



Global Policy Dialogue

Building Urban Economic Resilience during and after COVID-19

City Resilience
Global Programme.

UN HABITAT
FOR A BETTER URBAN FUTURE



Global Policy Dialogue Report

Prepared by: UN-Habitat City Resilience Global Programme

Contents

I.	Background.....	3
II.	Objectives of the Global Policy Dialogue	3
III.	Global Policy Dialogue Process.....	4
	A. Pre-Dialogue: Regional Bilateral Meetings	4
	B. Global Policy Dialogue Session	5
IV.	Global Policy Dialogue Results.....	7
	A. Resilience Matrix on Common Economic and Financial Issues and Related Recommendations	7
	B. Guiding Principles for Urban Economic and Financial Resilience Building and Recovery:.....	14

I. Background

The Building Urban Economic Resilience during and after COVID-19 project is a joint collaboration between the UN Human Settlements Programme (UN-Habitat), the UN Capital Development Fund (UNCDF), and the UN Regional Economic Commissions—United Nations Economic Commission for Europe (UNECE), United Nations Economic Commission for Africa (UNECA), United Nations Economic and Social Commission for Western Asia (UNESCWA), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and United Nations Economic Commission for Latin America and the Caribbean (UNECLAC).

In the initial phase of the project, the five UN Regional Economic Commissions together with UN-Habitat and UNCDF produced a Conceptual Framework on Urban Economic Resilience and a Global Compendium of Practices based on case studies on responses to the impacts of COVID-19 from 18 cities globally. Each region also produced their Regional Policy Briefs, which included recommendations for strengthening urban resilience through a multi-hazard, multi-sectoral, and multi-stakeholder approach that promotes green recovery and support urban populations in the most vulnerable situations. Through a Global Policy Dialogue, the recommendations from each region were brought together to form a global policy framework for cities to design, implement, and monitor strategic socio-economic responses to COVID-19. These recommendations address initial impacts and try to build increased resilience to future potential shocks and stresses.

II. Objectives of the Global Policy Dialogue

The Global Policy Dialogue, organized by UN-Habitat, aimed to a platform for knowledge and practices sharing from different regions with the following objectives:

- Providing a global reference to be better prepared and better react to any hazard that the city may face. Such preparedness must stem from a process where regions and cities assess their economic and financial resilience and explore similarities and differences with other regions. Hence, pave the way for: well informed further work on resilience planning, collaboration and opportunities for partnerships.
- Discussing policy options for similar issues and identifying viable policy recommendations and solutions to common barriers.
- Providing feedback, lessons learned, and more evidence based knowledge for consensus among regional policies while considering some agreed guiding principles.
- Identifying needed actions and next steps for making the project outcomes available to cities for use in their recovery and response plans.

III. Global Policy Dialogue Process

A. Pre-Dialogue: Regional Bilateral Meetings

For facilitating an adequate and representative process of consultations and discussion of the regional policy briefs, while considering the limitations imposed by the time difference between the regions, and the face to face meetings because of COVID 19, a series of virtual regional bilateral meetings between invited participants from each region, the project team and UN-Habitat was conducted over a period of one week. These meetings were important for harmonizing, confirming and completing the coverage of the specific urban economic and financial resilience issues to be raised as common and global issues in the global policy dialogue session.

Focus of the bilateral meetings:

- Solicit feedback from each region about common economic and financial resilience issues and gaps that were identified in some of the regional briefs, and assess their order of priority in each region.
- Reach a consensus on general recommended policies for addressing the identified common issues.
- Discuss guiding principles for advancing the processes of recovery and resilience planning by cities.

In Preparation: Resilience Matrix

For this purpose, prior to the bilateral meetings, each region received a matrix inclusive of a consolidated list of the common identified resilience issues, and the relevant policy recommendations as concluded and synthesized from the policy briefs. Each region populated the matrix with a summary explanation for each issue and policy that are relevant to their region and indicate the degree of relevance, to be ready for discussion during the meetings.

