

# Sustainable Development Goals at the Subnational Level: Roles and good practices for subnational governments

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## 1.0 Introduction

As underlined widely in research on governance for sustainable development, the subnational level plays a key role in implementing sustainable development policies, including the goals and (possibly) targets they comprise. This implementation applies to the Millennium Development Goals (MDGs) and goal sets in national and subnational sustainable development strategies or other cross-cutting strategies, including national development plans (NDPs). It will hence also apply to the sustainable development goals (SDGs) that are currently being developed. The subnational level also has important bottom-up functions that are often less recognized, such as engaging and knowing and best the needs of citizens and small business. At the same time, recent empirical research on such goal sets in 14 countries in Asia and Europe (Pintér et al., 2014) confirmed that developing, transposing and implementing SDGs will require a “strategic” approach, in that it will require the development of a sustainable development or similar cross-cutting strategy.

This briefing note explores the role of the subnational level in SDGs, shows good practice and provides practical ideas, based on real examples.

## 1.1 Scope

This briefing note captures recent empirical research on sustainable development strategies (SDSs) at the national and subnational levels, most notably the global search process for successful SDSs that was conducted by the International Institute for Sustainable Development for the Bertelsmann Stiftung Foundation in 2012. “Subnational” in this briefing refers to the government level between the national and the local levels, which is—outside the United Nations terminology, and particularly in Europe—referred to as “regions.”<sup>1</sup> Most

<sup>1</sup> See, for example, Committee of the Regions at <http://cor.europa.eu/Pages/welcome.html>. However, due to different constitutional provisions, the regions differ quite a bit with respect to competences. The term “regions” is also used for associations of municipalities, for example in the case of the Council of European Municipalities and Regions (<http://www.ccre.org>). Similarly, representatives of city councils are members of the Committee of the Region, which applies to countries without a strong regional level (this typically means there are no regional parliaments and/or no decentralized power).

of the good practice cases for these regions were identified in Europe. A subsequent study by the Bertelsmann Stiftung Foundation (2013; Borobnus et al., 2014) identified lessons to be learned for the regional level in Germany and looked again at all previously identified subnational cases, without a new systematic search for good practice at that level globally. It also analyzed the existing SDSs in the 16 German federal states (“Laender”). Recent personal experience of the author in one of these states is included in the reflections for this note.

Beyond the scope of this briefing note lie evaluations of MDG implementation and activities at the local level. These activities have developed from Local Agendas 21 to an even wider range of engagement, including low-carbon communities, bioenergy villages and supranational initiatives like the European Green Capital Award<sup>2</sup> and the Covenant of Mayors<sup>3</sup> on carbon dioxide reduction. The search for good practice in the context of the Bertelsmann Stiftung Foundation Study (2013) also showed that while national and regional level goals are rather at a similar level of detail, local-level goals tend to be more specific in individual sectors (e.g., waste). However, NDPs, as often used in developing countries, are also rather specific, as they are central, top-down instruments.

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## 2.0 Role of the Subnational Level and Good Practice

### 2.1 Criteria for Good Practice in Sustainable Development Governance

Table 1 gives an overview of five key normative governance principles for sustainable development, one of which is vertical coordination/integration. This data points to the above-mentioned importance of the subnational level and of linking all levels in a multi-level system of governance. The term “integration” is used in literature on sustainable development governance in various ways, including:

- The environmental integration requirement (European Union [EU] Treaty), that is to say, the need to consider environmental concerns in other policies areas, widened to a larger number of concerns
- The notion of balancing economic, social and environmental interests

Overall, it is used mainly with respect to what should be achieved (i.e., the outcome).

Policy “coordination,” in contrast, refers to the process. This process includes more concrete activities and governance mechanisms to better match and attune policies, or, with a normative connotation, mainstreaming the sustainable development perspective in all policy areas. As it is typically a first step as well as a continuous, indispensable need on the government and administration side, “coordination” is the preferred term in this paper, and “linking” sectors and levels is the most neutral term. Policy coherence and a mainstreamed sustainable development perspective are the overall aims. “Linking” and “coordination” might have rather technical connotations and are rather characterized by hierarchical or market governance, while “cooperation” refers to a network style of coordination.

