



Integrating the SDGs into national and subnational budgeting and financial management*

Summary

National budgets need to be aligned with the Sustainable Development Goals to accelerate progress towards their achievement, which in most cases requires that the budgets be reorganized, based on programmes and activities. This requires a strategic decision by political leaders, as well as technical efforts. Integrating the Goals into national budgetary processes can improve budget coherence and increase accountability and transparency. Cabo Verde is one of the countries, which has explicitly prioritized the Goals in its budgetary, financial, and accounting systems and, more recently, has focused on integrating the Goals into its national planning and budgeting, expenditure and the monitoring of progress and outcomes. These efforts have led to considerable results, including reduction of extreme poverty, increase in adult literacy and extension of life expectancy.

Recommendations

The Committee recommends that the Council encourages Governments to accelerate action to increase transparency and equal participation in the budgeting process, establish transparent public procurement frameworks as a strategic tool to reinforce sustainable development, and strengthen national control mechanisms, such as supreme audit institutions, along with other independent oversight institutions, as appropriate, in auditing budget performance, and to embed commitments to the Sustainable Development Goals in budgetary and financial processes at the national and subnational levels by adopting practices to monitor and report on the use of public financial resources in support of the Goals, such as reorganizing budgets, based on

programmes and activities, and mapping and tracking budgetary contributions to each Goal (Paragraph 10)

The Committee recommends that the Council encourages Governments to leverage public expenditure to stimulate markets for sustainable products and services and help steer society towards more sustainable consumption and production patterns and to enhance efforts to build the requisite capacity for the effective management of sustainable public procurement at all levels. (Paragraph 11)

► See: ECOSOC resolution ([E/RES/2021/12](#))

* Excerpt from Committee of Experts on Public Administration, Report on the twentieth session. See Official Records of the Economic and Social Council, 2021, Supplement No. 24 ([E/2021/44-E/C.16/2021/7](#))

Discussion

Using the Sustainable Development Goals as a framework for public expenditure

The Committee stresses that national budgets need to be aligned with the Sustainable Development Goals to accelerate progress towards their achievement, which in most cases requires that the budgets be reorganized, based on programmes and activities. Implementing the Goals by incorporating them into national budgeting systems requires a strategic decision by political leaders, as well as technical efforts. Reorganization of budget from traditional format to activity-based budgeting and programme budgeting is a key step that enables the Government to allocate funds toward the achievement of the Goals and to monitor outcomes.

Integrating the Sustainable Development Goals into national budgetary processes improves budget coherence, increases accountability and transparency, and allows greater and comparability of national budgets. Better budgeting in the context of the Goals entails participation, such as by informing and engaging legislatures, supreme audit institutions, civil society, and the public. Budget transparency and literacy are enablers for public participation throughout the budget process. Only a

small number of countries have taken the critical step of fully embedding the Goals into national budgetary mechanisms and redesigning their annual and longer-term integrated financial plans around the achievement of the Goals. It is also important for budgets to provide information on allocations, where relevant, by income, sex, age, race, ethnicity, migratory status, disability and geographic location, or other characteristics, so as to contribute to the assessment of the impact of policies on different groups.

The Committee observes that using the Goals as a framework for public expenditure might be easier if the country is relatively small but committed; but for larger countries with more disparities, implementing the Goals at the subnational level might be the priority. By the same token, such processes might be more difficult to manage in low-income countries and/or wherever the financial and professional capacities were lacking. Those countries should be provided with international support.

The case of Cabo Verde

The Committee notes that Cabo Verde has explicitly prioritized the Sustainable Development Goals in its budgetary, financial, and accounting systems. More recently, it has focused on integrating the Goals into its national planning and budgeting, expenditure and the monitoring of progress and outcomes. These efforts have led to considerable results, reducing extreme poverty, increasing adult literacy, and extending life expectancy.

Cabo Verde has made notable progress in the implementation of the Sustainable Development Goals, and there are three main pillars of the approach taken by the Government. First, the country maintains robust institutions and has invested in strengthening its institutional capacity to promote sustainable and inclusive development in accordance with Goal 16. That creates an environment conducive to focusing on the Goals as a national priority. Second, Cabo Verde has adopted

specific processes, systems, methods, techniques, and standards that make the institutional support effective. For example, it has embraced planning, programming, budgeting and evaluation systems, cost accounting, performance budgeting, results-based management, and financial tracking tools to enable the Government to set realistic performance

goals, monitor spending, measure performance, and make adjustments.

Third, its leaders have been dedicated to those efforts and have embraced big data and intensive data analysis to track and monitor investment and performance. In addition, the efforts have been conducted transparently.

Related issues in public financial management

The Committee further notes that the COVID-19 pandemic and the resulting global recession are undermining fiscal and external balances. Even before the pandemic, financing was a key challenge in the achievement of the Sustainable Development Goals. Some of the common issues that Governments face from an administrative perspective include: the subordination of local allocation objectives to national authority owing to limited integration of Goal targets into local

government programmes; a lack of horizontal and vertical policy coherence in national development plans and programmes; a focus on the short term by public officials, which hinders long-term planning; limited reliable and up-to-date financial management information systems and/or data interoperability; and difficulties with budget credibility.

Technical guidance for government officials



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[CEPA strategy guidance note on participatory budgeting](#)





[CEPA strategy guidance note on long-term public debt management](#)

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