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Dynamizing the Multi-Level Governance of SDG Finance in Europe

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The seventeen SDGs. Source: United Nations (UN) Communication Materials

Abstract

The Sustainable Development Goals (SDGs) encompasses a new global framework to guide sustainable development until 2030. National governments are primary responsible for achieving the seventeen global goals and are urged to mobilize sufficient resources for implementation. The European Union has committed itself to support its member states in their implementation efforts, especially through the European Commission's (Commission) own investment portfolio. For the Commission to support member states in this endeavour, this study argues that is it important to know to what extent and how member states themselves are committed to include the SDGs into their financial infrastructures. Therefore, this study investigates how member states have used public finance schemes to reach these new policy goals. In particular, it captures the roles and activities of national parliaments as well as of the national ministries of finance in this regard. Analysing member states' national voluntary review reports for the SDGs, this study presents a comparative overview of where member states stand in the process of imbedding the SDGs in their national budget planning and evaluation processes. Furthermore, this study also presents an overview of the latest Commission's responses towards the SDGs, in particularly its new European Sustainable Development Investment Programme, presented in January 2020. This study concludes that both at the national and EU level, room for improvement exists to increase coherence between independent SDG financing strategies. To exemplify, much money is reallocated both on the EU and national level to fund the green transition, but less attention is paid for the societal implications of his transition. Evaluating both the national level and the EU level, this study presents four recommendations to dynamize the multi-level governance of SDG finance. First, the Commission is recommended to adopt as soon as possible a new EU 2030 strategy and to align this new sustainable development strategy with the SDGs. Second, the Commission is recommended to include the SDGs in its economic monitoring processes, in particular the European Semester. Third, the Commission is recommended to align the assessment criteria for funding programmes under the five European Structural and Investment Funds with the SDGs. Fourth, the Commission is recommended to identify which SDG targets (with a transboundary character) are suffering mostly from the funding gap and to adjust its funding programmes to tackle these specific SDG targets.

Key words

2030 Agenda; Sustainable Development Goals; sustainable finance; SDG finance; policy coherence for sustainable development (PCSD); national governments; European governance; multi-level governance; orchestration.

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The 17 Sustainable Development Goals

Goal 1 *Eradicate poverty in all its forms everywhere*

Goal 2 *End hunger, achieve food security and improved nutrition and promote sustainable agriculture*

Goal 3 *Ensure healthy lives and promote well-being for all in all age groups*

Goal 4 *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*

Goal 5 *Achieve gender equality and empower all women and girls*

Goal 6 *Ensure availability and sustainable management of water and sanitation for all*

Goal 7 *Ensure access to affordable, reliable, sustainable and modern energy for all*

Goal 8 *Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*

Goal 9 *Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation*

Goal 10 *Reduce inequality within and among countries*

Goal 11 *Make cities and human settlements inclusive, safe, resilient and sustainable*

Goal 12 *Ensure sustainable consumption and production patterns*

Goal 13 *Take urgent action to combat climate change and its impacts*

Goal 14 *Conserve and sustainably use the oceans, seas and marine resources for sustainable development*

Goal 15 *Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and stop biodiversity loss*

Goal 16 *Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels*

Goal 17 *Strengthen the implementation measures for the Action Plan and revitalise the global partnership for sustainable development*

Abbreviations

Addis Agenda	Addis Ababa Action Agenda
Agenda 2030 / 2030 Agenda	2030 Agenda for Sustainable Development
Commission	European Commission
ESDN	European Sustainable Development Network
ESG	Environmental social governance
ETS	European Trading System
EU	European Union
EU SDS	European Union Sustainable Development Strategy
DRM	Domestic resource mobilization
HLPF	High-level Political Forum
IEEP	Institute on European Environmental Policy
IPI	Interparliamentary Union
MDG	Millennium Development Goals
MFF	Multiannual Financial Framework
NDS	National Development Strategy
NGEU	Next Generation Europe
NGO	Nongovernmental organization
NSDS	National Sustainable Development Strategy
ODA/GNI	Official Development Assistance/Gross National Income
OECD	Organisation for Economic Co-operation and Development
PCSD	Policy coherence for sustainable development
SD	Sustainable Development
SDG	Sustainable Development Goals
SDNS	Sustainable Development Network Solutions
SDIP	Sustainable Development Investment Plan
TFEU	Treaty on the Functioning of the European Union
UN	United Nations
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNGA	United Nations General Assembly
UNWCDR	United Nations World Conference on Disaster Reduction
VNR	Voluntary National Review
VNR Reporting Guidelines	Voluntary National Review Reporting Guidelines
WCED	World Commission on Environment and Development

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1. Introduction

In this Chapter I will introduce the research question. The question is contextualised by providing a background on the EU's response to the Agenda 2030 and the Sustainable Development Goals. Furthermore, I will also explain the structure of the thesis.

1.1 A new transformative Sustainable Development Agenda: a finance challenge

2015 is marked as a year for sustainable development worldwide. World leaders adopted at the 70th United Nations General Assembly on 25 September 2015 a new global sustainable development framework: the 2030 Agenda for Sustainable Development (2030 Agenda) having at its core the Sustainable Development Goals (SDGs) (UNGA, 2015a). The SDGs and their related targets provide a new policy framework towards advancing the well-being of people, the planet, prosperity, peace and partnerships, while ensuring that no one is left behind. The 2030 Agenda integrates the three dimensions of sustainable development - economic, social and environmental. It is based on the concept of global partnership, supported by a comprehensive approach to the mobilisation of all means of implementation, and is complemented by the Addis Ababa Action Agenda (Addis Agenda) (UNGA, 2015b). The Addis Agenda underscores the importance of aligning private investment with sustainable development, along with public policies and regulatory frameworks to provide the right incentives.

The 2030 Agenda encourages all countries to develop as soon as possible ambitious national action plans towards the overall implementation of the Agenda. Globally, *domestic public* resources are by far the largest and most important source of finance for development (UNDP, 2018). Governments' abilities to mobilize, sequence and make effective use of a wide variety of both financing *sources* and financing *instruments* and *strategies* will be central to their ability to achieve the ambitious new sustainable development agenda. This is reflected in SDG 17, "strengthen the means of implementation and revitalize the global partnership for sustainable development" which tasks countries to strengthen domestic resource mobilization, meet aid commitments and mobilize additional financial resources for development from multiple sources (UNDP, 2018).

The Agenda 2030 also acknowledges the importance of the regional level in Paragraph 21 "as regional frameworks can facilitate the effective translation of sustainable development policies into action at the national level". Policy coherence for sustainable development (PCSD) (target 17.14) is seen as a fundamental requirement to realize the transformative nature of the 2030 Agenda and to implement the SDGs (OECD, 2018). The implementation of the SDGs is recognized by scholars as a multi-level governance issue, which requires a joint approach between the EU and its member states to catalyse good practices (Meulenman & Niestroy, 2015; Gupta and Nilsson, 2017).

The European Union (EU) has been instrumental in shaping the global 2030 Agenda and has committed itself to be a frontrunner in implementing the SDGs, together with its member states (European Commission, 2016). Such ambition needs to be matched with corresponding financial commitments. To ensure delivering on this commitment, necessary financial mechanism needs to be put in place. Multiple advisory groups and scholars have recommended the EU to mainstream the SDGs in its economic monitoring and budgeting processes (among others Jung & Schwarz, 2015; Niestroy, 2015; Renda, 2017; High-level Multi-stakeholder Platform on SDGs, 2018; Niestroy et al., 2019; SDSN & IEEP, 2019). The European Commission (Commission) presented multiple Sustainable Development strategies over de last few months, with the European Green Deal Investment Plan or Sustainable Europe Investment Plan (SEIP) as its backbone (European Commission, 2020a). In the SEIP, the Commission estimated that EUR 550 billion a year additional funding is needed for the EU to reach its climate and energy targets by 2030.[1] The Investment Plan contains an overall objective to mobilise at least €1 trillion of sustainable investments over the next decade. The Commission highlighted that sizeable contributions will be needed from national budgets and the private sector and that it will work in close cooperation with its member states to mobilize adequate financial means of implementation. The annual total budget of the Commission is EUR 148 billion (in 2019) representing only a tiny fraction of the combined national budgets of all 28 EU countries together, which is EUR 7.524 billion. [2] Yet, unlike national budgets, which are mainly used to provide public services and fund social security systems, the EU budget is primarily used for investment (European Commission, 2020b). Rijhout and Zondervan (2018), however, rightly pointed out that the question of how the EU is performing in achieving the SDGs, is largely one of the aggregated collective efforts of the 27 member states. At the national level, almost all EU countries have reinvigorated their sustainable development strategies in line with the 2030 Agenda (Niestroy et al., 2019). Yet, many of these strategies do not have concrete or comprehensive financing plans to fund their implementation (High-level Expert Group on Sustainable Finance, 2018).

1.2 Social relevance

Countries are expected to take ownership for the achievement of the SDGs in their own country. The 2030 Agenda is intended to be transformational, while allowing each country to develop its own approach to SDG implementation depending on the domestic context (Rijhout & Zondervan, 2018). In this regard, the EU High-level Expert Group on Sustainable Finance concluded in its final report (2018) that countries should consider developing integrated financing frameworks to align and mobilize all sources of financing in support their national development strategies. Therefore, I will analyse whether and how member states have reported on their financial needs to implement the SDGs and how these needs are addressed. In particular, I will focus on how member states have adjusted their public financing schemes for goal implementation, especially through national budget planning processes. A detailed overview will be presented that shows what member states have done so far to secure financial investments for the SDGs.

This overview can help the Commission's work in coordinating and steering goal implementation throughout the Europe. Nevertheless, the topic of sustainable development financing is rapidly evolving, and the Commission is still finding out what role it can play in this regard. The rapid spread of the virus SARS-CoV-2 (hereafter "COVID-19) since the beginning of 2020, which has

[1] The Commission estimated that EUR 260 billion a year until 2030 is needed for climate and energy targets. For environmental protection and resource management the Commission estimated EUR 100-150 billion a year and for social investments (related to the green transition) EUR 142 billion a year by 2030. The Commission recognized that this Investment Plan mainly includes climate-related objectives and it announced that it will conduct an impact assessment on broader environmental and social objectives (European Commission, 2020).
[2] United Kingdom still included.

evolved to the greatest pandemic in the 21st century[3], has exposed the deep inequalities that exist between European countries, in terms of welfare but also in terms of domestic financial capacities. The responses of Commission to this pandemic reveals how sustainable development is high on Commission's political agenda. During the first months of the virus outbreak, European states adopted some of the largest rescue packages in response to the economic fallout of the crisis, committing trillions and running large deficits. In the second stage, the Commission together with the member states created long-term recovery funds and investment mechanisms to alleviate the harm of the countries which are hit the hardest by the pandemic, considering the socio-economic impacts of COVID-19.

The SDGs have been identified to be our global framework for COVID-19 recovery and to steer the necessary systematic shift towards a more sustainable economy (UNSDG, 2020). In addition, President of the Commission von der Leyen also reiterated the importance of the SDGs for development in Europe in a speech on May 28th, 2020 "*the Sustainable Development Goals are even more crucial now than at their inception. And coronavirus clearly demonstrates that Sustainable Development Goals are equally important for every human being on earth. The goals are not set only for those undergoing development, but for all*" (European Commission, 2020). Furthermore, the Commission's President ambitiously proposed for the need of a global recovery initiative that links investment and debt relief to the SDGs. I will further elaborate in this study how the Commission is already working on linking its investment portfolios with the SDGs.

1.3 Academic relevance: knowledge gap

An extensive amount of scholarly papers has been written on SDG governance over the last 5 years.[4] Furthermore, stakeholders and expert groups reports have all contributed to our knowledge about SDG governance. However, there are no comparative country studies conducted that provide an overview of the financial implementation programmes for SDG implementation in Europe. Only a handful of studies refer to specific member states' financial strategies and action plans for SDG integration (see Niestroy et al. 2019; Mulholland, 2017; Mulholland & Berger 2019; Hege and Brimont, 2018), but these are not covering all EU countries. The present study addresses this knowledge gap, by proving information on what SDG financing entails and how - at the national level and the EU level - policymakers are working on designing and implementing SDG finance policies. To do so, I will develop an assessment scale that provides a ranking of where a country stands with respect to SDG financing. This assessment scale will help me to identify the degree of financial integration of the SDGs in Europe.

[3] In December 2019, the coronavirus disease (COVID-19) was first identified in Wuhan, China and soon evolved in a worldwide pandemic. As of 14 July 2020, the Johns Hopkins University reported over 13 million cases and 570.000 global deaths across 188 countries. See for the latest's trends: https://coronavirus.jhu.edu/

[4] See for a detailed examination this book from Kanie, N., & Biermann, F. (Eds.). (2017). *Governing through goals: Sustainable development goals as governance innovation*. mit Press

1.4 Aims and research question

This study will focus on SDG finance in Europe. As state above, less attention has been paid to the financial implementation of the SDGs in Europe, although the SDGs have been presented as a trillion-dollar shift (Hoek, 2018). From the EU perspective, the Commission has identified a so-called "SDG gap" and has committed itself to support member states in the mobilization of public resources. Within this context, is becomes important to know to what extent and how member states themselves are committed to include the new transformative agenda into their financial infrastructures, and how member states have used their national budget to reach these new policy goals. Therefore, this study aims to answer the following research question:

To what extent are the Sustainable Development Goals financially mainstreamed in Europe?

To answer this question, I will conduct a mapping exercise to see how member states have adjusted their financial strategies and budgetary processes to implement the 17 Sustainable Development Goals. To do so I use the reports that the member states have submitted to the United Nations High-level Political Forum on the Sustainable Development Goals. These reports are publicly accessible in the United Nations database. [5]

The core objectives of this study are:

- To develop a definition of SDG finance and to identify what kinds of financial mechanism can steer SDG financing; and
- To present an overview of the progress of the member states towards institutionalizing the 2030 Agenda into their national financial arrangements; and
- Identify good practices of SDG finance that can be shared among member states in order to improve mutual learning; and
- To present an overview of EU's policies in relation to the 2030 Agenda and particularly to SDG finance; and
- To indicate possible courses of actions for the European Commission in order to dynamize the multi-level governance issue of SDG finance.

1.5 Delineation of the scope of the study

For this research I will analyse SDG financing in the EU. I will focus on national, public funding schemes created by the member states to implement the SDGs. However, I will not delve into the specific numbers, but it will review whether national SDG strategies are in place and if these are linked to finance mechanisms. In this study, I will not evaluate member states' efforts (i.e. provide a normative evaluation how member states are implementing their financing strategies). Instead, I will develop a type of assessment to indicate the degree of financial mainstreaming of the SDGs in the member states. This study will then further exemplify some good practices of member states who already have made progress in aligning their national budget to SDG strategies and action plans. For this assessment, I will analyse whether national budget processes include tools or

[5] See: https://sustainabledevelopment.un.org/memberstates

mechanisms to mainstream the various SDG dimensions (social, environmental and economic). It is beyond the scope of this study to provide a comprehensive picture of all the financial mechanisms that are in place at the local levels within the countries. I do discuss some aspects of subnational goal implementation, but I do not assess these systematically.

1.6 Structure

The thesis is organized as follows. Chapter 2 provides a policy background of the Agenda 2030, with a special focus on finance. In Chapter 3 I will explain what SDG finance means, how it contributes to policy coherence, and how the national budget can be used to foster SDG finance. Chapter 4 explains the methodology. In particular, I present an analytical framework of SDG finance and the scale that I use to assess countries' efforts to implement the SDGs financially. In Chapter 5 I present my analysis of the 27 member states and how they have integrated the SDGs in their national financing infrastructures. In Chapter 6 I present an overview of the European Commission's sustainable development financing strategies. Chapter 7 summarises and concludes.

2. Policy Background: SDG Finance in the Agenda 2030

In this Chapter I will provide some background information on the 2030 Agenda for Sustainable Development. It will further elaborate on how finance is seen as one of the core pillars of the 2030 Agenda for successful implementation.

2.1 Roadmap towards the Agenda 2030 and the Sustainable Development Goals

"Sustainable Development" was for the first time introduced in the Brundtland report by the World Commission on Environment and Development (WCED) in 1987, and it is widely used nowadays (WCED, 1987). In 1992, during the first big Earth Summit in Rio de Janeiro, Brazil, the Agenda 21 was adopted by 178 countries (United Nations, 1992). This was the first comprehensive plan of action to build a global partnership for sustainable development. Building upon a decade of major United Nations conferences and summits, the United Nations General Assembly (UNGA) adopted in September 2000 the United Nations Millennium Declaration, which sets out a series of eight time-bound targets - with a deadline of 2015 - known as the Millennium Development Goals (MDGs) (UNGA, 2000). The eight MDGs were originally aimed at making development assistance more effective through global partnerships (McArthur, 2014). The MDGs helped to lift more than one billion people out of extreme poverty. However, inequality kept growing, and also on the environmental dimension reverse outcomes were identified, with an overall increase of 50% of CO_2 emission and continued biodiversity loss world-wide (United Nations, 2015).

At the United Nations 'Conference on Sustainable Development' (Rio+20) in 2012, member states decided to launch a process to develop a set of Sustainable Development Goals (SDGs), which has to build upon the MDGs and converge with the post 2015 development agenda (UNGA, 2012). The Conference galvanized the largest public and multi-stakeholder consultation in UN history with over 700 voluntary commitments worldwide (SDG Knowledge Hub, 2020). After two years of negotiations, world leaders agreed on a new global sustainable development framework, called the 2030 Agenda (UNGA, 2015a). Meanwhile, also specific agreements were agreed, like the Paris Agreement on Climate Change[6] and the Sendai Framework for Disaster Risk Reduction[7], all adopted in 2015.

At the heart of the 2030 Agenda lie the Sustainable Development Goals and 169 related targets. The SDGs go far beyond the MDGs by setting a wide range of economic, social and environmental objectives and calling for action by all countries, poor, rich and middle-income. The Agenda emphasises that strategies for ending poverty and promoting sustainable development must go hand-in-hand with actions that address a wider range of social needs and which foster peaceful, just and inclusive societies, protect the environment and help tackle climate change. The SDGs

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[6] UNFCCC, United Nations Framework Convention on Climate Change (2015). Report of the Conference of the Parties on its twenty-first session, held in Paris from 30 November to 13 December 2015.
[7] UNWCDR, United Nations World Conference on Disaster Reduction (2015) Report of the UN World Conference on Disaster Reduction held in Sendai on 18 March 2015. 187 members states signed the Sendai Framework for Disaster Risk Reduction 2015–2030 (SFDRR).

mark a historic shift for the UN towards one sustainable development agenda after a long history of trying to integrate economic and social development with environmental sustainability (Bierman et al., 2017). Although the SDGs are not legally binding, governments are expected to take ownership and establish national frameworks to achieve them.

2.1.1 Addis Ababa Action Agenda as an integral part of the 2030 Agenda

Two months before the adoption of the Agenda 2030, countries agreed at the Third International Conference on Financing for Development on a new global framework for financing development post 2015, known as the Addis Ababa Action Agenda (Addis Agenda) (UNGA, 2015b). The Addis Agenda builds on the outcomes of two previous Financing for Development conferences, 2002 in Monterrey, Mexico, and 2008 in Doha, Qatar.

The Addis Agenda takes a much broader approach by moving away from the North-South financing model of the Monterey Consensus (Chhibber, 2016). It builds further on the Doha meeting in which countries began to recognize that development aid only forms a small part of the overall financing needs, besides direct foreign investment, private financing, international trade, philanthropic work and national funding programs. Instead, domestic resource mobilization (DRM) has been highlighted as a new key component of the Addis Agenda. [8] The Agenda stresses in Paragraph 9 the importance of "*cohesive, nationally owned sustainable development strategies, supported by integrated national financing frameworks*".

Financing was considered the linchpin for the success of the new sustainable development agenda, and two months later, the Addis Ababa Action Agenda was adopted as an integral part of the 2030 Agenda.[9] Target 17.1 further specifies that to implement the 2030 Agenda countries need to *"Strengthen domestic resource mobilization (..) to improve domestic capacity for tax and other revenue collection"*. This paradigm shift to national financial ownership within the international sustainable development debates is not surprising. Unlike the MDGs, the SDGs are applicable to all countries. As Bierman et al., (2017) explain: [the 2030 Agenda] "identifies no country as 'developed' in terms of sustainability, and turns all countries in North America, Europe, East Asia and Oceania into 'developing countries' that have to bring forward plans to transform their societies towards more sustainable development paths" (p. 26). Governments' abilities to mobilize resources and to make effective use of a wide variety of financing instruments and sources are central to achieve the 17 SDGs (UNDP, 2018). Nevertheless, the Addis Agenda also underscores that domestic resource mobilization needs to be supported by international actions and cooperation. Additional domestic resources will be, first and foremost, generated by economic growth. Improved policies and administration will help to realize more efficient and effective resource mobilization. However, in a world of cross-border trade, investment and finance, there are limits to what can be done by domestic policy alone, necessitating strengthened international cooperation (United Nations Inter-Agency Task Force on Financing for Development, 2020).

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[8] To get some sense of the magnitudes involved –all of external funding for development (FfD) – which includes ODA, private financial flows, remittances and other private flows adds up to around $ 1 trillion. In contrast, Domestic Resource Mobilization (DRM) provides over $ 8 trillion in financing (Chhibber, 2016).

[9] Paragraph 40 and 62 Agenda 2030

2.2 Strengthening the needs of implementation

The 2030 Agenda includes several paragraphs which deal with the means required for implementing the SDGs and related targets. Paragraph 78 also encourages member states to develop as soon as [possible] practicable ambitious national responses to the overall implementation of this Agenda (…) and build on existing planning instruments, such as national development and sustainable development strategies. Also, the 2030 Agenda multiple times reflects on the need for *additional resource mobilization*. The following paragraphs will further elaborate how the 2030 Agenda deals with implementation, focusing on the financial aspect of implementation.[10]

Goal 17 - *Strengthen the needs of implementation and revitalize the global partnership for sustainable development* - 'operationalizes' the means of implementation. SDG 17 includes nineteen specific targets, categorized within the five overarching themes: Finance, Technology, Capacity-Building, Trade and Systematic Issues. SDG 17 iterates that domestic resources mobilization should be strengthened, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection (target 17.1) and to ensure that implementation efforts in general contribute enhancing policy coherence for sustainable development (target 17.14). The other targets (17.1 - 17.13, 17.16 - 17.19) are all focused to enhance support for developing countries. Specially target 17.2 is a well-known and recurring theme in SDG finance literature, which states an official development assistance commitment: 0.7 per cent of ODA/GNI for developing countries.[11]

SDG 17 does not provide a blueprint as to how member states should integrate the SDGs within national financing frameworks. Although interestingly in this regard are *Paragraph 66* which states that "we underscore that for all countries, public policies and the mobilization and effective use of domestic resources, underscored by the principle of national ownership, are central to our common pursuit of sustainable development, including achieving the Sustainable Development Goals" and *Paragraph 41* which argues that "public finance, both domestic and international, will play a vital role in providing essential services and public goods and in catalysing other sources of finance".

For some SDGs, the need for mobilizing financial resources is also reflected in underlying targets (Statistical Commission, 2020). I identified two approaches when I compared the 169 targets: some targets state about the need for additional financial resources in order to support developing or least developed countries, whereas other targets state the need for mobilizing additional funding in general, so also funding for and within developed states. To further illustrate this with an example: target 11.c states: "support least developed states countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials", compared to target 15.a. which states: "mobilize and significantly increase financial resources from all sources to conserve and sustainable use biodiversity and ecosystems. Thus, in target 15.a the recipient "least developed states" is not included, meaning that all countries committed themselves to increase investments in biodiversity and ecosystems. Nevertheless, this 'general

[10] Besides implementing the 2030 Agenda through financial means, often implementation also refers to regulatory frameworks.
[11] Official Development Assistance/Gross National Income.

call' for public finance by and within all countries it only reflected in two SDG targets 15.a, 15.b, and more specifically in eight indicators.[12]
As stated in Paragraph 2.1.1 of this study, the Addis Agenda is inextricably linked with the 2030 Agenda, reflected in Paragraph 40 of the 2030 Agenda. The Addis Agenda is a new global framework for financing development post 2015 and was adopted during the Third International Conference on Financing for Development.

The specific actions areas of the Addis Agenda are:

- Domestic public resources;
- Domestic and international private business and finance;
- International development cooperation;
- International trade as an engine for development;
- Debt and debt sustainability;
- Addressing systemic issues;
- Science, technology, innovation and capacity building.

Keeping in mind the scope of this research, I will further elaborate on the first two items; *domestic public resources* and *international and private business finance*. Paragraphs 20 – 49 identify specific actions which are of interest for this study. First of all, paragraph 20 of the Addis Agenda is exactly the same of the earlier phrased paragraph 63 of the 2030 Agenda, which highlights the need for effective use of domestic resources by *all countries*. In the next, it explains what the term 'effective' entails:
1) Taxation, especially to enhance efficient tax collection (standards to eliminate illicit financial flows and standard for anti-money-laundering/counter-terrorism financing) as well as international tax cooperation.[13]
2) Encouragement of investment in specific areas (gender budgeting[14] and energy infrastructure and clean energy technologies[15]).
3) Transparent public procurement frameworks as a strategic tool to reinforce sustainable development.[16]
4) Phasing out harmful subsidies, specifically mentioned inefficient fossil-fuel subsidies.[17]
5) Acknowledgement of subnational level in sustainable development financing[18], as well as the role of national and regional development banks.[19]

[12] These indicators do not encourage governments directly to mobilize financial resources, but they do have impact on public financing: **indicator 1.a.2** Proportion of total government spending on essential services (education, health and social protection); **indicator 1.b.1** Pro-poor public social spending; **indicator 2.b.1** Agricultural export subsidies; **indicator 5.c.1** Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment; **indicator 11.4.1** Total per capita expenditure on the preservation, protection and conservation of all cultural and natural heritage, by source of funding (public, private), type of heritage (cultural, natural) and level of government (national, regional, and local/municipal); **indicator 14.a.1** Proportion of total research budget allocated to research in the field of marine technology; **indicator 12.7.1** Degree of sustainable public procurement policies and action plan implementation and **indicator 12.c.1** Amount of fossil-fuel subsidies per unit of GDP (production and consumption). See A/RES/71/313 (E/CN.3/2020/2, Annex III).
[13] See Paragraphs 22, 23, 24, 25, 27, 28, 29 Addis Agenda
[14] Paragraph 30 Addis Agenda
[15] Paragraph 49 Addis Agenda
[16] Paragraph 30 Addis Agenda
[17] Paragraph 31 Addis Agenda
[18] Paragraph 34 Addis Agenda
[19] Paragraph 33 Addis Agenda

6) Promoting and creating enabling conditions for private sector investment in sustainable development.[20]

Lastly, the Addis Agenda also identifies different financial mechanisms from a public finance perspective to include the private sector, i.e. public-private partnerships, blended finance, special-purpose vehicles, non-recourse project financing, risk mitigation instruments[21] and pooled funding structures.[22] In Chapter 4, I will further elaborate what SDG financing entails from a domestic public finance perspective.

2.3 Review of implementation

The High-level Political Forum on Sustainable Development (HLPF) is the main United Nations platform on sustainable development and has a central role in the follow-up and review of the 2030 Agenda at the global level.[23] As part of its follow-up and review mechanisms, the 2030 Agenda encourages member states to "conduct regular and inclusive reviews of progress at the national and sub-national levels, which are country-led and country-driven" (Paragraph 79). As stipulated in Paragraph 84 of the 2030 Agenda, regular reviews by the HLPF are to be voluntary, state-led, undertaken by both developed and developing countries. These Voluntary National Reviews (VNRs) facilitate the sharing of experiences, including successes, challenges and lessons learned and provides recommendations for follow-up. Common reporting guidelines were adopted in December 2015[24], which is a very broad framework (i.e. a table of content) [25] to allow flexibility for member states. Nevertheless, within these guidelines, the means of financial implementation is mentioned several times to encourage member states to report on this:

Within **Section 1 opening statement**: countries are encouraged to report on how the government is responding to the transformative nature of the 2030 Agenda through its national development plans, strategies, policies or other relevant documents, including sectoral policies and specific action and financial plans.

Section 3 introduction: countries are encouraged to outline how 2030 Agenda is reflected in the financing and budgetary frameworks (including the link with the Addis Agenda).

Section 5 policy and enabling environment section: countries are encouraged to describe how the policy makers are coordinating through national planning, budgetary, financial and investment processes, for example to bring about a deeper, faster and more ambitious response to the challenges which their economies are facing.

