



# LOCALIZING SDGS

19 to 22 April 2021 MNL Time (GMT+8)

Panel 2: Tuesday 20 April 21  
Financing for SDGs at the subnational level

## What does the World Observatory on Subnational Government Finance and Investment (SNG-WOFI) tell us about SDG financing at the SNG level?

Isabelle **CHATRY**, Senior Policy Analyst

Decentralisation, Public Investment and  
Subnational Finance Unit  
**OECD Centre for Entrepreneurship, SMEs,  
Regions and Cities**

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# The OECD-UCLG World Observatory: why and how?

## Objectives

Access to standardised and comparable data

Support to policy-making

Capacity-building

International dialogue

## Working method

Methodological guide and tools  
Networking and capacity-building activities

Data collection & analysis (122 countries)

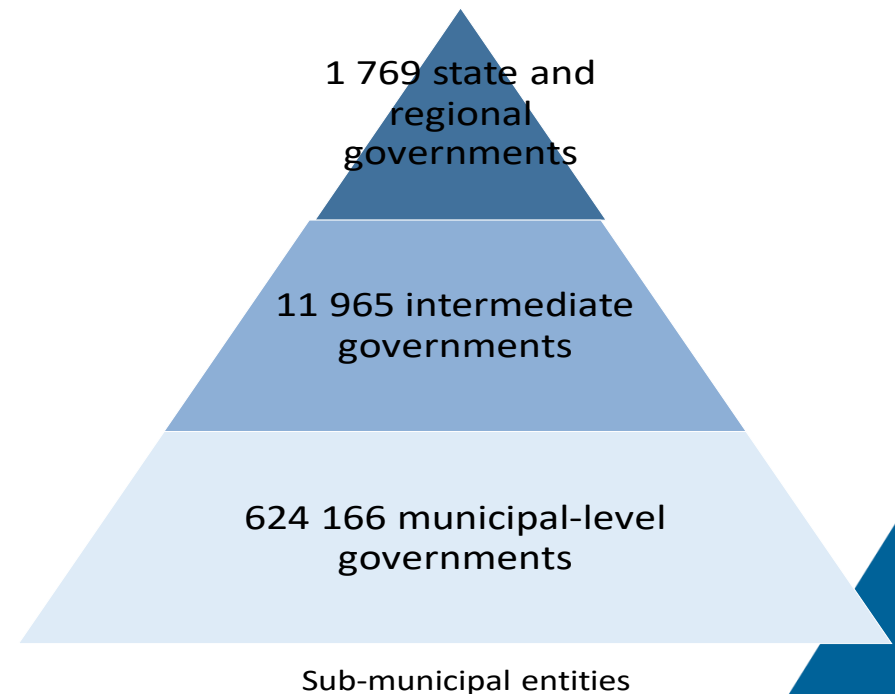
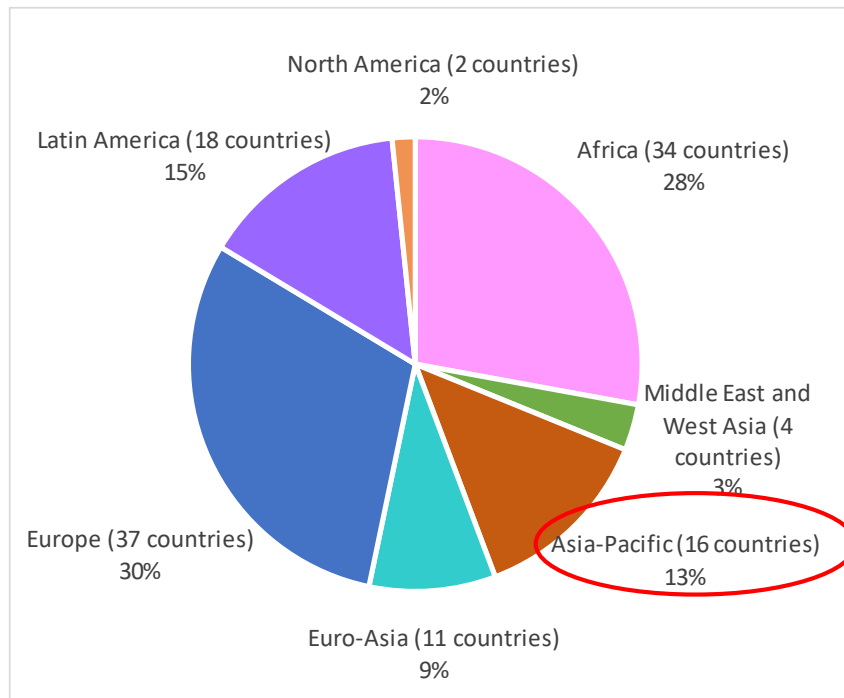
Drafting of country profiles and synthesis  
Quality control

