



# LOCALIZANDO LOS OBJETIVOS DE DESARROLLO SOSTENIBLE, DESCENTRALIZACIÓN Y COVID-19 EN AMÉRICA LATINA: DESAFÍOS Y OPORTUNIDADES<sup>1</sup>

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## Resumen:

La adopción de la Agenda 2030 y los diecisiete Objetivos de Desarrollo Sostenible (ODS) y el énfasis puesto en el papel que deben jugar los gobiernos locales en la localización de los ODS, reabre una vez más, el debate sobre la capacidad de los mismos (o la falta de ella) para liderar su implementación.

La capacidad de los niveles de gobiernos subnacionales para localizar e implementar la Agenda 2030 depende no solo de la capacidad de sus recursos humanos, sino también del nivel de descentralización (nominal y formal) logrado en cada país. En general, el impacto general y las consecuencias de la descentralización política, administrativa y fiscal en América Latina sigue siendo un tema de controversia significativa (Rodríguez-Acosta & Rosenbaum, 2020). Después de muchas iniciativas de reforma legislativa y judicial, persiste una tendencia general hacia la preeminencia del poder ejecutivo nacional y una política relativamente centralizada. Además, varias evaluaciones recientes han cuestionado tanto la capacidad como la integridad de los funcionarios locales, así como la eficacia en la prestación de los servicios municipales. Otros analistas han sugerido que los gobiernos locales recientemente empoderados a menudo socavan la estabilidad fiscal nacional y la unidad gubernamental (Bardham y Mookherjee, 1998; Gomez Sabaini y Jimenez, 2012).

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La pandemia de la Covid-19 agrega otra dimensión a las dificultades que enfrentan los gobiernos locales en su capacidad para localizar los ODS y lograr el cumplimiento de las promesas de la Agenda 2030. Este artículo revisará brevemente los esfuerzos de descentralización de la región, explorará el papel que los gobiernos locales han desempeñado en la implementación de los ODS según lo informado por los Reportes Nacionales Voluntarios (VNR) y, dada la pandemia de Covid-19, su capacidad para liderar la implementación de los ODS.

**Palabras clave:** Agenda 2030, descentralización, localización ODS, covid-19, gobiernos locales.

**Abstract:**

The adoption of the Agenda 2030 and the seventeen Sustainable Development Goals (SDGs) with the emphasis on the role to be played by local governments in localizing the SDGs, highlights once again, the debate about their capacity (or lack thereof) to take the lead in their implementation.

The ability of subnational levels of government to localize and implement the Agenda 2030 depends in many ways, not only on the capacity of their human resources, but also on the level of decentralization (nominal and formal) achieved in each country. In general, the overall impact and consequences of political, administrative, and fiscal decentralization in Latin America remains a matter of significant controversy (Rodriguez-Acosta & Rosenbaum, 2020). After many legislative and judicial reform initiatives, there remains a general tendency towards the preeminence of the national executive branch and relatively centralized politics. Moreover, various recent assessments have questioned both the competence and the integrity of local officials, as well as the effectiveness of municipal service delivery. Other commentators have suggested that newly empowered local governments often undermine national fiscal stability and governmental unity (Bardham & Mookherjee, 1998; Gomez Sabaini & Jimenez, 2012).

The Covid-19 pandemic adds yet another dimension to the difficulties local governments face in their ability to localize the SDGs and achieve the fulfillment of the Agenda 2030 promises. This article will briefly review the decentralization efforts of the region, explore the role local governments have played in the implementation of the SDGs as reported by the Voluntary National Reviews (VNRs), and – given the Covid-19 pandemic - their ability to lead in the implementation of the SDGs.

**Keywords:** Agenda 2030, decentralization, localizing SDGs, covid-19, local governments

## **I. Decentralization in Latin America: a brief overview**

Latin American countries show considerable differences on the extent and depth of their decentralization efforts over the last decades. Recentralization has in fact received wide attention and has been the subject of intense academic discussions.<sup>2</sup>

The process of political decentralization was initiated with the election of local and regional officials which started in the mid to late 1980s for the majority of countries in the region. Administrative and fiscal decentralization initiatives were also implemented though institutional arrangements and legal frameworks are still being discussed and adapted complicating inter-governmental cooperation and collaboration (Rosales, 2012; Rodriguez-Acosta, 2016). In many countries of the region there seems to be “decentralization fatigue” as the promises of decentralization in terms of improving the delivery of services, increasing transparency and citizen participation, and improving accountability do not seem to materialize.