Section 7 means of implementation: countries could elaborate on their financing strategy /

[20] Paragraph 36 Addis Agenda.
[21] Paragraph 38 Addis Agenda.
[22] Paragraphs 48 Addis Agenda.
[23] See for more information: https://sustainabledevelopment.un.org/hlpf
[24] And updated in December 2017 and November 2019.
[25] Table of content: I. Opening Statement, II. Highlights, III. Introduction, IV. Methodology and process for preparation of the review, V. Policy and enabling environment, VI. Progress on Goals and targets, VII Means of implementation, VIII. Conclusion and next steps.

integrated national financing framework where applicable, and the appropriate policies and reforms in place to finance their strategy. The review could indicate how financial systems, statistical data and resource allocations are being aligned to support the realization of the 2030 Agenda and its pledge to leave no one behind. Coverage of domestic resource mobilization could include the contribution of the private sector. Experiences with gender responsive budgeting, where applicable, should be reflected. Furthermore, countries could also provide an overview of the institutional set-up and coordination mechanisms (intra-government and with other stakeholders) which help implement the financing strategy.

We will see in Chapter 5 that countries do not as extensively report on their financial infrastructure as the guidelines try to encourage.

Some countries also yearly review the national implementation of the SDGs, often in their respective country's languages, but these national reviews fall outside the scope of this study.

The review of the Addis Agenda is also part of the review of the 2030 Agenda[26], however as is shown in the Analysis section of this study, only Sweden has included this integrative approach, and has both reviewed the implementation of the SDGs and of its financing for development framework under the Addis Agenda.

2.4 Concluding remarks

When it comes to SDG financing as part of the 2030 Agenda, much focus goes to mobilizing resources in order to help developing/least development countries to achieving the SDGs. Nevertheless, often indirectly, the Agenda 2030 also recognizes that besides an overall increase of funding, also an effective use of public finances is needed to implement the new agenda, by all countries, including developed countries. This is sometimes also reiterated in certain SDG targets. Public finance therefore is recognized as a mechanism to steer the implementation of the SDGs domestically. Domestic public resources have a unique role to play in financing for sustainable development. The link between revenue collection and effective expenditures to provide quality public goods and services forms the basis of the social contract between citizens and the state (United Nations, Inter-agency Task Force on Financing for Development, 2020). This is also indirectly highlighted in the Voluntary National Review Reporting Guidelines, which indicate multiple times the need to report on national budgeting, financial plans and mechanisms.

[26] Paragraph 86 of the 2030 agenda and paragraph 130 of the Addis Ababa Action Agenda.

3. Theory and Literature

In this Chapter I will answer the questions what SDG finance is and how it is important for policy coherence. I will elaborate how member states' national budgets are seen as the main vehicle to secure public investments in the SDGs

3.1 Why SDG Finance?

Financing the 2030 Agenda at the country level has emerged as a key issue since world leaders adopted the SDGs in September 2015. Already during the negotiations, countries, especially developing and least developed countries, placed great emphasis on the mobilization of new and additional resources to bridge the gaps with the trillion-dollar estimated needs to achieve the Sustainable Development Goals. There has been criticism that no adequate monitoring system for the flow of public financial resources for the implementation of the MDGs was in place (Schouten, 2015). The experience of the MDGs has also taught us that goals may interact in unintended ways (United Nations, 2015). It has also become clear that a goal-by-goal approach such as used for the MDGs is ineffective. For example, fundraising was particularly successful for global health initiatives, for other sectors such as education and food security, fewer investments were secured preventing targets to be reached (Kharas et al., 2015). Within this context, the topic of *financial policy coherence* has been receiving growing interest. Financing is seen as a mechanism to increase policy coherence between the seventeen goals (target 17.14) (Vaillé and Brimont, 2016). SDG financing aims to take into account all the objectives – social, environmental and economic – which will reduce conflicting expenditure. Scholars have also identified benefits for implementation of the Agenda 2030 through financing. First, aligning expenditure in a coherent manner alongside the SDGs will lead to more effective and efficient – non-contradictory – investments (UNDP, 2018). Second, SDG financing can lead to more transparency and accountability (United Nations, 2014). To elaborate further on this, the SDGs targets and indicators can be used to improve a budget performance evaluation system, so that it will be possible to trace the estimated impact of budget allocation (Hege et al., 2019). The study by Hege and Demailly (2018) also concluded that government's reporting on the SDGs in the budget process facilitates the accountability role of NGOs, which is key to pushing forward SDG implementation at the national level. This is also highlighted by Niestroy et al. (2019), who argued that forging links between budgets and the SDGs, can reveal the progress of a country towards the SDGs and help assess the government's performance in a more holistic way. The SDGs can add an additional, holistic layer of criteria to evaluate the sustainability of a budget and thus increasing coherence.

3.2 What is SDG Finance?

There are no globally recognized definitions of sustainable finance and SDG finance (United Nations, 2020). Without a common understanding, there is a risk that financial activities are presented as sustainable without making a meaningful contribution to the achievement of the goals (i.e., so-called green- and SDG-washing). Therefore, the following paragraphs will elaborate further on what SDG finance is, abstracted from the main advisory reports used for this study and a 'definition' is sought for the purpose of this study.

For the European High-level Group on Sustainable Finance (2018), sustainable finance is about four imperatives: the first is to improve the contribution of finance to sustainable and inclusive growth as well as the mitigation of climate change, the second is to strengthen financial stability by incorporating environmental, social and governance (ESG) factors into investment decision-making, the third is that sustainable development financing includes a long term timeframe and the fourth is that sustainable finance involves reallocating large-scale investments to close the sustainable development financing gap.

The United Nations Inter-Agency Task Force on Financing for Development (2020) defines sustainable financing as investments with the intention to generate positive, measurable social and environment impact alongside a financial return. Furthermore, financing the 2030 Agenda, the Task Force stated that it includes investments that are constructed around the SDGs and excludes activities with negative impacts for the 2030 Agenda (e.g. subsidies for arms or fossil fuels). In other words, SDG financing encompasses on the one hand investment that likely creates positive SDG outcomes and on the other hand encompasses a 'do no harm policy', by excluding activities or industries that might have a negative impact on one of the SDGs.

Following the abovementioned advisory groups;

> For the aim of this study, SDG finance is defined as a part of sustainable finance, which includes financial activities that incorporate environmental, social and governance factors, that are constructed around one or more SDGs or related targets and include a long-term timeframe.

Important to note is that 'excluding harmful SDG subsidies' is seen in this study as a policy to foster SDG finance, but I do not specifically include this in the definition of SDG finance.

The UNDP *Financing the 2030 Agenda Guidebook* (2018) provides a comprehensive overview of the sources and mechanisms that can be used for SDG financing. The UNDP identifies six financing solution streams:

- *Grants*: transfers made in cash | goods or services for which no repayment is required
- *Debt and equity*: loans provided on concessional and non-concessional terms | investments in an asset | debt-for-nature swaps
- *Fiscal mechanisms:* taxes | subsidies | fees
- *Market mechanisms:* carbon markets (such as the European Trading System)
- *Risk management:* guarantees | disaster-risk insurance
- *Regulatory policy and regulatory reform* to reduce illicit outflows of capital and/or to attract private investment

To complement this list, many countries also use other innovative ways of financing, including blended finance (i.e. public aid monies or private philanthropic funds are mixed with public or private sector loan financing) or green and blue bonds (i.e. where bonds are issued on domestic and international capital markets for the financing of environmentally-sound infrastructure).

Furthermore, public procurement frameworks have also been identified as strategic tools to reinforce sustainable development, as noted in Paragraph 30 of the Addis Agenda.

The UNDP recognized that *domestic public resources* are by far the largest and most important source of finance for development. In addition, the United Nations Inter-Agency Task Force on Financing for Development (2020) identified the national budget as the main vehicle for public SDG finance. Budget processes can create this important link between sustainable development objectives, strategies and plans with public spending. The next paragraph will further elaborate on how national budgeting can play a role for SDG implementation.

3.3. Financially mainstreaming the SDGs through budgeting

The European Commission is committed to mainstreaming the Sustainable Development Goals into EU policies and initiatives (2016). Budgeting is often used in this context: 'climate budgeting' and 'gender budgeting' have gained increased intention of EU and national policymakers. This thematic budgeting has been identified as the way to mainstream certain objectives in all policies through financing. These budget mainstreaming activities are interesting for SDG implementation, and scholars have referred to this as 'SDG budgeting' (SDG Knowledge Hub, 2019)

Mainstreaming the SDGs financially means that the they are centrally placed in countries' long-term budget strategies. Spending priorities are aligned with the SDGs, and their particular targets, so that budget allocations and expenditure programmes fully reflect the overarching Agenda 2030. According to Gupta & Van der Grijp (2010), "mainstreaming also implies that the issue being mainstreamed becomes the overriding objective" (p. 89). The High-level Multi-stakeholder Platform on the Implementation of the Sustainable Development Goals in the EU (2018) also exemplified this, by showing how specific policies should be re-orientated towards sustainability: the Common Agriculture Policy could become a policy for "Sustainable Food and Land-Use" and the European Maritime and Fisheries Fund could become a "Sustainable Ocean Fund".

There are different ways to integrate the SDGs into the national budgetary processes. The following paragraphs will expand on how mainstreaming can be achieved.

First, as already highlighted, SDG coding could be used as an extension of the existing practices of international aid, like gender budgeting, pro-poor budgeting or "climate-friendly" budgeting (Hege et al., 2019). Moreover, a few countries already have tools in place to tag how different budget appropriations contribute to certain SDGs or targets (Niestroy et al., 2019).

Second, allocation criteria can be adjusted to better reflect economic, social and environmental aspects of impact. Most countries already use budget performance indicators, and a few have already aligned these with the SDGs. This can also be done by introducing a 'sustainability check' of the budget (Niestroy et al., 2019).

Third, benchmarking or earmarking within existing funds to achieve specific sustainability objectives by setting binding expenditure targets for climate, biodiversity or social inclusion and ensuring that the money is administrated by the competent authorities.

Lastly, a budget is an ex-ante document to estimate public expenditure for the coming year. This means that the national auditing agencies also play a crucial role in evaluating how and whether the resources have been allocated as planned and it would be desirable if these audits also include how investments have contributed to goal implementation (Hege & Brimont, 2018).

In conclusion, budget processes are extremely politicized processes which sometimes do more harm than good to reach more general national objectives. Nevertheless, the UN Expert Group Meeting's report on 'Budgeting and Planning in Support of Effective Institutions for the Sustainable Development Goals' of February 2019 also noted that there is an increasing awareness of the need to include SDGs in performance budgeting in OECD member countries (United Nations, 2019). Furthermore, the report highlighted the importance of mobilizing "the interest of ministry of finance" in the SDGs, which is the main custodian of the budget process, and indicated that countries that have incorporated SDGs into their budgets tend are those that have made progress on programming and inclusion of performance indicators (SDG Knowledge Hub, 2019)

3.4 Concluding remarks

Following Hege et al. (2019), the SDGs can be used as an opportunity to discuss and identify the medium-term sustainable development challenges in a country. Once this has been done, these priorities then could guide budget choices and could be formulated as objectives, measured by indicators, including budget performance indicators. As mentioned earlier, government' procedures and tools might differ. Nevertheless, countries do have standard ways to each year create their budget and to spend resources. Including the SDGs in these 'standard' procedures is a prerequisite for SDG budgeting. Mulholland (2017) also highlighted that support for the SDGs of the executive branch by creating budgets that reflect the SDGs and their subsequent targets is necessary for implementation. When all the 2030 Agenda dimensions are considered in the budget planning, countries can fully mainstream the SDGs financially in their national budgets.

4. Methodology

In this Chapter I will present the overall study approach, followed by a description of the methods. In doing so, I will introduce the analytical framework and I will explain the need for a new assessment scale. Furthermore, I will outline the data sources used for this study.

4.1 Study design

The core objectives of this study are to present a detailed overview of how the EU and its member states have integrated the 2030 Agenda in their financial frameworks, through national and EU budgeting. Furthermore, this study aims to identify blueprints for integrating the SDGs in these budgeting processes and to describe and to refine theoretical expectations about SDG budgeting.

A qualitative research design was chosen in order to gain a better understanding how budgeting processes work in general and how the SDGs can be implemented in these processes. Especially because it is still unclear what and how member states have reported on SDG financing, qualitative research offers the required focus on nuanced descriptions that capture the qualitative diversity of the matter (Brinkmann & Kvale, 2015). Moreover, qualitative research is useful to retrieve information about situations in which multiple people engage and is useful to describe experiences through (semi-) open structures interviews and existing documents (Baarda, 2009). This study does not aim at quantification or aim at identifying how much public money is allocated per SDG through economic matrixes or models. Instead, document analysis was carried oud and interviews were held to identify and clarify policy choices and motivations of EU member states that underlie certain policy-outcomes.

4.2 Approach

A handful of researchers have conducted research into SDG implementation in the EU. One of the most comprehensive studies is provided by Niestroy et al. (2019), who operationalized the degree of institutionalisation of the SDGs in EU member states based on seven elements of governance:
1) commitment and strategy; and
2) leadership & horizontal coordination; and
3) stakeholder participation; and
4) monitoring and review; and
5) knowledge & tools; and
6) institutions for the long-term; and
7) activities of parliaments for Agenda 2030.

Using a scale from 0 to 4, Niestroy et al. (2019) provided scores to the countries for the level of institutionalization of these 7 elements. They also examined whether national SDG strategies are linked to national budgets. The study concluded that only Finland and Denmark appeared to have integrated the SDGs in their budget and that half of the other EU countries are in the process of doing this. [27] The report does not provide an evaluation of how far member states are in the process of aligning the SDGs with their respective budgets.

However, the European Sustainable Development Network (ESDN) published a new more elaborative quarterly report on Budget Provisions in April 2019 and organised a peer learning platform on budgeting for the SDGs (Mulholland & Berger, 2019; Mulholland, 2019). However, the ESDN report includes only twelve EU member states.

In comparison, the present study provides a comprehensive overview of all EU member states and illustratively presents the efforts made so far by member states to financially mainstream the SDGs in their national budgets. Furthermore, it analyses in some detail a wider variety of financial mechanisms that countries have adopted to integrate the SDGs. This study underlines that there are different ways to integrate the SDGs into national budgetary processes. These processes are complicated and time-consuming. Understanding these processes and simplifying them by categorizing them via an assessment scale can promote exchanges between policymakers and experts from different countries and provide input to the international debate on SDG financing.

Importantly, I use the concept of mainstreaming rather than institutionalizing as Niestroy et al. (2019) use. The difference between institutionalizing and mainstreaming, is that institutionalizing is about embedding a concept within an organization, whereas mainstreaming not only says something about the institution but also about the policies that the institution carries out. The European Commission also explicitly refers to mainstreaming in its communications and not to institutionalization of the SDGs, as the concept of sustainability is already institutionalized in the organization since 2000 through its Sustainable Development principle in the Treaties, as well as through special committees in the Commission, Council and Parliament. Therefore, this study focuses rather on the policy side and not on the institutional side of SDG implementation. This is also highlighted below in the data collection section. Mainstreaming the SDGs, meaning that the SDGs are reflected in all national governments' policies and EU's Directorate Generals Strategy Plans, is still a priority in development.

For the **national level,** a first round of desk research on all 27 EU member states took stock of the governance arrangements that have been put in place. Furthermore, the specific country reports were scanned on buzz words such as 'finance', 'financing', 'fund(s)', 'investment(s)' to see where and to what extent a country has reported on SDG financing. [28] A qualitative content analysis was used to structure the findings, which means that I extracted categories from these country reports and described the meaning of these categories in a way that is suitable to the research question. This resulted in 27 country fiches in Annex 1. The country fiches present a detailed overview of

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[27] Two times a list of countries – countries that have or aiming to tie their NSDS with their national budget- are presented in Niestroy et al. (2019: 21 and 51). However, the lists are not completely similar: page 21 includes 12 countries and page 51 10 countries, which together are 14 different countries in total, namely: Croatia, Denmark, Estonia, Finland, France, Greece, Ireland, Italy, Latvia, Malta, Slovakia, Slovenia, Spain, Sweden. This discrepancy is probably created due to the fact that the first list on page 21 is probably established based on Niestroy et al.,'s own analysis and the second list on page 51 is based on the findings from Hege and Brimont (2018). Both studies base their findings on the ESDN quarterly reports of 2017 and the Voluntary National Review reports from 2016, 2017 and 2018.

[28] These country reports vary greatly in terms of size and content.

all governmental arrangements and SDG financing strategies, plans and mechanisms in place in the EU.

A few countries which reported extensively on SDG financing have been identified as 'frontrunners', and they have been contacted for an interview. Several countries responded positively to answer some questions, and the interviewees of these countries are cited throughout Paragraph 5.4 of this study.

For the **EU level**, a different approach was followed. A chronological overview of the development and actions by the European Commission is presented. I have mainly focused on the European Commission as the initiator of new laws and policies. For a more elaborate overview of the measures taken by the other EU institutions, I refer to Niestroy et al., (2019) study. This study also specifically focused on the Commission's investment programmes. Regulatory initiatives and proposals have not been exhaustively addressed in this study. The portrayal is mainly based on desktop research (document analysis) and a few interviews with policymakers working for the Commission.

This two-level approach offers both an illustration of the country level SDG governance of all EU 27 member states, as well as an overarching perspective through comparison on member states level and separately the EU level.

4.3 Analytical framework

The silver bullet on how to finance the Agenda 2030 does not exists. Nonetheless, Hege & Brimont (2018) have identified some success factors that are seen as important conditions to catalyse public investment for the SDGs via budget alignment. [29] Their research was focused on the countries that submitted a Voluntary National Review report in the years 2016 – 2017 (64 countries in total). In this study, only a small number of EU countries were included. [30] Therefore, this study's aim is to assess whether their success factors also apply to the EU context. The three success factors that Hege and Brimont (2018) identified are: i. the translation of the SDGs into the national framework via a national long-term strategy or plan; ii. the involvement of Parliament to monitor Sustainable Development Goals' financial implementation and; iii. support from the Ministry of Finance to institutionalize the SDGs in the financial infrastructure of a country. These conditions are further discussed below. In Chapter 5 I will discuss if and how these conditions are met in each of the individual EU member states.

1. **Translation of the SDGs into the national framework via a national long-term strategy or plan**

The need to translate the SDGs in the national context is also stipulated in the 2030 Agenda in Paragraph 55: "each government will also decide how these aspirational and global targets should be incorporated into national planning processes, policies and strategies" and in Paragraph 78: "encourages member states to develop as soon as [possible] practicable ambitious national responses to the overall implementation of this Agenda (…) and build on existing planning

[29] These conditions have been further elaborated on in Hege et al. (2019) as well as by Niestroy et al., (2019)
[30] These are: Finland, Italy and Denmark. In Hege et al. (2019) France and Slovenia were also interviewed.

instruments, such as national development and sustainable development strategies" as well as in the Voluntary National Review Reporting Guidelines. [31] Moreover, Paragraph 21 of the Agenda 2030 also foresees a role for the regional level to facilitate effective translation of sustainable development policies into action at the national level. It is clear that the SDGs require some translation to adapt to the national context before becoming sufficiently operational. It is easier to link the SDGs to particular financing strategies, mechanisms or instruments if there is a national implementation plan or strategy that formulates national priorities.

UNDP's Development Finance Assessment Tool (UNDP, 2018) also urge countries to implement an overall financing strategy that links national development results with sources of finance, with attention to long, medium and annual results. Also, Voituriez et al., (2019) highlighted the need for national investment plans from a private sector perspective, as it would reduce risk for private investors and bringing more fairness into the allocation of blended public and private flows.[32]

However, Nordbeck & Steurer (2016) have argued that national sustainable development strategies not necessarily lead to the implementation of planned activities and the authors question their steering capacity. More explicit [sectoral?] policies would easier foster action and more accurately could display priorities.

2. **Involvement of Parliament to monitor Sustainable Development Goals' financial implementation**

Parliamentary involvement has also been highlighted by the Agenda 2030 in Paragraph 45: "we acknowledge also the essential role of national parliaments through their enactment of legislation and adoption of budget and their role in ensuring accountability for the effective implementation of our commitment". Annual Parliamentary voting on budgets is also a structural point of representative democracy, as it symbolizes citizen consent to taxation and the decisions taken regarding resource allocation and investment plans (Hege and Brimont, 2018). Typically, a Budget Committee in the Parliament can fulfil a monitoring and oversight function for integrating sustainability considerations into the budget. According to the Interparliamentary Union (2016), "*parliaments must engage on how government funds are being allocated to their nationally defined SDGs, including whether sufficient funds are reaching the most vulnerable and excluded. On the revenue side, parliaments must ensure that fiscal and other economic policies set through the budget process are aligned to the national SDG plan. Parliamentary oversight of budget expenditure is also crucial. It is the moment when parliaments can analyse the effectiveness of government expenditure on SDG achievement "*(IPU, 2016: 11). The role and scope of parliaments budgetary mandates vary between countries. Furthermore, some countries also have established or mandated special parliamentary committees to monitor the implementation of the SDGs in their respective country. These committees can function as a watchdog for governmental action on SDG implementation.

[31] See Paragraph 2.3 of this study.
[32] According to the authors, these investment plans are already used for climate governance and should be widened for the whole 2030 Agenda scope.

3. **Support from the Ministry of Finance to institutionalize the SDGs in the financial infrastructure of a country.**

In general, Niestroy et al., (2019) have argued how the comprehensive and all-encompassing nature of the SDGs requires leadership and coordination across the government. A leading role for the Ministry of Finance is seen as crucial by Hege and Brimont (2018) to secure financial commitment from the government for the SDGs. Often, the Ministry of Finance coordinates the budgeting planning and formulation process. In addition, it has a leading role in the negotiating phase between the executive branches as well afterwards when the budget is sent for approval to the Parliament. Nevertheless, budget processes vary widely across countries, and some countries are more or less 'decentralized driven', meaning that the Ministry of Finance does not play a major role in drafting the content of ministries' and administrative branches' annual budget proposals. However, despite ministries own mandates, the Ministry of Finance still has the lead in drafting the General Outlook Section of the budget and is responsible for creating budget-evaluation tools, which both can be directed to support the SDGs.

4.4 Data collection

First phase: desk research

Using desk research, I started by analysing actions undertaken at the EU level and by the 27 member states. The starting point was the elaborative study requested by the European Parliament (Niestroy et al, 2019), two Eurostat reports[33], the European Sustainable Development Network (ESDN) Country Profiles and related reports[34], the OECD Country Profiles[35], and the SDG Voluntary National Review reports of the member states[36]. The outcome of this research consisted of a description of the degree of financial integration of the SDGs for each member state. Furthermore, I wrote a small summary on each member states and I have summarized the main findings in this report. These country fiches present an overview of the financial mechanisms in each member state contributing to the implementation of Agenda 2030. Moreover, they provide the basis for both individual analysis and assessment as well as an overarching understanding of the mainstreaming progress of the EU as a whole. Thanks to the interviews conducted with some country experts, a more detailed description of the processes countries went through in aligning the SDGs to their national budget strategies was made possible.

For the EU level, this desktop research resulted in a short, chronological overview of the developments and actions of the European Commission since the adoption of the Agenda 2030 in 2015. Because no concrete SDGs financial arrangements are in place at the EU level yet, I analysed the proposals tabled by the European Commission related to SDG investments, notably for the Multiannual Financial Framework 2020-2027, the European Green Deal and the attached Sustainable Europe Investment Plan, as well as the new Next European Recovery Plan. Also,

[33] Eurostat (2016). Sustainable development in the European Union - A statistical glance from the viewpoint of the UN Sustainable Development Goals. Eurostat (2018). Sustainable development in the European Union – Monitoring report on progress towards the SDGs in an EU context.

[34] See ESDN Quarterly reports here: https://www.sd-network.eu/?k=quarterly%20reports
And the Country Profiles here: https://www.sd-network.eu/?k=country%20profiles

[35] See OECD Country Profiles: Institutional mechanisms for policy coherence for sustainable development (PCSD) here: http://www.oecd.org/governance/pcsd/pcsd-country-profiles.htm

[36] See Voluntary National Review reports here: https://sustainabledevelopment.un.org/memberstates

secondary expert reports from EU's High- Level Group on Own Resources (2017) High-Level Expert Group on Sustainable Finance (2018) and the Multi-Stakeholder Platform of the Sustainable Development Goals (2018) have been thoroughly studied and their main outcomes can be find in Paragraph 6.3 of this study.

Second phase: interviews
The desk research has been accompanied by several semi-structured interviews, which were conducted mainly for verification purposes but also to obtain new information and insights. Semi-structured interviews ensure that preselected certain topics and themes are addressed, whilst providing the flexibility for the interviewee to share his or her experiences and perceptions through interaction (Edwards and Holland, 2013). The interviews were conducted via Skype and Zoom with government officials involved in the SDG implementation process at national levels.[37] I reached out to the countries that have extensively reported on SDG financing. The countries that responded positively for an interview were Ireland, Latvia, Netherlands, Spain and Denmark. The questions were focused on national sustainable development strategies and plans and in particular how these strategies and plans are linked to public financing. Furthermore, other themes that were discussed are the involvement of the Ministry of Finance, the existence of mechanisms for budget processes such as budget checks and budget performance indicators as well as ministerial responsibilities in relation to SDG financing (i.e. decentralized budget powers to provide for the allocation of resources linked to SDG implementation). Furthermore, a few EU experts agreed for an interview. These were also semi-structured interviews conducted via Zoom or phone call as well as written answers were sent per email. In the first place, I reached out to an EU Directorate General BUDGET official responsible for SDG implementation in the Commission's annual budgets as well as the Multiannual Financial Framework. This interviewee has brought me in contact with EU experts in the area of the European Semester as well the European Sustainable Investment Plan. In total, four interviews were conducted with EU officials.

This interview data has been anonymised and interview abstracts are available on request.

By relying on document analysis, interviews and previously gathered findings, the triangulation of methods is ensured. Nevertheless, the findings of this study are mainly based on document analysis. Sometimes, these documents, although less than three years old, can be perceived as outdated. This study therefore recognizes the evolving character of SDG finance, which means that I will emphasis throughout this study that the conclusions I made are based on the reports countries themselves have submitted in the last few years.

4.5 Assessment scale

The Voluntary National Review Reporting Guidelines encourage countries to report on their financial activities in relation to SDG implementation: Has the country adopted a financing strategy/ integrated national financing framework, where applicable? What policies and reforms are in place to finance this strategy?[38] These generic questions provide much flexibility for countries how to report on SDG finance. In order to categorize all the data extracted from the

[37] Annex 2 provides the list of topics addressed in the interviews.
[38] See Paragraph 2.3 for an overview of the guidelines.

member states' VNRs, I developed an assessment scale. The assessment scale is based on the assumption that a higher degree of integration of governmental financial commitments in a country's financial infrastructure is positive for the implementation of the SDGs. This assessment scale provides an indication only for where a country stands with respect to SDG financing. The elements in the analytical framework are linked with the assessment scale. While this results in a useful overview, it is obvious that some generalisation and simplification were needed. The findings of the assessment scale do not say anything about how far a country is in achieving the SDGs. Instead, it shows to what extent countries have linked the SDGs with financing mechanisms. Therefore, it reflects the degree of political commitment of a country to secure investments for the 2030 Agenda.

The assessment scale contains four levels; each level represents a stronger level of financing commitment to the SDGs throughout the executive branch. Below I will further elaborate on the **four levels**.

Level 1

Often seen as the first step, is to assess how current public financing mechanisms contribute to SDG financing. In practice, countries tag current, ongoing investment programs with the SDGs. These financial activities were often already started before the adoption of the 2030 Agenda (pre-SDG activities). Although SDG tagging helps to identify which existing financial policies already contribute to SDG delivery, and which current programs can be extended or broadened to include all dimensions, this exercise does not per se accelerate SDG delivery. It presents the status quo of financing for sustainable development in a country.

Level 2

A logical next step is to plan how current or new financial activities can help achieving the global goals. A country has made the commitment to further include the SDGs in its financial activities. Often, member states do have some sectoral long-term strategies in place and are committed to allocate sufficient resources to achieve long-term sustainable objectives. These strategies are focused on one specific dimension of the 2030 Agenda (people, prosperity, planet, peace or partnerships). Paragraph 3.3 also explained how gender or climate budgeting is receiving much attention by national governments. This shows a clear first step to mainstreaming policy-aims such as climate or gender in the national budget.

Level 3

Compared to level 2, in level 3 the SDGs are one the agenda of all administrative branches and/or ministries. Often ministries have been assigned responsible for a certain SDGs, depending on their political mandates. These ministries ensure that their policies support the SDGs, in the budget planning or through other mechanisms, so that public money is secured for specific sustainable development objectives. How this political commitment by all ministries is institutionalized, depends on the democratic and political system of a country. This study does not evaluate how this can be done best. A country would have reported that government wide financial strategies, plans and mechanisms have been put in place to secure commitment for all national sustainable development objectives.