Overview of each virtual bilateral meeting:

A 75 minutes meeting for each bilateral meeting structured as following:

Time	Topic	Participants
5 min	Introduction UN-Habitat	Regional commissions, focal points, UN-Habitat, UNCDF
20 min	Presentation by Region (regional policy overview and matrix feedback)	
45 min	Moderated discussion UN-Habitat	
5 min	Conclusion and closing remarks	

Venue: Online (via Zoom platform)

Meeting Schedule:

UNESCWA Date: 13 October, 2021
Time: 12:00-13:30 CEST

UNECE Date: 19 October, 2021
Time: 12:00-13:30 CEST

UNESCAP Date: 14 October, 2021
Time: 09:30-11:00 CEST

UNECA Date: 19 October, 2021
Time: 15:00-16:30 CEST

UNECLAC Date: 17 October, 2021
Time: 15:00-16:30 CEST

Meeting Participants:

- Representatives of the relevant regional UN-Commission, UNCDF and UN-Habitat
- Representatives of the participating cities local authorities and local consultants

Bilateral meetings output: revised and consolidated matrix with feedback from the five regions on common economic resilience issues and relevant recommended policies that should form the key reference for discussion in the global policy dialogue session.

Minutes of Bilateral Meetings: https://www.dropbox.com/sh/9e8ysef0yhln7f3/AABBd0gVBLX9ncmP_J1NTViya?dl=0

B. Global Policy Dialogue Session

The dialogue took the form of a virtual 2-hour session on Friday October 29, 2021. It is the key session that was attended by all regions to exchange views on the resilience matrix.

Focus of the dialogue:

- Offer an introduction and presentation that summarizes the most common issues and policy gaps across the five regions, and common recommended policy options and responses.
- Present the key guiding principles to be considered while preparing economic resilience policies and plans, and integrating within city-level strategies and programmes.
- Discuss the presented recommended policy options, guiding principles and targets as well as reaching consensus about the actions needed to consolidate and disseminate the body of work done by the regions to be available for other cities as a guiding reference.

Date: 29 October, 2021

Time: 13:00-15:00 CEST

Venue: Online (via Zoom platform)

Overview of the virtual Global Policy Dialogue:

Time	Topic	
5 min	Welcome	Esteban Leon (UN-Habitat)
10 min	Opening Remarks	Gulnara Roll (UNECE)
90 min	Dialogue Proper <i>Insights from regional meetings</i> <i>Presentation of meeting results</i> <i>Panel discussion</i> <i>Open forum</i>	Edlam Abera Yemeru (UNECA) Juan Valle Robles (UNECE) Curt Garrigan (ESCAP) Sukaina Al Naswari (ESCWA) Diego Aulestia (ECLAC) Moderated by: Esteban Leon & Abeer Al Saheb (UN-Habitat)
10 min	Synthesis	Dmitry Pozhidaev (UNCDF)
5 min	Conclusions and Next Steps	Esteban Leon (UN-Habitat)
10 min	Closing Remarks	Edlam Abera Yemeru (UNECA)

Dialogue Participants:

The dialogue aimed to provide room for all concerned stakeholders to be present and participate in the discussions. The participants included:

- Representatives of the UN Regional Commissions and all other UN Partners
- Representatives of the participating cities local authorities and local consultants
- Invited guests and discussants with relevant professional experience.

Dialogue session outcome: a consolidated resilience matrix that covers the outcomes of the introductory and regional sessions, common issues, and recommended policy options and as well as the agreed guiding principles and proposed actions.

Minutes of Global Policy Dialogue: https://www.dropbox.com/sh/9e8ysef0yhln7f3/AABBd0gVBLX9ncmP_J1NTViya?dl=0

IV. Global Policy Dialogue Results

A. Resilience Matrix on Common Economic and Financial Issues and Related Recommendations

Critical urban economic and financial dimensions necessary for recovery and resilience building recognized by the regions include: 1) business environment, 2) labor market, 3) financial environment, 4) economic governance, and 5) basic services infrastructure and connectivity. Recommendations addressing each of these commonalities are set out below.

