



UNITED NATIONS  
UNIVERSITY

**UNU-IAS**

Institute for the Advanced Study  
of Sustainability



United Cities and Local Governments  
Asia-Pacific

# COVID-19 and Progress on Subnational Localisation of the SDGs

In February 2021, UNU-IAS and UCLG ASPAC launched an online survey to gain awareness and a broad overview of subnational government policies and current progress related to localising the SDGs and strategies to overcome the impact of COVID-19. The survey targeted subnational governments in **Indonesia, Malaysia, and the Philippines**.



**3**

countries

**52**

municipalities  
& provinces

**58%**

subnational  
governments

**reported a strong overall impact  
of the COVID-19 crisis.**

## Subnational Finance

**90%**

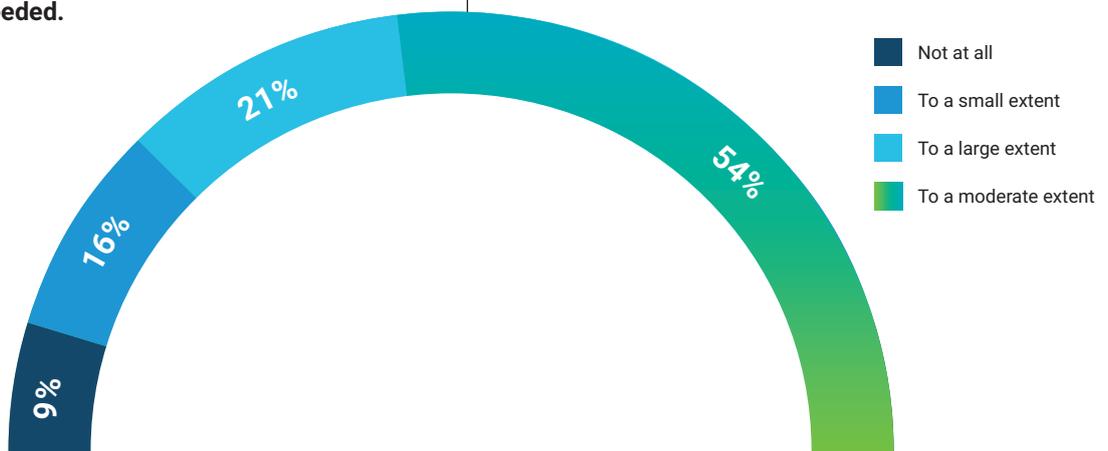
subnational  
governments are  
facing negative  
pressures on their  
expenditure.

**81%**

subnational  
governments are  
facing negative impact  
of COVID-19 on their  
short-term finance.

Economic recovery measures are available to subnational governments to a moderate extent. This underlines that **more support from the central government is needed.**