Level 4
In level 4 the SDGs are institutionalized in the national budget processes, with the result that all dimensions are mainstreamed financially in all government policies. This still sounds somewhat vague. The theory section of this study also has shown how mainstreaming is a new popular word used by scholars and policy makers. It has an ideological notion, meaning that the issue being mainstreamed becomes the overriding objective. The SDGs become the main objective and budget priorities are aligned with the SDG targets. In this regard, checks or mechanisms exist to ensure that all SDGs are taken into account, in a balanced manner. Although responsibilities to deliver on particular SDGs might be divided between the ministries, the government also recognizes the cross-cutting dimensions of SDG targets and ensures that financial programs are taken all dimensions into account.

To capture the various levels as described above, I created an assessment scale shown in Table 1. Using this scale, I have categorized the countries, based on their own reporting about SDG financing.

Table 1: Assessment scale – categorization of member states' efforts to imbed the SDGs in their financial infrastructure

Rate	Description
0	**No/little information available on sustainable development financing** No or very little information is available on how (and how much) the national government will invest or will allocate budget for sustainable development financing.
1	**Financing mechanisms for sustainable development in place, but no concrete commitment for SDG financing for the long-term** Country has integrated mechanisms to finance sustainable development (pre-SDGs). Sometimes or multiple times the country has reported on financing mechanisms established after the adoption of the 2015 Agenda. However, a concrete commitment to SDG financing for the long-term is missing.
2	**Some sectoral and/or ministerial financial integration of the SDGs are in place + a commitment/ activities to strengthening this** Country has put mechanisms in place to finance particular SDGs, often as part of sectoral strategies and has committed itself to further integrate this in the national budget planning
3	**Financial integration of the SDGs by all ministries/administrative branches** All sectoral, administrative branches/ministries have implemented the SDGs in their existing policies and tied with budgeting plans/proposals. Within the budget planning, separate money is earmarked to reach the SDGs (or at least the prioritized SDGs). Sometimes an evaluation tool to measure impact of SDG financing is included.
4	**All SDGs are financially mainstreamed into the national budget** All dimensions of the Agenda 2030 (economic, environmental and social) are considered in the national budget. Evaluation tool is in place that include SDG indicators transformed to the national context (budget checklist). In general, the SDGs are used in the justifications for the main expenditure titles and/or general strategy and outlook of the budget proposal includes a chapter on the SDGs, with the possibility of prioritizing certain SDGs.

4.6 Limitations

This study is mainly based on the EU member States' Voluntary National Review (VNR) reports. These reports should be perceived in their context and usage: they are based on an open format with minimal guidelines, which makes it somewhat difficult to draw meaningful comparisons between countries. Additionally, because the Sustainable Development Goals concern all policy areas, it may be the case that certain financial mechanism for particular SDGs have not been included in the VNRs. This is partly captured by the use of secondary reports from the ESDN Country Profiles, the OECD Country Profiles and the interviews. But due to the limits of this study, I only conducted interviews with experts from countries that already have reported something on SDG public investment policies. This interview process allowed for some considerations of contextual information, such as how public administration and governance are organised, and how reforms are decided and implemented. As a result, this might has artificially increased the gap between countries that are categorized in phase 2 and countries that are categorized in phase 3 or 4. Therefore, it is even more important that the UN HLPF on Sustainable Development, which is in charge of the reporting process within the UN framework includes more indicators for financial implementation of the SDGs in their methodology and guidelines. That would allow for more detailed analysis of financial strategies for SDG implementation in EU countries and elsewhere.

5. Analysis: SDG financing in EU Member States

In this Chapter I will present an overview of what the 27 EU member states have reported on their SDG finance strategies, plans, mechanisms and activities. Furthermore, I will apply the analytical framework in this analysis, and I will use the assessment scale for identifying how far each EU member state is in the process of integrating the SDGs financially.

5.1 Introduction

The responsibility of implementing the global goals lies within the member states. The Agenda 2030 tasks member states to translate these goals into their national contexts. In relation to finance, in Chapter 2 of this study I elaborated on how the question of finance is imbedded in the 2030 Agenda, as well as in the UN voluntary reporting guidelines. For this study, a big part of the research went into examining all financial activities member states have reported about. Because it will take up too much space to include all these findings here, I created 27 countries fiches, which can be found in Annex 1. These fiches provide a detailed description of how each country has institutionalized the SDGs in general and what it has reported on finance.

Nonetheless, a comprehensive comparative overview of the main findings is presented in this Chapter. In addition, a detailed description will be provided of the similarities found while comparing the 27 member states. Lastly, for this analysis, I devoted special attention to the three success factors identified by Hege and Brimont (2018) and examined whether these are applicable in each respective country.

5.2 Overview of the general findings

In the last five years, 26 countries have submitted a Voluntary National Review report, only Austria submitted its VNR after the conclusion of this analysis.[39] Table 2 shows the countries according to how far they are in terms of integrating the SDGs in their domestic financial infrastructure. We see that there are differences regarding how and to what extent countries have reported on SDG finance towards the international community.

[39] Austria and Bulgaria are inscribed on the list of countries participating in the HLPF session in July 2020 to present their VNRs. By the time this study was conducted, Austria had submitted its so called 'Main Messages' about its VNR on May 5th, 2020, but not its full report. Bulgaria on the other hand already submitted its VNR in the last week of June, so its report is included in this study.

Table 2. Overview of member states' commitment to SDG finance.

		0 No/little information available on sustainable development financing	1 Financing mechanisms for sustainable development in place, but no concrete commitment for SDG financing for the long-term	2 Some sectoral and/or ministerial financial integration of the SDGs are in place + a commitment/activities to strengthening this	3 Financial integration of the SDGs by all ministries/administrative branches	4 All SDGs are financially mainstreamed into the national budget
AT	**Austria**	Austria has not yet submitted a VNR and its ESDN Profile is not updated. Nevertheless, Mulholland and Berger 2019 reported that Austria is considering integrating an SDG-perspective into the Austrian system of performance-informed budgeting.				
BE	**Belgium**	Belgium has reported on many sectoral strategies, and sometimes for these strategies public funding is made available. The Walloon and Flemish regions adopted policies to ensure 100% sustainable public procurement by 2020 and a 'SDG test' in the policies governing subsidies to cities and municipalities.				
BG	**Bulgaria**	Bulgaria intends to link the planned interventions for SDG implementation with the financial (including budgetary) resources necessary for their implementation. Bulgaria has reported on the connection between domestic financial aid plans for the COVID-19 pandemic with the SDGs.				
HR	**Croatia**	Croatia has also committed itself so link its NDS 2030 to the national budget. Although this document has not been adopted. Croatia has extensively reported on its financial contributions per SDG in its 2019 Voluntary National Report.				
CY	**Cyprus**	Cyprus reported that it made progress in restructuring its tax services and that it allocates budget towards social care through NGO's and Local Authorities and for youth unemployment. No clear commitment is stated for long-term SDG financing.				
CZ	**Czechia**	Czech Republic takes the SDGs into account during budgeting. Financing of national priorities is embedded in the Strategic Framework Czech Republic 2030, and each ministry is responsible for its relevant targets to allocate own budget to it. An analytical system exists that identifies of cross-cutting expenditure for environmental related SDGs.				
DK	**Denmark**	Since 2016, the SDGs have been integrated into the national bill pertaining to the budget for development cooperation indicating which SDGs are addressed by each budget allocation. Every ministry and government agency are responsible for the allocation of sufficient resources. In case additional funds are requested, the government will assess such requests on its merits and according to regular procedure. An agreement with the municipalities and regions exists to cooperate for SDG delivery through the 2018 budget.				
EE	**Estonia**	Estonia has reported how it will improve its budget to increase expenditures in the social and health sector and extensively refers to all kind of thematic national funds in its 2020 VNR. Its State Budget Strategy 2017 – 2020 includes indicators based on the 17 SDGs, but it is unclear if this is followed-up for all the SDGs.			.	
FI	**Finland**	Finland includes the SDGs in its yearly national budget planning since 2017. In 2019, sustainable development budgeting was extended beyond the sectoral perspective to also include a completely new chapter entitled 'sustainable development' in the General Strategy and Outlook section. Ministries are requested to include information essential to the promotion and monitoring of sustainable development in their yearly budget planning, as well as in their follow-up indicators.				
FR	**France**	France reported in its SDG Roadmap 2019, that it will take sustainable development into account when establishing the state budget, notably through green budget and gender budget. It is committed to ensure the integration of the SDGs in the budget process and in evaluation mechanisms for the parliament.				
DE	**Germany**	In Germany, a sustainability check is used as an ex-post instrument in Germany's biannual subsidies report for the federal level. Sustainable budgeting is gaining more political momentum. The budget of the Ministry for Economic Cooperation and Development is already closely aligned to the 2030 Agenda.				
EL	**Greece**	Greece recognizes a wide range of financial instruments to achieve the SDGs. Greece stands out for its whole-government approach and its commitment to secure financial means for SDG implementation. Greece is still in the process of developing its own more concrete programs and tools for planning and monitoring for budgeting the SDGs.				

HU	**Hungary**	In Hungary, the SDGs are not specified in the overall Hungarian budget, but several ministries and institutions are spending under different titles from various sources, and those are in line with SDGs.		
IE	**Ireland**	Ireland launched a new strategy "Project Ireland 2040", and a new funding model for Exchequer funded public investment is being put in place, as well as a four new funds, to ensure that resources are allocated to projects and programmes that support the achievement of the 10 objectives which relate to several SDGs.		
IT	**Italy**	Italy included twelve new Indicators for Equitable and Sustainable Welfare, tailored to the SDGS, in its budget document. The Economic Ministry seeks synergies between the NSDS implementation and the formal economic policies and coordinates models required to define such objectives.		
LV	**Latvia**	Latvia links sustainable development targets to its national budget process. After consensus is reached on National Development Plan (NDP) goals, ministries submit proposals for funding of policy that will evolve from the NDP, and the Ministry of Finance then coordinates negotiations for these plans between all ministries.		
LT	**Lithuania**	Lithuania has reported on sectoral specific projects taking into account funding mechanisms. This was rather a stock-taking exercise (pre-SDG defined projects), than that it has elaborate on long-term investments.		
LU	**Luxembourg**	Luxembourg has multiple public-private partnerships in place for climate financing and is in the process of establishing a Sustainable Development Finance Platform. No information is available about Luxembourg's commitment all the SDG's with its national budget system.		
MT	**Malta**	Malta's Prime Minister announced a governmental commitment to align its budget measures with the SDGs as of Budget 2020. Ministries already have to take into account the SDGs in the planning phases of a policy, and it is in the process to link this with budget allocations.		
NL	**Netherlands**	The Netherlands has many environment and economic sectoral plan, aligned with several SDGs that include financial commitments, strategies and mechanisms. It also has established a fund to accelerate SDG delivery back home. Unclear how long-term financial commitment is guaranteed.		
PL	**Poland**	Poland has a history of aligning development policy goals with its national budget, with its Strategy for Responsible Development (until 2020). The Minister of Investment and Economic Development reports annually on SDG implementation progress and evaluates if ad hoc political decisions are in line with long-term sustainability goals. A follow-up strategic document for SDG delivery is missing.		
PT	**Portugal**	Portugal has enlisted multiple sectoral financing activities for SDG delivery in its VNR but has not a long-term vision or mechanisms in place to secure financial sources for SDG implementation, nor has it made a commitment to establish these. Since 2016, Portugal does include gender budgeting.		
RO	**Romania**	Romania has multiple long-term sectoral strategies in place that include financing activities. Bulgaria's national budget is subject to a Regulatory Impact Assessment, which covers economic, social and environmental issues. Romania is receiving technical assistance from the OECD to integrate the SDGs into the budgetary processes.		
SK	**Slovakia**	Slovakia reported in its VNR that it will establish a National Investment Plan, which will be directly linked to the six priority areas for the implementation of the 2030 Agenda. Slovakia is receiving support from the OECD for strategic governance, investment planning, programme budgeting.		
SL	**Slovenia**	Slovenia renewed a public financing act to ensure sustainable development planning is integrated into the budgeting cycle. Slovenian Government adopted 30 Key Performance Indicators (KPIs) to evaluate national development including budget performance.		
ES	**Spain**	Spain reported in its VNR that it by 2020 will establish a relationship between the SDGs and the spending and programming policies carried out, making it possible to analyse budget allocations with SDGs. A methodology will be developed to align the General State Budget with the SDGs.		
SE	**Sweden**	Sweden is the only country which has submitted an additional report on the implementation of the Addis Ababa Action Agenda and recognizes the need for restructuring domestic financial frameworks to meet the goals at home. All ministries in Sweden are encouraged to show the link between their area and the SDGs in budget documents in a descriptive way.		

Only **Austria** scored a **0,** as it has not submitted a VNR before this research had been completed, and also the ESDN and OECD databases did not include information on Austria's plans to ensure financial commitment for SDG implementation.

Countries who scored a **1** - *a country has reported on various financing mechanisms for sustainable development but no concrete commitment for SDG financing for the long-term has been stated* – are **Cyprus** and **Portugal**, whereas **Belgium**, **France**, **Hungary** and **Luxembourg** also scored a 1, but for the latter four countries there have been indications that they are slowly moving towards a 2, and France even to a 3.

Countries who scored a **2** – *a country has reported on sectoral and/or ministerial financial policies for SDG implementation and it is in the process to strengthening its policies in this regard*- are **Bulgaria**, **Croatia**, **Estonia**, **Germany**, **Greece**, **Italy**, **Lithuania**, **the Netherlands** and **Slovenia**, whereas also **Malta**, **Romania**, **Slovakia** and **Spain** scored a 2, but for the latter four countries there have been indications that they are slowly moving towards a 3, and Spain even to a 4.

Countries who scored a **3** - *financial integration of the SDGs in all ministries and administrative branches*- are **Czech Republic**, **Ireland**, **Latvia** and **Sweden**.

Countries who scored a **4** - *all SDGs are financially mainstreamed into the national budget*- are **Denmark** and **Finland.**

Absence of general financing strategy
Most countries have not included this 'holistic approach for SDG financing' in their reporting exercise. Rather, countries reported only per SDG how one fund (sometimes multiple public finance mechanisms) is contributing to SDG implementation. Furthermore, often these public financing schemes do not include a long-term timeframe. This is the case for thirteen countries, namely Belgium, Bulgaria, Croatia, Cyprus, France, Estonia, Germany, Greece, Hungary, Lithuania, Luxembourg, the Netherlands and Portugal.

Already highlighted in the introduction as well as in the theory section, the SDGs and their related targets are so interlinked that they require to be tackled together, instead of independently. Financing is identified as a gateway to increase policy coherence, but in practice, 'siloization' has not been counteracted in practice yet with the use of finance instruments. Nevertheless, Finland has embraced more or less the interconnectedness of the SDGs in its National Sustainable Development Plan by clearly linking the social, environmental and economic SDGs with its national, long-term strategic policy objectives. Also, Latvia has pre-earmarked a part of its budget for sustainable development financing, including 18 directions inspired by the SDGs, which steers the annual budget planning processes for each ministry in favour of SDG implementation.

Backward looking rather than forward looking: budget checks
A few countries incorporate the SDGs in their financial programs through standardized assessment tools. Often, these countries report on all kinds of indicators they established in line with the SDGs to review budget proposals or for public policy evaluation by the national audit agency. In Slovakia, the National Audit Court was the main initiator to link the SDGs more closely to Slovakia's national budget. The Audit Court presented a report in 2018, in which it recommended

to install closer communication with the Ministry of Finance "to identify national sources of financial allocation for national targets of Agenda 2030". [40]

The countries that reported on national budget tools are Finland, Italy, Latvia, Slovenia and Germany (only regarding granting regional subsidies). Some countries also indicated that they are in the process of developing sustainability checking tools, including France, and also Slovakia and Romania with assistance from the OECD. The Czech Republic also has an analytical tool in place for the national budget to identify and tracing cross-cutting expenditure for environmental-related SDGs. From the interview with Ireland it also became apparent how the Irish government included a similar analytical tool to trace climate expenditure by all ministries. Furthermore, Ireland also has a tool in place to tag how different budget appropriations contribute to certain SDGs or targets for its developing aid.

These budget tools increase transparency and accountability of governmental spending for sustainable development. While this is a very promising development, these budget checking tools also need to be placed in perspective. The added value of a budget checking tool is when it is used to redirect policy choices. Putting in place a tracing tool does not automatically lead to 'more of better' budget allocations for accelerating SDG implementation.

Niestroy et al., (2019) also explained how Germany has a robust monitoring and review framework in place for SDG implementation, but that German's strategy is not linked to the national budget and its impact on steering concrete sectoral policy choices towards sustainable development remains therefore limited. In this study, I argue that the same holds for Poland and the Netherlands. In both countries the statistical bureau plays a major role in tracking progress of the implementation of SDGs, but the findings of these institutions do not lead to immediate political action, let alone budget adjustments for SDG delivery.

Still, all interviewees expressed that their respective country is searching for new tools, instruments and innovations that can lead to better expenditure which is more focussed on the SDGs.

Central versus decentral policymaking to ensure SDG investment

A few countries have - besides quantitative tools - also included SDG financing in a more descriptive way. We see that countries have different approaches to ensure that sufficient resources are allocated to achieve the SDGs. For example, in the Czech Republic every ministry is mandated to integrate certain SDGs in its respective policies and the ministries submit budget proposals for these particular SDGs, which are then reviewed in a later stage during the budget negotiation phase. Denmark, Finland, Malta and Spain also reported how each individual ministry is expected to provide relevant appropriations of the budget to reach its policy objectives.

In Latvia, the budget planning process slightly differs, as the government as a whole is responsible for the sustainable development objectives. A part of the budget is already pre-earmarked for certain policy objectives. Ministries submit their annual budget proposals and the Ministry of

[40] Slovakia's ESDN Country Profile available at https://www.sd-network.eu/?k=country%20profiles&s=single%20country%20profile&country=Slovakia

Finance together with the Coordination Centre then review all proposals and check whether and how these proposals contribute to achieving national development objectives.

A few federalized states have also reported on SDG financing at the regional level. For example, Belgium reported on all kinds of public finance scales adopted by the Walloon and the Flemish governments. The same holds for Germany, that did not report extensively on SDG financing by the Bundesländer but reported how sustainability checks are introduced for federal subsidies. Finland, although not an official federal state, also reported how it has reached an agreement with its municipalities to include the national sustainable development objective in the 2018 local budgets.

Mainstreaming of certain themes in the budget

As stated in Paragraph 2.3 of this study, the UN reporting guidelines explicitly mention in section 7 - means of implementation – that experiences with gender responsive budgeting, where applicable, should be reflected. This relates to SDG indicator 5.c.1 in which governments committed themselves to put in place gender-focused policies, gender-responsive public finance management systems and budget transparency. Besides this specific indicator, the member states are encouraged to indicate how financial systems, statistical data and resource allocations are being aligned to support the realization of the 2030 Agenda.

Only six countries, namely Finland, France, Hungary, Ireland, Italy and Portugal reported on gender budgeting. Interestingly, nine countries explicitly reported on climate budgeting, namely Bulgaria, Czech Republic, Finland, Estonia, Ireland, Lithuania, Luxembourg, Netherlands and Sweden whereby some of these countries also included a specific percentage of the budget to be allocated to climate-related objectives.

Nevertheless, there are other specific targets in the Agenda 2030 for which member states have committed themselves to mobilize financial resources. For example, target 15.a states: "mobilize and significantly increase financial resources from all sources to conserve and sustainable use biodiversity and ecosystems" and target 15. States: "mobilize significant resources from all sources and at all levels to finance sustainable forest management". Member states have not addressed these specific targets in their reports.

To conclude, climate and gender policies already receive political support to mainstream in national budgets and there is room for improvement to increase budget transparency for other SDG related themes.

EU as accelerator for SDG finance

Most countries are referring in their VNRs to all kinds of strategic policy documents of the EU, and how they have aligned their own SDG targets with the overall EU objectives. Mostly referred to is the Europe 2020 Strategy, which includes key targets to be reached in 2020 in five areas: employment; research and development; climate change and energy; education; and poverty and social exclusion. [41]

[41] Niestroy et al., (2019) also concluded how most countries have aligned their current national sustainable development strategies with the 2020 EU strategy.

Interestingly, seven countries, namely Bulgaria, Estonia, Greece, Italy, Latvia, Portugal and Romania also reported on how the EU has many important economic instruments in place that can foster SDG implementation in their respective countries, and in the EU as a whole. Most of the countries referred to the Five Structural and Investment Funds[42], and Estonia also referred to the European Semester in that regard. Moreover, Latvia and Greece recognised the EU Multiannual Financial Framework and the EUs investment funds as mean denominators for SDG achievement in its VNR. Also, Bulgaria referred to the delayed negotiations of the new EU Multiannual Financial Framework (2021 – 2027) and marked this as a potential issue, "because it will take some time between the absorption of funds under the old programming period (2014 – 2020) and the start of the absorption for the new period."

To conclude, member states recognize broader EU frameworks as part of their own sustainable development frameworks and therewith emphasise the multi-level governance issue of SDG implementation and more particular of SDG financing.

5.3. Overview of success factors

Assessing public financial commitments to the SDGs is difficult. Nevertheless, I can build upon several assessment criteria that have been presented in previous studies. Hege & Brimont (2018) have identified three success factors for institutionalizing the SDGs financially and to catalyse public investment for the SDGs, which are: i. the translation of the SDGs into the national framework via a national long-term strategy or plan ii. the involvement of Parliament to monitor Sustainable Development Goals' financial implementation and iii. support from the Ministry of Finance to institutionalize the SDGs in the financial infrastructure of a country. In Table 3 an overview is provided of the countries for which these success factors have been identified.

[42] European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

Table 3. SDG finance success factors identified per member state

		Translation into national context (i.e. NSDS/ SDG roadmap)	Involvement of Parliament (e.g. special committee, budgetary watchdog)	Support of the Ministry of Finance (or equivalent ministry)	Score	
AT	**Austria**	Not implemented the SDGs in a strategy or an action plan.	Unknown if the national Parliament in involved.	Unknown if the Ministry of Finance is involved.	0	(2)
BE	**Belgium**	Yes, updated NSDS in 2017 with the SDGs.	Yes, involvement of federal and regional Parliaments	No support from the Ministry of Finance (federal and regional level).	1	(2)
BG	**Bulgaria**	Not yet, planned to adopt National Development Programme Bulgaria 2030 end of 2020.	Unknown if the national Parliament in involved.	Yes, Ministry of Finance chairs the Coordination Committee for National Programme for Development Bulgaria 2020.	2	
HR	**Croatia**	Not yet, planned to adopt National Development Strategy 2030 In 2020.	No, national parliament is not involved.	No support from the Ministry of Finance.	2	
CY	**Cyprus**	No, only some sectoral long-term strategies.	Yes, but involvement is limited.	No support from the Ministry of Finance.	1	
CZ	**Czechia**	Yes, updated Strategic Framework Czech Republic 2030 with the SDGs.	Yes, but moderate, new sub-committee for SD under the Environment Committee exists.	No support from the Ministry of Finance.	3	
DK	**Denmark**	Yes, an action plan was adopted in 2017 to incorporate the SDGs into domestic policies and a NSDS is planned by the current government.	Yes, but only in relation to the annual national budget negotiations.	Yes, Ministry of Finance is responsible for coordination.	4	
EE	**Estonia**	Yes, a long-term strategy called 'Estonia 2035'.	No, national parliament is not involved.	Yes, but its role is unclear.	2	
FI	**Finland**	Yes, updated '*The Finland We Want by 2050 — Society's Commitment to Sustainable Development*' in 2016 with the SDGs.	Yes, Parliament's Committee for the Future monitors the implementation of the Government's Annual reports and budget proposals in relation to the SDGs.	Yes, since 2017 Minister of Finance took a leading role to ensure that medium-term objectives are tied with the budget planning.	4	
FR	**France**	Yes, the SDGs Roadmap adopted in 2019.	Not yet, planned to be involved.	No support from the Ministry of Finance.	1	(3)
DE	**Germany**	Yes, NSDS updates in 2016 with the SDGs.	Yes, Parliamentary Advisory Committee for Sustainable Development since 2014.	No support from the Ministry of Finance.	2	
EL	**Greece**	Not yet, planned to draw a National Implementation Plan for the SDGs with a four years' timeframe	Not yet, National Implementation Plan for the SDGs planned to be discussed in parliamentary committees.	No support from the Ministry of Finance.	2	
HU	**Hungary**	Yes (partly), a pre-SDG National Framework Strategy on Sustainable Development in 2013 for the period 2012 -2024 was adopted.	Yes, Parliamentary Commission for Future Generations monitors SD.	No support from the Ministry of Finance.	1	
IE	**Ireland**	Yes (partly), planned to revise current NSDS and to be adopted in 2020 but has a temporary SDG National Implementation Plan (2018-2020).	No, national parliament is not involved.	Yes, a new funding model for Exchequer funded public investment is being put in place.	3	
IT	**Italy**	Yes, a newly adopted National Sustainable Development Strategy (2017 – 2030).	No, national parliament is not involved.	Yes, Ministry of Finance is tasked to create strong synergies between the NSDS implementation and the former economic policies.	2	
LV	**Latvia**	Yes, National Development Program 2021-2027 includes the SDGs	Yes, Parliament's Sustainable Development Committee.	Yes, Ministry of Finance regularly provides assessments, allowing the government to adjust spending and rank ministry annual budget requests according to their impact.	3	
LT	**Lithuania**	Not yet, planned to update 'Progress Strategy Lithuania 2030'.	Yes, but moderately, National Progress Council exists of 20% of Members of Parliament.	No support from the Ministry of Finance.	2	
LU	**Luxembourg**	Yes, revised Plan for Sustainable Development with the SDGs in 2019.	Unknown if the national Parliament in involved.	No support from the Ministry of Finance.	1	(2)
MT	**Malta**	Yes, a new Sustainable Development Strategy for 2020 – 2050 adopted in 2019.	No, national parliament is not involved.	Yes, Ministry of Finance is in the lead together with Ministry of Sustainable Development, the Environment and Climate Change (MESDC) and the National Statistics Office.	2	(3)
NL	**Netherlands**	No, only some sectoral long-term strategies.	No, only an annual progress report of the Dutch National Statistical Office is discussed.	No support from the Ministry of Finance.	2	
PL	**Poland**	Yes, adopted Strategy for Responsible Development in 2017 (until 2020.)	No, national parliament is not involved.	Yes, Ministry of Investment and Economic Development co-ordinates implementation of the Strategy for Responsible Development.	3	(0)
PT	**Portugal**	No, last NSDS expired in 2015.	No, national parliament is not involved.	No support from the Ministry of Finance.	1	
RO	**Romania**	Yes, new National Strategy of Romania for Sustainable Development 2030 was adopted in 2018.	Yes, Committee for Agenda 2030 was established in the lower house of the Romanian Parliament in 2015.	No support from the Ministry of Finance.	2	(3)
SK	**Slovakia**	Not yet, "Vision and National Sustainable Development Strategy until 2030" to be adopted soon.	Unknown, stronger involvement of the national parliament is foreseen in the coming years.	Yes, Ministry of Finance will elaborate on a National Investment Plan.	2	(3)
SL	**Slovenia**	Yes, Slovenian Development Strategy 2030 adopted in 2017.	No, national parliament is not involved.	Unknown if the Ministry of Finance is involved.	2	
ES	**Spain**	Yes (partly), a temporary action plan will be implemented first, and a long-term NSDS later	Not yet, special committee to be formed.	Yes, Ministry of Treasury tasked to align ministries budget with the SDGs.	2	(4)
SE	**Sweden**	Yes, national action plan for the SDGs adopted in 2018.	No, national parliament is not involved.	Yes, Ministry of Finance assigned as lead for coordinating national implementation.	3	

5.3.1 Translation into national context

In this Paragraph I reviewed how member states have translated the SDGs and related targets in their national contexts. Furthermore, I checked whether countries have a long-term sustainable development strategy in place and if and how these strategies are aligned with the SDGs.

The majority of countries have adopted a long-term strategy towards SDG implementation, eighteen countries in total, namely Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Luxembourg, Malta, Poland, Romania, Slovenia, Spain and Sweden. Five countries are in the process of adopting a new strategy soon, namely Bulgaria, Croatia, Greece, Lithuania and Slovakia.
Only four countries have not reported about one general long-term strategy. Based on this fact, I assume that these countries do not have such a long-term strategy in place. This is the case for Austria, Cyprus, Netherland and Portugal. Instead, these countries often refer to all kind of sectoral or thematic long-term strategy plans, related to specific SDGs. According to the interviewee from the Netherlands, the current government has chosen not to design another long-term strategy (latest date back from 2008), as it did not contribute to the sustainable development transition. The interviewee explained how the former NSDS had no political power, because of this strategy "everyone was responsible and therefore no one". Nonetheless, the Netherlands does have a general development strategy in place, its Coalition Agreement "Confidence in the Future 2017 – 2021". However, as its name already suggests, the coalition agreement is agreed upon between the current governing parties and the agreement will not remain when a new election is called. Portugal's last NSDS expired in 2015 and the current government has not reported that it plans to draft a new one.

