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Economic and Social Commission for Western Asia (ESCWA)

Workshop on “Access to Finance for Municipalities – Nexus Thinking and Decentralization of Subnational Governments” and Annual Meeting on “Access to Finance Intervention in Municipalities”

The St. Regis Amman Hotel, Amman, Jordan, 28-29-30 January 2020

Information note

The UN Economic and Social Commission for Western Asia (ESCWA) and the Royal Scientific Society – NERC are organizing a workshop on “Access to Finance for Municipalities – Nexus Thinking and Decentralization of Subnational Governments” under the framework of the “Regional Initiative for Promoting Small-Scale Renewable Energy Applications in rural areas of the Arab Region (REGEND)” and the MINARET projects. The aim of the workshop is focused on sharing experiences, building capacities of relevant institutional bodies and formulating gender mainstreaming and human rights-based strategies and action plans to support sub-national governments, municipalities and local institutions in accessing financial resources. The workshop will be held at The St. Regis Amman hotel in Amman, Jordan on the 29th and 30th of January 2020.

The workshop will proceed the annual organizers’ and stakeholders’ meeting under the theme “MINARET Access to Finance Intervention in Municipalities” which will be held on the 28th of January in Amman, Jordan.

1. Background Information

The 2030 Agenda for Sustainable Development includes fully dedicated SDGs on water (SDG6) and energy (SDG7), recognizing the importance of these two critical factors in advancing sustainable development and poverty eradication. Evident policy and operational linkages exist between the SDG 6 targets focused on ensuring water and sanitation for all and the SDG 7 targets aiming to ensure access to energy for all. These are magnified when climate change considerations (articulated in SDG 13) and food security objectives (detailed in SDG 2) are considered within an integrated sustainable development context. The aim of drawing upon the nexus as a conceptual and operational framework is thus to improve natural resources management and advance the achievement of policy and performance objectives through an integrated lens.

The water-energy-food nexus describes how the resources of water, energy and food are interdependent and cannot be “easily disentangled”. Though the nexus is usually described in terms of water, energy and food, some references have introduced additional dimensions to it (e.g. climate) while others have replaced food with another dimension (e.g. land). A schematic diagram of the water, energy and food security nexus, has been developed by ESCWA, where it includes the different SDGs as well as the institutional and policy frameworks which have to do with each of the dimensions of the nexus. This conceptual framework illustrates how water, energy and food security are linked. It takes a human rights-based approach to development that

aims to ensure universal access to basic services for all, as set forth in the SDGs and in the face of challenges posed by climate change.¹

Simultaneously, there is a growing need for decentralization to empower the formulation of needs-based solutions while concurrently facing circumstances of sub-par national governance and limited municipal budgets and legal frameworks; including little consideration to gender mainstreaming and nexus-thinking. Investigating and building capacity on the applicable business models and access to finance scenarios that give sub-national governments a leading role when it comes to development projects can be seen as a quintessential mission to empower local communities. Within this framework, both regional initiatives, MINARET and REGEND, intend to build the capacity of beneficiary countries to adopt an integrated approach through multi-sectoral and multidimensional approaches.

MINARET

The MENA Region Initiative as a Model of Nexus Approach and Renewable Energy Technologies (MINARET) aims to result in a new and transformative agenda for municipalities. Working on Access to Finance at the municipal level will require innovative, multi-sectoral and multidimensional approaches. The initiative aims also to represent a roadmap for municipalities and investors explaining legal, financial, and administrative requirements for establishing public private partnerships at the regional and national level.

Underpinning the Access to Finance intervention, MINARET supports local governance at the municipal level in areas of improved service delivery, organizational management, public engagement, community cohesion, and decentralization preparation. Municipalities face difficulties in financing capital assets and covering deficits. This is due to high operating expenses, including salaries and wages, which prevent local governments from providing or expanding public services. MINARET plans to improve the business environment at the local level to attract investors and developers, by empowering municipal councils and improving local leadership, planning, and accountability to enhance governance, increase participatory planning (by putting citizens at the heart of the planning and development process), and support partnerships between the public and private sector to increase training and jobs. A decentralized approach will leverage local resources and key interventions to reduce bureaucratic obstacles and increase competitiveness, while cleaning up the environment for residents and business.

Municipalities should be equipped to properly take new responsibilities and be in the driving seat responsible for implementing decentralized tasks at local level. This means that the municipal administrations should continue to plan and manage along sectoral lines in a coordinated and integrative manner, and become able to maximize the synergies between water, energy, food or land and the potential co-benefits arising from integrated resource management. The Nexus Approach intends to integrate planning and management processes of the key sectors of energy, water and food/land considering the resources contributing to long-term sustainable development of rapidly growing municipalities in MENA regions.

