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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%

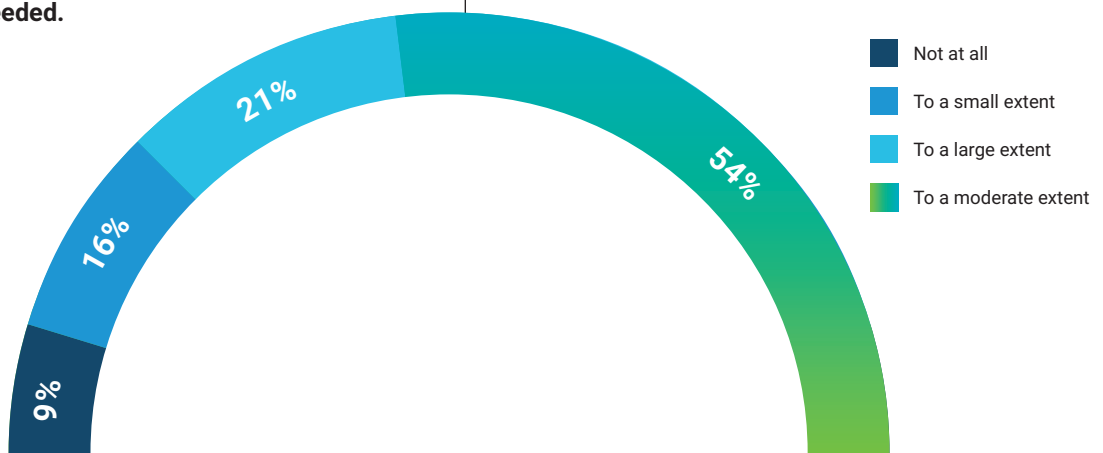
subnational
governments are
facing negative
pressures on their
expenditure.

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.**

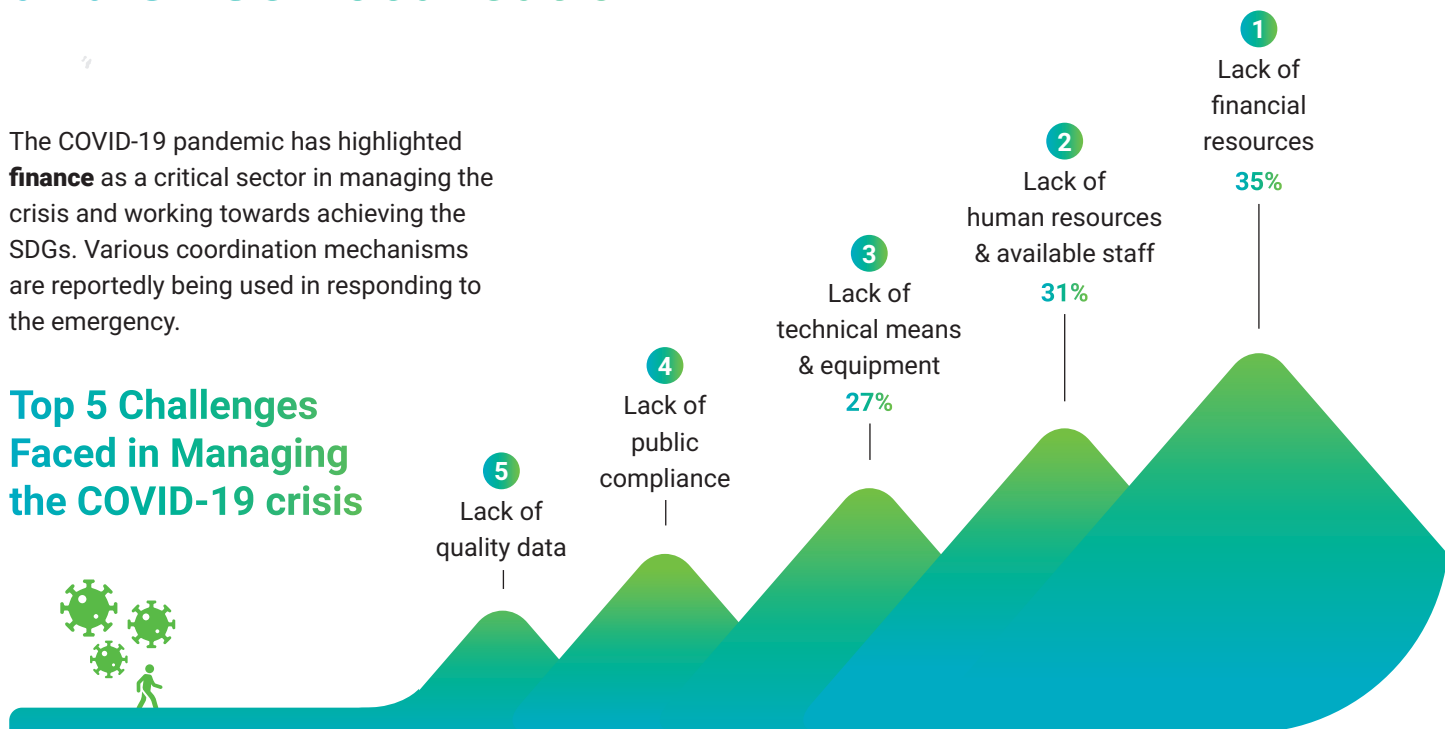
Availability of Economic Recovery Measures



