

# STUDY

## **Decentralised cooperation to achieve the 2030 Agenda *Towards a new generation of multi-stakeholder partnerships***

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# TABLE OF CONTENTS

Executive Summary	p.05
1. Methodology	p.07
2. Conceptual approach	p.07
2.1. Decentralised cooperation	p.08
2.2. Multi-stakeholder partnerships	p.11
2.3. The territorial approach	p.11
3. Multi-stakeholder governance for effective and coherent decentralised cooperation partnerships	p.12
4. Decentralised cooperation and the private sector	p.15
4.1. Reinforcing LRGs' capacities for an improved business environment	p.16
4.1.1. Reinforcing LRGs' capacities for an improved business environment	p.17
4.1.2. Getting ready for large-scale investments	p.19
4.1.3. Public-private partnerships	p.21
4.1.4. New economic modalities: the social economy	p.21
4.2. Building bridges for commercial exchanges	p.23
4.3. Raising awareness for sustainable development	p.23
5. Decentralised cooperation and the non-profit sector	p.24
5.1. The non-profit sector as a whole	p.24
5.2. Migrant associations in particular	p.27
5.3. Philanthropies	p.27
6. Decentralised cooperation and the knowledge-based organisations	p.28
7. Tools	p.30
8. Conclusions	p.35

## LIST OF ACRONYMS

- CPMR** Conference of Peripheral Maritime Regions
- CSOs** Civil society organisations
- DC** Decentralised cooperation
- LRGs** Local and regional governments
- MSMEs** Micro, small and medium size enterprises
- MSPs** Multi-stakeholder partnerships
- NGOs** Non-governmental organisations
- PCSD** Policy coherence for sustainable development
- PPPs** Public-private partnerships
- SDGs** Sustainable Development Goals

## EXECUTIVE SUMMARY

Decentralised cooperation is increasingly recognised as an effective modality of development cooperation that is led by local and regional governments (or LRGs), as shown by the Research Study “Shaping a new generation of decentralised cooperation for enhanced effectiveness and accountability” (CPMR & PLATFORMA, 2017).<sup>1</sup>

Multi-stakeholder partnerships (MSPs) are those arrangements between a public authority and one or more private stakeholders whereby all parties pool knowledge and resources aiming for mutual benefit.

Decentralised cooperation and multi-stakeholder partnerships can become synergistic for regional and local development both in the North and in the South in what has been called the “territorial approach”. This twofold contribution to regional and local development has been acknowledged by the global agendas such as the 2030 Agenda for Sustainable Development (as underlined during the 2018 High-Level Political Forum), the New Urban Agenda and the Addis Ababa Action Agenda. Indeed, multi-stakeholder partnerships and the resources, knowledge and innovation of the private sector, civil society, NGOs, the scientific community, academia, philanthropy and foundations, parliaments, regional and local authorities, volunteers and other stakeholders, are important to mobilise and share knowledge, expertise, technology and financial resources and instruments, complement the efforts of governments, and help to achieve the Sustainable Development Goals, in particular in developing countries, as put forward by the latter agenda.

The private sector (private companies, employers’ organisations, professional associations and the social economy) has the capacity to go further than its traditional role as a funder or a mere investor and become a real agent of local development, thus demonstrating its social and territorial responsibility. This is possible despite the challenges that might arise from involving the private sector in publicly-driven initiatives, which need to be carefully assessed. Decentralised cooperation is very well-placed to reinforce LRGs’ capacities to achieve an improved business environment through the creation and development of micro, small and medium enterprises (MSMEs), the provision of a friendlier environment, the attraction and management of investments, the development of

public-private partnerships, the generation of new economic models, the creation of employment, etc. But it can also play a crucial role in building bridges for commercial exchanges, or in raising awareness for sustainable development, amongst other actions. The new EU blending mechanism (EU External Investment Plan) will most probably be a turning point in this sense.

The non-profit sector plays a crucial role as far as advocacy, networking and brokering, design, implementation, evaluation, transparency and accountability are concerned. In fields such as healthcare, education or social services, non-profits have gained a very relevant experience that can be conveyed to their peers in the South in the framework of DC partnerships. Especially during this last decade of global economic and social crisis that has led to growing inequalities, joint work between CSOs and LRGs has proved a very valuable and efficient asset for local development.

Finally, knowledge-based organisations (universities, think tanks, research centres, policy institutes etc.) can build research capacity in the South and create new knowledge to overcome development issues through their conceptual and analytical thinking. They can contribute to MSPs with capacity building activities and the provision of data for urban professionals, including planners, policy analysts, managers etc. Their knowledge, innovation and technology from across disciplines are essential for planning as well as for monitoring and evaluating results.

In this sense, the selection of appropriate indicators should be made with the support and agreement of all partners involved, particularly those with specific skills in this matter and those most directly benefitting from the action (who are in most cases the partners from the South). Only this way will the partners involved be capable of being transparent and accountable to each other and to the citizenship and local stakeholders.

This Study is part of the CPMR External Cooperation activity led by the Basque Government, and developed in the framework of the activities conducted under the Strategic Partnership Agreement signed between PLATFORMA and the European Union. The objectives are to reinforce the new and innovative landscape and alliances for decentralised cooperation, in the context of the 2030 Agenda and the EU answer to the territorial dimension.

<sup>1</sup> CPMR & PLATFORMA (2017). A. Fernández de Losada, Research Study “Shaping a new generation of decentralised cooperation for enhanced effectiveness and accountability” <http://bit.ly/2FIEG0Z>



# 1 METHODOLOGY

The Study has been conceived with a think-tank paper approach. It builds on the practices and lessons learnt by the CPRM regions and PLATFORMA partners in the context of their decentralised cooperation projects with third country peers, as well as by local and regional governments (LRGs) associations and networks worldwide.

The methodology used for the elaboration of this Study has combined desk research and a questionnaire distributed to PLATFORMA

partners, CPRM member regions, other key associations of local and regional governments and other stakeholders, the responses to which were in some cases complemented by phone interviews. This participative approach is aimed at identifying opinions and successful experiences that can contribute to providing the core elements of a new generation of multi-stakeholder partnerships for decentralised cooperation as well as examples that might be replicated by other local and regional governments.

# 2 CONCEPTUAL APPROACH

Development cooperation no longer lies only in the hands of public authorities, who have experienced a growing role of local and regional governments (LRGs). Different kinds of stakeholders have embarked on this major undertaking which is to make the world a better place. While NGOs might be the most traditional counterpart of governments in international aid and development cooperation in many countries, they are experiencing the rise of other actors such as other kinds of CSOs<sup>2</sup>, universities, private companies or even the migrant community. Local and regional governments (LRGs, understood for the purposes of this Study as any subnational government) strive towards leading this new era of development cooperation through what has been called “decentralised cooperation”.

<sup>2</sup> For the purpose of this Study, NGOs and CSOs are understood as in UNDP's document “NGOs and CSOs: a note on terminology”: “NGO” is sometimes used interchangeably with “CSO”, but NGOs should be properly understood as a subset of CSOs involved in development cooperation, albeit often one with no clear boundaries.”  
<http://www.cn.undp.org/content/dam/china/docs/Publications/UNDP-CH03 Annexes.pdf>



This Study focuses on two kinds of local stakeholders supporting LRGs in decentralised cooperation initiatives: the private sector and non-profit, non-state organisations.

The question now arises: how to put all these stakeholders together in order to create more efficient, coherent and complementary multi-stakeholder partnerships for decentralised cooperation? This section offers a succinct definition and presentation of the concepts “decentralised cooperation” and “multi-stakeholder partnership”. Subsequent sections will show how these concepts will be intertwined to contribute to territorial development.

## 2.1. Decentralised cooperation

The concept “decentralised cooperation” is constantly evolving, and a wholly accepted definition has yet to be agreed among academia, experts and operators<sup>3</sup>. At the turn of the century there was an important change in the perception of the concept: while previously it referred to development cooperation practices carried out by many different players other than the central government (local and regional governments, their agencies, non-governmental organisations, universities...), around the year 2000 the concept got limited to those development cooperation practices that are led by LRGs.

This led to an increasing recognition of decentralised cooperation as a local public policy that LRGs channelled through the design and implementation of development cooperation master plans.

According to the Research Study “Shaping a new generation of decentralised cooperation for enhanced effectiveness and accountability”<sup>4</sup> which this Study builds on, there are many different types of decentralised cooperation as well as modalities, flows and types of intervention, as the following table shows:

TYPE OF COOPERATION	MODALITY	FLOWS	TYPE OF INTERVENTION
Direct cooperation	Vertical	North-South South-South	Transfer of aid Transfer of know-how Exchange of experiences
	Partnership Agency Network	North-South South-South Triangular	Transfer of know-how Exchange of experiences Peer-to-peer learning Technical cooperation Funding
Indirect cooperation	Through NGOs	North-South	Transfer of aid Transfer of know-how Exchange of experiences
Education and awareness-raising initiatives	Own initiatives Through NGOs	North South	Campaigns Advocacy Education projects etc.
Delegated cooperation	Bilateral agreement between developed LRGs and/or agencies	North-South	Exchange of experiences Peer-to-peer learning Technical cooperation
Budget support	Bilateral agreement between developed LRG and developing LRGs	North-South	Transfer of aid Transfer of know-how
Scholarships		North-South	Education Learning

> Source : own compilation

<sup>3</sup> European Commission. A. Fernández de Losada, M. Barceló, K. Rewovska (2013). Study on capitalisation of European Decentralised Cooperation Experiences\*

<sup>4</sup> Conference of Peripheral Maritime Regions (CPMR) & PLATFORMA. A. Fernández de Losada (2017). Research Study “Shaping a new generation of decentralised cooperation for enhanced effectiveness and accountability” <http://bit.ly/2FIEG0Z>





As seen in the abovementioned Study, there are some modalities of decentralised cooperation that favour stakeholder participation more than others.

Direct cooperation is probably the most participative modality. In the beginning, direct decentralised cooperation was seen as a vertical modality based on the transfer of aid and knowledge from the rich North to the poor South. Today, however, it involves partnerships where knowledge and experience flow in different directions (North to South, South to South and South to North), but from a more or less horizontal perspective, and the territory is the node of exchanges among the core players of development led by their LRGs.

