

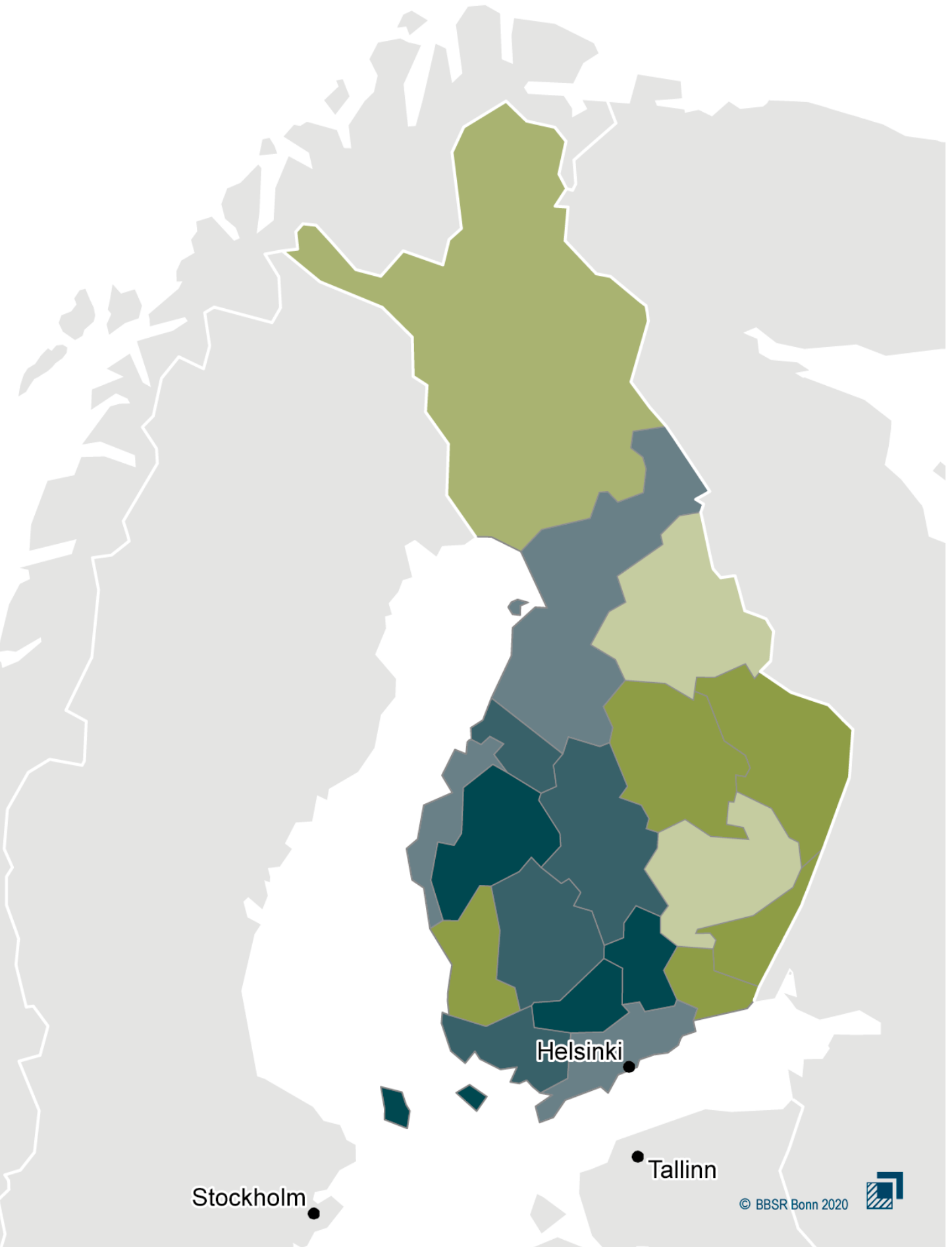
SUPREME AUDIT INSTITUTIONS ASSESSING GOVERNMENTS' ACTION

Worldwide and in Finland: Roots of Sustainable Development

Finland is one of the frontrunners in sustainable development policies globally. Sustainability actions start from the local level and include three models to organise the work and focus the action. Government has a key role especially in integrating sustainability to the national budget. Government external auditors have assessed actions globally and call for better policy coherence and long-term approach.

