

# Taking the SDGs seriously: Malmö's model for budget integration

## The SDGs provide the long-term vision we need to guide our budgeting processes

Frida Gothnier Leander, sustainability strategist, City of Malmö

**THE PROBLEM:** Rhetorical commitments are not enough: real progress on the SDGs will require concrete action and financing.

**WHY IT MATTERS:** Integrating the SDGs into budget cycles enables cities to put investments next to commitments and show real accountability.

**THE SOLUTION:** The “Malmö model” makes the city’s primary budget document the central action plan for implementing the SDGs.

The City of Malmö, Sweden, was an early adopter of the United Nations 2030 Agenda. In 2015, the Mayor of Malmö committed to localising the Sustainable Development Goals (SDGs) and using them as the guiding star for the city’s development.

To translate our initial political commitment into action, we integrated the SDGs into our budget process, making this important document the city’s top tool for steering its actions on the SDGs—ensuring a concrete action plan to localise the 2030 Agenda. We even informally call our budget our local Agenda 2030-plan.

This “Malmö model” catalyses a dialogue with all parts of the city administration to formulate and

prioritize goals and targets, and sets a monitoring and following-up process on progress and challenges. The model integrates the SDGs into the budget and management systems of the city and provides methods to institutionalise our SDGs pledges.

### Building relationships and raising awareness

With clear direction from our political leaders, our process to localise the SDGs started with a dialogue across all parts of our city administration. Malmö’s Sustainability Office hosted workshops and conducted interviews with representatives from the city’s 14 departments and municipal companies.

A “Malmö 2030-lab” with representatives from each department was established, including strategists working with their department’s budgetary processes and meeting with the Sustainability Office every month. This resulted in [a strategy for the long-term implementation of the 2030 Agenda in the city of Malmö](#).

These conversations across city units also led us to ask ourselves: “How can the SDGs play a role in the new budget process?” Since the budget is an overarching steering document that all departments must follow, its potential for seriously localising the SDGs and making the goals the long-term vision of the city’s budget

became clear. We thus seized this unique moment to collaborate and integrate the SDGs into the budget process.

### Taking a long-term and ambitious political stand on the SDGs

Specialists from the economic and sustainability units at the City Executive Office worked closely together to align the budget to the SDGs, and had a continuous dialogue with representatives from departments and from the City Executive Committee to ensure the process remained in line with its political goals.

This integration didn't happen in one year. Two years after the Mayor committed to the SDGs, the SDGs were first mentioned in a budget document in 2017. A series of political decisions were necessary to pave the way towards integration of the 2030 Agenda in Malmö's budget.

Subsequent budgets concretised this ambition. The City Council initiated a revision of Malmö's budget structure to set goals for a whole four-

