

Approaches to integrating the Sustainable Development Goals in budgetary processes – country examples

1. Using the SDGs to improve the budget proposal narrative

Governments can integrate the SDGs by including qualitative—and more rarely quantitative—elements on SDG achievement in the budget documents they propose to parliament. For instance, during the preparation of the 2018 budget in Finland, the Ministry of Finance asked each ministry to add a short paragraph under each of the main titles in the budget proposal providing information on how sustainable development would be reflected in their sectoral policies during the 2018 financial year. In Norway, since 2016 each ministry has written a paragraph about its activities in relation to the SDGs under its responsibility, demonstrating the contribution of its proposal to achieving the Goals. Following a review by other ministries, the Ministry of Finance compiles the paragraphs and includes them in a chapter on SDG achievement, which is added to the main document of the budget proposal. In Sweden, ministries are encouraged to demonstrate the link between their area and the SDGs in the budget documents.

2. Mapping and tracking the budgetary contribution to the SDGs

In Mexico, the Government links its budgetary programmes to the SDGs to determine what percentage of a Goal is linked to any budgetary programme, as well as the number of budgetary programmes linked to each Goal. The Colombian Government has developed an automatic analysis text tool to identify links between budgetary programmes and each Goal. Nepal and the Indian State of Assam have gone a step further, coding their budget according to the SDGs in order to track the allocation of resources to each Goal. To move beyond mapping budgetary programmes or allocations in relation to the SDGs, countries could evaluate how different allocations actually impact SDG achievement by adding performance indicators, as is the case in Mexico.

3. Using the SDGs as a management tool for negotiations

Ministries in some countries use the SDGs and their targets as a management and negotiation tool to justify their budget proposals and negotiate for more funds. In Assam, the SDGs are a tool for line departments to obtain priority funding. In Finland, the administration expects the SDGs to be a beneficial tool that might better direct resource allocation decisions towards sustainable development. In Afghanistan, the SDGs will be used as a selection criterion to identify which grant applications from the provinces will obtain funding from the central Government.

4. Improving the budget performance evaluation

The SDGs and their targets and indicators can be used to improve a budget performance evaluation system. Mexico, for example, is revising its budget performance indicators in light of the SDGs. France announced in February 2018 that it would align its budget performance indicators with the SDGs “where relevant and possible”. Slovenia has clearly linked the SDGs to national objectives and adapted them to their national context and challenges, prior to adopting 30 key performance indicators to evaluate national development, including budget performance. These indicators indirectly reflect the SDGs after being nationally translated.

Source: Adapted from Hege, E. and L. Brimont (2018). Integrating SDGs into National Budgetary Processes. Paris: Institut du développement durable et des relations internationales.