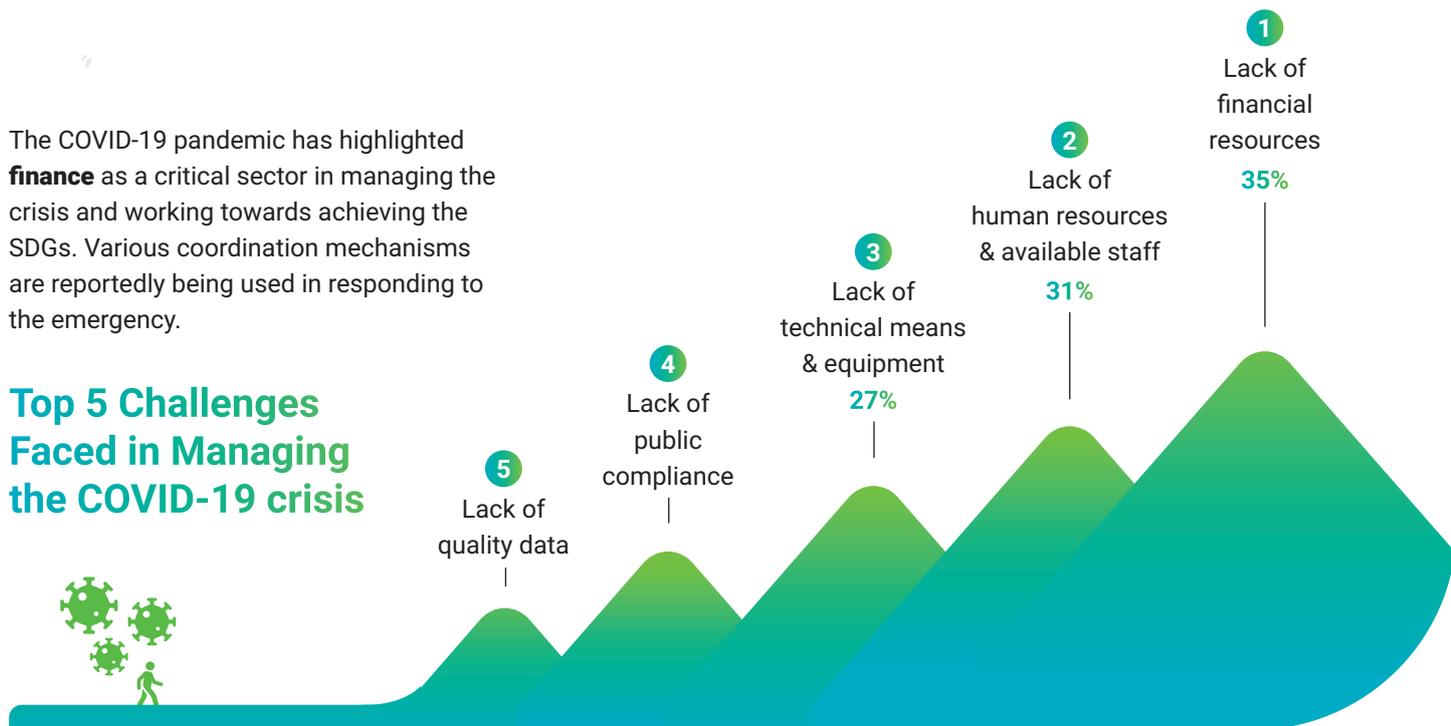
## Availability of Economic Recovery Measures



# Impact of the COVID-19 Crisis on Subnational Governments and SDGs Localisation

The COVID-19 pandemic has highlighted **finance** as a critical sector in managing the crisis and working towards achieving the SDGs. Various coordination mechanisms are reportedly being used in responding to the emergency.

## Top 5 Challenges Faced in Managing the COVID-19 crisis



## Coordination Mechanisms for Managing the COVID-19 Crisis



**Cooperation with community** is regarded as the most effective mechanism in dealing with the health crisis.

Other prominent, effective mechanisms are identified as:



**Vertical & horizontal coordination**



**Cooperation with academia & science community**

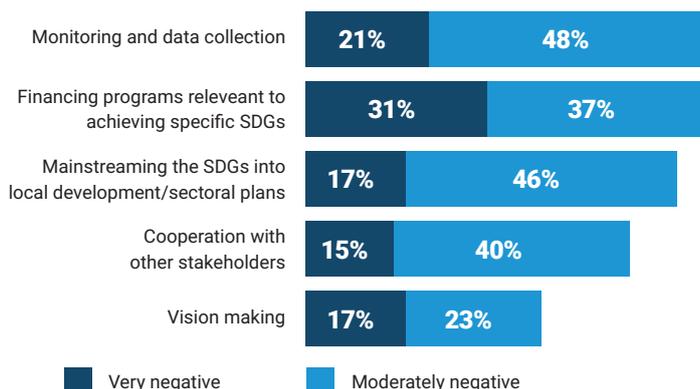


**Cooperation with businesses & private sector**

## Impacts of COVID-19 on Progress towards Localising the SDGs

Subnational governments reported **a negative impact** on all the sectors relevant to SDGs localisation.