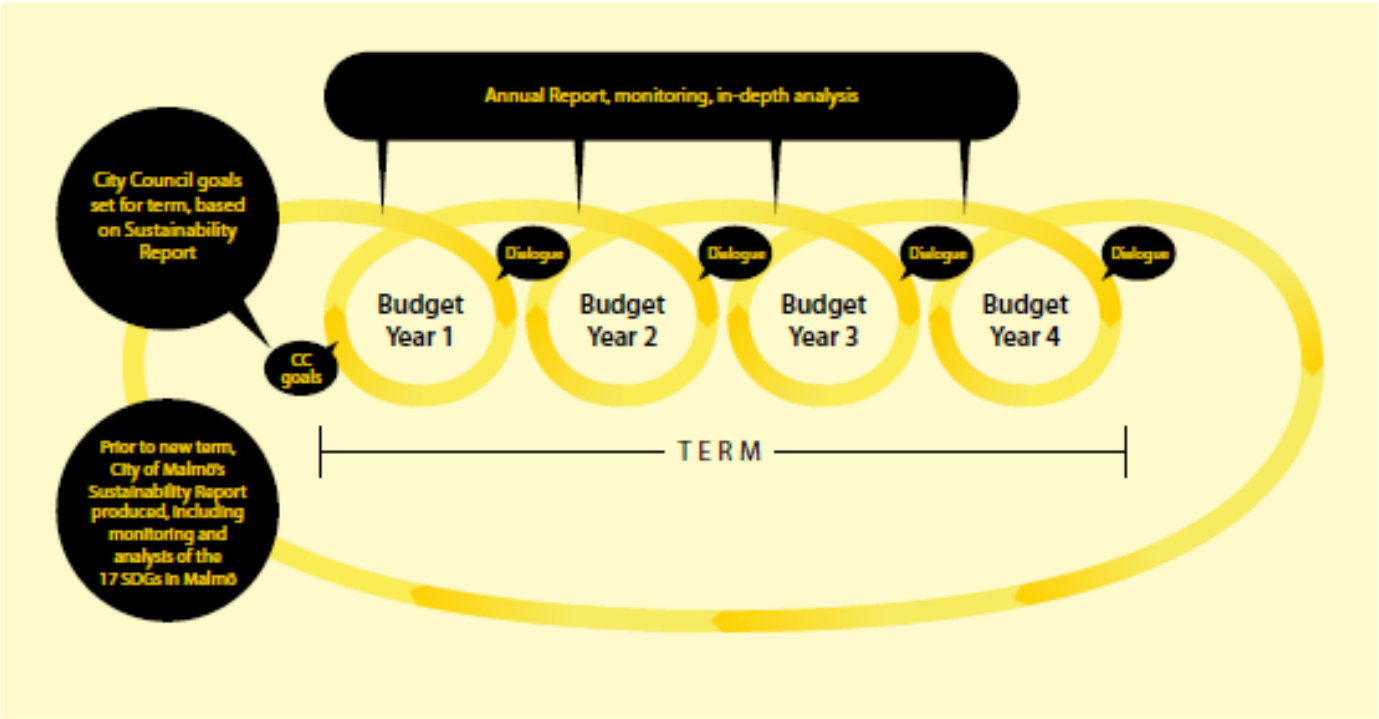
year term of office instead of short-term, annual goals. These 13 City Council goals reflect the city's biggest, most complex challenges identified by the annual Sustainability Report (among other reports) and dialogues between departments and committees within the budgetary process. Alignment between the 13 City Council goals, the City Budget 2020, and the Malmö Sustainability report has created a holistic view of the city's development and allowed for departments across the city to collaborate.

The integration of the SDGs also encourages a level of agreement on the biggest challenges for the city and how these might be solved, either by city government or through partnerships with external stakeholders. It has also been important to provide our political leaders with high-quality, accessible sustainability reporting.

### Keeping us accountable by monitoring and reporting progress annually

To keep us accountable and ensure the budget delivers on our commitments laid out by the

**Figure 1: Malmö's budget, the city's top governing document designed by the City Council, is also the central action plan for implementing the SDGs and the Agenda 2030**



Sustainability Report, we consistently apply reporting and analysis in the various elements of the budget process. This informs the preparation of the next budget cycles (see Figure 1).

The targets set in the budget apply throughout the four-year term and are based on dialogue and political priorities. An important source for this dialogue and prioritization is the monitoring and analysis of Malmö's progress towards the 17 SDGs, including the annual Sustainability Report. Progress towards the City Council's goals is then monitored annually as part of the city's annual report. Together with additional monitoring and in-depth sustainability analyses, the Annual Report in turn provides the basis for continuing dialogue and prioritization in the context of the annual budgeting process.

- The city budget remains short-term, and “only” valid during the four-year terms of office. The long-term horizon of the SDGs will require us to make even longer-term commitments that influence not just our budget, but also our regulations, policies and programmes, and recruitment.

## Lessons looking forward

Executing Malmö's local Agenda 2030-plan through the City Budget is still very new, which makes it too early to evaluate the effect on sustainability outcomes or changes in resource allocation. Still, we learned that:

- Moving from ambition to integration into budget systems, and then finally to action and performance review, takes time. The annual reports should show how activities and daily operations performed by the City departments contribute to the SDGs—i.e., to connect all of the city's performance outcomes to the SDGs.
- An important area of development is increasing strategic cooperation between administrations, which is one of our key City Council goals.
- Building sustainability into the budgetary process requires clear leadership that makes sustainable development at the top of the agenda of every discussion between departments and committees.