy frameworks

Challenges in urban legal and policy frameworks can be considered at two levels: a) overall enabling environment for urban governance and b) municipal laws.

a. One of the key findings from the 2018 City Enabling Environment Assessment was a multiplicity of often conflicting legislations pertaining to local governments. Driven by weak implementation of decentralization policies, along with dueling legislation related to the function of municipal governments, which often leads to creation of parallel structures with overlapping powers and responsibilities.[33]

b. Municipal laws, especially those related to spatial planning, housing, finance, public sector management, planning and provision of urban services, are outdated and often in conflict with other laws and regulations.[34] Furthermore, municipal policies have not kept pace with continued urbanization. The informal sector, including both the informal economy, and the growing number of people living in informal settlements that lack access to housing, basic services and formal rights, are largely not addressed. This has resulted in spatial disparities in urban investment and access to services, and the exclusion of large sections of the population living in unregulated settlements and slums.[35] The pandemic has also highlighted the need for municipal governments to increasingly focus on issues related to the provision of health care, social protection, local supply chain assurances, and building climate-smart cities.[36] This would require a dynamic change in the legal and policy frameworks governing cities as well as the capacity of cities to establish municipal level legislation and policy frameworks for local action.

Fiscal space of local governments

The fiscal space and the level of fiscal autonomy vary between primary cities, metropolitan administrations, and intermediary cities. The size and population density of primary and metropolitan areas allow for greater capacity to generate and allocate local revenues. Intermediary cities, though home to more than half of the urban population,[37] often do not have the resource base and capacity, and are unable to provide basic services, including water and sanitation, waste management and transportation to meet increasing demand. Depending on the country context, cities have varying degrees of autonomy to determine tax rates and are reliant on central government for setting the tax base, creating new taxes and facilitating municipal governments access to financial markets.[38] In addition, even in countries where local governments establish a local revenue base, capacity issues related to establishing tax rates and revenue collection mechanisms, including taxes on property, transport, sales and more, remain. The update of certain technologies, such as 'one stop shops', or single e-platforms for efficient and transparent citizen payment of local taxes, also affects overall tax collection.

33. UCLG-ASPAC, Cities Alliance, and UNDP (2018), 'City Enabling Environment Rating: Assessment of the Countries in Asia and the Pacific' https://www.undp.org/asia-pacific/publications/city-enabling-environment-rating

34. ibid

35. ADB (2022), 'Informal Services in Asian Cities: Lessons for Urban Planning and Management from the COVID-19 Pandemic' Ed by Ashok Das and Bamband Susantono. https://www.adb.org/publications/informal-services-in-asian-cities-lessons-for-urban-planning-and-management-from-the-covid-19-pandemic

36. Sleszynski, P.; Legutko-Kobus, P.; Rosenberg, M.; Pantyley, V.; Nowak, M.J. (2022), 'Assessing Urban Policies in a COVID-19 World'. Int. J. Environ. Res. Public Health 2022, 19, 5322. https://www.mdpi.com/1660-4601/19/9/5322/pdf?version=1651113494

37. United Nations (2017), 'Urbanization and sustainable development in Asia and the Pacific: linkages and policy implications', Economic and Social Commission for Asia and the Pacific, Seventy-third session, E/ESCAP/73/16 https://www.unescap.org/sites/default/d8files/event-documents/E73_16E.pdf

38. UCLG-ASPAC, Cities Alliance, and UNDP (2018), 'City Enabling Environment Rating: Assessment of the Countries in Asia and the Pacific', https://www.undp.org/asia-pacific/publications/city-enabling-environment-rating

Restrictions during the COVID-19 pandemic affected major economic sectors and drastically shrank sources of local revenues. Moreover, tax deferrals for small and medium enterprises and limited economic activity related to land sales and rental incomes also affected municipal revenues. Globally, on average, local government revenues declined between 15-25 percent while their revenue pressure has increased with the pandemic.[39] Global recession could force credit-rated municipal governments to increase annual borrowing by 10 percent, and thus raise their debt burden to unsustainable levels.[40]

