JOINT SDG FUND

LOCAL 2030
LOCALIZING THE SDGS

The Localization Blueprint

Enabling Environments to Channel Finance towards Local Impact

This note features the context in which the Localization Blueprint was collectively designed, its overarching purpose, and the strategic pathways it proposes to generate greater impact on sustainable development systems and improve people's lives.

The note provides practical pathways for local and regional governments, financial institutions, development partners, the private sector, civil society, and knowledge actors to co-create an enabling environment to mobilize, align, and channel finance directly toward local SDG and humanitarian-development priorities. It clarifies how each stakeholder can contribute to a coherent, efficient, and action-oriented local development process to ensure resources flow efficiently to communities, multiply impact, and accelerate SDG localization, leaving no one behind. It serves as a shared framework to transform local priorities into investable pipelines and accelerate inclusive and scalable territorial transformation.

Foreword

"The Localization Blueprint captures the essence of successful SDG localization, enabling cities and territories to accelerate sustainable development. It strengthens trust and institutional legitimacy, positioning territories as drivers capable of redirecting finance to where it can be most transformative: at the local level. In a world marked by interconnected crises, this territorial lens is not optional, it is essential as sustainable development ultimately materializes in the territories, where the social contract is experienced and renewed every day.

For UN-Habitat, this Blueprint is central to the implementation of our Strategic Plan 2026-29, which puts housing, land and basic services at its centre. Given that these core issues of human development need to be approached from a systemic perspective, one that the Localization Blueprint enables. It is particularly timely that this Blueprint is being released as UN Habitat has started implementing from the beginning of this year this Strategic Plan, which identifies participatory multi-level governance and localisation as key means of implementation.

This document provides a practical pathway for National and Local Governments to drive systemic change and unlock long-term investments, building strategic partnerships with all relevant stakeholders within a shared vision for territorial transformation. By reinforcing local capacities, fostering coherent policy frameworks, and promoting mission-oriented collaboration, it helps create the enabling environments that attract and absorb investment effectively, especially in the context of local basic services, land, housing and informal settlements.

For UN Habitat, as permanent Co-Chair of the Local2030 Coalition, the Blueprint demonstrates how localized finance is not an end in itself, but a catalyst for integrated territorial transformation. Only when aligned with clear long-term visions and supported by strong institutions, financial flows can advance access to adequate housing, universal basic services, and sustainable infrastructure. These are core elements of human dignity and fundamental rights of the social contract that binds institutions and communities together.

I hope the Localization Blueprint will enable stronger joint action across the United Nations system by bridging local priorities with national and global commitments and maximizing collective impact across our mandates. I wish its success in demonstrating the added value of the UN system working alongside partners to drive systemic, inclusive, and rights-based transformation at scale."

Anacláudia Rossbach
Under-Secretary-General and Executive Director,
United Nations Human Settlements Programme



The Backdrop

The multiple crises facing the world today—interconnected and mutually reinforcing—pose significant challenges to sustainable development at all levels and underscore the urgency of rethinking development models and devising innovative, context-specific solutions. Cities and regions – and other "territories" as they are often called to reflect the wide range of active stakeholders that make them living spaces for development and transformation - are where the social contract takes shape; where access to basic services, land and housing occurs; where lasting peace is built; where jobs are created; where climate action hits the ground; and where vulnerable groups can be fully integrated.

In these local spaces, responses to emerging needs and risks can be more effective and agile, given close proximity to communities and a deeper understanding of priorities, enabling more responsive, inclusive, effective, and resilient action. These spaces are also where systemic response can address systemic crises, multilevel and interconnected by nature, from the climate crisis to inequalities, from the housing crisis to the shrinking trust in institutions.

As demonstrated in territories around the world, these transformations are possible when fueled and nurtured by coordinated investments from multiple sources, operating within an enabling environment. This environment is built on coherent policy frameworks, local ownership, strong capacities, and innovation, and is driven by public–private collaboration.

Supported by numerous examples, this observation highlights the importance of localizing development finance —whether public or private, sourced locally, nationally, or internationally, and in various forms such as sustainable investments, multilevel fiscal systems, public budgets, or external financing (grants, loans, including climate finance for developing countries and innovative financing instruments such as sustainable bonds or guarantees).

