

Financing the SDGs Dialogue 2026: Advancing Country-Led Approaches to Financing Sustainable Development

Advancing Sevilla Platform for Action initiatives at country level

Integrated Local Financing: Public Finance, Private Investment and Development Outcomes

Date and time	Wednesday, 28 October 2026 16:15–17:15 (CET, Madrid)
Location	Tenerife II (Level 2), Meliá Avenida América, Madrid, Spain
Organisers	UNDP

Background

Financing the SDGs Dialogue 2026: Advancing Country-Led Approaches to Financing Sustainable Development will take place 27-29 October 2026 in Madrid, Spain, hosted by the UNDP Sustainable Finance Hub together with the Government of Spain.

Since the adoption of the Sevilla Commitment and launch of the Sevilla Platform for Action, global and concerted efforts have been advancing to help countries develop and deliver solutions. At the same time, countries have expressed a clear demand for a structured, technical space where practitioners leading financing reforms can exchange experiences, solve problems together, and connect their work with relevant global SPA initiatives and other supporting partnerships. Thus, the Dialogue will also bring together SPA initiatives working on relevant aspects of the Sevilla Commitment, enabling them to explore complementarities, strengthen collaboration, and enhance their collective impact in response to country needs and priorities.

The target participants include national decision-makers—Ministries of Finance, Planning, Environment, Economy, as well as Ministries of Foreign Affairs, Cooperation and Development, and local governments—alongside public development banks, private sector and financial institutions, and IFIs, financial institutions and investors, FfD4-related platforms, UN entities, academia, development partners and civil society.

Session Overview

UNDP is promoting a model of development cooperation for subnational finance that aims to mobilise and align public and private resources behind local development priorities, through the Integrated Local Financing Frameworks (ILFFs) approach as an umbrella and complementary public and private finance portfolios. This allows local and regional governments to turn their

priorities into financed projects with development outcomes. This session invites partners to discuss the model and the partnerships needed to take it forward.

UNDP's model is anchored in the Sevilla Platform for Action initiative "Localizing finance to drive systemic impact for the achievement of the 2030 Agenda", co-launched at FfD4 by the Government of Spain, the UN Local2030 Coalition and the OECD. The initiative commits to installing 40 ILFFs and supporting SDG-aligned fiscal frameworks at local level in 10 countries by 2030. Through their financing strategies, ILFFs give local and regional governments the instrument to align and mobilise public and private resources around territorial developmental objectives.

UNDP's model combines two complementary portfolios. In the public finance portfolio, the starting point is fiscal policy coherence: aligning revenue, expenditure and debt with each other and with development objectives across national and subnational levels. This includes expanding subnational revenue through fiscal decentralisation and aligning intergovernmental transfers and equalisation formulas with development priorities. Together, these reforms expand fiscal space and build the credibility of subnational governments. This credibility is the first layer of de-risking investment: it lowers the risk that lenders and investors attach to local operations and prepares the ground for new public and private investment.

In the private finance portfolio, this foundation allows territorial priorities to become investable pipelines, where blended finance, guarantees, and other risk-sharing instruments can crowd in private and development capital. The Investment Accelerator – a flagship under UNDP's Strategic Plan 2026-2029, supports this step by strengthening the investment environment, building a pipeline of investment-ready opportunities, and mobilizing investment and supporting delivery.

At the local level, several initiatives are already opening space to identify bankable projects and showcase the importance of financing strategies for mobilising public and private resources. The Joint SDG Fund provides catalytic resources for bankable projects designed in connection with the Bilbao Blueprint and the Localization Marker 2.0, leveraging public and private resources. The Local Finance Forums convened by the Local2030 Coalition share country experiences in designing and implementing financing strategies that expand public and private financing, and connect governments with financiers. The central question is how to systematically build on these experiences so that initial pipelines grow into a sustained flow of new projects and resources. UNDP's subnational finance model seeks to provide this systematic link.

The session will discuss the agenda in light of these experiences, keeping development outcomes at the centre of each. It will first take stock of how catalytic funds, Local Finance Forums and related initiatives are helping local and regional governments to identify bankable projects that respond to territorial development priorities, and what is needed to systematically expand this work. It will then examine how financing strategies, built on a coherent public finance approach, anchor investment in local and regional development plans, creating space for de-risking and mobilising public resources that can be matched by private capital. Participants will share their perspective on the conditions and partnerships that allow these combined resources to support new projects, selected and assessed for their development impact.

As the only session of the Dialogue dedicated to the subnational level, it brings together subnational and national governments, Spanish decentralised cooperation, Finland, the Local2030 Coalition and financial actors to discuss UNDP's model of development cooperation for subnational finance and the partnerships needed to apply it under the Sevilla Platform for Action.

