Special Session on SDG Localization and Finance
Second Session of the United Nations Habitat Assembly

Date: Thursday, 8 June 2023
Time: 13:30 - 14:30 EAT
Venue: Conference Room 1

Background
It has become abundantly clear that attaining the SDGs will require the unlocking of local solutions to address global challenges. National and local governments and local communities around the globe have made significant strides in establishing effective SDG localization processes over the past years, it refers to the process of transforming the SDGs into reality at the local level, in coherence with the national development frameworks and in line with communities’ priorities. It’s a two-way process where the local meets the national and the global, and vice-versa.

The UN and international partners have gradually paid more and more attention to localization, now central in every major intergovernmental process. However, as the *Sustainable Development Report 2022* acknowledges, for the second year in a row, the average global SDG Index score declined. In addition to scarce human and technical capacities, data availability and overall multilevel (un)alignment, a key cause of this decrease is the inadequate financing for local SDG implementation, especially in lower-income countries. To achieve the SDGs an estimated $3.9 trillion in annual financing is needed in developing countries. This equates to approximately 4% of the gross world product.

The COVID-19 Pandemic, ongoing conflict, and climate crises have placed a strain on ODA in 2021 as well as on local governments revenues, increasingly struggling to deliver basic services to their communities. Finally, private financing has also trailed behind the goals set out in the Addis Ababa Action Agenda. It is hence clear that without addressing the financing gap, the SDGs will not be localized and the aspirations of the 2030 Agenda will ultimately not be respected.

National enabling frameworks connecting adequate, strengthened, and innovative financing systems to the different dimensions of SDG localization (data; planning; inclusion; multilevel governance; capacity building etc.) must be created at nourished with commitments from all levels of governance and sectors. In general, emphasis has been placed on the amount of resources and expanding that. However, significant evidence is available that beyond the amount of financing, the way finance is deployed, coordinated and managed across the different sources and how investments projects are identified, prioritized and designed have both significant impact on outcomes and these aspects needs to be more in focus when discussing enabling interventions.

Objectives of the session
While change is urgently needed to close the financing gap and attain the SDGs, this messaging is nothing particularly new. The annual SDG financing gap has been growing over time and with it the calls for additional finance. This session aims to ask what can be done differently going forward to avoid further deterioration and increase the effectiveness of the resources being already deployed. It seeks to explore the potential of SDG Localization to orient and align financing and attract additional investments and try to identify key elements of an enhanced enabling environment for results.

How can SDG Localization more effectively channel funding towards impactful projects, and how can cities better position themselves to receive these funds? The session will explore the link between financing options and phasing and the different dimensions of SDG localization (planning; policy formulation; institutional arrangements etc.), and the attainment of SDG targets and indicators. It will also attempt to unpack the role that inclusive multilateralism can play in addressing the financing gap, by sharing some best practices and lessons learned from a variety of stakeholders. The session will specifically explore the potential of optimizing the usage of existing resources as a way of bridging the current financing gap at the local level, including the strategic financing choices facing local governments aiming at financing the SDGs.

**Expected Outcomes**
- Enhanced awareness of the dimensions, processes and benefits associated with SDG localization, including how SDG localization can spur increased urban investment and increase municipal fiscal space.
- Increased understanding of how to more efficiently leverage existing finance to attain the SDGs at the local level
- Expanded opportunities for partnerships between levels of government, financial institutions, international organizations, and civil society organizations

**Session outline and proposed speakers (60 min)**

**Moderator**
- Shipra Narang Suri, Chief, Urban Practices Branch, UN-Habitat

**Opening remarks**
- Maimunah Mohd Sharif, Under-Secretary-General and Executive Director, UN-Habitat

**Panel Discussion**
- **Panelist 1:** David Jackson, Director, Local Finance, UNCDF
- **Panelist 2:** Peter Anyang’ Nyong’o, Governor, Kisumu County, Kenya (TBC)
- **Panelist 3:** Liane Freire, CEO, Blendlab
- **Panelist 4:** Natalia Dias, Director, Capital Markets, Brazilian Development Bank (BNDES)
- **Panelist 5:** Peter Ellis, Global Lead for Sustainable City Infrastructure and Services, World Bank
- **Panelist 6:** Threza Mtenga, Assistant Commissioner, Ministry of Planning and Finance (MOPF), Tanzania

**Q&A**

**Closing Remarks** by the Moderator