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

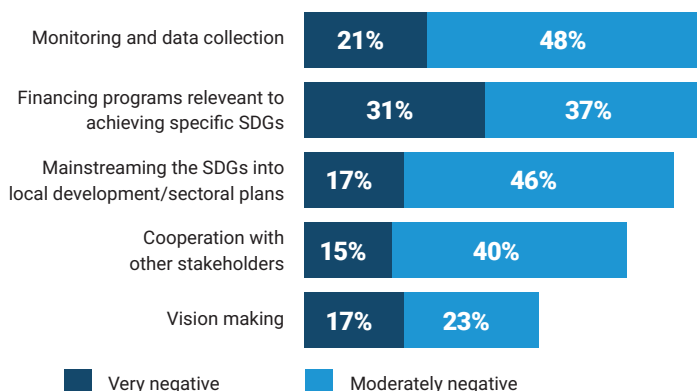


Cooperation with businesses & private sector

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%

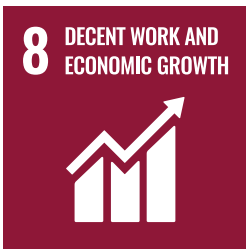
Report 'lack of financial resources' as very challenging



35%

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

Negative Impact on Achievement of the SDGs



58%



56%



56%



54%



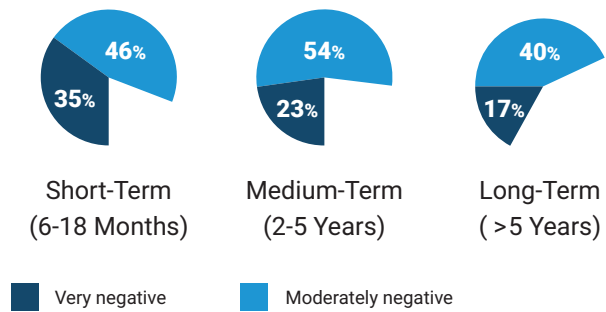
51%

% 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**.

Covid-19 Crisis Impact on the Overall Subnational Finance



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

Tax Revenue

29%

report a very negative impact

42%

report a moderately negative impact

Grant Revenue

13%

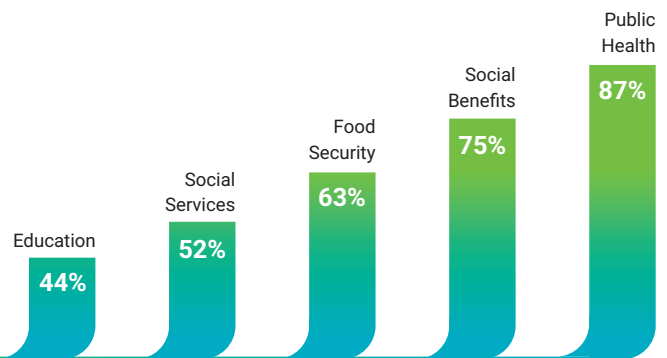
report a very negative impact

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

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

Wealth-related strategies and policies ranks

#1

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

▲ Top 3 SDGs Prioritised for Post-pandemic Policies



92% 88% 81%

% figures represent subnational governments highly prioritising the SDGs.