Positioning within the Dialogue

Thematic area / sector	Subnational and local finance; fiscal decentralisation; intergovernmental fiscal relations; local public financial management and own-source revenue; fiscal policy coherence; project preparation and pipeline development; blended and innovative finance at subnational level.
Related SPA initiative(s)	"Localizing finance to drive systemic impact for the achievement of the 2030 Agenda" (40 ILFFs by 2030) "Country-driven approaches to financing sustainable development and climate action (INFFs)" "Public Finance for SDGs Collaborative"
Key Messages (internal)	● Takeaway to land in the wrap-up: Local and regional governments turn development plans into financed projects when public budgets, private investment and development cooperation work behind a financing strategy. UNDP's model for subnational finance, with ILFFs as the umbrella and complementary public and private finance portfolios, offers a way to do this systematically, towards 40 ILFFs by 2030. ● Start from territorial priorities. Sustainable development is delivered in territories. Financing strategies under Integrated Local Financing Frameworks align public and private resources with local and regional development plans, supported by coordination between national and local levels. ● Credible public finance is the first layer of de-risking. Aligning revenue, transfers, expenditure and debt with development objectives expands fiscal space for local and regional governments and builds the credibility that lenders and investors look for. Public resources mobilised through financing strategies can then be matched by private capital. ● Development outcomes guide investment. Climate resilience, gender equality and other development outcomes help select and assess the projects that are financed. ● From first pipelines to a sustained flow. Catalytic funds, Local Finance Forums and partners' instruments are opening

space to identify bankable projects. The next step is to scale these experiences systematically, so that each ILFF mobilises new public and private resources for new projects.

Objectives

The primary objectives of this session include:

- Present UNDP's model of development cooperation for subnational finance and open a discussion with partners on its application.
- Take stock of how catalytic funds, Local Finance Forums and related initiatives are helping local and regional governments develop and implement financing strategies, and identify bankable projects that respond to territorial development priorities.
- Examine how financing strategies built on fiscal policy coherence can contribute with fiscal decentralisation efforts, strengthen the credibility of subnational governments and create space for de-risking.
- Discuss how public resources mobilised through these strategies can be matched by private capital, and what conditions, instruments and partnerships make this possible.
- Identify what is needed to scale these experiences into a sustained pipeline of new projects and resources, with development outcomes guiding project selection and assessment. This includes the partnerships and coalitions needed to apply the model at scale.

Participants

- **Governments:** Ministries of Finance and Planning and local and regional governments.
- **Financial institutions:** public development banks, and private financial institutions.
- **Development partners:** UN Local2030 Coalition and members of its Finance Working Group; Ministries of Foreign Affairs of Finland and other bilateral development partners.
- **Civil society organizations:** networks of local and regional governments and civil society organisations engaged in local budgeting and development planning.
- **Spain actors engaged in the session:** Ministry of Foreign Affairs, European Union and Cooperation; AECID; Basque Government.
- **Other:** academia and think tanks working on fiscal decentralisation and subnational finance.

Format

The session is a 60-minute moderated panel. The moderator opens with a short framing on UNDP's model of development cooperation for subnational finance and on how public and private finance work together to catalyse investment, including the SPA commitment to 40 ILFFs.

A single panel follows, in three segments. Country panelists from Egypt, India (Uttarakhand) and Thailand first share how national, state and local governments organise plans, resources and coordination between levels of government, and use financing strategies that combine public and private resources to turn development plans into projects and catalyse investment. A private financier explains how lending to subnational governments and territorial projects has evolved in Mexico, and how improvements in revenue, budget and debt management reduce risk. Development partners close the panel. Finland presents an integrated view of public revenue, private investment and financing strategies. The Basque Government presents its decentralised cooperation approach to local development and how it connects with financing strategies. The Local2030 Coalition speaks on the role of the coalition and its Finance Working Group in advancing this agenda, and on how ILFFs and Local Finance Forums can help local governments strengthen their financing strategies.

The moderator closes the session with a one-sentence round in which each panelist, in reverse order, names the support and partnerships needed to expand this work. The moderator then wraps up with the key takeaways and next steps, including the Annual SPA Meeting on Localizing Finance for Development (5 November 2026, online).

Agenda

Total duration: 60 minutes (16:15–17:15 CET)

TIME	SESSION	SPEAKERS
5 mins 16:15– 16:20	Welcome and framing UNDP's model of development cooperation for subnational finance, the SPA commitment to 40 ILFFs by 2030, the questions for the session and the format	Moderator: Mr. Jordi Llopart, Senior Advisor to the Administrator, Strategic Alliances, UNDP; Chair of the Working Group on Finance, Local2030 Coalition

TIME	SESSION	SPEAKERS
50 mins 16:20– 17:10	Panel: Financing strategies, fiscal space and bankable projects Single round (approx. 5 minutes per speaker). Country panelists first, followed by the financial sector and development partners. Guiding questions for each panelist are listed in the Guiding Questions section.	Country panelists: Dr. Hania Sholkamy , Advisor to the Minister of Finance for Economic Justice Policies and Coordinator of the Economic Justice Unit, Egypt Dr. Sridhar Babu Addanki , Secretary of Planning, Government of Uttarakhand, India Mr. Surapong Khamtanit , Chief of the Town Planning Group, Khon Kaen Provincial Office of Public Works and Town & Country Planning, Thailand Financial sector: Mr. Ricardo Salazar Torres , Director of Analysis and Government Relations, Banorte, Mexico Development partners: Ms. Petra Yliportimo , Team Leader, Taxation for Development, Ministry for Foreign Affairs, Finland Mr. Javier Cortés Fernández , Director of the Basque Agency for Cooperation and Solidarity, Basque Government (online) Ms. Marta Mendez , National Coordinator of the Local2030 Coalition Secretariat
5 mins 17:10– 17:15	Closing remarks and next steps One-sentence round from each panelist, in reverse order, on the support and partnerships needed to expand this work; key takeaways and next steps, including the Annual SPA Meeting on Localizing Finance for Development (5 November 2026, online)	Panelists (one sentence each) Moderator