Of all the countries that have not translated the SDGs into the national context through an overarching strategic document, only the Netherlands has scored higher than a 1 in the assessment scale of Table 2. This is due to the fact that the Netherlands has a few long-term sectoral strategies in place that include also long-term financing schemes.

It is important to mention that from the Agenda 2030 perspective, countries are not obliged to design or use a general strategy, or to adapt a specific timeframe. Most countries keep their eyes on the 2030 horizon, and some countries have even extended this beyond 2030 (see 'Estonia 2035' and 'Project Ireland 2040'). Malta's and Finland's strategy even goes until 2050.

5.3.2 Involvement of Parliament

As mentioned before, the 2030 Agenda recognizes the leading role that national parliaments play for the SDGs through their enactment of legislation and adoption of budgets and their role in ensuring accountability for the effective implementation of the global goals. In this Paragraph I reviewed to what extent member states have reported about the involvement of Parliament.

Ten countries reported on the importance and active involvement of their Parliament, namely Belgium, Czech Republic, Cyprus, Denmark, Finland, Germany, Hungary, Latvia, Lithuania and Romania. In six of these countries, a special (advisory) committee exists to monitor SDG progress, namely in Czech Republic, Finland, Germany, Hungary, Latvia and Romania. Although in the Czech Republic this special committee only monitors environmental-related SDGs. Denmark and Finland also reported on how their Parliament is involved in SDG implementation as part of the annual budget negotiations. France, Greece and Spain have stated to plan to increase involvement of their Parliament.

The following countries have not reported in their VNRs on Parliamentary involvement in SDG implementation, namely Croatia, Estonia, Ireland, Italy, Malta, Netherlands, Poland, Portugal, Slovenia and Sweden. Based on this fact, I assume that in these countries the Parliament is not very active when it comes to SDG implementation, or in these countries no special (advisory) committee is established to monitor SDG progress.

5.3.3 Support of the Ministry of Finance

The SDGs form this new ambitious political agenda for which political leadership is needed to become effective. Hege and Brimont (2018) have investigated how the Ministry of Finance can support the process to integrate the SDGs fully into national budgets. They have argued that ministerial support is crucial for SDG financing. The Ministry of Finance can fulfil a leading role in initiating the inclusion of the SDGs in budget negotiations and reviews. In this Paragraph I reviewed to what extent member states have reported about the support of the Ministry of Finance.

In twelve countries, the Ministry of Finance (or equivalent ministries: i.e. Ministry of Investment and Economic Development or Ministry of Treasury) has a prominent role in implementing the SDGs, namely Bulgaria, Denmark, Estonia, Finland, Ireland, Italy, Latvia, Malta, Poland, Slovakia, Spain and Sweden. In some cases, the Ministry of Finance has a more general coordinating role when it comes to SDG implementation. In other countries the ministry has a clear mandate to ensure that medium-term sustainable development objectives are tied to the budget planning. Unsurprisingly, halve of the countries that reported on Finance Minister's involvement also scored a 3 or higher in the assessment scale.

Nevertheless, in three countries, the Ministry of Finance is involved, namely Bulgaria, Estonia and Italy, but its involvement has not (yet) led to financial integration of the SDGs by all ministries and administrative branches.

The Czech Republic is the only country that obtained a score of 3 in the assessment scale without reporting on the support of its Ministry of Finance. Based on this fact, I assume that the Czech's Ministry of Finance is less involvement in domestic SDG implementation, and that the individual ministries take on their own responsibility to ensure sufficient resources are allocated.

5.4 Good practice examples

In this paragraph, I further elaborated on a few countries that have extensively reported on SDG financing in their National Voluntary Review reports, namely Denmark, Finland, Ireland, Latvia and Spain. An examination has been made on how these countries have translated the SDGs into their national contexts, how their Parliaments are involved in SDG implementation as well as the role their Ministry of Finance has played in relation to SDG financing.

Denmark
In Denmark, the Ministry of Finance is responsible for coordinating the national implementation of the SDGs, while line ministries are also responsible for designing policies addressing the SDGs.

Denmark presented its national action plan for incorporating the SDGs into its domestic policies in 2017, which includes 37 specific targets, organised around four clusters. A new National Sustainable Development Strategy is planned to be published by the new incumbent government in 2020.

Since 2016, the SDGs have been integrated into the national bill pertaining to the budget for development cooperation indicating which SDGs are addressed by each budget allocation. According to Mulholland (2017), implementation of the Danish Action Plan and sustainable development in general is funded by budget allocations as approved by Parliament in the annual budget negotiations for the coming fiscal year. As such, every ministry and government agency are responsible for the allocation of sufficient resources. Furthermore, reflecting the cross-cutting nature of the SDGs and the need to work across party lines, the Parliament decided to organise itself in a network including members from across the standing committees. In 2017, the '2030- network' held a public debate to identify priorities for its work, including the task of raising public awareness of the SDGs.

Furthermore, Denmark stated in its VNR that the central government reached an agreement with the municipalities and regions. In this agreement, the different governmental levels agreed that they will co-operate to achieve the SDGs and integrate sustainable development in policymaking for the 2018 budget (OECD Country Profile, 2018). Denmark's public sector is largely decentralised and the municipalities account for 70 per cent of public consumption.

Also, a national SDG fund was established by the central Danish development investment institution (IFU). Through this fund, the Danish government uses public funds to mobilise private investments for sustainable development in developing countries.

Finland
The Finish Ministry of Finance took the lead to accelerate action for sustainable development through state finances. According to its second VNR submitted in 2020, the process of linking the SDGs with Finland's national budget has increased awareness of the budget managers of each line Ministry on the importance of linking finance policy with sustainable development.

Finland's latest strategic policy document for sustainable development '*The Finland We Want by 2050 — Society's Commitment to Sustainable Development*' was updated in 2016 to align it with the SDGs. This plan also very clearly connects the different SDGs with the overall policy objectives relevant to Finland (see Figure 1 below). It was prepared by the Finnish National Commission on Sustainable Development in close cooperation with public administration, businesses and civil society organisations. In addition, an inter-ministerial coordination network is responsible for coordinating national sustainable development work and providing support to the National Commission on Sustainable Development.

Since 2017, the Minister of Finance took a leading role to ensure that medium-term objectives are tied to the budget planning. Its first step wat the organization of a multi-stakeholder workshop, with the aim to discuss and gather ideas on how a link could be developed between the budgetary process and the sustainable development agenda (Niestroy et al., 2019)

The 2018 drafting process was the first time that the budget proposal included language on sustainable development from each administrative branch. In their contributions, each administrative branch provided details about measures related to sustainable development and key changes in the relevant appropriations included in the budget proposal as well as follow-up indicators.

In the 2019 budget proposal, the SDGs were fully integrated in several ways. Sustainable development budgeting was extended beyond sectoral perspective with the inclusion of a new chapter entitled 'sustainable development' in the General Strategy and Outlook section.

The 2020 budget proposal's General Strategy and Outlook section also discussed environmentally harmful subsidies. In total, EUR 2.0 billion of Finland's total budget of EUR 57.7 billion was allocated to promoting goals related to carbon neutrality. Furthermore, it also identified appropriations that will promote aspects such as biodiversity and the wellbeing of nature and the environment.

Figure 1. Infographic Finland's National Sustainable Development Plan

From the outset, one of the principles of development was to progress gradually, increasing information step by step and partly on an experimental basis while assessing which model would work best for Finland. This gradual approach has made it possible to review the sustainable development budget with quite limited administrative resource. Finland also stated that the Parliament has also taken a favourable position on sustainable development budgeting. Since 2017, the parliamentary Committee for the Future was mandated to take the overall responsibility for the 2030 Agenda issues. It deals with the Government's Annual Reports and State Budget proposals related to the 2030 Agenda.

Ireland

Ireland is in the process of linking the SDGs with its national budget. It has already made concrete steps in relation to climate and gender mainstreaming. Furthermore, Ireland is in the process of developing its second National Action Plan for de SDGs in which it will more concretely tie its sustainable development objectives to public spending.

In Ireland, the Minister for Communications, Climate Action and Environment (DCCAE) has lead responsibility for promoting and overseeing the coherent implementation of the SDGs on a whole-of-Government basis. Each of the 169 SDG targets has been assigned to a lead Government Department.

In March 2018, Ireland adopted its SDG National Implementation Plan (2018 – 2020), which is the first in a series of implementation plans and also includes a 2030 Vision, setting out an ambitious set of high-level commitments which address the 17 SDGs (VNR, 2018). The Plan provides a 'SDG Matrix' which identifies the responsible Government Departments for each of the 169 targets. It also includes an 'SDG Policy Map' indicating the relevant national policies for each of the targets. Furthermore, the Action Plan also includes a paragraph on budgeting. The Department of Foreign Affairs and Trade has initiated a process to 'tag' the SDGs within the Irish Aid budget, starting with the budget for 2018. Specifically, each budget holder is now required to note, in order of priority, which SDG is being targeted with each unit of funding. Drawing on the experience of the Department of Foreign Affairs and Trade, in subsequent years other Departments will consider how such an SDG tagging process would be implemented for their own departmental budgets.

The Department of Public Expenditure and Reform (PER) is in close contact with the DCCAE. According to the interviewee, steps are made to tag all climate related spending as part of the budget process on an ex ante and ex post basis. Ireland's National Development Plan (2018 – 2027) sets out the investment priorities that will underpin the implementation of the National Planning Framework through a total investment of approximately EUR 116 billion. The program also includes the establishment of four new funds, (combined allocation of €4 billion) for projects targeting urban and rural renewal, climate action and disruptive technologies. Most of the environmental and economic related SDGs are included in this plan, although not referred to explicitly. Irelands NDP is part of the Project Ireland 2040, which was launched in parallel with the SDG Action Plan in 2018 and includes a variety of long-term sectoral plans. According to the interviewee, Project Ireland 2040 was inspired by the SDGs. Furthermore, Ireland's new carbon tax scale also includes measures to alleviate low income households for higher costs, but there is still room for improvement to balance difference aspects of sustainability in its green policymaking.

The inclusion of performance indicators helps the government to increase transparency, and the interviewee stated how Ireland is still in the process of learning to mainstream more sustainable policy objectives in its budget. To conclude, the interviewee also stated to be open for more international exchange of good practices of SDG financing.

Latvia

Latvia has a history in connecting its development strategy with its national budget. Below, I will explain how Latvia has included the SDGs in its budget planning.

The Sustainable Development Strategy of Latvia until 2030 (Latvia 2030) is hierarchically the highest national-level, long-term planning document. This strategic document was already adopted in 2010 and outlines seven development priorities. The Cross-Sectoral Coordination Centre (Coordination Centre), founded in 2011, is responsible for the national development planning and policy coordination and acts since 2015 as the country's SDG focal point. It reports directly to the Prime Minister's Office and works closely together with the Ministry of Finance.

Before the adoption of the Agenda 2030, Latvia's National Development Plan 2014 – 2020 (NDP 2020), its main medium-term development planning document, included three major priorities and twelve directions. The NDP2020 identified the necessary investments for defined goals and breaks them down according to sources, including the national budget, EU funds, and other investment from abroad. Ministries annually request three-year budget allocations for achieving indicator targets, and planning documents are monitored to ensure that they are designed to achieve the targets.

Following the adoption of the SDGs, the Coordination Centre ensured a review of the gaps between SDG targets and Latvian policy indicators in 2017. It mapped all UN targets and indicators together with relevant national indicators from all policy documents in one overarching excel sheet. In addition, the gap analysis also took into consideration the Eurostat, OECD and Sustainable Development Solutions Network indicators. A national conference was held with local and national government representatives, NGOs and academics to discuss the gaps and future priorities. This, together with an analysis of trends towards achieving the goals was the basis for Latvia's Voluntary National Review on Implementation of the SDGs and initial recommendations for the new NDP.

Six working groups were established, and public discussions took place in all regions of Latvia to discuss the new NDP. A new more broader Development Plan for Latvia 2021 – 2027 (NDP2027) was created in 2019 and adopted by the Parliament in July 2020 and includes many Sustainable Development Goal indicators. The plan consists of four strategic priorities, further categorized in 18 directions. Each direction includes measures (a total of 124), outcome indicators and names responsible authorities. The NDP2027 also defines the amount of funding available for implementation of goals with a total of EUR 14.5 billion (see Figure 2 below). A mechanism is also included to maintain flexibility towards achieving the goals, so that the government can decide upon additional measures or redistribution of funding if the indicators are not being met. Furthermore, government's new policy initiatives are tracked through the NDP2027.

According to the interviewee, ministries are encouraged to submit policies and related budget proposals in line with the 124 measures. The Coordination Centre has an important role in evaluating the ministerial policy proposals and also budget proposals and checks whether the submissions are evidence based and contribute to NDP objectives. The Coordination Centre is, in its advisory capacity to the Prime Minister and Ministry of Finance, the gatekeeper for the overall sustainable development objectives. According to the interviewee, the budget process encourages ministries to submit policies and budgets in accordance with the NDP goals and related outcome indicators.

The Latvian Government did not create a separate SDG action plan but has sought coherence with the Agenda 2030. The SDGs *per se* are not very visible in the National Development Plan, since the indicators are not specifically identified as SDG indicators, and the UN logos and other attributes are not used.

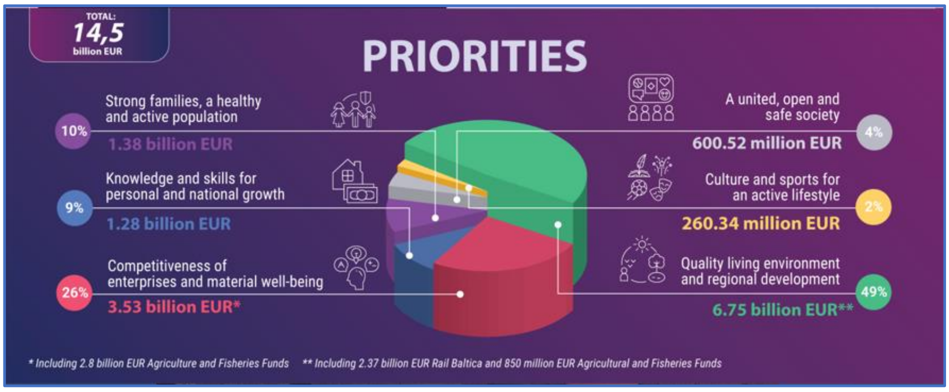

Figure 2. Infographic Latvian National Development Programme 2021 – 2027

Latvia's system of impact assessments shows the extent to which outcomes are achieved through outcome indictors. The implementation of the 2030 Agenda is regularly monitored by the Government's National Development Council and the Parliament's Sustainable Development Committee (OECD Country Profile, 2018). The Parliament's Commission is an important driver of sustainable development. The Commission provides a public platform for reviewing proposals on promoting sustainable development. Moreover, the Prime Minister reports to the Parliament every other year on progress towards achieving goals of the NDP and Latvia 2020.

To conclude, the interviewee also stated how Latvia was one of the few EU countries that monitored its own progress toward achieving the MDGs with mid and long-term development indicators. It was not difficult for Latvia to integrate the SDGs into domestic policies. Nowadays, Latvia, in its role as a donor of official development assistance, together with other countries in Europe, supports other countries to achieve the SDGs.

Spain

Spain has undergone a real governmental transformation in favour of the SDGs, and the country is committed to fully align its budget with the SDGs. Below, I will refer to the process Spain described in its VNR on the inclusion of the SDGs in its state budget process.

Spain adopted an Action Plan for the implementation of the 2030 Agenda in 2018. This Plan covers a transition from the urgent launch of the 2030 Agenda's implementation to the formulation of a long-term Sustainable Development Strategy for Spain.

Also, in 2018, the new role of the High Commissioner for the 2030 Agenda was established. The High Commissioner is primary responsible for coordinating actions for the implementation and receives support from the Prime Minister's Office. In addition, a SD Council was established in 2019 to support SDG implementation, composed of 50 representatives from civil society, business and academia. According to Niestroy et al. (2019), Spain also has planned to establish a joint parliamentary committee of the two Chambers for Agenda 2030 implementation.

In its 2018 VNR, and as one of its 10 transformative measures (number 8), Spain announced that it will align all ministries budget with the SDGs:
Commitment: By 2020, a relationship will be established between the SDGs and the spending and programming policies carried out, making it possible to analyse budget allocations with SDGs.
Measures and targets:
1) By 2019, a pilot methodology will be available for aligning the budget of each Spanish ministry with the SDGs, to be implemented in 2020.
2) In 2020, an exercise will be carried out to reflect the budget allocations per SDG.

The Ministry of Treasury is responsible for this task. Additionally, Spain submitted a subsequent 2019 Progress Report and elaborated in this report how it will honour its financial commitment.

In 2019, under the coordination of the State Secretariat for Budgets and Expenditure, a methodology will be developed to align the General State Budget with the SDGs and the 2030 Agenda. On the basis of this methodology, the "Order determining the rules for generating the General State Budgets" will incorporate a new section entitled "Impact Report for the Sustainable Development Goals".

For the preparation of this Impact Report, the relevant ministerial departments will analyse the impact made on the SDGs by their spending programmes and will reporting their findings to the Ministry of State for Budgets and Expenditure. These contributions will form the basis for the formulation by the Secretariat of State for Budgets and Expenditure of the SDG Impact Report. A working group will be established to agree on the final drafting of this report, which will accompany the preliminary draft of the General State Budget Law.

Furthermore, number 9 of its 10 transformative measures also includes a commitment to align the SDGs with public procurement. A national public procurement strategy was adopted in 2018, in line with SDG target 12.7 to promote socially responsible public procurement. In this respect, guidelines will be issued for the application of social, environmental and ethical clauses, and the necessary mechanisms for their inclusion in the bidding processes will be created.

5.5 Concluding remarks

The majority of EU countries have adopted a long-term strategy towards SDG implementation, but have not a systematic approach to support goal implementation with national public finance. In general, a holistic approach for SDG financing is still missing in most EU countries. Gender and climate budgeting (SDG 5 and SDG 13) have been reported about more compared to other SDG themes. Furthermore, a few countries have incorporated the SDGs in their financial programs through standardized assessment tools. Some of these countries reported how they have adjusted their budget performance indicators to align with SDG indicators. However, most countries are still finding their way in establishing tools and instruments that can lead to expenditure which is more focussed on the SDGs. All interviewees expressed their interest in learning more about each other's budget performance indicators and how these contribute to sustainable development financing.

The aim of this study was also to identify whether the success factors from Hege and Brimont (2018) also apply to the European context. Firstly, all countries that scored a 3 or higher have a long-term SDG strategy in place. Therefore, the condition to translate the SDGs into the national context via the creation of a long-term strategy seems necessary, as national governments are then able to adjusts their expenditure priorities based on these long-term sustainable objectives of these strategies. Nevertheless, I have also heard different voices, arguing for the need of sectoral action plans instead of overarching plans. I belief the former does not exclude the latter. The most important condition, and that is what the Finnish case very clearly shows, is that one sectoral long-term plan or objective, such as carbon neutral society (related to SDG 7 and 13) also connect with other social and environmental SDG themes. Establishing one long-term plan for each SDG is exactly what the 2030 Agenda tries to counteract. Following Bernstein (2017) arguments, 'siloization' or 'pillarization' needs to be prevented while implementing the SDGs.

Secondly, - the involvement of Parliament - Ireland, Poland and Sweden all score a 3 in the assessment scale, but these countries have not reported on support from or any reforms within the Parliament to monitor SDG implementation. Nevertheless, Denmark and Finland, the countries that can be considered as most committed to SDG financing, did report a lot on Parliamentary commitment and support for sustainable development budgeting. Therefore, political support can be seen as an important element for SDG implementation in general. Only when Parliaments use their budget power in respect to the SDGs, we see that sustainable development commitments are met with sufficient resources allocation.

Thirdly, for the last success factor - support from the Ministry of Finance - I again indicated a mixed outcome. In Bulgaria, Estonia and Italy, the Ministry of Finance has a leading role for SDG implementation, but this has not led to financial implementation of the SDGs in these respective countries. Also, Czech Republic obtained a score of 3 in the assessment scale without reporting on the support of its Ministry of Finance. On the other hand, the other six countries which obtained a score of 3 or higher, namely Denmark, Finland, Ireland, Latvia, Spain and Sweden all reported that there is increased awareness by each ministry on the importance of linking finance policy with sustainable development, due to the guidance of their Ministry of Finance.

Finally, member states recognize broader EU frameworks as part of their own sustainable development frameworks and EU's financing mechanisms are seen as important economic instruments by most Southern and East European member states.

6. Europe and the 2030 Agenda

In this Chapter I will further elaborate on EU's role in implementing the SDGs in its policy frameworks and I will present a chronological overview of the action undertaken by the European Commission as response to the 2030 Agenda. Furthermore, I will highlight some of the main recommendations different advisory groups have put forward for sustainable development financing in Europe. Finally, I will elaborate briefly how the response of the Commission and its member states to alleviate the impact of the COVID-19 pandemic is related to SDG financing.

6.1 Introduction

The 2030 Agenda emphasises the role that regional bodies play in the implementation of sustainable development policies. In response to the UN 2030 Agenda for Sustainable Development, the Commission adopted its Communication 'Next steps fora sustainable European future: European action for sustainability' in November 2016, announcing a two-step approach towards the implementation of the SDGs (Commission, 2016). The first work stream is to fully integrate the SDGs into the European policy framework and Commission priorities. The second work stream is a reflection on further developing the EU's longer-term vision after 2020.

Furthermore, a High-Level Multi-Stakeholder Platform on the SDGs was established by the European Commission, together with the High-Level Expert group on Sustainable Finance in 2017. These two forums contributed immensely to the Commission Reflection Paper "Towards a Sustainable Europe by 2030" of 30 January 2019 (European Commission, 2019b). In this Reflection Paper, the Commission announced a forward-looking debate, to be guided along three possible scenarios on how best to progress on the Sustainable Development Goals[43];

The first scenario reasons from an overarching EU SDGs strategy to guide all actions by the EU and member states. This would entail a very high level of coordination between EU level and member states, but also horizontally between member states.

The second scenario aims for continued mainstreaming of the SDGs in all relevant EU policies by the Commission without enforcing member states' action. This scenario means maintaining the status quo, while using the European Semester process as a mechanism of policy coordination and implementation monitoring.

The third scenario wants to put an enhanced focus on external action while consolidating current sustainability ambition at EU level.

The Reflection Paper concluded that scenario 1 is preferred, which entails that specific SDG implementation targets are defined at EU level and an overarching EU SDG Strategy is implemented by the Commission, the European Parliament and the Council, in accordance with the development of comprehensive national SDG strategies.

[43] See also a detailed over view of the pros and cons of the difference scenario on pages 33 – 39.

6.2 EU's competences in relation to the 2030 Agenda

The member states are primary responsible to implement the seventeen SDGs, although on a voluntary basis. This raises the question what role the European Union plays for the delivery of the SDGs. The following paragraphs will show how the delivery of the SDG's is rather a 'shared responsibility', which highlights the multi-level governance challenges, as well as the need to ensure coherent and complementary policymaking.

Dual mandate

The EU has played an active role in the negotiations of the SDGs (Kettunen et al., 2018). However, entering the implementation phase, the role of the EU -Council, Commission and Parliament- has been less clear. In Art 21(1) of the Treaty on European Union there is an explicit reference to the UN system: "The Union (..) shall promote multilateral solutions to common problems, in particular in the framework of the United Nations". Moreover, sustainable development objectives have been at the heart of European policy for a long time, firmly anchored in the European Treaties (Articles 3 (5) and 21 (2) of the Treaty on European Union) and mainstreamed in key projects, sectoral policies and initiatives. In June 2001, the European Council adopted the first EU Sustainable Development Strategy (EU SDS) (European Commission, 2001). The EU SDS was revised in 2006 and later reviewed in 2009 and integrated in the Europe 2020 strategy (European Commission, 2010). This strategy is built around education and innovation, low carbon emissions, climate resilience and environmental impact and job creation and poverty reduction.

Furthermore, the Commission also has a leading role in the implementation of some SDGs in particular, based on its exclusive regulatory competences in certain areas (e.g. trade or fishery in Article 3 of the Treaty on the Functioning of the European Union, TFEU). The Commission can facilitate, or negatively speaking hamper SDG delivery in these areas. The same holds for areas in which it has shared competences with the member states (e.g. environment or energy in Article 4 TFEU), however its power is much more contained by the principle of subsidiarity. [44] Although the SDGs are soft and not legally binding, we see that the Commission sometimes uses its power to initiate more stringent EU norms that can accelerate SDG delivery. Nevertheless, the EU cannot do this without agreement of the majority of member states in the Council. This dual- delivery means that both the EU institutions and individual member states – or member state coalitions –shape ambition as regards implementation and delivery (Rijnhout & Zondervan, 2018). Although these regulatory competences are important to keep in mind, this study merely focuses on the EU's role in SDG implementation in relation to finance. Particularly, on how the European Commission can decrease the EU SDG funding gap and can foster SDG investments. In this regard, scholars often talk about the European Commission as an 'orchestrator for sustainable development' in Europe.

Orchestration

The theory of orchestration lends itself well for governance by goal setting, not only in terms of governance design, but also in order to achieve implementation (Rijhout and Zondervan, 2018; Abbott et al. 2012). In 2009, Abbott and Snidal originated the idea of orchestration

[44] See the contribution from Ries Kamphof (2018). EU and Member State Implementation of the UN Agenda 2030 and Sustainable Development Goals. The United Nations University Institute on Comparative Regional Integration Studies. Working Paper Series (1) in which an overview of legally-defined powers in the Treaties of the EU related to the 17 Sustainable Development Goals is presented.

(2009a, 2009b), which has been picked up by environmental and climate change governance scholars. Abbott and colleagues (2015) define orchestration as a mode of governance in which one actor (the orchestrator) enlists intermediaries to govern a third set of actors (or targets) in line with the orchestrator's goals. It entails 'indirect governing', using soft modes of influence, which can be done by and through a wide variety of actors by. These actors include intergovernmental organizations, states or non-state agents for example. Because there is an absence of hard control instruments (a stick), support (a carrot) is the key tool by which orchestrators generate the incentives needed to steer intermediaries towards desired goals. The carrot can be presented in different forms. Orchestrators can provide administrative, financial or other material support, but also more ideational support through information assimilation, or normative guidance and endorsement (Abbott et al., 2020). A small number of advisory groups and academia also have presented their ideas how the EU can steer SDG implementation through financial mechanisms.

6.3 Advisory Groups' recommendations

The EU has committed itself to prepare a long-term vision for the implementation of the SDGs and to seek coherence across EU financing instruments. Three advisory reports by the High-level Group on Own Resources (2017), the High-level Expert group on Sustainable Finance (2018) and the High-level Multi-stakeholder Platform (2018) have submitted their recommendations to the European Commission. Below, a brief overview of the main outcomes are presented.

The **High-level Group on Own Resources** was established to examine how the revenue side of the EU budget can be made more simple, transparent, fair and democratically accountable.[45] The report strongly argues in favour of new own resources for the Commission which would help enforce some EU Policies and support EU policy objectives, in particular economic, social and environmental sustainability. It argues for some taxes or levies targeted to fight climate change or promote energy efficiency (e.g. the CO2 levy, inclusion of the European emission trade system proceeds, an electricity tax, a motor fuel levy or indirect taxation of imported goods produced in third countries with high emissions). Furthermore, the group concluded that EU's current financial system "does not contribute to the central objectives of 'smart, sustainable, inclusive growth' as laid down in the Europe 2020 strategy, or to the sustainable development goals" (p. 36). The expert group suggested the use of sustainability as an overarching framework for the future development of EU's own resources.

The **High-level Expert Group on Sustainable Finance** was mandated to prepare a comprehensive blueprint for sustainable reforms. The expert group concluded in its final report of January 2018 that there is an urgent need for a long-term policy framework for sustainable finance, as the transformation will take years and financiers need a stable regulatory framework to create confidence. Firstly, the expert group advised the European Commission to establish a technically robust classification system, or taxonomy, which is aligned to the implementation of the SDGs and the Paris Agreement. This system "would allow policy-makers to link their policy goals and priorities to real economy assets, providing the foundation with which to turn their national transition trajectories into national capital-raising plans" (p. 15). Interestingly, the group also vigilantly warned the Commission to not solely focus on climate action financing.

[45] The treaties do not give the EU the competence to levy taxes but provide the Union with 'own resources' to achieve its objectives (Article 311 TFEU) while respecting the fiscal prerogatives of the member states.

