



## CONCEPT NOTE

### *Local Finance Workshop*

### *Reinforcing capacities and sharing knowledge*

**Tuesday 22 February 2022, 10:00-11:30 (CET)**

### Background

Access to finance is essential for local and regional governments (LRGs) to take a bold and active part in the implementation of global agendas. The urgency to involve LRGs in localising financing for the Sustainable Development Goals (SDGs) has escalated with the COVID-19 pandemic. In this context, *policy debate and advocacy* at the international level to align the financial ecosystem with LRGs' needs, on the one hand, and *knowledge sharing and capacity building* at subnational level to better equip LRGs to increase their access to finance on the other hand, are two main pillars of our work.

The localisation of financing is a core priority of UCLG's action agenda, which was formalised in 2018 with the adoption of a '[Strategy on Localising Financing for Sustainable Urbanisation and Territorial Development](#)'. In collaboration with the Global Fund for Cities Development (FMDV), this strategy was renewed in 2021, leading to the drafting of a '[Global Action Framework on Localising Financing](#)'. Drawing on this global framework, a policy paper is currently being finalised by Barbara Samuels, UCLG Ubuntu Adviser, to identify priority levers of action and provide guidance to promote the LRG constituency's advocacy work in specific monitoring spaces of the global agendas.

As part of this strategy, UCLG World Secretariat, its regional sections and FMDV have taken several initiatives and developed a number of tools, instruments and services to provide concrete support to LRGs to increase their knowledge and action capacities on the topic of sustainable finance, notably based on peer-to-peer exchanges and partnerships with practitioners.

These include:

- The [World Observatory on subnational government finance and investment](#).

The Observatory is a joint initiative of the OECD and UCLG in partnership with UNCDF, with the support of the French Cooperation - French Development





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Agency (AFD) and Ministry of Europe and Foreign Affairs, the Decentralisation and Local Governance (DeLoG) network, the German Corporation for International Cooperation (GIZ), the Council of Europe Development Bank (CEB) and the Asian Development Bank. It aims to improve knowledge on local finance and inform capacity-building and policy-making processes on fiscal decentralisation at the national, regional and global levels, through the production of accurate and systematised information and data. The Observatory's 2019 report compiles and analyses information on subnational government structure and finance in 124 countries. The 2022 edition of the Observatory in preparation will cover 140+ countries and include a specific focus on the impact of the COVID-19 crisis on subnational government organization and finance.

- A [Massive Online Open Course \(MOOC\) – Introduction to Subnational Government Finances.](#)

Based on the data of the World Observatory, the course aims to provide participants with an overview of the basic concepts, most common classifications and global trends on subnational public finances across the world. The MOOC is divided into three main parts covering subnational government revenues, expenditure and external financing, each presented in podcast, text and infographic formats and complemented by bonus videos on specific financing mechanisms and practical exercises. This self-paced course is available for free, in English, French and Spanish, on the Learning with UCLG platform.

- The [Local Finance Knowledge Hub](#)

FMDV, in partnership with UCLG, launched in 2021 the Local Finance Knowledge Hub – the first global platform dedicated to the dissemination of knowledge on local finance. The Hub intends to share knowledge and experiences of practitioners from the local finance stakeholder ecosystem (local governments, finance institutions, investors, NGOs, UN Agencies) through video interviews, webinars and thematic workshops. Some 20 videos have been published so far.

- **FMDV-AFD Campus Webinars**

Since 2021, the French Development Agency (AFD), its training centre *Campus* and FMDV have entered into a partnership on capacity building and knowledge dissemination. Building on the Knowledge Hub set up by FMDV and AFD's training programme on local finance, the objective is to organize a series of 6 thematic webinars in the course of 2022 where practitioners and experts will introduce concepts, experiences and recommendations on the following topics: budget planning and evaluation, mobilising local resources and mobilising external resources.

Through this collaboration, a community of practice of 1500 local development professionals has expressed interest in participating in these activities.





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## - Coaching, Match Making and Investment Forum

Through its specific mandate, FMDV has been a pioneer in developing a *Coaching, Matchmaking* and *Investment Forum* methodology to help LRGs structure and finance their urban projects and connect with potential technical and financial partners.

*Coaching sessions* aim to provide longer-term technical assistance support to LRGs' urban projects to help them formulate and prepare their projects and reach *bankability's* level.

*Match Making sessions* aim to help LRGs present a project to investors – what are the key messages and information to address. Once the project is ready and mature, FMDV invites a group of potential technical partners and investors (donors, development finance institutions, private investors) to engage in a pro-active dialogue between the demand side (LRGs) and the supply side of investment.

*Investment Forums* are spaces for dialogue where FMDV invites a group of LRGs and their technical and financial partners for a one- or two-day event to have a mix of policy dialogue, coaching and matchmaking sessions to help accelerate action and increase investment opportunities for LRGs.

These services have produced significant results, contributing to bringing major infrastructure projects to financial closure.

## Objectives

The **aim of the workshop is to introduce participants to the main features of the tools and services offered by UCLG and FMDV** to provide information, knowledge and capacity building on local finances, **and discuss their outreach and impact:**

1. Are these tools and services fit for purpose? Do they actually provide meaningful information, knowledge and actionable resources for LRGs to better understand and engage in the local finance agenda, given the current context of the COVID-19 recovery?
2. What recommendations to UCLG and FMDV teams to improve the relevance and usefulness of these tools and services in support of the localisation agenda? What additional inputs should be considered to increase their effectiveness and impact?
3. What links can be identified between the different initiatives and how could they be promoted on a larger scale or in joint events to reach full ownership by the LRG constituency?



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4. How to strengthen the involvement of LRGs and LRG associations in the development and implementation of these tools and services? What participation in their implementation in 2022?

## Agenda

### Welcome and introduction (15 min)

- Brief overview of UCLG overall strategy on Localising Financing (narrative, latest developments)

### Presentations and debate around the tools and services (60 min)

- Session 1: Knowledge-sharing and capacity-building

Flagship services offered: World Observatory, MOOC, Local Finance Knowledge Hub, FMDV-Campus AFD Webinars

- o 5-min pitches per initiative and main activities planned for 2022
- o Open debate

- Session 2: Accompanying LRGs to access finance

Flagship services offered: Coaching, Match Making and Investment Forums

- o 5-min pitches per initiative and main activities planned for 2022
- o Open debate

### Wrap-up and way forward (15min)

