Concept Note testing SDG Cities Certification in 10 countries by Q4 2024

1) Mandate

As the 2030 Agenda for Sustainable Development reaches its half term, the UN recognises that the world is far from achieving the Sustainable Development Goals (SDGs) – some targets have even regressed. There is a need to step up action to rescue the SDGs. Cities play a crucial role. They are recognised as engines for sustainable development when planned and managed well. To accelerate the achievement of SDGs, they need inclusive, evidence based planning, accountable governance with effective equitable service delivery, and access to finance. The 36 member states forming the UN Habitat Executive Board gave green light to design and test the concept of "SDG Cities Certification". This guides and recognises effective processes to accelerate SDGs in cities as well as impact, but must answer the following questions: a) does SDG assurance increase opportunities for cities to access finance for sustainable development priorities? b) Can this be undertaken beyond the 10 test countries, like in Brazil with its 5000 communities?

2) Deliverables

This solution will take into account established, reliable SDG reporting mechanisms for both the private sector and cities. UNCTAD 'Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals' provides the means for the private sector to report on their implementation of SDGs and features 33 core SDG indicators on economic, environmental, institutional and social areas. The UNCTAD guidance is endorsed by 193 UNCTAD member states. The Global Urban Monitoring Framework, developed by a UN System-wide collaboration provides 77 priority indicators for sustainable cities, drawn from the 2030 Agenda as well as Paris Agreement and Sendai Framework. It was endorsed by the UN Statistical Commission in 2022. The SDG Assurance for Cities will start its process by including the compliance standards existing on the side of finance: from Worldbank/IMF via EU Climate Fund to regulatory standards existing for pension funds, etc. To gain global acceptance this UN Habitat SDG Assurance of Cities has to provide excellence all the way from data entry to the proof of documents.

3) Structure

As the Executive Director of UN Habitat is requested by the Executive Board to report on progress already Nov 2023, the operating group supporting her should be as efficient as holistic: taking the experience of the SCR500 as role model working with 2 groups seems securing best standards and results: an operating team of experts agreeing to meet twice a month in person or via zoom and an advisory board to whom the operating team reports once per month. The operating team consists of max five members: a the cities (UN Habitat) b the academia (UNGSII) 3 the finance (UNASDG) 4 regulatory stakeholders (Deloitte) 5 the IT/data solution providers (CityIQ). The advisory board can be "unlimited". Management of the OP team lays with UN Habitat.

4) Costs and Business Model

UNASDG is ready, willing and able to finance 20 mio $ getting each 4 cities certified in 20 countries. The requested 10 countries should be chosen from the Executive Board members, the Global North and South. Start in Q3 2023 includes 20 countries in order to provide at least solutions for the requested 10. The business model: only those cities are chosen to get certified who agree to pay back the Ø250000$ certification costs per city latest after receiving the first funds from those finance partners who provide the requested funding based on the certification. On top of these contracts Deloitte, UNASDG as well as UNGSII will form an evergreen SDG11 fund based on the SCR500 who now no longer have to finance due diligence as the SDG certification.

5) Timeline

Sep 2023: Presenting the concept to United Nations General Assembly in New York – Nov 2023 first report to the UN Habitat Executive Board on design and implementation - June 2024 World Urban Forum - Dec 2024 for each 4 cities from 10 countries holding the certificate.

Nairobi, June 10 2023 : Dyfed Aubrey, UN Habitat SDG Cites Global Coordinator & Roland Schatz, Founder/CEO, UNGSII

SDG Cities Flagship Programme
Certification as well as Mentoring

Background

The Sustainable Development Goals (SDGs), were adopted by all UN Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Through the global pledge to Leave No One Behind, countries have committed to fast-track progress for those furthest behind first. Efforts from all levels of government, as well as creativity, knowhow, technology and financial resources from all of society is necessary to achieve the ambitious SDG targets.