The group states that “if climate action is highest on today’s political agenda, the investment gaps for other sustainable development priorities — such as biodiversity, resource efficiency and the social economy — are equally significant; as is the urgent need to make the agricultural model environmentally sustainable” (p. 9). Secondly, the group also highlighted how the transition to a sustainable economy also has a major social dimension, from tackling inequality to addressing regional disparities across the EU and insisted on a ‘just transition’. It supported the earlier call by the European Parliament to establish a Just Transition Fund to help workers, employers and communities to profit from measures supporting the decarbonisation process. [46]

Two months later, the **High-level Multi Stakeholder Platform on SDGs** adopted its advisory report, in which it recommends the Commission to implement the SDGs through adjusting the Multiannual Financial Framework 2021–2027 (MFF), i.e. by aligning the new investment priorities with the SDGs. The Platform concluded that the current MFF 2014 – 2020 is not equipped with the implementation of the SDGs and that successful implementation can only be secured if the SDG’s are mainstreamed throughout the EU budget. “The platform is convinced that implementing the SDGs is not just about creating a new spending priority but making sure that every single Euro of the MFF is spent in a sustainable manner” (p. 10). Furthermore, the Platform is also critical about the current emphasis of the MFF on ‘jobs and growth’ and argues that for the next round the Commission should give priority to spending areas covering social and equality challenges, health and education, environmental and climate commitments, research and innovation for sustainable solutions and sustainable development in partner countries. The Platform recommends the Commission to use the Agenda 2030 to increase coherence also across the different EU financing instruments. It further presents nine specific mechanisms and instruments to ensure sustainable financing:

a. embedding the “think sustainability first” principle; and
b. adjusting the system of ‘ex-ante conditionalities” to better reflect on sustainability; and
c. introducing a clear definition of the “EU added value” that also refers to sustainability; and
d. introducing a link between the spending and the “rule of law” in the member states; and
e. transforming the “European Semester” to a delivery model for sustainability; and
f. “benchmarking within funds/instruments to achieve specific sustainability objectives; and
g. excluding “contradictory” subsidies; and
h. adding “social and environmental indicators” to the European structural and investments funds; and
i. moving to evidence-based, participatory and simpler approach for the MFF. [47]

Most of these recommendations have been advocated or followed-up by academia, inter alia, Demailly & Berghmans (2019); Yrjö-Koskinen & Nesbit (2018); ESDN & IEEP (2019); Hackenesch et al., (2018) and Niestroy et al., (2019) all pledge to use the SDGs as the main expenditure titles or investment priorities of the new Multiannual Financial Framework 2021-2027. The same holds for integrating the SDGS in the European Semester and the five structural and investment funds, which can function as gateways to accelerate SDG financing.

All three advisory groups were very explicit about the need to put sustainability as an overarching theme for EU finance instruments. The latter two also explicitly argued to draft an EU SDG finance strategy which, besides the climate and environmental dimensions, should

[46] The Expert Group did not report on the amount of money this transition fund should get. The European Parliament resolution of 14 November 2018 talks about a Just Transition Energy Fund of EUR 4.8 billion (COM(2018)0322)
[47] See pages 13-17.

also consider societal implications of ‘green transition policies’.

6.4 European Commission’s responses

In 2016, the Commission advocated that: *“finally, to reflect the framework for implementation set out in the Addis Ababa Action Agenda and 2030 Agenda, the EU and its Member States need to define their approaches to mobilising and making effective use of all means of implementation”* (European Commission, 2016: 30). Already highlighted in the Introduction of this Chapter, the Commission announced two workstreams: integrating the SDGs into the European policy framework and Commission priorities and to developing the EU’s longer-term vision after 2020. Considering the long-term vision, no proposals have been tabled yet, so I will focus on the first stream. In this regard, the Commission tabled its proposals for the Multi-Annual Financial Framework in May 2018 and May 2020 and the European Green Deal and related European Sustainable Investment Plan in December 2019 and January 2020, respectively. I will discuss these proposals below as well as the outcome report of the Special Council Meeting of 17 – 21 July 2020.

6.4.1. Multiannual Financial Framework

In May 2018, The European Commission presented its first proposal of the new Multiannual Financial Framework (2021 – 2027) as part of an overarching paper explaining its approach “A Modern Budget for a Union that Protects, Empowers and Defends” (European Commission, 2018). The paper stresses the need for a stronger focus on the ‘EU added value’, for a more streamlined, transparent and flexible approach, and for expenditure which delivers tangible results. Under EU added value, it reiterates that pooling resources can catalyse key strategic investments, including investments for the Sustainable Development Goals. In particular, the Commission proposes a new, more ambitious goal for climate mainstreaming across all EU programmes, with a target of 25% of EU expenditure contributing to climate objectives. The Commission also proposed three new revenue streams (“Own Resources”), two of them being used to tackle environmental burden. The Commission introduced a national contribution calculated on the amount of non-recycled plastic packaging waste. A second revenue stream involves allocating 20% of the revenue from the auctioning of EU Emissions Trading System (ETS) to the EU budget. The term “Sustainable Development Goals” is phrased multiple times throughout the plan, but no further specific commitments for expenditure to implement and successfully reach those goals are included, let alone more concrete objectives. A study of the Institute on European Environmental Policy (IEEP) from November 2018 has also highlighted this, and even further explains why other environmental objectives, such as biodiversity targets have received little attention (Yrjö-Koskinen & Nesbit, 2018). The study concluded that the 2030 climate and energy objectives do not stand out as an overarching element in the Commission’s proposals.

6.4.2 European Green Deal and European Sustainable Investment Plan

With the changing of the guards in December 2019, a strong impetus for a sustainable Europe was given by the speech of president-elect Ursula van der Leyen on 27 November 2019 for the European Parliament (European Commission, 2019c). Ten days later, the newly established Commission presented the European Green Deal, a roadmap with the overall aim to make Europe climate neutral by 2050 (European Commission, 2019a). The Commission presented the Green Deal as “Europe’s man on the moon moment” (European Commission, 2019d). The

Green Deal is seen as an integral part of this Commission's strategy to implement the United Nation's 2030 Agenda and the sustainable development goals. It presents Europe's new growth strategy: it wants to boost the efficient use of resources by moving to a clean, circular economy. It wants to stop climate change, revert biodiversity loss and cut pollution while *leaving no one behind*.[48] The Green Deal also outlines investments needed and financing tools available to mainstream sustainability in all EU policies (§ 2.2). These financial aspects are further elaborated in the European Green Deal Investment Plan (also called the Sustainable Europe Investment Plan), published in January 2020 (European Commission, 2020a). The overarching goal of sustainable investment plan is to mobilise at least EUR 1 trillion of private and public sustainable investments over the upcoming decade through the EU budget and the associated instruments. Secondly, it wants to create an enabling framework for private investors and the public sector and thirdly, it provides support to public administrations and project promoters in identifying, structuring and executing sustainable projects. The plan also recognizes the key role national budgets play in the transition. It foresees how green budgeting tools can help to redirect public investment, consumption and taxation to green priorities at the national level.
A key tool of this Investment Plan is the Just Transition Mechanisms, which aims to mobilize EUR 100 billion over the period 2021 – 2027 and consists of three main pillars.
Pillar 1: A Just Transition Fund for which EUR 7.5 billion will be allocated as part of the Multi-Annual Financial Framework and which will primarily provide grants to the regions.
Pillar 2: Under InvestEU a new transition scale will be established to mobilize EUR 45 billion.
Pillar 3: Under the European Invest Bank a public sector loan facility will be created. Between EUR 25 billion – EUR 30 billion will be mobilized which will be used for loans for the public sector.
The Commission also sets out a few action points aiming to provide the public sector with guidance and appropriate means for making sustainable investments

1. Include environmental sustainability as an integral part of the country reports under the European Semester as of this year.
2. Help Member States identifying their sustainable investment needs and possibilities for funding them each year as of 2020.
3. In cooperation with Member States screen and benchmark green budgeting practices.
4. Propose further legislation and guidance to green public procurement.
5. Provide guidance on the application of the energy efficiency first principle as part of the investment decisions.

Furthermore, the EU Biodiversity Strategy 2030[49] and Farm to Fork Strategy[50] have been presented by the European Commission 20 May 2020, which are seen as an integral part of EU's Green Deal and response to meet the Sustainable Development Goals. They include specific policy targets, that are aligned with the SDGs, although the two roadmaps do not refer specifically to the SDGs.

6.4.3 Council Agreement on the new Multiannual Financial Framework 2021 – 2027 and COVID-19 Recovery Response.

The Introduction Chapter of this study already elaborated on how the COVID-19 pandemic has had far-reaching consequences beyond the spread of the disease itself. Member states and the

[48] Leaving no one behind is a principle contained in the 2030 Agenda for Sustainable Development.
[49] COM(2020) 380 final
[50] COM(2020) 381 final

EU institutions adopted measures to overcome the economic downturn it will bring. Also, after four days of long negotiations mid-July 2020, the European leaders agreed on a comprehensive package of EUR 1842.3 billion which combines the new MFF 2021 – 2027 and an extra recovery effort, the Next General EU (NGEU) (European Council, 2020).

The Next Generation EU recovery tool is worth EUR 750 billion and aims to minimize the impact of the COVID-19 crisis on Europe and its member states. Most important part of this recovery tool is the Recovery and Resilience Facility fund, which entails EUR 312.5 billion in grants and EUR 360 billion in loans.

Concerning the MFF 2021 – 2027, a climate mainstreaming target is included in the Council's agreement and even increased to 30%, compared to the 25% proposal of the Commission[51] (bullet A21). Furthermore, gender equality mainstreaming should be taken into account and promoted throughout the preparation, implementation and monitoring of relevant programmes (§ 20). Considering the new income streams to the EU budget, only one concrete proposal, the levy on non-recycled plastic waste was agreed upon (§ 146). Other proposals such as a carbon tax border as well as revenues from the carbon Emission Trading System aimed to be introduced by 2023 (bullet A29). The new created Just Transition Fund will receive EUR 7.5 billion in total, the last proposed allowance of 40 billion by the Commission in May 2020 was whittled down considerably (§ 100). Furthermore, the initial proposal for rural development grants of EUR 15 billion to support farmers to meet the Green Deal ambitions has shrunk in the final version to EUR 7.5 billion (bullet A14). Lastly, the Commission's proposal about including a link between EU funding to the rule of law (SDG 16) was seen as one of the most contentious topics during the four days negotiation marathon (Greenhalgh & Bayer, 2020). In the end debates about this proposal fizzled out quickly. The final agreement watered down earlier language on the rule of law, but "a regime of conditionality to protect the budget and NGEU will be introduced", with possible sanctions to be adopted by a qualified majority in the Council (§ 23).

Interestingly, the MFF 2021 – 2027 as well as the RFF will be firmly embedded in the European Semester, meaning that the submitted proposals of member stated need to be aligned with the European priorities (i.e. the green and digital transitions), and based on the previous recommendations made by the Commission about member states' budgets.

Finally, the European Parliament must give its approval for the new Multiannual Financial Framework (2021 – 2027).

6.5 Concluding remarks

The new von der Leyen Commission has renewed its Treaty vows to put sustainable development objectives at the heart of European policy. Over the last few months, new strategies and financing plans were presented that aim to connect the different dimensions of the Agenda 2030 together. Nevertheless, there does not appear to be a concrete plan of action to achieve all the SDGs yet. Furthermore, recommendations made by advisory groups and scholars to give the SDGs a central place in its Multiannual Financial Framework has only been

[51] Latest Commission's proposal presented on Wednesday 27th May 2020, European Commission (2020d). The EU budget powering the recovery plan for Europe. COM(2020) 442 final, Brussels.

followed-up partly. The main priorities in EU's long-term budget are structed around 7 pressing themes but do not reflect SDG language. [52]

SDG Watch Europe, the leading civil society organisation in Europe, explained how the social aspects of the SDG are more considered as side effects, instead of being recognized to be fully part of the creation of a more sustainable society (Izquierdo, 2019). Under the heading of social policies, there is a strong focus on the labour market and the importance of the quality of jobs, which we also see in the Just Transition Mechanism as well as in the Recovery and Resilience Facility. SDG Watch Europe rightly argued how poverty and reduction of inequality will not only be achieved through jobs.

To evaluate the Commissions policies, we have to look closely at the role of the EU and if and how it should accelerate the sustainable transition in its member states. Some argue that the EU should merely focus on the Economic and Monetary Union (EMU) and the internal market, whereas others see the EU as a community of values which should focus on protecting these values (e.g. respect for human dignity and human rights, freedom, democracy, equality and the rule of law). Is sustainability a new EU value that the European Commission should fight for? Considering its new work programme, it made the green transition as one of its top priorities. So how does this relate then to the broader sustainability agenda, which encompasses all the SDGs?

Given the abovementioned arguments, evidence indicates that the EU is cherry picking some SDGs for which it will most likely receive political support. In that sense, the EU has indirectly, or at least without being vocal about it, chosen for scenario 2 in which it continues mainstreaming the SDGs in all relevant EU policies by the Commission without enforcing the member states' action, thereby upholding the status quo. Following this, the Commission defines mainstreaming different than I do in this study. In the Commission's mainstreaming exercise, it has translated some SDGs into EU targets and include these targets in existing policies. This has not led to major transformative shifts in the Commission's institutional settings. In this study, and also following the recommendations of the High-level Multi-stakeholder Platform on the SDGs, mainstreaming would mean that all policies would be re-orientated towards the SDGs.

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[52] These 7 themes are: Heading 1 "Single Market, Innovation and Digital"; - Heading 2 "Cohesion, Resilience and Values"; - Heading 3 "Natural Resources and Environment"; - Heading 4 "Migration and Border Management"; - Heading 5 "Security and Defence"; - Heading 6 "Neighbourhood and the World"; - Heading 7 "European Public Administration".

7. Conclusions and Discussion

In this Chapter I will present an overview of the main findings of this study. I will further elaborate on how the two levels – national and EU level – can reinforce each other for SDG finance. Furthermore, I will discuss the role the European Commission plays for SDG finance and I will present some recommendations in this regard. I will conclude this Chapter with several discussion points in relation to this study as well as recommendations for future enquiry into SDG finance.

7.1 Conclusions from the national level: where do countries stand

In this study, I have analysed and assessed to what extent EU countries have mainstreamed the SDGs in their financial infrastructures. We see a mixed picture when it comes to SDG financing in the member states. Table 4 shows the overview of the assessment in a consolidated version. [53] On average, the EU countries score a 2, meaning that most countries have reported on several financial policies and mechanisms for the SDGs and that they are in the process of strengthening their financial commitment for the SDGs throughout all ministries/ administrative branches.

In general, a systematic approach to finance all SDG dimensions is still missing in most member states. This interconnectedness of the SDGs is a core principle of the 2030 Agenda, and we see that most countries do not recognize this, at least in relation to finance. As a consequence, SDG themes, or SDG issues, are tackled within 'silos'. This is not surprising, because with the adoption of the 2030 Agenda, most countries have assigned the SDGs or 169 SDG targets to a specific ministry or government department. Often, countries have chosen to assign ministerial responsibility for each SDG to ensure that individual departments take ownership of those SDGs most relevant to their work. However, without a strong coordination mechanism, the SDGs are integrated in ongoing ministerial policies, and related budget allocation or budget proposals are narrowly focused per individual SDG. Nevertheless, the Finnish case depicted in this study shows how national budget planning can include sustainable development objectives in a more holistic manner. Finland recognizes that its long-term objective of carbon neutral society (SDG 7 affordable and clean energy and SDG 13 climate action) also entails economic and social SDGs, such as SDG 2 zero hunger and SDG 9 industry, innovation and infrastructure.

Also, we see that in most countries where the Ministry of Finance has a leading role in SDG implementation, tools and mechanisms are put in place to increase SDG coherence between ministerial budget proposals. In Finland, Denmark and Spain, the Ministry of Finance is mandated to align the annual budget's general strategy and/or outlook section with the SDGs. Furthermore, several countries, including the Czech Republic, Finland, Italy, Ireland, Latvia, Slovenia and Germany reported on budget performance indicators or sustainability checks. It became apparent that most countries are searching for new tools or instruments that can lead to better expenditure which is more focussed on the SDGs. The translation of the SDGs into budget performance indicators seems most challenging. Creating partnerships or platforms between national Ministries of Finance to exchange best practices around SDG budget performance indicators particularly could be helpful.

[53] For the extent member states reported on SDG finance, a score was given between 0 and 4.

Table 4. Simplified overview where member states stand in relation to SDG finance

AT	**Austria**	Austria scores a 0 as no/little information was available as it has not submitted a VNR, but indication show it is moving to a 2.
BE	**Belgium**	Belgium scores a 1 as it has limited reported on SDG finance mechanisms, but indications show it is moving to a 2.
BG	**Bulgaria**	Bulgaria scores a 2 as it has reported on a few SDG funding mechanisms and plans to link the SDGs with its budget.
HR	**Croatia**	Croatia scores a 2 as it has committed itself to link its NSD 2030 with its budget.
CY	**Cyprus**	Cyprus scores a 1 as it has limited reported on SDG finance mechanisms.
CZ	**Czechia**	The Czech Republic scores a 3 as it every minister allocates budget to their respective SDGs.
DK	**Denmark**	Denmark scores a 4 as it has mainstreamed all SDGs in its budget.
EE	**Estonia**	Estonia scores a 2 as it reported to improve its budget to increase public finance for the SDGs.
FI	**Finland**	Finland scores a 4 as it has mainstreamed all SDGs in its budget.
FR	**France**	France scores a 1 as is had not reported yet on SDG finance but reported it will consider the SDGs in its budget process and evaluation so it moving to a 3.
DE	**Germany**	Germany scores a 2 at it is in the process of aligning the SDGs with its budget more extensively.
EL	**Greece**	Greece scores a 2 as it is in the process of developing tools for SDG budgeting.
HU	**Hungary**	Hungary scores a 1 as it reported limited on SDG finance, but some ministries are considering the SDGs indirectly so is moving to a 2.
IE	**Ireland**	Ireland scores a 3 as it links its NDP with public finance schemes
IT	**Italy**	Italy scores a 2 as it has budget indicators in place which are aligned with the SDGs.
LV	**Latvia**	Latvia scores a 3 as it pre-earmarks resources in its NDP for sustainable development financing.
LT	**Lithuania**	Lithuania scores a 2 as it has several cross-sectoral funding mechanisms in place.
LU	**Luxembourg**	Luxembourg scores a 1 as it has limited reported on SDG finance mechanisms but is mainstreaming climate objectives so is moving to a 2.
MT	**Malta**	Malta scores a 2 as the government made a commitment to align the 2020 State Budget with the SDGs, so is moving to a 3.
NL	**Netherlands**	The Netherlands scores a 2 as it has several long-term cross-sectoral funding mechanisms in place.
PL	**Poland**	Poland scores a 3 as it has aligned its Strategy for Responsive Development with its national budget, but this plan will expire in 2020, so is moving to a 0.
PT	**Portugal**	Portugal scores a 1 as it has limited reported on SDG finance mechanisms.
RO	**Romania**	Romania scores a 2 as it has several cross-sectoral funding mechanisms in place and is in the process of integrating the SDGs in its budget, so moving to a 3.
SK	**Slovakia**	Slovakia scores a 2 as it has several cross-sectoral funding mechanisms in place and is in the process of integrating the SDGs in its budget, so moving to a 3.
SL	**Slovenia**	Slovenia scores a 2 as it has budget performance indicators in place which are aligned with the SDGs.
ES	**Spain**	Spain scores a 2 as it reported on a few SDG finance mechanisms and is in the process to fully mainstream the SDGs with its State Budget, so moving to a 4.
SE	**Sweden**	Sweden scores a 3 as every ministry is encouraged to allocate budget to the SDGs

Implemented Planned

Furthermore, most countries have a long-term sustainable development strategy in place, aligned with the SDGs, but have no long-term financing strategies in place. This has not merely something to do with political willingness for SDG finance, but more with political feasibility: the budget cycle has a one-year timeframe. On the other hand, the Latvia case presented in this study shows how the government can plan beyond a one-year timeframe. In Latvia, the ministries annually request three-year budget allocations for achieving sustainable development targets, and follow-up planning documents are monitored to ensure that they are designed to achieve these targets. Creating strategy priorities aligned with the SDGs and pre-earmarking resources can foster transparency. Additionally, as highlighted by Voituriez et al., (2019), this transparency could further attract private investors, as it would reduce investors' risks. Moreover, countries which reported less extensively on SDG finance, such as the Netherlands, do have sectoral long-term strategies in place with long-term financial commitments and related schemes. So, the one-year budget cycle is not a problem per se, but rather a narrow vision of financing.

Lastly, this study also discussed the role Parliaments can play in integrating the SDGs in national budget planning processes and evaluations. According to the Interparliamentary Union, Parliaments have three key roles and powers in relation to SDG implementation: a legislative function, budgetary function and an oversight function (IPU & UNDP, 2017). Six countries reported about special (advisory) committees that exist to monitor SDG progress, including the Czech Republic, Finland, Germany, Hungary, Latvia and Romania. Moreover, France, Greece and Spain reported that they are planning to increase involvement of their Parliament. Only two countries, Denmark and Finland, reported about the budgetary function of their Parliament in relation to SDG implementation, which is seen in this study as the most important function. Parliament can check whether governments live up to their financial commitments for the SDGs through their budget power.

To sum up, the policy coherence effect of SDG financing for SDG implementation is modest, as most EU countries do not use financing instruments to tackle multiple SDG objectives, but rather use one financing instrument for one SDG. Nevertheless, I also want to highlight here that most countries often not recognize that their financing schemes have positive (or negative) results for multiple SDGs. For example, increasing gender equality through gender budgeting, which six countries[54] reported on can also have positive effects on SDG 1 no poverty, SDG 2 zero hunger, SDG 3 good health and well-being as well as SDG 8 decent work and economic growth, and this list is not even exhaustive. Member states often do not report on these interlinkages, especially in relation to finance, even though the 2030 Agenda highlights that these interlinkages exist and that countries should be aware of those in their policymaking. There is still room for improvement in most countries to link established sustainable development policy objectives with performance budget indicators and to create tools to see where and when these performance budget indicators interact, so that policy choices can be redirected. Furthermore, only two countries, Finland and Spain, reported how they have 'standardized the inclusion' of the SDGs in their State Budget through including new chapters. Although this does not mean that budget allocations are automatically better aligned with the SDGs in these countries, it merely indicates a high commitment of the Finnish and Spanish governments to SDG finance.

[54] Finland, France, Hungary, Ireland, Italy and Portugal.

7.2 How could SDG finance policies at EU level and member state level better reinforce each other?

This study has emphasized how SDG implementation is a multi-level governance issue, meaning that SDG implementation needs to happen at both levels, for which coordination is required. This two-level dynamic has also been highlighted by member states themselves in their national review reports to the UN High-level Political Forum on Sustainable Development. Member states align their own sustainable development objectives with the EU ones, stipulated in the EU 2020 strategy. However, a concrete SDG implementation plan, or a long-term development plan aligned with the SDGs on the EU level has not been created (yet).

The first recommendation for dynamizing SDG finance policies in Europe, would be to create a new EU2030 strategy that is fully aligned with the SDGs. This plan should be inspired by national development plans, and should instead of being top-down directed, follow a bottom-up approach. This means that common denominators of the 27 national SDG plans should be identified and these could inspire new sustainable development priorities on the EU level. During the negotiations of this plan, the strategies and targets that member states have set up to achieve the SDGs could be used as a basis of discussion. Nevertheless, the EU already has a few environmental and climate ambitions proposed, listed in the Green Deal, but these do not encompass all SDGs. Having a more holistic approach, would help to steer SDG implementation both at the national and EU level, and should also help in establishing new agreed objectives for contentious topics such as the rule of law (SDG 16) and other EU values.

Based on these newly recognized SDG priorities at the EU level, finance and economic monitoring processes should be adjusted to adhere to these new objectives. Based on this study's assessment, climate and gender budgeting already receive much political support in most countries. The European Green Deal is also mainly focused on climate expenditure, and the newly agreed 30% expenditure target in the EU Multiannual Financial Framework shows that member states support the European Commission in this direction (European Council, 2020). Nevertheless, still funding needs exist for other SDG related themes, such as biodiversity (SDG 15) and access to healthcare (SDG 3) (Eurostat, 2018). Affordable, preventive and curative healthcare of good quality is one of the 20 principles of the European Pillar of Social Rights.

The second recommendation for dynamizing SDG finance policies in Europe, would be to include all SDGs in economic monitoring process for EU investment programmes. Multiple scholars have argued to transform the European Semester to a delivery model for sustainability (including, Niestroy, 2015; Renda, 2017; SDSN & IEEP, 2019) and the European Commission have followed this in its proposed Sustainable Development Investment Plan of 2020 (SDIP): "The [European Semester] country reports will match the available sources of financing through EU funds with the country-specific challenges identified in the reports, among others in view of climate, environmental and social policy objectives" (European Commission, 2020a: 11). This intention has also been included in the final agreement of the European Council for the new Multiannual Financial Framework and Recovery Facility (European Council, 2020). The EU leaders agreed to strengthening the link between the EU budget and the European Semester. They also decided to include the European Pillar of Social Rights, as well as other themes such as migration, environment and climate change, gender equality and 'equal opportunities for all' in the European Semester. To conclude, recent developments indicate that multiple SDG themes are going to be included in the European Semester. However, without any common understanding about the objectives for these themes, it is still difficult for the European Commission to assess how well a country is doing in the field of environment, climate change or equality. This clearly shows how crucial step 1 is, as common objectives need to be established before being able to review those and to propose policy reforms based on these reviews.

Based on these reviews from the Commission through the European Semester, as well as the Commission's general Structural Reform Support Programme, EU funding schemes can be used to support member states in making the sustainable transition.

The third recommendation for dynamizing SDG finance policies in Europe, would be to adjust assessment criteria for policy proposals of EU's funding programmes with the SDGs. Several countries also have pointed out in their VNRs that linking SDGs to EU's Structural and Investment Funds would be helpful to support national SDG implementation. The five main European funds, European Regional Development Fund (ERDF); European Social Fund (ESF); Cohesion Fund (CF); European Agriculture Fund for Rural Development (EAFRD); and the European Maritime and Fisheries Fund (EMFF) could be transformed to thematic SDG funds. Furthermore, the Commission announced in its SDIP that it will transform the European Investment Bank (EIB) into a climate bank (European Commission, 2020a). The EIB will gradually increase its share of its financing dedicated to climate action and environmental sustainability to reach 50% by 2025 and beyond. However, for these funds to be effective for policy coherence for sustainable development (PCSD), all SDG dimensions should be taken into in each reform programme. For this, these funds need impact assessments that are tailored to the relevant SDGs. It might be possible to align performance indicators of these funds with national budget performance indicators. Member states are still struggling with this for their own national budgets, so streamlining budget performance indicators both on the national and EU level can reduce reporting burden for recipient countries of these funds and could also increase transparency and comparability between member states. Establishing a platform or a programme for SDG budgeting capacity building to improve coordination and policy-learning between EU and national policymakers could be useful.

The European Commission has made estimations for the funding gap of EUR 550 billion a year until 2030 for the green transition in its (SDIP). However, for other SDGs an elaborative assessment has not been made yet.

The fourth recommendation for dynamizing SDG finance policies in Europe, would be to identify how much funding for implementing the 2030 Agenda is required and for which SDGs funding is most needed. This is especially interesting for the SDGs that have an inherent transboundary character and which progress mostly depends on collaboration, such as SDG 7 affordable and clean energy, SDG 13 climate action, SDG 14 sustainably use of oceans, seas and marine resources, SDG 15 sustainable land use and biodiversity. Particularly for the latter two SDGs, cleaning waters and restoring biodiversity loss require, major public investments are needed and the EU could play a role in pooling resources for delivery of these SDGs.

Following the above paragraphs, the European Commission can orchestrate SDG finance with its own financial mechanisms and can reframe its own steering mechanism to advance achieving the targets of the SDGs. Vice versa, member states can advocate to align EU ambitions with national sustainable development ambitions. Niestroy et al., (2019) also argued in favour of a front-runner approach, resulting to the creation of coalitions of the willing that turn into coalitions of the winning. In this regard, a new two-level dynamic for SDG finance can both support the laggards as well as the frontrunners for SDG implementation, while also respecting countries own priorities and progress in achieving their development agenda.

7.3 Discussion

This study aimed to provide an insight in EU member states efforts to integrate the SDGs in national financing infrastructures. The scope of this study allowed for an overview and light assessment of member states' response to SDG implementation as well as an overview of the European Commission's response to the 2030 Agenda from a financial perspective. Below I will provide some points of discussion in relation to the methods chosen for this study as well as recommendations for further research.