Direct cooperation in its horizontal approach has given place to different forms aiming to foster the exchange of experiences, the transfer of know-how, mutual learning and the development of shared innovative pilot initiatives.

The most relevant ones are territorial partnerships. They are solid and structured bi- and multilateral horizontal relationships between LRGs that have the capacity to involve the most relevant territorial stakeholders and seek synergies amongst them: civil society organisations, philanthropies, the private sector and knowledge-based organisations in fields of territorial specialisation, thus approaching the territory from an integral, multi-dimensional and multi-stakeholder perspective. They are to be found in Southern Europe, mainly in France, Italy and Spain, and in some emerging economies like Brazil, Colombia or Mexico.

The second modality of direct decentralised cooperation are agencies, highly professionalised ad hoc structures set up by LRGs individually or through their associations. They can be found in Europe (especially in Spain, Belgium, the Netherlands and the Scandinavian countries), in Canada, and most recently in South Africa. Finally, direct cooperation can be executed through networks bringing together several LRGs, their associations and multilateral actors. Originating in Europe, they now cover almost all territories in the world.

The network **Unión de Ciudades Capitales Iberoamericanas** (Union of Iberoamerican Capital Cities) has launched the Integral Cooperation Programme, a tool aiming to foster cooperation between the partner cities that has been created building on their own experiences in the field of decentralised cooperation along the years. This tool is a flexible framework inasmuch as its programming depends on the needs and aspirations of the two partners involved in each partnership and their territories: this means that local stakeholders (academia, CSOs, private sector) are also called to participate. This tool evolves based on the new needs, initiatives or resources detected.

The Integral Cooperation Programme moves away from one-off measures and focuses instead on the integral development of a local territory over a 2 to 4-year time span, based on the exchange of knowledge, mutual learning and reciprocity, the transfer of resources and good practices etc. The Programme partners have developed a methodology that is applied to each specific collaboration. This methodology starts with a letter of intent between possible partners. This letter is followed by the identification of the

sectoral priorities of both territories and the involvement of local stakeholders. This intention and the identification of priorities and actors are materialised by virtue of a memorandum of understanding that will be signed by both parties. After that, the governance system is put in place under the principles of coordination, synchronisation and transparency. This system includes a board of directors, a management committee and as many working groups as necessary. The design and formulation of results-oriented strategies and actions, terms and resources is the last stage of the planning cycle. It starts by stating the main goals of the programme and sectoral priorities, then followed by a reasoning of the selected alternative, the description of the action strategy and the identification of specific actions to be carried out. The implementation stage also involves, of course, monitoring and assessment. Finally, promotion and dissemination of the programme and its results is essential for transparency and accountability purposes.

**More information at:**

<http://ciudadesiberoamericanas.org/>



All the types of direct decentralised cooperation pointed out (page 8) (vertical cooperation, territorial partnerships, agencies and networks) allow LRGs to intervene in many different ways: transfer of aid, technical cooperation, technology transfer, peer-to-peer learning, exchange of experiences and good practices or the implementation of pilot actions, among others.

While this Study focuses on direct decentralised cooperation as the most appropriate type of development cooperation for involving local stakeholders, other types are also to be found worldwide. In the first place, indirect cooperation, by virtue of which LRGs channel their development cooperation actions through NGOs, is very widespread. Awareness-raising initiatives are ano-

ther type of cooperation that focuses on sensitizing and educating the citizenship and local stakeholders on the global matters affecting the sustainable development of the planet. Advocacy actions are addressed at fostering the creation of an enabling environment for decentralised cooperation by superior tiers of governments and other organisations, as well as at achieving the engagement of these stakeholders in development cooperation. In delegated cooperation schemes, bilateral agreements are signed between developed LRGs and/or agencies. Budget support, although decreasingly relevant, is still a way to collaborate between a developed and a developing LRG. Finally, a less frequent type of cooperation is scholarships aiming to foster education and learning exchanges between students, professionals or scholars.

## 2.2. Multi-stakeholder partnerships

As regards multi-stakeholder partnerships (MSPs), they can be defined as those arrangements between a public authority and one or more private stakeholders whereby all parties pool knowledge and resources aiming for mutual benefit. As defined by UN resolution A/RES/70/224 on "Towards global partnerships", partnerships are "voluntary and collaborative relationships between various parties, both public and non-public, in which all participants agree to work together to achieve a common purpose or undertake a specific task and, as mutually agreed, to share risks and responsibilities, resources and benefits" (A/RES/70/224, para. 2). In the field of decentralised cooperation, MSPs are the association of LRGs with private stakeholders aiming to develop more effective, resourceful and innovative decentralised cooperation projects.

There exists a myriad of private stakeholders who can contribute to stronger and more efficient MSPs in the field of decentralised cooperation. In this Study, we will focus on two spheres, each of which is composed of different kinds of stakeholders who share specific features: the private sector on the one hand, and non-profit, non-state organisations on the other hand.

The private sector, understood as all those for-profit businesses that are not owned or operated by the government, has been working with public authorities for many decades. It is important to note here that not only multinational corporations are called to participate in MSPs. Small and medium-sized enterprises (SMEs) represent around 99% of all businesses in the world, account for about 66% of permanent, full-time employment<sup>5</sup> and are the cradle of innovation, creativity and competitiveness, meaning that they play an essential role in the local sustainable development of their territories. However, in the field of decentralised cooperation, their potential is yet to be unlocked. The social economy, professional associations, chambers of commerce and business associations are also included in this group based on the domain in which they usually operate.

The second group is made up of all non-market and non-state organisations in which people organise themselves to pursue shared interests in the public domain, as defined by the OECD DAC. Many institutions are to be taken into account in this category such as community-based organisations, non-governmental organisations, environmental groups, women's rights groups, independent research institutes and the not-for-profit media.

## 2.3. The territorial approach

The territorial approach is a coherent and innovative method to plan and implement public policies that place regional and local development at their core, including multi-level and multi-stakeholder mechanisms for more inclusive and complementary results. At EU level, the territorial approach strengthens the Union's potential and strategic policies such as the EU Regional Development or the Smart Specialisation Strategy, amongst others, and tackles the European approach under the 2030 Agenda.

It requires a multi-sectoral and integrated approach to current problems that is ensured by cooperation amongst the different territorial stakeholders. It also demands horizontal complementarity and coordination amongst all levels of government that have the competence to operate in the territory. This includes local governments as the level of government that is closer to the citizenship in conformity with the subsidiarity principle, intermediate governments (regional, provincial, state government), the national government and international organisations where applicable.

The territorial approach is in line with sustainable development in its economic, social, environmental, cultural and institutional dimensions, because both aim to respond to the actual needs and aspirations of each territory. And, as pointed out, LRGs have an enormous capacity to experience, process and give an answer to these needs and aspirations inasmuch as their contact with the citizenship and local stakeholders is clear, frequent and intense.

The **Basque Country** sees the 2030 Agenda as an opportunity because it is fully in step with its own priorities: human development guaranteeing essential services for all, and sustainable growth generating job opportunities to higher levels of quality. As a consequence, the Government has developed the *Agenda Euskadi – Basque Country 2030*.

The *Agenda Euskadi – Basque Country 2030* reflects the extent of alignment and contribution of the Government Programme and the sectoral policies implementing it in terms of the goals and targets relating to the 17 SDGs. It defines the Basque Country's vision in the local and global scenario, a challenge to be undertaken "in the spirit of what we call '*auzolana*', cooperation and a shared workload for the common good", and "with a clear mission and the promise that 'no one will be left behind', which confirms the territory's approach to the principle of partnership included in the Agenda.

In line with the *Agenda Euskadi – Basque Country 2030*, and as an example of territorial strategy, the Government has adopted several framework documents for the international action of all Basque public and private stakeholders based on a global approach: **the Strategy Euskadi – Basque Country** (the 2020 internationalisation framework strategy, **Euskadi's Future Vision on Europe**, and the **Basque Policy Coherence Strategy** (led by the Basque Country Development Cooperation Agency). As for the latter, the Basque Government is publicly committed to promoting government action which takes as its frame of reference the considerations put forward herein. It proposes the necessary changes so that PCSD (Policy coherence for sustainable development) can be not only a principal source of inspiration for public policy, but also an operative formula to confront current challenges under better conditions, both at domestic and international levels.

**More information at:** [https://www.irekia.euskadi.eus/uploads/attachments/11500/AGENDA\\_EBC2030.pdf?1523448923](https://www.irekia.euskadi.eus/uploads/attachments/11500/AGENDA_EBC2030.pdf?1523448923)

<sup>5</sup> IFC Jobs Study, Assessing private sector contributions to job creation and poverty reduction, January 2013 [https://www.ifc.org/wps/wcm/connect/0fe6e2804e2c0a8f8d3bad7a9dd66321/IFC\\_FULL+JOB+STUDY+REPORT\\_JAN2013\\_FINAL.pdf?MOD=AJPERES](https://www.ifc.org/wps/wcm/connect/0fe6e2804e2c0a8f8d3bad7a9dd66321/IFC_FULL+JOB+STUDY+REPORT_JAN2013_FINAL.pdf?MOD=AJPERES)

The territorial approach is also in line with MSPs inasmuch as it strengthens cooperation amongst all local stakeholders, promotes activities embedded in the territory, puts human values at the core and mobilises local potentialities and assets.<sup>6</sup> It harnesses the potential of LRGs and other social and economic stakeholders of the territories as development partners and to promote the principles of development cooperation effectiveness locally, and it has been recognised as an important instrument to support sustainable local development by the United Nations.

For all these reasons, decentralised cooperation carried out from a strategic perspective covering all dimensions of sustainable development becomes a critically useful tool for the development of all territories. Decentralised cooperation embraces initiatives for building capacities of the LRGs in terms of skills, organisation and resources and consequently contributes to the strategic territorial approach of the participating territories.

Additionally, it is important to underline that the territorial approach requires an enabling environment where each level of government has clear competences and sufficient financial, technical and human resources. Given that LRGs' existing financial, technical and human resources do not usually match the amount of competences and responsibilities of these institutions, decentralised cooperation plays a very relevant role in a twofold sense.

