

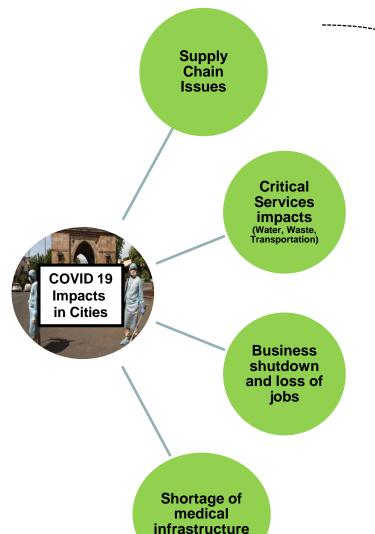
# Towards the New Normal: learning from the crisis to improve territorial governance

Monday 29th June 2020

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## **COVID 19 is Challenging Cities Globally**





- ☐ 4 Billion people live in Cities
- ☐ 600 Cities generate two third of global GDP

Cities are dual edged

Pandemics Are Also an Urban Planning Problem



**Bloomberg** 

Coronavirus Worsens Thailand's Plastic Waste Crisis



**EcoWatch** 

Philippines Again Places Cebu City Under a Stricter COVID-19 Quarantine

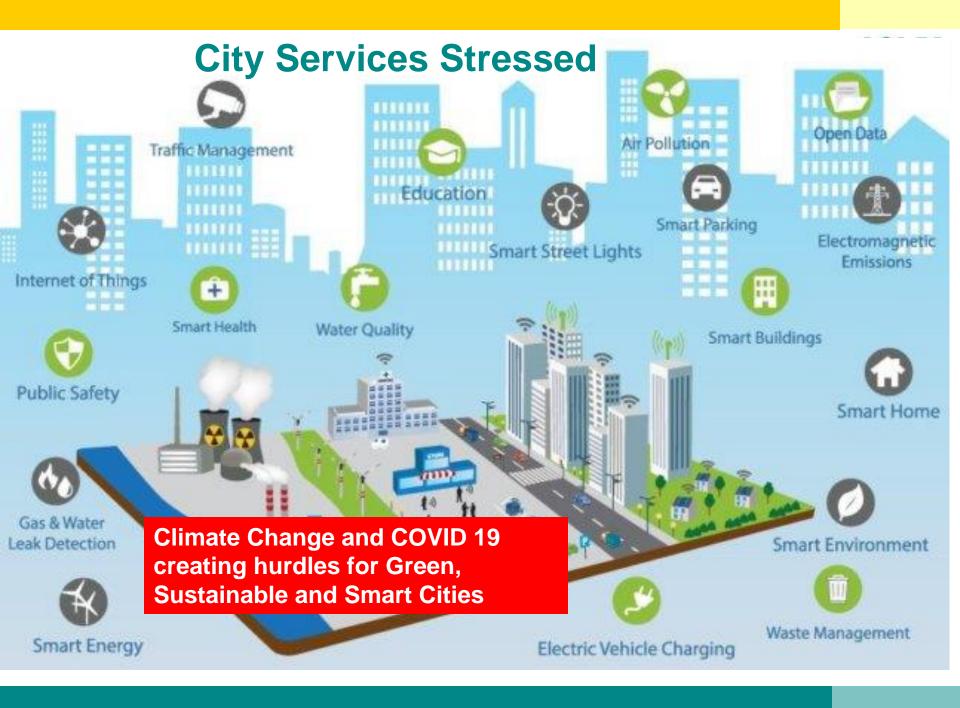


R BenarNews

Coronavirus: India's top cities struggling to control



THE STRAITS TIMES



# Cascading effects of COVID 19 on subnational finance



Public finance Financial. Health **Fiscal** crisis. economic Recovery crisis including debt rebalancing and social plans COVID 19 led crisis crisis plans to increase in Impact on subnational government budget Impact on subnational government assets and liabilities

expenditure
(health
related) and
drops in tax
revenue, user
charges and
fees due to
lockdowns

### > Financial assets

Short-term

Deposits and investments, shares in local public companies, loans,

Non-financial assets
 Land and property assets, subsoil

Debt stock

### Revenue

- Grants and subsidies (operating and capital transfers)
- Tax revenue:
  - shared (PIT, CIT, VAT, excises)
- own-source taxes: PIT, local business taxes, property-related taxes, tourist taxes, consumption and sales taxes, etc.
- User charges and fees resulting from the provision of local public services
- Revenue from financial and nonfinancial assets: interest on deposits and investments, dividends, rents/ royalties, etc.)
- Access to new borrowing