BUSINESS ENVIRONMENT	
Issue	Common Recommended Policies
<p>Low market diversity</p> <ul style="list-style-type: none"> • Dominance of informal economy sectors that employ between 50-80% of the labor force throughout many cities, of which women constitute a large percentage of the overall group. This results in significant income and revenue losses translating into negative impacts on the livelihood of those in vulnerable situations, as well as reduced municipal services, often with great effect on the poorest neighborhoods. • Lack of economic diversity, in particular in small and medium size cities, and concentration in economic sectors that heavily depend on external markets for production and consumption. 	<ol style="list-style-type: none"> 1. Improve access to affordable (and innovative) financing to SMEs and informal businesses, with special mechanisms that support credit to sustainable, environmentally friendly and women led businesses, while focusing on the inclusion of community-based grass-roots perspectives, such as of women organizations, to create funding channels that effectively reach these businesses. 2. Diversify local economies and reduce dependence on external markets through several actions, namely: re-evaluating the unique strengths and comparative advantages of each city, encouraging investment in local products and local supply chains, and achieving greater work specialization through more investment in research, innovation and specific training programmes that increase productivity and competitiveness in national and international markets. In addition, promote the culture of value creation and value-added economic activities that address the most pressing socio-economic and environmental challenges. 3. Foster the intersection between the formal and informal economy by providing incentives through financial and business development services, and facilitating access to digital training, technologies and platforms. 4. Remove barriers to the creation and formalization of businesses through simplifying business development requirements and regulations, and adopting tax policies that are socially sensible and considerate to business classes and categories.
<p>Low economic and financial capacity</p> <ul style="list-style-type: none"> • Limited access of Small and Medium Enterprises (SME) to affordable credit and sustainable financing despite their high collective share of cities economies and important contribution to employment generation. 	

<p>Weak support to entrepreneurship and innovation</p> <ul style="list-style-type: none"> • Small scale, non-inclusive innovation ecosystems, with low technical capabilities to support a full cycle of product development in many regions. • Limited financing options for entrepreneurship and innovation, with heavy barriers to financing for start-ups. In addition, to the limited availability of fintech and e-commerce companies to support innovative and smart modes of financial and market support. 	<ol style="list-style-type: none"> 5. Catalyze participation in the local economy by encouraging entrepreneurial culture, innovation and creativity, including in underserved sectors, through supporting the restructuring of the entrepreneurship ecosystem. This can be done by encouraging local financial institutions and business community to help increase the number of start-ups, providing equal affordable financial and technical assistance to young entrepreneurs, and establishing business incubators supported by subsidies, such as rent exemption and tax relief programmes and other means of support, as well as encouraging partnerships with international players, and promoting innovation-led sustainable development. 6. Strengthen the role of the public sector in supporting ecosystems for business innovation and growth within cities by creating a flexible and adaptable business-enabling regulatory environment. This includes the improvement of the conditions and regulatory measures for attracting investments and partnerships with the private sector, building investment hubs within municipalities that are responsible for the identification of business and investment opportunities, and working with all relevant stakeholders in the design and implementation of investment opportunities.
---	--

LABOR MARKET	
Issue	Common Recommended Policies
<p>Lack of social security systems, or limited and poorly distributed social protection benefits.</p> <ul style="list-style-type: none"> • High unemployment rates that, in some regions, exceed 20% - particularly women unemployment- with no or marginal social protection benefits. • High rates of informal labor markets exceeding 60% of the labor force, which has no job security and is left out of social protection and health insurance schemes, particularly for women and youth. • Lack of social protection systems for immigrants, especially in cities with high dependence on foreign labor, or cities that are witnessing high influx of refugees and other immigrants. 	<ol style="list-style-type: none"> 1. Create national social protection systems for all (i.e., formal and informal labor) with adequate incentives and tailored social insurance schemes that encourage informal businesses and labor to enroll in these systems. In addition, increase the distribution of unemployment benefits and support programs -especially during crises conditions - in coordination with the local business community, as well as NGOs and CBOs - and simplify the bureaucratic procedures for unemployment benefit payments. 2. Adopt labor regulations compliant with human rights-based standards, and social protection of national as well as international workers. 3. Improve labor mobility and increase the professional level and competitiveness of the economically active population by providing training and retraining programmes that are coordinated with local market strategies and local labor market demand in terms of skills and qualifications, with a