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Supreme Audit Institutions (SAI) around the world have assessed governments' actions on the United Nations 2030 Agenda and the Sustainable Development Goals (SDGs). SAI's umbrella organisation INTOSAI (International Organization of Supreme Audit Institutions) has committed itself to follow-up and review the implementation of the SDGs. Besides the importance of single SDGs it is crucial to understand the dynamics between them. Moreover, the 2030 Agenda is founded on a larger theory and practice of sustainable development. Here, especially the long-time perspective and global links are important areas of further research. This is not only the case on a global scale but also in Finland, where both the national and the local level refer to a profound understanding of sustainable development in its various facets and interdependences.

INTOSAI is the umbrella organization for the external government audit community. One of INTOSAI's cross-cutting priorities for 2017–2022 is to contribute to the follow-up and review of the SDGs. SAI started auditing the 2030 Agenda processes of governments at a phase when not much implementation had yet taken place. The approach taken was to assess the preparedness of governments for implementing the SDGs (IDI 2019).

This global exercise found that while some countries had aligned their national strategies with the 2030 Agenda, some countries did not have strategies in place to

implement the SDGs. In general, governments have paid less attention to vertical than horizontal policy coherence. SAIs also pointed out the need to identify the costs related to the SDG implementation and interlinking the national plans to respective budget allocations. There was room for improvement both in data provision and in building-up monitoring systems in the same way as differences among countries in identifying performance indicators and baselines as well as setting milestones existed (IDI 2019).

Today, SAIs are concentrating on auditing the implementation of the 2030 Agenda. For example, the Latin American SAIs assessed in their cooperative audit on governments' preparedness also the sustainable production of food, as laid down in SDG 2.4 (OLACEFS/COMTEMA 2018). The INTOSAI Development Initiative focuses on intimate partner violence against women (cf. SDG 5.2) and sustainable public procurement (cf. SDG 12.7) (IDI 2020). The INTOSAI Working Group on Environmental Auditing concentrates on climate finance (cf. SDG 13.A), plastic waste and sustainable transport in the same way as it explores the connection between thematic focus areas and various SDGs (INTOSAI WGEA 2020). Finally, the principles of the 2030 Agenda may guide the auditing work. "Leave no-one behind" could be for example a useful question in the context of every audit in any policy area: is there something that could affect citizens disproportionately?

Policy coherence and effectiveness

What interests the National Audit Office of Finland (NAOF) is not so much the implementation of single SDGs but rather the dynamics of the whole 2030 Agenda framework and the policy coherence between the SDGs and targets. Policy conflicts are potentially large challenges for a governance and the effectiveness of public spending. One well-known example are the subsidies for fossil fuels: on the one hand, governments invest in climate mitigation, but on the other hand, they also provide at the same time tax exemptions for fossil fuels. The national budget proposal of Finland offers an example on disclosing this information. Under the topic of "sustainable development", the actions supporting the target of a "carbon-neutral Finland" amount to 2 billion Euro. However, the budget proposal also estimates the subsidies that are harmful for the environment and serve other policy purposes. The amount of these subsidies, mainly in the sectors of energy, transport and agriculture, reach 3.6

billion Euro, thus clearly exceeding the climate spending. Disclosing such information is a good example of making the challenges of policy coherence transparent and thus increasing the knowledge base of decision-making.

The above-mentioned Latin American cooperative audit also pointed out challenges of policy coherence. With regard to SDG 2.4 on the sustainable production of food, many SAIs detected incoherent policies. SAI Brazil for example found that on the one hand, the Brazil Government supports organic farming, but on the other hand offers tax exemptions for the use of pesticides. Apart from contradictory spending, there could be potential areas for synergies, which provide possibilities of saving costs. Not identifying and utilizing these is a lost opportunity for good governance – and for the effective use of taxpayers' money.