Data availability
The results of this study are mainly based on what member states themselves have reported in their voluntary national reviews (VNR) towards the UN High-level Political Forum on Sustainable Development. There VNR vary widely in size but also in quality. Also, some countries narrowly followed the VNR Reporting Guidelines, whereas other countries have not. Therefore, drawing meaningful comparisons was complicated. Also, for more robust verification of these findings, more interviews should be held which each country. One interviewee also expressed concerns to base the outcomes of this thesis on findings abstracted from the VNRs, because in the interviewee's experiences these VNRs often depict a brighter picture. Furthermore, some countries submitted their VNR already in 2016 and 2017, so these could be perceived as outdated. In general, survey and assessments need to be done on a regular basis to create a complete picture of SDG implementation in Europe. The European Sustainable Development Network (ESDN) is doing this but is not covering all countries and its country profile database is not frequently updated for all countries. To exemplify, Poland's profile is last updated in 2017.

Assessment scale: categorization of the findings
The assessment scale created for this study has been adjusted and expanded throughout this research, to reflect the findings gathered from the country reports. Below I will highlight some of the difficulties I encountered for this research in categorizing member states' financial commitment to SDG implementation.

A linear, four-steps policymaking model to mainstream the SDGs in national public finance schemes does not exist, which makes evaluating the progress member states have made in this regard very difficult. Those four categories established for this study's assessment scale can be perceived as artificial and a very simplified version of the reality.

Furthermore, also many countries have reported on future plans to integrate the SDGs in budget planning processes, but it is not clear to what extent they have formalized these plans. Therefore, level 2 includes this 'commitment', but again, the financial commitment or plans countries reported differ immensely. To exemplify, Spain elaborated a whole chapter on its plans to integrate the SDGs in its national budget processes, whereas other countries only provided two sentences on how it will examine its public expenditure in relation to the SDGs.

Especially difficult was providing a score to countries which only reported on their adjusted budget performance indicators and nothing about their commitment to ensure sufficient resources allocations for sustainable development. This is the case for Italy and Slovenia.

Implicit SDG financing at the EU level

The European Commission's approach for implementing the 2030 Agenda has been far from clear, which has complicated this study. In its Reflection Paper, the Commission elaborated on three scenarios but has not communicated a final decision which scenario it has chosen (European Commission, 2019b). The Green Deal Investment Plan and related sub-strategies, as well as its proposals for the Multiannual Financial Framework all highlight the necessity of the Sustainable Development Goals but do not include a clear link how certain mechanisms will deliver on certain SDGs. These implicit reference to the SDGs in the European Commission's communication makes it difficult to assess EU's approach for SDG financing and EU's SDG implementation efforts in general. This study therefore argues for a concrete SDG action plan at the EU level, which can be incorporated in the new EU 2030 strategy. Nevertheless, I also recognize that the proposals that have been tabled over the last few months, such as the Farm to Fork Strategy aim to transform 'old' policies - the Common Agriculture Policy- into sustainable directions. The Commission also highlights how these new strategies are inspired by the Agenda 2030, and also include the SDG dimensions – social, environment and economic- in these plans. Following this, the European Commission already has made some steps in recognizing the interconnectedness of the SDGs throughout its strategies. I also acknowledge that this lack of a uniform EU SDG strategy is not per se due to a low level of ambition of the current Commission. Rather, the negotiations on the next Multiannual Financial Framework have shown how the sustainable development priorities set by the Commission are extremely politicized. Therefore, in this study I have argued for the need of creating new sustainable development priorities, aligned with the SDGs to foster goal implementation in Europe.

Further research

This study has followed a rather narrow approach of SDG finance to investigate to what extent countries have reported on their processes of aligning their national budget with the SDGs. It is desirable to further deepen this assessment and to repeat it regularly to capture the current status countries are in for achieving the SDGs. I concluded that systematic approaches to include the SDGs in public financing schemes are missing in most countries. This raises the next question on how countries can more systematically include the SDGs in national budgeting. I frequently referred throughout this study to sustainability impact assessments and budget checks or budget performance indicators. More research needs to be done how these tools can include the SDGs. For this, the national context knowledge needs to be taken into account, as budgeting processes vary between member states. Furthermore, I have also not answered the question why certain countries are further in mainstreaming the SDGs in national budgeting than others. I only partly addressed this question to examine three conditions: creation of a long-term national SDG strategy, involvement of national Parliament and support of the Ministry of Finance. However, there might be other reasons or conditions why some countries explicitly address the SDGs in their financing schemes and others not. In addition, this study concluded that more information is needed on the so-called EU SDG funding gap, so that policies can be directed to address this gap. Lastly, the multi-level governance issue of SDG finance requires coordination mechanisms between the EU and the national level. This study focused on the Commissions economic monitoring scheme through the European Semester as well as its direct investment programmes via its five structural investment funds. Nevertheless, other coordination mechanisms can be identified and analysed, for example the European Investment Bank's programmes, that can be tailored to favouring SDG implementation in Europe.

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ANNEX 1
Country Fiches

Sources

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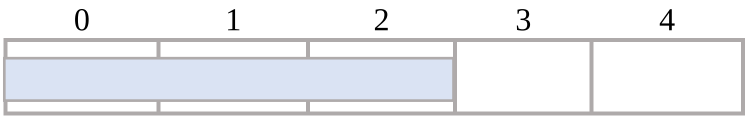
Country Profile: Austria

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	No SDG strategy or action plan in place, only a few cross-sectoral long-term strategies.
Involvement of Parliament	Unknown.
Support of the Ministry of Finance	Unknown.

Austria has not yet submitted a voluntary review report but is inscribed on the list of countries participating in the HLPF session in July 2020. Consequently, less information is available about the governmental approach for the SDG Agenda. What we do know is that Austria has not developed an overarching national SDG strategy (Niestroy et al., 2019). All ministries share responsibility to achieve the SDGs in their respective areas. An inter-ministerial working group, consisting of SDG focal points from all ministries and co-chaired by the Federal Chancellery and the Ministry of Foreign Affairs, coordinates SDG- implementation (OECD, 2018). In general, Austria has a few cross- sectoral long-term strategies in place, more or less linked to sustainable development (e.g. Climate and Energy Strategy, Three-Year-Programme on Development Policy, Health Targets, Youth Strategy, and Foreign Trade Strategy, Niestroy et al., 2019, Main Messages VNR 2020).

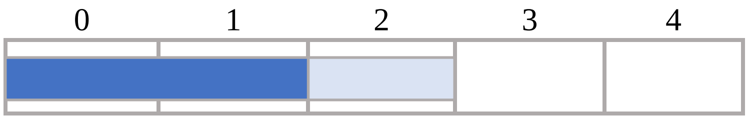
According to Mulholland and Berger (2019), Austria is considering integrating an SDG-perspective into the Austrian system of performance-informed budgeting. There will be, however, no specific extra budget lines developed for the SDGs. In general, there is no direct link between resources allocation and performance targets in the Austria budget system. On a voluntary base, departments do consider the SDG-perspectives and they are flirting with the idea to make this compulsory. Austria also links the “SDG financial mainstreaming -question” with a risk-management question. This relates to two points: declining revenues for the treasury (from taxes on gasoline and diesel) and eliminating subsidies that counteract SDG delivery. In this regard, Austria referred in its Main Messages VNR 2020 that it will support at the ‘EU-level’ carbon border adjustments and the earliest possibility of phasing-out and subsidies for fossil infrastructures.

Score: 0 moving to 2

Extra note: VNR submitted in July 2020, but not included in this analysis.

Country Profile: Belgium

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, updated an NSDS in 2017 aligned with the SDGs.
Involvement of Parliament	Yes, involvement of federal and regional Parliaments is
Support of the Ministry of Finance	No.

Belgium has updated its national sustainable development strategy in 2017, which provides the umbrella for the main governmental actors at both federal and federated levels (OECD, 2020). At the federal level, three ministers – the Minister of Energy, Environment, and Sustainable Development, the Minister of International Cooperation, and the Minister of Foreign Affairs – are responsible for the 2030 Agenda (Mullholland, 2017). Since 2016 there is a concrete commitment to 'SDG-proofing' within the various Flemish Government agencies. Integrating an 'SDG test' in the policies governing subsidies to cities and municipalities is also part of the plan (VNR, 2017).

Being a highly federalized state, regional level ministries and local communities are also responsible for sustainable development, particularly the 2030 Agenda (Niestroy et al., 2019). In its VNR, Belgium reported for every SDG reported how the regional levels, Walloon, Flanders and German speaking region of Belgium, are contributing. In 2013, the Walloon Parliament adopted a decree which provides, *inter alia*, the adoption of one new sustainable development strategy per parliamentary term (VNR, 2017). A similar decree has been adopted by the Flemish Parliament already in 2008. Furthermore, the federal parliament has known for several years an 'MDG Group of Friends' which has now been renamed 'SDG Group of Friends'. It is intended that as from Autumn 2017 onwards, each federal parliamentary committee will integrate in its work the SDGs relevant for its substantive policy area. Belgium has also set up an institutional framework to promote transversal work and participation. The Inter-Ministerial Conference for Sustainable Development (IMCSD) – composed of federal, regional and community ministers responsible for sustainable development and development cooperation (VNR, 2017).

Regarding how federal ministries are apportioning their budgets regarding the SDGs, there are, as of now, no specific portions of the federal budget, or that of individual ministries, that are allocated towards the SDGs (Mullholland, 2017). It states how "domestic resources mobilization is high on the Belgian international development agenda" (VNR: 65). Belgium has not a strategy to link the need of domestic resources mobilization for SDG delivery in its own country. It has reported on many sectoral strategies, often also drawn in a participatory manner, but not elaborated on the financial side of these strategies.

Only for the regional level, Belgium reported that The Walloon and Flemish region adopted policies ito ensure 100% sustainable public procurement by 2020. Nevertheless, for a few SDGs it did include some financial commitments, and those are listed in the table below.

Furthermore, Belgium has reported in its VNR extensively how it contributes through Official Development Assistance (ODA) to achieve the SDGs and prescribes itself as a long-standing donor in terms of climate finance. It reported extensively per SDG how Belgium's international development financing is contributing to different SDG projects all over the world.

There are no reports published about Belgium's commitment to align the SDG's with its national budget system, or any specifications about investments or cost-calculations linked to achieving the SDGs in Belgium.

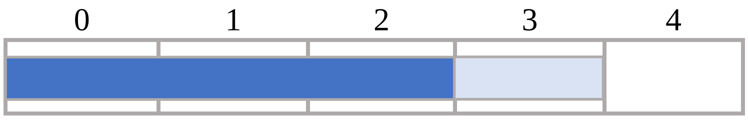
Score: 1 moving to 2

Extra note:

SDG	Financial plan/commitment
7	The investment program for the renovation of the public housing stock aims to improve energy efficiency in housing. program receives exceptional funding of 400 million EUR and is expected to be reinforced by an envelope of 80 million EUR in 2018. In the Brussels-Capital Region, adopted measures include financing for the installation of photovoltaic panels on the roofs of local and regional public authorities, the creation of a regional energy service company for local and regional authorities in Brussels to support energy efficiency, and the setting up of a mechanism for financing energy retrofit and renewable energy production projects A Flemish program tackles energy poverty by further protecting vulnerable families against the disconnection of energy supply and by structurally reducing vulnerable citizens' energy consumption through cheap energy loans and roof insulation. Suitable financing mechanisms are also provided to them. A series of measures to combat energy poverty is also taken on the Walloon side
8	The government of Flanders has developed, *inter alia*, an SME portfolio which provides for subsidies for substantial benefit in terms of specialized advice or training, an SME growth subsidy which supports SME expansion projects The *Be Circular – Be Brussels* portfolio makes available 1.5 million EUR annually in support of specific projects in the Brussels area.
9	The Flemish government provides financing in support of large projects in the generation of offshore and onshore wind energy, the production and installation of solar panels, organic photovoltaic plants, solar power plants for large residential and business areas, marine energy, energy conservation programs for government buildings, lowering financing thresholds for energy savings in SMEs, energy-efficient production and distribution of hydrogen, and plug-in systems for cogeneration to the benefit of industrial and residential clusters The *Digital Belgium Skills Fund*, launched in May 2017, provides 18 million EUR in support of projects over the coming three years. The Digital Wallonia Platform brings together digital players and works on 5 axes: support for the digital sector itself *(inter alia* by establishing a digital fund for start-ups), roll out of digital in other economic sectors, education, public sector and services, and smart cities
11	By way of promoting sustainable mobility for all citizens, the Walloon government set up a plan which encompasses a whole series of actions aimed at improving the conditions of cycling and significantly increasing its use in the region by 2020. Among the many initiatives already launched are funding to ten pilot municipalities.
13	A national debate on the price of carbon is organized by the federal government throughout 2017. It aims to discuss and analyze in a participatory way the modalities of implementing a potential carbon pricing mechanism in sectors not covered by the European Emissions Trading Scheme ("non-ETS"). Our fisheries authorities also indicated that to date, the Flemish fleet is no longer relying on fossil-fuel subsidies
15	Investment subsidies are being deployed, among others, to realize the cross-border recovery of heath, land dunes and fens, to apply an integrated approach to exotic species, to restore old creek arms, to foster innovative partnerships supporting agriculture in wetlands and nature sensitive areas, and to restore and sustainably manage forests.

Country Profile: Bulgaria

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Not yet, planned to adopt a National Programme for Development aligned with the SDGs by the end of 2020.
Involvement of Parliament	Unknown.
Support of the Ministry of Finance	Yes, support from the Ministry of Finance.

Bulgaria has submitted only a few days ago its first voluntary review report as it is inscribed on the list of countries participating in the HLPF session in July 2020. Bulgaria has one key strategic document: National Programme for Development Bulgaria 2020, which provides guidelines for development action of all ministries. The Ministry of Finance chairs the Coordination Committee for observation, implementation, monitoring and assessment of the National Programme for Development Bulgaria 2020. Bulgaria’s 2020 Strategy is linked to the EU2020 Strategy but not directly to the SDGs (Niestroy et al., 2019). The Council of Ministers will adopt by the end of 2020 the National Development Programme Bulgaria 2030, which outlines thirteen national priorities explicitly linked to the SDGs (VNR report, 2020). All ministries are responsible for the internal implementation of the 2030 Agenda

Bulgaria highlights in its VNR that government expenditure plays a key role in the achievement of the Sustainable Development Goals, as well as private capital. In its VNR, Bulgaria stated that an IMF assessment of public investment management concluded that there is a lack of a clear link to the mid-term budgetary forecast. Nevertheless, Bulgaria intends to link the planned interventions with the financial (including budgetary) resources necessary for their implementation. An example provided it the National Trust EcoFund to finance climate change adaptation and actions on mitigating climate change impact. It manages earmarked funds provided by the state budget, including through “Debt-for-environment” and “Debt-for- nature” swaps.

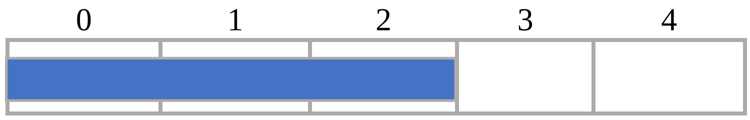
According to the Government's 2020 Budget approved at the end of 2019, priority is given to education, health care and persons with disabilities. Furthermore, due to a financial decentralization process in 2003, more resources are being channeled to address local challenges. Much of the main activities for the implementation of the SDGs, such as health and education, social security and care, are carried out on the basis of state delegated budgets with clear standards.

In relation to the COVID-19 crisis, it states that the country “realizes that the COVID-19 pandemic has put a strain on the implementation of the SDGs. We remain committed to the 2030 Agenda on Sustainable Development as our roadmap to recovery and building back better” (VNR: 132), although it has not elaborated how it might could temper goal implementation in its own country.

However, it further reports that it has taken measures which have, on the contrast, contributed to the implementation of SDG 2 (Zero Hunger), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 10 (Reduced Inequalities) and SDG 11 (Sustainable Cities and Communities) (see for the list of measures pages 130-131). Remarkably, Bulgaria also referred to the delayed negotiations on the EU Multiannual Financial Framework for the 2021 – 2027 period as it marks this as a potential issue, "because it will take some time between the absorption of funds under the old programming period (2014-2020) and the start of the absorption for the new period" (VNR: 97). To conclude, Bulgaria submitted as the last country its VNR, which has been prepared during unusual times with the COVID-19 pandemic still prevailing. Remarkbly, how Bulgaria already reported on the connection between domestic financial aid plans for the pandemic with the SDGs (through SDG tagging). Bulgaria also recognizes the importance of public finance for SDG delivery, but has not elaborated in detail with a concrete finance plan or strategy in its VNR. We have to wait for Bulgaria 2030 National Development Plan to be adopted to see how Bulgaria's commitment to align the SDGs with its budget will be further defined.
Score: 2 moving to 3

Country Profile: Croatia

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Not yet, National Development Strategy 2030 planned to be adopted in 2020.
Involvement of Parliament	No.
Support of the Ministry of Finance	No.

Croatia is currently in the process to develop a new, overarching strategic document named the National Development Strategy 2030. It is not exactly a sustainable development strategy but more a general development strategy (Niestroy et al., 2019). According to Croatia's ESDN profile (latest update 7 May 2020), the National Development Strategy 2030 is planned to be adopted in 2020 and will also identify key challenges, goals and targets for sustainable development related to the 2030 UN Agenda.

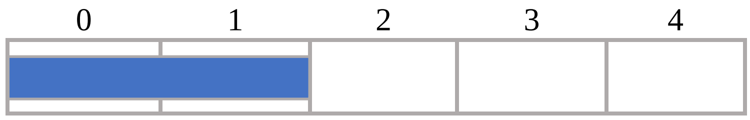
Since the adoption of the SDGs, responsibility for sustainable development has been moved from the Environment Minister to the "Government of Croatia as a whole" and more specifically to the Ministry of Foreign and European Affairs acting as a secretariat and coordinator. A new National Council for Sustainable Development has been created, steered by prime minister and enclosed members of the cabinet. Additionally, the Ministry of Foreign and European Affairs established an inter-sectoral working group for SDGs and this workgroup has been assigned to analyse the links between the SDGs and this upcoming strategy to show its compatibility with the SDGs.

Croatia has also committed itself so link its National Development Strategy 2030 to the national budget. Although this document has not been adopted. Yet, this integrated approach of in cooperating the SDGs in this strategic plan, sounds promising. Croatia has extensively reported on its financial contributions per SDG in its 2019 Voluntary National Report. A small selection from the report: it has made amendments of the value added tax to promote healthy lifestyles, it plans to invest EUR 6 billion in renewable energy sources by 2030 and it has provided an overview how its Official Development Aid projects contribute to particular SDGs.

Score: 2

Country Profile: Cyprus

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	No SDG strategy or action plan in place, only a few cross-sectoral long-term strategies.
Involvement of Parliament	Yes, but its involvement is limited.
Support of the Ministry of Finance	No.

Cyprus has a National Sustainable Development Strategy, which has been reviewed in 2010. After the adoption of the 2030 UN Agenda, the Cypriot government has not made any new institutional arrangements. The responsibility for the SDGs has shifted from the Ministry of Foreign Affairs, which was responsible for the coordination of the process and the drafting of VNR 2017 to the Directorate General for European Programmes, Coordination and Development (DG EPCD) (Niestroy et al., 2019). Cyprus has only some concrete cross- sectoral long-term action plans in place, such as the National Action Plan for Youth, Action Plan For Growth and Action Plan for Green Economy, all more or less linked to particular SDGs.

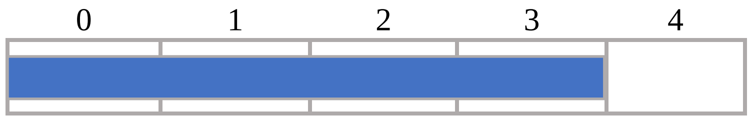
In its 2017 VNR, Croatia elaborated on the fact that it has not yet appointed a coordinator responsible for the implementation of the Sustainable Development Goals, although it acknowledges its added value for political cohesion. The House of Representatives' Committee for the Environment has initiated parliamentary discussions on Agenda 2030, by requesting an informative session with the SDGs Coordinator (Ministry of Foreign Affairs) on Cyprus' progress in SDGs achievement. More activity is expected to follow in all areas of cooperation, including towards engagement of the local authorities in the process of Agenda 2030 implementation. Furthermore, in cooperation with the Ministry of Education and Culture, it circulated an online survey on the SDGs and the priorities the government should have, in the framework of the government's public consultation initiative. In its 2017 VNR, Cyprus highlighted that more parliament involvement is expected and reaching out to local authorities is a necessary step.

In relation to domestic resources mobilization, Cyprus reported that it made progress in restructuring its tax services and that these reforms have improved tax collection, and efficiency and effectiveness of services to the taxpayer. Moreover, Croatia also reported on the amount of Official Development Assistance and how this has decreased overtime due to the financial crises in 2013, but no specifics were reported on how its ODA contribute to achieving SDGs elsewhere. Mullholland (2017) reported some developments in Croatia about budget allocations related to two points: i. state aid for social care through NGO's and Local Authorities and ii. budget to combat youth unemployment.

To conclude, no concrete steps are taken, or commitments are made to institutionally imbed the SDGs in an all-encompassing framework, let alone to integrate the SDGs into the national budget process or other financial programmes.
Score: 1

Country Profile: Czech Republic

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, Strategic Framework Czech Republic 2030 and action plan called Implementing the Agenda 2030 in Czech Republic.
Involvement of Parliament	Yes, but its involvement is limited.
Support of the Ministry of Finance	No.

Czech Republic's Strategic Framework for Sustainable Development 2010 was revised in 2015 into Strategic Framework Czech Republic 2030 (*Czech Republic 2030*), which outlines the national vision of the SDGs and includes 27 strategic coals and 97 underlying targets. Besides this overarching strategic document, the government adopted a subsequent action plan called Implementing the Agenda 2030 in Czech Republic in 2018, which assesses the SDGs' relevance in internal and external dimension and sets out responsibilities to the relevant targets at ministerial level (ESDN Profile update 30 April 2020). The Government Council for Sustainable Development, which is an advisory & coordinating body of government and falls under the auspices of the Ministry of Environment, is responsible for the domestic implementation of the Agenda 2030. Within this Council, fourteen ministries are represented, and also non-governmental stakeholders take part in the meetings (Niestroy et al., 2019). Czech Republic 2030 is the result of a participatory process lasting more than a year, including discussions in both chambers of Parliament (VNR, 2017). Furthermore, within the national parliament, a new sub-committee for sustainable development under the Environment Committee exists, but apparently the activities are not so obvious, and its relevance was explained as 'there are many committees and sub-committees in the parliament' (Niestroy et al., 2019).

Czech Republic submitted its VNR in 2017 and has not extensively reported on financing. Rather self-critical, it stated that maintenance of infrastructure is underfinanced, and that railway lines and highways are at their limits. Nevertheless, in the next paragraph it reports that it has adopted a new fiscal responsibility law to address the main shortcomings of the Czech fiscal framework since it was evaluated as one of the weakest in the EU and it adopted a new Act on public procurement. Unclear is if this new public procurement law also includes sustainability indicators. In relation to international SDG funding, the country reported that is financially contributed to the Green Climate Fund (between 2014 – 2016) and that is gradually increased its ODA contribution.

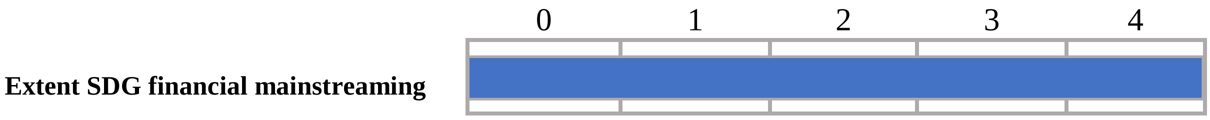
According to Mulholland & Berger (2019), Czech Republic also takes the SDGs into account during budgeting in an indirect way. Financing of national priorities is embedded in the Strategic Framework Czech Republic 2030, and each ministry is responsible for its relevant targets to allocate own budget to it. Furthermore, an analytical system exists that enables the identification of cross-cutting issues, such as expenditure on the environment in each ministerial budget. This is only for the environmental SDGs.

Mulholland & Berger (2019) already have highlighted that it would be useful to have a similar cross-cutting identification system for all SDGs in the state budget's structure. Another example from Mulholland & Berger (2019) is that the Ministry of Environment uses money that is has received from Emission Allowances for other climate change precautions. A similar model is now discussed in EU's Multiannual Financial Framework for the ETS system.

To conclude, Czech Republic is in the process of linking its sustainable development strategy with its budget process. I do, however not agree with Mulholland's finding that "the SDGs could be considered as mainstreamed into the Czech Republic's budget process in general" (p. 10). What we see is that the SDGs, through the Czech Republic 2030, are financially integrated in each individual ministry. The cross-cutting dimensions of the SDGs are also taken into account for the environmental SDGs. Good examples are given within the Ministry of Environment, it is however unclear how and whether the other ministries also have secured concrete financial plans and budget allocations for delivery of their respective SDGs. Discussion on budget allocation for the SDGs should be held not only within the ministries but also between ministries as part of the broader budget process, as this would improve securing financial investments for crosscutting areas.

Score: 3

Country Profile: Denmark



Success factors for SDG finance

Translation into national context	Yes, national action plan adopted in 2017 and a new NSDS is planned to be presented by the government in 2020.
Involvement of Parliament	Yes, but only in relation to the annual national budget negotiations.
Support of the Ministry of Finance	Yes, Ministry of Finance is responsible for coordination.

In March 2017, Denmark presented its national action plan for incorporating the SDGs into its domestic policies. This action plan includes 37 specific targets organised in four clusters – ‘Growth and Prosperity’; ‘People’; ‘Environment and Climate’; and a ‘Peaceful and Safe Society’. A new National Sustainable Development Strategy is planned to be published by the government in 2020, last one dates back to 2009 (ESDN Country Profile, last updated 27 May 2020). Efforts to implement the action plan are mainly coordinated through the inter-ministerial SDG work group. The Ministry of Foreign Affairs was chair of the group until the adoption of the Action Plan, after which the Ministry of Finance took over the chairmanship (Mulholland, 2017). This shift reflects the government’s wish to ensure that sustainable development is integrated into domestic policy and the daily workings of the government. While the Ministry of Finance is responsible for coordination, it is important to stress that policy expertise is located in the line ministries responsible for designing policies addressing the SDGs

Furthermore, the Ministry of Finance tracks the fiscal sustainability of domestic policy timeframe projections of long run spending and taxation (OECD Country Profile, 2018). Moreover, the government plans to establish a mechanism to assess the consequences of new legislation on the SDGs (VNR 2017 and Niestroy et al., 2019) Since 2016, the SDGs have been integrated into the national bill pertaining to the budget for development cooperation indicating which SDGs are addressed by each budget allocation. Also, a national SDG fund was established by the central Danish development investment institution (IFU). Through this fund, the Danish government will use public funds to mobilise private investments in order to increase the contribution of the private sector to sustainable development in developing countries. It is important to mention that this fund and budget for development cooperation is related to SDG delivery world-wide and less to domestic SDG implementation.

Nevertheless, in its 2017 VNR, Denmark stated that the central government reached an agreement with the municipalities and regions. In this agreement, the different governmental levels agreed that they will cooperate to achieve the SDGs and integrate sustainable development in policymaking for the 2018 budget. Denmark’s public sector is largely decentralised and the municipalities account for 70 per cent of public consumption.

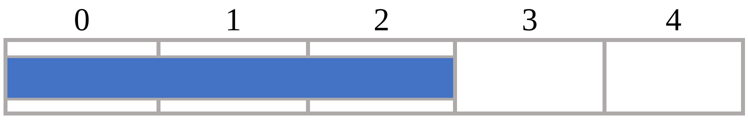
According to Mulholland (2017), implementation of the Danish Action Plan and sustainable development in general is funded by budget allocations as approved by Parliament in the annual budget negotiations for the coming fiscal year. As such, every ministry and government agency are responsible for the allocation of sufficient resources. In case additional funds are requested, the government will assess such requests on its merits and according to regular procedure.

To conclude, following what is stated above, the SDGs are almost fully financially mainstreamed in Denmark. Denmark is also an interesting case for more federal orientated states, as it has been able to include all levels for financing the SDGs. It is not yet clear how Denmark deals with financing for SDGs in cross-cutting areas, as often multiple ministries need to be on board and allocate resources to achieve particular SDG targets.

Score: 4

Country Profile: Estonia

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, long-term sustainable development strategy ‘Estonia 2035’.
Involvement of Parliament	No.
Support of the Ministry of Finance	Yes, but its role is unclear.