## Perceived Impact on Progress of SDGs Localisation



# Top 5 Challenges in Localising the SDGs during the COVID-19 Crisis

## The other main challenges in localising the SDGs are:



Lack of human resources



Lack of cooperation with higher levels of government and other stakeholders



**58%**

Report 'shifting priority to overcoming the health crisis' as very challenging



**54%**

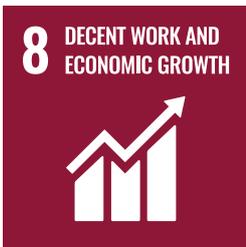
Report 'lack of financial resources' as very challenging



**35%**

Report 'lack of technical means and equipment' as very challenging

## Negative Impact on Achievement of the SDGs



**58%**



**56%**



**56%**



**54%**



**51%**

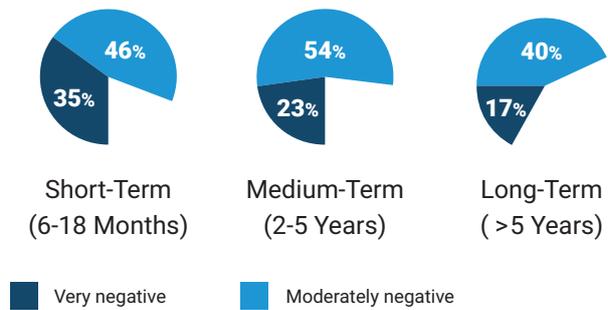
% figures represent subnational governments perceiving a negative impact on achieving the SDGs.

# Impact of the COVID-19 Crisis on Subnational Finance

A majority of subnational governments report a **very negative or moderately negative impact** of the socio-economic crisis linked to COVID-19 on their finances in the short and medium term. Subnational governments also **expect the negative impact to continue to affect their long-term finances**.

**The COVID-19 crisis imposes a significant strain on subnational government revenue.**

## Covid-19 Crisis Impact on the Overall Subnational Finance



## Tax Revenue

**29%**

report a very negative impact

**42%**

report a moderately negative impact

## Grant Revenue

**13%**

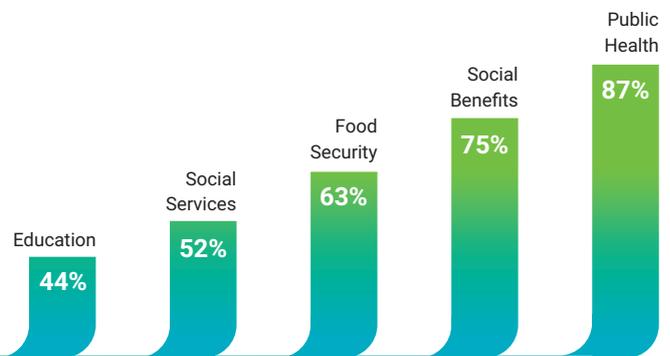
report a very negative impact

**37%**

report a moderately negative impact

Subnational governments see an increase in their expenditure in key sectors to overcome the COVID-19 pandemic.

## Top 5 Subnational Expenditure Categories Facing High Pressure Due to COVID-19



The COVID-19 crisis **negatively affects subnational finances for the SDGs localisation process.**

All subnational governments reported negative impact of COVID-19 on their financing programs to achieve SDGs

A total of 87% subnational governments perceive the lack of financial resources as a very or somewhat challenging factor in localising the SDGs during the pandemic

## Impact on Subnational Financing Programs Relevant to Achieving Specific SDGs



Very negative Moderately negative A little negative

## Subnational Governments' Perception Towards Lack of Financial Resources as a Challenge in SDGs Localisation



Very challenging Somewhat challenging A little challenging

# Subnational Strategies for Sustainable and Resilient Recovery

Wealth-related strategies and policies ranks

# #1

in terms of desired policy directions and desired national-level policy instruments

Due to the COVID-19 pandemic, local governments have been emphasising strategies and policies that **respond to immediate issues**, namely health and wealth.

## ▲ Top 3 SDGs Prioritised for Post-pandemic Policies



92% 88% 81%

## ▼ Bottom 3 SDGs Prioritised for Post-pandemic Policies



38% 38% 40%

% figures represent subnational governments highly prioritising the SDGs.

The COVID-19 pandemic has jeopardised progress on SDGs that do not reflect immediate needs such as gender equality and environment-related goals.

Among local governments, **policy coordination**, **additional resources and support**, and **cooperation with other stakeholders** are equally high priorities as policy tools for a successful exit and recovery strategy.