<sup>2</sup> See: [http://ec.europa.eu/environment/europeangreencapital/index\\_en.htm](http://ec.europa.eu/environment/europeangreencapital/index_en.htm)

<sup>3</sup> See: [http://www.covenantofmayors.eu/index\\_en.html](http://www.covenantofmayors.eu/index_en.html)

**TABLE 1: FIVE NORMATIVE GOVERNANCE PRINCIPLES FOR SUSTAINABLE DEVELOPMENT**

ASPECT OF INTEGRATION	GOVERNANCE PRINCIPLE	WHAT NEEDS TO BE COORDINATED/INTEGRATED?	CHALLENGES FOR SUSTAINABLE DEVELOPMENT GOVERNANCE
Policy areas	Horizontal coordination/integration	Economic, social and environmental policies	Policy coherence
Policy levels	Vertical coordination/integration	Local, subnational, national and supranational levels	Links/cooperation of governments and administrations at all levels
Society	Participation	Decision-makers and stakeholders from politics, business and civil society	Stakeholder participation in discussion and decision-making processes
Knowledge	Reflexivity	Knowledge and experience from various areas in society ("walks of life")	Continuous reflection of decisions
Time	Intergenerational justice	Long- and short-term thinking	Long-term thinking despite short election cycles

Source: Jacob et al. (2013, p. 18); Steurer (2010, p. 37)

Vertical coordination typically exists in individual policy areas if there is a legal framework requiring this, such as in the EU or in federal states. However, this applies less in the comprehensive perspective of sustainable development. On the one hand, this shows a dominance of hierarchical governance, while governance for sustainable development typically requires a "situational and dynamic mix of governance styles" or "metagovernance" (Meuleman, 2012). Policy areas cannot be tackled individually alone anymore, which is also reflected in the principle of horizontal integration.<sup>4</sup> Therefore, well-functioning examples of horizontal and vertical coordination have typically moved towards metagovernance by applying a more cooperative style of governance (network governance). This also means that, while the empirical bases of this briefing are sustainable development strategies alone, it is less likely that good examples of vertical coordination or integration will be found in individual policy domains.

The key criteria for good vertical coordination or integration would hence be:

- 1) Are there links between the levels on the mere document side—that is to say, do SDSs refer to the strategies of the upper level, or do they translate and break down goals and targets where existing?
- 2) Is it not only top-down, but also bottom-up? How much and in which ways does the subnational level develop its own innovative approaches?
- 3) How do the SDSs relate to the lower level, that is to say, the national-level ones to the subnational (and local) and the subnational to local level?
- 4) What are the coordination mechanisms (e.g., framework laws that need to be transposed at the lower level, targets that need to be broken down at the lower level)? What mechanisms for lower-level needs, capabilities and ambitions are taken up in an upper level strategy?
- 5) What is the style of the vertical coordination? What does the cooperation of governments and administration of different levels look like? Are there more formal rules for participation in decision making (such as in federal states and in intergovernmental constructions such as the EU)? Are there more cooperative mechanisms in place, such as consultation committees?

<sup>4</sup> Berger & Steurer (2009, p. 4) also introduce the need for "diagonal integration," that is to say, for linking/coordinating/integrating between and across sectors and levels.

The role of the subnational level must not be seen as strictly enforcing (i.e., hierarchical). The greatest importance derives from being close to people and needs, and in this way engaging in discussions about sustainable living and other lifestyles. It is the place for bringing sustainable development to the ground, as well as for fostering grassroots action, innovation and pilot projects that may be scaled up. This role needs to be acknowledged and nurtured by the national and supranational levels. Depending on the constitution and the political culture, the latter might be more likely the case in many countries.

Insights from empirical research that show the importance of top-down *and* bottom-up processes in decision making are reflected in recent more theoretical explorations such as transgovernance (In't Veld, 2011), which considers Ulrich Beck's "second modernity" as highly applicable for sustainable development governance, in that it needs to be guided by the principle of "and ... and" instead of "or." Diversity is more important than simplicity.

## 2.2 Good Practice in Subnational Regions

### 2.2.1 Selection of Regions in Recent Studies: Good Practice in Linking Levels

Not surprisingly, most sustainable development strategies at the subnational level are found in regions of federal states, as well as in regions with ambitions for greater independence. At the same time, many are also found in selections of good practice cases at national and subnational levels. For example, eight out of 32 cases identified for global best practice in SDSs were regional strategies (Bertelsmann Stiftung, 2012). This selection was mainly confirmed in the subsequent new scrutiny (Jacob, Kannen, & Niestroy, 2013). However, there has not yet been systematic research on SDSs or similar strategic documents in, for example, all 50 members of the global Network of Regional Governments for Sustainable Development<sup>5</sup> or the European network, Environmental Conference of the Regions of Europe.<sup>6</sup> There might also be progressive sustainable development approaches in larger countries with a significant subnational level outside of these associations, such as in the BRIC countries (Brazil, Russia, India and China).<sup>7</sup> Similarly, the German regions with SDSs (11 out of 16) were not included in the two global comparative studies, due to scope and mission, but in a separate one (Borbonus et al., 2013).