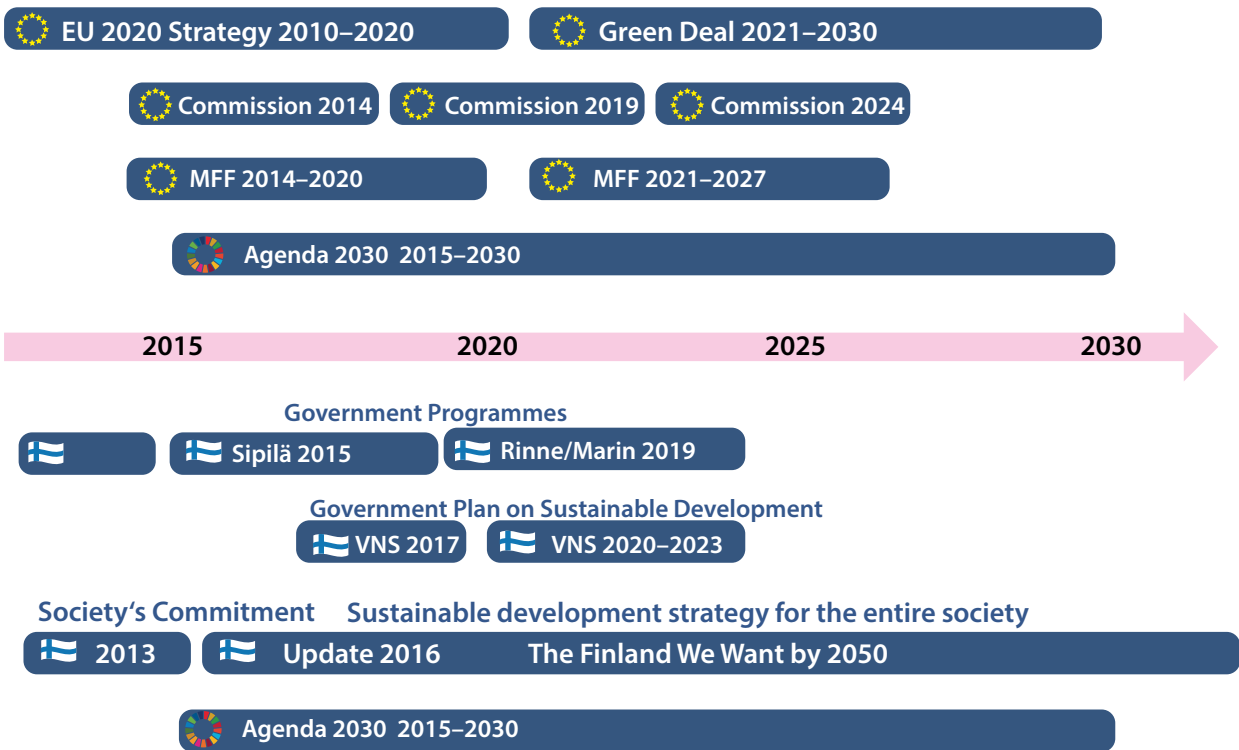
Attention to future generations and global links

Returning to the concept of sustainable development, the key element are the future generations. Applying a long-term perspective is however challenging. This had been studied in the context of EU's and Finland's respective strategies and the 2030 Agenda (Niemenmaa/Perkinen 2020). Most important strategies – such as the multiannual financial framework of the EU or the government programme of Finland – cover shorter periods than the 2030 Agenda (see figure 1). On top of that, in the EU the 2030 Agenda came at an unfortunate time when the EU Strategy for 2010–2020 was only halfway through. Therefore, the EU simply noted that the EU 2020 Strategy is in line with the 2030 Agenda – not mentioning an obvious gap of ten years. The EU never launched a comprehensive strategy for the 2030 Agenda (European Court of Auditors 2019). The Green Deal addresses many crucial elements, but it is unclear whether the EU plans to do something in addition to fulfil the 2030 Agenda. In the case of Finland, the 2030 Agenda as well as

the SDGs had been integrated in an existing sustainable development framework, which included eight national priorities. Priorities, however, are more like directions to proceed rather than objectives whose achievements could be assessed. Combining the national priorities to the SDG matrix (see figure 2) shows that they cover quite well all SDGs. In 2017, the Finnish Government Plan identified two thematic focus areas: “carbon-neutral Finland and resource-wise Finland”, and “non-discrimination, equality and a high level of competence in Finland”.

Interestingly, the NAOF's audit detected that in Finnish administration, the global SDGs were more widely known than the national targets (NAOF 2019). The new Government Plan for sustainable development abandons the two national priorities and adopts an SDG-based structure (Finnish Government 2020).