Database development, Internet platform and visualisation tools



# The SNG-WOFI geographical coverage

- 122 countries, including 16 countries from the Asia-Pacific region
- 84% of the world surface area, 86% of population and 89% of GDP
- 19 federal countries and 103 unitary countries
- 36 countries with only one level of local government; 59 countries with two levels and 27 have three layers (or more)
- Close to 638 000 subnational governments





# SNG-WOFI online tools

## The SNG-WOFI online platform

<http://www.sng-wofi.org>

**SNGWOFI** World Observatory on Subnational Government Finance and Investment

Home About Data Country Profiles Reports Events Contact Us

Covering over 120 countries, the World Observatory on Subnational Government Finance and Investment (SNG-WOFI) initiative is the world's leading source of internationally comparable data and analysis on subnational government structure and finance.

[Read more](#)

**Report launch**

**2019 Edition of the World Observatory on Subnational Government Finance and Investment**

This 2019 report of the World Observatory presents the main organisational and financial indicators for subnational governments in over 120 federal and unitary countries worldwide. The study reveals that subnational governments are responsible for 24% of public expenditure worldwide, and 37% of public investment. On the other hand, subnational revenue account for 26% of public revenue.

[Download the Key Findings](#)  
[Download the Country Profiles](#)

**About this website**

New web portal of the World Observatory on Subnational Government Finance and Investment. A regular plus tard Partner.

**1) Compare your country using interactive tools**

Financial support of: **AFD**, **CEB**, **UNCDF**

Financial and technical support of: **UN**, **CDP**

## Extract data from the database

OECD-UCLG World Observatory on Subnational Government Finance and Investment

CustomiseExportDraw chartMy Queries

Time range

Latest available year

Transaction

Total expenditure by economic classification

Sector

General governmentState government aloneLocal government aloneSubnational government alone

Measure

Per capita (US dollars PPP)% of GDP% of total transaction, same level of governmentPer capita (US dollars PPP)% of GDP% of total transaction, same level of government% of general government, same transaction% of subnational government, same transactionPer capita (US dollars PPP)% of GDP% of total transaction, same level of government% of general government, same transaction% of subnational government, same transactionPer capita (US dollars PPP)% of GDP

Form of the StateIncome GroupCountry

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## Compare your country...

**SNGWOFI** World Observatory on Subnational Government Finance and Investment

Overview, % of GDP SNG expenditure by type, % of GDP SNG expenditure by sector, % of GDP SNG revenue, % of GDP SNG Debt, % of GDP More...

SNG total expenditure SNG direct investment SNG total revenue SNG total debt add filter indicators

Albania Argentina Armenia Angola Azerbaijan Bolivia Benin Bosnia and Herzegovina Botswana Brazil Cabo Verde Georgia Ecuador

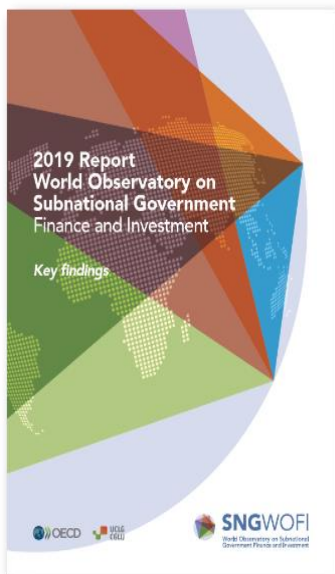
add filter items

Country	SNG total expenditure, % of GDP	SNG direct investment, % of GDP	SNG total revenue, % of GDP	SNG total debt, % of GDP
Brazil	18.67	1.09	20.34	12.47
Argentina	17.61	1.64	15.15	5.62
Bolivia	11.29	7.27	10.38	0.87
Ecuador	5.6	3.68	3.76	—
Georgia	5.6	1.8	5.89	—
Albania	4.59	1.24	4.68	3.06
Bosnia and Herzegovina	4.5	0.6	4.66	3.92
Botswana	3.41	—	3.66	—
Cabo Verde	3.26	0.38	4.31	—
Armenia	2.57	0.14	2.54	—
Benin	1.36	0.61	1.25	—
Angola	1.22	0.09	—	—

