United Nations | Department of Economic and Social Affairs

FUTURE OF THE WORLD

POLICY BRIEF NO190

MAKING SUBSIDIARITY WORK IN PRACTICE: ENGAGING SUBNATIONAL AUTHORITIES TO ADVANCE THE 2030 AGENDA

I. INTRODUCTION

Subsidiarity, one of the principles of effective governance for sustainable development,[1] supports the exercise of public functions at the lowest effective level. It is key to advancing the 2030 Agenda for Sustainable Development by helping ensure that public authority is exercised where it can respond most effectively to people's needs. Subsidiarity and decentralization are closely linked, as decentralization can provide the administrative, fiscal and political arrangements needed to make this possible. For subsidiarity to contribute meaningfully to the Sustainable Development Goals (SDGs), mandates, financing and capacities must be aligned so that subnational authorities have the authority, resources and skills required to carry out their roles.

Applying subsidiarity in support of the 2030 Agenda also requires clear roles and coordination across levels of government, effective mechanisms for joint planning and accountability, and sustained investment in local governance, finance, and resilience. These elements are becoming more important as cities grow and local governments face increasing demands to deliver services, manage risks and support inclusive development.

To support the application of subsidiarity, the Committee of Experts on Public Administration (CEPA) has identified five strategies for its implementation, including: multi-level governance; fiscal federalism and decentralization; strengthening urban governance; municipal and local finance; and enhancing local capacity for prevention, adaptation and mitigation of external shocks. This policy brief distills key insights from five UN CEPA strategy guidance notes to illustrate how subsidiarity can be operationalized to strengthen the engagement of subnational authorities in advancing the 2030 Agenda. It highlights the institutional, fiscal and capacity-related conditions required for effective implementation. The brief concludes with twelve policy recommendations for aligning authority, resources and capacities at the appropriate level of government.[2]

1 Developed by the Committee of Experts on Public Administration and endorsed by the Economic and Social Council in 2018.

2 For more details see *Handbook on The Strategic Role of Subsidiarity: A Readiness Assessment for Localizing the Sustainable Development Goals*.

Key Messages

- Subsidiarity supports the exercise of public functions at the level of government best placed to respond effectively to people's needs.
- Applying subsidiarity in practice requires clear institutional mandates, coordinated planning and strong accountability mechanisms across levels of government.
- Fiscal and administrative decentralization need to be aligned so that subnational authorities have both the responsibility and the means to deliver effectively.
- Strong local institutions and capacities are essential for resilience and lasting progress on the 2030 Agenda, but they require predictable financing, sustained capacity development and effective coordination with national frameworks.

II. PROMOTING EFFECTIVE COORDINATION ACROSS LEVELS OF GOVERNMENT FOR PEOPLE-CENTERED PUBLIC SERVICES

Subsidiarity requires effective coordination across levels of government through multi-level governance arrangements. Multi-level governance refers to the sharing and coordination of public authority among local, regional, national and supranational levels. It provides scale flexibility by allowing larger-scale issues to be managed centrally while local public services are tailored to specific needs.

Some public challenges cut across administrative boundaries and policy sectors, requiring coordination beyond a single level of government. Issues such as regional transportation and transboundary water governance may call for multi-level governance arrangements that support cooperation, long-term planning and shared accountability. For instance, the Delaware River and Bay Authority in the United States manages bridges and ferries across state lines, illustrating how shared infrastructure depends on coordinated investment and joint operational decisions. Climate adaptation initiatives also illustrate why coordination is needed across jurisdictions, as risks do not follow territorial boundaries. In Indonesia, for example, floods, droughts and coastal hazards can extend across district and provincial

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boundaries, requiring municipalities, regional authorities and national agencies to coordinate risk assessments, data-sharing and joint planning, including through the National Disaster Management Agency (BNPB) and subnational disaster management bodies, to manage shared vulnerabilities and strengthen resilience.

Well-designed institutional frameworks and coordination mechanisms are essential for aligning policies and ensuring that resources are used effectively across levels of government. Clear mandates, predictable rules for interaction, and structured joint planning processes help prevent overlap, reduce transaction costs, and strengthen accountability. Even with well-designed institutional frameworks, national and local priorities may not always align. Coordination mechanisms need to provide space for negotiation, clear criteria for setting priorities, flexibility to reflect local conditions, and ways to resolve disagreements. This helps ensure that national priorities are not simply imposed from above, while also avoiding fragmented implementation across jurisdictions.