Firstly, it is crucial for the strengthening of their operative and institutional capacities and adaptation to the situation they are facing and, secondly, for the design and development of joint advocacy actions addressed at the national and international tiers of government.

# 3 MULTI-STAKEHOLDER GOVERNANCE FOR EFFECTIVE AND COHERENT DECENTRALISED COOPERATION PARTNERSHIPS

MSPs have become a crucial tool for public service provision and infrastructure development at territorial level. The New Urban Agenda urges "all national, subnational and local governments, as well as all relevant stakeholders, in line with national policies and legislation, to revitalise, strengthen and create partnerships, enhancing coordination and cooperation to effectively implement the New Urban Agenda and realize our shared vision" (para. 21).

Additionally, as part of the 2030 Agenda adopted by the United Nations in September 2015, the Sustainable Development Goal 17, called "Partnership for the goals", acknowledges multi-stakeholder partnerships as key for mobilizing and sharing knowledge, expertise, technologies and financial resources to support the achievement of the Agenda in all countries (developing countries in particular), and encourages effective public, public-private and civil society partnerships.

These two global agendas fostering partnerships between public and private actors clearly consider decentralised cooperation as a suitable mechanism for their achievement.

The CPMR Policy Position "Decentralised cooperation and the regional dimension in the 2030 Agenda for Sustainable Development" (November 2015) recalls in this sense that decentralised cooperation leads LRGs to work with other organisations such as CSOs and NGOs in both the donors' and the recipients' territories (para. 6). For this reason, achieving the 2030 Agenda undeniably requires "revised terms of reference for achieving effective private-public partnerships with strong institutional governance mechanisms and accountability controls on the part of all levels of government", complying with the principle of leaving no-one behind.

<sup>6</sup> Shared Position Paper by the members of the Policy Forum on Development (PFD) <https://europa.eu/capacity4dev/file/31367/download?token=4Lbb-Wx5>

<sup>7</sup> CPMR Policy Position "Decentralised cooperation and the regional dimension in the 2030 Agenda for Sustainable Development" (November 2015) <https://cpmr.org/wpdm-package/decentralised-cooperation-and-the-regional-dimension-in-the-2030-agenda-for-sustainable-development/?wpdmdl=4195&refresh=5b891565051e81535710565&ind=1456226029048>

Also, the Addis Ababa Action Agenda adopted at the Third International Conference on Financing for Development<sup>8</sup> recognises the importance of MSPs, as the instrument itself states: “The enhanced and revitalized global partnership for sustainable development, led by Governments, will be a vehicle for strengthening international cooperation for implementation of the post-2015 development agenda. Multi-stakeholder partnerships and the resources, knowledge and ingenuity of the private sector, civil society, the scientific community, academia, philanthropy and foundations, parliaments, local authorities, volunteers and other stakeholders will be important to mobilize and share knowledge, expertise, technology and financial resources, complement the efforts of Governments, and support the achievement of the sustainable development goals, in particular in developing countries” (para. 10).

Although the Addis Ababa Action Agenda focuses on the national tier of government rather than on the regional and local tiers, it recognises the crucial role of local governments and subnational actors in development and commits to scaling up international cooperation to strengthen capacities of municipalities and other local authorities (“expenditures and investments in sustainable development are being devolved to the subnational level, which often lacks adequate technical and technological capacity, financing and support”). The recognised role of decentralised cooperation needs undoubtedly to be linked to the fact that “[multi-stakeholder] partnerships are effective instruments for mobilising human and financial resources, expertise, technology and knowledge” (para. 76), thus fostering MSPs for decentralised cooperation.

A final remark has to be made as regards the recognition by the Addis Ababa Action Agenda “that both public and private investment have key roles to play in infrastructure financing, including through development banks, development finance institutions and tools and mechanisms such as public-private partnerships” (para. 48). This paragraph does nothing but confirm that all stakeholders can contribute, each with their own capacities and aims, to territorial development.

As mentioned, MSPs are completely in line with the territorial approach to development. Nevertheless, some limitations might appear in MSPs that need to be taken into account and addressed. Some MSPs may tend to focus on specific short-term quantifiable results, and their ad-hoc nature and focus on specific issues may in some circumstances, make it difficult to link them to the priority needs of developing countries<sup>9</sup>. This is however not an intrinsic feature of MSPs, for which reason working with a strategic, long-term and international perspective will prevent moving away from the priorities of these territories and also those set by the LRG. Obviously, finding the right partners with whom the LRG shares visions and priorities also ensures coherence within the partnership.

<sup>8</sup> Addis Ababa Action Agenda of the Third International Conference on Financing for Development [https://sustainabledevelopment.un.org/content/documents/2051AAAA\\_Outcome.pdf](https://sustainabledevelopment.un.org/content/documents/2051AAAA_Outcome.pdf)

<sup>9</sup> Multi-stakeholder partnerships for implementing the 2030 Agenda: Improving accountability and transparency. Analytical Paper for the 2016 ECOSOC Partnership Forum – March 11, 2016 <https://www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/2016doc/partnership-forum-beisheim-simon.pdf>

The territories of the recently created French region of **Nouvelle-Aquitaine** have forged DC partnerships over the years. Aquitaine, Limousin and Poitou-Charentes worked for many years in decentralised cooperation with NGOs, universities, high schools, professional organisations and private companies from the North and the South through conventions and work programmes. Since 1 January 2016, they are united in the new region Nouvelle-Aquitaine. This process has not meant that these partnerships have disappeared, but instead they have become stronger and complementary to each other, and the different stakeholders have found new partners with new knowledge, skills and resources.

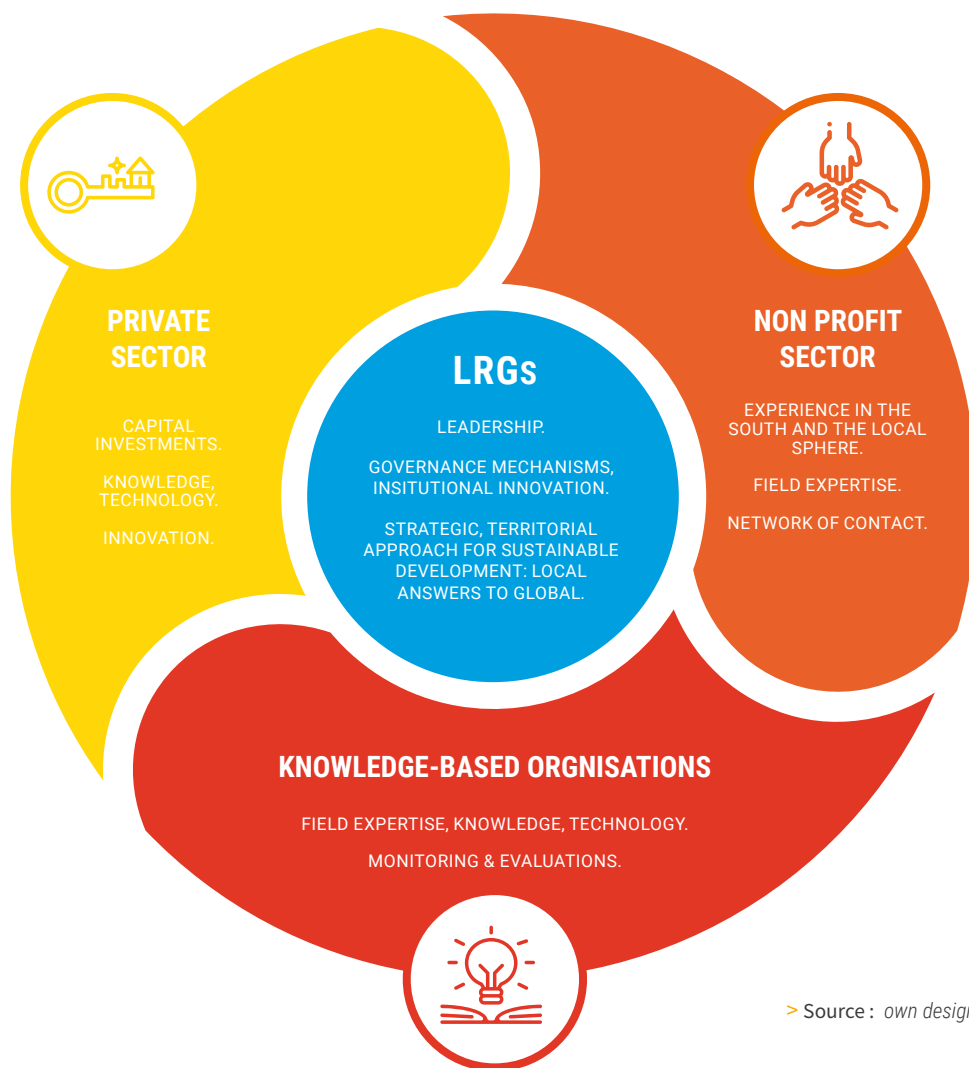
For example, the LRGs *Département de la Gironde*, *Ville de Martignas-sur-Jalles*, *Ville de Panazol*, *Agglomération de Limoges* and *Pays Marennes-Oléron* have coordinated their actions with those that the region carries out in Senegal. While some initiatives revolve around consolidating the LRGs in the framework of the territorial reforms in both Senegal (2014) and France (2016), others are focused on local economic development. The different axes cover the development of the goat farming sector in the Diourbel region, revitalising agricultural production on family farms in the departments of Mbacké and Fatick, and the development of professional training and the socio-economic integration of the youth, amongst others.

**More information at:** *Développer des coopérations. Région Nouvelle-Aquitaine* <https://www.nouvelle-aquitaine.fr/actions/region-ouverte-au-monde/developper-cooperations.html>

Decentralised cooperation can also be approached from a strategic, long-term perspective aiming to foster systemic changes, especially when counting on the engagement of local stakeholders. Initiatives improving the local capacities from the South contribute to sustainable results, in contrast with other initiatives that only provide one-time services or goods.