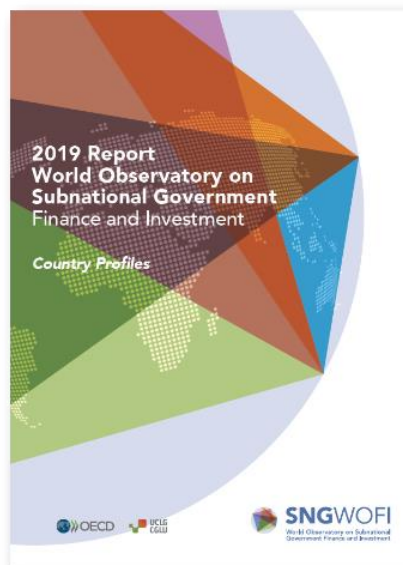


# SNG-WOFI reports

## Synthesis: key findings



## Country profiles



## Structure of country profiles

1. Main features of the MLG framework and decentralisation reforms
2. Territorial organisation and reforms
3. Subnational government responsibilities
4. Subnational government finance
  - Fiscal decentralisation framework
  - SNG expenditure: economic and functional classification; Focus on direct investment
  - SNG revenues: grants, taxes, tariffs and fees, property income.
  - SNG fiscal rules and debt

## Country profiles





# How can the SNG-WOFI support efforts to localise the SDGs?

The SNG-WOFI contributes to the agenda for localising the SDGs by providing facts, statistics and evidence:

- Showing that SNGs play a significant role in public policies underlying the SDGs in many countries around the world.
- Allowing a better understanding of the fiscal space that subnational governments have to implement the SDGs and the obstacles they face to effectively carry out their responsibilities, especially fiscal obstacles
- Shedding light on some structural challenges which impede MLG systems from working properly e.g. lack of instruments for coordination across levels of government

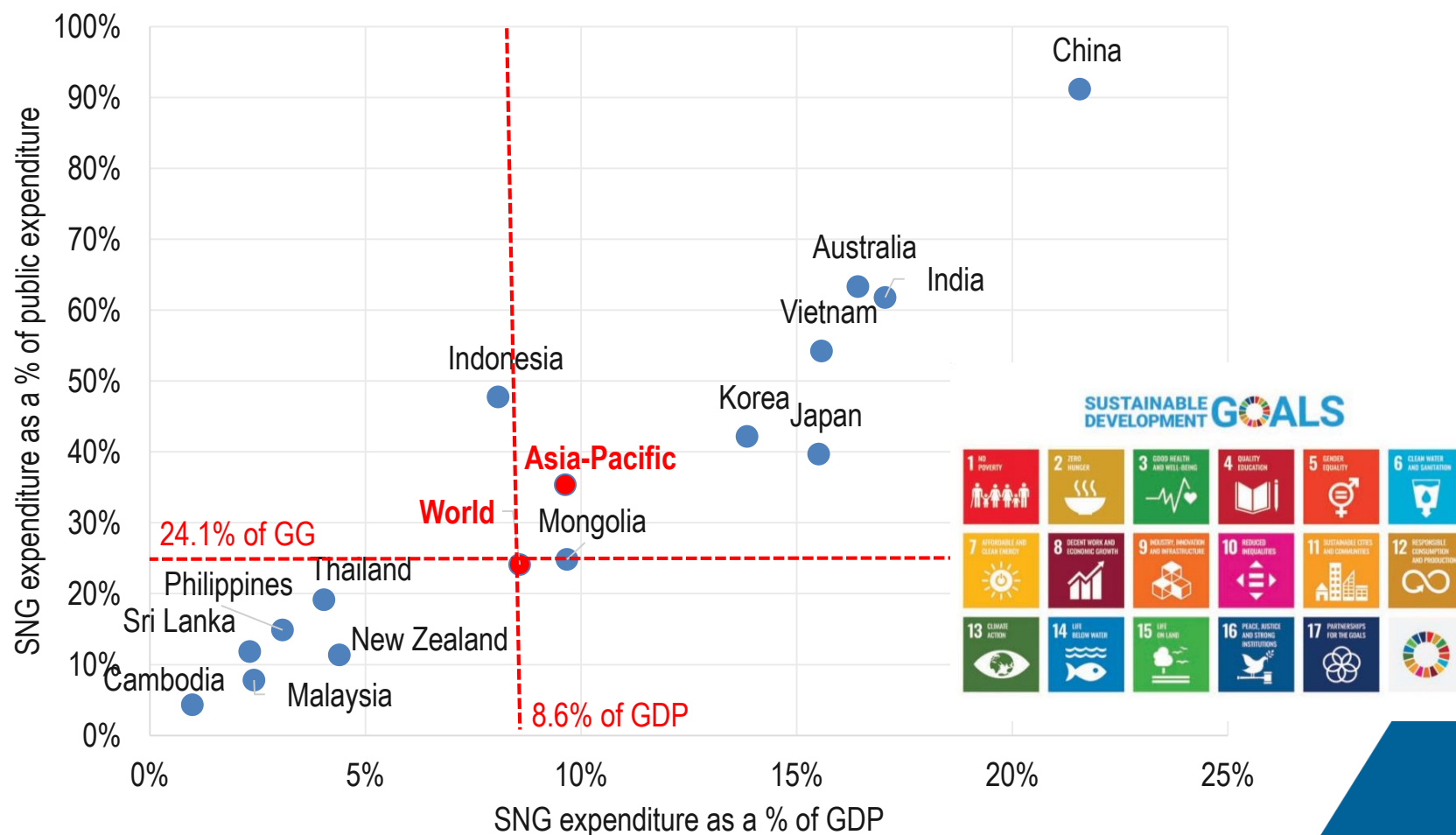
**>> The Observatory does not promote one specific model of multi-level governance – it focuses on getting the facts right on multi-level governance and subnational finance.**





