



United Cities and
Local Governments
Asia-Pacific

International Mayors Forum

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**Local Governments Alternative Financing
for COVID-19 Response and Recovery
and Accelerate SDGs Delivery**

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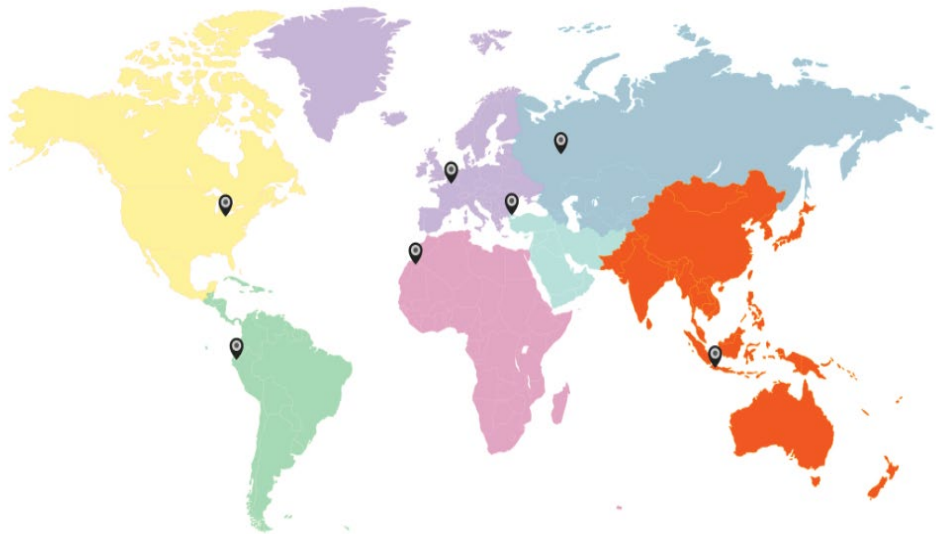
UCLG ASPAC

- UCLG was formed in 2004 as the amalgamation of IULA, UTO and Metropolis.
- UCLG ASPAC was established in Taipei on 14 April 2004, as the new entity of IULA ASPAC
- The Asia and Pacific region is the biggest of the Regional Sections in UCLG, linkages to more than 10,000 local governments.
- UCLG ASPAC represents well over 3.76 billion people

Mission

"To be the united voice and world advocate of local governments, promoting its values, objectives and interests, through cooperation between local governments, and within the wider international community."

