

# Managing Policy Trade-Offs and Synergies at the National and Local Levels as the Urgency of Sustainable Development Goal Progress and Priority-Setting Rises

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This contribution focuses on managing policy trade-offs and building synergies at the national and local levels in a context of rising urgency to achieve progress towards the Sustainable Development Goals (SDGs). Drawing on recent science and country practice, it exemplifies how priority-setting and action can be better aligned with the indivisible and integrated nature of the 2030 Agenda for Sustainable Development, and why this is key for moving forward on efforts to realize the SDGs by 2030.

## Introduction

The first half of the SDG implementation period is coming to an end amidst multiple crises, with insufficient progress and even backsliding on several indicators and targets.<sup>2</sup> The impacts of COVID-19, climate change and conflicts show the vulnerability and interconnectedness of progress. The additional challenges posed by crises, poor performance on many SDGs, and a limited timeframe for delivery elevate the competition between multiple policy priorities and present new trade-offs for decision makers to manage. The voluntary national reviews (VNRs) for 2022 reflected the need to reprioritize investments and showed that strategic implementation of the SDGs was becoming more difficult with a larger share of countries' gross domestic product being spent on COVID-19 response.<sup>3</sup> It should be noted, though, that insufficient progress was being made even prior to the pandemic.

When adopted in 2015, the 2030 Agenda marked a shift in the global governance approach to development by integrating Goals and targets across social, economic and ecological dimensions of development and recognizing that they are indivisible and comprise essential parts of a whole. With this came a renewed focus on the need for policy integration and coherence, which has been a recurring challenge for public administration since long before the SDGs were in place.

The approach of the SDGs as indivisible and integrated is key to ensuring, for example, that social, economic and environmental Goals and targets are not being pursued at the expense of one another. To achieve sustainable outcomes, policy development and interventions at national and subnational levels should therefore be informed by analysis of the synergies between various development goals and how trade-offs can best be handled in specific contexts. To unlock progress across the 17

Goals and ensure that progress remains robust for the long term, countries need to manage both historically persistent and emerging interactions.

The upcoming SDG Summit, to be held in September 2023,<sup>4</sup> is an important junction for SDG implementation; Member States will review progress to date and explore ways to accelerate it in the time remaining until 2030. Countries will set priorities by identifying areas in which they want to speed up progress in the second half of the 15-year implementation period (how to do this will be a focus of the 2024 Summit of the Future).<sup>5</sup> With the fast-approaching deadline, poor performance to date, and multiple competing agendas, there is a risk that countries will focus their implementation efforts on Goals and targets that are of political or economic interest or that are just more easily achieved rather than prioritizing those that can effectively drive progress towards the vision of the 2030 Agenda. Those that choose expediency over the implementation of a cohesive strategy for comprehensive sustainable development risk further abandoning the indivisibility and integration reflected in the 2030 Agenda.

Some SDGs already receive more attention than others in national implementation, with Member States understandably prioritizing and adapting the SDGs according to their specific contexts, needs, capabilities, levels of urgency and existing policy landscape. However, countries now need support—underpinned by science—in setting priorities that remain aligned with national plans but also contribute towards the overall vision and intended outcomes of the 2030 Agenda. Priority-setting should not just be about the achievement of separate Goals; it must be informed by how the Goals drive change both individually and through their interactions with one another. The nature of progress on the SDGs is predominantly synergistic;<sup>6</sup> there are more synergies than trade-offs, and these dynamic relationships can be used as leverage points for countries to more effectively advance the 2030 Agenda in the second half of the implementation period. Analysis of how the Goals interact also informs priority-setting by clarifying which Goals do not benefit from progress towards other Goals and therefore stand a higher risk of not being met. Other reasons for careful analysis are to ensure that implementation strategies mitigate any unintended impacts from prioritizing certain Goals and to enhance transparency in priority-setting.

Clarifying SDG interactions and allowing information about synergies and trade-offs to guide priority-setting for the second half of the implementation period holds untapped potential for accelerating progress on the 2030 Agenda.