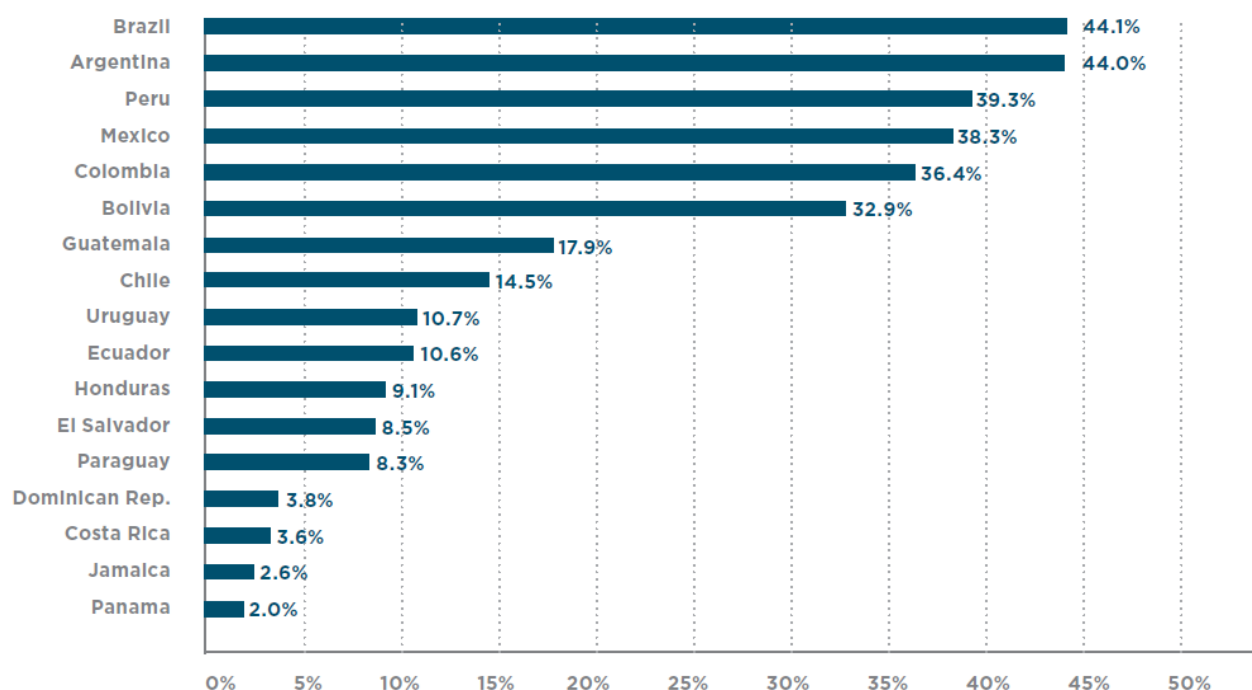
The region has advanced in decentralizing public services especially health and education to local and regional governments with great variations in terms of the extent of these efforts. Legal frameworks are sometimes weakly framed or fail to clearly establish responsibilities amongst levels of government making intergovernmental cooperation and collaboration difficult to achieve. Financing and funding for such programs remains a major problem (Rodriguez-Acosta & Rosenbaum, 2020).

The lack of administrative implementation capacity has characterized the process of policy and service decentralization to regional and local governments and continues to be a major issue in particular for smaller and rural local governments. Large metropolitan areas, with access to skilled labor pool, with connections to multilateral organizations and funding agencies have, in many instances faced, less challenges when implementing policies.

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<sup>2</sup> See for example the research of Dr. Daniel Cravacoure of FINDEL, Argentina and Egon Montecinos of the University of Los Lagos, Chile.

The very mixed progress in the development of local government in many of the countries of Latin America is reflected in comparative subnational expenditure data (Rodriguez-Acosta & Rosenbaum, 2020). In most countries the percentage of subnational governments' expenditures as part of the total government expenditures remains low compared to most developed economies even though it almost doubled between 1985 and 2015 (Inter-American Development Bank, 2018). There are great variations among countries, whereas in Brazil and Argentina, two of the federal countries, it represents over 40%, in Panama, Jamaica, Costa Rica and the Dominican Republics is less than 4% (see image below).