<p>Limited labor market flexibility</p> <ul style="list-style-type: none"> • High (COVID-19 induced) unemployment, particularly in the informal sector, in addition to formal and informal businesses' closure and downsizing. • Employment concentration in few sectors with high sector concentration or large share of informal economies. 	<p>gender/intersectional approach to reach women and populations in vulnerable situations to participate and contribute to the local economy.</p> <ol style="list-style-type: none"> 4. Facilitate the provision of sufficient supply of affordable housing, particularly for low income families, vulnerable groups and youth, that is close to livelihood generation or easily accessible to public transportation, while regularly conducting housing studies to assess housing market conditions and recent developments in housing design and finance, and prepare housing contingency plans for crisis response and climate change. 5. Strengthen institutional frameworks for social dialogue, particularly with groups in vulnerable situations, to reveal and raise critical social and labor market issues to allow considering labor perspective when addressing these issues. 6. Diagnose and respond to women employment specific requirements, such as work based nurseries and children day care centers, adequate maternity leaves, apprenticeship opportunities, gender quotas and job placement services, while ensuring equal pay, and effective gender sensitive social protection benefits. 8. Develop the use of integrated digital technologies among private and public institutions to facilitate remote work modes and overcome labor mobility limitations, and allow businesses and services continuity where virtual work is possible or necessary. 9. Devise a contingency plan for future crises that involves emergency measures such as food distribution and cash transfers to low-income families that prioritize women as recipients, lump-sum transfers to the vulnerable, including individuals unemployed or on part time employment and micro-businesses, and other measures such as referral of tax payments.
<p>Weak labor mobility</p> <ul style="list-style-type: none"> • High housing rental prices that largely exceed households' income and lack of affordable housing ownership. • Long commuting time or poor access to quality public transport. 	

FINANCIAL ENVIRONMENT	
Issue	Common Recommended Policies
<p>Weak city fiscal space</p> <ul style="list-style-type: none"> • Weak city fiscal capacity, low diversity in revenue space, and weak fiscal flexibility across many cities. This is largely attributed to the fact that many cities of the regions have centralized national governance systems that manage a large number of cities functions, and hence, lack high degrees of regional or municipal autonomy as a large share of their budgets come from 	<ol style="list-style-type: none"> 1. Create additional funding channels and products to finance SMEs and start-ups, including those of informal businesses, particularly for women-led and sustainable businesses. Enact new legislation for micro finance institutions and develop 'last mile' finance models to address exclusion and inequality in access among most needed.

