

INTERNATIONAL CONFERENCE ON MUNICIPAL FISCAL HEALTH

**WORKSHOP: UNITED NATIONS CAPITAL DEVELOPMENT FUND
(UNCDF) GLOBAL LESSONS IN SUSTAINABLE FINANCE**

3:00 PM – 4:15 PM, MAY 22, 2018



LINCOLN INSTITUTE
OF LAND POLICY



CHARLES STEWART
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Local Development Finance

United Nations Capital Development Fund

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Director, Local Development Finance, UNCDF

May 2018, Detroit

The Challenge



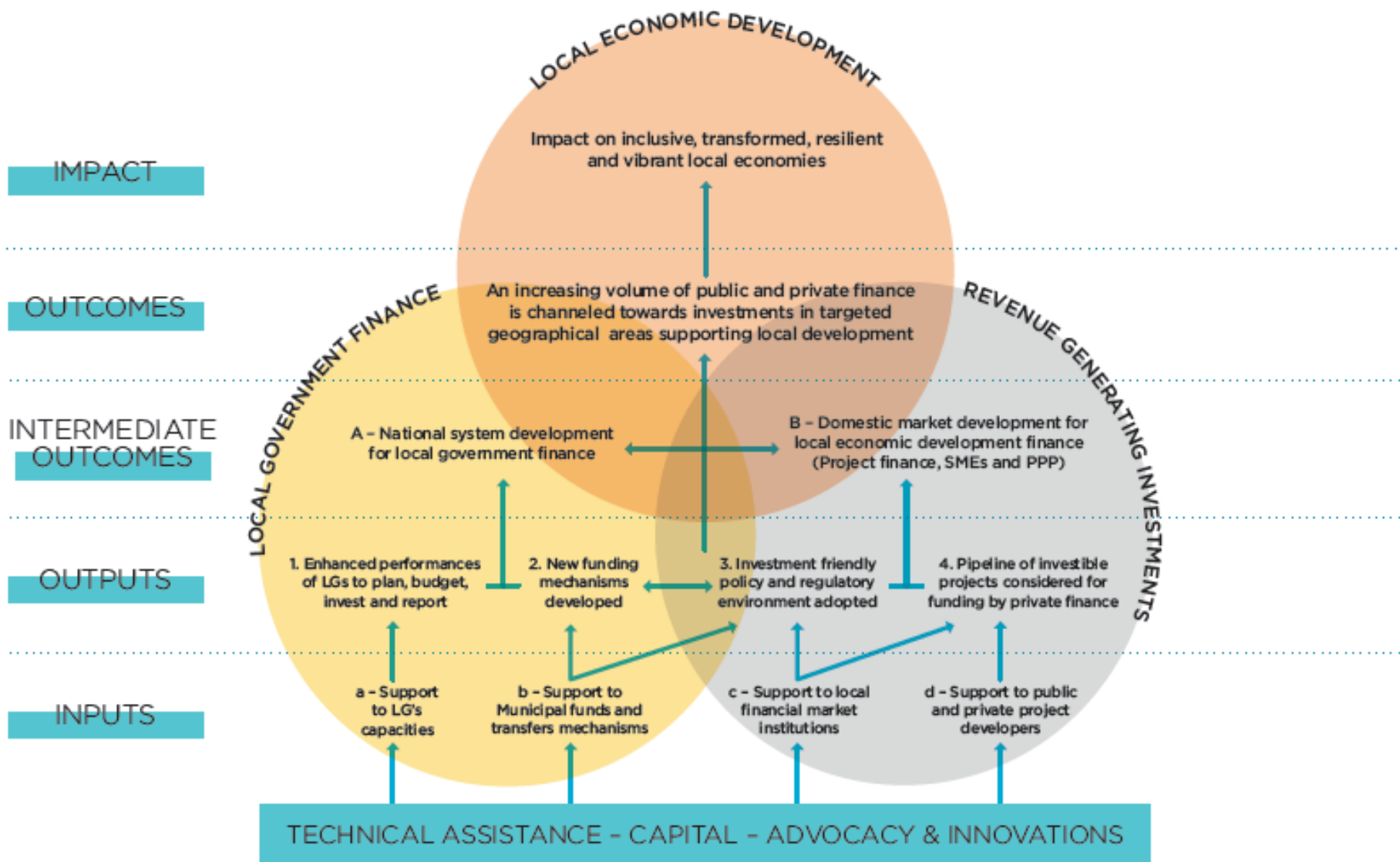
- 1) LDC fiscal resources and domestic capital markets are not investing in local economies in a way that promotes sustainable and equitable growth, which is holding back structural transformation and economic resilience
- 2) Local economies and local governments are not able to attract development finance and therefore the benefits of growth are bypassing many populations
- 3) Finance is not available for catalytic infrastructure projects with high impact in critical themes such as women's economic empowerment, climate change, clean energy and food security