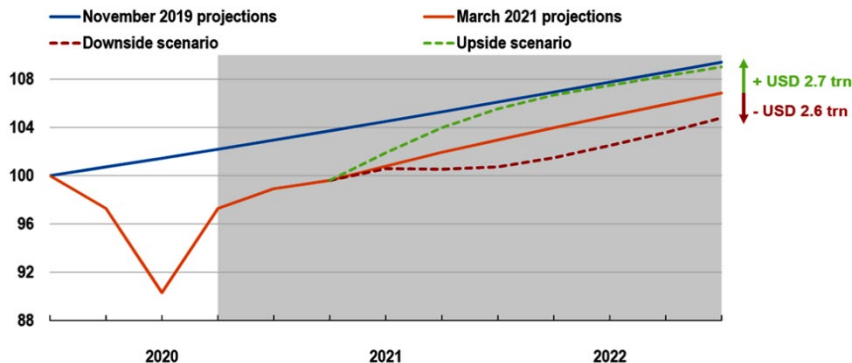
UCLG WORLD



Global GDP projections and difference from pre-pandemic projections

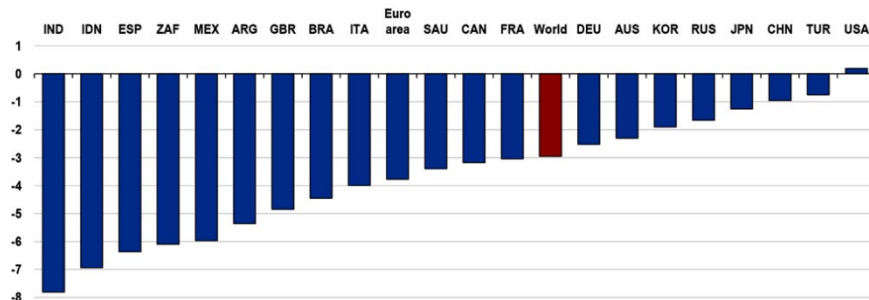
World GDP

Index 2019Q4 = 100



2021Q4 GDP projections

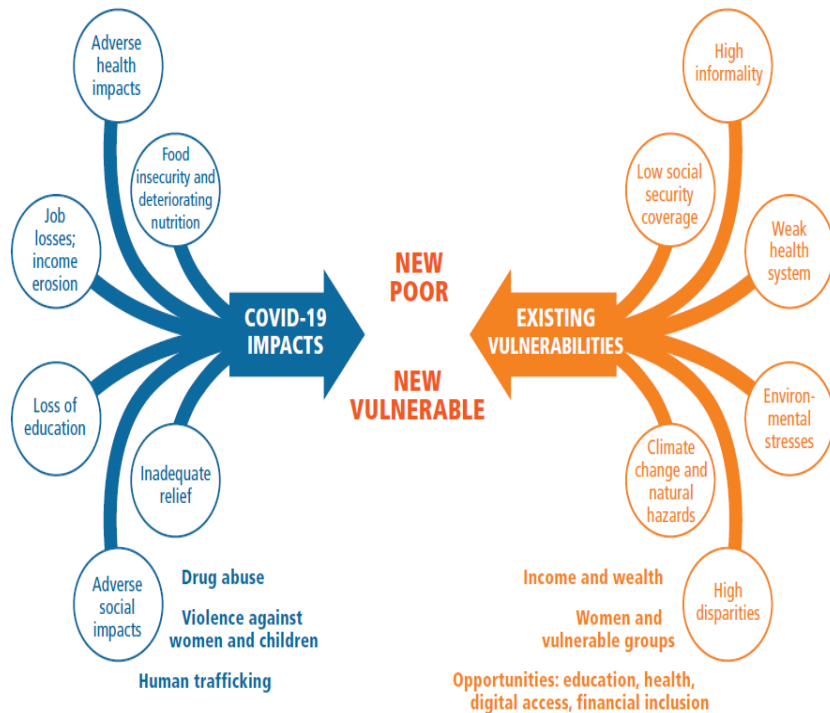
% difference from pre-pandemic projections for 2021Q4



Source: (OECD, 2021)

- With a heterogeneous pattern across countries and regions, depending on the stringency of containment measures and degree of vaccine roll-outs.
- Estimates in the OECD's March 2021 *Economic Outlook*, show that real global GDP contracted by 3.4% in 2020, but anticipate growth of 5.6% in 2021 and 4.0% in 2022.
- OECD unemployment has reached 7.2% in 2020 from 5.4% in 2019 (OECD, 2020) and is expected to peak at 7.4% in 2021 before decreasing to 6.9% in 2022 (OECD, 2021).

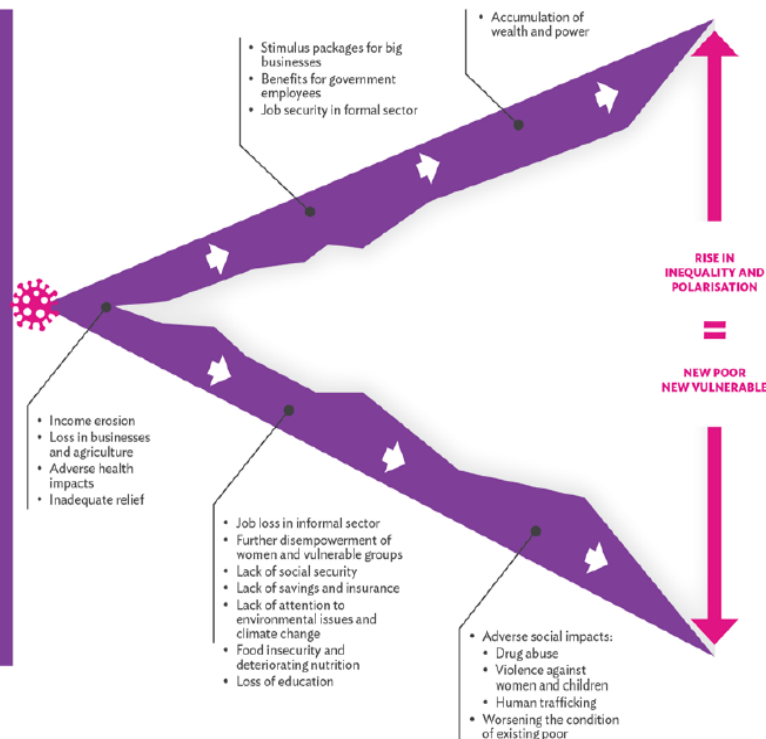
COVID-19 Impacts & Drivers K-Shaped Recovery