<p>central governments. This is coupled with limited diversity in financial resources and low capacity to borrow. Many cities also have modest shares of inelastic income, and their legal power to initiate and set tax rates is limited.</p>	<ol style="list-style-type: none"> 2. Improve financial literacy among city population, and expand financial services inclusion through improving access to banking systems and introducing financial products and incentives including digital financial accounts. 3. Promote decentralization by giving more autonomy to local governments to plan and manage finances and assets, budgets and revenues, taking into consideration the metropolitan scale when it applies. Encourage collaboration and partnerships between different levels of government to enhance fiscal flexibility and enable cities to have access to diverse sources of finance. In addition, develop more flexible and innovative financial frameworks for cities to respond effectively to crises. 4. Strengthen public financial management and performance through consistent monitoring and reporting of financial information, along with the development of medium-term expenditure frameworks, which can all enhance cities credit rating and provide access to more financing options. 5. Enhance the quality of services delivery and modernize revenue collection systems to improve rates, efficiency and effectiveness of tax collection. 6. Grow adequate fiscal space in cities by leveraging innovative municipal financing and revenue sources, such as municipal bonds, public private partnerships, environmental tax, and land-based financing mechanisms. Negotiate and establish effective emergency funding at the local level. 7. Foster greater competition in the financial system, possibly through creating alternative financial instruments and players/financiers, such as fintech and credit unions. 8. Improve financing systems regulations and financing policies transparency as well as implement necessary fiscal reforms to improve the effectiveness and scope of social policies where needed.
<p>Poor city financial health and stability</p> <ul style="list-style-type: none"> • Sharp decrease in cities' revenues and per capita spending due to COVID-19, forcing many cities to use their budget reserves and leaving others without adequate resources to deliver services, execute projects, or plan for new ones. Estimates from the World Bank and UN entities suggest that local governments may, on average, lose 15-25% in revenues in 2021. 	
<p>City financial system size is small and with limited depth</p> <ul style="list-style-type: none"> • Market share of financing targeting SMEs, startups and innovative businesses is small with a limited variety of affordable financing schemes, despite their considerable contribution to job creation and market diversity. In addition, lending to informal businesses is lacking, which triggers informal lending practices, often at a higher cost than formal lending. • Low percentage (less than 50%) of the population with bank account, and percentage of registered adult population with digital accounts is small and not widely spread in many cities 	
<p>Weakness in city financial performance and soundness</p> <ul style="list-style-type: none"> • High interest spread rates, in addition to concentration of loan portfolios in few sectors in many cities 	

ECONOMIC GOVERNANCE	
Issue	Common Recommended Policies
<p>Limited scope and inadequate quality of city planning</p> <ul style="list-style-type: none"> • Inadequate or non-existent crises management and vulnerability assessment provisions in city plans, with no or poorly allocated budgets for implementing necessary measures in crises situations. This has hindered and delayed critically needed basic services and responses to the COVID-19 impacts in many cities, while exposing the most vulnerable to extreme socio-economic conditions, and service failures. • Lack of multi-level interconnected plans (i.e., strategic, medium term and annual plans) as many cities only have annual plans while others lack the technical and financial capacities to implement their multi-level strategic plans. • Use of digital technologies, IoT and big data is still very limited or lacking, despite the fact that many cities have been proactively seeking digital solutions to many public issues and procedures. 	<ol style="list-style-type: none"> 1. Develop urban economic resilience adaptation and recovery plans, with integrated crisis management provisions and vulnerability assessment methodologies into city development strategies, plans and budgets – that should be aligned with national plans and objectives – while seeking technical, legislative and financial support from national and regional governments. 2. Modernize and streamline economic development plans and relevant work procedures to accommodate more participatory and reflexive approaches, that are inclusive to a wide range of key stakeholders, while integrating public feedback into planning and implementation frameworks. 3. Develop access and application of digital technologies and data analytics to city services, to improve services and capacities of municipal employees in building resilience for future crises. Promote data gathering on the local level to ensure a deeper understanding of local needs and improve service provision and delivery to overcome inequalities, while ensuring that individual privacy is safeguarded 4. Increase the availability and accessibility of disaggregated, specialized, and timely data for businesses, citizens and civil society about economic, business and investment issues. Establish data portals and urban observatories in partnership with national statistical agencies to improve data collection at different levels of government and geographical scale, to connect communities, cities and regions, and enable the development of suitable indicators and recovery measures that are built on evidence-based diagnosis. Utilize local data to gauge progress on the Sustainable Development Goals (SDGs) by using the Voluntary Local Reviews (VLRs) tool. 5. Increase flexibility in governance arrangements – institutional flexibility, adaptability – to facilitate partnerships with external organizations and implement innovative financial arrangements, so that cities can reallocate fiscal means towards an effective response.
<p>Weak investment readiness</p> <ul style="list-style-type: none"> • Investment projects are not derived from city strategic plans and long-term infrastructure investments are not strongly linked to long term economic planning in many cities. In addition, availability of investment projects profiles and investment data is limited or lacking, with a low number of establishments that facilitate or promote investment. • Cumbersome investment and business registration procedures, with complex and intense business regulations in many cities. • Many cities have limited provisions of their own land, with very little autonomy to decide on reallocation of public land within their boundaries. 	