# In several Asia-Pacific countries, SNGs play a significant role in public policies related to SDGs

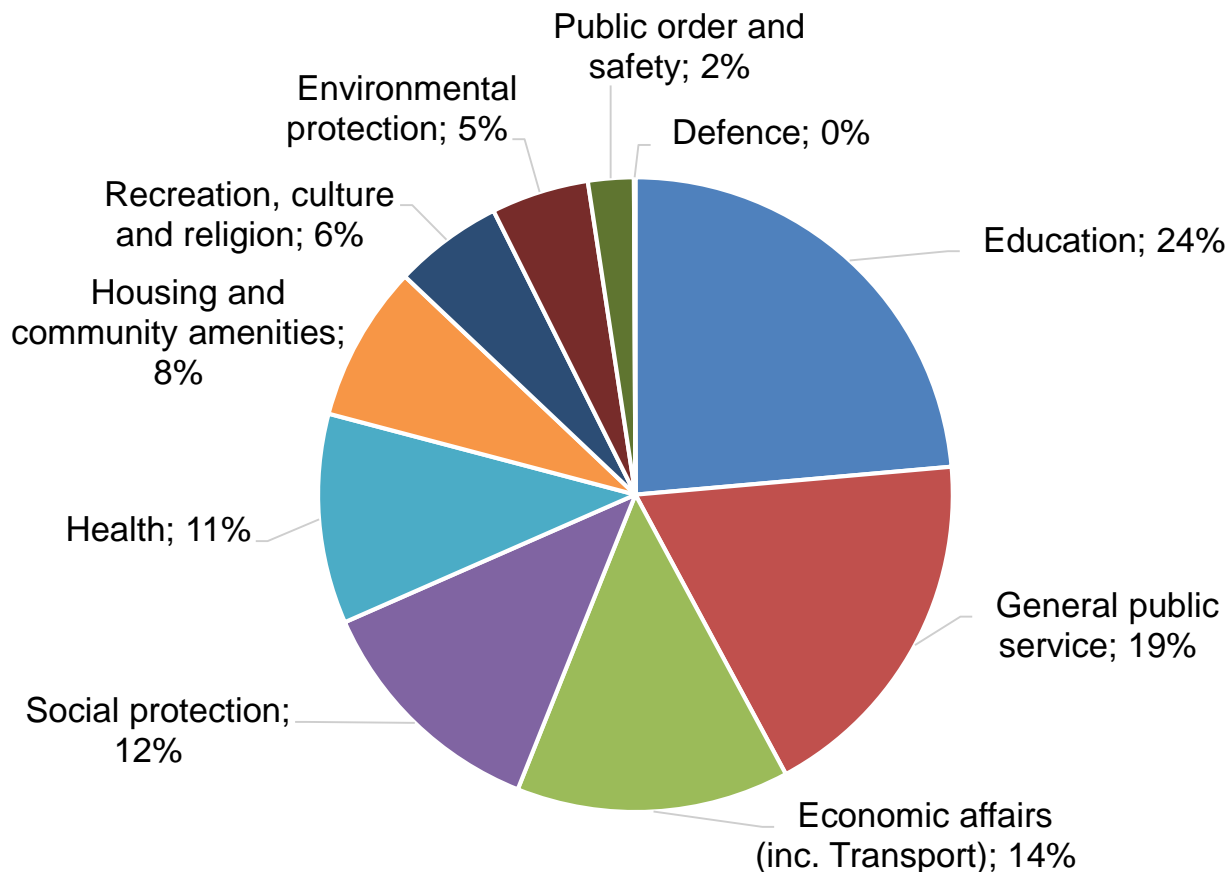
## SNG expenditure as a percentage of GDP and total public expenditure in Asia-Pacific countries (2016)