1
2030 Agenda and administrative cycles in the EU and Finland



Source: Finland 2020

SDG matrix

Objectives of the Society's Commitment:

1. Equal prospects for well-being
2. A participatory society for all
3. Work in a sustainable way
4. Sustainable society and local communities
5. A carbon-neutral society
6. A resource-wise economy
7. Lifestyles respectful of the carrying capacity of nature
8. Decision-making respectful of nature

SDGs of the 2030 Agenda:



Source: Prime Minister's Office Finland 2017

Strategies and monitoring

The lack of an EU strategy towards the 2030 Agenda affects also the monitoring. While the United Nations developed globally valid indicators for the SDGs, national governments should come up with their own indicators measuring the national priorities in sustainable development. In the case of the EU – and in the absence of an EU strategy towards the 2030 Agenda – Eurostat has developed indicators out of which only some are calculated against official and quantified EU policy targets. They exist for example with regard to SDG 4 (quality education) and SDG 13 (climate action), but not SDG 6 (availability and sustainable management of water) or SDG 10 (reduce inequalities within and among countries) (Eurostat 2020).

In the case of Finland, the indicator system does not fully correspond to the national priorities presented in the strategies. Thus – in both cases – the development of indicators occurs somewhat independent from the national

sustainable development strategy-making, but for the sake of continuity and the ability to measure trends, it is useful that indicators are somewhat stable and do not change with every new or additional strategy.

The 2030 Agenda represents here a longer-term strategy compared to the usual four- or seven-year planning cycles. However, the Agenda 2030 is not an intergenerational aspiration. Future generations, who are at the heart of sustainable development, would need even longer time spans.

Applying a long-time perspective is also a moment of self-reflection for auditors and researchers. First, they should ask their respective governments against which time perspective they develop and agree upon their policies. Secondly, they should ask themselves against which time perspective they carry out their assessments and recommendations.

Sustainable development leadership in Finnish municipalities

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While the Member States of the United Nations formally committed themselves to implement the 2030 Agenda, they will not be able to implement and reach the SDGs without the support of multiple other actors. In increasingly urbanised societies, it is hard to see how true sustainability transitions could happen without cities and communities. This means that the 2030 Agenda definitely has to be localised. Localisation in that respect means that the global goals are interpreted from the perspective of local circumstances and relevance for municipalities of different sizes and geographical location.

In a country like Finland with strong local level governments, cities and communities take a particularly vital role in sustainability transition. In a research project carried out by Demos Helsinki, Finnish Consulting Group, Finnish Environment Institute, Association of Finnish Local and Regional Authorities and MSDI Oy and funded by the Prime Minister's Office in 2019–2020 (Schmidt-Thomé et al. 2020), the possibilities to accelerate sustainability transitions by embedding sustainability in the practice of local level leadership had been addressed. Three leadership models accelerating the local level sustainability transition were developed as well as the key substance areas for Finnish municipalities to leap forward in sustainability scrutinized.

Considering the diversity of Finnish municipalities in terms of population, economic basis and municipal resources, it is no wonder that organising sustainable development varies greatly amongst Finnish municipalities. Another point motivating the development of the leadership models was that municipalities have seldom reflected so far on their own way to organize leadership. The three models of sustainability leadership are thus meant to support both self-reflection and comparison, and shall be understood as collections of key features and preconditions rather

than strict guidelines that a certain municipality could simply execute:

- In the first model – Guiding Stars – a municipality implements the sustainability goals in a very straightforward manner. Sustainability leadership is well-resourced, operated by a dedicated sustainability team, aligned rather top-down. The model leans on strong in-house sustainability expertise and benefits from a clear political mandate. In order to succeed, the top-down leadership needs a culture of listening within the organization.
- The second model – Power of Networks – portrays a shared ownership of sustainable development work. The municipality is a matrix of empowered experts collaborating for sustainability, with a certain degree of self-organization. The model emphasizes coordination and knowledge sharing within the matrix to embed a truly shared operating culture.
- In the third model – Active Individuals – sustainable development work may not be formally organized, but it can still include a number of ambitious sustainability activities. These can be individual initiatives of the local council, local entrepreneurs or the civil society. This model often depends on the commitment of a few “fiery souls”. In such a model, the main challenge is to ensure the cross-administrative status for sustainable development.