Decentralised cooperation initiatives may focus, for example, on exchanging knowledge and experiences about strategies aiming to establish and manage MSPs according to the political and institutional framework, which might or might not be very favourable. They may also target improving the process through which LRGs and other stakeholders get their territory and institutions ready to manage big changes such as a large foreign investment (i.e. to collect taxes, to demand respect for workers’ rights, to control the social and environmental impact arising from these changes, etc.)

These knowledge and experience exchanges are crucial given that, as pointed out above, LRGs are gradually acquiring new competences without always getting the corresponding resources to implement them adequately, particularly in the field of sustainable development.



All in all, the participation of the different local stakeholders is highly encouraged in all these decentralised cooperation initiatives. The graph summarizes the advantages of involving each of these groups in MSPs for effective and coherent decentralised cooperation. While the private sector, the non-profit sector (including migrant communities) and knowledge-based organisations are explained in the subsequent chapters, the role of LRGs deserves special attention here.

LRGs are pivotal stakeholders of decentralised cooperation processes. They are the leaders of local development. They lay down the governance mechanisms, including intra-administrative, multi-stakeholder and multi-level coordination mechanisms and fostering institutional innovation. Based on the contributions of all these actors expressing their needs, aspirations and resources,

LRGs have the capacity to take a strategic and territorial approach towards sustainable development in all its forms: economic, environmental and social. In the same vein, they contribute with local answers to global challenges. LRGs provide, according to their competences, the legal and political framework for the other stakeholders to take action at local level, as well as for LRGs themselves to adopt the necessary public policies, programmes and projects to find responses to the local challenges in which they have competences. They also have (often not enough) resources to move these policies forward with the support of all stakeholders, from the planning stage to the implementation, monitoring and evaluation stages. All in all, LRGs are in the best position to lead and coordinate development cooperation actions with local impact.

# 4 DECENTRALISED COOPERATION AND THE PRIVATE SECTOR

The private sector is a key stakeholder in the sustainable development of a territory. It fosters job creation, income generation, technology, knowledge and innovation. The “diversity of the private sector, ranging from micro-enterprises to cooperatives to multinationals” is acknowledged by the international community and called “to apply their creativity and innovation to solving sustainable development challenges” (Recital 67 of the 2030 Agenda for Sustainable Development). And they are called into play and evolve from doing actions that only “do no harm<sup>10</sup>” towards other, more proactive actions that contribute positively to development (“doing good”), thus “helping to solve societal problems – and creating shared value”.

But as pointed out by the Institute for Human Rights and Businesses, “the contribution of business is about much more than creating jobs, paying taxes and developing technology. It is also about determining the nature and purpose of business in a world where economic growth has delivered wealth alongside inequality, and prosperity alongside environmental damage<sup>11</sup>”.

The private sector can contribute to shaping social change through shared value, by innovating current business models or creating new ones looking for better environmental, economic and social solutions, by bringing in new products and services, working for more transparent value chains, collaborating with local businesses or investing in the competitive context or clusters around their business. The private sector can also bridge the gap, through capital and talent, in finance and technical capacities that are necessary for achieving the SDGs.



For the purposes of this Study, the private sector includes private companies, employers’ organisations and professional associations and the social economy.

Regional and global development cooperation agendas are increasingly looking at involving the private sector in development through the lens of investments, funding and public-private partnerships. In the context of emerging plans such as the new EU External Investment Plan (which is explained below), LRGs need to ensure they play an adequate role in this sense, combining private sector initiatives with development outcomes. They also need to ensure that these plans and corresponding projects comply with the 2030 Agenda for Sustainable Development, the

<sup>10</sup> Special Working Paper Series on ‘Unintended Effects of International Cooperation’. Working Paper No. 2017/13. The developmental impact of private sector investments in East-Africa: a bottom up assessment of intended and unintended effects R.M. Santpoort, R.M.M. Bosch, G. Betsema and E.B. Zoomers  
[https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwiz1sWERL\\_bAhVlzRQKHXCdnoQFggpMAA&url=https%3A%2F%2Fwww.ru.nl%2Fpublish%2Fpages%2F814787%2Fsantpoort\\_2017\\_13.pdf&usq=A0vVawZ2OgkG-fqes1qZpuTo6yVQ](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwiz1sWERL_bAhVlzRQKHXCdnoQFggpMAA&url=https%3A%2F%2Fwww.ru.nl%2Fpublish%2Fpages%2F814787%2Fsantpoort_2017_13.pdf&usq=A0vVawZ2OgkG-fqes1qZpuTo6yVQ)

<sup>11</sup> State of Play. Business and the Sustainable Development Goals: Mind the Gap – Challenges for Implementation. Institute for Human Rights and Business (IHRB), September 2015  
<https://www.ihrb.org/pdf/state-of-play/Business-and-the-SDGs.pdf>

New Urban Agenda, the Busan Partnership for Effective Development Cooperation, and the other agendas with local impact, and are in line with the territory’s development strategies or plans.

Broadly speaking, the private sector understood as a whole contributes to decentralised cooperation with experiences, technology, knowledge, funding and expertise in different fields, whether in specialised fields or as cross-sectoral know-how. This way, the private sector has the capacity to go further than its traditional role as a funder and, of course, as a mere investor (where its only purpose is to obtain financial gains) and become a real agent of local development. This role is not new for the private sector: for many years now, supranational organisations such as the UN and the European Commission have fostered corporate social responsibility, whereby companies take responsibility for their impact on society<sup>12</sup>.

The participation of the private sector in DC initiatives can be seen from a threefold perspective, which is developed below:

- Reinforcing LRG’s capacities for an improved business environment
- Building bridges for commercial exchanges
- Raising awareness for sustainable development

There are, nevertheless, several risks of involving the private sector in development cooperation which derive from its very private nature. Even though the principle of “one size fits all” cannot be applied here, the private sector is, by definition, for profit, especially private companies. This means that their participation in decentralised cooperation initiatives will not leave aside their more general purposes such as obtaining a profit margin, reducing operational costs, maximizing investments, gaining access to finance or acquiring global reputation, amongst others<sup>13</sup>. On some occasions, the solidarity component of their participation in such international initiatives might fall within the scope of corporate social responsibility.

The private sector also looks for results in the short term, and provoking structural changes in society or in the territory are not on their agenda or, at least, are not the main goal. All these aims are completely justified and needn’t change. For all these reasons, before embarking on a DC initiative, LRGs need to move with caution, think through the expectations they have of the private stakeholders involved and ensure these stakeholders’ aims and methods are in line with those of the LRGs. Likewise, environmental protection and compliance with labour rights, amongst others, are criteria that need to be ensured in the framework of the partnership seeking joint accountability.

<sup>12</sup> Corporate Social Responsibility (CSR). European Commission  
[https://ec.europa.eu/growth/industry/corporate-social-responsibility\\_en](https://ec.europa.eu/growth/industry/corporate-social-responsibility_en)

<sup>13</sup> Multi-stakeholder partnerships issue paper. Global Knowledge Partnership  
<http://gkpfoundation.org/media/images/reports/145-MSPGKP2.pdf>

Awareness-raising initiatives can be carried out on the importance of MSPs for decentralised cooperation targeted at this sector. One option is to foster collaboration with professional associations representing the companies' interests which are, from a general perspective, more driven by the general interest than private companies individually. Following this, the private sector has the right and the duty to contribute to the sustainable development of its own territory and to that of the partner territory. This means that participating in the MSP initiative for its own benefit should not be its only goal. Co-responsibility between the public and the private sector (that is, linking the business interest to the public interest) becomes pivotal in DC partnerships.

But most importantly, the contribution of the private sector in MSPs for decentralised cooperation has a twofold benefit: both for the territory and for the private stakeholder itself. The former has been analysed above. As for the latter, opening to decentralised cooperation might bring about an opportunity for the private sector to strengthen their brand, innovate, find new partners or improve community relations.

Putting together ethics and local economic development through DC is possible. This has been proven by the successful project developed by the **region of Brittany and eight West African countries**<sup>14</sup>. One of the axes of the project, which aimed to develop the cotton sector and exchanges between these two regions in the world, was to organise the demand in Brittany.

After ensuring a first stage where the NGO Helvetas developed a support and training programme for local West African producers of organic cotton, in a second stage work was carried out in association with five big companies of the French region. These companies committed themselves to respecting the principles of fair trade and secured the cotton supply for their production. After that, the region of Brittany undertook to explore all possibilities allowing for the promotion of fair-trade organic cotton in the territory, especially amongst the public sector. For example, students from the Louis-Guilloux high school, in Rennes, worked on the manufacturing of organic cotton clothing in the framework of their fashion and recycling studies. This was followed by the involvement of other stakeholders such as cooperative banks, NGOs, free trade associations, vocational schools, scientists, the West African diaspora in the French region, etc. Together with the strengthening of the cotton sector in the West African countries, this initiative resulted in higher income, positive impacts on health, the development of collective projects and cooperatives, female job creation, and the development of micro-credit finance, amongst others.

This chapter is divided into four subchapters, each corresponding to one sphere of involvement of the private sector in decentralised cooperation.

<sup>14</sup> Une filière coton bio et équitable entre la Bretagne et l'Afrique de l'Ouest. Région Bretagne. 2009 <http://www.bretagne-solidarite-internationale.org/sur-le-terrain/une-filiere-coton-bio-et-equitable-entre-la-bretagne-et-l-afrique-de-l-ouest.html>



#### 4.1. Reinforcing LRGs' capacities for an improved business environment

Decentralised cooperation can be a very effective tool to strengthen the institutional and operational capacities of LRGs in their efforts to promote public policies for local economic development. In fact, as a general rule LRGs promote public policies aimed at fostering an environment that is more favourable to generating economic activity and employment.

Local or territorial economic development policies usually face different challenges such as the following, which are further developed below:

- The generation of economic activity through support for the creation and development of micro, small and medium-sized enterprises (MSMEs)
- The promotion of a friendlier environment for companies (access to financing, simplification of administrative procedures, trained workers, adequate infrastructures, universities etc.)
- The attraction of investments and the management of their impacts
- The development of public-private partnerships
- The promotion of new economic models, especially the social economy or the circular economy
- The generation of employment (including the formalization of informal employment)



The promotion of these policies also requires the participation of all the economic actors of the territory, whether chambers of commerce, employers, unions etc. Likewise, involving universities and civil society organisations in the economic development strategies of the territory is also required.

