
Localizing SDG Week: Roundtables on Localizing SDGs in Asia and the Pacific

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Dear Colleagues,

On behalf of the OECD, I am pleased to welcome you all to the joint “Localizing SDGs” week, and today’s Webinar on Multi-level Governance, Policy Coherence and Institutional Development. I would like to thank the ADB, UNDP and DeLoG for their strong cooperation for this event. Myself, I serve as the Chair of the OECD’s Network on Fiscal Relations across Levels of Government, where we look at the challenges of strengthening capacity across levels of government, and have examined how subnational governments can advance with the Sustainable Development Goals.

In previous work with the ADB and KIPF, we have organized an Asian Roundtable on Fiscal Relations across Levels of Government, which culminated in our most recent OECD Fiscal Federalism report, *Local Public Finance and Capacity Building in Asia*.

Strengthening institutional capacity and policy frameworks with formal and clear assignment of functions, mandates, responsibilities and incentives is critical for effective decentralization in implementing the SDGs at subnational levels. Subnational engagement and the alignment of priorities and coordinated action at different levels of government is a key component of policy coherence for sustainable development.

Responsibility for a significant share of spending has been mandated to subnational governments across Asia, which are primarily dependent on fiscal transfers to fulfil these mandates. There is growing experience that attaching positive incentives to transfers can hold promise for promoting better local service delivery performance and accountability, and hence for attaining the SDGs, notably to improve well-being and boost equity. These are all issues that we address in our recent OECD Fiscal Federalism report.

The COVID-19 pandemic has triggered an unprecedented public health crisis, with stark social consequences and huge economic costs. To address these challenges, it is fundamental that we improve inter-governmental coordination. The capacities of local governments will therefore be key to an effective response, to ensure that measures reach all regions within countries. The complex and multi-dimensional policy issues at stake concerning fiscal relations call for exactly this type of “horizontal” and “vertical” approach. Indeed, most OECD countries have involved regional and local levels of government to prepare national SDG strategies, action plans or voluntary national reviews to promote coherence in implementation. Several OECD countries have created new mechanisms or institutions for coordination between national, regional and local levels of government as part of their national strategies for SDG implementation.

The OECD Council Recommendation on Policy Coherence for Sustainable Development can also support governments in promoting synergies among national, regional and local policies. The Recommendation provides a comprehensive standard to help equip policy makers with the necessary institutional mechanisms and tools for enhancing policy coherence in SDG implementation.

In the next few days, you will hear from a number of OECD colleagues from the Centre for Cities and Regions (Isabelle Chatry, Stefano Marta and Paolo Veneri), who work to support financing, implementation and monitoring of SDGs.

Notably, the OECD/UCLG World Observatory on Subnational Government Finance and Investment represents a unique tool to assess the fiscal capacity of subnational governments to finance the SDGs. It is a global platform that provides comparable data and information on political, fiscal and financial decentralisation in more than 120 countries, including 16 countries of the Asia-Pacific region. The World Observatory offers a unique overview of countries' subnational expenditure, investment, revenue and debt. As such, it also contributes to the work of the OECD Fiscal Network, such as the new report I just highlighted on *Capacity Building in Asia* which extensively used the data. Tomorrow, Isabelle Chatry will explain how the World Observatory can help improve fiscal decentralisation frameworks to support the implementation of the SDGs at the local level and inform international dialogue and decision making on this crucial topic.

The OECD has also recently initiated “A Territorial Approach to the SDGs”, which under aims to support cities and regions in developing, implementing and monitoring strategies to achieve the SDGs. It provides local governments with a number of instruments, including specific indicators to measure where they stand compared to other cities and regions, and provides a platform for sharing best practices and dialogue among peers.

The OECD is looking forward to continue working with you to design, develop and deliver better fiscal policies for better lives. I wish you all a fruitful and insightful set of Webinars.

Thank you.