### Approaches and tools for operationalizing indivisibility

With the 2030 Agenda, there have been signs of a growing interest among policymakers in exploring systemic approaches to governance. Recognition of the indivisible nature of the SDGs is critical to achieving the Goals, but supporting integrated policymaking in practice requires an understanding of how different approaches could be helpful and which innovative governance approaches could be used to manage synergies and trade-offs.<sup>7</sup> A useful heuristic on levels of systems thinking suggests that actors move from a realization that systemic features and interactions exist (sensitivity) through systems literacy to the capability of operationalizing systems thinking in practice.<sup>8</sup> A comprehensive scientific review presented in 2022 showed that the political impact of the SDGs was limited and concluded that, for the SDGs to drive change, institutional and regulatory changes would need to follow to put the powerful principle of indivisibility into practice.<sup>9</sup> In this regard, the research community has progressed in support of systems literacy,<sup>10</sup> but further support is needed to operationalize systems thinking and institutionalize systemic governance approaches.

There are several tools and approaches available that can support more systemic decision-making around the SDGs, including conceptual and quantitative systems modelling, network analysis, participatory methods, cross-impact methods and scenario analysis. The various approaches reflected in the literature are used to respond to different policy questions. One set provides specific tools and processes to inform priority-setting, ensuring that this is guided by systems thinking. For example, frameworks are provided to guide priority-setting for all 17 SDGs and targets or specific topics, to rank synergies and trade-offs between SDGs at the global and country levels, and to inform strategy development through the study of different pathways for achieving long-term objectives and what they imply for short-term action.<sup>11</sup> These approaches are used to enhance understanding of policy interactions and can support more integrated policymaking. Other approaches are useful for assessing ex ante policy decisions and can thus support monitoring and evaluation of the SDGs and the extent to which they deliver on the principle of indivisibility.<sup>12</sup>

These approaches and tools must be more rapidly adopted and applied if they are to inform priority-setting and help accelerate progress on the SDGs. Uptake rates are relatively low at present, likely because there is no political and academic consensus on how the SDG interlinkages are best

managed in practice,<sup>13</sup> because implementation is complicated by the contextual nature of SDG synergies and trade-offs, and because the tools are not always easy to use or able to produce the actionable results decision makers demand.<sup>14</sup> The practical value of the tools and approaches highlighted here and relevant academic and scientific knowledge relating to SDG interlinkages must be communicated to decision makers as actionable advice, and such advice must take into account the implementation capacity of different countries. As Goal interactions, conditions and solutions are likely to change over time, such advice should ideally be an integral and enduring component of policymaking cycles rather than a one-off assessment.

### Managing SDG synergies and trade-offs: country practices

The VNRs and other SDG follow-up and review processes are meant to “track progress in implementing the universal Goals and targets, including the means of implementation, in all countries in a manner which respects their universal, integrated and interrelated nature and the three dimensions of sustainable development”.<sup>15</sup> The VNR synthesis reports from 2021 and 2022 incorporate key messages and information from reporting countries on their fulfilment of the mandate to respect the indivisibility and integrated nature of the SDGs in their implementation of the Goals and targets.<sup>16,17</sup> Some examples from these reports are highlighted here to show how countries set priorities and are working to strengthen coordination, policy coherence and integration. Further research and independent assessment on a case-by-case basis are needed to evaluate whether these processes and institutional measures effectively make priority-setting and implementation more systemic and enhance the capacity to manage synergies and trade-offs, whether they are helpful in identifying measures to resolve or mitigate trade-offs and leverage synergies, and the extent to which tools and approaches developed to support systems thinking in decision-making on the SDGs have been utilized.