In this sense, decentralised cooperation initiatives that involve the private sector (and other stakeholders) within the framework of a multi-stakeholder approach can favour the development of amongst others, mechanisms for knowledge transfer and innovation, training programmes for LRG staff or for entrepreneurs and professionals, financing mechanisms etc.

#### 4.1.1. Policies promoting territorial economic development, focusing on MSMEs

LRGs, with their competences in economic development, can contribute to sustainable economic growth, provide basic infrastructures and services to the population and also help big and small companies prosper, subsequently contributing to sustainable development in all its forms, also environmentally and socially. There exist many areas of work through which LRGs can contribute to local economic development:

- They take action for a more diversified and specialised production, working for the recruitment and mobility of staff
- They connect with local businesses and higher education institutions in order to address issues impacting on graduate placement, work readiness, and recruitment and mobility of staff
- Similarly, they bring local institutions dedicated to research, such as schools, colleges, universities, science and research parks, together with companies in order to bring new innovations to market, fostering entrepreneurship, also promoting the creation of business clusters and incubators
- They provide companies, especially MSMEs, with access to market opportunities, finance (i.e. by launching their own microfinance institutions), technical support, mentorship and with contacts from other companies with whom to collaborate
- They provide specific support and opportunities for those who are typically marginalized: women, youth, indigenous people, ethnic minorities, and people with disabilities
- Along the same lines, they work with the local stakeholders in order to reduce the informal economy and gradually integrate informal workers into the formal system. This can be done by extending technical services to informal enterprises, developing their skills, upgrading their technology, assisting them to connect with other enterprises, offering better health and education services and upgrading the physical infrastructure (roads, markets and other public spaces, water supply, sanitation) that facilitates informal enterprises, amongst others

And, of course, they build an enabling environment in other intersecting fields such as culture, infrastructures, support to digital transformation, etc.



The **Basque Government Cooperation Agency** and the Basque Cooperation Fund have collaborated with Tecnalia, a Basque research and innovation foundation that aims to contribute to socio-economic development through technological innovation and the dissemination of research in an international context, and whose board of trustees counts on the representatives of the biggest companies in the territory.

The project, which involves the Municipality of Havana (*Oficina del Historiador*) and also its citizenship, developed in the context of a long-term collaboration and a cooperation framework aiming to rehabilitate Havana's historical centre. The project takes place under the Cuban Special Masterplan for Comprehensive Development (PEDI), which guarantees a comprehensive, prosperous and sustainable development of the historical centre of the capital, including the rehabilitation of households and heritage conservation, promoting skills specialisations in heritage, generating innovative initiatives and employment, and local and regional sustainable management, fields in which the citizenship has been trained through specific courses. In 2018, a specific project has focused on knowledge exchange amongst specialists, managers, professors and civil servants from the municipality on the recycling of waste and other elements for the production of building materials.

**More information at:** <https://www.tecnalia.com/es/construccion-sostenible/noticias/reciclaje-produccion-y-construccion-sostenible-en-la-habana-vieja.htm>



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Particular emphasis is to be placed in micro, small and middle-sized enterprises (MSMEs). In the European Union they represent 99% of all businesses. It is thus obvious that they contribute greatly to business development, job creation and income generation in European regions and cities. And similar figures are to be found around the globe, both in the North and in the South, making cities and regions evolve and progress towards sustainability.

In December 2017, **Cités Unies France** signed a joint declaration with the Task Force "Ville Durable" ("Sustainable City") of MEDEF International, association that aims to strengthen the role of French companies in the international sphere. The goal of this joint declaration is to foster better collaborations between LRGs and companies based on the challenges of the sustainable city internationally, in relation to decentralised cooperation or international projects. It will also aim to mobilise companies in the context of organising delegations of Cités Unies France abroad, decentralised cooperation meetings, or receiving foreign delegations. Lastly, it will aim to involve Cités Unies France more closely in the work of the "Ville Durable" Task Force, as well as to better collaborate with companies on the occasion of the annual meetings on the internalization of local authorities organized by Cités Unies France.

**More information at:** Cités Unies France et la Task Force « Ville durable » de Medef International : Rencontres entre les élus locaux et les entreprises & signature d'une convention de partenariat, le 12 décembre 2017  
<https://www.cites-unies-france.org/Cites-Unies-France-et-la-Task>

MSMEs contribute to innovation and knowledge dissemination, respond to new or niche demands and social needs, and enhance social inclusion. They are dynamic, flexible and have the capacity to specialise, while contributing enormously to the development of their territory through their social and economic functions. For example, they can collaborate with the LRGs in creating joint provision schemes for vocational training systems or to promote gender-responsiveness. However, in many countries they have to face specific challenges such as the limited access to affordable sources of financing (particularly women), the lack of professional, technical and managerial skills, or an inadequate legal and institutional framework.

Often good practices realised at local level are easier to transfer into other contexts, and a bottom-up approach to decentralised cooperation favours the involvement of MSMEs, which can fit very well in some countries.

#### 4.1.2. Getting ready for large-scale investments

As pointed out above, the private sector is increasingly being called to contribute to sustainable development, both in its own territory and elsewhere in the world, particularly in the global South. For example, the European Union encourages investment in its partner

countries in Africa and the EU Neighbourhood region through the new EU External Investment Plan in order to "promote inclusive growth, job creation and sustainable development, and so tackle some of the root causes of irregular migration<sup>15</sup>". As stated in 2016 by the High Representative of the Union for Foreign Affairs and Security Policy, Federica Mogherini, this Plan creates "the conditions for Europeans to expand their businesses and move into new countries" and supports "[the EU's] partners' economies and societies, as well as [its] strategic foreign policy goals, from security to global development<sup>16</sup>". And it will create these conditions through different angles that are closely interlinked:

- Financing: calling for private banks to finance development projects (public or private)
- Investments: creating the conditions for increasing private investments in developing countries
- Public-private partnerships: looking at providing financing or services delivery by the private sector for public-sector activities

Except for large cities, which have the capacity and resources to negotiate the granting of credits directly with development banks or other financial institutions, most LRGs do not intervene in negotiations aimed at deciding upon a large-scale investment and its location. Generally, these investments are decided at the central level, although the impact of these investments is local. In any case, LRGs will have to be prepared to receive large-scale investments that will have direct impact upon their territories.

Some cities in Latin America or Asia have had direct relations with multilateral institutions and development banks. For example, the **Inter-American Development Bank** has an enormous experience in participating in most of the mass transportation systems of Latin American cities such as Quito, Lima or most recently Bogotá. The bank offers these cities not only funding but also knowledge (studies, reports, surveys) and skills.

It is in this context that decentralised cooperation can prove a key mechanism for development. Through decentralised cooperation, experienced LRGs can develop technical assistance and capacity-building mechanisms for their peers in the South. This assistance can thus be complementary to those efforts made by investment banks, private companies and national development agencies and aim for the design of LRGs' own suitable and attractive projects in search of funding, but also for the development of skills to deal with public debt once they are implementing these projects.

Also, LRGs might not be the direct implementers of the projects, but their territories, as said, experience the impact, both positive and negative, of these projects. This is the case when foreign companies establish direct negotiations with superior tiers of go-

<sup>15</sup> EU External Investment Plan.  
[https://ec.europa.eu/europeaid/sites/devco/files/factsheet-eip-20171120\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/factsheet-eip-20171120_en.pdf)

<sup>16</sup> European Commission - Press release. State of the Union 2016: Strengthening European Investments for jobs and growth [http://europa.eu/rapid/press-release\\_IP-16-3002\\_en.htm](http://europa.eu/rapid/press-release_IP-16-3002_en.htm)



vernment (mostly national governments) or set up their factories or other facilities through contacts with private stakeholders. For example, an investment project in the field of energy at national level will inevitably impact the local level. In this case, decentralised cooperation allows LRGs to develop the necessary skills to face this new situation. Firstly, LRGs can arise as the private company's local partner: while foreign companies have limited knowledge of the local contexts where they invest (many of them based on false assumptions or generalisations), LRGs can help them bridge this knowledge gap in order to minimise negative consequences.

Likewise, LRGs will need to be ready to face the challenges and spill-over effects, both expected and unexpected, arising from large-scale investments, such as:

- organisation of the local community as well as surrounding territories' authorities so that they can be informed and consulted by the persons responsible for the investment, as well as participate in the monitoring and evaluation
- processing of fair compensations in case of harm
- arrival of new workers and displacement of local groups

- management of new infrastructures or rearrangement of old ones
- setback in the development of local businesses, limited job creation
- management of negative environmental and social impact (gender violence, violence, corruption...)
- food insecurity, diseases in the local communities

LRGs have the duty to ensure that these blending instruments do not collide with development priorities but instead contribute to them (that is, through development and financial additionality over financial returns), aligning the interests of businesses and the public interest.

At the time of writing this Study, one of the five windows considered essential for the EU External Investment Plan<sup>17</sup> is the exploration of innovative mechanisms to address the challenges of sustainable urban development faced by partner countries. It remains to be seen if only big cities will be able to turn to this mechanism or, on the contrary, it will be open to small and middle-sized cities as well or to broader territories such as regions in an urban-rural approach.

<sup>17</sup> EU External Investment Plan. Investing together in creating jobs and development. European Commission [https://ec.europa.eu/commission/eu-external-investment-plan\\_en](https://ec.europa.eu/commission/eu-external-investment-plan_en)

### 4.1.3. Public-private partnerships

Public-private partnerships or PPPs are a long-term financing modality through which the public sector contracts a private entity for the provision (or financing) of a public asset or service. In the provision of goods and services such as health, education, water and transportation, which are usually a competence of local and regional governments, PPPs have become a crucial tool.