<p>Weak economic governance structures and leadership</p> <ul style="list-style-type: none"> • Lack or low level of participation of non-governmental stakeholders, or even local governments in economic governance, particularly in highly centralized countries in many regions. • Limited and infrequent availability of information about economic issues, especially in contexts where local governments do not have legal authorities to intervene in economic matters. 	<ol style="list-style-type: none"> 6. Develop pathways for a transition towards a “circular economy” framework to city operations and services, and related inflow/outflow of materials, to develop more sustainable and transformative policies, plans and initiatives with a circular approach to the use of resources. 8. Reduce administrative and regulatory burdens in business registration, permitting and access to utilities. Build institutional and human technical capacities required for economic development planning and public financial management. 9. Introduce measures to integrate urban and territorial planning with urban economic planning and resilience, based on more diverse structures and scales of city development, such as polycentric spatial development models as alternate economic hubs to ensure circularity, continuity and more integration of businesses and demand and supply chains. Consider development models that achieve a balance between rural and urban population growth and stronger economic rural-urban linkages, including by applying a sustainable food systems approach and managing informal settlements growth in peripheral areas.
---	---

INFRASTRUCTURE AND CONNECTIVITY	
Issue	Common Recommended Policies
<p>Weak coverage and functionality of basic public services and infrastructure</p> <ul style="list-style-type: none"> • Limited universal access to water, sanitation and solid waste collection with shortages in some of these services that affect between 25-50% of the urban population in many cities across the various regions, particularly for cities with a wide spread of informal areas within their boundaries. In addition, many cities suffering from political conflicts are witnessing severe destruction of infrastructure that is leaving a large share of their population without basic services and putting extreme pressure on existing services. 	<ol style="list-style-type: none"> 1. Prioritize and develop mechanisms to provide and improve basic services such as waste collection, and water and sanitation services in under-served formal and informal areas, taking in consideration the metropolitan scale, when it applies. 2. Ensure long-term green and sustainable urban development with adequate provisions of public space to respond to both the pandemic and climate crisis challenges by integrating quality-of-life targets into urban planning. Strengthen the capacities of urban planning specialists at the city level in green and sustainable development and engage them effectively in local development planning processes.