Local Development Finance Practice



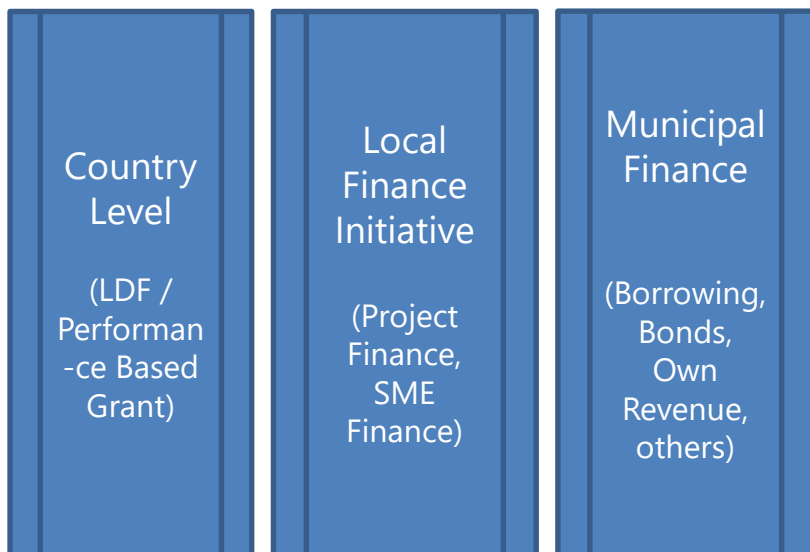
- **Centre of excellence and innovative fund for local government finance and local economic development finance in the world's 47 least developed countries (LDCs)**
- **Mission:** To promote and support transformative investment through local governments and domestic banks in LDCs by piloting and scaling up innovative financing mechanisms and policies in the public and private sectors
- **Vision:** LDCs will have robust policy environment, strong institutional capacity and effective financing vehicles that contribute to diverse, inclusive and resilient local economies and societies by 2030