Most good practice regions in the global studies were identified in Europe, and only two cases were outside—California and Tasmania, with the latter having been excluded in the second stage, due to a stalled process. The regions included in research for good practice were:

- Federal states: 1. Tyrol, Austria, 2. Flanders, Belgium, 3. Aargau, Switzerland, 4. California, U.S.A., and the 11 German regions mentioned above
- Regions with devolved competences: 5. Basque Country, Spain, 6. Catalonia, Spain 7. Wales, U.K.

All those are hence good practice in the general aspect of linking levels and vertical coordination in general.

<sup>5</sup> See: <http://www.nrg4sd.org/members-0>

<sup>6</sup> See: <http://www.encoreweb.org/>

<sup>7</sup> They could also exist in countries where the subnational regions do not profile themselves outside the country, so that they do not make it to an international search screen (e.g., some of the Dutch provinces have strong sustainable development profiles). The empirical problem of the regional (subnational) level is the sheer number of cases.

## 2.2.2 Good Practice Examples in Individual Aspects

There are other countries without an (elected) subnational level that have a strong tradition of bottom-up approaches to sustainable development planning at the provincial level (i.e., regional administration) and/or the local level. This entails explicit fostering of strategies and action at the local level as well as participation in all relevant national consultation and decision-making bodies. A prominent example of those is **Finland**, which is seen as one of the countries with good practices in all five sustainable development criteria identified, and for all other governance aspects of sustainable development beyond that. Finland was also one of the finalist countries in the Bertelsmann Reinhard-Mohn-Prize 2013, together with Costa Rica, Ghana and Bhutan. **Bhutan** is also an outstanding example of countervailing vertical governance: in the cycle of preparing and revising its NDP it takes up the needs of the provincial and local levels with a cooperative participatory approach, while promoting and steering the targets that are finally developed at the national level. With its development principle of gross national happiness (GNH), Bhutan is also the most impressive example (of the countries studied) of a truly overarching vision for sustainable development, enshrined in the constitution and relevant laws, followed by SDSs and subsequent mainstreaming in all sectoral policies.

We note that, while **France** emphasizes the importance of the local level as a self-confident actor in sustainable development planning by itself, the subnational level is under-developed due to the country's constitutional situation. Among the original selection of 32 countries (Bertelsmann Stiftung, 2012), **Ecuador** stands out in its ambitions at the subnational level, with a focus on creating a national decentralized system of participatory planning in order to move towards a plurinational and intercultural state (Bertelsmann Stiftung, 2012).

The strongest vertical coordination, with integration in the core meaning, is a joint national and subnational sustainable development strategy. The first and (so far) only country where this is in place (since 2010) is **Austria**. For reasons to be further explored, the process around the strategy itself has not made much progress; however, numerous sustainable development initiatives are going forward at the subnational and national levels—possibly triggered and guided by the SDS.<sup>8</sup> At the same time, the **region of Tyrol** moved on and adopted Austria's first regional SDS in 2012.<sup>9</sup> Tyrol underlines that it considers its SDS as an extension of the joint national strategy and the EU's Europe 2020 strategy, adding and specifying regional issues. The **Swiss region Aargau** states that it uses the federal SDS as a framework for its own strategy. However, the Swiss strategy does not refer to regional strategies, only to local-level strategies.

Most other regions only refer to, and typically also foster activities of, the local level, but not the national level. Besides regions where there is no national strategy (e.g., the United States), there are political and/or specific reasons why SDS is neglected. For example, regions might want to move forward, as they are more progressive in sustainable development, and, with that, also want to demonstrate their "independence" (e.g., **Basque Country** and **Catalonia** in Spain, and **Wales** in the United Kingdom). Alternatively, the relationship could be rather disturbed and too complicated already without sustainable development (e.g., in Belgium), or the various reasons that are given in **Germany**.

In the **United Kingdom**, the national level used to be a frontrunner in sustainable development governance and engagement. It had good links between the levels and devolved regions were well represented in, for example, the consultative Sustainable Development Commission. When a new government changed course and terminated the successful Sustainable Development Commission in 2011, Wales continued its already most progressive path (among the devolved regions in the United Kingdom), including governance arrangements. Hence, a situation occurred where not much is to be referred to at the national level.

