

12 January 2024

Committee of Experts on Public Administration  
Twenty-third session, 15-19 April 2024  
Item 3 of the provisional agenda  
**Institutional aspects of the 2024 theme of the  
Economic and Social Council and the  
high-level political forum on sustainable development**

---

## **Progress on budgeting for the Sustainable Development Goals**

This background note was prepared by Rolf Alter in connection with the in-depth review of SDG 16 at the 2024 high-level political forum. Budgeting for the SDGs is provided as an example of a key area where a sustainable, resilient and innovative solution for achieving the SDGs is being effectively delivered in support of SDG 16 and across the Goals and targets.

1. On the basis of previous CEPA deliberations and recommended action, ECOSOC encourages countries 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.
2. According to a study by the European Parliament in 2019 on Europe's approach to implementing the SDGs: good practices and the way forward, ten countries said that they link or plan to link the SDGs to their budgetary process, either directly or indirectly: Croatia, Denmark, Finland, France, Ireland, Italy, Slovakia, Slovenia, Spain, Sweden.
3. Finland was well on its way to strengthening accountability for national budget impact on the SDGs. Civil society has participated in the deliberation process on how to link the SDGs to the national budget organized by the Ministry of Finance. The SDGs are used in the justifications for the main expenditure titles to bring out the connections between the appropriations and sustainable development more clearly. Furthermore, the general strategy and outlook of the budget proposal includes a chapter focusing on the priority area of a carbon-neutral and resource-wise Finland with an overview of the appropriations relevant to that focus area. In addition, the separate, popularized Budget Review publication emphasizes sustainable development issues as a main topic. Finally, an assessment of taxes and harmful subsidies with regard to that focus area has also been included.
4. Other emerging practices in budgeting for the SDGs have been identified by UNDP in Armenia, Uzbekistan, Mongolia, Ghana, Mexico, among other countries.<sup>1</sup> While in Mexico as in other countries,

---

<sup>1</sup> UNDP. Budgeting for the SDGs – Origins and Practices, September 2022

performance information is available on SDGs and other goals, more work is needed to ensure that this information is used to analyze spending effectiveness. Hundreds of extra budgetary entities and federal trust funds still need to be included in the budget. Financial information systems do not ensure consistency across information sources. Reforms were launched in 2020 to improve the coverage and timeliness of public financial information and its use by the Federal Public Administration.

5. Germany provides an illustrative example of serious delays in integration of the SDGs in national budgets. A spending review carried out by the Ministry of Finance in 2021/2022 revealed systemic shortcomings in the current budget process and recommended three categories of actions for the future in terms of signaling, tagging and analyzing.<sup>2</sup> Signaling calls for providing systematic and explicit linkages between the SDGs and justification of expenditures at the budget planning stage. Tagging implies aligning individual expenditure lines in the budget (*“Titel”*) with the SDGs to increase transparency. Analyzing requires explicit integration of relevant SDGs in ex-ante and ex-post impact assessments as a contribution to effective monitoring. The implementation of these recommendations is to be launched in the framework of the country’s 2024 budget with pilot projects in the Ministry of the Environment and Ministry of International Cooperation, and the support of proposed new guidelines for budget procedures and practices.
6. Beyond the initiatives of the executive branch of Government in improving SDG integration into budgets, the Inter-Parliamentary Union, in its “Guidelines for parliamentarians on budgeting for the SDGs: Making the most of public resources” (2021), has called on parliamentarians to advocate for a complete and coherent integration of the SDGs into budgets. Medium-term budgetary frameworks would correspond well to the long-term thinking required to achieve the SDGs, while mapping and tracking budgetary contributions to the SDGs would serve as monitoring tools.
7. A related area of activity that may be relevant to future progress on budgeting for the SDGs relates to the work of the Committee of Experts on International Statistical Classifications of the Statistical Commission. The Committee is currently in the process of revising the Classification of the Functions of Government (COFOG).<sup>3</sup> COFOG enables trends in government expenditure by function (e.g., health or education) or policy purposes to be examined over time and reflects categories that were regarded as important in most countries when the standard was adopted in 1999.
8. The main drivers for the revision may include meeting emerging data needs for policy making related to climate change, environment, digitalization, inclusion and gender, as well as official alternative structures along thematic areas, generating granular data for deeper analysis, ensuring that the standard is in line with the updates of related frameworks and classifications, and providing more detailed compilation guidance. The Committee of Experts on International Statistical Classification is expected to finalize the terms of reference for the review of COFOG in the first quarter of 2024 and proceed to establish a task team to advance the revision.

---

<sup>2</sup> Bundesministerium der Finanzen, Abschlussbericht Spending Review – Verknüpfung von Nachhaltigkeitszielen mit dem Bundeshaushalt 2021/2022.

<sup>3</sup> [https://unstats.un.org/unsd/classifications/expertgroup/UNCEISC\\_2023.cshtml](https://unstats.un.org/unsd/classifications/expertgroup/UNCEISC_2023.cshtml)