# 56%

utilised SDGs towards local building back better strategy

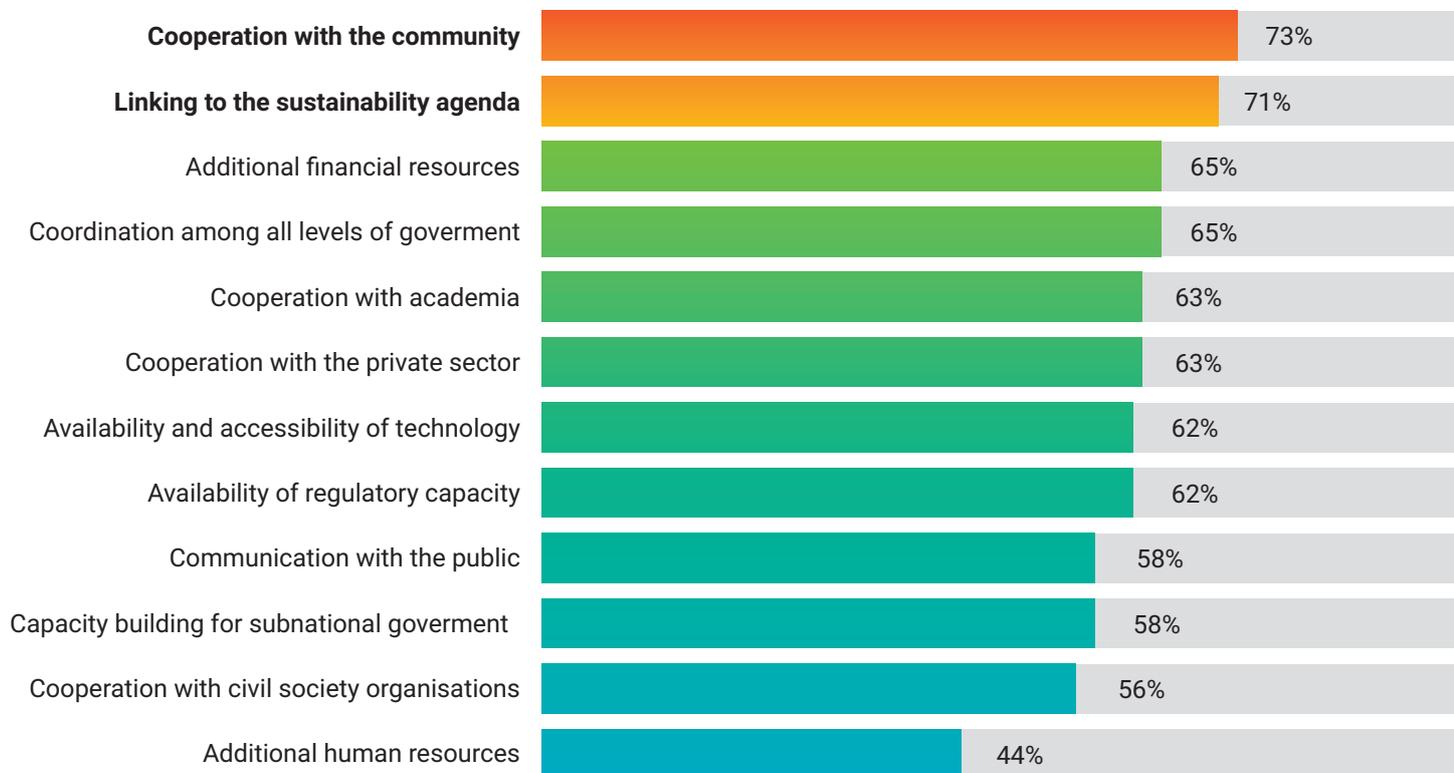
# 80%

desired policy directions related to poverty reduction, employment creation, and affordable and accessible healthcare for all

# 90%

desired national-level policy instruments supporting the implementation of recovery measures with dedicated or adequate funding

## Highly Prioritised Policy Tools for Successful Exit and Recovery Strategy among Subnational Governments



Note: Percentage shown represents percentage of subnational governments that placed high priority on a particular policy tool.

Thematic/specific approaches are not utilised as much as broader approaches in subnational building back better strategy.

## SDGs-relevant Approaches Used to a Large Extent in Subnational Strategies for Building Back Better



Note: Percentage shown represents percentage of subnational governments that placed high priority on a particular approach.