Data for evidence-based urban policy making

Lack of reliable data for urban planning has been widely highlighted. Urban data collection and reporting still does not meet the needs of urban planners and city managers. Where data exists, it is often in silos and managed by different municipal departments or tiers of government. Furthermore, data does not fully capture people's needs in informal settlements and slums. This 'data deficit' is affecting planning of city development as well as the understanding of urban change, including complex social change. When public and private policymakers prepare urban policies and plans or compare urban trends and conditions, they are forced to use urban data that are often incomparable and incompatible.[41]

The pandemic did open spaces for creative new forms of urban data collection. Collaborative partnerships between cities and civil society, multilateral organizations, developers and others allowed for stronger use of new technologies to track and monitor COVID-19 cases, map existing facilities and infrastructure including in informal settlements, and track municipal government readiness and response to deliver different services.[42] The digital transformation during the pandemic allowed for the use of big data for efficient and effective delivery of services, such as better targeting for social protection programmes.[43] However, cities would need to invest in post-pandemic data governance to maximize the opportunities for collection and use of big data and mitigate its risks, which include safeguards to protect data privacy, address fraud and cyber-security.[44] Big data and new technologies could potentially allow cities to collect data for localized SDG indicators.

Decisions concerning mitigation of greenhouse gas emissions and air pollution must also be based on local data and information that have an accepted scientific quality. In some countries there is still lack of reliable information on national and local emission inventories. Strengthened technical cooperation could provide support to develop national and local inventories for effective climate action and air quality management and facilitate open access to and utilization of monitoring data including through satellite-generated data and open-source data.

39. IFC (2020), 'COVID-19's Impact on Sub-National Governments' https://www.ifc.org/wps/wcm/connect/cb8caf2a-0dde-4620-9e3d-7df8c4717fa6/IFC-Covid19-Municipalities-final102120-web.pdf?MOD=AJPERES&CVID=nlc.KlU

40. ibid

41. UNESCAP (2017), 'Metropolitan City Finances in Asia and the Pacific Region Issues, Problems and Reform Options', https://www.unescap.org/sites/default/files/S1_Metropolitan-City-Finances.pdf

42. UN Habitat, Urban Indicators Database, https://data.unhabitat.org/pages/covid-19

43. ADB (2022), 'Harnessing the Potential of Big Data in Post-Pandemic Southeast Asia' https://www.adb.org/sites/default/files/publication/793596/potential-big-data-post-pandemic-southeast-asia.pdf

44. ibid

Open governance in cities

Levels of municipal government transparency and accountability, along with the existence of safe spaces for civic participation and collaborative engagement, vary widely in the Asia-Pacific region and are dependent on both national and local context. However, on average, despite strong legislative mandates, civic engagement and participatory governance remains weak at the local level.[45] Furthermore, expanding digital governance spaces could be a double-edged sword. The pandemic could have contributed to narrowing civic spaces, widening digital divide and expanding digital surveillance. This lack of access to internet as well as information and communication technologies (ICT) could have further excluded marginalized and vulnerable groups from meaningful engagement, including in informing COVID-19 response and recovery.

Countries and cities that have established strong information sharing and communication channels were also able to undertake inclusive policy innovations. Civil society and civic networks collaborated with state institutions and helped to apply human-centered approaches to augment public service delivery gaps to better coordinate COVID-19 related emergency services – from testing, to accessing treatment, to distribution of food and supplies.[46] However, sustaining these networks and spaces for participation and policy innovation would be critical for inclusive recovery and sustainable urban development.

45. Patel, Sejal & Sliuzas, Richard & Georgiadou, P.Y (Yola), (2016). Participatory Local Governance in Asian Cities: Invited, Closed or Claimed Spaces for Urban Poor?. Environment and Urbanization Asia. 7. 10.1177/0975425315619044.