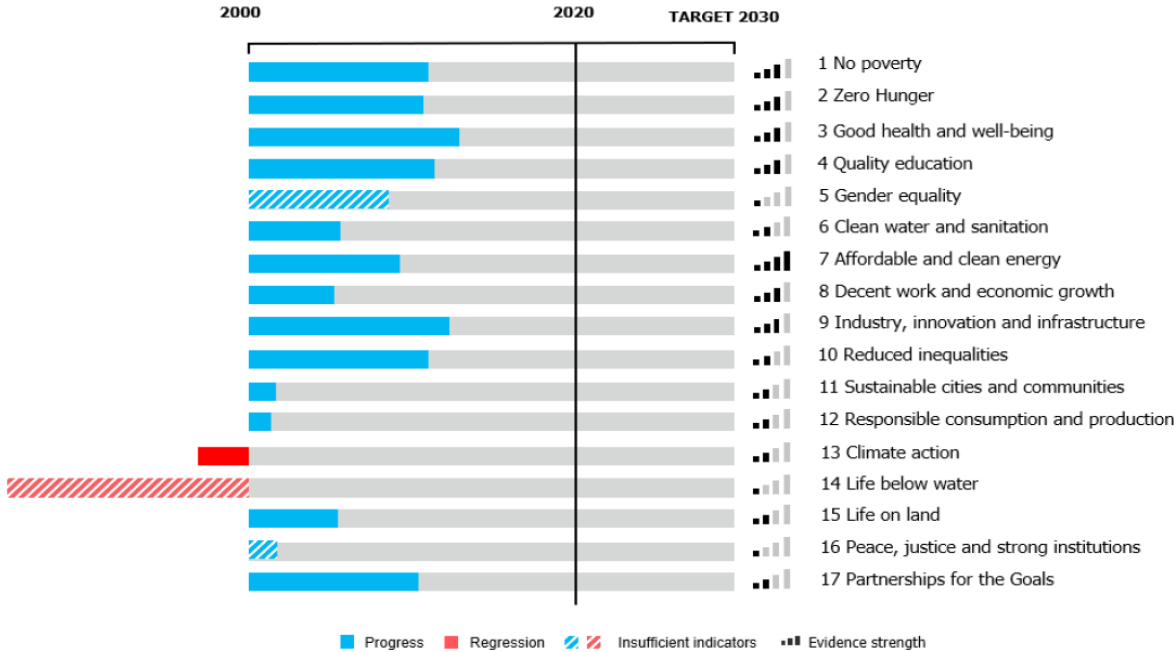
EXISTING VULNERABILITIES

- High informality
- Low social security coverage
- Weak health system
- Environmental stresses
- Climate change and natural hazards
- High disparities:
 - Income & wealth
 - Women and vulnerable groups
- Opportunities: education; health; digital access; financial inclusion