Currently 55% of the world's population lives in cities and this will grow to 68% by 2050 as 2.5 billion people are added to cities. Urbanization has been accompanied with increased wealth as cities now account for 80% of the global economy. Yet increased wealth has been accompanied by increased inequalities within and between cities, and this has been a significant root cause of civil conflict in recent times. As has been frequently noted, "the battle for sustainable development will be won or lost in cities."

City governments have an enormous responsibility to localize SDG achievement and enable all of society to engage in ensuring development impacts that leave no-one or no place behind. There is no greater urgency than now, in the Decade of Action to harness the transformative potential for cities to accelerate the achievement of the Sustainable Development Goals and improve quality of life of all urban dwellers by 2030. The New Urban Agenda guides how cities can be drivers for sustainable development and identifies the importance of data, planning, governance and finance as drivers of local transformation. All to often cities fail to accelete SDGs due to inadequacy of data, SDG centred strategic and spatial planning, inadequate governance arrangements and challenges in generating revenue and accessing finance.

The SDG Cities Global Initiative is a UN-Habitat flagship initiative designed to accelerate cities' achievement of the Sustainable Development Goals. SDG Cities supports cities to plan, develop, and finance innovative urban projects while aligning such projects with the SDGs. It also builds capacity of local institutions so they can be fit for purpose to continue delivering the SDGs. This catalyses economic gain while also improving the quality of life of residents and the health of the environment. SDG Cities aims to support 1,000 cities and positively impact 1 billion lives by incentivizing SDG projects and policies and providing the tools for cities to build their own capacities to drive local resiliency and sustainability.

Project Overview

UN Habitat and partners have created the Cities Investment Facility – allowing cities to present their projects and financial needs publicly. However so far only few of the presented projects are being financed. While the SDG Cities Initiative has introduced Certification to mark the achievement of key stages, it is evident that for cities to attract the level of finance and private sector partnership needed to meet their sustainable development potential, they need to meet more rigorous standards as requested by the finance sector. This requires an enormous time and due diligence effort, which many city administrations are challenged to achieve. In order to solve this, a three-pronged approach has been initiated: 1) SDG Cities Certification incorporating standards; 2) Digitised tools & technical resources; 3) SDG Cities National Hubs.

1. SDG Cities Certification This is a 4-track process to guide and mentor cities through the steps of data collection, strategic planning, capacity developing, and project planning financing and implementation, in order to reach measurable SDG Impact. Cities are awarded Silver, Gold, Platinum, and Diamond certificate respectively after completing the criteria for each track, namely:

- Onboarding
- Inclusive, evidence-based strategic frameworks
- Effective local insitutions, plans and governance
- Measurable SDG Impact.

The **Onboarding** track (Silver certification) requires cities to take stock of their current performance towards the SDGs, including a review of data and indicators, review current plans and strategies and identify likely areas of capacity development. The city leadership makes a commitment to putting SDGs first and to remain accountable to the city's residents in this process and prepares with UN-Habitat its SDG Cities journey and workplan.

The **Evidence-Based Strategic Frameworks** track (Gold certification) requires cities to produce SDG aligned data and to generate inclusive, evidence-based strategic plan that mainstreams SDGs by engaging communities and local stakeholders. In order to build on current progress, existing up-to-date data and strategic plans and planning processes can be reviewed and where relevant, further developed. SDG aligned data can be guided by the Global Urban Monitoring Framework and should include city objectives as per SDG 11 – safe, inclusive, resilient and sustainable, and the domains of sustainable development – society, economy, environment, culture and governance.

The **Effective Local Institutions,** Plans and Governance Track (Platinum certification) requires cities to self-assess their systems of governance, planning, revenue and public financial management, and service delivery and build capacity where needed. This process should not only improve the effectiveness of cities in delivering the SDGs, but should also support their attractiveness to the finance sector, so that cities, once certified, are viewed as being credible partners for investment. To do this, the criteria will be further developed by Deloitte that will provide assurable standards for cities.