PPPs might be understood as a modality of MSP inasmuch as they are a crucial way of collaborating between a public administration and a private company. Following this, capacity-building initiatives in the framework of decentralised cooperation aiming to prepare peer LRGs for the management of such instruments are of great added value. This is important because, as shown by the Infrascopes study on the enabling environment for PPPs in Latin America and the Caribbean (2017),<sup>18</sup> “there is still an important gap between legislation (what is on the books) [for those countries who have specific laws on the matter] and the maturity of the sector in terms of PPP projects implemented (what occurs in practice)”.

The study points out a relevant matter for the cases of Brazil and Peru that could be extended to a greater or lesser extent to the rest of countries in the region and beyond. As regards the former, “there are likely to be growing pains as more PPPs are developed at the local level, where the technical capacity is nascent”. As for Peru, “it is clear that greater support to regional and local governments is required in planning, evaluation, formulation and monitoring PPP projects”. Going now to Europe, in Ukraine “project development is a problem for regional authorities, which lack access to support from an independent local PPP unit [because] the current agency is located within the Ministry of Economic Development and Trade<sup>19</sup>”. Capacity constraints are also present in Africa. For example, in South Africa, the municipal-level capacities are weaker than those at the national government level; regulations are more complex; [...] municipal authorities are considered higher-risk by credit risk agencies<sup>20</sup> and “there are cumbersome administrative processes”. By contrast Nigeria presents positive experiences in terms of PPP promotion: here, the local level is where much of the implementation of concessions takes place. Nevertheless, there are still pending matters such as the fact that bidding transparency and dispute resolution, albeit well regulated, are not always effective in practice.

As can be seen, PPPs are a very complex instrument, and support can be given in many different areas. And decentralised cooperation can contribute to solving these pending matters through the exchange of experiences and knowledge: promotion of political will and enabling environment, the selection criteria and bidding process, risk allocation, negotiations and renegotiations, allocation of staff and resources to the process, monitoring, transparency and accountability... Based on the Infrascopes reports, LRGs can jointly develop their capacities in the following categories and subcategories:

- Legal and regulatory framework: local PPP regulation, effective PPP selection and decision-making, fairness/openness of bids, contract changes, dispute-resolution mechanisms
- Institutional framework: quality of institutional design, PPP contract, hold-up and expropriation risk
- Operational maturity: public capacity to plan and oversee PPPs, methods and criteria for awarding projects, regulators' risk-allocation record, experience in transport, water and electricity concessions, quality of transport, water and electricity concessions
- Investment climate: political distortion, business environment, political will
- Financial facilities: government payment risk, private infrastructure finance, marketable debt, government support and affordability for low-income users

Additionally, advocacy actions will be key in order to achieve an enabling environment for the development of efficient PPPs, what the Infrascopes reports have called “subnational adjustment”. In this sense, advocacy may be addressed at requiring from national governments the possibility to carry out PPPs at the local level and with sufficient autonomy, also through their own PPP unit to oversee projects within their jurisdiction (and not conclude contracts only after approval by the corresponding national ministry). It may also aim at requesting financial facilities from the national government, especially due to the fact that LRGs usually lack the necessary financial resources to develop their competences and tasks. And it may also focus on requiring national contributions in terms of human resources and capacity development, i.e. through the establishment of a support office in the corresponding ministry. Most essentially, LRGs can advocate for the creation of the necessary political environment and the development of national political will, as well as for the creation of a business and financial environment at national level that attracts national and international companies into PPPs and other such economic initiatives.

### 4.1.4. New economic modalities: the social economy

New economic modalities are arising and gaining strength, especially since the recent global crisis highlighted the need for a change in the economic patterns developed until then.

The social and solidarity economy, including cooperatives, mutual societies and social enterprises, brings creativity and innovation aimed particularly at facing the challenges of sustainable development both in the North and in the South. The social and solidarity economy is committed to social and political development from grassroots communities and to reinforcing cooperative values from the bottom up such as social inclusion, partnerships, justice, and democratic and participative governance. It shares work and concern for the community, including social and economic inclusion and empowerment, and has very important capacities to bridge the gap between urban and rural areas. For all these reasons, the social and solidarity economy constitutes “a pillar and crucial complement of a comprehensive and integrated LED approach<sup>21</sup>” and this complementarity is a very suitable “combined means for SDGs localisation”.

<sup>18</sup> The 2017 Infrascopes. Evaluating the environment for public-private partnerships in Latin America and the Caribbean. The Economist Intelligence Unit <https://infrascopes.eiu.com/latin-america-and-the-caribbean/>

<sup>19</sup> The 2017 Infrascopes. Evaluating the environment for public-private partnerships in Eastern Europe, Central Asia and the Southern and Eastern Mediterranean. The Economist Intelligence Unit [https://infrascopes.eiu.com/wp-content/uploads/2017/05/Infrascopes-2017\\_EECA-SEMED-Final\\_5-May.pdf](https://infrascopes.eiu.com/wp-content/uploads/2017/05/Infrascopes-2017_EECA-SEMED-Final_5-May.pdf)

<sup>20</sup> The 2015 Infrascopes. Evaluating the environment for public-private partnerships in Africa. The Economist Intelligence Unit [https://infrascopes.eiu.com/wp-content/uploads/2017/02/Africa\\_Infrascopes\\_Report\\_2015\\_English.pdf](https://infrascopes.eiu.com/wp-content/uploads/2017/02/Africa_Infrascopes_Report_2015_English.pdf)

<sup>21</sup> 3<sup>rd</sup> World Forum of Local Economic Development. Torino, October 13th-16th 2015. <http://ledworldforum.org/event/3rd-world-forum/>

When promoting local economic development, LRGs need to focus on those aspects of the economy that are best tackled from the local sphere in a subsidiarity approach. This would be the case of initiatives focused on food (locally-based food production and consumption), energy (changes in the energy model), transport (promotion of the use of electric motorbikes or of bicycles)...

As for what LRGs can offer to these types of companies, according to the city network United Cities and Local Governments, "LRGs in many countries include social economy enterprises in their planning processes and support them with start-up funding, technical assistance, skills training, and, where legal, preferential treatment in procurement contracts"<sup>22</sup>. In the other direction, "the enterprises themselves, once established, invest their surplus in training, quality improvements, and expansion of their services".

Sometimes region-to-country cooperation also brings good practices in the field of social economy. This is the case of the **region of Flanders (Belgium)** that, through its Country Strategy Paper "Flanders – South Africa 2017-2021", has carried out a dialogue and negotiation process with the South African national Government in order to determine the areas for the implementation of its development cooperation in the country.

Following the prioritisation by South Africa of implementing climate change strategies, and given that the regulatory framework for social enterprises is in the process of being developed, the Flemish Country Strategy Paper is aimed at contributing to job creation and social enterprise development in a climate driven green economy. The new strategy is perfectly in line with the previous strategy 2012-2016, which facilitated the implementation of a 3-year initiative, started in 2016, with the not-for-profit company LifeCo Unlimited South Africa. In this project, the Flemish government has given 2.4 million euros to the organisation aiming to strengthen the ecosystem for social enterprises in order to stimulate growth and to create jobs. The key activities set out are developing social entrepreneurial awareness among young people, enhancing the investment readiness of social entrepreneurs, establishing a social venture capital fund, creating the South African Impact Entrepreneurs Network, and supporting applied research and development in the social economy.

**More information at:** [https://drive.google.com/file/d/1\\_c3W9Q1Deao0HgmVmx7bH9Irl8Khx2Jj/view](https://drive.google.com/file/d/1_c3W9Q1Deao0HgmVmx7bH9Irl8Khx2Jj/view)

The social economy, from agriculture and forestry to insurance and financial initiatives, usually involves that shareholders have the right to recover their investments and the company covers the costs. Strategic initiatives can have high, long-term social and environmental impacts, and allow all members of the company to be involved in this contribution to the project's value chain and success, from the employees at the basis of the pyramid to the board of directors. More importantly, all that is generated stays in the territory and is re-used by the enterprise in future projects or distributed to the local owners.

For this reason, fair trade-based DC initiatives are very suitable platforms for the development of the territories also in the South, not only from an economic but also from a social, environmental and human point of view. Companies involved in fair trade contribute to improving the way of living of producers and allow them to increase their access to the market, strengthen their organisations and capacities, and receive a fair compensation for their work. LRGs can accompany these projects and facilitate contacts between producers and buyers in a way that is sustainable over time, contributes to social justice, economic security and the protection of the environment, and enhances the role of local communities.

One of the tools LRGs can use to promote fair trade and ethical practices is public procurement. Through public purchasing LRGs can ensure that the goods and services acquired comply with the necessary standards of ethics, labour rights, environmental protection, social inclusion and human rights, amongst others. While public procurement has been subject to extensive regulation in countries from the North, it is still an outstanding issue in the South, where practices might be more vague and cost-oriented. This is consequently another field in which DC-based capacity-building initiatives can prove very useful.

Every year, public authorities in the European Union invest around 14% of total GDP in the purchase of works, services and supplies.

**The predominant role of public procurement** as a mechanism for channelling public policies, beyond providing the administration with goods and services, is one of the pillars of the 2020 Strategy of the European Union. In this sense, different initiatives have arisen such as the "Guide for the protection and promotion of human rights in public procurement", which responds to a demand from Catalan civil society and municipalities to promote the introduction of labour, environmental, social and human rights in the public procurement requirements.

In the context of these actions in the specific field of public procurement, LRGs can work together with their local companies in order to promote fair trade and the purchase of local sustainable products coming from territories from the South. They can also collaborate with these territories in order to create an enabling environment where local companies participating in transnational supply chains comply with these standards and rights.

**More information at:** [www.993responsable.org/descarega/guide-for-the-promotion-and-protection-of-human-rights-in-public-procurement/](http://www.993responsable.org/descarega/guide-for-the-promotion-and-protection-of-human-rights-in-public-procurement/)

<sup>22</sup> UCLG Policy Paper. The Role of Local Governments in Territorial Economic Development [https://www.uclg.org/sites/default/files/the\\_role\\_of\\_local\\_governments\\_in\\_territorial\\_economic\\_development.pdf](https://www.uclg.org/sites/default/files/the_role_of_local_governments_in_territorial_economic_development.pdf)



## 4.2 Building bridges for commercial exchanges

Decentralised cooperation partnerships are also a good scenario for developing commercial exchanges between companies from the territories involved, ensuring that these exchanges are not exclusively from North to South but also from South to North. In this sense, decentralised cooperation should not be exclusively used to open new markets for companies in the North – if such exchanges, on the contrary, are bidirectional, they should be regarded as a positive outcome.