COVID-19 PANDEMIC CONTAINMENT MEASURES

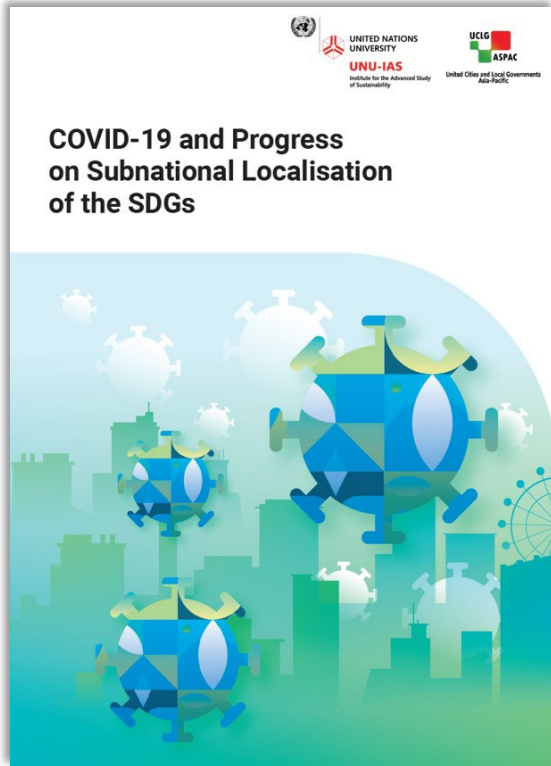


Asia and the Pacific SDGs Progress



- None of the five Asia-Pacific subregions are on track to achieve all 17 SDGs.
- However, some subregions were better positioned on some parts of the agenda.
- East and North-East Asia was on track to eradicate poverty (Goal 1) and provide clean water and sanitation for all (Goal 6)
- South-East Asia was on track to promote sustainable industry and innovation (Goal 9).
- All subregions lag behind on goals related to the environment, with four regressing on climate action (Goal 13) and life below water (Goal 14).
- All subregions are falling behind on the target of reducing greenhouse gas emissions.
- Most subregions are showing slow progress or are regressing on other environment-related goals.
- There is therefore an added urgency to ensure that responses to the pandemic in the region and at the national and local level accelerate progress toward the 2030 Agenda.

COVID-19 and Progress on Subnational Localisation of the SDGs



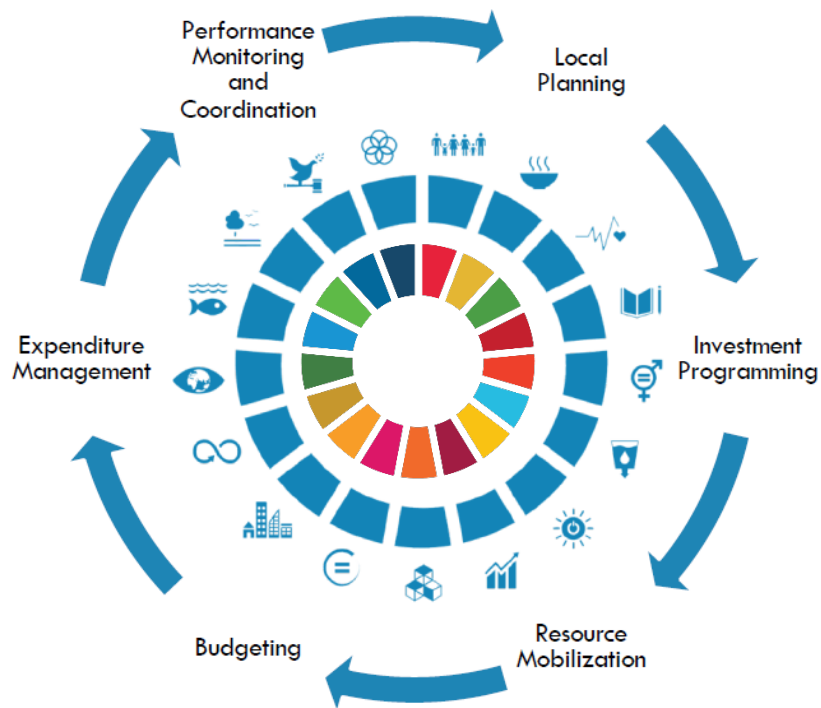
How COVID-19 has affected subnational governments and their progress in localising the SDGs.

The socioeconomic impact of the pandemic over subnational governments' finances.

Subnational government's responses to the COVID-19 and their short, medium, and long-term priorities for action.

UNU-IAS and UCLG ASPAC conducted a study on the impact of COVID-19 on subnational governments to understand their **post-pandemic development directions**, aiming for the findings to support subnational governments in their rebuilding phase and SDGs localisation efforts

SDGs and Local Finance



- SDGs and Public Financial Management (PFM) are inextricably linked: financing and resource mobilization capacities are key issues
- Unfunded and unfulfilled devolved functions could aggravate development challenges
- Localising SDGs in provincial, city, municipal, and village plans and tools a must -- monitor not just physical, but financial indicators as well.
- Effective intergovernmental transfers and other forms of assistance could significantly catalyze the attainment of SDG targets for local governments with weak capacity