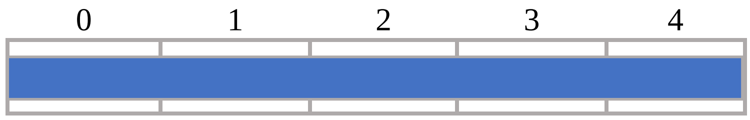
The Estonian Parliament approved it first National Sustainable Development Strategy called ‘Sustainable Estonia 21’ in 2005. The Commission for Sustainable Development (established 1996) monitors the implementation of the Estonia’s Strategy on Sustainable Development and publishes appropriate reports, including making relevant proposals to the Government of the Republic to ensure the national long-term sustainable development. At present, the Commission consists of 22 representatives of different non-governmental organisations. The Strategy Unit in the Government Office acts as the secretariat of the Sustainable Development Commission. Furthermore, an inter-ministerial working group for sustainable development was created in 2008. The Sustainable Development Commission launched a review of Sustainable Estonia 21 and its implementation mechanisms to make it compatible with the 2030 Agenda. The SDGs will be integrated into sectoral strategies and development plans once they are renewed starting in 2018 (some policies already reflect SDGs). Each ministry retains responsibility for achieving and leading initiatives in their respective policy field (OECD Country Profile, 2018). Since 2018, the Estonian government have been drafting a long-term strategy called ‘Estonia 2035’, which also takes into account the SDGs. According to its 2020 VNR, the government completed its new strategic framework, which creates a strong basis for a more systematic and robust reflection of sustainable development goals in sectoral strategies for the next fifteen years.

According to Estonian’s first VNR, the State Budget Strategy 2017 – 2020 includes indicators based on the 17 SDGs. It refers to this budget strategy multiple times in relation to specific SDGs, for example SDG 9 or more general for example to international cooperation on climate change (EUR 1 million in 2018). Although Niestroy et al., (2019) reported that the Ministry of Finance is involved in linking the new Estonia2035 strategy to Estonian’s national budget (see also Mulholland and Berger 2019 contribution) this exercise has not been followed up, nor reported in Estonia’s 2020 VNR. According to Mulholland and Berger (2019), the current budget system in Estonia is not directly linked to the SDGs, and so far, no other signs have been given that this is will be the case in the near future. Nevertheless, in its 2020VNR Estonia has reported how it will improve its budget to increase expenditures in the social and health sector to improve the situation of the most economically vulnerable and extensively refers to all kind of thematic national funds, as well as its ODA contribution. Interestingly, it also refers to the EU and more specifically to the European Semester as an important economic instrument for the integration of the SDGs.

To conclude, Estonian has integrated the SDGs on a more sectoral basis and is in the process to improve expenditure for some SDGS. Estonia is missing a general financing strategy that encompassed all SDGs.
Score: 2

Country Profile: Finland

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, long-term strategy 'The Finland We Want by 2050 — Society's Commitment to Sustainable Development'.
Involvement of Parliament	Yes, Parliament's Committee for the Future.
Support of the Ministry of Finance	Yes, since 2017 the Ministry of Finance has a leading role.

Finland first National Strategy for Sustainable Development dates back to 2006. The latest policy document for sustainable development '*The Finland We Want by 2050 — Society's Commitment to Sustainable Development*' was adopted in 2013 and updated in April 2016 to be in line with the 2030 Agenda (OECD Country Profile, 2018). It was prepared by the Finnish National Commission on Sustainable Development in close cooperation with public administration, businesses and civil society organisations. Furthermore, the inter-ministerial coordination network is responsible for coordinating national sustainable development work and for providing support to the National Commission on Sustainable Development. The Prime Minister's Office is in the lead for the national sustainable development policy and is also responsible for implementing and drawing up the national implementation plan for Agenda 2030. Since 2016, all ministries have submitted their yearly reports to the Parliament on the policies and measures to achieve the SDGs in their respective policy branches. The Finish Parliament's Committee for the Future monitors the implementation of the Government's Annual reports as well as the budget proposals in relation to the 2030 Agenda themes.

Finland first implementation action plan was submitted to the parliament in 2017. Finland has submitted a second VNR for the HLPF meeting in July 2020, which focuses on progress achieved between 2016 and 2020, and summarizes key changes and lessons learned. The second implementation plan will be made public and submitted to parliament in autumn 2020 (ESDN Country Profile, last updated 15 June 2020).

Since 2017, the Minister of Finance took a leading role to ensure that medium-term objectives are tied with the budget planning. The 2018 drafting process was the first time that the budget proposal included language on sustainable development from each administrative branch. In their contributions, each administrative branch provided details about measures related to sustainable development and key changes in the relevant appropriations included in the budget proposal. These texts covered all of the key SDGs.

In the 2019 budget proposal, sustainable development budgeting was extended beyond sectoral perspective to also include a completely new chapter entitled 'sustainable development' in the General Strategy and Outlook section, which took a more holistic view on sustainable development, especially from the perspective of the SDGs relevant to carbon neutrality.

In its 2020 budget proposal a EUR 2.0 billion was allocated of Finland's total budget of EUR 57.7 billion to promote goals relating to carbon neutrality. In addition, the separate, popularized Budget Review publication emphasized sustainable development issues as one of the main topics.

According to its 2020 VNR, the integration of environmental sustainability into policy has proven easier than the integration of social sustainability. The governmental budgeting process of taking into account sustainable development is to be continued and widened. Ministries are requested to include information essential to the promotion and monitoring of sustainable development in their yearly budget planning, as well as in their follow-up indicators. Several procedures, which vary from one ministry to another, are in place for identifying trade-offs and synergies. However, it is recognized that trade-offs are often very difficult to reconcile even when identified, as they entail politically sensitive issues and deep-rooted ideological differences. Many of the conflicts are therefore addressed at the political (ministerial) level.

Forward looking, Finland stated in its 2020 VNR that it is still in the process to set targets for the budget that will phase out support for environmentally harmful activities and increasing investments that support sustainable development in both the public and private sectors. It also included in its VNR that it will introduce a gender impact assessment and gender-aware budgeting as permanent features of state and municipal administration.

To conclude, Finland is an outstanding case. It has shown that leadership and cooperation with all ministries is needed to streamline the SDGs into the national budget. Finland also extensively reported on the process, which is extremely valuable as reference for other countries. It is also one of the few countries that recognizes how politicized SDG implementation can become, which does not have to be a bad thing per se. It shows the importance of balanced policy-making and careful implementation, with adequate impact assessment tools to measure progress.

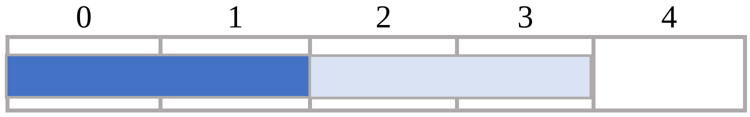
Score: 4

Extra note:

VNR 2020, p. 102: "The boldness of the then Finance Minister and the willingness of the Finance Ministry to depart from normal budgetary procedure proved to be a very successful decision. Accelerating action for sustainable development is not possible if the state finances are not supporting the objectives. In addition, the process has increased awareness of the budget managers of each line Ministry on the importance of linking finance policy with sustainable development. It is not only good for the people and planet, but also smart for the state economy".

Country Profile: France

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, SDGs Roadmap.
Involvement of Parliament	Not yet, planned to be involved.
Support of the Ministry of Finance	No.

France adopted its first sustainable development strategy in 2003, the current sustainable development strategy was adopted in 2014 and will run until 2020 but has not had political impact (Niestroy et al., 2019). France already adopted its first VNR in 2016 and was supposed to submit a second one is 2019, but this has been delayed. In its 2016 VNR, France extensively reported on sectorial budget allocations and funds, but no overarching approach was provided. It VNR was rather a stock-tacking exercise to show which current projects already contribute to SDG delivery in France.
Nevertheless, France elaborate a new National Sustainable Development Strategy, called the SDGs Roadmap, mandated by the Inter-ministerial Committee on Cooperation and International Development (CICID) chaired by the Prime Minister, and was approved in September 2019. More than 200 representatives of non-governmental organizations, together with representatives of Ministries and local authorities, participated in the two-year process of elaboration of the French SDG roadmap (ESDN Country Profile, last updated 30 April 2020). The Ministry for the Ecological and Inclusive Transition is in charge of sustainable development, together with the Ministry of Europe and Foreign Affairs.

France announced in February 2018 that it will align more structurally its budget performance indicators with the SDGs 'where relevant and possible' (Niestroy et al., 2019). In its SDG Roadmap 2019, it states that "sustainable development [will be] into account when establishing the state budget, notably through the development of the "green budget", and other dimensions such as account for gender issues in the budget.[1] Furthermore to "ensure the integration of the SDGs in the budget process and in the evaluation mechanisms of the parliament".[1]

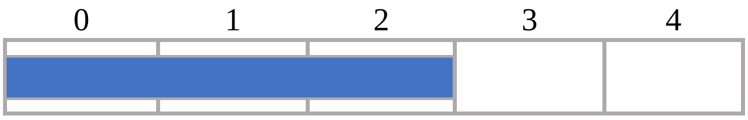
To conclude, France has used the SDGs to create a new momentum for its National Sustainable Development Strategy. A very elaborative, participatory process was launched to gain public and political attention. France now needs to deliver on its financial commitments and come up with more concrete action plans on how it will integrate the SDGs in its national budget. [2]

Score: 1 moving to 3

[1] France SDG Roadmap, approved September 2019 (page 34) https://www.agenda-2030.fr/sites/default/files/2020-02/20016_ODD_AmbitionAgenda_2030_def_light.pdf
[2] Ibid.

Country Profile: Germany

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, NSDS updated in 2017.
Involvement of Parliament	Yes, Parliamentary Advisory Committee for Sustainable Development since 2014.
Support of the Ministry of Finance	No.

Germany’s first National Sustainable Development Strategy dates back to 2002. The NSDS has been continuously reviewed, updated and further developed and since 2016 it is structured along the seventeen SDGs (ESDN Country Profile, last updated 7 May 2020). The latest update took place in November 2018 and is currently again under review, to be adopted in early 2021. The Federal Chancellery is in the lead for SDG Implementation, as Chair of State Secretaries Committee on Sustainable Development, in which all federal ministries are represented. The Committee is supported by a permanent inter-ministerial working group for Sustainable Development. All ministries retain primary responsibility for their own contributions to the implementation of the German Sustainable Development Strategy within their respective policy areas (OECD Country Profile, 2018). Also, a Parliamentary Advisory Committee for Sustainable Development (PBNE) exists in Germany already since 2004, and covers the NSDS, including Agenda 2030 implementation.

Germany submitted a VNR in 2016 and is already preparing its second VNR for the 2021 HLPF review cycle. According to Niestroy et al., (2019), Germany is very far in institutionalizing the SDGs in its governmental framework, however it has not yet linked its strategy to the national budget. Moreover, it has all kind of impact assessment tools in place, but those tools are not tied with (sectoral) budgets or investment schemes and it is unclear how these tools also redirect policy choices. For example, since 2015 a sustainability check is used as an ex-post instrument in Germany’s biannual subsidies report. This covers all federal subsidies, including federal financial assistance and federal tax benefits (Mulholland, 2017). Secondly, sustainability is enshrined in the Joint Rules of Procedure of the Federal Ministries as a mandatory criterion when assessing the impact of the Federal Government’s proposed laws and regulations.

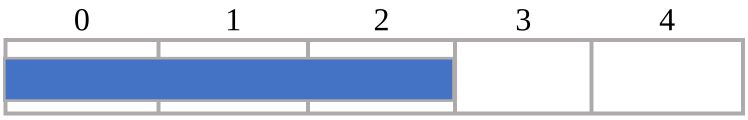
Nevertheless, according to Mulholland and Berger (2019), very recently, the issue of sustainable budgeting is gaining more political momentum and first steps are made to address sustainable development financing in a more coherent manner. The budget of the Ministry for Economic Cooperation and Development is already closely aligned to the 2030 Agenda (Mulholland, 2017).

In its 2016 VNR, Germany extensively reports on ODA, and how it aims to double its international climate finance by 2020 (base: 2014) and how it aims to promote sustainable development in the private sector for developing countries.

As Germany is preparing its second VNR as well as reviewing its national strategy, hopefully it will address the lack of financial commitment and will come up with more concrete investment plans. To conclude, Germany mainstreamed the SDGs in its policy objectives and reviews biannually its progress in an extensive manner. However, it is not clear how much federal budget is allocated towards the SDGs and so far, the SDGs have not taken a prominent role in the budgetary processes.
Score: 2

Country Profile: Greece

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Not yet, planned to draw a National Implementation Plan for the SDGs with a four years' timeframe.
Involvement of Parliament	Not yet, National Implementation Plan for the SDGs planned to be discussed in parliamentary committees.
Support of the Ministry of Finance	No.

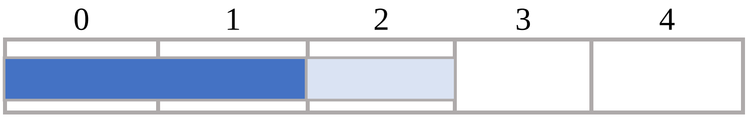
The Greek Government re-established a new Inter-ministerial Coordination Network for the SDGs in 2016 under the auspices of the General Secretariat of Government and the Ministry of Environment (Niestroy et al, 2019). Furthermore, a new holistic National Growth Strategy was adopted in April 2018 and includes the three dimensions of the SDGs (OECD Country Profile). According to its ESDN profile, the Greek government is currently busy drawing a National Implementation Plan for the SDG's, with an expected duration of four years. Yet, is it unclear if this implementation plan is already finalised. Furthermore, this plan is also expected to be submitted to the Hellenic Parliament for discussion and review in the context of join meetings of parliamentary committees where all political parties are represented (VNR, 2018).

After the elections in July 2019, the President's Office takes the lead in SDG implementation in strong cooperation with the Ministry of Environment and Energy, while the Ministry of Foreign Affairs remains responsible for the external dimension of the SDGs (ESDN Country Profile, latest update 29 April 2020). All Ministries were involved in the drawing process of the 2018 VNR, for which an extensive gap analysis was undertaken by each individual ministry. The mapping exercise resulted in compiling all relevant policies and measures that are still missing, indicating the state-of-play and budgetary status, and analysing areas of insufficient action or potential for cross-sectoral cooperation. In its 2018 VNR, Greece also has elaborated considerably on the need for effective mobilization of financial recourses for SDG delivery. Is recognizes a wide range of financial instruments and means contributing to sustainable economic growth and the achievement of the SDGs, including the Public Investments Programme, the new Investment Law, the Public Private Partnerships, the Hellenic Development Bank as well as the support provided by international financial institutions and other sources. It is also the explicitly mentioned the revision of the EU's Multiannual Financial Framework (currently under discussion). Also a few sector specific investments plans that would contribute to achieving respective SDGs, such as a EUR 2.4 billion plan (2014-2020) for a sustainable infrastructure program, are included. Greece stands out for its whole-government approach and its commitment to secure financial means for SDG implementation. According to Mulholland (2019), Greece is still in the process of developing its own more concrete programs and tools for planning and monitoring for budgeting, investing, spending, financing of the SDGs.

Score: 2

Country Profile: Hungary

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes (partly), a pre-SDG National Framework Strategy on Sustainable Development in 2013 for the period 2012 -2024 was adopted.
Involvement of Parliament	Yes, Parliamentary Commission for Future Generations monitors Sustainable Development.
Support of the Ministry of Finance	No.

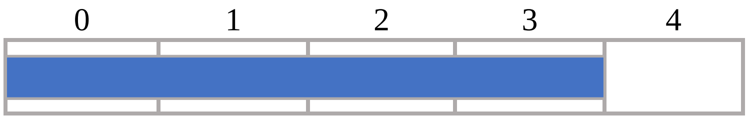
Hungary adopted a National Framework Strategy on Sustainable Development in 2013 for the period 2012 – 2024. According to the government, this national framework was ready for Agenda 2030 implementation, so no major alters are made after the official adoption of the SDGs in 2015 (Niestroy et al., 2019). The Ministry of Foreign Affairs and Trade is responsible for Hungary's Agenda 2030 policy, as well as the Directorate Environment Sustainability in President's Office and the Ministry of Agriculture and Ministry of Innovation and Technology. Furthermore, Hungary has also a National Council for Sustainable Development (NFFT), which is an independent national advisory body of the Hungarian Parliament. Also, Hungary has a Parliamentary Commission for Future Generations, formerly the Ombudsperson for Future Generations (Niestroy et al., 2019). Hungary submitted a VNR in 2018, which was more or less a stocktaking document of the results of the National Framework Strategy on Sustainable Development. In its VNR, Hungary also reported on some sectorial strategic plans that include investment plans. For example, a project of 44 million EUR for gender equality, as well as other financial instruments such as Green Investment System and the Green Finance System. Hungary also included a paragraph on the importance of additional resources mobilization for ODA. It is however quiet in its VNR on if and how much additional resources are needed for delivery of the SDGs in Hungary. According to Mulholland (2019), only a few ministries are attempting to align some of their programs and initiatives with the SDGs and also allocate conceivable parts of their ministerial budgets towards initiatives that will help in achieving the SDGs.

To conclude, the SDGs are not specified in the overall Hungarian budget, but several ministries and institutions are spending under different titles from various sources, and those are in line with SDGs (Mulholland, 2019).

Score: 1 moving to 2

Country Profile: Ireland

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes (partly), planned to revise current NSDS in 2020 and a temporary SDG National Implementation Plan is in place.
Involvement of Parliament	No.
Support of the Ministry of Finance	Yes, a new funding model for Exchequer funded public investment is being put in place.

In Ireland, the Minister for Communications, Climate Action and Environment has overall responsibility for promoting the SDGs, and for overseeing their coherent implementation across Government. The Minister established the *National Sustainable Development Unit* within his Department in 2017. Furthermore, a Senior Officials' Group (SOG) on the SDGs was established, made up of Assistant Secretaries from all Government Departments and is chaired by the Prime Minister Office, and a SDG Interdepartmental Working Group (IDWG), supported by the National Sustainable Development Unit. Moreover, overall political oversight for national SDG implementation is provided through the Cabinet, with each Government Minister having specific responsibility for implementing individual SDG targets related to their ministerial functions (ESDN Country Profile, last updated Thursday, 20 April 2020).

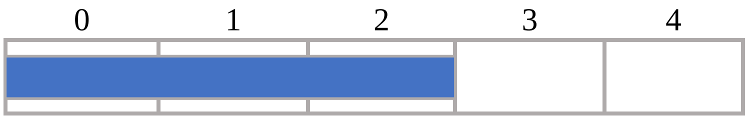
Ireland's first National Sustainable Development Strategy (NSDS) dates back in 1997. Its current national Sustainable Development Strategy, 'Our Sustainable Future', is an important component of Ireland's framework for implementing the SDGs. The NSDS will be revised in 2019 and Ireland plans to adopt a new NSDS by the end of 2020, which will directly incorporate the SDGs (Niestroy et al., 2019). In March 2018, Ireland adopted its SDG National Implementation Plan (2018 – 2020), which is the first in a series of implementation plans and also includes a 2030 Vision, setting out an ambitious set of high-level commitments which address the 17 SDGs (VNR, 2018). Simultaneously, in February 2018, Project Ireland 2040 was launched, an overarching policy initiative from the central government, which is made up of the National Planning Framework to 2040 and the National Development Plan 2018 – 2027. Interestingly, in Project Ireland 2040, a new funding model for Exchequer funded public investment is being put in place to ensure that resources are allocated to projects and programmes that support the achievement of the 10 objectives set out in the new National Planning Framework, further operationalized in the National Development Plan. The program also includes the establishment of four new funds, (combined allocation of €4 billion) for projects targeting urban and rural renewal, climate action and 'disruptive technologies'. In its 2018 VNR, Ireland stated that its National Development Program relates to several SDGs.

According to Niestroy et al., (2019), the Department of Foreign Affairs and Trade has initiated a process to 'tag' the SDGs within the Irish Aid budget, starting with the budget for 2018 and that the government is planning to extend this to other policy areas.

Moreover, Ireland also saliently referred to gender mainstreaming (via its National Strategy for Women and Girls 2017 – 2020) in its 2018 VNR and its intention to design and review funding and grant schemes to ensure gender equality. To conclude, Ireland already made quite some steps to secure public financing for sustainable development objectives within its Project Ireland 2040 and its Aid budget. Although concrete links are made with the SDGs, it is not yet clear if all SDGs are taken into account in this grand project.
Score: 3

Country Profile: Italy

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, a new National Sustainable Development Strategy (2017 – 2030) adopted in 2017.
Involvement of Parliament	No.
Support of the Ministry of Finance	Yes, Ministry of Finance is tasked to create synergies between the NSDS and former economic policies.

In 2017, Italy adopted a new National Sustainable Development Strategy (2017 – 2030), which includes concrete SDG activities on the five dimensions of the 2030 Agenda: *people, planet, prosperity, peace and partnership* (VNR, 2017). The Ministry for Environment, Land and Sea was responsible for previous NSDSs, but the presidency of Council of Ministers took over and manages the implementation of the current NSDS. Moreover, the Ministry of Finance is also heavily involved. According to Niestroy et al., (2019), an additional action plan should have been developed in 2018 but was delayed. As of today, it is unclear if a follow-up action plan has been finalised.
The implementation of the National Sustainable Development Strategy (NSDS) is closely linked with the existing national programming documents, namely the National Reform Programme and the Economy and Financial Document, as well as with the binding objectives set by the European Semester (i.e. EU 2020 targets). Italy states in its VNR that “the sustainability of public finances plays a key role, especially in the countries with high public debt” (p. 19). In order to give full implementation to NSDS, Italy adopted a 2017 Budget law which mandates the Ministry of Finance to reflect on national targets in terms of financial resources and operative tools every year. With this new law, a legal obligation exists to annually check the national budget on wellbeing indicators, which are close to sustainability indicators, called the Indicators for Equitable and Sustainable Welfare (BES indicators). To elaborate a little bit further: the ‘Equitable and Sustainable Well-being Project' (BES indicators) is operational since 2011 and aims to move beyond economic indicators towards a more holistic vision of policy objectives, very much like the SDGs (Niestroy et al., 2019). In 2018, twelve BES indicators were included in the budget document by the Ministry of Economy and Finance, tailored to the SDGs.

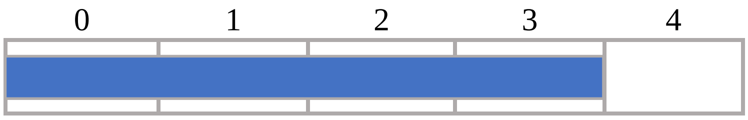
Furthermore, the Ministry of Finance is tasked to create strong synergies between the NSDS implementation and the former economic policies and to coordinate models required to define such objectives, with support of academia (VNR, 2017). Lastly, Italy also mentioned in its 2017 VNR that it will set up a specific trial for the adoption of a “gender budgeting” to assess the impacts of fiscal policy on women and men in terms of money, services, time and unpaid work (VNR 2017, Mulholland and Berger, 2019).

To conclude, the financial reform regarding the structure of the annual Economy and Financial Document, which has become policy-objective orientated, will positively influence the implementation of the 2030 Agenda.

The first steps have been taken, including the linkage among the National Strategy for Sustainable Development and the National Reform Programme. The Ministry of Finance acts as guardian for financial commitment of the SDGs. Italy has an interesting ex post, financial monitoring system in place with its BES indicator. However, no information is available on how (and how much) Italy will invest the coming years to reach the SDGs at home. Because no concrete actions plans are adopted under the national strategy, it is unclear how the Italian government is implementing the SDGs and how the mandates are divided between the ministries for SDG delivery.
Score: 2

Country Profile: Latvia

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, National Development Program 2021 – 2027 includes the SDGs.
Involvement of Parliament	Yes, Parliament's Sustainable Development Committee.
Support of the Ministry of Finance	Yes, Ministry of Finance provides regular assessments.

Already in 2010, the country adopted a long-term sustainable development strategy 'Latvia 2030', which is operationalised through a seven-year national development plan and sectoral policy strategies and plans (2014 – 2020) (VNR, 2018). During the mid-term review in 2017, the 2030 Agenda and its goals were considered and integrated in the plan. In February 2020, the Latvian government approved the National Development Plan 2021 – 2027 for consideration by the Parliament. The plan defines the strategic goals, priorities, measures, and indicative investment needs to achieve sustainable and balanced development in the upcoming seven years (ESDN, last updated 30th April 2020). This new NDP covers the Sustainable Development Goals and comprises over 100 indicators. The Cross-Sectoral Coordination Centre, founded in 2011, is responsible for the national development planning and policy coordination and acts since 2015 as the country's SDG focal point. The Centre reports to the Prime Minister and also ensures policy linkage with national and EU financing. Furthermore, the implementation of the 2030 Agenda is monitored by the Government's National Development Council and the Parliament's Sustainable Development Committee (OECDE Country Profile, 2018). The Parliament's Commission is an important driver of sustainable development. The Commission provides a public platform for reviewing proposals on promoting sustainable development.

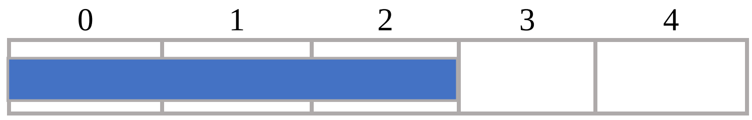
Remarkably, Latvia devoted a whole chapter in its VNR on how it ensures that policy objectives are tied to its budget. Latvia is one of the few countries which underlines in its VNR that linking its budget to the SDGs is crucial for achievement. Before the adoption of the Agenda 2030, Latvia's National Development Plan already identified the necessary investments for defined goals and breaks them down according to sources, including the national budget, EU funds, and other investment from abroad, co-financing by local governments and the private sector. Ministries annually request budget allocations for achieving indicator targets, and planning documents are monitored to ensure that they are designed to achieve the targets. The Ministry of Finance, with support of the Coordination Centre regular provide ex-ante assessments and ex-post evaluations analysing progress on policy outcomes, allowing the government to adjust spending and rank ministry annual budget requests according to their impact. Currently, ministries are committed to reviewing gaps between SDG targets and Latvian policy indicators when conducting their mid-term assessments of sectoral policies (Niestroy et al., 2019).

To conclude, the current system in Latvia links sustainable development targets to its national budget process.

According to its VNR, the process goes as followed: after consensus is reached on National Development Plan (NDP) goals, ministries submit proposals for funding of policy that will evolve from the NDP, and the Ministry of Finance then coordinates negotiations for these plans between all ministries. No information is available on how the Latvian government secures financial commitment for cross-cutting areas, involving multiple ministries for one particular SDG target. It is unclear if ministries also together submit proposals for one policy target. Therefore, Latvia is one step ahead of having financially mainstreamed the SDGs in its national budget.
Score: 3
Extra note: Latvia is one of the few countries which recognises the EU Multiannual Financial Framework and its Structural funds as mean denominators for SDG achievement in its 2018 VNR. Furthermore, it even recalls the EU to align its own investment mechanisms with the SDGs (Niestroy et al., 2019).

Country Profile: Lithuania

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Not yet, planned to update ‘Progress Strategy Lithuania 2030’.
Involvement of Parliament	Yes, but moderately, National Progress Council exists of 20% of Members of Parliament.
Support of the Ministry of Finance	No.

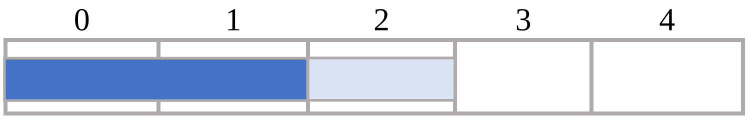
Lithuania published its VNR in 2018. According to its VNR, Lithuania adopted its first National Strategy for Sustainable Development in 2003 (NSDS, running until 2020) and updated it in 2009 to harmonise it with the EU Sustainable Development Strategy 2020. The Ministry of Environment coordinates the implementation of the NSDS and functions as a secretariat for the National Commission for Sustainable Development. This Commission biennially reviews the implementation, which is headed by the Prime Minister and includes the ministers and representatives of non-government organisations, business associations and research institutions (VNR, 2018). Lithuania has a second strategic document called ‘Progress Strategy Lithuania 2030’, and the government is planning to update this document by incorporating the SDGs and principles and well as new goals might be formulated with a timeline until 2050 (VNR 2018). This Strategy document is drafted by the National Progress Council, which exists of 20% of Members of Parliament.

Lithuania is planning to strengthen the role of the Prime Minister’s Office in the future and might consider moving the NCSD from the Ministry of Environment to a high level (OECD Country Profile, 2018). According to Niestroy et al., (2019), Lithuania is considered among the 12 countries which are about to take measures to operationalize its SDG strategies to the budget. However, no information is available whether and how far Lithuania is in the process of doing this. In its VNR, Lithuania has reported on sectoral specific projects taking into account funding mechanisms. This was rather a stock-taking exercise (pre-SDG defined projects), than that it has elaborate on long-term investments, Nevertheless, it did include a few longer-term sectoral programmes (Green Industry Innovation Programme: EUR 7 million and A Risk Sharing Fund for landscape management, in cooperation with the European Investment Bank and private investors: EUR 500 million) and one commitment to assign at least 0.38% of GDP for the implementation of short-term climate change mitigation targets. It extensively reports on its Official Development Assistance contribution (2017: 0,15% GNI, EUR 52 million) and its aim to achieve a target of 0.33% ODA/GNI by 2030. To conclude, there is no further information available how the Lithuanian government will finance SDG delivery domestically. Also, no information in available about Lithuanian’s plans to align the SDG’s with its national budget process.