46. UNDP Thailand (2022), 'Everyday Heroes: Civic Networks, Crisis Response and Public Service Delivery during the COVID-19 pandemic,' blog post by Pattamon Runchavalnont, posted January 17, 2022. https://www.undp.org/thailand/blog/everyday-heroes-civic-networks-crisis-response-and-public-service-delivery-during-covid-19-pandemic

III. Leveraging SDG localization to address severe disruptions

Agenda 2030 for Sustainable Development is a plan of action for transformative change under five categories or the 5Ps' – planet, people, prosperity, peace and partnership. The 17 Sustainable Development Goals set targets and indicators to promote solutions and actions along the 5Ps. Agenda 2030 was adopted by all 193 UN Member States. The pandemic has derailed progress made to achieve the 17 SDGs. Despite that, the SDGs are more relevant than ever in promoting an inclusive and green recovery – ensuring that 'No One is Left Behind'. The SDGs serve as an organizing principle and holistic development framework for national,

SDG Acceleration and Trade-offs

Acceleration actions refers to any initiatives that builds on existing efforts to achieve the SDGs as well as initiatives that promote progress in one or more targets that can positively impact achievement of targets under other SDGs. A trade-off is the opposite of acceleration – where progress in one target could negatively impact achievement of other SDG targets. For example, improvements in water and sanitation in cities could negatively impact water availability for irrigation outside the city.

subnational and local level planning. Localizing the SDGs or translating the Global Goals into relevant, actionable and attainable priorities at the local level is a vital first step in leveraging action for addressing the multiple interlinked crises and promoting sustainable urban development. Considering cities' capacity to learn, respond and innovate, cities can use the SDGs as a framework for identifying interlinkages between different sectors and identify potential points for acceleration, joint action and trade-offs. Measures for SDG localization could include:

The enabling environment for multilevel territorial governance and urban policy coordination

Achieving the SDGs calls for an integrated national, sub-national and local government approach. Towards this end, an enabling legal and policy framework that supports the coordinated implementation of the SDGs at all levels is essential. A clear framework for SDG localization can help minimize some of the existing structural issues related to decentralization and enhance the policy, fiscal and functional space of municipal governments. Several countries in the Asia-Pacific region have adopted cascading laws and policies – from national to local – that facilitates localization of the SDGs. These cascading laws and policies also provide a framework for multi-level governance that would support policy coherence and cooperation among multiple actors to achieve the SDGs.

Effective multi-level governance is fundamental for addressing the multiplicity of challenges that cities face. It allows cities to draw on national and sub-national level policy frameworks as well as develops an integrated and cross-sectoral approach to address challenges while promoting vertical, horizontal coordination and cooperation to implement integrated approaches. SDG localization provides the framework for multi-level governance to advance green economic growth and ensure that no one is left behind and that the needs of the vulnerable and marginalized sections of the population are met.

The below examples highlight how national level decisions had supported integration of SDGs in local planning processes and informed SDG-based local planning, including at the municipal level.

Indonesia is a good example of multilevel governance for the SDGs. Presidential Decree (No. 59, 2017) provided a legal basis for mainstreaming SDGs into national and local planning processes. The Presidential Decree was followed by several crucial regulations, including a regulation by the Ministry of Home Affairs (No. 7, 2018) which requires sub-national governments to use the existing tools to integrate sustainable development into the local development plans. Following that, at the provincial level, a Governors' decree was issued.[47]

47. UNDP (2018),' SDG Localization in ASEAN: Experiences in shaping policy and implementation pathways', https://www.undp.org/publications/sdg-localization-asean-experiences-shaping-policy-and-implementation-pathways

Leveraging Sustainable Development Goal Localization to Strengthen Cities' role
in Addressing Interlinked Crises in the Post-Pandemic era

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The Governor's decree provided the legal framework for mainstreaming SDGs in local planning and established a SDG Coordination Team at the provincial level.[48] Municipal governments could pass by-laws or develop roadmaps to further localize SDGs and identify their development priorities.

