



Unlocking Public and Private
Finance for the Poor



INCLUCITY

Addressing Growing Income Inequalities in
Cities Through Inclusive Local Financing





STRENGTHENING LOCAL SYSTEMS, PLANS AND INVESTMENTS TO ADDRESS INEQUALITIES AND PROVIDE BETTER PUBLIC SERVICE AND ECONOMIC OPPORTUNITIES

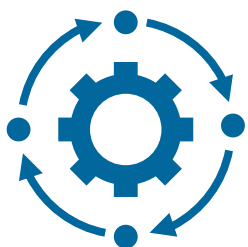
Site of water reservoir and solar lighting project in a slum area in Mbale City, Uganda

IncluCity is a new global initiative currently being piloted in Bangladesh, Uganda and Senegal by UN Capital Development Fund. It contributes to the commitments under **SDGs 1, 5, 9, 10 and 11** with particular focus on reducing inequalities and alleviating poverty among the most vulnerable populations including women and girls, ultra-poor, minorities and other marginalized groups through increased investments in municipal services and infrastructure.



INTEGRATED APPROACH

IncluCity is built on UNCDF's past and current experiences in inclusive economic development and municipal financing. The programme's unique approach ties together a focus on inclusion with the investment agenda for cities. The programme focuses on the peripheries of cities with low productivity and greater inequalities and provide innovative financing solutions to address these challenges. With strong partnerships with the city mayors and municipalities, **IncluCity** provides a comprehensive approach to city planners through technical assistance, new tools and direct financing to test innovative solutions to address growing inequalities.



The initiative is integrated in particular with UNCDF's **International Municipal Investment Fund (IMIF)** that aims to facilitate access to financing for local government capital investment projects on national and international financial markets.. IncluCity is built on existing inclusive financing tools deployed by UNCDF including the gender responsive local economic assessment (LEA) and women's economic empowerment index (WEEI).



TRANSFORMING CITIES INTO SPACES OF EQUAL OPPORTUNITIES FOR EVERYONE BY TARGETING THOSE WHO ARE VULNERABLE AND MARGINALIZED

Woman selling wooden products on the roadside, Narail, Bangladesh

PROGRAMME STRATEGY



Creating better income opportunities to the urban poor and vulnerable groups.



Recognizing both formal and informal economies with special focus on those residing in slums and city peripheries.



Connecting jobs with public transport and housing with better inclusive infrastructure



Making cities safer and free of violence through better services.



Strengthening local networks to amplify voices of marginalized groups in local decisions.



Artisanal women from slum areas packing finished wooden products in Narail, Bangladesh

OUTCOME: PROMOTING INCLUSIVE LOCAL FINANCING TO PROMOTE RESILIENT AND EQUITABLE LIVELIHOODS, AND BETTER PUBLIC SERVICES IN CITIES

PROGRAMME OUTPUTS

OUTPUT 1:

Build Technical Capacity of Municipalities



- Improved technical capacity of municipalities on inclusive plans, budgets, regulatory frameworks and programmes
- Assessment of selected municipality plans and budgets to identify existing gaps, and LEAs
- Strengthening the role of local govt. institutions responsible for inclusion of vulnerable population

OUTPUT 2:

Increase Municipal Investments in Infrastructure



- Performance based grants in selected cities to deliver on inclusive economic development
- Investments in services that support mobility, safety and security specially of youth, women and minorities
- Investments in key public infrastructure including transport, housing, water and sanitation specially in slum areas
- Investments in city dwellers' well being through recreational spaces, waste collection