Theory of Change

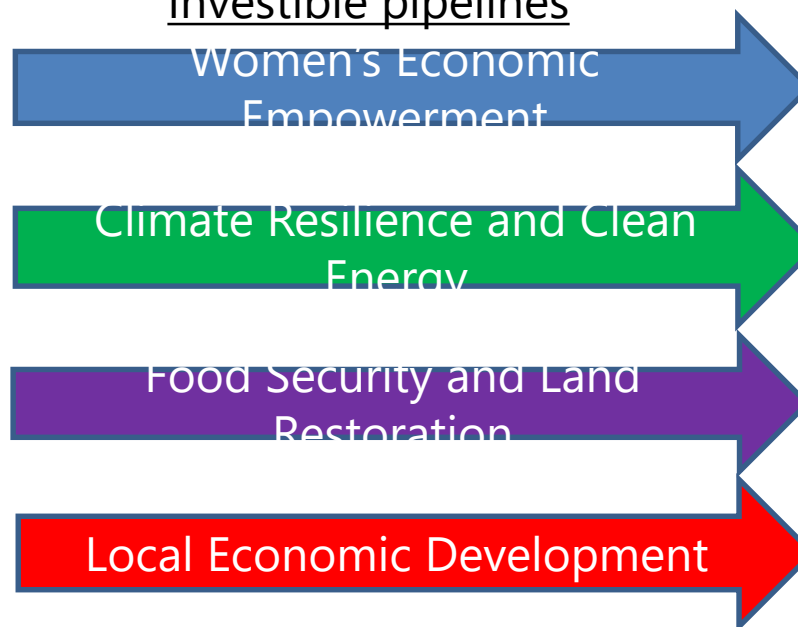


Approach

Cross cutting projects / capacities



Thematic impacts / Investible pipelines



Increase in Local Fixed Capital and Local Fiscal Space

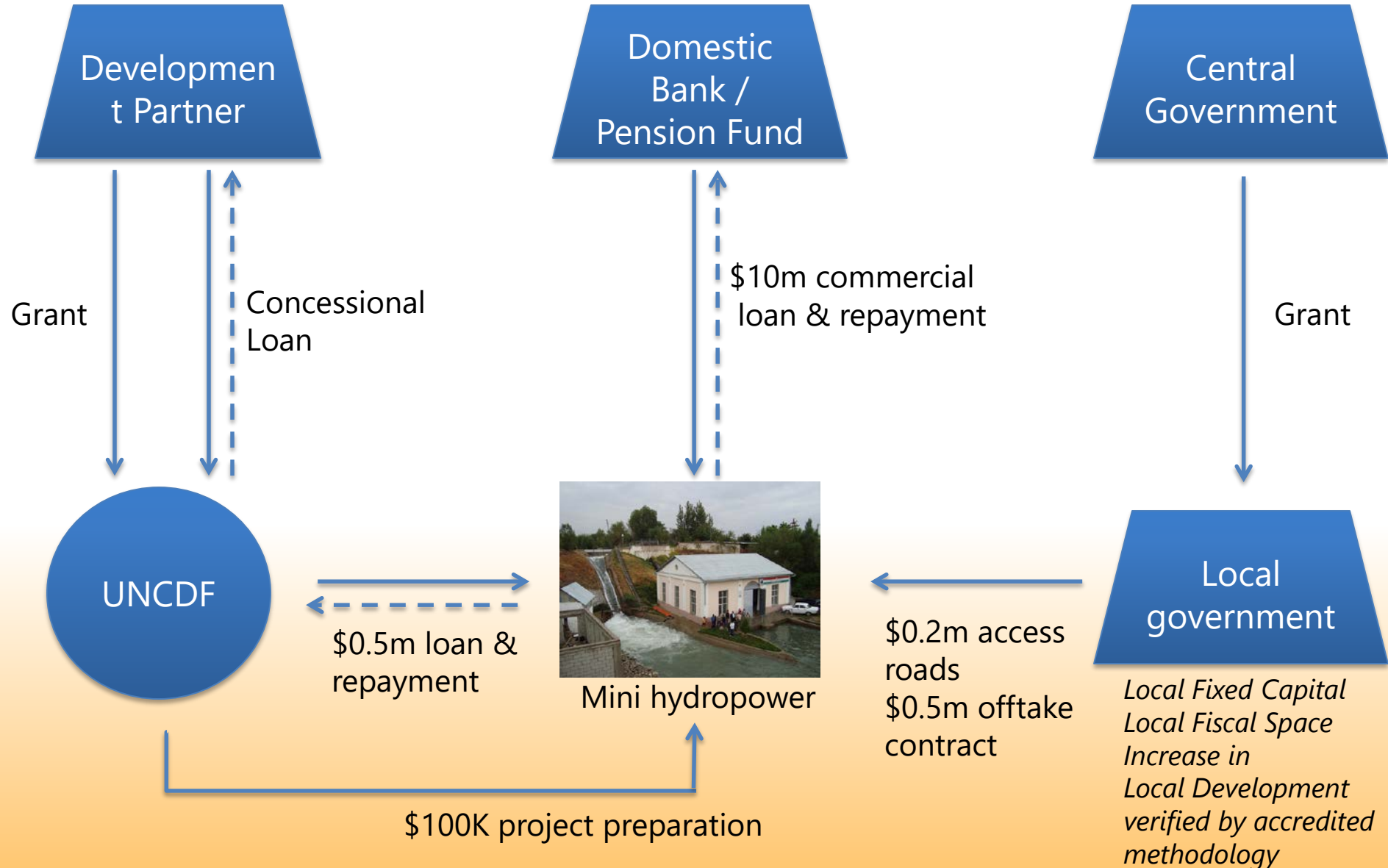
Instruments

- Grants
- Guarantees
- Reimbursable Grants
- Loans for subordinate debt
- Bond purchase
- Partnerships with lenders and guarantors (primarily, but not exclusively, domestic)