Malaysia has followed a similar approach where the National SDG Roadmap was developed first, which then supported cities to develop City SDG Roadmaps to ensure vertical integration and multi-level policy coherence.[49] National and state strategies support local governments efforts through technical support and funding, which in turn, is shown as contributing to the achievement of SDGs at state and national levels.

Bangladesh is an interesting example of national to local approach to SDG localization. Institutionally, an inter-ministerial committee – the Sustainable Development Goals Implementation and Review Committee – coordinates SDG implementation. The committee is headed by the Principal Coordinator (SDGs Affairs) at the Prime Minister's Office. The General Economics Division of the Bangladesh Planning Commission provides secretarial support to the committee. Bangladesh has integrated SDGs in national policies, including its' five-year development plans, and has taken steps to further localize SDGs at sub-national level, particularly at the District and Upazila (Sub-District) level. The Government approved 40 priority indicators for localization of SDGs. Some of the indicators are selected directly from the global SDG indicator framework while others are modified to suit the Bangladeshi context. Specific indicators reflect the "leaving no one behind" principle. Using these indicators, districts and sub-districts identify the most vulnerable area or group not covered by regular activities of the government and then facilitate targeted interventions to address the identified vulnerability and dedicate resources for such interventions. Action plans were also developed at district and sub-district level to achieve priority targets.[50] However, municipal governments need to take additional measures and identify community priorities which align with the action plans.

The above examples highlight top-down approach to SDG localization. A critical lesson from the pandemic is the importance of identifying local experiences and prototyping innovations which can then be scaled up to the national level. Such an approach would support both a top-down and bottom-up approach to SDG localization.

An enabling environment for multilevel governance and policy coherence can also be applied at the sector level for achieving the SDGs. For example, collaboration around sustainable energy policies, plans and strategies through a 'multi-level governance' approach. Following ESCAP support to the National Energy Council of Indonesia, the Ministry of National Development Planning with Indonesia's SDG Secretariat developed the National Sustainable Development Goal 7 Roadmap for Indonesia. Following that, the city of Jakarta, Indonesia, received support to localize the National Expert SDG Tool for Energy Planning (NEXSTEP) methodology at the sub-national level.[51] A Sustainable Energy Transition Roadmap for Jakarta was developed. It contains a matrix of technological options and enabling policy measures for the local government to consider in meeting its emission reduction target to cap its emissions at 31.5 million tonnes of carbon dioxide equivalent (MtCO$_2$e) by 2030 while also sustaining robust economic growth. The roadmap includes several energy transition opportunities, such as sustainable mobility options, particularly the use of public transport and electric vehicles, to increase mobility and reduce energy demand as well as air pollution levels. The roadmap also includes measures for the city to substantially increase the share of renewable energy in the electricity supply chain by, for example, undertaking renewable energy auctions.[52]

Voluntary Local Review reports as a practical tool for SDG localization

Recent analysis conducted by United Cities and Local Governments Asia and the Pacific (UCLG-ASPAC) shows that despite provisions for local governments to participate in national SDG policies and the preparation of Voluntary National Review (VNR) reports, the actual engagement of local governments in the process remains low. Only 31 percent of local governments indicated that they were engaged in medium to high degree of

48. ibid
49. Urbanice Malaysia, Ministry of Housing and Local Government, 'Malaysia SDG Cities' https://unhabitat.org/sites/default/files/2021/07/malaysia_sdg_cities_booklet-2.pdf
50. Singra Municipality, Government of Bangladesh, 'Voluntary Local Review (VLR) Report: Assessment of the Sustainable Development Goals in Singra, Bangladesh, 2021. https://unhabitat.org/sites/default/files/2022/08/singra_2022_en.pdf
51. UNESCAP (2021), 'Energy Transition Pathways for the 2030 Agenda: Sustainable Energy Transition Roadmap for Jakarta Indonesia', https://www.unescap.org/kp/2021/sustainable-energy-transition-roadmap-jakarta-Indonesia
52. ibid