A Three-Step Approach to Shifting Finance towards the SDGs

SHIFTING FINANCE TOWARDS THE GOALS

Mobilise additional
financial resources for
sustainable development

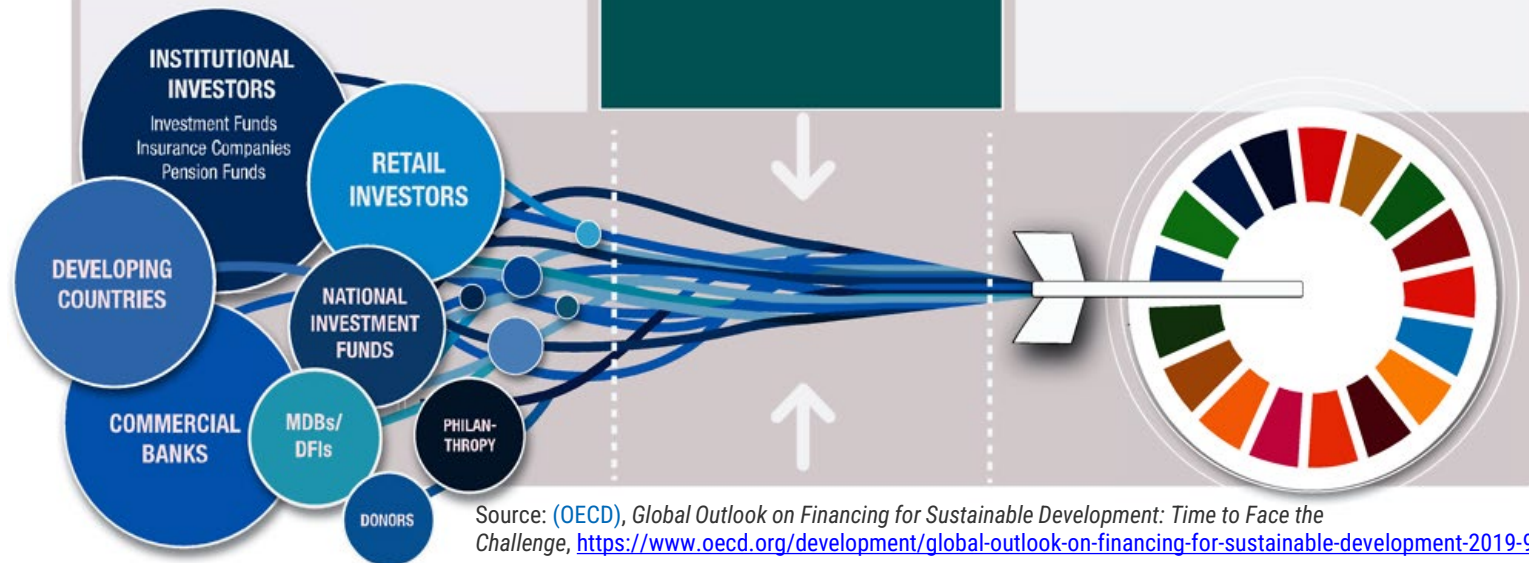
MOBILISATION