Given the diversity of financial flows and actors, and the need to align and amplify their impact, effective collaboration within strategic frameworks and the use of clear indicators is essential. The Sustainable Development Goals (SDGs) provide a common reference framework, and SDG localization should be pursued alongside localized development financing to ensure mutual reinforcement at local, national, and international levels, including in the UN Financing for Development process (FfD) and the implementation of the Addis Ababa Action Agenda, as well as the current reform of the global financial architecture.

The UN Local2030 Coalition [1] policy brief on "Local Finance is Development Finance" (December 2024) highlights the critical role of local financial systems in achieving the SDGs. Developed by the Coalition's inter-agency Working Group on Localizing development finance – co-led by UNDP, UNEP, and UNICEF, with contributions from 11 other UN entities – the brief stresses the importance of "strengthening financial systems and capacities at the local level within an integrated approach to financing." It emphasizes how critical it is "to identify pathways that ensure both development and climate finance reach local levels of governance, making a tangible difference in people's lives."

The Localization Blueprint proposes exactly that: a human-centered, systemic approach to channeling finance toward local impact, transforming systems to overcome interconnected crises and foster prosperity and dignified lives.



[1] The Local 2030 Coalition is the UN-system wide platform that connects global sustainable development processes and on-the-ground delivery of the SDGs at the local level, enabling connections to enhance systemic transformation and local impact.

The Aim

Developed to complement the SDG Localization Marker 2.0, elaborated with Spain and the Joint SDG Fund [2], and inspired by the Basque Country localization model and with input from the Local2030 Hubs, the Localization Blueprint is a strategic framework designed to create the necessary conditions to maximize the impact, effectiveness, and efficiency of public and private investments toward sustainable territorial development. In essence:

- The Localization Blueprint provides clear pathways for all actors in the local development ecosystem to co-create enabling conditions for sustainable development to mobilize, align, and channel finance efficiently toward local SDG and humanitarian-development priorities.
- It brings together governments, financial institutions, the private sector, civil society, and knowledge actors (academia) to co-create investable territorial pipelines. It enables catalytic and de-risked financing mechanisms that multiply resources, accelerate local impact, and deliver inclusive, sustainable development — leaving no one behind.
- It serves as an interface to optimize and scale up the cross-fertilization among territories, including lessons learnt, solutions, innovations, data, and resources to advance SDG Localization and channel finance locally.

The Blueprint moves beyond conventional project templates by incorporating multi-stakeholder and multilevel thinking from the earliest stages of planning. It helps teams articulate the full lifecycle of an initiative — from challenge diagnosis and solution design, to financial structuring, territorial alignment, and potential for scaling. The Blueprint is thus both a methodology and a structuring guide, aligning existing solutions and capacities with the realities and needs at the local level.

The Blueprint is closely linked to a practical tool for implementation: the Joint SDG Fund Localization Marker 2.0. This Marker, developed by the Local2030 Coalition and the Joint SDG Fund, is designed to channel development finance toward local impact by assessing development initiatives that effectively prioritize localization efforts, beginning in its early design phase.

Each of the drivers— an enabling environment, capacity and innovation, mission-oriented initiatives at scale, strategic local investments, and inter-territorial cooperation—is transformative in its own right. When pursued together, they create powerful synergies, reinforcing one another to enable systemic change that is resilient, inclusive, and sustainable. The Blueprint can be applied to specific sectors while maintaining an integrated territorial approach.

While mobilizing localized finance is one element of the Blueprint, it advocates for equally balancing all drivers of systemic change. Localized finance should not be seen as an end in itself, but rather as a means to support and reinforce other drivers operating within an enabling environment that ensures and maximizes the impact on human development in the territory.

Ultimately, financial flows must be aligned with locally defined development priorities while improving the efficiency of the multi-level governance framework of the country and embedded within enabling governance conditions, including spatial planning frameworks, land governance systems, and long-term territorial development strategies. Such alignment ensures that investments contribute to reducing inequalities, strengthening resilience, and advancing sustainable human development outcomes across territories.

This requires stability, predictability, and risk-sharing arrangements that both stem from and reinforce local institutional capacities, for example securing tenure arrangements, and coordinating service provision. Rather than framing these and other elements as sector-specific considerations, the Blueprint recognizes them as foundational components of an integrated enabling environment that allows finance to operate as a catalyst for systemic change.