consultations, held as part of VNR preparation between 2016-2021. This figure rose to 44 percent in 2021.[53] The Asia-Pacific Regional VLR Guidelines propose the concept of VLR-VNR integration, i.e., the vertical integration of the two processes around the follow-up and review of the SDGs (where the policy cycle is divided into planning, implementation, and follow-up and review) as a response to clear gaps between the two processes as well as demands by national and subnational governments to better understand, accommodate and utilize VLRs.[54] Additionally, VLR-VNR integration could, for local governments in particular, strengthen the legitimacy of subnational/local follow-up and review of the SDGs. This, in turn, could validate local government future requests for support from the national government regarding SDG implementation.

Facilitating cities to take stock of their current situation using SDGs as a holistic and integrated development framework is an essential step in supporting SDG localization at the ground-level. The VLRs enable cities to review current development context and progress against the SDGs. The Asia-Pacific Regional VLR Guidelines provides step by step recommendations for cities to do a local government-led review which looks at city's efforts to achieve the SDGs, or city-wide review which considers how actors and organizations across the city and across sectors are working together to deliver the SDGs. The latter option requires higher level of engagement with non-state actors.[55] Cities could also engage with sub-national governments, such as state or provincial authorities, to conduct a regional review which requires greater coordination between different levels of government but offers an opportunity to reflect on horizontal and vertical coherence and cooperation.

Figure 3: Structuring the Delivery of a VLR report
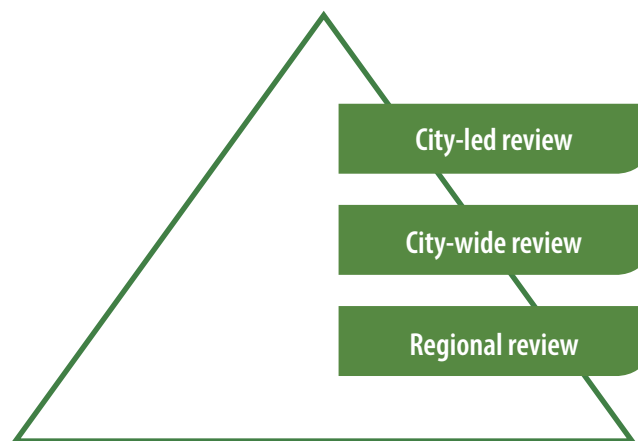
Source: UNESCAP (2020), 'Asia-Pacific Regional Guidelines on Voluntary Local Reviews: Reviewing local progress to accelerate action for the Sustainable Development Goals,' ST/ESCAP/2918
https://www.unescap.org/sites/default/files/Asia-Pacific%20Regional%20Guidelines%20on%20VLRs_0.pdf

Regardless of which option cities choose, VLRs provide a common language around sustainable development and gives a voice to local governments to shape global discourse and facilitate peer to peer learning among cities. VLRs also provide a platform for local governments to engage with their people, identify their needs and priorities as well as reflect SDG localization in policymaking. VLRs also enable cities to collect and analyze data from different sources and develop a plan of action for sustainable development.[56] More specifically, VLRs:

53. UCLG and Global Task Force of Local and Regional Governments (2021), 'Towards the Localization of the SDGs: Sustainable and Resilient Recovery Driven by Cities and Territories', Local and Regional Governments Report to the 2020 HLPF, 5th report. https://gold.uclg.org/sites/default/files/hlpf_2021.pdf

54. UNESCAP (2020), 'Asia-Pacific Regional Guidelines on Voluntary Local Reviews: Reviewing local progress to accelerate action for the Sustainable Development Goals,' ST/ESCAP/2918 https://www.unescap.org/sites/default/files/Asia-Pacific%20Regional%20Guidelines%20on%20VLRs_0.pdf

