



XIV Ministerial Forum  
for Development in  
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# Effective Governance: From the National to the Local Level

Friday 30 September 2022  
8.00-10.00 am



## RECALIBRATING... GETTING BACK ON TRACK TOWARDS THE SDGs

**Table 3: Effective Governance: From the National to the Local Level**  
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### Technical Note

#### Introduction

There is strong consensus that accountable, inclusive and effective governance underpins sustainable development and that it is essential for the achievement of 2030 Agenda. People's confidence and trust in public institutions at all levels, and in the people who lead such institutions, is critical.

However, governance systems are under increasing pressure in Latin America and the Caribbean (LAC). Trust and social contracts are fraying from a wide range of issues including economic contractions due to the COVID-19 pandemic, climate and nature stresses, the rapid pace of technological change, increased inequalities, and fragmented multilateralism.

Legitimacy is crucial for governance, and it can be built by delivering on previously committed outcomes in a timely and effective manner; following clear, transparent, fair and inclusive processes; and building and maintaining relationships with all relevant actors. To many people, the fairness and inclusiveness of the processes through which public policy is determined are as important as the actual delivered outcomes, and yet many people are and feel themselves increasingly excluded from such processes.

In a context of greater uncertainty and tensions, strengthening effective governance is key and requires looking not only at the national level, but also understanding how the various levels of government and institutions articulate their work.

Local governments have a vital role in improving the human development of their citizens: they are the closest to the people, they have in-depth knowledge of the challenges that citizens face, and they are the most immediate to act and be accountable. Local governance systems are the first port of call for communities and individuals to voice their demands, and are responsible for a range of important services such as social care, schools, planning, health, economic development, and waste management.

The implementation of the 2030 Agenda and of its underlying principle of "leaving no one behind" relies on enhanced collaboration among all spheres of government and across stakeholders. The 2030 Agenda considers that local governments are key actors to fulfill the Sustainable Development Goals (SDGs). For them to truly take on this role, it is necessary to strengthen the institutional environment, enhance commitment of local leadership towards the SDGs, improve accountability and promote the construction of solutions backed by knowledge of people's needs. However, the participation of the state and federal governments in this task is essential.

## How to strengthen governance in LAC?

Following the COVID-19 pandemic, many long-standing challenges were made evident which limited the effectiveness of public institutions' attempts to contain the impact of the pandemic. However, this offers an opportunity for strengthening institutional capacities in the region, adjusting to national realities.

The following guiding propositions, based on consultations with governments and other relevant stakeholders and coordinated by the United Nations Development Programme (UNDP), offer a starting point to the transformation needed in the region to change the dynamics of low growth, high inequality and high vulnerability, and achieve the implementation of the 2030 Agenda in this decade (UNDP 2021).

1. Policy and legislative changes to correct the structural inequalities that became evident during the pandemic. An inclusive reconstruction plan is needed in LAC, based on the 2030 Agenda and “with a focus on sustainable development, socio-economic recovery, robust social protection systems, transparent and efficient justice systems, and the enabling of opportunities for peaceful coexistence in the most violent and conflictive region in the world”. This process requires building consensus, engaging citizens, and using innovative methodologies and evidence to guide action.
2. Fiscal systems that build sustainability and increase inclusion. Building coalitions around a new, fair and inclusive social contract will be essential.
3. A strengthened state that has the capacity to respond to the needs of its citizens, anticipate shocks and plan accordingly.
4. New forms of citizen participation to rebuild trust and legitimacy. Technology offers new ways for different actors to engage in public policies, though equal access and training in the use of these technologies must be guaranteed so that no group is left behind.
5. A new social pact to advance in the 2030 Agenda. Recovery requires rebuilding social and productive structures in an equitable and efficient manner, addressing structural inequalities in the region, engaging citizens in redefining priorities, and implementing systems to generate and monitor robust data on challenges and progress, increasing transparency and accountability.