**Tools for SDG prioritization and integration.** Several countries (including El Salvador, Gabon, São Tomé and Príncipe, Lesotho, Kazakhstan, Uruguay and Switzerland) report that SDGs are prioritized based on a review of the Goals and their associated targets within the national context or a mapping of SDG targets to existing national development plans and strategies. Several VNRs reflect upon the potential of maximizing benefits through interlinkages, note the benefit of integrated policy development and implementation, or acknowledge that assessing synergies and trade-offs can facilitate the preparation of cohesive plans for accelerating the achievement of many SDGs. Some countries (such as Botswana, El Salvador and the United Arab Emirates) have developed their own tools and guidelines for SDG prioritization and integration with national

strategic plans. Others (including Chad and the Dominican Republic) report using the UNDP Rapid Integrated Assessment tool,<sup>18</sup> which supports an integrated approach and highlights the need to understand links and synergies between policy areas and the potential trade-offs surrounding policy choices and competing priorities. In its 2021 VNR, Sweden reports being guided by the decision-support tool *SDG Synergies*,<sup>19</sup> developed by researchers at the Stockholm Environment Institute; this same tool is mentioned in the 2021 VNR for Colombia and has also been used by the Governments of Sri Lanka and Mongolia.

***Institutionalizing coordination for SDG implementation.*** A number of countries report having made institutional changes to facilitate coordination and improve policy coherence; various national institutional arrangements that have evolved for this purpose are illustrated in the VNRs. Argentina, Botswana, the United Arab Emirates, El Salvador, Djibouti, Luxembourg, Equatorial Guinea, Ghana, Jamaica and the Philippines have established interministerial structures or mechanisms to mobilize the various parts of the Government around the SDGs, facilitate work across multiple policy areas, and advance whole-of-government approaches.

***The local role in SDG prioritization and implementation.*** The VNRs reflect a growing subnational focus, as effective SDG implementation relies on the concrete application of programmes and policies at the local level. Because this is where the impacts of the synergies and trade-offs play out, the involvement of local-level authorities in setting priorities is key to establishing clear policy directions and building ownership for planning, implementation and monitoring. Generally, policy coherence is seen to be strengthened by localizing the SDGs. Actors at the subnational level play an important role as change agents, so it is essential that their involvement in priority-setting be well supported by ensuring that tools and approaches that facilitate prioritization and integration are adaptable to specific local contexts and are effectively and consistently utilized.

***Budgetary linkages.*** Another way countries approach priority-setting is by linking their budgets and budget processes with the SDGs. Andorra, Argentina, Ethiopia, Ghana, Italy, Lesotho, Malawi, Sri Lanka and Uruguay are mapping their budgets to the SDGs and measuring their contribution to each Goal. Ethiopia, Lesotho and the Philippines incorporate the SDGs in their medium-term expenditure frameworks. Botswana, Cameroon, Grenada, Jordan, Liberia, Montenegro and Togo are implementing gender-responsive financing strategies and budgeting. Ethiopia and Sri Lanka are decentralizing budgeting to empower SDG implementation at the local level.

***Support from legislative bodies.*** Some countries (including Botswana and Switzerland) highlight the role of parliaments or similar decision-making bodies in providing oversight, legislation, resource mobilization and support for the SDGs.

Managing trade-offs is ultimately about balancing or negotiating the conflicting interests of various actors, and the pledge made in the 2030 Agenda to leave no one behind makes impacts on inequality a key consideration in this process. While policy coherence is a precondition to promoting the achievement of Goals across the 2030 Agenda, strengthened coherence does not necessarily reduce inequality. Ensuring that policies are representative and respect the principle of leaving no one behind is essential. Legislative bodies have an important role to play in this by ensuring that outcomes and new laws are inclusive in that they represent the interests, needs and views of all segments of society, in particular marginalized groups, both within and outside national borders.

Competition, conflict and trade-offs surrounding the SDGs are not always possible to avoid, but striving for policy coherence and the effective management of trade-offs and synergies can help Governments navigate these challenges in a transparent and equitable manner, ensuring that all pillars of sustainable development are given fair consideration so that progress can be achieved towards all Goals.