55. Ibid

56. ibid

Integrate planning, implementation, and decision-making at the local level

Across Asia-Pacific, 26 cities have conducted VLRs.[57] The VLR process allowed cities to review city policies and priorities across sectors using the interlinked nature of SDGs and the principle of 'leaving no one behind' as a lens. The Japanese city of Shimokawa, which produced its VLR in 2018, is a great example of how the VLR process helped establish a new integrated policy and implementation framework – breaking down vertical and horizontal silos. The VLR process initiated a visioning exercise, supported by extensive consultations, to define where the city wants to be by 2030. An 'SDG Future City Subcommittee' was established to engage wide range of stakeholders and craft the 'Shimokawa Vision 2030'. The city also put in place special institutional mechanisms for its' SDG implementation and review process.[58]

Highlight policy issues related to administrative and fiscal decentralization

VLRs called attention to policy issues related to administrative and fiscal decentralization, for example, the VLR conducted by Dhulikhel in Nepal in 2021. The 2015 constitution of Nepal guarantees local self-government and autonomy to local government units to decide on the structure of the service delivery system within their jurisdiction. Local governments can also levy 15 types of taxes and fees to cover their recurrent and capital expenses, as well as raise credit and access loans. However, gaps remain in the actual implementation of the constitutional provisions and the Local Government Operation Act (2017). The VLR process showed that Dhulikhel is highly dependent on intergovernmental fiscal transfers and has not been able to raise its own resources, despite being a tourism and higher education hub. As a follow-up to the VLR process, Dhulikhel is prioritizing measures to strengthen its capacity to raise local revenues.[59]

Spotlight issues of urban exclusion

The VLR process in Singra, Bangladesh, helped identify and validate existing structural issues related to gender inequalities, including cultural practice of early marriage. The VLR process highlighted the need for mainstreaming gender perspectives into all policies, programmes, administrative and financial activities as well as in organizational procedures to promote gender-responsive municipal institutions. It also helped the city identify concrete actions to remove cultural and institutional barriers to women's political and economic participation at the local level. These include:

- Working with the Sub-district (Upazila) Women Affairs Office, who are primarily responsible for child marriage protection and gender violence, as well as to strengthen city's child marriage protection committee; and

- Devising new ways to collect sex-disaggregated data for gender responsive policy formulation and programming.[60]

Support municipal policy and investment prioritization

Many cities were encouraged through the VLR process to set policy and investment priorities in line with the SDGs. For example, Kitakyushu, Japan, following their VLR process in 2018, developed cross-sectoral actions as part of their SDGs Future City Plan. These cross-sectorial actions were framed under the three pillars of economy, society and environment to solve interconnected and emerging issues with a focus on the implications from an ageing population and loss of the economic manufacturing base.[61]

57. UN Habitat, 'Voluntary Local Reviews – Database' https://unhabitat.org/topics/voluntary-local-reviews

58. Institute for Global Environmental Strategies (2020), 'State of the Voluntary Local Reviews 2020: Local Action for Global Impact in Achieving the SDGs', https://www.iges.or.jp/en/pub/vlrs-2020/en

59. Dhulikhel Municipality, Government of Nepal, Voluntary Local Review 2021. https://unhabitat.org/sites/default/files/2022/08/dhulikhel_2022_en.pdf

60. Singra Municipality, Government of Bangladesh, 'Voluntary Local Review (VLR) Report: Assessment of the Sustainable Development Goals in Singra, Bangladesh, 2021. https://unhabitat.org/sites/default/files/2022/08/singra_2022_en.pdf

61. Institute for Global Environmental Strategies (2020), 'State of the Voluntary Local Reviews 2020: Local Action for Global Impact in Achieving the SDGs', https://www.iges.or.jp/en/pub/vlrs-2020/en

Subang Jaya, Malaysia, as part of their VLR process in 2021, reviewed its six city-level action plans (including smart city plan, green city plan, women-friendly city) against its SDG priorities and identified concrete projects for investments, including extending affordable housing to low-income groups.[62]

Act as a tool for local data consolidation and analysis

The VLR process can also serve as a tool for data gathering through stakeholder consultations, surveys and assessments. It also consolidates data from different sources and validates findings as well as recommendations across local government, their partners and urban stakeholders.