Direct all finance
and investment to
support sustainable development

ALIGNMENT

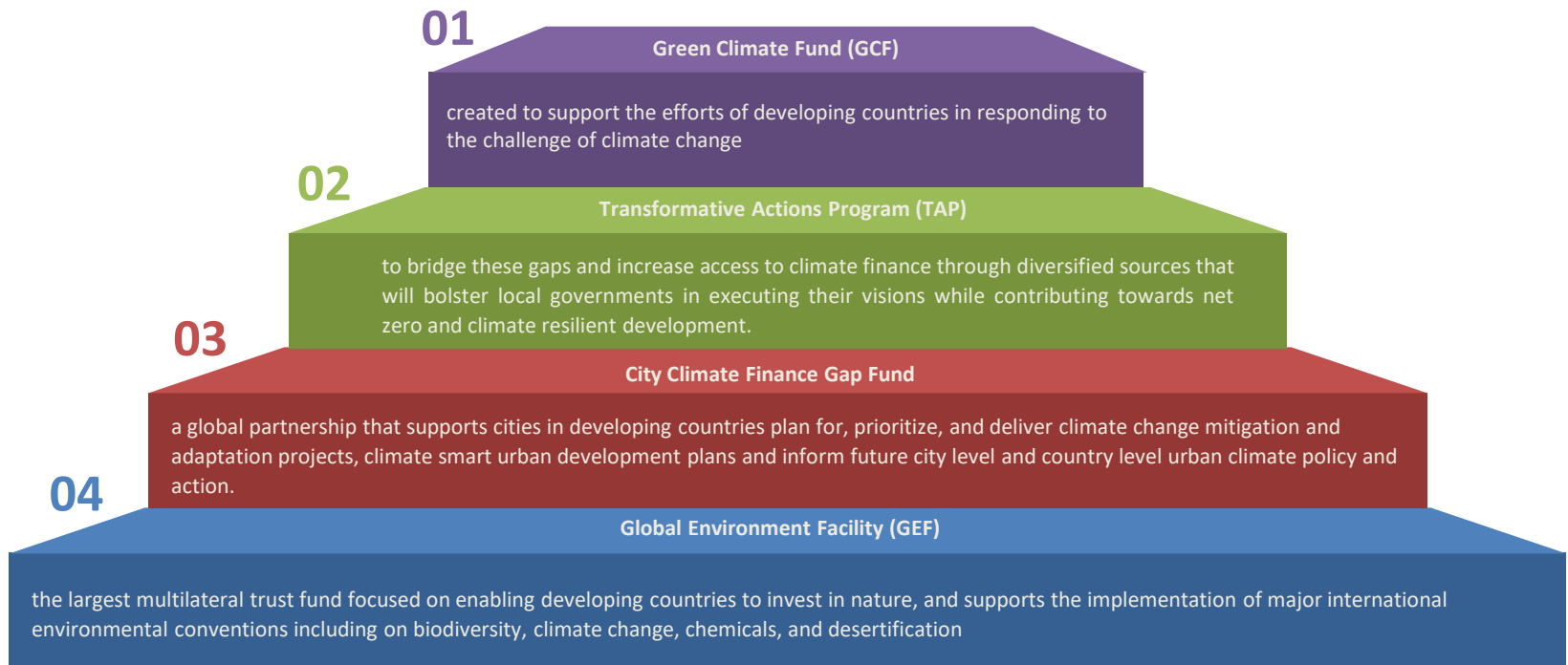
Increase the economic, social and
environmental impact of investments
in people's lives