▼ Bottom 3 SDGs Prioritised for Post-pandemic Policies



38% 38% 40%

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

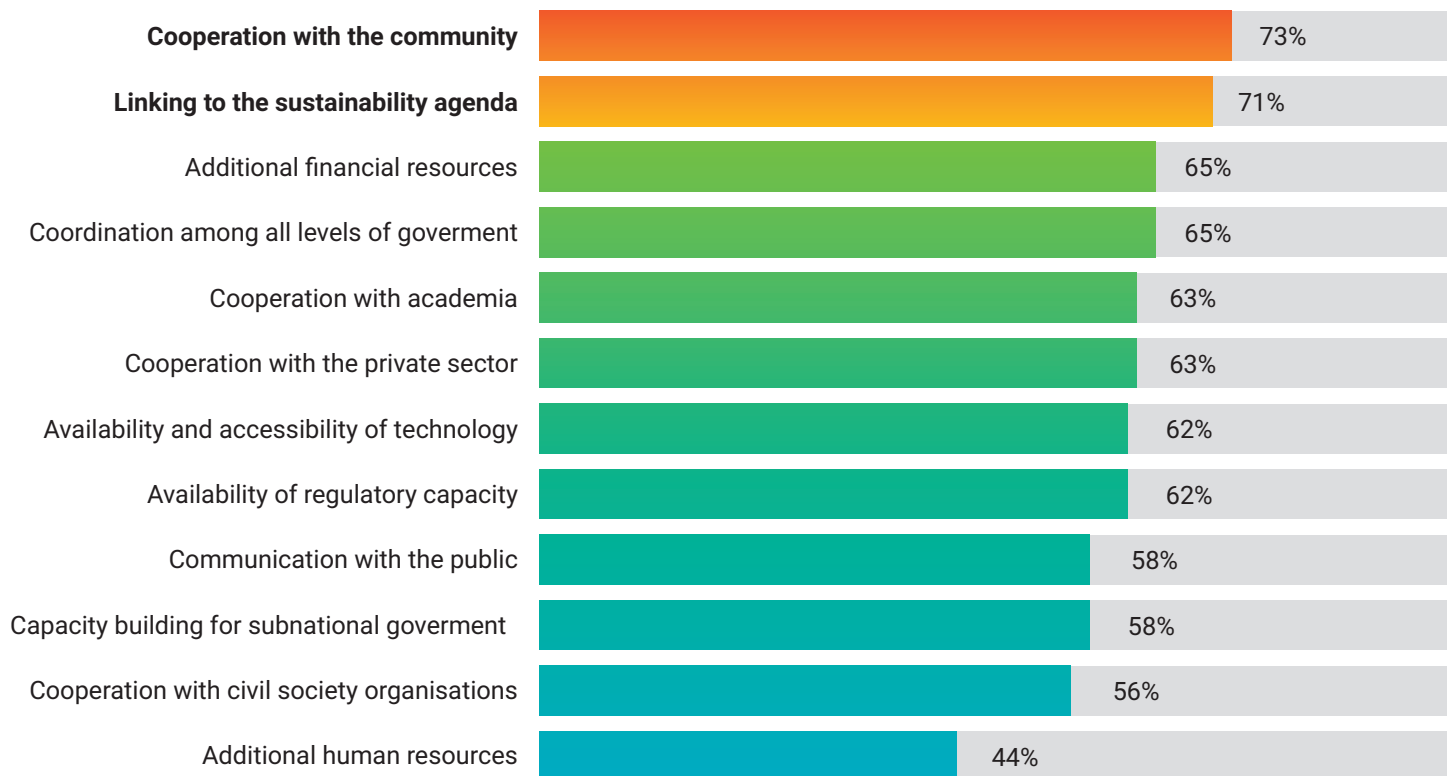
80%

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.