Coordination involves more than purely top-down or bottom-up approaches. It requires vertical collaboration across levels of government, horizontal alignment across sectors and jurisdictions, and joint decision-making through formal mechanisms. For example, South Africa's District Development Model uses district-level "One Plans" to bring together national, provincial and local government priorities, while also providing space for civil society, communities and the private sector to participate in local development planning. Such arrangements can help address implementation bottlenecks and align local priorities with national strategies.

Box 1

Zambia

Zambia has established District and Provincial Development Coordinating Committees (DDCCs and PDCCs) as important mechanisms for aligning planning and service delivery across national, provincial, and local governments. Chaired by district commissioners and provincial permanent secretaries, these committees bring together officials from line ministries, local authorities, traditional leaders, and civil society to facilitate joint development planning, coordinate budgets, and monitor implementation. The committees provide flexible, non-binding mechanisms that help overcome fragmentation in mandates and improve collaboration across sectors and levels of government.

The committees play a critical role in linking Zambia's national development goals, such as those articulated in Vision 2030 and the National Development Plans, with local realities. By fostering communication and cooperation, they enhance policy coherence and ensure that government programmes can better respond to local needs.

Effective coordination across levels of government depends not only on sound institutional arrangements but also on the ability of subnational actors to participate meaningfully in them. When local administrations lack the authority, skills or resources to engage in joint planning and decision-making, coordination becomes weaker and multi-level governance becomes less effective at addressing people's needs. Subnational levels must be equipped with appropriate capacities, tools and resources, including revenue collection, predictable financial transfers, skilled personnel, reliable technical systems and clearly defined mandates.

III. STRENGTHENING URBAN GOVERNANCE FOR RESILIENT AND INCLUSIVE CITIES

The SDGs, particularly SDG 11, recognize that well-governed cities with adequate infrastructure and services can stimulate job creation, reduce poverty and support sustained economic growth, contributing to long-term prosperity. Effective urban governance depends on clearly assigned responsibilities, adequate fiscal autonomy and strong coordination between national and local authorities.

Effective urban governance rests on clear principles, including decentralization, transparency, efficiency and active collaboration among all stakeholders. Collaborative models that align and coordinate across jurisdictions strengthen resilience and support sustainable growth. In Nigeria, the Lagos Metropolitan Area Transport Authority provides an example of a metropolitan institution established to coordinate urban transport planning, regulation and infrastructure across a large and complex urban area, illustrating how some urban challenges require governance arrangements beyond individual local authorities. Local governments can reinforce their institutions by partnering with civil society, the private sector and peer cities. Accountability mechanisms such as participatory budgeting, open data, effective oversight and public feedback help build trust and support performance monitoring.

Effective urban governance also depends on high-quality evidence. Investing in disaggregated urban data and smart city technologies improves decision making, enhances service delivery, and strengthens capacity.

In addition, in a rapidly changing world, tackling complex challenges demands strategic foresight and long-term vision. Local authorities are closest to communities and often face rapid shifts in demographics, technology, climate risks, and service demands. Such an approach can help ensure that decisions support resilient and sustainable outcomes.

Capacity development is essential. Local authorities and urban managers need the skills, knowledge, and institutional capacity to design, implement, and monitor effective urban policies. This requires sustained investment in professional training, peer learning, and knowledge exchange platforms that strengthen technical expertise and leadership.

IV. FINANCING LOCAL DEVELOPMENT THROUGH FISCAL DECENTRALIZATION

Local governments, particularly in low- and middle-income countries, face financing needs that far exceed available resources.[3] The foundations of an effective system include a clear assignment of expenditure responsibilities, predictable and transparent intergovernmental

3 See for example M. Jandrevska *Unlocking Subnational Finance: A World Bank Roadmap for Municipalities in Low and Middle Income Countries* (2025).

transfers, the capacity to mobilize local revenue, access to capital financing, and sustained capacity development.

Intergovernmental transfers from national to subnational levels of government must be predictable, transparent, and rules-based. Unconditional grants should provide local discretion, while conditional transfers promote national priorities. The balance between the two is important: too little local discretion can limit responsiveness to local needs, while weak attention to equity and shared priorities can widen gaps between territories.

Predictable intergovernmental transfers are essential to ensure adequate and equitable resources across jurisdictions. However, municipalities also need the capacity to mobilize own-source revenues, particularly through property taxation supported by updated valuation systems and stronger administration. Local governments with sound financial management systems should be able to borrow responsibly to finance infrastructure under clear and transparent rules. Subnational borrowing must be responsibly managed through debt ceilings and fiscal oversight mechanisms.