IMPACT

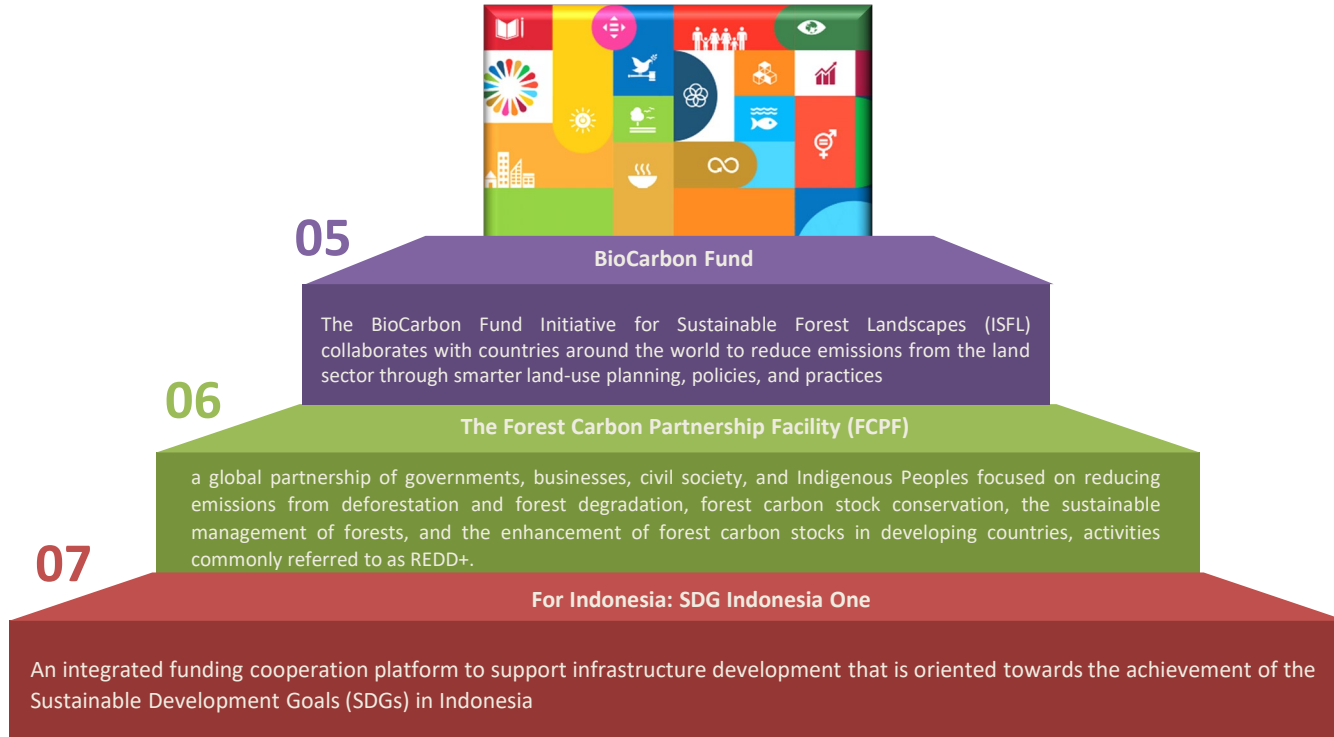


Source: (OECD), *Global Outlook on Financing for Sustainable Development: Time to Face the Challenge*, <https://www.oecd.org/development/global-outlook-on-financing-for-sustainable-development-2019-9789264307995-en.htm>

Financial Options for Local Governments



Financial Options for Local Governments



Local Governments Alternative Funding: Case Study

Jakarta

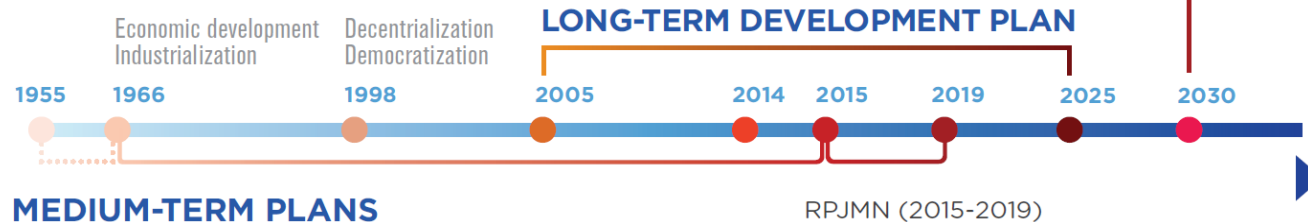


Collaboration Concept

JDCN (Jakarta Development City Network) for enhancing the collaboration with philanthropies, private sectors, religious institution (Badan Amil Zakat Nasional)

Indonesia: The planning timeline

VISION AND STRATEGIC PRIORITIES



IRRC: Integrated Resource Recovery Center – Waste to Energy

The IRRC – WTE could trigger the alternative financing through the project in accelerating the SDGs
Case study, Jambi City Government and Malang Regency, Indonesia

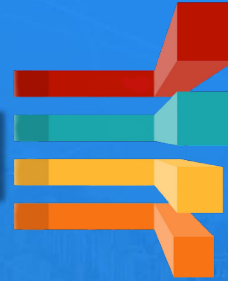
Key Takeaways

- 🌐 COVID-19 recovery financing from national governments, financial institutions, multilateral development banks, and other sources should have clear channels for access for local governments. With refocusing budget and priority for COVID-19 recovery, innovative financing for SDGs localisation is much more needed than ever. Recovery can be stimulated if it is initiated with and from the local level.
- 🌐 Mobilise resources through a multi-stakeholder approach. LG's can't do it alone. Mobilising resources beyond the LGs budget have never been more critical than now.
- 🌐 With over 65% of the SDG targets actionable at the local level, it is clear that the 2030 agenda cannot be achieved without local governments.
- 🌐 Partnership/collaboration is the key to creating a new dual formulation of internal and external circulation through openness and connectivity.
- 🌐 Building Back Better. Recover to normal (bounce back) does not always mean the best option. The pandemic provides an opportunity to reflect on the lesson learned, and to build back better and faster and stronger.



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Thank You



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