## SNGs spend a large share of their budget on education, economic affairs/transport, social protection and health

SNG expenditure by functional areas – world average (% of SNG expenditure)

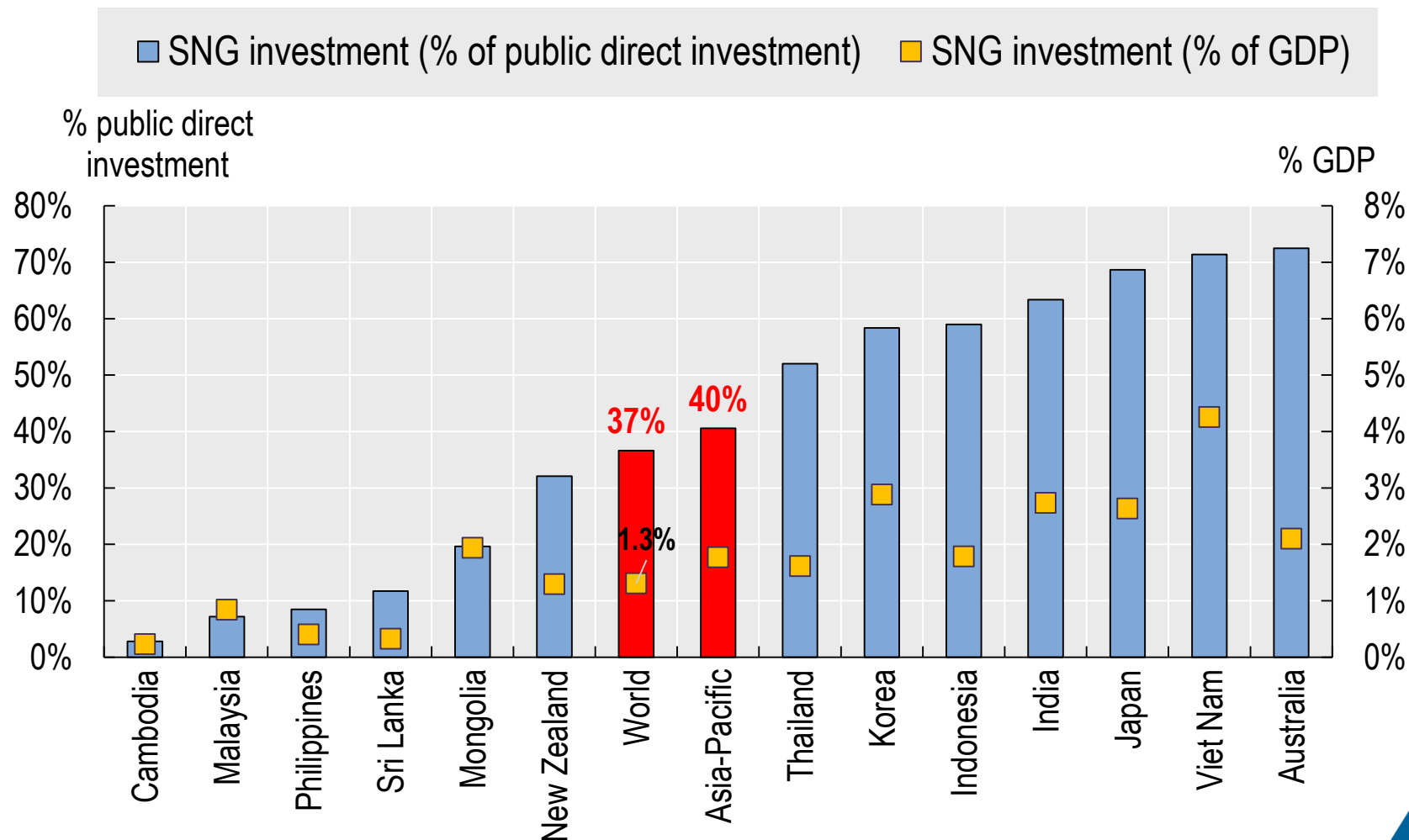






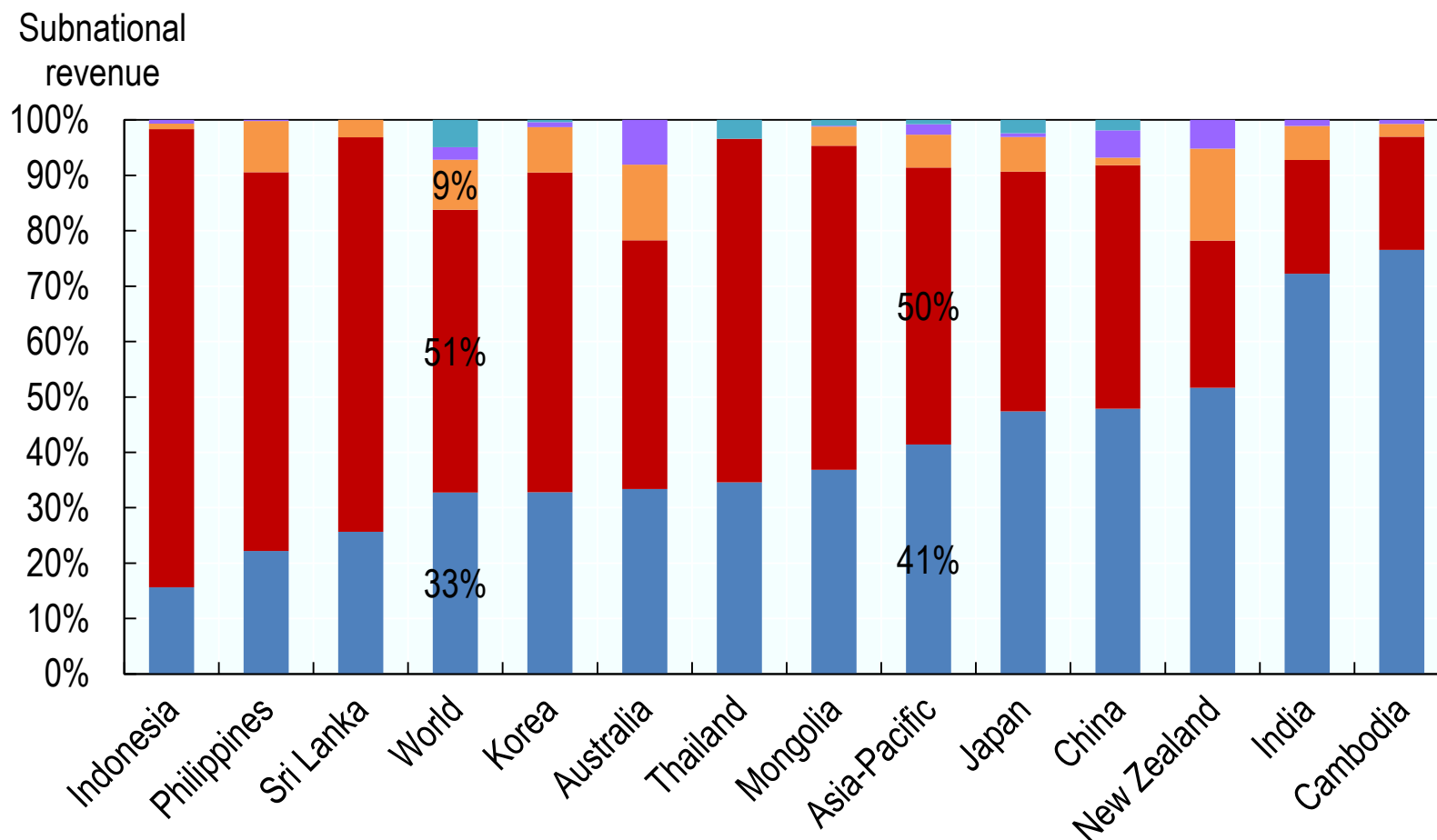
# Subnational governments are key investors at global level and in Asia-Pacific