REGEND - ESCWA

ESCWA, through its committee on energy and committee on water, completed a Project on the water-energy-nexus and developed a Policy Toolkit as well as three operative Toolkits on resources efficiency, renewable energy and transfer of technology². Currently, the ESCWA is implementing the “Regional Initiative for Promoting Small-Scale Renewable Energy Applications in rural areas of the Arab region (REGEND)”. This regional initiative is a Sida-funded project and includes several partners in implementation such as the

¹ ESCWA (2019): Water Development Report 7 – available at: <https://www.unescwa.org/publications/escwa-water-development-report-7>

² UNESCWA (2016) Developing the Capacity of ESCWA Member Countries to Address the Water and Energy Nexus for Achieving Sustainable Development Goals (renewable-energy module)

League of Arab States (LAS), line ministries, local authorities, various regional organizations and Arab Women associations, UN organizations, local and regional NGOs, research institutions and academia. Women empowerment and gender equality constitute an integral part of REGEND's activities and expected outputs and are considered a cross-cutting priority along the various phases of its implementation.

By using appropriate small-scale renewable energy technologies for productive activities and entrepreneurial development, REGEND aims to:

- Improve the livelihood, economic benefits, social inclusion and gender equality of Arab rural communities, particularly marginalized groups, bottom-up approach by addressing energy poverty, water scarcity and vulnerability to climate change and other natural resources challenges in three targeted countries, namely: Jordan, Lebanon and Tunisia.
- Establish a gender-based advisory network with expertise in developing energy entrepreneurial skills in rural areas to bring together practitioners from around the world and the Arab region to share experiences, emerging tools, available resources, and knowledge on gender and energy.

REGEND also aims to build on multi-stakeholder engagement to unveil and develop new business models and scenarios with a target to empower local marginalized communities and the relevant subnational institutions. This is further advanced by implementing pilot projects – within the nexus framework - in selected communities to demonstrate applicable solutions while targeting marginalized groups and building capacity for the local community.

2. Objectives of the Regional Workshop

Within the framework of the MINARET and REGEND projects, the regional workshop aims to empower and catalyze the municipalities' role to run investment projects within the NEXUS framework through a decentralized scheme; allowing municipalities to generate funds in compliance with the local legislations so that to enhance livelihood in the community. This shall be embarked on through unveiling channels associated with new and existing business models and financial tools while at the same time operationalizing a gender equality, and human rights-based approach under the umbrella of nexus-thinking and sustainable development. In particular, maximizing the potential, capacity and capabilities of municipal staff so that to acquire new cognitive and technical competencies (i.e. project management, financial management, etc.) and ensure good governance.

The main themes of the two day workshop will address the following:

1. Increase awareness and acceptability of nexus-thinking based approaches for local development work and public services;
2. Empower municipalities' self-growth to improve livelihood and to secure the funds and develop the skills they need to deliver high-quality public services to residents of local communities;
3. Improve know-how on efficiency during the production and consumption of water and energy resources and services;
4. Build capacity on renewable energy solutions that can be applied and implemented at the decentralized and local/community level;
5. Provide a comprehensive understanding of the position of Gender Mainstreaming, Equality, and Social Inclusion within a community concerning engagement with the municipality, barriers faced in such

engagement, and the level of participation in planning and decision-making processes for municipal service delivery;

6. Increase awareness on decoupled municipal financing strategies and sustainable investment strategies and discuss a roadmap to assist municipalities and investors in implementing PPP contracts, pursuant to local constitutions and laws governing the process;
7. Foster the cooperative culture between municipalities (enabling poor performers by connecting them to the knowledge base and experience of high performers);

The key outputs and recommendations of the workshop will serve as the basis for suggesting decentralization strategies to Arab municipalities. These elements will serve in developing the capacity building programs and awareness-raising campaigns to be undertaken within the framework of REGEND and to be suggested for local/public institutions for follow-up after the project completion to ensure sustainability.

The Regional workshop will also feed into the process of establishing a cooperative culture within the municipalities of the region that will further support in applying the aforementioned nexus-thinking approach, business models and financing models and channels.

3. Participants

The Regional workshop will bring together various local, regional, and international gender, energy and nexus experts, regional municipalities, NGOs, government ministries and entities, UN organizations, private sector, financial institutions, academia and research institutions.

4. Date and Venue

The Regional workshop on “Access to Finance for Municipalities – Nexus Thinking and Decentralization of Subnational Governments” will be held at **The St. Regis Amman hotel in Amman, Jordan on 29-30 of January 2020.**

Registration is scheduled for 8:30 A.M. on Wednesday, 29 January 2020. The workshop will conclude on Thursday, 30 January 2020. The draft agenda will be circulated to registered participants.

The Annual Meeting on “MINARET Access to Finance Intervention in Municipalities” will be held at **The St. Regis Amman hotel in Amman, Jordan on 28 January 2020.**

5. Language of the Workshop

The workshop will be conducted in the Arabic and English languages. Simultaneous interpretation from and into the Arabic and English languages will be provided.

6. Correspondence

All correspondence related to the workshop is to be sent to either one of the three addresses:

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