In terms of substance areas, eight themes, where the municipalities can play a role in accelerating transition, had been identified. They constitute thematic groups nested in each other (see figure 3). The economic system is considered as one part of our sociocultural system, which in turn has to function within the limits of the ecosystem. The most important and challenging topics include reducing carbon footprints, decreasing inequalities and enabling meaningful and good living

for all. The topics are broad and highly cross-sectoral – covering the majority of a municipality’s functions. The research project may be summarized as follows: the 2030 Agenda forms a good basis for strategic leadership of municipalities. Implementing the SDGs at the local level would thus include two important steps:

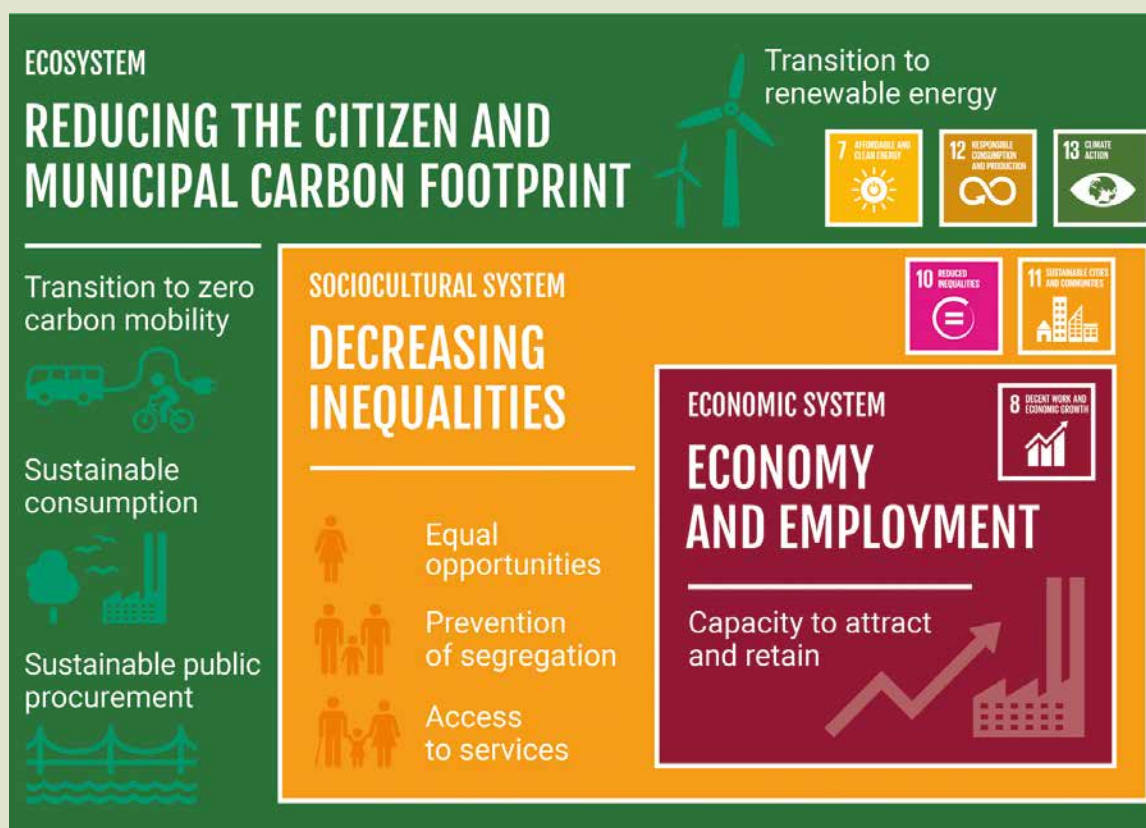
- identifying and prioritising the most important and relevant SDGs

- embedding the SDGs into the strategic leadership

A participatory process localising the SDGs in a cross-sectoral manner would be a great opportunity to bring sustainable development to the very centre of the local level strategy work.

3

Core substance areas of sustainable development in Finnish municipalities



Source: Schmidt-Thomé et al. 2020

Global endeavour

The 2030 Agenda and the 17 SDGs cannot be reached, if one only looks at what happens inside one's country borders. One of the novel areas of development are global spillover effects – the unintended consequences that our decisions and actions can have elsewhere in the world (cf. Schmidt-Traub et al. 2019).