<sup>8</sup> See: <https://www.nachhaltigkeit.at/strategien/oestrat-bund-laender-strategie/oestrat-gemeinsamer-kompass-fuer-vielfaeltige-initiativen>

<sup>9</sup> See: <https://www.tirol.gv.at/landesentwicklung/nachhaltigkeit/unsere-aktivitaeten/tiroler-nachhaltigkeitsstrategie/>

In **Germany**, the national-level SDS can be considered one of the most successful in the world, with most important governance arrangements having been in place continuously over more than 10 years. Most room for improvement seems to be in vertical coordination, for which the federal level has established some mechanisms. The responsible chancellery has, for example, initiated collaborations with the regions on three topics, namely public procurement, land use and sustainable development indicators. They are partly successful and partly stalling. Success here seems to depend on which of the collaborative organs of the second chamber (i.e., the collective of the federal states) is responsible for the respective topic. Unfortunately, there used to be such a working group for sustainable development, which later was combined with the topic of climate change. The group subsequently lost its sustainable development profile. Overall, the lack of a functioning cooperating body as a meeting place for sustainable development administrators from the regional level is the main bottleneck for improved vertical coordination. The federal level seems to be more engaged in this respect: it has a comprehensive website presentation<sup>10</sup> on all regional strategies and activities, while the regional websites and strategies in most cases do not refer to the national level. Most notably, the goals and targets of the national SDS are not systematically translated at regional level, and the work on (joint) indicators seems to be lost in the technical details of the respective statistical offices. Another reason for the lack of vertical linking mentioned at the regional level is the lack of manpower. Hence the old problem of sustainable development occurs again: sectoral policies come with enforcement requirements, which need to be prioritized, in particular in times of austerity.

### 2.2.3 Greening the European Semester: An Example of Cooperative Steering

The European Semester is the annual monitoring and coordination cycle of economic governance of the EU and its 28 member states. The semester process combines hard top-down recommendations to countries with soft collaborative action through peer pressure. In 2013, the EU's Environment Commissioner decided that "greening the European Semester" was one of his top priorities: environmental policies should not be seen as a problem, but as part of the solution to economic, social and financial crises. Themes like shifting taxation from labour to environmental pollution, phasing out environmentally harmful subsidies, stimulating eco-innovation and green jobs and promoting a zero waste or "circular" economy have become part of the economic policy agenda of the EU, its Member States, the subnational regions and civil society organizations. One of the interesting points is that the EU debate on sustainable economic governance resonates beyond the formal competences of the EU's executive—the European Commission, which has no say about national tax systems, for example. In this "fuzzy" governance environment, subnational regions can develop influence beyond their constitutional reimits, because the logic of sustainable development is the logic of common sense on what is left of "the commons" (European Commission, 2010).

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## 3.0 Conclusions and Recommendations

Vertical coordination and integration needs to entail both top-down and bottom-up processes: top-down leadership and steering along side bottom-up action, engagement and ownership. A situational and dynamic mix (metagovernance) of the key governance styles, hierarchy, market and networks should be applied.

<sup>10</sup> View German the presentation at: [http://www.bundesregierung.de/Webs/Breg/DE/Themen/Nachhaltigkeitsstrategie/3-nachhaltige-entwicklung-alle-sind-Partner/Laender-Kommunen/\\_node.html](http://www.bundesregierung.de/Webs/Breg/DE/Themen/Nachhaltigkeitsstrategie/3-nachhaltige-entwicklung-alle-sind-Partner/Laender-Kommunen/_node.html)

For the regional and local level it is recommended:

- To look out for good practice
- To participate in networks
- To form partnerships (including twinning) and/or regional cooperations and cooperation in neighboring regions (see e.g., the Great Region of Luxemburg crossing borders: six regions in four countries<sup>11</sup>)
- To advocate for setting up support programs and translating existing programs into a green, sustainable approach

Co-financing might remain a problem, as they will require engaged budgeting decisions.

The national level needs to support innovative approaches for green economy and sustainable development, as it helps implementation. It needs to try steering for a more coherent approach: a strategy is needed where bottom-up activities may feed in. One-off projects need to be avoided; all projects and programs need to include a capacity-building strand; and the aim of scaling up good practice (as well as lessons learned) needs to be built in from the onset. Therefore, partnership approaches need to be supported and effective time frames provided.

Vertical coordination only works with functioning mechanisms for collaboration, deliberation, strategy and action plan development and monitoring—that is to say, working groups composed of members/administrators from the two levels. An adapted legal framework is needed in order to move such working groups beyond a voluntary arrangement.

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<sup>11</sup> See: <http://www.granderegion.net/fr/grande-region/index.html>

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## About SDplanNet

SDplanNet is a sustainable development planning network created to help government professionals at the national and sub-national levels share good practices and build capacity in the preparation and implementation of strategies for sustainable development or development plans that incorporate sustainable development principles.

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