### Priority principles of governance for a sustainable recovery

1. **Fiscal policies that allow sustainable, inclusive spending and are friendly to economic growth:** Fiscal regimes are transformed to guarantee collections that strengthen the capacity of the State to provide quality public services, allowing sustainable, fairer and more inclusive spending that promotes the universality of social protection and is friendly to economic growth.
2. **Transformation of the capacities of the State with innovation:** Objectives, rules, and structures are adapted to citizens' expectations to guarantee the provision of efficient and effective public services. The results obtained are consistent with the agreements forged between various actors. Constant experimentation is established as necessary in the permanent search for innovation for better results.
3. **Transparency, publicity of information and accountability in public management:** The information that concerns public management is open, accessible, and timely. The decisions and implementation of the tasks of the State are accessible to the citizenry. Decision makers, at all levels and in all sectors, take responsibility for their actions.
4. **Reconstruction of trust and legitimacy in political, economic, and social actors:** Measures are being applied to rebuild trust in political, economic, and social actors, now clearly diminished. Dynamics of legitimacy must be built through open decision processes, renewed agreements, and effective results, changing the way in which citizens "experience" their relationship with the State.
5. **Citizens as an active part in the construction of agreements:** Citizens are an active part of the permanent search for agreements around the construction of inclusive and prosperous societies that benefit the majority of the population.
6. **Elimination of the use of violence as negotiation mechanism between social and political actors:** Citizen security is established as an essential result of development, reinforcing the prevention and reduction of insecurity and violence in a comprehensive manner. The use of violence or the threat of violence as a negotiation mechanism between social and political actors is eliminated.
7. **The rule of law and access to justice is applied equally to all citizens:** The law and access to justice is equal for all citizens, without privileges and is applied impartially with equity and justice. The institutions that guarantee justice and the promotion of human rights are strengthened.
8. **Intergenerational equity and environmental sustainability as priority objectives:** Sustainability (economic, social, and environmental) is established as the goal of governance for development.

Source: extracted from UNDP (2021).

## **The need for better coordination between national and sub-national governments**

Countries around the world have recognized that many challenges to achieving the SDGs, such as multidimensional poverty and inequality, can only be addressed through SDG localization, supported by effective multilevel (including sub-national) governance arrangements. The concept and practice of multilevel governance (MLG) is becoming increasingly important. MLG denotes a shift away from state-centric models of government to a shift towards governance involving state and non-state actors working across levels and functions. Key aspects of MLG include decentralization and modes of participatory and citizen-centric governance. These shifts challenge the centrality of the state and are complex and contested at the best of times.

A bottom-up approach to implementing the SDGs requires and reinforces the adoption of integrated multilevel governance mechanisms. In fact, the SDGs offer ample opportunities for local governments to strengthen their influence by reshaping the local-national dialogue between different levels of government.

The debates around the SDGs have often focused on the analysis of the objectives, the establishment of indicators and their monitoring. Instead, less attention has been paid to the discussion of the roles and responsibilities that the different actors must take to achieve the SDGs and, in particular, to identify and implement comprehensive and interconnected action plans at the subnational levels. The localization of the SDGs requires an inclusive approach that can take advantage of local resources and knowledge to adapt the ambitious development agenda from a global perspective to local realities. In other words, the localization of the SDGs is the implementation and monitoring of the 2030 Agenda at the subnational level in an increasingly urbanized world.

Improving local governance is a vital tool to guarantee peace, boost economic development, maximize administrative efficiency, and ensure social inclusion and environmental sustainability in the region. Decentralizing power from the center to the provinces, districts and villages enables citizens to take part in decision-making directly, and to hold local officials and politicians more accountable to the communities and individuals they are meant to serve. Local governments can be more responsive to local needs, make better use of resources and direct them towards providing basic social services.

By empowering local and regional governments and local stakeholders, national governments will be able to enhance their implementation capacities to transform policies and strategies into action at the local level. Likewise, by grounding national development and recovery strategies on communities' needs and priorities, governments in LAC will be able to better address the consequences of the pandemic. This implies the identification, formulation and implementation of comprehensive public policies and development programs that integrate policies with an intersectoral approach, coordinate the efforts of all the actors and institutions at all levels of action, mobilize the participation of all of them, and adapt to the changes and characteristics of each context. This comprehensive approach requires greater dialogue and coherence of all the actors through a multilevel governance approach and synergies in the planning of public policies. National frameworks facilitating multilevel coordination, policy coherence and (re)distribution of resources are thus the key to advance on the implementation of the SDGs and recover from the COVID-19 pandemic.

## Enhancing local governance to make progress towards the SDGs

As discussed above, while the SDGs are global, their achievement will depend on our ability to make them a reality in our cities and regions. All of the SDGs have targets directly related to the responsibilities of local and regional governments, particularly to their role in delivering basic services. That is why local and regional governments must be at the heart of the 2030 Agenda. However, coordination with initiatives at the national level is needed to make this progress sustainable, and strong national commitment to provide adequate legal frameworks and institutional and financial capacity are required.

