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UNESCO Chair on Human Rights, International
Cooperation and Sustainable Development

Territory, SMEs and SDGs: Working Group Local Sustainable Financing with Development Banks

Background

The VII SMEs Italy-Latin America Forum emphasized the importance of SMEs and their territorial system to address "the great transitions" for their development and sustainability. These transitions encompass energy, industrial sectors, cities, housing, and the social component, with a focus on achieving alignment with the SDGs (Sustainable Development Goals - Agenda 2030).

To tackle these challenges effectively, integrated territorial development models are fundamental. These involve collaboration across (i) economic and industrial sectors, (ii) diverse actors-stakeholders, and (iii) operating among different scales with local and global value chains. These models are crucial for creating advanced, sustainable economic, social, and environmental development systems. Additionally, a renewed governance system that encourages collaborative decision-making among various stakeholders is vital for the success of these integrated models.

To implement these various transition areas, the need to implement sustainable financing solutions at the regional and local level has been emphasized, either through strengthening and innovating financial instruments capable of operating under a territorial and systemic approach. Therefore, it has been proposed to create a working group with development banks to effectively respond to the challenges of major transitions while reinforcing integrated territorial development models.

Working Group Local Sustainable Financing: Territory, SMEs and Cooperation with the Development Banks Systems



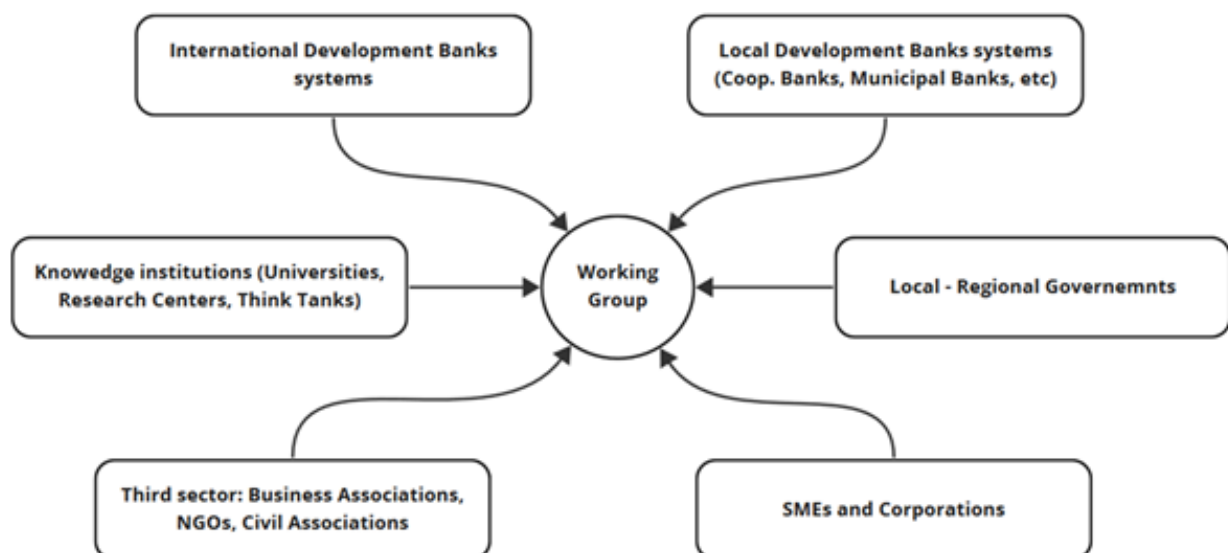
Objective

The Working Group aims to promote sub-national sustainable financing based on comprehensive territorial development models with the goal of fostering the net-zero transition and strengthening collaborative efforts to achieve the Sustainable Development Goals (SDGs) within a territorial focus, ensuring greater cohesion and involvement of stakeholders.

Approach

The working group aims to support development bank system operators in order to facilitate and optimize their role as catalysts for the development of sustainable territories with competitive SMEs, through cooperation among knowledge entities (universities, research centers, think tanks, etc.), business associations, large corporations, third-sector actors, local-regional public entities, and the system of territorial banking and international development banks.

Figure 1: Working Group Stakeholders





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Working on integrated territorial development models begins with collaborative initiatives that promote cohesion, systemic vision, and the implementation of concrete development processes. Therefore, this initiative aims to contribute as legacy of the 7th SME Forum, serving as a catalyst for development cooperation.

Organization

The scientific coordination will be overseen by the University of Bergamo and its UNESCO Chair.

Activities

- **Research**
 - Factors that limit sustainable financing instruments at local level.
 - Sustainable sub-national financing models and available funds.
 - Lending to local banks.
- **Capacity building**
 - Municipal Financing models.
 - Sustainable financing instruments.
 - ESG for local bank systems.
- **Sustainable project financing and support of SDGs**
 - SDGs at local level (implementation and monitoring of indicators).
 - Strategic projects identification for territorial development.
- **Technical cooperation to implement Net-Zero Strategies at local level**
 - Promotion of Integrated Territorial Development models.
 - Instruments and strategies to implement Net-Zero Strategies at local level.
 - Diffusion of instruments to finance Green Transition.