### Expenditure

- Current expenditure:
  - Social expenditure (benefits and social services)
  - Staff costs

Medium term

- Purchase of goods and services (intermediate consumption)
- Subsidies to households, businesses and NGOs
- Financial charges

#### Capital expenditure:

- Capital transfers/subsidies
- Direct infrastructure investment (social and economic infrastructures)

Source: OECD.ORG

## **Brighter side of COVID 19**



# COVID-19 Improves Air Quality in Just Three Months

Weekly average concentration of NO<sub>2</sub> in the air in selected cities (Feb-Apr 2020)\*



#### Central locations

\* 95 percent of  $NO_2$  in the air is caused by fossil fuel combustion

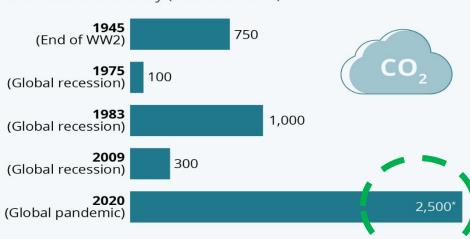
Source: World Air Quality Index (WAQI)





## COVID-19 Could Cause Historic Drop in Carbon Emissions

Biggest drops in global carbon emissions in recorded history (in million tons)



<sup>\*</sup> Projection based on current restrictions on travel, work and industry Sources: The Guardian, Global Carbon Project