The **Impact** track (Diamond Certificate) certifies SDG impacts reached against the baseline assessment, in line with the city's strategic plan that reflect global, national and local priorities. As cities prepare for this certificate, they are encouraged and supported to generate SDG project pipelines that ensure both investment readiness and impact against the SDGs. Cities are thus encouraged to align their SDG project pipeline to the UNCTAD Guidelines for Entity Reporting, thus enabling seamless SDG impact reporting for both the city and the investor.

The methodology for each track flexible, allowing individual cities to tailor their SDG Cities roadmap to local priorities and complete the certification criteria using its own local capacities.

When piloting its SDG Cities flagship initiative,[1] UN-Habitat found that a pure certification, initially introduced to mark progress by cities engaged in the initiative and ensure consistent quality, was also welcomed as a recognition of effort, and found to be a motivating factor among cities. UN-Habitat also found that certification at key stages helped frame, communicate, and achieve key milestones in line with the guidance of the New Urban Agenda.

2. Digital Tools and Technical Resources. Cities are supported in each track with technical tools and resources – many of which are digitized. The Swiss tech firm Capcade is providing data rooms for participating cities. On the Gold track, CitiIQ uses available online data to generate a data profile for each city, while UN-Habitat with Global CEO Alliance is developing a spatial data tool, that produces map-based analysis following data collection undertaken by local residents. On the Platinum Track, UN-Habitat with Global CEO Alliance has developed a suite of digital self-diagnostic tools in areas of planning, governance, finance and service delivery, and are also developing digital self-paced learning courses.

3. SDG Cities National Hubs, Evidence so far has shown that a city's probability of achieving certification is increased when there is national support. SDG Cities National Hubs, spearheaded by national governments, are staffed by national experts that provide technical support to a network of cities through the different tracks. This aggregated approach allows for several cities to be onboarded and begin the 4-track certification process at the same time through knowledge sharing, technical assistance, and where possible, funding from the national government. The National Hub can also play a role in aligning certification criteria to national development priorities, so that the SDG Cities certification can support cities to integrate and deliver on global, national and local development priorities. Technical experts from the National Hub adapt the SDG Cities Tools and resources to the national context and languages, train cities in their utilisation, and enhance their capacities through webinars, peer-to-peer learning sessions, and on-the-ground trainings. National Hubs may also play a role in reviewing individual cities' applications for certification and maintaining quality control.

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[1] https://unhabitat.org/programme/sustainable-development-goals-cities.

Demand by cities for certification has been accompanied by a more systematic way for cities to identify and articulate their **technical support** needs for achieving the SDGs. To take full advantage of the transformative potential that urbanization offers, and to ensure that no one, including women and vulnerable groups, is excluded, decision-making processes in cities require data that is adequately detailed, disaggregated and harmonized with global agendas. However, local governments often lack proper funding to undertake the collection holistic and accurate data, making national governments essential in helping to source technical support for data collection and filling the gaps in capacity needs. The establishment of National Hubs to provide technical support would assist in synchronizing local and national data to enable cities and regional governments to make more informed decisions related to projects and policies for sustainable urban development. This technical assistance from a National Hub would also help identify priority development needs across several cities and compile similar projects into portfolios for financial investment.