Source: Survey of IDB specialists, IMF Government Finance Statistics, and the IDB's subnational government fiscal information platform.

Fiscal decentralization remains extremely weak with the vast majority of local governments in the region lacking revenue and expenditure autonomy. This makes them heavily dependent upon transfers from the central governments. Adding to the lack of revenue and expenditures autonomy is the fact that in most cases, the transfers are conditioned to legally mandated areas such as social programs, education, and health, and subject to politization.

In summary, when it comes to delivering services which have been decentralized, subnational governments face challenges in three main areas: administrative (including poor information systems, low levels of education and training of administrative staff, confusing public policies and ignorance and implementation challenges, lack of management tools, and serious deficiencies in financial management and accounting practices); fiscal (lack of revenue and expenditure autonomy, high dependence on transfers, fiscal laziness, local economies that don't generate enough economic activity that could generate extra resources, and excessive personnel costs among many already mentioned); and political (weak legal frameworks do not guarantee fiscal, administrative and legal autonomy, many subnational governments must negotiate with central authorities from a position of weaknesses intergovernmental relations, their regional diversity and inequality impacts collaboration and cooperation among themselves, municipal/regional associations are often politicized and thus have a reduced lobbying capacity).

As briefly discussed before political, fiscal, and administrative decentralization continues to be a challenge for subnational levels of government in particular for smaller and rural local governments. This is partly the result of their own leadership failures, as well as entrenched institutional arrangements that have been difficult to modify. Lack of coordination and collaboration, as well as weak public sector capacity in a large number of subnational governments make decentralization more difficult and give arguments to its opponents.

## **II. Challenges to Localizing the Sustainable Development Goals (SDGs)**

It is in this context of decentralization and the struggle to strengthen local governments that the Agenda 2030 and the 17 Sustainable Development Goals (SDGs) were approved in Quito, Ecuador in 2015. Since their approval, local governments have been considered key to their achievement, and the localization of the SDGs has become a central component of national, regional, and international municipal and local governments associations' agendas. But, given the challenges to decentralization noted in the previous section, can we expect local governments to be able to actually implement (and this includes the ability to monitor and evaluate) the SDGs?

“Localizing” the SDGs means considering subnational contexts, challenges, opportunities, and governments in all the global agendas, from the setting of goals and targets to implementation, monitoring and reporting.

The seventeen SDGs lay out an ambitious and challenging agenda for local governments to achieve, especially in the context of recentralization and mixed results in the provision of services and policies already decentralized. The intertwining and complex relationship among SDGs requires close collaboration and coordination between different levels of government and within government agencies.

In a report presented to the United Nation, Rodriguez-Acosta & Rosenbaum (2018), analyzed the Voluntary National Reports (VNRs) for the years 2016 and 2017 presented by UN member countries to the High-Level Political Forum established to monitor the implementation of the SDGs.

In this report a series of criteria for the successful implementation of the SDGs are considered and the efforts of the reporting countries in meeting them discussed including:

- the central role of government, in particular the public sector (and the capacity of the public sector)
- the leadership and oversight role of the legislative branch
- executive leadership
- the adequacy of financial resources and the effectiveness of budgetary management
- the engagement and coordination of sectoral ministries
- and effectiveness of the partnership between central and local governments. This last one, is of great importance as it directly impacts the capacity of local governments to localize and implement the SDGs.

The analysis of the national reports indicate the varied degree of actual inclusion of subnational levels of government in the implementation of the SDGs. The mechanisms for inclusion such as awareness-raising, requirements to develop local strategies aligned with the national strategy, inclusion in the elaboration of the national strategy or

coordination/oversight of its implementation are in general lacking from those Latin American countries that did their VNRs between 2016 and 2017.

One significant exception is Colombia, which has developed mechanisms to create awareness among local and departmental governments about the SDGs and their inclusion in their local and departmental development plan, though how successful this is has not been measured. Most recently, the *Cómo Vamos Cities Network (CVCN)* with the support of the Fundación Corona launched a multi-year initiative aimed at supporting cities in Colombia to develop indicators, gather data, and provide technical support to measure the implementation of SDGs at the local level.