<ul style="list-style-type: none"> • De-prioritized expenditure on critical infrastructure and public works due to budget deficits resulting from the high COVID-19 containment expenses. Hence, limiting the ability of cities to overcome service shortages, as well as weakening their capacity to maintain and improve existing municipal services. • Limited share of public space per capita within cities boundaries (less than 40% of city area) in some regions. 	<ol style="list-style-type: none"> 3. Consider innovative solutions to tackle infrastructure needs for financing such as: building partnerships with the private sector - including both large and small enterprises -, facilitating access to green bonds, and developing profitable municipal investment portfolios. 4. Increase public spending on health services with adequate contingency budgets, modernizing health facilities and hospitals and leveraging on digital health tools such as telemedicine, aimed at providing universal access to health systems, with particular awareness of the compounding impact of COVID-19 on vulnerable communities with intersecting inequalities, such as women and girls. 5. Fund nature-based solutions and ecosystem services that integrate blue, green and grey infrastructure into open space and basic service networks, helping cities and regions enhance their climate resilience and advance their socio-economic recovery while promoting alternative cost-effective and low-cost solutions inspired and supported by nature. 6. Accelerate investment in a wider set of urban infrastructure sectors necessary to secure better environmental and public health outcomes, including medium- and long-term strategies in new infrastructure construction, public spaces, building renovation, housing retrofitting, public transport and mass transit solutions. 7. Enhance reliable energy, mobile phone and internet coverage as essential components for economic resilience, while prioritizing renewable energy sources. Expand internet coverage to remote areas to ensure access to education throughout the urban-rural continuum leaving no one behind. 8. Expand infrastructure for active mobility (e.g., walking and cycling) and encourage transit-oriented developments, promote non-motorized modes of transport and compact, mixed-use neighbourhoods, taking in consideration the metropolitan scale, when it applies. 9. Integrate logistics and freight systems into urban and transport plans at both city and regional scales. Consider the efficiency and reliability of current systems and prioritize plans and policies that favour more sustainable and resilient solutions to the delivery of food and goods in the rural-urban continuum. 10. Address local sources of pollution such as transport emissions, polluting farming practices, waste burning and polluting industries by promoting improved urban services, a more compact urban form, and more stringent environmental standards, including more holistic resource management solutions.
<p>Poor levels of connectivity and mobility</p> <ul style="list-style-type: none"> • Limited coverage of superior public transport modes that does not exceed 75% of the city functional area, in addition to a lack of superior mass transit in many medium and small size cities, coupled with long commuting time in some cities. • Limited walkability in many cities with a high share of streets without sidewalks (more than 25%), or in need for rehabilitation, coupled with limited or no existent bicycle lanes. • High rate of digital divide and other inherent inequalities in some regions that are reflected in divide between urban, peri-urban and rural, or between cities in rich and poor countries across the region. 	
<p>Inadequate health services coverage</p> <ul style="list-style-type: none"> • Low expenditure on health services that doesn't exceed 9% of annual budgets in many cities. The impact of such low expenditure on the quality and coverage range of health services varies and depends on the role of central governments in the provision of public health and the relevant allocated government budget. • Low spending on health services that did not exceed 5% of the region's GDP in some regions, when compared with the average global spending that was close to 10% of the Global GDP before the pandemic. 	

B. Guiding Principles for Urban Economic and Financial Resilience Building and Recovery:

(Based on UNCDF Guiding Principles document with additions from insights during Global Policy Dialogue)

1. **Leaving no one behind:** ensuring that no one is harmed by the recovery and reconstruction efforts or excluded from them. Human rights and gender impacts should inform the design of recovery and resilience building policies. Particular attention should be paid to industries most likely to provide employment for vulnerable groups.
2. **Striving to achieve equality while learning from the crises:** initiating processes for recovery, reconstruction, and regeneration towards more equitable and sustainable societies in the future that address the vulnerabilities exposed by the crisis including: income and wealth inequality, digital inequality, access to basic services inequality, particularly sanitation systems, gender inequality, informality and vulnerability, poorly planned cities, weak databases, and inadequate governance systems.
3. **Mainstreaming resilience into sustainable development:** ensuring that all local development plans are “resilience-proof” by inclusion of crisis management plans with such key ingredients as emergency or contingency funds, basic needs reserves, emergency procedures and guidelines and participatory emergency committees.
4. **Promoting sustainable urbanization:** actions and decisions should be assessed for their impact on the environment and on marginalized and vulnerable groups in line with the 2030 Agenda.
5. **Adopting green recovery and circular economy principles:** making economic resilience go hand in hand with environmental resilience. Focus and resources allocation should be on nature-based and energy efficient solutions, natural resources protection, smart growth principles, and climate change mitigation.
6. **Prioritization of resource allocation in development planning and management,** by setting priorities correctly and (re)allocation of resources to the areas that are most relevant to minimizing the economic impacts of COVID-19.
7. **Efficiency:** focusing on practicing efficiency in combination with effectiveness in the day-to-day management of government, local or national, and the operations of businesses and civil society organizations, in addition to promoting market competition and removing cartels and monopolies where needed.
8. **Creating adequate fiscal space for recovery:** national and local governments should work towards improving their revenues, investment attractiveness and readiness, without outcompeting. Efforts to improve local revenue, management systems and elimination of inefficiencies in public expenditures should be encouraged, as well as combating corruption and waste.
9. **Adopting entrepreneurial governance approaches,** drawing on the principles of agility and efficiency found in the private sectors, but without compromising sustainability and resilience building.