



## Malaga Global Coalition for Municipal Finance

### Second Annual Conference: Towards a Financial Ecosystem for Municipalities to Achieve the SDGs

Hotel NH, Tauromaquia  
Málaga (Spain), 3<sup>rd</sup>-4<sup>th</sup> October 2019

#### Background

World leaders came together in September of 2015 to declare a common aim of shifting the future of humanity on to a sustainable and resilient path. They established the United Nations Sustainable Development Goals (SDGs) as an agenda to be implemented by year 2030. SDGs, and later incorporating Paris Agreements, are integrated and indivisible. They balance the three dimensions of sustainable development: economic, social and environmental.

Their call to leave no one behind requires a universal effort and national governments alone will not be able to secure their implementation. Local governments and cities have to be part of the implementation of the Agenda 2030 as the most effective platforms and appropriate units of measurement for SDGs attainment. Universality of the SDGs does not only mean global coverage for each goal separately. It also recognizes the synergies and interactions of efforts to attain the goals. Indeed, national efforts often are delivered through local institutions. Therefore, SDGs cannot be met and our future on the planet cannot be secured, without active engagement from local governments.

Climate change, urbanization, migration, depletion of natural resources and globalization are global challenges that are shaping a world where local solutions have become part of the global response. In this context, municipal finance is central to address the capacity of local governments in the implementation of SDGs. This is particularly important for secondary cities in the least developed countries that do not currently have access to the required resources.

However, to effectively mobilize adequate resources for long term investments in an inclusive and sustainable manner, local development needs a global coordinated approach. The United Nations Capital Development Fund (UNCDF), the United Cities and Local Governments (UCLG), and the city of Malaga partnered to organize the High-level Policy Dialogue on Municipal Finance in Malaga (Spain) on April 9<sup>th</sup>, 2018. The event brought together a diverse range of stakeholders and successfully established the Malaga Global Coalition for Municipal Finance, which promotes a change in the global narrative necessary to unlock finance for municipalities and accelerate the implementation of the Agenda 2030 at the local level. The purpose of the Coalition is to

advocate for and build up a financial ecosystem that works for local governments and municipalities.

## Objectives

The objectives of the Second Annual Conference of the Malaga Global Coalition for Municipal Finance include:

- Take stock of progress since the First Conference of the Malaga Global Coalition (April 2018);
- Officially launch the International Municipal Investment Fund (IMIF) in furthering the purpose of the Coalition;
- Showcase the innovation in local government financing that is currently taking place around the world;
- Understand and advocate for the policy reforms needed in order to drive towards a financial ecosystem for municipalities and local governments to achieve the SDGs;
- Provide a roadmap towards the Third Annual Conference by identifying key policy questions and priority reforms relevant to the objectives.

The Malaga Global Coalition for Municipal Finance, led by UNCDF, UCLG and FMDV, believes that solving the challenge of municipal finance is fundamental to the attainment of the Sustainable Development Goals. The Coalition promotes global policy goals necessary to unlock finance for cities in the developing world. These include, inter alia, policies of public accounting on national debt, promotion of blended financing vehicles, strengthening of capital markets and asset allocation strategies of institutional investors. The event will showcase how a network of cities and financial institutions supports the implementation of development projects at the city level, what are the challenges cities faced accessing appropriate long-term financing and how capital markets are being strengthened in order to serve the financing needs of local governments in developing countries. The Coalition will use this event to elevate municipal financing from a niche to a mainstream issue. Coalition members will also unveil the proposed International Municipal Investment Fund (IMIF), which is uniquely designed to leverage public resources and attract large pools of private capital into municipal investments of developing countries. The IMIF will focus on the achievement of SDG 11 (sustainable cities and communities) and SDG 13 (climate action).

Hosted by the Ayuntamiento de Malaga, the event will bring together mayors, government ministers, development banks, capital market authorities and commercial banks to define what is required for a financial ecosystem that is conducive to finance local government development needs and the implementation of the SDGs. The event will showcase innovations in municipal finance by identifying the financial mechanisms and regulatory reforms required.