In this case, the LRGs can call for the participation of private companies in pilot projects or platforms. These projects might focus on the development of capacities and skills of the local companies (employers as well as employees), the strengthening of their financial structure etc. Bilateral relations and exchanges born in the framework of the project or after the conclusion thereof should be seen as a success of the collaboration.

Chambers of commerce and professional and business associations, additionally, can offer enormous support to the local productive system and to fostering commercial exchanges, particularly aiming for the development of MSMEs. Some of them have considerable networks and contacts around the world, as well as vast knowledge of the international sphere and even cooperation programmes. Some of them have already collaborated with Governments in the so-called North for developing and improving capacities in the South – pointing both at their peers (chambers of commerce, professional associations...) and represented LRGs and at LRGs who work to create enabling environments and offer the private sector new opportunities for development.

## 4.3 Raising awareness for sustainable development

As the initiative Global Compact puts it, “companies face unique challenges to operating responsibly and have different opportunities to make a positive impact. Companies with operations and supply chains extending around the world need to understand locations far from headquarters and view sustainability through a local lens<sup>23</sup>”. At the same time, companies have an enormous power of persuasion and capacity to change consumers’ and citizens’ way of acting.

For these reasons, LRGs should foster alliances with the private sector in order to 1) mobilise it, and 2) jointly mobilise the citizenship and other local stakeholders in achieving sustainable development in a co-responsible way. Even though these alliances cannot be regarded as decentralised cooperation, prioritising actions in this sense at local level is increasingly common as much as increasingly necessary.

The contribution of the private sector in MSPs for decentralised cooperation benefits the territory and the private stakeholder itself, as pointed out above. This has to be complemented with the enormous contribution the private sector can make to sustainable development and human rights: a longer life for the resources they need, better conditions for the people they employ, fostered entrepreneurship amongst the youth who are joining the labour market and even more sustainable, transparent and accountable supply chains, which the private sector can ultimately benefit from.

Action can be taken through conferences, seminars and workshops focusing only on private sector sustainable development strategies or including different local stakeholders (academia, civil society organisations...) but also through the development of a website showcasing positive efforts made by the companies or a set of guidelines for other companies, by co-organising activities for children and youth, etc.

<sup>23</sup> A local lens for global change. United Nations Global Compact <https://www.unglobalcompact.org/engage-locally>

# 5 DECENTRALISED COOPERATION AND THE NON-PROFIT SECTOR



In some countries, public authorities have traditionally entrusted the design and execution of development cooperation projects to the non-profit sector.



The non-profit sector includes community-based organisations, environmental groups, women's rights groups, migrant associations... dedicated to fostering shared values or fighting for particular social causes.

While other stakeholders have entered into play in the field of cooperation, some voices raise their concerns that this sector is becoming diluted. On the contrary, the non-profit sector plays a crucial role as far as advocacy, networking and brokering, design, implementation, evaluation, transparency and accountability are concerned.

## 5.1 The non-profit sector as a whole

CSOs are powerful designers and implementers of development cooperation projects inasmuch as they have the experience, the necessary skills as well as the knowledge of their own territory and its stakeholders, which allows them to execute evidence-based, tailor-made initiatives. Consequently, their role as networkers and brokers cannot be neglected. They have strong connections with civil society actors in their territory or abroad, and in their field of work or other fields of interest. They enable people to claim their rights, promote rights-based approaches, shape development policies and partnerships and oversee their implementation.

The non-profit sector participates as well in the provision of services for the population through MSPs or concessions agreed by the public authorities. In fields such as healthcare, education or social services, the non-profit sector has gained a very relevant experience that can be conveyed to their peers in the South in the framework of DC partnerships.



In **Latin America**, the local government association Mercociudades has been actively working in the field of integral cooperation. Mercociudades has signed a framework agreement with the programme *Mercosur Social y Solidario* by virtue of which the association has worked with many of the 16 CSOs in Argentina, Brazil, Chile, Paraguay and Uruguay that are part of the programme. Additionally, in the field of human rights Mercociudades has signed a framework agreement for collaboration and technical assistance with the *Instituto de Políticas Públicas en Derechos Humanos del Mercosur*, a relevant network of CSOs working in this field. Finally, as an example of the work carried out by the different thematic units of the association, the Thematic Unit Gender and Municipality has worked with the *Articulación Feminista Mercosur*, a regional CSO grouping many national CSOs with a local focus.

**Source:** <http://ciudadesiberoamericanas.org/documentacion-asociada/#1500021284911-5a0a7cf6-3b40>

Additionally, the alignment of these institutions' strategies to those of their LRGs in the field of development cooperation is very plausible, fact that contributes to ensuring coherence throughout the partnership. Their responsibility and commitment to the goals pursued are beyond doubt – cooperation comes before competition. And their expertise in developing quality project proposals and dealing with the bureaucracy surrounding cooperation is crucial for the smooth development of the partnership.

The non-profit sector has a prominent role in ensuring that the partners are transparent and accountable to each other and, similarly, that the partnership is accountable to the direct and indirect beneficiaries of the action and to society as a whole. In most cases,

their strictness about the achievement of the expected results and critical observations ensure the initiatives are not deflected from their original goals. Innovation is also ensured by this kind of institution: they are usually in favour of experimenting in financing, hybrid organisational models, cooperativism and social innovation. And they contribute enormously to dialogue, debate and political action, playing a leading role in advocacy projects and other actions.

Some CSOs working in cross-sectoral matters such as gender equality, environmental protection, legal support, social inclusion, etc. can join MSPs with the aim of contributing with their knowledge in a field that is common to all disciplines and ensure their values are taken into account, regardless of the specific aim of the partnership.

For example, trade unions are strong defenders not only of labour and other social rights but also of other human rights (migrants' rights, women's rights, environmental rights, linguistic rights etc.), although their experience in decentralised cooperation is still limited. They have reinforced skills in collaborating, networking with other stakeholders, and in empowering communities from deprived backgrounds. And through their critical stance they are able to break with the frozen conflicts of the most traditional economy and strive to ensure that the initiative brings an actual change with it.

A recent study<sup>24</sup> focusing on the complementary features of development cooperation actors and the third sector in Catalonia summarises the strengths of both groups as follows and concludes that joint work between these actors as well as with other local stakeholders (especially public authorities) offers enormous added value to development cooperation:

<sup>24</sup> Griso, A. Espais de confluència entre la cooperació al desenvolupament i el tercer sector social de Catalunya. L'articulació de partenariats per una cooperació més eficaç. Direcció General de Cooperació al Desenvolupament. Generalitat de Catalunya. 2018

DEVELOPMENT COOPERATION ACTORS	THIRD SECTOR
Broad knowledge of the logics of development processes in third countries	Financial independence
Experience and professionalism in the implementation of development cooperation projects and programmes, as well as of advocacy, awareness-raising, humanitarian aid and education for development projects	Active social vocation and aiming for social, economic and environmental sustainable development, as well as for social economy and cooperativism; expertise in business and management models linked to social economy, and expertise in the provision of services for the population in many different specific fields
Knowledge of multilateral and international actors and acknowledgment as key stakeholders for development	Commitment to community action and networking, knowledge of the importance of strategic alliances for the achievement of shared aims
	Re-investment of profits in improving services for the community in a non-profit logic



One of the disadvantages of many NGOs and other CSOs as regards the traditional schemes of decentralised cooperation is their dependency upon public funds (and other sources of funds) in order to execute their own projects. Consequently, working through MSPs where not only LRGs but also other stakeholders contribute each with their own expertise, funds and other resources offers more possibilities to execute DC projects.

## 5.2 Migrant associations in particular

Migrants are recognised engines of social and cultural vitality and diversity, innovation, knowledge or democratic governance, all of these big contributors to local development. According to the Guidelines on integrating migration into decentralised cooperation for enhanced migration management for local development<sup>25</sup> (UNDP JMDI, 2017), “migrants play an essential role in the process, and not only as recipients of actions led by other stakeholders. Indeed, in many cases migrant associations and the diaspora are behind the establishment of decentralised cooperation partnerships, especially those built across a migratory channel”.

Co-development (the integration of the migrant communities into the social and economic development of their territories of origin and destination) is consequently a core matter of MSPs for decentralised cooperation. Co-development contributes, amongst other matters, to enhancing migrant contribution to sustainable development in both origin and destination communities, to improving LRG’s institutional and operational capacities in migration governance, to empowering migrants and their associations to strengthen their development initiatives, and to reinforcing their integration in destination communities. It fosters more horizontal and balanced relationships amongst the partners and moves away from traditional donor-recipient relations.

<sup>25</sup> Guidelines on integrating migration into decentralised cooperation for enhanced migration management for local development. UNDP JMDI. 2017  
<http://www.migration4development.org/en/resources/library/guidelines-integrating-migration-decentralised-cooperation>

In **Catalonia**, the private initiative Co-development Board was born in 2017 aiming to use the potential of migration as an engine of sustainable human development in the peer countries based on an active role of migrant people that contributes at the same time to their social inclusion in Catalonia.

One of its objectives is to improve the current coordination mechanisms between the different co-development entities (NGOs and others) and other relevant stakeholders such as the public authorities (the Catalan Agency for Development, the Catalan Cooperation Board, local governments), trade unions, universities, political parties, media and the citizenship, amongst others. The articulation and joint work of these institutions will raise the profile and allow for greater acknowledgment of this modality of development cooperation.

