

Global South-South Development Expo 2022 (*Thematic Solution Forum 10*)

Local Transformative Finance is Development Finance: SDG Cities and Unlocking Subnational Finance for Sustainable Development and Transformation in the Global South

Concept Note & Agenda

Tuesday 13 September 2022, 14:00-15:15 (Bangkok time)

Hybrid Event (In-person: Bangkok, Thailand; Virtual: TBC)

Background

Achieving the Sustainable Development Goals (SDGs) and an inclusive recovery from the COVID-19 pandemic require localized approaches and transforming towns and cities into inclusive, resilient and sustainable growth centers. This is particularly relevant for the least developed countries (LDCs) where the lack of productive, service-oriented infrastructure in urban and rural areas, as well as sustainable flows of capital hamper local development and economic transformation. The structural transformation necessary for sustainable development in developing countries around the globe is to achieve the following three overlapping transitions:

- (a) The urban transition to implement the New Urban Agenda that transforms cities into inclusive, sustainable and resilient places with everyone benefiting from growth, access to transport, housing, water and sanitation, green space and the “right to the city”;
- (b) The green transition to implement the Rio Conventions through sustainable city planning and zoning, urban food systems land-use management, circular water management and clean and smart energy solutions;
- (c) The productive transition to implement the priorities of the Doha Programme of Action for the Least Developed Countries (2022-2031): increasing productive capacities through a territorial approach to local economic development and the creation of value-added urban/rural linkages leading to structural transformation.

To this end, it is required to refocus attention on subnational finance as stressed in paragraph 34 of the Addis Ababa Action Agenda in line with the New Urban Agenda. However, the unmet financing needs of cities to address the challenges of inequality and environmental sustainability and meet the SDGs is in its trillions. Meeting this financing gap requires leveraging a broad range of financial resources towards sustainable outcomes including the response to COVID-19 recovery.

In this context, UNCDF as the UN Hub for Subnational Finance and UN-Habitat as the UN Agency for Cities, have joined forces through the **SDG Cities Global Initiative** to help cities reach their unmet financing needs for sustainable development by deploying policy and technical expertise and a number of financing instruments including loans, guarantees, grants and municipal bonds, etc.

UNCDF and UN-Habitat will co-organize this event to bring together a community of development partners through a Global South-led participatory process, thereby putting Southern perspectives at the center of devising pathways towards reaching three overlapping critical transitions to higher productivity,

green and inclusive local economies as mentioned above. This session will allow for representatives from the global South to share best practices and solutions in accessing innovative finance and blended finance instruments to respond to their development challenges and sustainable infrastructure needs, access to advice, resources and technical assistance to strengthen local revenue, improve public financial management and city creditworthiness, etc. It will also provide cities with an opportunity to sign up for the SDG Cities Initiative. The expected outcomes of this event will contribute to SDG 1 No Poverty, SDG 5 Gender Equality, SDG 8 Decent Work and Economic Growth, SDG 9 Industry Innovation and Infrastructure, SDG 11 Sustainable Cities and Communities, and SDG 17 Partnerships for the SDGs.

Objectives

The objective of this event is to demonstrate how various financing vehicles and results from this UNCDF/UN-Habitat fused offering have strengthened local revenue, improved public financial management, improved creditworthiness and access to debt finance and blended capital for SDG impact projects. It will bring together a wide range of stakeholders including Mayors of the participating cities in the SDG Cities Global Initiative, particularly from the global South, international financing institutions and development partners to showcase the development results of SDG Cities.

This session will serve as a peer-learning opportunity to share Southern perspectives and experiences in unlocking subnational finance in emerging economies, highlighting the value of South-South and Triangular Cooperation as a mode of implementation and enabler of subnational structural transformation in support of the SDGs, the Rio Conventions, the Addis Ababa Action Agenda and the Doha Programme of Action for LDCs. In addition, it will offer an opportunity to advocate for and sensitize the need for local governments to access capital markets, strengthen fiscal decentralization, public financial management and own-source revenue management and catalyze investments towards the 2030 Agenda at the local level.

Draft Agenda

Moderator: Mr. David Jackson, Director of Local Transformative Finance, UNCDF

14.00-14.10 Opening and Setting the Scene

- Mr. David Jackson, Director of Local Transformative Finance, UNCDF

14.10-15.00 Panel Discussion: SDG Cities and Unlocking Subnational Finance for Sustainable Development and Transformation in the Global South

- H.E. Dr. Sok Lu, Governor of Battambang Province, Royal Government of Cambodia *(TBC)*
- Mr. Michael Agyemang, Director of Planning, Kumasi Metropolitan Assembly, Ghana
- Ms. Jenifer Bukokhe Wakhungu, Deputy Director of Local Transformative Finance, UNCDF
- Mr. Vebry Muamar, Programme Manager for Climate Change, European Union Delegation to ASEAN *(TBC)*
- Bank representative *(TBC)*

15.00-15.10 Q&A

15.10-15.15 Closing

- Mr. Bruno Derconm, Officer-in-Charge, UN-Habitat Regional Office for Asia and the Pacific