By situating finance within coherent territorial governance, planning, and institutional systems, the Blueprint ensures that resources support systemic transformation — influencing how development decisions are made, how resources are allocated, and how integrated solutions are implemented — rather than funding fragmented interventions disconnected from local dynamics. The ultimate goal of the Blueprint is to strengthen local ownership, institutional legitimacy, and the long-term capacity of territories to shape and sustain their own development trajectories.

[2] The UN Joint SDG Fund, as a strategic financing integrator that bridges global and local investment through innovative finance solutions and capacity building for bankable project development, is a key partner in localizing SDGs.

The Blueprint

The Blueprint defines five key drivers that help a territory to maximize the impact of public and private investments in sustainable development systems:

I. Empower Citizens and Communities: Build Conducive Environments

This driver focuses on creating the basic social, institutional, and cultural conditions needed to empower local citizenship, communities, and local institutions to drive ownership, engagement, and action tailored to specific needs and contexts. It is, therefore, a foundational driver of transformation and a precondition for investment, as it provides long-term stability and reduces volatility in attracting finance to projects, policies, strategies, or long-term roadmaps aimed at achieving the SDGs. To achieve this goal, it is important to:

1. Identify and reinforce citizen ownership, awareness, participation, and active engagement in local economic development processes such as guaranteeing social services, job creation, local climate action, and housing, fostering a shared culture for development and a strong sense of belonging. This requires leveraging all available population data — including spatial and geospatial information — not merely to map who residents are and where they are located, but to better understand diverse needs, reduce exclusion, and enable more targeted, inclusive, and responsive forms of engagement.
2. Build a shared vision of the future of the territory with inclusive participation of all sectors and population groups, including the most marginalized or vulnerable, to support long-term planning and joint, coordinated action, fostering stability and signaling a clear direction for investments: communities, different levels of government, local private sector, civil society, and academia.
3. Embed processes and investments in local culture, contexts, and institutional frameworks, as well as local priorities and national policies and frameworks, so that vulnerable and marginalized communities are not left behind and can share priorities and co-create solutions.
4. Institutionalize dialogue with democratic, human rights-based mechanisms for citizens' participation and coordination among communities, local leaders, the private sector, civil society, and national policies.

II. Enhance Capacities, Boost Innovation and Collaboration

This driver focuses on strengthening the skills, knowledge, and innovative capacity of local actors—including local public institutions, the private sector, civil society, and knowledge institutions—to support effective SDG policymaking, multi-stakeholder collaboration, and implementation.

By building these capacities, local actors are better able to plan, coordinate, co-create, and implement solutions that meet the specific needs of their territory. It is essential for effective action and helps make investments more successful and long-lasting. Key areas of focus include:

1. Strengthen the capacities of local and regional governments to ensure effective multilevel coherence, make decisions closer to the people, innovate in local fiscal policy and regulations, engage in long-term planning, and make use of digital tools, spatial plans, data, indicators, and foresight methods, including the UN 2.0 quintet of change.
2. Support the local financial environment and the capacity of local and regional government to absorb fiscal transfers, use innovative financing models, and build partnerships to ensure long-term, sustainable investment and infrastructure maintenance. This includes strengthening institutional legitimacy and predictability, which are essential for systemic transformation and ownership.
3. Reinforce capacities and the innovative potential of local businesses and value chains for innovation on sustainability and collaboration.
4. Enhance the capacity of civil society organizations so they can play more effective and innovative roles in action, advocacy, monitoring, and multi-actor collaborations to enrich and ensure rights-based approaches.
5. Mobilize and disseminate territorial knowledge from all sources – academic, formal, and informal – to ensure a systemic understanding of the territory and inform integrated, context-specific partnerships and solutions.

III. Co-create Pathways for Change, Enable Transformative Partnerships

This driver focuses on bringing all actors together to materialize the long-term, transformative vision for the territory (see Driver #1 above). This driver helps ensure that everyone works toward shared priorities, collaborating around co-created roadmaps. By aligning initiatives, policies, projects, and investments within these roadmaps, actors can maximize impact, avoid fragmentation, and create resilient, sustainable change processes. To support this vision, it is important to:

1. Identify integrated policy levers focusing on systems rather than individual entities, emphasizing territorial dynamics rather than isolated actors or sectoral policies, addressing the specific features of local governance, local economic development and value chains, access to housing, local service delivery, and local natural ecosystems.