Localizing development should not be seen as a translation of global policies within a local context, but rather as a process based on the empowerment of local stakeholders, aimed at making sustainable development more responsive and more relevant to local needs, aspirations and lives through sustained exchanges between the global, national and local levels<sup>1</sup>. All partners – the government at all levels, civil society, private sector, development agencies – will need to work together to ensure steady progress on this development agenda.

Following UNDP (2022), local governance refers to the interactions between actors at the subnational level through which local authorities interact and provide services and through which community members coordinate their interests and needs, mediate their differences and exercise their rights, duties and obligations. These interactions then include local governments, the private sector, civil society and community organizations. Effective local governance can ensure the inclusion of a diversity of local stakeholders, thereby creating broad ownership, commitment and accountability.

The current challenges in LAC require a deep institutional reform, placing local governments at the center of the sustainable development agenda. Such reform is critical in bringing about transformations in the lives of LAC countries, especially among poor, discriminated and disadvantaged communities. Some guidelines to advance towards the needed reform include:

### *1. Promoting inclusive and bottom-up approaches*

The achievement of the 2030 Agenda and ‘building forward better’ from the COVID-19 pandemic depends on full ownership and active involvement of communities. This requires taking into account the different realities among territories, age and gender, expanding spaces for citizen participation, and promoting efforts to include marginalized groups and communities whose voices are too often unheard. Without effective localization processes with inclusive civic participation, top-down development policies may conflict with local priorities and fail to accommodate the specific development context at the local level. This should be done in close cooperation with national governments and national and international associations.

Agile and responsive local policies, developed and implemented through multi-stakeholder partnerships, will not only facilitate inclusive participation, but also strengthen the interface and foster social contracts between

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<sup>1</sup> Global Taskforce of Local and Regional Governments, UNDP, UN-Habitat (2016).

authorities and citizens from the bottom up. At the same time, it is the local level where the trust between citizens and the state could be lost if such inclusive processes are not met.

## *2. Reducing fragmentation and increasing efficiency and service delivery at the local level*

In order to achieve this, it is important to make local governments better administrators, raising revenue and delivering high-quality services. This includes improving infrastructure and local capacity to respond adequately and timely to the needs of the communities, being able to formulate, plan, monitor and implement participatory local development plans, working together with civil society and other local organizations.

Of particular importance, efforts should be made to address the financing gap, including by raising awareness and building capacity of partners to explore financial mechanisms and technologies that could mobilize resources for the implementation of the SDGs at the local level. Innovative ways to enable financing for SDG localization should be explored in order to overcome the challenges related to limited fiscal decentralization, financial autonomy, transparency and lack of alternative options for revenue generation of local and regional governments across the region.

## *3. Supporting the generation and monitoring of disaggregated at the local and subnational levels*

Data and monitoring will be crucial to developing the necessary evidence-base for SDG implementation and monitoring as well as identifying those who are left behind in the achievement of the 2030 Agenda. This is particularly important in a context of increased uncertainty, where governments at the different levels need timely and detailed information to react quickly and adjust course, reaching those affected by shocks.

Participatory approaches to data generation and management should be implemented to ensure that the data reflects the needs and interests of the people in the respective localities. In contexts where there are limited capacities and resources available, innovative and less costly methods for data collection should be supported which will still contribute in the effort towards strengthening SDG localization.

## *4. Linking local efforts with initiatives and programs at the national level*

While it is important to enhance the horizontal coordination of the multi-stakeholders to expand the reach and impact of local programs, local policies should also be linked to the regional and central policies in order to strengthen vertical coordination and promote accountability within the multi-level governance.

Participatory institutional coordination mechanisms that break siloes and promote multi-stakeholder engagement are a fundamental enabler for SDG localization. In order to make sure that local priorities are considered, support is particularly needed to develop better mechanisms to connect development efforts at local and national levels and promote dialogue among a wide range of actors. This implies promoting

approaches that ensure active involvement of local and regional governments and local voices, including different groups of society.

In cases where national and local development plans, as well as institutional and coordination mechanisms, are particularly weak or not in place, steps should also be taken to raise awareness of the SDGs and support the development of such plans.

### *5. Creating new spaces for innovation in the territory*

Social and digital innovations have the potential to create impact towards the achievement of the SDG and the implementation of the 2030 Agenda at the local level. In this sense, local talents and innovations should be encouraged to make sure that solutions to local development challenges are relevant for the given contexts and to ensure local ownership.