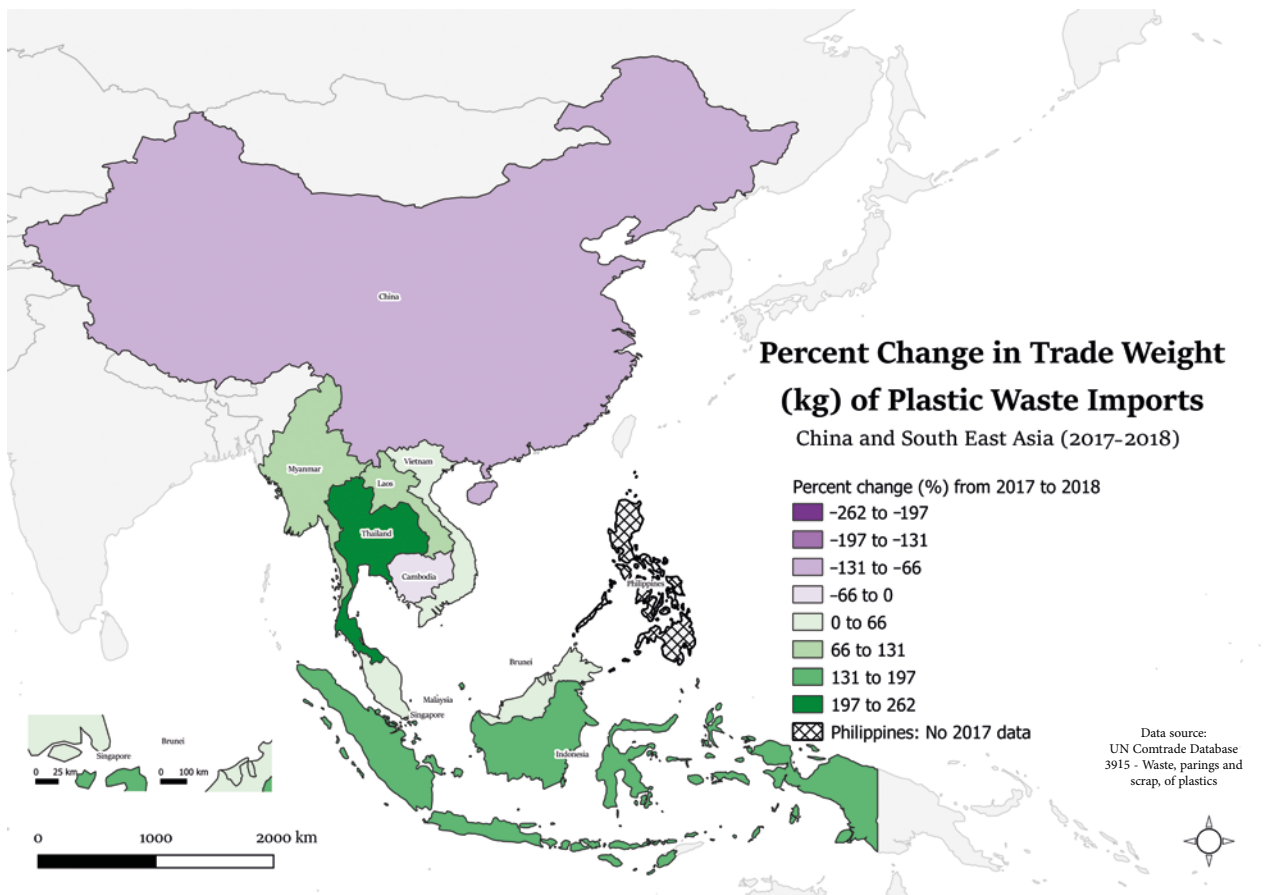
At NAOF, a first dive was made into this topic in the course of a collaborative course held with the University of Helsinki. The course participants, students of geography, studied concept and case studies (Aroaho/Viertola). As outcome and example may serve the spillovers at the EU level, its agricultural policy and its impacts in other continents, especially Africa. The EU is the biggest donor of official development aid, yet in one of its biggest spending areas – agriculture – the EU does not even measure its spillover effects outside the European

Union. Apart from unexplored spillovers, this also represents a challenge in policy coherence.

Some of the spillovers can be eye-opening. In a country with lot of fresh water, as in Finland, it can be shocking to realize that almost half of the Finnish water footprint materialises in fact abroad. Another example of global spillovers are waste trades (see figure 4). The geography students tried to find data on the plastic waste flows from Finland and the EU to Asia in the given situation of China banning single-used plastic import. The students finally managed to find evidence on how China's policy has changed the dynamics in South-East Asia (Dyvodaitis et al. 2020). Important questions are which the capacity of these countries is to handle the massive increase in plastic waste import and whether other countries should export the plastic waste at all.