Other efforts to SDG Localization can include measures to collect and consolidate data which compliment VLRs. Bangladesh has established an innovative SDGs tracker (sdg.gov.bd), a web-based data repository system, to assist with the monitoring of the implementation of SDGs. All data generating institutions, mostly at the national level, are connected to provide data on the platform. A technical working committee, under the Director General of Bangladesh Bureau of Statistics, reviews and authenticates the data submitted in the SDGs tracker before publishing. The Bureau of Statistics also has an 'SDG Cell' to coordinate the overall SDGs data related activities in Bangladesh.[63]

India's national government has established the Sustainable Development Goals Urban Index (http://sdgindiaindex.niti.gov.in/urban). The Index and dashboard were developed through collaborative efforts of NITI Aayog under the Indo-German Development Cooperation, which assess 56 cities on 77 SDG indicators, covering 46 global SDG targets across 15 SDGs.[64] The data on these indicators have been sourced from official data sources and portals of various ministries as well as other government data sources. The Index published its report in 2021 which allows for comparative analysis between cities and promotes peer to peer learning.

In conclusion, VLRs are most effective when used as the first step to inform municipal priority setting, planning and implementation, particularly through the formulation of municipal development plans that include policy priorities and capital investments.

Multi-stakeholder and public-private partnerships for financing municipal SDG priorities

With governments at all levels facing fiscal pressure during and post pandemic amidst multiple interlinked crises, SDG Localization provides a platform for SDG-based action and resource mobilization. It also supports public-private partnerships to finance green recovery initiatives and unlock investments to promote green jobs and green growth.

The pandemic and multiple crises have narrowed the already limited fiscal space of cities. Addressing the interlinked challenges require investment in sustainable urban infrastructure and provision of basic services. Towards this end, cities should diversify and widen their local fiscal base to enable SDG achievement. Several key publications, including ESCAP's *"Empowering cities to implement the 2030 Agenda for Sustainable Development and the New Urban Agenda: Mobilizing municipal finance for sustainable infrastructure in the Asia-Pacific region"* as well as the ESCAP and UN-Habitat joint *"The Future of Asian and Pacific Cities Report 2019"* elaborate on municipal finance framework and the different financial instruments that municipalities can avail to attract investments.

In the context of SDG Localization, all financing instruments available to municipalities are relevant. At the same time, SDG localization can further expand space for multi-stakeholder and public-private partnerships for more effective municipal financing systems. This could strengthen the role of non-government stakeholders to engage in the achievement of the SDGs and bring about transformative change.

62. Urbanice Malaysia (2021), 'Subang Jaya Voluntary Local Review 2021' https://unhabitat.org/sites/default/files/2021/07/vlr_sdgs_subang_jaya.pdf

63. Government of Bangladesh (2020), 'Bangladesh Voluntary National Reviews 2020: Accelerated action and transformative pathways, realizing the decade of action and delivery for Sustainable Development. https://pea4sdgs.org/knowledge/pea-publications/bangladesh-2020-voluntary-national-review-and-sdgs-monitoring-and-evaluation-framework

64. Press Information Bureau, Government of India (2021), 'NITI Aayog under the Indo-German Cooperation releases inaugural SDG Urban Index and Dashboard 2021–22', https://pib.gov.in/PressReleseDetailm.aspx?PRID=1774225 Posted On: 23 November 2021