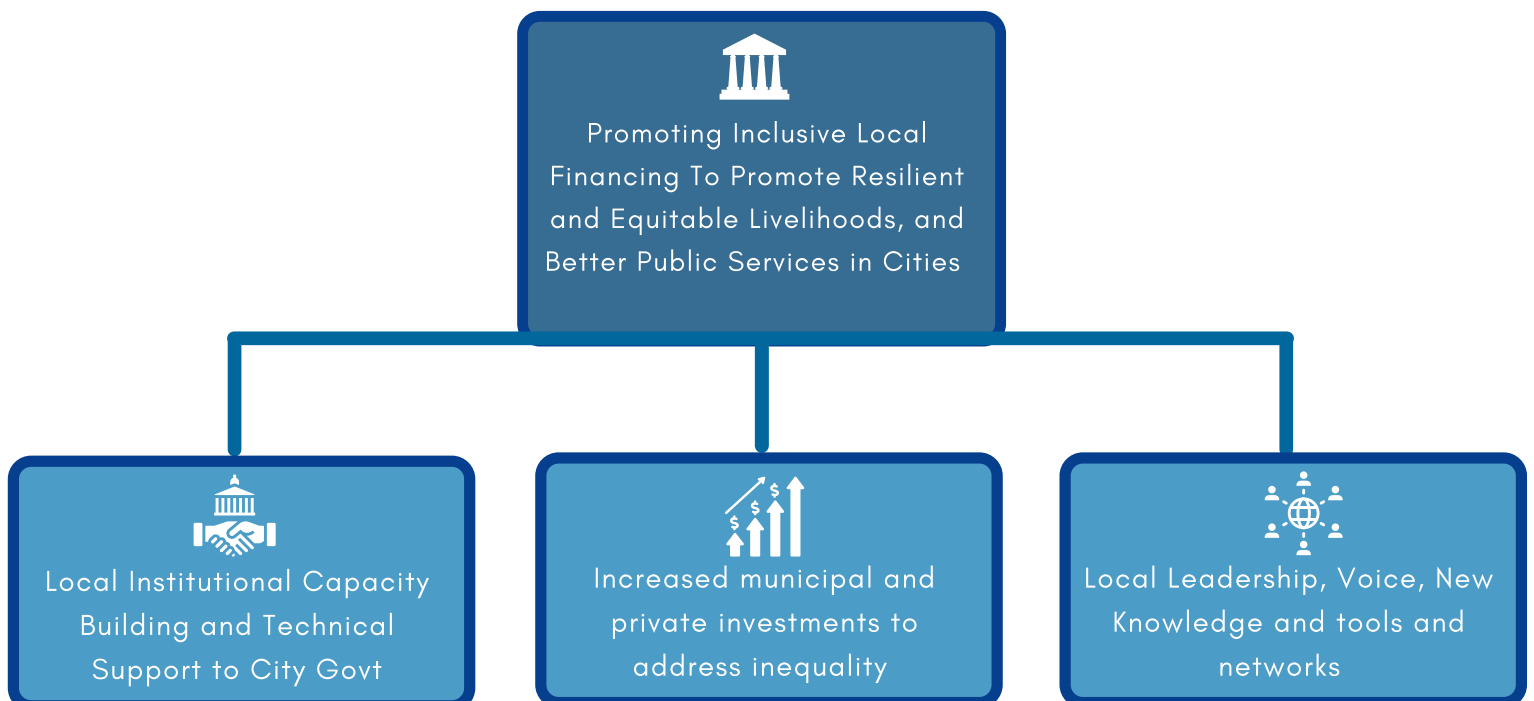
OUTPUT 3:

Accountability, Voice, and Knowledge Building



- Promote citizen engagement and local leadership to improve accountability and transparency
- New Tools developed (Inclusivity Index/city score card, Local Economic Assessments in Cities)
- Knowledge exchange and replication of model. Network of municipalities, female mayors and champions.
- Document best practices and lessons originating from the application of financing tools and technical assistance

THEORY OF CHANGE





Female artisan, Narail, Bangladesh



The UN Capital Development Fund makes public and private finance work for the poor in the world's 46 least developed countries (LDCs).

UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF pursues innovative financing solutions through: (1) financial inclusion, which expands the opportunities for individuals, households, and small and medium-sized enterprises to participate in the local economy, while also providing differentiated products for women and men so they can climb out of poverty and manage their financial lives; (2) local development finance, which shows how fiscal decentralization, innovative municipal finance, and structured project finance can drive public and private funding that underpins local economic expansion, women's economic empowerment, climate adaptation, and sustainable development; and (3) a least developed countries investment platform that deploys a tailored set of financial instruments to a growing pipeline of impactful projects in the "missing middle".

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