## Cities are Part of the Solution: Policy Responses



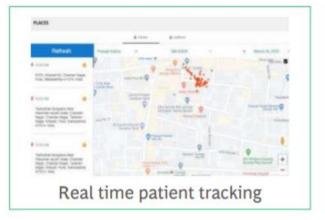


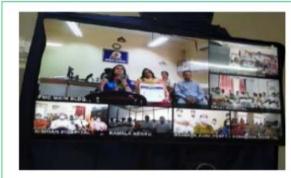


# Integrated Command and Control Centre (ICCC) initiatives









Online training centre







24\*7 citizen helplines

45 Smart Cities Command and Control Centres turned into Covid-19 war rooms

# RI

### RURBAN Platform: Governance Framework

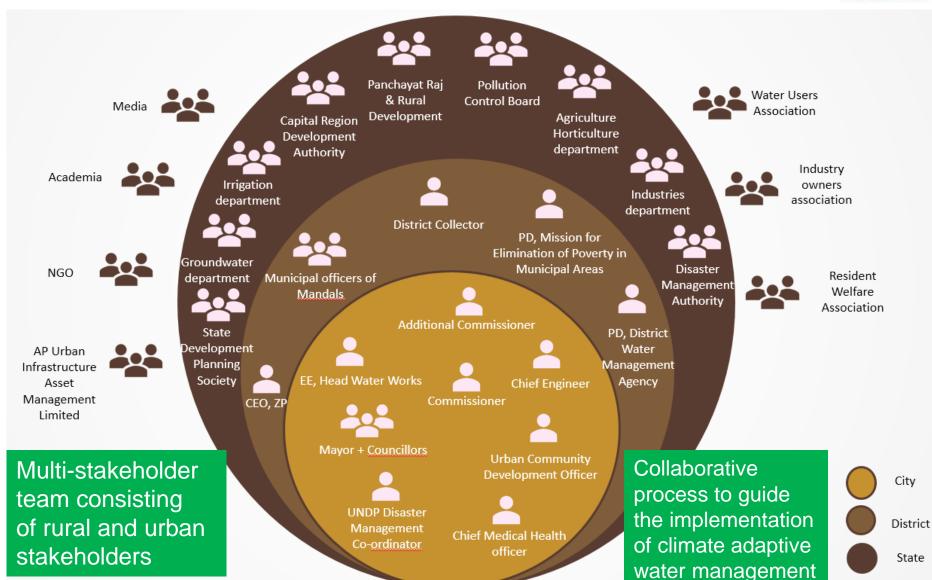








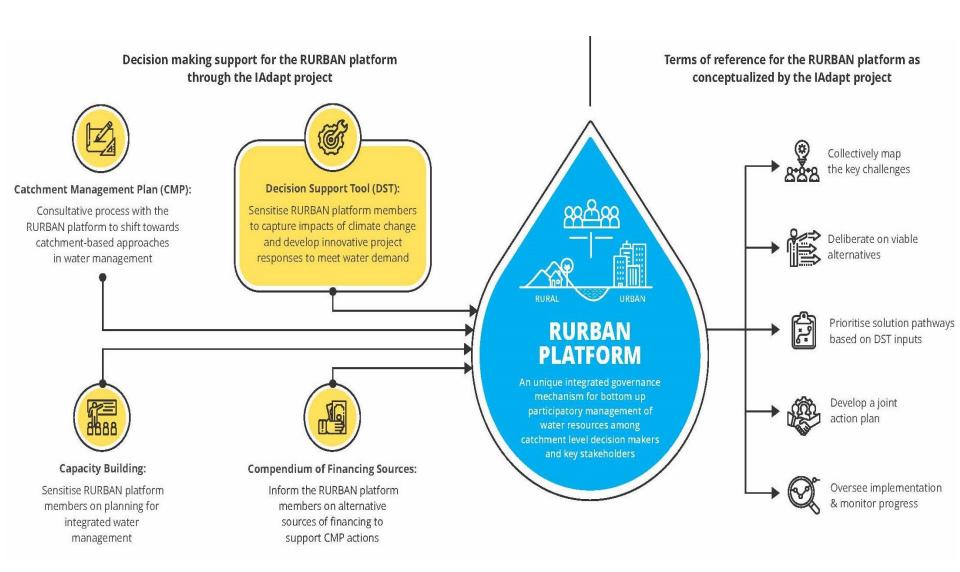






## **Decision Support Tool – RURBAN Platform**





### **Cities Best Practices on COVID 19**

Seoul's quick approach of targeted testing effort was applauded all over the world





Jakarta is the first province enforcing a lockdown and formed a special "COVID-19 Response Team"

Bogotá's Mayor, Claudia Lopez took steps to manage COVID-19 before the national lockdown was declared



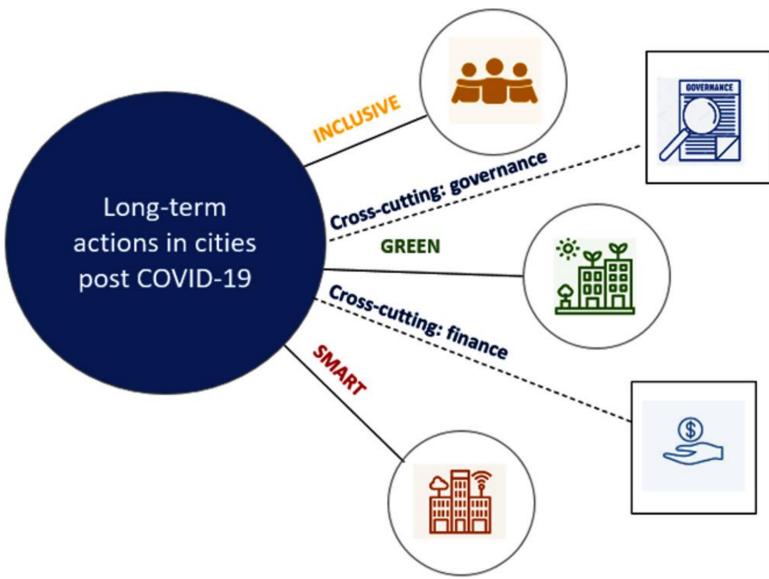
# Greener and cleaner: Reimagining our cities in the wake of COVID-19





## Focus aspect of Recovery: Inclusive, Green and Smart







# **Focus Sectors for Sustainable Recovery**



Detect outbreaks Provide emergency care Maintain public health system Help workforce adapt Ensure security of daily essentials Deliver education Manage local & int'l transportation Maintain government services Support citizens in the "new normal" Provide emergency econ. measures Stabilise & stimulate the economy Find opportunities for innovation Deliver effective communications Manage overall program