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Plastic waste import changes 2017–2018



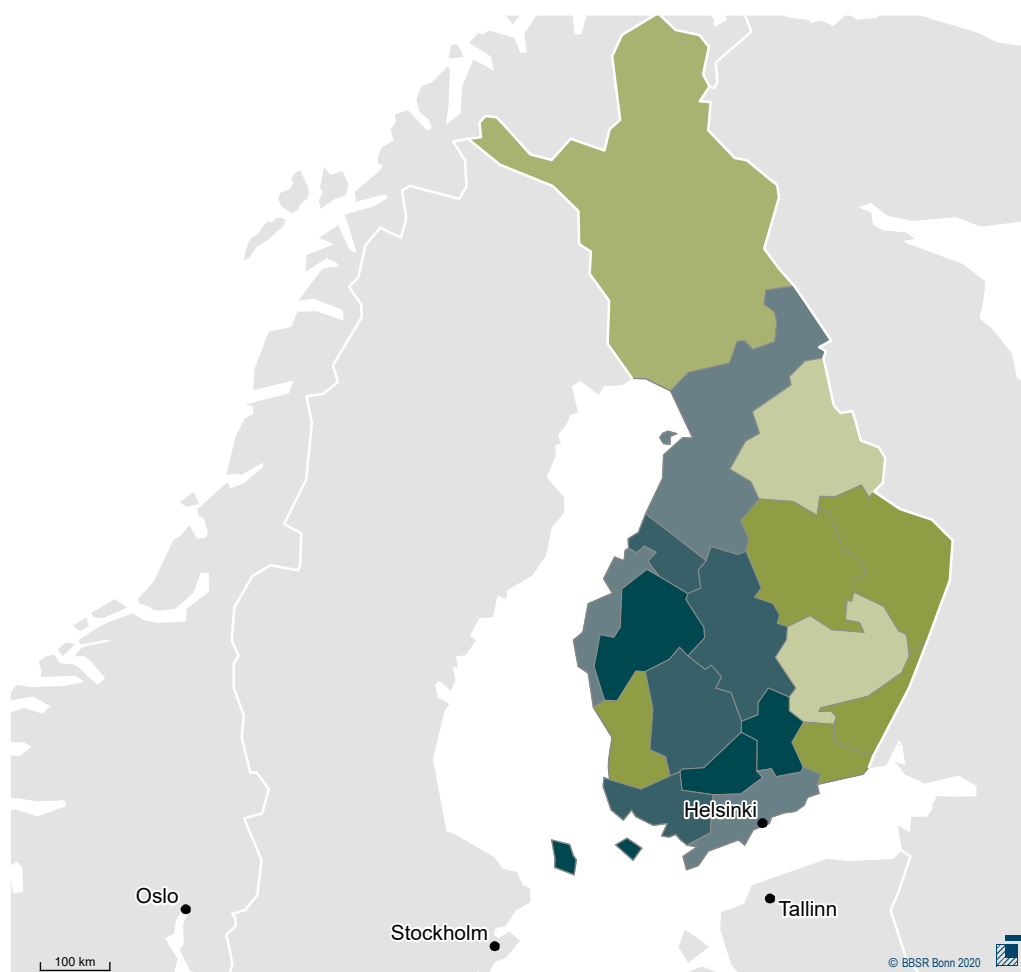
Conclusion – need for innovative thinking

The 2030 Agenda and the SDGs offer many fascinating perspectives for research and practical policies alike. Much progress has been made around the world, but as the above examples show, there is still room for novel thinking and innovative policies. First, the SDGs should not be viewed in isolation, as also the interdependences and the policy coherence are crucial. Secondly, the perspective of the SDGs

time-wise is 2030. If the concept of sustainable development is taken seriously, a look beyond that date towards future generations seems indispensable. Finally, as the 2030 Agenda is about global goals, we should look beyond our national or regional borders and start taking wholeheartedly possible spillover effects.

5

Development of built-up area in relation of population in Finland



Ratio of the annual percentage change of built-up area and population change between 1990 and 2014

with an increase of built-up area
by declining population

- up to below -5.0
- -5.0 up to below -2.5
- -2.5 up to below 0.0

with an increase of built-up
area higher than the increase
of population

- 1.0 up to below 2.5
- 2.5 up to below 5.0
- 5.0 and more

Source: Spatial Monitoring System for Europe
Origin of data: Global Human Settlement Layer
Administrative data: GfK GeoMarketing,
NUTS 3 regions (2013)
Author: V. Schmidt-Seiwert

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