Towards this end, a few of the available instruments can be highlighted here. These are:

a) Blended municipal finance

Considering the large investment needs of the cities, using blended finance to mobilize additional resources is key to meeting municipal development needs. For instance, in Nepal, municipal spending on solid waste management (SWM) is able to extend these services to less than 50 percent of the city's population. Inefficiencies in waste collection and management services resulted in citizen's "unwillingness-to-pay". Using grant-based subsidies from the World Bank, five municipalities were able to improve SWM service and collect fees or tariffs from customers. The grant payments were contingent upon verified improvements in service provision and collection of fees. The grant-subsidies were lowered gradually as municipal revenues increased over the duration of the four-year project. By the end of the project, local fees along with the allocated government budget for SWM were sufficient to extend services to the entire city population. In short, development grants were used to mobilize fees to provide 100 percentage SWM service coverage.[65] Similar approaches can be applied in different sectors to achieve results. In addition, making information about how municipal resources are collected and allocated promotes greater fiscal transparency at the city level.

b) Public-private partnership for SDGs

The 2030 Agenda for Sustainable Development recognizes the importance of partnerships with the private sector, along with other stakeholders, as the means for achieving the SDGs.

Tools such as Municipal Public-Private Partnership (PPP) Framework can help to establish long-term partnerships between local governments and the private sector – especially for critical infrastructure investments such as in the energy and transport sectors. The Framework includes 20 modules that provide guidance on enhancing municipal readiness for PPP, conducting feasibility studies, supporting procurement process as well as providing sample municipal PPP agreements and community engagement techniques.[66]

The guidance helped several cities to procure PPPs for services. For example, energy-saving agreements in Bhubaneswar, India aimed at municipal street lighting gave the city's private partner a share of savings on the municipality's energy bill, which in return, improved and maintained the efficiency of street lighting.[67]

In conclusion, the importance of sustained urban progress in times of severe risk, instability and uncertainty cannot be overemphasized. SDG localization is an essential step to translate the SDGs into local actions for the achievement of sustainable urban development. The VLR report process provides a framework for cities to take ownership and stock of their development context, identify gaps and challenges and prioritize SDG driven actions and future investments.

> **Philanthropic Foundations and SDG Localization in Indonesia**
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> The SDG Philanthropy Platform (SGPP 2.0), established by UNDP and WINGS, is revitalizing efforts to catalyze and leverage philanthropy's potential through multi-stakeholder partnerships. Support to bring philanthropic organizations and foundations has led to mobilization of organizations and businesses to support sustainable development initiatives at the local level.
>
> *Dompet Dhuafa*, an independent philanthropic organization, is part of the Working Group on Social Development of Riau Province, Indonesia. It collects donations (based on Islamic practices of *zakat, infaq* and *sedekah*). Since joining the Working Group, the Riau branch of *Dompet Dhuafa*, has adopted an SDG framework and shared information with local government agencies on needy families and potential beneficiaries, thus minimizing overlap of programs. Private donations to Riau branch of *Dompet Dhuafa* has increased 100 percent, indicating increased public trust in *Dompet Dhuafa's* ability to blend different sources of funds and channel donations to those in need, and to promote community empowerment.
>
> Apart from UN supported SDG philanthropy platforms, other philanthropy platforms including for better cities, exist.
>
> Source: UNDP (2018) 'SDG Localization in ASEAN: Experiences in shaping policy and implementation pathways'

65. World Bank (2019), 'New Perspectives on Results-Based Blended Finance for Cities', https://openknowledge.worldbank.org/handle/10986/32192
66. World Bank, 'Municipal Public-Private Partnership Framework', Public-Private Partnership Legal Resource Centre (PPPLRC), https://ppp.worldbank.org/public-private-partnership/subnational-and-municipal/municipal-public-private-partnership-framework
67. World Bank, 'Asian Countries Tap Potential of Subnational PPPs' blog post authored by: Jenny Chao and Victoria Rigby Delmon, 10 Apr 2017, https://ppp.worldbank.org/public-private-partnership/subnational-and-municipal/asian-countries-tap-potential-subnational-ppps