In the analyses of the countries' experiences with the implementation of the SDGs, cases where subnational governments took the initiative to elaborate their own strategy and targets are minimal between 2016 and 2017. Starting in 2018 and for the 2019 VNRs, countries like Chile and Guatemala report on efforts to include local governments in the coordination to achieve the SDGs. Also, in 2018 and through 2020, some cities submitted their Voluntary Local Reviews (VLR) including La Paz, Bolivia (2018), Sao Paulo, Brazil (2019, 2020), Mexico City (2017, 2019), Buenos Aires, Argentina (2019, 2020), Santa Fe, Argentina (2019), Chimbote, Peru (2020) and Montevideo, Uruguay (2020), as well as some state governments from Brazil and Mexico (CGLU, 2020).

In fact, regional and national municipal associations have become engaged with the SDGs and are developing information on this. For example, the United Cities and Local Governments (UCLG), has organized numerous seminars, retreats, and activities aimed at helping local governments localize the SDGs and help them plan for their implementation. In Latin America, the Federation of Cities, Municipalities, Municipal Associations, and Local Governments (FLACMA) has worked extensively and intensely in engaging its members in developing approaches to localize and promote the implementation of SDGs, as well as engaging national and regional governments in the process (Rodríguez-Acosta & Rosenbaum, 2018).

Most municipal associations in the region, (Brazil, Chile, Mexico, Dominican Republic, Honduras, Costa Rica, Argentina, and Peru among others) have held specialized

seminars aimed at helping mayors and local councilors understand the important role that cities and local governments must play in the achieving of the SDGs. But, as the UCLG recently reported (2020), *“It appears, however, that the most frequent mechanisms involve specific departments or agencies, or cross sectoral or inter-ministerial mechanisms that reside at the centre of government”* (p.31). In essence, central governments continue to control the process.

Localizing the SDGs has been the theme of many activities and initiatives of local authorities around the hemisphere. In many instances, this has been done with the expectation that national governments would provide significant funding to assist local governments in this effort. However, there does not seem to be any real evidence that this is occurring, and the reality remains that many local officials, not to mention local residents, still have little or no knowledge of the SDGs. This is also the case with most regional government officials as well (Rodriguez-Acosta & Rosenbaum, 2018).

In the localization and implementation of the SDGs, the ability of subnational governments to be able to design their own targets and plans will also depend, in large part, on the degree of political, financial, and administrative decentralization allowed to them by their countries’ constitution and legal framework. But, as noted in the previous section, subnational levels of government have little ability to design and implement their own policies and have very little capacity to raise revenues (Rodriguez-Acosta & Rosenbaum, 2018).

Regarding the state of current local or regional government capacity, without enough buy-in from political leaders or support and understanding from civil society about the SDGs, with limited access to data to effectively measure their progress, without institutions responsible for city level monitoring, and with plenty of fiscal imbalances, it is probably fair to assume that the vast majority of the more than 16,000 municipal governments in the region (with the exception of the large and more sophisticated ones) do not have the resources and administrative capacity to seriously undertake the implementation of the SDGs.

To the general weakness of subnational governments, one must add the worrisome signs from the region regarding the lack of support for, and mistrust of, government

institutions that will make more difficult the task of localizing and achieving the SDGs. In fact, according to the Washington, DC based think-tank, the Inter-American Dialogue, four decades after the beginning of the third democratic wave, the region is showing signs of democratic fatigue. According to the well-known survey of the Americas, Latinobarometro, overall support for democracy fell to 48%, the lowest level in recent years, while indifference between a democratic regime and an authoritarian one climbed from 16% to 28%. Dissatisfaction with democracy increased from 51% to 71% between 2009 and 2018<sup>3</sup>.

As the pandemic of Covid-19 ravages the region, the crisis of representative democracy is worsening with trust in the legislatures at a mediocre 21%, whereas trust in political parties has plummeted to a mere 13%. The region still has the highest levels of income inequality in the world: of the 26 most unequal countries in the world, 15 (58%) are Latin American. The region is also in third place, after Africa and the Middle East, on corruption; it has the highest levels of crime and violence in the world; and despite numerous reforms, weak rule of law continues to be a major problem in the region. Importantly, approval ratings for the governments have been falling significantly and steadily in the last decade. At the same time, there is a heightened citizen perception that the elites govern to benefit a privileged minority of society<sup>4</sup>. The impact that the continuing weakening support of institutions have in localizing the SDGs has not been fully addressed.