Improving financial management, digitizing revenue administration, and providing training to staff contribute to efficient local finance systems. Public–private partnerships can also play a critical role provided that they are supported by transparent regulations and robust oversight. Strong local finance systems make decentralization sustainable and ensure that resources follow responsibilities.

Box 2

Sierra Leone

In Sierra Leone, the Freetown City Council made property tax reform a central pillar of its "Transform Freetown" agenda to address weak own-source revenues. With technical support and satellite imagery, the city expanded its property register from 57,000 to over 120,000 properties, introduced a transparent valuation system and outsourced billing and collection.

By 2024, Freetown collected more property tax than all other councils combined. Public information campaigns linking tax payments to visible services further improved compliance. This experience shows how local finance reform, strong partnerships and public engagement can significantly boost revenue performance.

V. BUILDING LOCAL RESILIENCE FOR EXTERNAL SHOCKS

The capacity of local governments to prevent, adapt to and mitigate external shocks is essential for sustainable development. Because shocks are felt first at the local level, the ability of local authorities to sustain basic services, protect vulnerable communities and support early recovery has a direct bearing on resilience and long-term development outcomes. National systems often focus on responding to large-scale disasters, leaving smaller recurring events under-addressed at the local level.

Local risk governance must be strengthened through clear assignment of responsibilities and coordination across levels of government, and by ensuring that local authorities have adequate authority, funding, and technical capacity for disaster risk response. Shared mechanisms and targeted support from higher levels can help avoid unnecessary duplication of functions and costs across municipalities, particularly in resource-constrained settings. Risk prevention should be integrated into land-use planning, infrastructure design, and budgetary processes. The Sendai Framework for Disaster Risk Reduction emphasizes decentralization, coordination, and sustained investment in resilience.

A multi-dimensional approach to local risk governance includes prospective (preventing new risks through planning and land management), corrective (reducing existing risks through infrastructure and relocation) and compensatory (meeting residual risks through social protection and contingency funding) actions. Sustained financing and meaningful community engagement are necessary to ensure that risk-related interventions reflect local priorities and are grounded in actual community needs. These elements strengthen risk governance by improving the quality of local planning, increasing ownership and enabling more targeted and inclusive responses. When local authorities are empowered with adequate technical and financial capacities, they are better able to assess risks, coordinate responses and maintain essential services. Their ability to plan for and manage risks is therefore decisive for long-term resilience.

Box 3

Colombia

Manizales, a city in Colombia's mountainous region, has developed a comprehensive approach to disaster risk management based on local capacity and community engagement. Facing frequent landslides and floods, the city combines engineering solutions with nature-based approaches such as reforestation.

The "Guardians of the Slopes" initiative employs local women to maintain vulnerable hillsides, linking risk reduction with social inclusion. Partnerships among local government, academia and communities ensure that risk assessments guide planning and budgeting. Financial tools such as subsidized insurance and reserve funds strengthen resilience and help the city anticipate and recover from shocks.

VI. POLICY RECOMMENDATIONS

To realize the promise of subsidiarity, governments must move from legal commitments to sustained action. The twelve recommendations below provide a practical roadmap for aligning authority, finance and capacity at appropriate levels of government:

1. Establish a strong political and legal foundation defining roles and financing arrangements across levels of government.
2. Institutionalize coordination mechanisms among levels of government through joint planning forums, shared data platforms, and accountability frameworks, including benchmarks and periodic performance reviews.

3. Align local plans with national development strategies through integrated planning processes.
4. Strengthen bottom-up accountability and public engagement, including through participatory budgeting and oversight.
5. Design predictable and results-based financial transfer systems that combine unconditional and conditional grants.
6. Strengthen local revenue mobilization through legal reforms, digitization and improved administration.
7. Enable responsible subnational borrowing to finance infrastructure under enforceable rules.
8. Promote data-driven local decision-making by investing in disaggregated and locally relevant data.
9. Mainstream disaster risk governance in planning and budgeting with sustainable financing.
10. Promote effective and inclusive service delivery by ensuring local authorities have the authority and resources required.
11. Strengthen local e-government and innovation to enhance service delivery.
12. Invest in long-term capacity development to strengthen institutional, human and technical capacities that support subsidiarity in practice.

VII. CONCLUSION

Subsidiarity is not only a principle—it is an operational pathway to making governance more responsive, resilient and equitable. When authority, finance and capacity are aligned at the right level, governments are better positioned to meet people's needs and deliver on the 2030 Agenda.