## SNG investment as a percentage of GDP and public investment (2016)



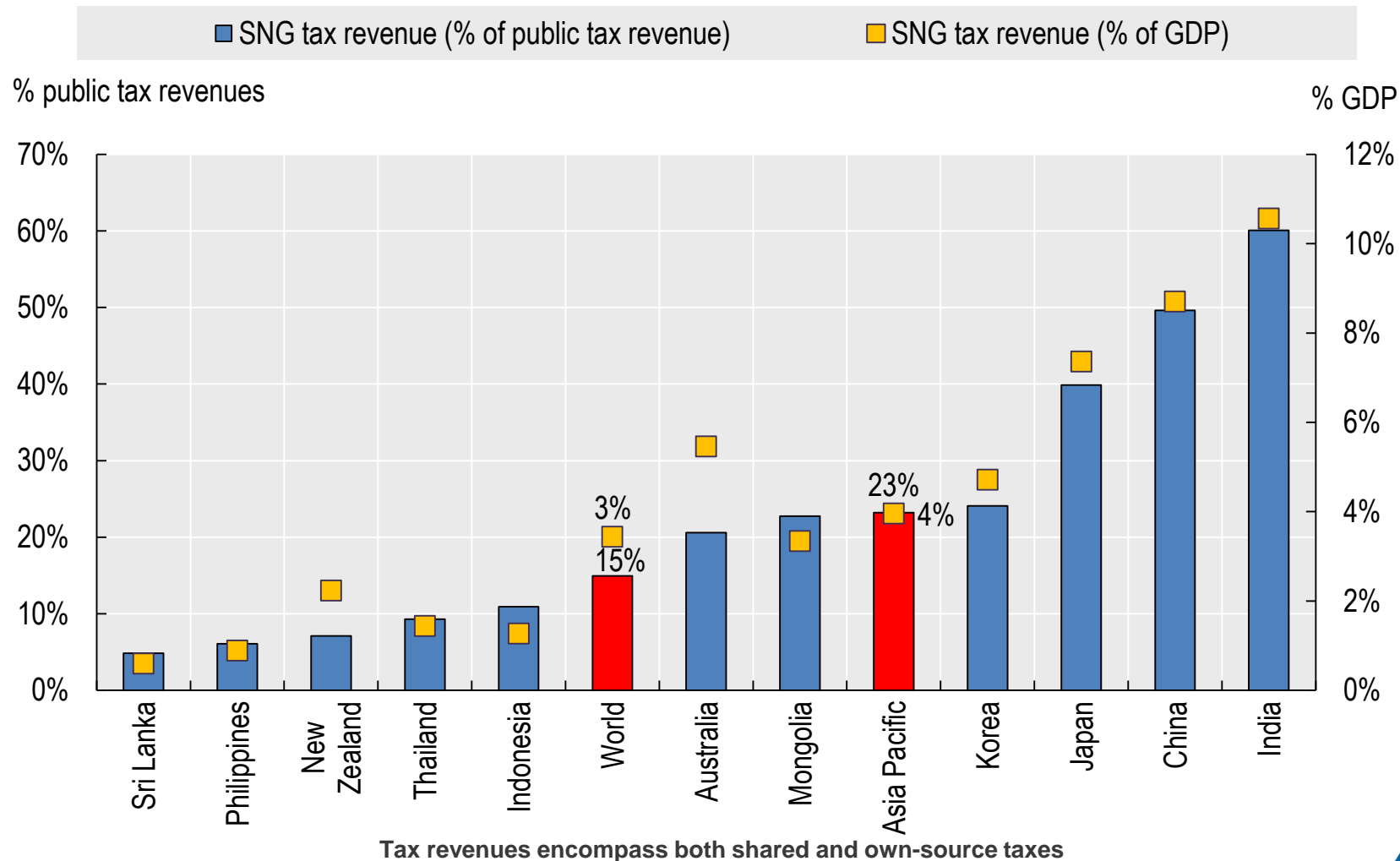
# Breakdown of SNG revenues at the global level and in Asia-Pacific countries

■ Tax revenue ■ Grants and subsidies ■ User charges and fees ■ Property income ■ Others