### **Some implications for SDG implementation going forward**

The VNRs exemplify how countries are seeking and activating strategies that promote respect for the integrated and indivisible nature of the SDGs; as shown above, some of the approaches taken include aligning the pursuit of SDGs with national strategies and budget processes, localizing implementation, establishing coordination mechanisms, and actively engaging parliamentary or other decision-making bodies in SDG priority-setting and implementation to improve oversight and alignment with legislation.

While efforts such as those highlighted above are noteworthy, there is little empirical evidence to suggest that impacts across all SDGs are being duly considered during the implementation process or that systemic approaches are being used to guide priority-setting up front. It is unclear whether the institutional changes reported actually help to resolve trade-offs in implementation of the SDGs. National reporting and independent evaluation can furnish the evidence needed to build a political and scientific consensus on how SDG interactions should guide priority-setting and how synergies and trade-offs can best be managed in implementation in different contexts.

### **Recommendations**

As the SDG Summit approaches and priority-setting becomes more urgent, Member States need to be proactive in exploring and activating strategies and mechanisms that can help them optimize the management of policy trade-offs and synergies in the second half of the implementation period. The scientific

community and intergovernmental organizations can provide the necessary tools, guidance and support and facilitate the sharing of best practices. Some recommendations on next steps are provided below.

Member States should adopt scientifically sound but easy-to-use decision-support tools that reflect and facilitate systems thinking to ensure full implementation of the SDGs. Developers should understand the dynamic nature of this process and be prepared to adapt their tools to diverse and changing needs; broader and faster uptake will occur with stronger alignment between the development of tools and the demands of decision makers in different contexts. The scientific community should better communicate and demonstrate the value of the tools created to address complex trade-offs and pressing challenges, ensure that tool development is focused on responding to the needs of decision makers, and work with decision makers to build capacity (including through training and knowledge exchange).

In the light of the midterm review, Member States should revisit their implementation strategies and action plans, using local knowledge and decision-support tools based on systems thinking to assess how SDG interactions are playing out within national and subnational contexts. Guided by findings indicating how action on various Goals supports or inhibits progress on other Goals, countries can then work on setting priorities that align with the vision of the 2030 Agenda. It is important that Governments be transparent about trade-offs (how prioritizing certain development objectives affects progress on other Goals or targets) and about the implications for addressing inequalities. Countries should document the process, reporting on the use of evidence and analytical tools,

the choices made and their implications, and the extent to which new approaches have strengthened decision-making and implementation. Finally, countries should share knowledge and information about their processes for managing implementation synergies and trade-offs with other Member States through VNRs and other means.

The High-level Political Forum on Sustainable Development can help mitigate the problem of partial implementation by encouraging Member States to share successful implementation experiences founded upon the principles of integration and indivisibility. The Forum can also facilitate the exchange of knowledge on how synergies and trade-offs can best be managed in practice.

## Conclusion

The information provided here is intended to help Member States effectively manage existing and emerging synergies and trade-offs across indivisible SDGs. Examples have been provided to show how some countries are approaching this challenge today, but there is very limited empirical evidence suggesting synergies and trade-offs across all SDGs are being duly considered during the implementation process or are guiding priority-setting up front. The SDG Summit presents an opportunity for Governments to correct their course and place greater emphasis on systemic governance in the second half of the implementation period. Priority-setting and managing trade-offs and synergies to address sustainable development challenges can involve political maneuvering and cause contention, but they can also make the implementation of the SDGs impactful and transformative.