Score: 2

Country Profile: Luxembourg

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, revised Plan for Sustainable Development with the SDGs in 2019.
Involvement of Parliament	Unknown.
Support of the Ministry of Finance	No.

Luxemburg’s first National Sustainable Development Strategy dates back in 1999 and is revised in 2005 and 2010 (VNR, 2017). Luxembourg adopted a new Plan for Sustainable Development in 2019, covering 10 priorities.

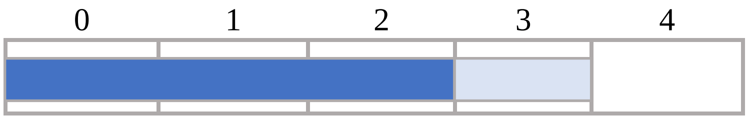
The Government Council responded to the UN Agenda 2030 in May 2016, in which it agreed a renewed composition for the functioning of the Commission for Sustainable Development to ensure the implementation of the SDGs and related targets (ESDN Profile, latest update 14 April 2020). Furthermore, the government adopted a revised Plan for Sustainable Development in December 2019. The Ministry for Environment, Climate and Sustainable development is the main lead for the implementation of the 2030 Agenda, Furthermore, Luxembourg also has an independent High Council for Sustainable Development, which works as an advisory council to the government, which exists out of 15 members selected for expertise from all sectors (Niestroy et al, 2019). In 2017, a report from the Grand-Duchy of Luxembourg outlined a whole-of-government approach and recognized the need for enhanced coordination and efficiency in order to ensure the mobilization and use of all available resources (OECD Country Profile).

Luxembourg is a longstanding pioneer in climate financing. The certifying agency LuxFLAG launched in September 2016 a Climate Finance quality label and a Green bond Label. Also, much Luxembourg has multiple public-private partnerships in place for climate financing and is in the process of establishing a Sustainable Development Finance Platform (VNR, 2017). However, so far, no information is available about Luxemburg’s commitment to align non-climate related SDG’s with its national budget system, or other means to ensure domestic resources mobilization for delivery of the SDGs. The 2017 VNR only includes information on ODA, in which Luxemburg contributes 120 million euros for international climate financing for the period 2014 – 2020.

Score: 1 moving to 2

Country Profile: Malta

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, a new Sustainable Development Strategy for 2020 – 2050 adopted in 2019.
Involvement of Parliament	No.
Support of the Ministry of Finance	Yes, Ministry of Finance is in the lead.

Malta has a long history with mainstreaming sustainable development institutionally. Its Sustainable Development Act 2012 established a whole-of-government approach through the setting up of a Focal Point Network, in which senior representatives from each ministry participate (VNR, 2018). The Ministry of Sustainable Development and the Environment and Climate Change (MESDC) is in the lead of the implementation process, together with the Ministry for Finance and the National Statistics Office (ESDN Profile, last update 20 May 2020).

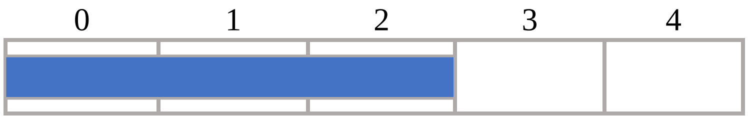
Malta reported on the set-up of its national development bank, and the bank's vision also includes the commitment to make a significant contribution towards sustainable economic development that benefits the Maltese people by encouraging inclusive and environmentally sustainable economic growth and infrastructure. It also reported multiple times how EU funds are contributing to SDG delivery in Malta as we as national financing activities, although these are rather project based and not long-term finance mechanisms.

In 2019, Malta has adopted a new Sustainable Development Strategy for 2020 – 2050. In September 2019, the Prime Minister announced a governmental commitment to align its budget measures with the SDGs as of Budget 2020. The Prime Minister specifically acknowledged that a coherent budget avoids conflicts between different resource allocations (ESDN Profile). Ministries have to take into account the SDGs in the planning phases of a policy, programme, project or initiative (called: SD Proofing or SD check). Additionally, Malta is in the process to establish milestones in Action Plans, through which Ministries will be expected to contribute towards mainstreaming sustainable development practices whilst also addressing SDGs Indicators.

Score: 2 moving to 3

Country Profile: The Netherlands

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	No, only some long-term sectoral strategies.
Involvement of Parliament	No, only an annual progress report of the Dutch National Statistical Office is discussed.
Support of the Ministry of Finance	No.

The Netherlands has some cross- sectoral long-term strategy in place, - *National Climate Agreement, National Growth Strategy, Circular Dutch Economy by 2050, and for health-related SDGs the National Prevention Strategy* -, more or less linked to sustainable development, but not one national sustainable development strategy (Niestroy et al., 2019, ESDN Country Profile, last updated 7 May 2020). In 2016, an action plan to implement the SDGs wat sent to Parliament, which outlines responsibilities for the government and stakeholders. The Dutch Ministry of Foreign Affairs coordinates the national implementation of the SDGs and hosts a National SDG Coordinator and an SDG-team (VNR, 2017). The National SDG Coordinator heads an inter-ministerial working group of SDG focal points to support integration of the SDGs into relevant policies and stimulate government action. All line ministries are responsible for implementation of SDGs in their respective policy areas (Niestroy et al., 2019). The network also prepares the annual SDG progress report, addresses challenges and shares best practices. Furthermore, the Dutch National Statistical Office publishes an annual report on SDGs progress in the Netherlands, based on UN indicators as well as additional, national indicators. Furthermore, since 2019, the national assessment framework for new laws and policy became ‘SDG-proof’ (ESDN, 2020). Niestroy et al. (2019) also reported that the Association of Netherlands Municipalities plays an active role in stimulating local governments to work with SDGs, including through budgeting.

So far, the Netherlands has not implemented one, overarching strategy on how it will finance SDG delivery or has made any statements in its 2017 VNR to align the SDGs with its national budget. Nevertheless, when you read the abovementioned strategies more closely, multiple times concrete budget proposals are highlighted as well as other financing mechanisms, i.e. thematic funds, taxation or private-public partnerships. These strategies are rather focused on environmental related SDGs. For example, the current coalition agreement includes multiple earmarking SDG related projects, including €4 billion in central government funding per year for climate and energy transitions. According to Mulholland (2017), the Netherlands also has a long history with green budgeting (see pages 36 -27 for concrete examples).

In its 2016 action plan, it included one small paragraph on all the financial instruments at hand, inter alia, crowdfunding, funds, tax benefits, subsidies etc. Only for SDG 1, a financial commitment is expressed to increase purchasing power of the lowest income households, respectively EUR 1.1 billion.

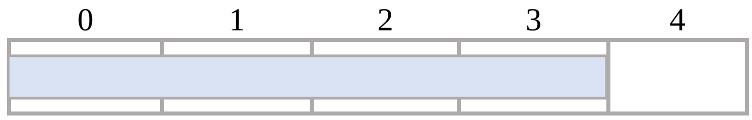
Moreover, the action plan initiates a three-steps approach: first phase is governmental financing, second phase upscaling with the help from international and national banks, and in the third phase commercial parties bring it to the market.[1] According to our interviewee and in relation to this, the Netherlands established a new public fund 'Invest-NL' which provides minority interest or a subordinated loan in key sectors: electrification and energy, circularity, agri-food, the 'build environment' as well as industrial technologies. Furthermore, talks are ongoing between the SDG-team and the Ministry of Finance about SDG delivery.

To conclude, the Netherlands implementation of the SDGs has not been directly linked to budget process. One overarching funding mechanism has been established to ensure that medium-term sustainable development objectives are achieved. The Netherlands has all kind of sectoral action plans that sounds promising, but this silo-approach misses the overall goal of the 2030 Agenda to take into account the so-called interwovenness of the SDGs. Furthermore, one of its main documents that does include multiple financial commitments, its current coalition agreement, but is subject to the current political constellation, and therefore does not ensure long-term financial guarantees.

Score: 2

Country Profile: Poland

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, adopted Strategy for Responsible Development in 2017 (runs until 2020).
Involvement of Parliament	No.
Support of the Ministry of Finance	Yes, Ministry of Investment and Economic Development.

In 2017, the Polish Government adopted its Strategy for Responsible Development, and aims to support the implementation of the 2030 Agenda, which runs until 2020 but also in perspective to 2030 (VNR 2017). The Multiannual Development Cooperation Programme 2016 – 2020 furthermore operationalizes the strategy and explicit links to SDG implementation and ensures consistency. A new sector specific development programme is currently under revision (Niestroy et al., 2019). The Ministry of Investment and Economic Development coordinates implementation of the Strategy for Responsible Development, and the Ministry of Entrepreneurship and Technology is responsible for coordination of national SDG implementation (ESDN Country Profile, last updated 12 April 2017). Moreover, The Economic Committee of the Council of Ministers and the Coordinating Committee for Development Policy provide additional platforms for exchanging information and seeking consensus in the case of divergent positions. The government has also created a special Task Force consisting of representatives from national and local government, academia and the socio-economic community and is mandated to seek cohesion between the national strategy and the Agenda 2030 (OECD Country Profile, 2018). Interestingly, the Minister of Investment and Economic Development reports annually on SDG implementation progress. Furthermore, according to the OECD Country Profile (2018) the multiannual budgetary planning is being strengthened and the Economic Committee of the Council of Ministers also evaluates if ad hoc political decisions are in line with long-term sustainability goals. Also, in its 2018 VNR, Poland recognizes that attention need to be paid to ensure the sustainability of public finances from the point of view of guaranteeing the country’s sources of financing for development.

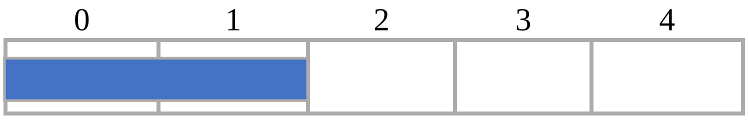
Remarkably, the government also identified for its Strategy for Responsible Development nearly 170 strategic projects with a defined responsibility of the project owner, resources and implementation budget. In its VNR, Poland states that “the objectives of the SRD will be financed primarily from national public funds, EU public funds, other foreign sources, as well as private funds including loans, leases and credits, also guaranteed or backed by entities authorised to grant guarantees or sureties”.

To conclude, for its VNR, it analysed (ex post) all projects that contribute to SDG delivery. The next step would be to draw a new strategy and action plan, with a timeline until at least 2030 and again to analyse how it will finance its policy objectives in its longer multiannual financial framework. The Council of Ministers, led by the Prime Minister, defines the country’s development objectives and already takes into account necessary financial outlays.

Score: 3 moving to 0
Extra Note: Poland has a history of aligning development policy aims with its budget, but current plans only run until 2020.

Country Profile: Portugal

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	No, last NSDS expired in 2015.
Involvement of Parliament	No.
Support of the Ministry of Finance	No.

Portugal is one of the few countries that has not (anymore) a National Sustainable Development Strategy (NSDS). Its last strategy expired in 2015 and has not been updated as of yet according to its ESDN Country Profile (last update October 2017, and checked by Niestroy et al., 2019). Portugal used to have a NSDS and it was the Ministry of Environment that was in charge. Nevertheless, Portugal has many cross-sectoral strategy plans, most expiring in 2020.

The government receives advice from the National Council for the Environment and Sustainable Development, founded already in 1997, which is composed of governmental representatives, as well as academia, business, trade unions, NGO, local community representatives. With the adoption of the Agenda 2030 in 2015, the SDGs falls under the responsibility of the Ministry of Foreign Affairs in conjunction with the Ministry for Infrastructures and Planning (VNR, 2017). In 2016, the Council of Ministers adopted intra-governmental guidelines that take into account the need to closely align domestic and international dimensions of SDG implementation (OECD Country Profile, 2018). The National Statistics Agency monitors the SDGs in Portugal and information is made available on the SDG platform on the Agency's website. Also, a network of focal points from different government departments has been established for coordinating domestic policies.

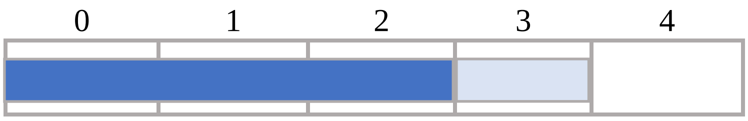
Concerning Portugal's financial commitment to the SDGs, very little is known. Portugal has written an elaborative 2017 VNR (89 pages) and listed many thematic strategic plans as well as national funding schemes. However, Portugal has not linked these schemes with concrete policy aims or has included a blueprint for funding its SDGs back home. Notably, Portugal refers very often to the EU in its VNR, in particular in the context of finances. It included phrases about the Multiannual Financial Framework and several other EU financing instruments which, according to Portugal, will gear SDG achievement in the EU (including Portugal). Only for SDG 5 gender equality, which Portugal identified as one of its prioritized SDGs, the VNR reported that since 2016 the gender perspective is included in the State Budget (gender budgeting).

To conclude, Portugal still has a long way to go to financially mainstream all (prioritized) SDGs in its national budget and to secure funding for cross-cutting issues.

Score: 1

Country Profile: Romania

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, new National Strategy of Romania for Sustainable Development 2030 was adopted in 2018.
Involvement of Parliament	Yes, Committee for Agenda 2030 was established in the lower house of the Romanian Parliament in 2015.
Support of the Ministry of Finance	No.

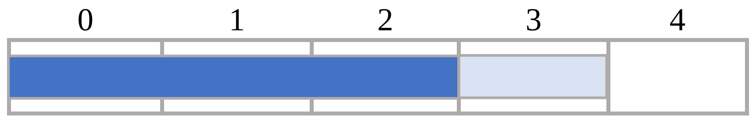
Romania was among the early movers to adopt a National Sustainable Development Strategy in 1999 (Nietroy et al., 2019). The Romanian Parliament has played an active role, which also led to institutionalisation of the Agenda 2030 on the side of the government. In 2015, the Committee for Agenda 2030 was established in the lower house of the Romanian Parliament, as a formal a sub-committee of the Committee of Foreign Affairs. On April 2016, both houses of the Romanian Parliament issued a joint statement supporting the 2030 Agenda, highlighting the need for Sustainable Development to be at the core of public policy (ESDN Country Profile, last updated 7 May 2020). On May 2017, the Department of Sustainable Development was established within the Prime Minister's Office. The Department was tasked to revise Romania's Sustainable Development Strategy, finalized in November 2018, with the new National Strategy of Romania for Sustainable Development 2030. The new strategy sets Romania's set priorities along the 17 SDGs. Romania is currently in the process to develop actions plans for implementation of its strategy. According to Mulholland and Berger (2019), the Department applied for European funds to get technical assistance for the action plan and asked for support from the OECD to develop tools to integrate the SDGs into the budgetary processes. In its 2018 VNR, Romania did not include any financial mechanism or an announcement to secure investments for SDG delivery. It sporadically includes some thematic national strategies, such as the National Strategy for Health, for which a framework is included outlining available budgetary resources. Romania multiple highlights in its VNR that policy objectives can "be pursued through budget plans and proper resource allocation" (p. 61). It recalls many thematic funds and often refers to the EU's structural investment funds.

To conclude, Romania has not clearly linked its Sustainable Development Strategy with its national budget. According to Niestroy et al., (2019), the national budget is subject to a Regulatory Impact Assessment, which covers economic, social and environmental issues. No other concrete forward-looking investment plans are written yet, but an initial commitment is made with its request for support from the OECD.

Score: 2 moving to 3

Country Profile: Slovakia

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Not yet, ‘Vision and National Sustainable Development Strategy until 2030’ to be adopted soon.
Involvement of Parliament	Unknown, stronger involvement is foreseen in the coming years.
Support of the Ministry of Finance	Yes, Ministry of Finance will create a National Investment Plan.

Slovakia’s first National Sustainable Development Plan dates back in 2005 and was renewed in 2011 (Niestroy et al., 2019). In 2017, it adopted a roadmap for the implementation of the 2030 Agenda which defined the basic institutional, implementation and monitoring framework for implementing the 2030 Agenda in Slovakia (ESDN Country Profile, last updated 17 April 2020). The Deputy Prime Minister’s Office (DPMO) for Investments and Informatization of the Slovak Republic -in which the 2030 Agenda Coordination Department is situated- is responsible for the overall coordination and implementation of the 2030 Agenda. Furthermore, a high-level advisory Government Council was set up, in which all ministries participate plus relevant stakeholders, compromising 35 voting members. In 2018, six national priorities for the implementation of the 2030 Agenda were adopted by government after conducting a broad stakeholder participation process. Based on the six national priorities, a national long-term sustainable development strategy, including national set of indicators, has been under preparation called “Vision and National Sustainable Development Strategy until 2030“. The NSDS was supposed to be adopted in September 2019 but the document has not gained sufficient support (ESDN Country Profile, last updated 17 April 2020). A revised due date for submission for government’s approval is set by the end of December 2020. In its 2017 VNR, Slovakia recognized that continuity is essential for implementation of the 2030 Agenda and that to this end, a stronger involvement of the national parliament is foreseen in the coming years. According to Nietroy et al. (2019), Slovakia has planned to establish a “Committee for the Future” in its parliament, but it is unclear if this has been followed-up yet.

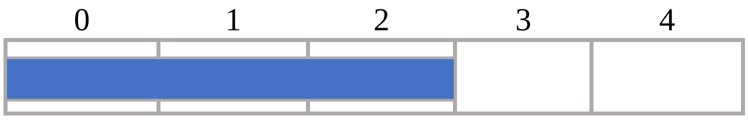
Interestingly for SDG financing, Slovakia highlighted multiple times throughout its VNR that “the national priorities for the implementation of the 2030 Agenda must be reflected in all public policies as well as in budgetary planning, otherwise the 2030 Agenda will remain a formal commitment” (p. 16). This was also recommended by the National Audit Court in 2018, which issued a report on Performance Audit of Preparedness for Implementation of Sustainable Development Goals. In this report, the Audit Court recommended, among other things, to initiate closer communication with the Ministry of Finance and to identify national sources of financial allocation for national targets of Agenda 2030. The government followed up this advice and stated in its 2018 VNR, that a National Investment Plan will be elaborated, which will be directly linked to the six priority areas for the implementation of the 2030 Agenda.

To conclude, the Slovakian government has committed itself to secure adequate financing for its National Development Strategy, including the SDGs.

Slovakia is still in the process of adopting its new long-term sustainable development strategy and much work still has to be done to integrate these in concrete action plans. Slovakia is collaborating intensively with the OECD and received valuable methodological support in the domains of strategic governance, investment planning, programme budgeting and indicators (Niestroy et al., 2019). Expectations are high that from 2021 onwards, the Slovakian government can start implementing its six national priorities, while also having the resources and paperwork done to get started.
Score: 2 moving to 3

Country Profile: Slovenia

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, Slovenian Development Strategy 2030 adopted in 2017.
Involvement of Parliament	No.
Support of the Ministry of Finance	Unknown.

The Slovenian Development Strategy 2030 (SDS 2030) was adopted by the Government of the Republic of Slovenia in December 2017 and builds on the Vision of Slovenia 2050 (ESDN Profile, last updated 6 May 2020). Interestingly, Slovenia first carried out an extensive gap analysis. Based on these findings the country adopted its own Development Strategy 2030, inspired by the 2030 Agenda framework and translated to its national context, with five strategic orientations and twelve interconnected development goals, which together in cooperates all 17 SDGs. The Government Office for Development and European Cohesion Policy is responsible for the overall implementation, coordination and monitoring responsibility for the 2030 Agenda (VNR, 2017). It is supported by the permanent Inter-Ministerial Working Group on Development Policies, which meets on a monthly basis and promotes policy coherence. The Group is composed of two representatives from each ministry working as focal points for development policies and the 2030 Agenda, and also includes representatives of the National Statistical Office and the Institution for Macroeconomic Analysis and Development (VNR, 2017).

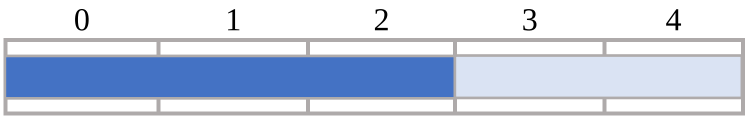
Slovenia also has taken steps to include the SDGs in its budget process. A public financing act was renewed to ensure that the sustainable development planning is integrated into the budget cycle (OECD Country Profile 2018). Under this new law, the Slovenian Government adopted 30 Key Performance Indicators (KPIs) to evaluate national development including budget performance (Niestroy et al., 2019). Slovenia has underlined the need to translate targets into clear national objectives and indicators also because many SDG targets are formulated as trends with only relative targets. This national translation is important to make the SDGs suitable for budget performance evaluation. The implementation of the KPIs is currently in a pilot phase but it is planned to be fully integrated for 2020.

To conclude, Slovenia has an interesting financial monitoring tool in place, with the purpose to align its policy goals with its national budget. As I understand correctly, this tool is rather used for ex-post evaluations of the budget after implementation. It is not yet clear which ministry (or ministries) are responsible for this evaluation and also if the monitoring tool also provides a correcting mechanism for current or future budget plans. It is also unclear if this evaluation system recognizes interlinkages between the indicators, and thus between the policy goals. Nevertheless, the translation of the SDGs to its national context and its tool to evaluate budget performance, shows that Slovenia has taken steps to secure its financial commitment for its development strategy.

Score: 2
Extra note: Slovenia evaluates the trend of budget allocation to specific SDGs with an evaluation tool, but unclear how this tool will also be used to adjust sectoral budget plans to accelerate SDG delivery.

Country Profile: Spain

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes (partly), a temporary action plan will be implemented first, and a long-term NSDS later.
Involvement of Parliament	Not yet, special committee to be formed.
Support of the Ministry of Finance	Yes, Ministry of Treasury tasked to align the budget with the SDGs.

Spain submitted a VNR in 2018, and a subsequent progress report in 2019. Spain has undergone a real governmental transformation in favour of the SDGs, and it committed to fully align its budget with the SDGs.

On 29 June 2018, the Council of Ministers approved the Action Plan for the implementation of the 2030 Agenda". This Plan will cover a transition from the urgent launch of the Agenda's implementation to the formulation of a long-term Sustainable Development Strategy for Spain. Also, in 2018, the new role of the High Commissioner for the 2030 Agenda was established. The High Commissioner is primary responsible for coordinating actions for the implementation and receives support from the Prime Minister's office. Furthermore, a High-Level Group has been constituted, which is chaired by Minister of the Presidency and coordinates goal implementation between the different ministries, with help from the ministerial focal points. Noteworthy, also autonomous regions are included in the HLG (VNR, 2018). According to Niestroy et al. (2019), Spain also has planned to establish a joint parliamentary committee of the two Chambers for Agenda 2030 implementation

In its 2018 VNR, and as one of its 10 transformative measures (number 8), Spain announced that it will align all ministries budget with the SDGs. The Ministry of Treasury is responsible for this task. Spain also concluded this very specifically by stating the following:
Commitment: By 2020, a relationship will be established between the SDGs and the spending and programming policies carried out, making it possible to analyse budget allocations with SDGs.
Measures and targets:
1) *By 2019, a pilot methodology will be available for aligning the budget of each Spanish ministry with the SDGs, to be implemented in 2020.*
2) *In 2020, an exercise will be carried out to reflect the budget allocations per SDG.*

Spain further has elaborated how it will honour this commitment in its 2019 Progress Report. In 2019, under the coordination of the State Secretariat for Budgets and Expenditure, a methodology will be developed to align the General State Budget with the SDGs and the 2030 Agenda. On the basis of this methodology, the "Order determining the rules for generating the General State Budgets", in the section referring to the "Documentation and durations for the preparation of the General State Budget", will incorporate a new section entitled "Impact Report for the Sustainable Development Goals".

For the preparation of this Impact Report, the relevant ministerial departments will analyse the impact made on the SDGs by their spending programmes, reporting their findings to the Ministry of State for Budgets and Expenditure, in the terms established for that purpose by the Secretariat of State.

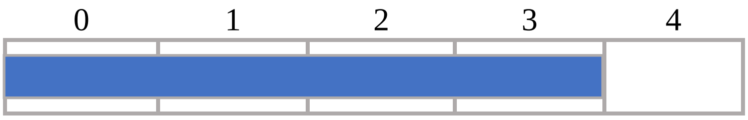
These contributions by the ministerial departments will form the basis for the formulation by the Secretariat of State for Budgets and Expenditure of the SDG Impact Report. A working group will be established, with representatives from the Ministry of the Presidency, Relations with Parliament, and Equality; from the Secretariat of State for Budgets and Expenditure; from the Directorate-General for Budgets; and from the Office of the Minister of Finance, to agree on the final drafting of this report, which will accompany the preliminary draft of the General State Budget Law.

To conclude, it is yet unclear if Spain has succeeded in aligning the SDGs with each ministerial budget and if the to-be-development Impact Report has been approved by the working group. Spain's step-by-step approach can be applauded as well as its elaborative reporting on this manner, which will hopeful inspire other countries to follow.

Score: 2 moving to 4

Country Profile: Sweden

Extent SDG financial mainstreaming



Success factors for SDG finance

Translation into national context	Yes, national action plan for the SDGs adopted in 2018.
Involvement of Parliament	No.
Support of the Ministry of Finance	Yes, Ministry of Finance assigned as lead for coordinating national implementation.

Sweden's very first Sustainable Development Strategy (SDS) was published in 1994 and has been updated in 2004 and 2006, and since 2003 it has a Policy for Global Development (rather international focused) (ESDN Country Profile, last updated 7 May 2020).

In 2016, a 'National Committee for the 2030 Agenda' was appointed, which is a temporary advisory body charged to produce input to the action plan taken in 2018 for SDG implementation (VNR, 2017).The Committee finalised its work by presenting a final report in March 2019 (ESDN, 2020). An overarching and national action plan for the SDGs was adopted in June 2018. According to its OECD Country Profile, all ministries at the level of policy officers participate in an inter-ministerial working group meeting once a month. In addition, a consultation group for the 2030 Agenda meets three to four times a year with participation of State Secretaries from the Ministry of Finance, the Ministry of Foreign Affairs, the Ministry of Environment and Energy, the Ministry of Social Affairs and the Ministry of Enterprise and Innovation. In February 2020, the Government appointed former Minister of health and sports, Gabriel Wikström, as national coordinator for the 2030 Agenda. The national coordinator will help strengthen implementation, promote and deepen the work of different actors (ESDN, 2020). In its 2017 VNR, the Minister for Public Administration at the Ministry of Finance is assigned as the lead for coordinating national implementation of the 2030 Agenda. However, there might has been a change of guards, as according to Sweden's ESDN profile, the Minister for the Environment and Climate, and Deputy Prime Minister are now responsible for coordinating and promoting the implementation of the Agenda at the national level in Sweden.

Remarkably, Sweden is the only country which has published besides its 2017 VNR also a second report on the implementation of the Addis Ababa Action Agenda on financing for development. The report compiles a selection of operational examples, drawn from a cross-section of actors in Swedish society, linked to specific commitments in the Addis Agenda. Furthermore, a few concrete steps are stated in both reports. Sweden concretely links SDG target 10.1 and SDG 12 to its national budget bill (see also Mulholland, 2017 contribution). Also, the Swedish government commits to rationalize inefficient fossil-fuel subsidies, by restructuring taxation and phasing out those harmful subsidies. In general, Sweden states that the 2030 Agenda demands better utilisation of resources and increased financial resources. According to Niestroy et al., (2019), "all ministries in Sweden are encouraged to show the link between their area and the SDGs in budget documents in a descriptive way. In the document presenting the 2016 budget, the SDGs were mentioned around 100 times, and around 200 times in 2017 according to our interviews".

To conclude, Sweden has clearly linked its own domestic resources mobilization efforts with the SDGs. Besides having a long-standing record of ODA donor, it also recognizes the need for restructuring domestic financial frameworks to meet the goals at home. It is yet unclear to what extend this rationale applies to all SDGs, but Swedish elaborative reporting can be set as an example for other countries to follow.
Score: 3

ANNEX 2
Interview Topic List

List of questions for the interviews with national country experts.
note: questions have been adjusted, depending on the interviewed country.

1. How is the national sustainable development programme linked to financial mechanisms, such as the national budget process? Are there specific SDG priorities?

2. How does your government, or the individual ministries, allocate portions of their budget for the SDGs? Does each individual ministry submit a budget proposal and then negotiations start?

3. With the adoption of the 2030 Agenda and the SDGs, as well as their required implementation, has the budget for ministries increased to be able to deal with the SDGs, or are ministries able to apportion more/justify higher amounts of the budget for realizing the SDGs?

4. How is the Ministry of Finance involved in this?

5. Are also cross cutting issues taking into account for financing? For example, the green transition also includes many social challenges? Is this reflected in the budget/proposals?

6. To what extent is the Parliament involvement in SDG implementation in your country?