By 2019 Latin America's economic growth was already slowing down<sup>5</sup> (CEPAL, 2021), as were the advances in alleviating poverty<sup>6</sup> (World Bank, 2020). This is undoubtedly a matter of great concern as the long-term consequences of the pandemic are yet to be assessed, vaccination campaigns are slow to non-existent in many parts of the region, and local governments must face the prospect that economic and social recovery will take a long time. In this context, the ability of local governments in the region to advance the SDGs will be severely limited.

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<sup>3</sup> [Latinobarómetro Database \(latinobarometro.org\)](https://latinobarometro.org)

<sup>4</sup> <https://www.thedialogue.org/analysis/democracy-in-a-post-pandemic-latin-america/>

<sup>5</sup> Between 2014 and 2019, average economic growth for the region was 0.3%. As a consequence of the crisis Latin America has lost 7.7% of GDP (CEPAL, 2021)

<sup>6</sup> Poverty rates between 2015 and 2019 had increased from 29.1% to 30.5% and extreme poverty from 8.7% to 30.5%. For 2020 ECLAC projected those figures to be 33.7% and 12.5% respectively.

The Covid-19 pandemic adds then a different, and yet almost impossible to measure at this time, dimension to the ability of subnational governments to contribute to the achievement of the SDGs. Its impact is not only daunting but its consequences will be felt for a long time in terms of poverty, inequality, access to health and education, among many other indicators. As ECLAC notes on its most recent report about the challenges and progress of the region towards the implementation of the 2030 Agenda, Latin America faces another “lost decade” (CEPAL, 2021), and how governments deal with the consequences and the responses they provide to the health crisis will be key to the capacity of local and subnational governments to localize the SDGs and meet the Agenda 2030.

### **III. What to do: Some conclusions and recommendations**

As it has been the case in previous critical circumstances, crises often offer opportunities and possibilities not previously considered or considered. As the Covid-19 pandemic evolves, the policy decisions made to palliate the health crisis and the concomitant socio and economic ones could be an opportunity to expand the role and ability of subnational governments to implement the SDGs and advance the Agenda 2030.

The political, economic, and social policies designed to deal with the pandemic must take into consideration the role of local governments in their implementation as they are already the ones in the frontlines delivering services, helping to improve preparedness, and responding to citizens’ demands. National and local authorities must ensure that planning and development of policies are done with the achievement of the SDGs at their center.

The response to the crisis will require a long-term vision where the “old way” of doing things is replaced by long-term policies that ensure solidarity, inclusion, and equity with residents at the center of them. National development plans must include comprehensive urban, rural, and regional strategies. For this to be accomplished intergovernmental collaboration and cooperation must be strengthened.

All of these challenges show the difficulties local governments face in localizing the SDGs. As previously indicated, much of their ability to do so resides in improving their administrative, fiscal, and political capacity. Strengthening local governments institutional capacity will require effective policies and regulations aimed at ensuring their fiscal autonomy as local governments' ability to provide services is severely limited when dependent upon central governments funds transfers.

There is a need for the process of decentralization in the region to be reinvigorated. As it has been discussed in this article, many countries in Latin America have shown a trend towards recentralization in the provision of services and the Covid-19 pandemic might accelerate it. But the pandemic also offers the opportunity to redefine the relationships between different levels of government. Municipal and regional government associations have a very important role to play in this regard.

Empowering and engaging residents in the design and implementation of the SDGs continues to be fundamental for localizing them. The pandemic presents serious challenges to citizens' active participation in the design and implementation of public policies, but digital technologies, and more open governments can provide some alternatives to face-to-face interactions until sanitary conditions improve.

Furthermore, the lack of transparency and accountability continue to be a major weakness for too many local, regional, and national governments in the region. Corruption and mismanagement are great enemies to the advancement and implementation of the SDGs.

The localization and effective implementation of the SDGs in the context of the Covid-19 pandemic requires a new relationship between stakeholders as without support from national governments and multilateral organizations, without better collaboration and coordination among subnational levels of governments, without better access to resources, and without the necessary internal reforms each local government must take, the localization of the SDGs might become another lost opportunity to advance the needs of the marginalized and the poor.

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