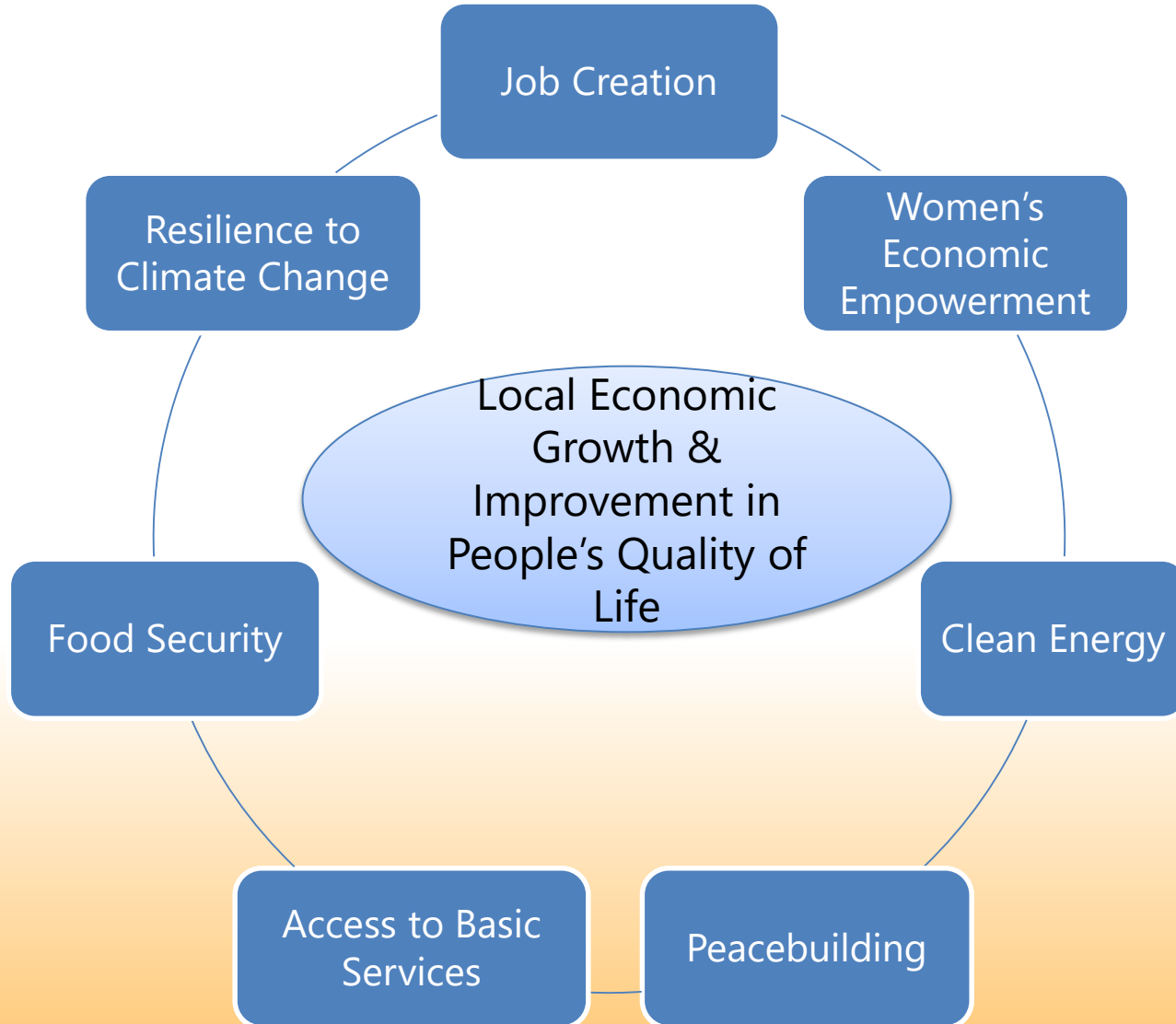


Domestic Resource Mobilization

Blended Finance Model



Impact



Partners

Governments

- Local Governments and National Governments

Financing Agencies

- World Bank, domestic commercial banks and development finance institutions

International Partners

- UCLG, ICLEI, CLGF, FMDV, Cities Alliance, The Hague Academy for Local Governance, IIED, KEI, WRI, DeLoG, OECD

UN Partners

- UNDP, UNDESA, UN-Habitat, FAO

Development Partners

- Sida, BTC, EU, SDC, Global Affairs Canada

Our Team



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