



Parallel Session: Innovating financing for SDGs at local level (private sector, domestic resource mobilisation, multi-stakeholder partnerships)

14 March 2019 (afternoon)

Objective(s):

- To understand what “Innovative financing for sustainable development goals (SDG) achievement” means in practice, as well as the opportunities and challenges it presents for local development, on the basis of concrete examples
- To compile concrete proposals on how to strengthen capacity to access innovative financing mechanisms, plan for and deliver development impact at local level and improve existing accountability mechanisms of innovative financing

Expected results:

- Participants critically assess the impact of innovative financing (including public-private partnerships (PPPs), social enterprise, access to national development banks, and leveraging local assets) from the points of views of civil society and local authorities.
- A set of key messages on how to improve business accountability for sustainable development and strengthen the capacity of local actors to access and manage new forms of investment partnerships. This will serve as a contribution of the Policy Forum on Development (PFD) constituencies to be further used in key policy-making spaces on SDGs at global and European levels and in the dialogue between the PFD constituencies and the EU institutions related to development cooperation and the achievement of the 2030 Agenda.

Background:

The SDGs include the commitment to leave no one behind. The delivery of universal basic services, resilient infrastructure, and dignified social and economic opportunities at the local level underpin the achievement of all the SDGs. More specifically, the delivery of inclusive, safe, resilient and sustainable human settlements. However, these will not be achieved without significant investment, which States alone cannot be counted on to provide. Local actors must look to build new types of partnerships and mobilise funds from a multitude of sources.

As a follow up on the Addis Ababa Action Agenda, and in line with the call to move from billions to trillions in order to be able to achieve the SDGs by 2030, the private sector is being encouraged to contribute to funding the SDGs. Governments are redirecting growing percentages of public Official Development Assistance (ODA) to support private investments



framed as development projects, through different mechanisms of blended finance. There are also examples of multi-stakeholder partnerships at the local level mobilising targeted investment in support of local value chains, social enterprise and joint service delivery mechanisms. Financial mechanisms such as PPPs, special purpose vehicles, municipal bonds, social enterprise partnerships, joint ventures, development banks/international cooperation are all options; however, local actors need to be well-informed, able to participate in the design, implementation, monitoring and evaluation, and have the capacity, partnerships and governance mechanisms in place to successfully deliver on these potential dividends.

The private sector can, in the right context and with the right regulatory framework and checks and balances in place, make important contributions to sustainable development, the eradication of poverty, and the reduction of inequalities—including by providing decent jobs and livelihoods, and by paying taxes that support governments to deliver essential public services. However, smart use of ODA to catalyse private financing to help partner countries achieve the SDGs should be coupled with clear additionality requirements and impact reporting. The civil society community in a given country should be one of the major drivers for change – also feeding the accountability mechanisms to ensure proper use of ODA.

The session aims to promote an open discussion on how to enhance the opportunities and tackle the challenges of innovative financing models, drawing on a range of different stakeholders to boost development impact.

Methodology:

A moderated panel session where speakers will introduce with short inputs to stimulate discussion and reflection.

Guiding question:

- How to enhance the opportunities and tackle the challenges of innovative finance to boost its development impact in the framework of the SDGs?