In addition, local governments should have a proactive role in designing and implementing innovations that enhance effective governance. Local and regional government associations play an important role in coordinating and addressing issues like SDG localization. Supporting these networks is not only important in order to promote dialogue and SDG ownership of the communities and cities, but also in order to promote the sharing of best solutions and innovative ideas, both within countries and across the region. Examples from the region show that this has shown positive effects (see below).

### **Successful examples from the region**

Many local governments in LAC are already promoting initiatives going in the direction of effective governance and strengthening coordination among the different levels of government. The COVID-19 pandemic led to added pressure on already overburdened national governance systems, while other governance levels gained importance. For example, in decentralized political systems, regional and local governments have been in charge of implementing the bulk of COVID-19 measures while municipal health workers have been at the frontline of health services, contact tracing and data collection. In other cases, the effects of coordination and coherence – or a lack thereof – between national, regional and local government institutions have proven to have important effects on the effectiveness of COVID-19 responses.

Even before the pandemic, local governments in the region were already making progress towards localizing the SDGs, in coordination with national development plans and initiatives. In 2015, the Government of Colombia created the High-level Interinstitutional Commission for the Preparation and Effective Implementation of the Post-2015 Development Agenda and the SDGs. The Commission was composed of representatives of the ministries of foreign affairs, finance, and environment, and the departments of the presidency, planning, statistics and social prosperity. The efforts of the Commission aligned SDG initiatives with the President's Office in order to ensure commitment at the highest level. Local and regional governments, as well as ministries, civil society organizations, academia and the private sector were invited to participate in the Technical Committees and Work Groups of the Commission.



In the state of Oaxaca (Mexico), the state government decided to create in 2020 two SDG indicator systems: one at state level and one at municipal level, with the support of the German Agency for International Cooperation. In the definition and implementation of the former, an inter-institutional group was set up, involving representatives from different areas of the state and federal governments. The development of this system has resulted in better coordination at the interdepartmental level and with the federal government, particularly with the National Statistical Office.

In turn, the municipality of La Paz (Bolivia) made a significant effort to align its sustainable development plan ('La Paz 2040') with the 2030 Agenda. Indicators were based on municipal and national data sources, which guided the municipality to achieve objectives and targets defined in both La Paz 2040 and the 2030 Agenda. Similarly, the city of Barcarena (Brazil) aligned its planning and management instruments and legislation with the Millennium Development Goals and later with the 2030 Agenda, and involved all local stakeholders in decision making processes.

The National Confederation of Municipalities of Brazil (CNM for its name in Portuguese) partnered with UNDP to strengthen the role of municipalities in the localization of SDGs. This joint initiative aimed to raise awareness among local governments of the 2030 Agenda, to enable them to integrate the SDGs into their local plans and to build monitoring and accountability systems at the local level. CNM was the first association to launch a dashboard to monitor progress at the local level. The so-called '[Mandala](#)' provides a set of 28 indicators, linked to national data sources, and a powerful graphic representation of the performance of the 5,570 municipalities on the four dimensions of sustainable development (economic, social, environmental and institutional). Data are collected by a team of CNM experts with limited direct participation of the municipalities. The system provides an excellent comparison of performance between municipalities, also according to seven levels of local development.

In addition to this, innovative technologies that allow access to more and better data are being used to deepen innovative processes of effective governance at the subnational level. For example, Cuba's [Articulated Platform for Comprehensive Territorial Development](#) (PADIT, for its name in Spanish) seeks to strengthen institutional capacities for planning and managing territorial development. Similarly, the [Local Innovation Platform of San Juan Sacatepéquez](#) offers a network of collaboration between traditional and non-traditional partners, who participate in the co-creation of innovative solutions to advance the SDGs. Likewise, the UNDP-SIGOB regional project and its adapted expression at the local level ([SIGOBito](#)) is an example of the adaptation of public governance to design, implement, monitor, control and evaluate public management at the local and subnational levels. This effort seeks to strengthen the management capacities of the public sector through innovate methodologies, instruments, and strategies.

As an additional example, [Infosegura](#) is a regional project that aims to strengthen state capacity for evidence-based and people-centered public policy making on citizen security, with a multidimensional approach and a focus on gender and human rights. The project is the first regional strategic partnership of UNDP and USAID to address the issue of citizen security in Central America (Belize, Costa Rica, El Salvador, Guatemala, Honduras) and the Dominican Republic. This regional initiative works shoulder to shoulder with national institutions looking to contribute to a broader view of information management, by focusing on the

development of tools and the production of knowledge as inputs for public policies to prevent violence, promote citizen security and social cohesion.

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