Tax revenues encompass both shared and own-source taxes

# Subnational tax revenue as a % of GDP and public tax revenue at the global level and in Asia-Pacific countries

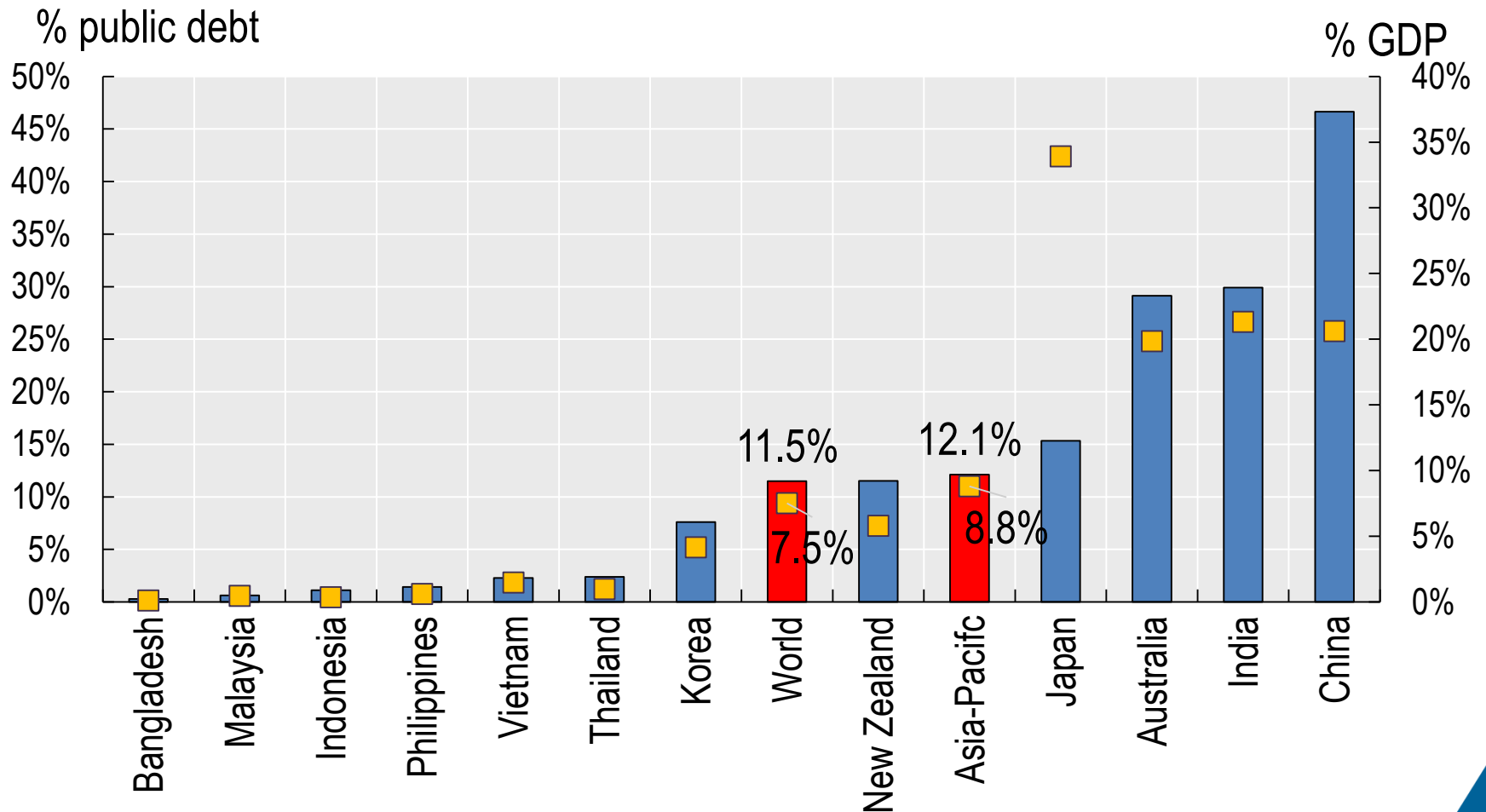




# SNG debt is very uneven at the global level and in the Asia-Pacific region

■ SNG debt (% of public debt)

■ SNG debt (% of GDP)



Source: OECD based on SNG-WOFI database [2016 data]



## Some key challenges

- SNGs are key economic and social actors. They spend and invest in many areas related to SDGs. There are however strong discrepancies across countries, especially within the Asia-Pacific region.
- Fiscal decentralisation is often the missing component of decentralisation processes.
- Access to external financing (loans and bond financing) is very uneven.
- The current fiscal system is challenging in many countries for the effective financing of the SDGs: improving subnational funding mechanisms and establishing a sound fiscal discipline framework are key objectives for improving fiscal decentralisation but also for attracting private investors and developing innovative financing tools for SDGs.
- There are many governance challenges related to finance, including weak subnational capacities and weak coordination across levels of government
- Availability, transparency and reliability of SNG fiscal data particularly matter for the monitoring and reporting on the localisation of SDGs.

**>>> Towards the 2022 SNG-WOFI !**



**Thank you !**

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**SNGWOFI**

World Observatory on Subnational  
Government Finance and Investment

<http://www.sng-wofi.org>

**OECD Multi-level Governance, Public Investment and Subnational Finance**

<https://www.oecd.org/regional/multi-level-governance/>

[Isabelle.Chatry@oecd.org](mailto:Isabelle.Chatry@oecd.org)