2. Co-create territorial roadmaps of forward-thinking, mission-oriented, large-scale initiatives addressing these systemic levers to transform the territory and its long-term capacities. These initiatives should provide strategic direction, coherence, and convergence across approaches, policies, programmes, and projects, rather than diverting attention to fragmented or isolated efforts.
3. Engage national, local, and regional governments, the private sector, and other local stakeholders in equal partnerships, attributing clear roles and responsibilities in collectively achieving more transparent, accountable, efficient, equitable, sustainable, and inclusive sustainable development outcomes, as well as coordinated territorial investment.
4. Support small enterprises with the potential to scale, anchored in a territorial vision that reflects local needs, potential, comparative advantages, and the development of entire value chains.

IV. Localize Financing Mechanisms, Build Systemic Investment Pipelines

This driver focuses on converting territorial priorities into investable, finance-ready pipelines to strategically invest in transforming the systems that shape a territory—such as local economies, service delivery, value chains, and natural ecosystems—rather than targeting isolated projects or actors. By directing resources toward integrated, system-level improvements, territories can achieve more sustainable, inclusive, and long-lasting impact. Strategic investments help connect policies, programs, and actors, unlocking the territory's full potential and ensuring that development gains are resilient over time. To make investments strategic for territorial impact, it is important to:

1. Translate SDG priorities into bankable project pipelines to activate these systems change levers (Driver #3 above), establishing project preparation and aggregation facilities. It is important in this sense to strengthen the role of local financing institutions and local development banks as pipeline builders, and to create co-financing windows with national funds and multilateral development banks that align with integrated territorial planning frameworks.
2. Reinforce national and subnational financing architectures, including regulatory and fiscal frameworks, and strengthen strategic funding channels for technical assistance and capacity building at the local level to ensure sustainability.
3. Enable key elements for localizing finance, such as de-risking and blended finance strategies, insurance, and guarantee mechanisms for local currency exchanges, and the scaling down of financial mechanisms to enable granular, community-led financial strategies.
4. Integrate impact into the definition of KPIs and ROI indicators, and leverage ESG and SDG data to guide investment decisions.

V. Amplification and Follow-up

Once the first four drivers of the Localization Blueprint have been successfully implemented and results achieved, the next step is to amplify impact by scaling it within territories, across the country, and around the globe.

This driver, therefore, focuses on connecting investments in territorial transformation with other processes that impact (and are impacted by) the change: neighbouring cities and regions, the intermediate or national level, international partners, regional dynamics, and global agendas. By fostering collaboration, aligning actions, and scaling up successful initiatives, these alliances enable innovative solutions to reach more people, strengthen systemic change, and maximize the effectiveness of investments. Co-creation and coordination across local, national, and global actors ensure that development efforts are coherent, mutually reinforcing, and capable of delivering long-term, scalable, and sustainable results. To this end, it is essential to:

1. Develop a coherent narrative for systemic transformation for each territory, inspired by the Localization Blueprint, that can be adapted by other territories worldwide.
2. Ensure balance, buy-in, and improved coordination from multi-level governance, regulatory, and administrative institutions. This includes aligning roles and responsibilities across levels of government to support integrated territorial strategies.
3. Support the catalytic and scalable impact of investments by improving government accountability and building sustainable local fiscal systems and financing sources. This includes working with the private sector and relevant financial institutions, as well as growing local own-source revenue.
4. Boost inter-territorial interaction, dialogue, and cooperation to share solutions, resources, technologies, innovations, and data for wider use and replication. Strengthen implementation capacities, improve access to knowledge, resources, technologies, and innovations, and form partnerships to accelerate transformation.
5. Coordinate local, national, and global frameworks to localize finance from international cooperation in a coherent, aligned, and transformative manner. Leverage the UN Local2030 Coalition to amplify and scale the impact of the Localization Blueprint in driving systemic transformation at the territorial level.
6. Document, support, and scale territorial planning and governance reforms that strengthen enabling conditions for inclusive development, including those affecting land access, housing delivery, and coordinated service provision. Systematically track spatial equity and accessibility indicators to inform decision-making, reduce territorial disparities, and reinforce evidence-informed transformation pathways.

Scan to read the Localization Marker!

JOINT SDG FUND

LOCAL 2030
LOCALIZING THE SDGS