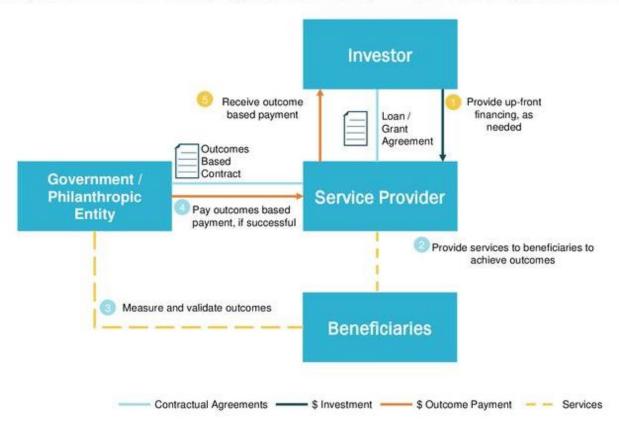


# 'Outcomes based financing' model for cities to lead sustainable recovery in post COVID 19



Outcomes-based Financing, or Pay for Success, is a tool that allows government to partner with nonprofit organizations and the private sector to fund programs that have preventive and long-term benefits

Cities in
Philippines,
Bangladesh and
Cambodia are
utilizing this
model in health
sector to
implement
development
projects

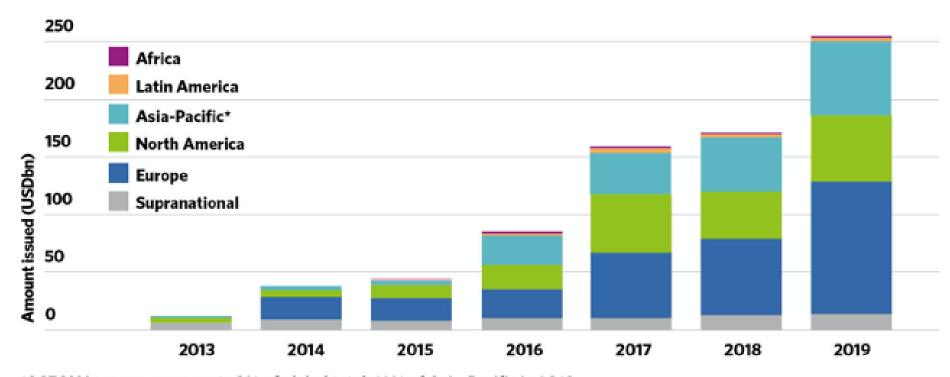






# Global green bond and loan issuance increases over 50% in 2019





<sup>\*</sup>ASEAN issuance represents 3% of global total, 12% of Asia-Pacific in 2019

© Climate Bonds Initiative 2020

ASEAN Green Finance State of the Market 2019

### CLIMATE FINANCE DECISION MAKING TREE







This climate finance decision-making tree guides local and regional governments through a series of questions that help them consider different financing tools. Each financing tool is described, including advantages, disadvantages and case study examples. Here is an overview of the decision-making tree and the financing tools available to local and regional governments.

Questions for Local and Regional Governments (LRGs)

NO

## UN@HABITAT FOR A BETTER URBAN FUTURE Financing tools T1 Cash/direct investment T2 Subsidies/incentives T2.1 Tax advantages T2.2 Interest-free and low interest loans T3 Land/asset sale T4 Land/asset lease T5 Land value capture T6 Sale of development rights T7 Equity

# T8 Energy Performance Contract T9 Privatization T10 Public private partnership T11 Revolving fund T12 Private sector loan T13 Crowdfunding T14 Municipal (green) bonds T15 Blended finance T16 Risk mitigation T17 National grants and/or subsidies

YES

T19 Public loan T19.1 Government loans (sometimes at concessional rate)

T18.3 Multi-and bilateral financial institutions

T19.2 International public loans

T18 International grants and/or subsidies

T18.1 UNFCCC Climate Funds

T18.2 EU Funds



### TAP PROCESS

Funds for climate projects are available and investors are ready; however, there is a shortage of bankable projects. TAP helps local and regional governments make their project idea robust, transformative and bankable.



### STEP 1: APPLY TO THE TAP

- Project screening basic quality assurance
- · Evaluation of completeness
- · Evaluation of transformative approach



### **OUTCOMES**

- · Well defined transformative action
- · Project improvement feedback

### STEP 2: GAIN TAP APPROVAL

 Receive the TAP seal of approval from the ICLEI World Secretariat to access TAP services



### **OUTCOMES**

 TAP projects gain access to selected services

# STEP 3: ACCESS SERVICES ACCESS IMPLEMENTATION AND FINANCE SUPPORT

TAP projects bearing the TAP seal can be selected for capacity building and technical assistance. They also gain access to investors, PPFs and financial service providers.



Contact: tap@iclei.org



# **Thank You!**



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