Technical assistance for cities through the National Hub will also be supported by the **SDG Cities tools**. Each track of the certification process contains tools and guidelines to foster the successful completion of the criteria. These include tools for data collection and analysis, strategic planning, and institutional capacity assessments. SDG Cities also provide access for cities to a platform where they can collect, analyze, visualize, and share data about their city. This can be further compiled on a national level to provide a spatialized visualization of the country's needs.
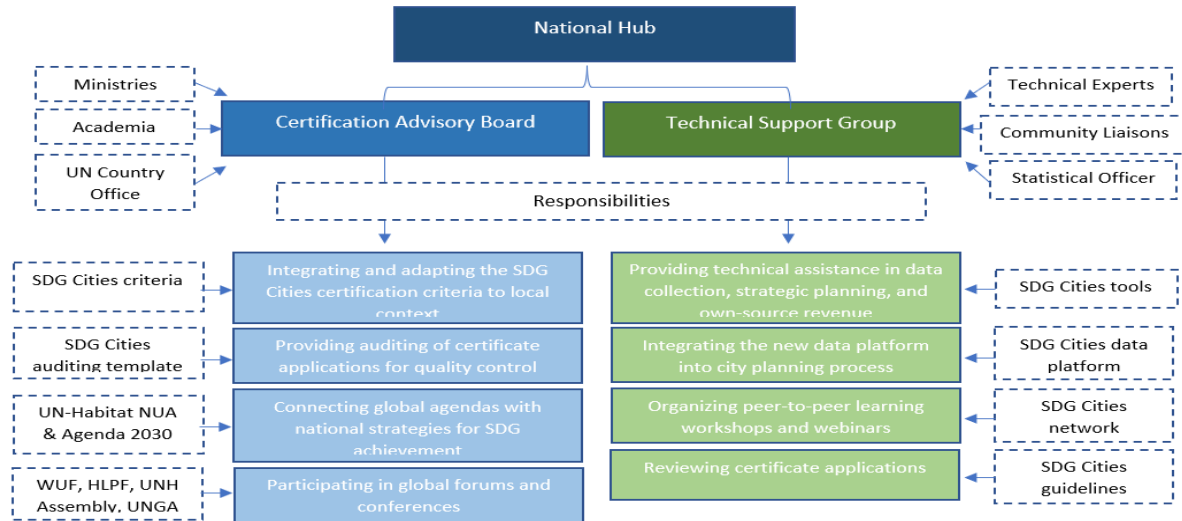
Project Framework

In collaboration with UNGSII, UN-Habitat's SDG Cities Initiative endeavors to test the National Hub model across 10 countries. This project would enable national governments to convene an advisory board made up of diverse stakeholders to lead the certification process and create a technical support group to provide technical assistance for cities. The national governments in the pilot countries are encouraged to collaborate with academia, private sector, and civil society to deliver the National Hub.

In partnership with UNGSII, 10 countries will be granted funding to pilot the National Hubs made up of the certification advisory board and technical support group. The country may decide to tailor their national program to focus on thematical issues or provide specialized technical assistance within the country or regionally.

The Pilot initiative will involve
1. Further development of SDG Cities Certification criteria through a series of Expert Group Meetings with the United Nations Local 2030 Coalition; City Networks; Finance Sector; Civil Society
2. The development of a sustainable business model that takes account of different income levels and availability of technical resources at the national level
3. Identification of Pilot Countries through an open call for applications
4. Establishment of National Advisory Committees, SDG Cities Hubs and the identification and onboarding of cities
5. Adaptation of global guidelines to national levels
6. Training of SDG Cities Hubs and technical support for the achievement of Certification Criteria through SDG Cities Hubs
7. Application and award of SDG Cities Certification
8. Evaluation of the SDG Cities model and assessment of scaleability

List of 20 Countries currently engaged/ in discussion with SDG Cities

Bolivia	Fully Funded	Ecuador	Fully Funded
Costa Rica	Partially Funded	Argentina	Partially Funded
Uganda	Fully Funded	Ghana	Fully Funded
Botswana	Fully Funded	Somalia	Fully Funded
Tunisia	Fully Funded	Nepal	Partially Funded
India	Partially Funded	Philipines	Partially Funded
Vietnam	Fully Funded	Malaysia	Self-Funded
Saudi Arabia	Self-Funded	Kosovo	Partially Funded
Turkiye	Self-Funded	Portugal	Self-Funded
Australia	Self-Funded	Canada	Self-Funded