## Endnotes

- 1 Nina Weitz is a Research Fellow with the Stockholm Environment Institute (SEI). Appreciation is extended to Henrik Carlsen, Senior Research Fellow at SEI, and Aranzazu Guillan Montero, Senior Governance and Public Administration Officer in the United Nations Department of Economic and Social Affairs, for providing commentary on an earlier version of this contribution.
- 2 United Nations, Department of Economic and Social Affairs, *The Sustainable Development Goals Report, 2022* (Sales No. E.22.I.2), available at <https://unstats.un.org/sdgs/report/2022/The-Sustainable-Development-Goals-Report-2022.pdf>.
- 3 United Nations, Department of Economic and Social Affairs, *2022 Voluntary National Reviews Synthesis Report*, available at <https://www.un.org/en/conferences/SDGSummit2023/political-declaration>.
- 4 The next SDG Summit will be convened in September 2023 and marks the midpoint of the implementation of the 2030 Agenda. Heads of State and Government will carry out a comprehensive review of the state of the SDGs and provide high-level political guidance for achieving the SDGs by 2030. The outcome of the Summit will be a negotiated <https://www.un.org/en/conferences/SDGSummit2023/political-declaration>.
- 5 The Summit of the Future is being convened by the United Nations in September 2024. It follows from *Our Common Agenda*, a report of the Secretary-General of the United Nations, and will build on the SDG Summit to lay the foundations of more effective global cooperation and governance for dealing with the critical challenges of today as well as future risks and threats.
- 6 Myriam Pham-Truffert and others, “Interactions among Sustainable Development Goals: knowledge for identifying multipliers and virtuous cycles”, *Sustainable Development*, vol. 28, No. 5 (June 2020), pp. 1,236-1,250, available at <https://doi.org/10.1002/sd.2073>.
- 7 Anita Breuer and others, eds., *Governing the Interlinkages between the SDGs: Approaches, Opportunities and Challenges*, 1<sup>st</sup> ed. (London, Routledge, 2022), available at <https://doi.org/10.4324/9781003254683>.
- 8 Ray Ison and Monica Shelley, “Governing in the Anthropocene: contributions from system thinking in practice?”, *Systems Research and Behavioral Science*, vol. 33, No. 5 (2016), pp. 589-594, available at <https://doi.org/10.1002/sres.2436>.
- 9 Frank Biermann and others, “Scientific evidence on the political impact of the Sustainable Development Goals”, *Nature Sustainability*, vol. 5, No. 9 (20 June 2022), pp. 795-800, available at <https://www.nature.com/articles/s41893-022-00909-5>.
- 10 See, for example, Therese Bennich, Nina Weitz and Henrik Carlsen, “Deciphering the scientific literature on SDG interactions: a review and reading guide”, *Science of the Total Environment*, vol. 728 (1 August 2020), available at <https://doi.org/10.1016/j.scitotenv.2020.138405>.
- 11 Ibid.
- 12 Måns Nilsson and Nina Weitz, “Governing trade-offs and building coherence in policy-making for the 2030 Agenda”, *Politics and Governance*, vol. 7, No. 4 (2019), pp. 254-263, available at <https://www.cogitatiopress.com/politicsandgovernance/article/view/2229>.
- 13 Anita Breuer and others, eds., *Governing the Interlinkages between the SDGs: Approaches, Opportunities and Challenges*.
- 14 Lorenzo Di Lucia, Raphael Slade and Jamil Khan, “Decision-making fitness of methods to understand Sustainable Development Goal interactions”, *Nature Sustainability*, vol. 5 (2022), pp. 131-138, available at <https://doi.org/10.1038/s41893-021-00819-y>.
- 15 Javier Surasky, *Repository of Good Practices in Voluntary National Review (VNR) Reporting* (United Nations, Department of Economic and Social Affairs, 2022). See also paragraph 74(b) of the 2030 Agenda for Sustainable Development.
- 16 United Nations, Department of Economic and Social Affairs, *2022 Voluntary National Reviews Synthesis Report*.
- 17 United Nations, Department of Economic and Social Affairs, *2021 Voluntary National Reviews Synthesis Report*, available at [https://sustainabledevelopment.un.org/content/documents/294382021\\_VNR\\_Synthesis\\_Report.pdf](https://sustainabledevelopment.un.org/content/documents/294382021_VNR_Synthesis_Report.pdf).
- 18 See United Nations Development Programme, “Rapid Integrated Assessment: mainstreaming the SDGs into national and local plans”, available at <https://sdgintegration.undp.org/RIA>.
- 19 See the SDG Synergies home page at [www.sdg synergies.org](http://www.sdg synergies.org).