## 5.3 Philanthropies

Philanthropies are increasingly working with LRGs, especially in urban issues. And, although they might be considered as part of the social economy<sup>26</sup>, philanthropies or foundations should be regarded as part of the non-profit sector. Platforms such as the C40, supported by Bloomberg Philanthropies, or 100 Resilient Cities, created by the Rockefeller Foundation, are emerging as very dynamic and empowered operators, for which reason philanthropies deserve a specific mention in this section. They are involved in most of the main challenges that cities are currently facing such as climate change or social exclusion. They achieve significant impact in the short term, work through highly professionalized structures capable of attracting highly qualified and specialised staff, and have a strong capacity for communication as their presence in the traditional and social media is growing steadily.<sup>27</sup>

This type of platform operates as a catalyst for city-to-city partnerships and networks. They facilitate knowledge and access to experiences, best practices and innovative strategies as well as links with experts (the scientific community, professional experts, businesses etc). Philanthropic organisations provide access to innovative solutions implemented by cities in partnership with market organisations and knowledge-based institutions.

Philanthropic organisations are capable of joining forces with other operators. They both conclude agreements with big companies or national governments and offer their peer cities stable collaborations with a large pool of experts and operators, many of them multinational companies who offer solutions to the cities’ greatest challenges.

<sup>26</sup> The European Union considers foundations as another type of social economy enterprises  
[http://ec.europa.eu/growth/sectors/social-economy/associations-foundations\\_es](http://ec.europa.eu/growth/sectors/social-economy/associations-foundations_es)

<sup>27</sup> El tablero internacional de las ciudades. Agustí Fernández de Losada. El País. 15 May 2018  
[https://elpais.com/elpais/2018/05/04/seres\\_urbanos/1525448946\\_820849.html](https://elpais.com/elpais/2018/05/04/seres_urbanos/1525448946_820849.html)

# 6 DECENTRALISED COOPERATION AND THE KNOWLEDGE-BASED ORGANISATIONS

Inter-university cooperation has been running for many years now, one of the best examples being the European Union's university exchange programme Erasmus, which has already celebrated its 30<sup>th</sup> anniversary. But examples are to be found elsewhere around the world.



Knowledge-based organisations are all those who aim to create, obtain and apply knowledge to produce products or services or contribute to the improvement of situations, such as universities, think tanks, research centres, policy institutes, etc.



Inter-university cooperation can take different forms in DC initiatives. Firstly, peer universities from the North (or South) can provide annual scholarships to students from the South so that they can stay for a determined period of time in the offering university. When these students go back to their territories, they bring with them a bag full of knowledge, experiences and new perspectives that will subsequently be used in their home communities. Universities may also offer scholarships to their own students so that they move to the South for a specific period aiming to conduct research on a particular field, research that will be very useful afterwards to raise awareness of development issues in the academic community and, in general, in society. But academics may also drive innovative forms of cooperation with their peers in the South such as seed and harvest subsidies, matching funds, network facilitation, etc. They may also provide innovation in the institutional management of the universities, strategic planning, quality management systems, cooperation strategies with external interest groups, the development of graduate and postgraduate training courses or even the development of a dual training system and the placement of students in the private sector as a way to contribute to local development.<sup>28</sup> Their contact with young people is essential to get the new generations involved in, and committed to, local development and research. Here, the role of LRGs as facilitators of contacts or providers of funds and equipment, for example, can be crucial for the smooth development of partnerships.

The IV Cooperation Master Plan 2017-2020 of the region of **Valencia** includes the term "University Development Cooperation", by virtue of which different actions are carried out by the Valencian public universities aimed at the social transformation of least developed countries and the reinforcement of peace, equity, human development and environmental sustainability. It is thus assumed that institutional and academic strengthening is essential to this aim.

The University Development Cooperation is co-funded by the Government of Valencia and revolves around different axes: education and training; research and transfer of technology; institutional strengthening and technical cooperation; awareness raising, social mobilization and education for development, and on-site action programmes and projects. Universities also cooperate in humanitarian actions, support initiatives with NGOs and other stakeholders, promote volunteering and provide technical assistance. The public universities in Valencia have also integrated the 2030 Agenda in their day-to-day activities.

But there are other knowledge-based organisations that contribute enormously to development. Think tanks and research institutions contribute to building research capacity in the Sou-

th and to creating new knowledge to overcome development issues. They are increasing their joint work with public authorities on strategy, delivery and reform, in an effort to foresee and anticipate emerging development priorities and challenges that will affect all actors, from the North and from the South, in the years to follow. Their conceptual and analytical thinking allows them to offer capacity building and data for urban professionals, including planners, policy analysts, managers etc., role which is acknowledged by the New Urban Agenda, amongst other global agendas.

In **Madeira**, the Regional Secretariat for Tourism and Culture participates in a project with the local university and the University of Cabo Verde aimed at the exchange of Master or PhD students. While the enrolment and materials are ensured by the Portuguese university, the Secretariat offers a monthly grant to each Cabo Verdean student enrolled

All of these research-based institutions have an easy access to knowledge, innovation and technology from across disciplines. They have the expertise to generate new data and metrics to monitor progress as well as to offer specific and cross-sectoral solutions to the partnership's challenges. Entering into partnerships with knowledge-based organisations might be challenging, however, in terms of their independence, pragmatic nature, excessive bureaucracy (complex protocols and agreements are sometimes required) and sometimes political bias.

In **Wales**, through the Phoenix Project launched in 2014, the University of Cardiff focuses on building capacity in Africa in collaboration with the University of Namibia. The Phoenix Project is the University's flagship engagement project and sits as part of the Welsh Government's broader International Learning Opportunities Scheme (part of Wales for Africa).

This partnership enables them to provide opportunities for shared learning and development across as many departments as possible. This is achieved through training, sharing educational resources, supporting staff, making student exchanges and providing information technology support and goes much beyond activities such as the validation of degrees (which might be considered as economic activities). For example, an intensive maths school to tackle high drop-out rates among potential scientists in Namibia was developed in 2017.

In the framework of the Wales for Africa programme, the Welsh Government has contributed to the project with the participation of their institution's experts in partnership with the Office of the Prime Minister of Namibia.

<sup>28</sup> La cooperación Sur-Sur con enfoque territorial, el nuevo paradigma de la cooperación descentralizada en el marco de la nueva Agenda Post 2015. Revista Española de Desarrollo y Cooperación, nº 37, Instituto. Universitario de Desarrollo y Cooperación, Universidad Complutense de Madrid. Enero de 2016

# 7 TOOLS

An essential task to carry out right at the beginning of the partnership is the development of a meeting to discuss and understand the overall goal of the partnership as well as the specific objectives, needs, interests and mutual expectations of each of the partners (both in general and for that specific partnership) in both the short and long term. For example, a point should be made as regards critical matters such as the commercial interests of the businesses involved or the partners' political interests and informal relationships. Partnerships work best when they are mutually reinforcing, that is, when each party seeks solutions in a proactive manner that satisfy the interests of the other partners. Based on that, the roles and responsibilities should be divided amongst the partners in a way that all competences, skills and resources needed (and available) to achieve the objectives are covered by at least one of the partners.

Once this consensus exists, the partners should institutionalise their arrangement through some kind of written statement. Depending on the type of partnership and aims, different arrangements may be proposed from informal letters of invitation to memorandums of understanding or even partnering agreements. It is important to point out that the written statement should be signed by the highest positions of the organisation, who should be not only aware of the partnership but also committed to it. The document should refer to, at least, the shared vision of the partnership, the objectives of each partner, and the division of roles and responsibilities. Likewise, it should include a clause that allows for evaluating the performance and re-negotiating the agreement if necessary.

Apart from the common vision statement and the clarification of roles and responsibilities, the document should also include internal governance arrangements. Depending on the size of the partnership, a secretariat may be enough to ensure the smooth and correct project guidance, management and communication, or a more institutionalised body (such as a board or a partnership council) might be needed. While the composition of bigger structures should encompass representatives of all partner institutions, the overall coordination should be ensured by the LRGs involved.

Governance also refers to the definition of funding arrangements, the decision-making principles, knowledge exchange mecha-

nisms and conflict mediation, which should also be included in the written agreement as detailed as possible. These last two points are of particular relevance given the transnational nature of the partnership. Firstly, a bottom-up process should be carried out to develop local ownership in the territory of the South and escape from traditional aid-based approaches. Secondly, local capacity development might be necessary to implement the project, for which a knowledge-sharing platform could be a good idea. Thirdly, it is recommendable to carry out debates with traditional cooperation agents and other experts in order to identify the red tape related challenges arising from the participation of the new local stakeholders. And finally, intercultural differences – and other kinds of differences – might arise throughout the process, for which a conflict resolution or mediation system should be envisaged. As explained above, the migrant community can play a crucial role in these several matters.

Cross-sectoral matters should not be left aside, no matter how large or small the initiative is. This means that the partners should care for gender equality, the minimisation of climate change, democracy and human rights, and leaving no one behind, just to mention a few, as much as they care for the core of their joint initiative.

## Monitoring, evaluation and indicators

It has been often argued that DC peers from the South might not have the capacities to design and implement monitoring and evaluation tools (and particularly those usually required by international organisations such as the European Union or other complex donor structures). Indeed, monitoring and evaluation is challenging as it requires a high level of organisational knowledge and management. DC partnerships are an excellent opportunity to share knowledge in this field that should be a learning process in itself run in close collaboration between all partners.

Monitoring (or follow-up) and evaluation are essential to all DC projects and partnerships in order to ascertain to what extent the expected results have been achieved and to suggest improvements wherever necessary. Monitoring and evaluation should concern all aspects of the partnership and project, and not just the financial ones. This means that indicators need to be not only quantitative but also qualitative.

There are different ways to carry out these tasks:

	MONITORING	EVALUATION
<b>WHO</b>	One of the members of the MSP	One of the members of the MSP
	An internal working group specifically appointed for M&E tasks and representing all partners	An internal working group specifically appointed for M&E task and representing all partners
	The national development cooperation institution	The national development cooperation institution
		An external evaluator/facilitator
	Additionally, each institution may monitor its own performance with other criteria	Additionally, each institution may evaluate its own performance with other criteria
<b>WHAT</b>	Day to day activities	Overall delivery of outputs, outcomes, impact
	Partners' performance and commitment	Progress towards the objectives set
	Outputs, deliverables	
	Indicators of progress	
<b>WHEN</b>	Regularly, i.e. every two months	Mid-term and final
		At the change of stage
		Long-term evaluation (also possible: together with other similar initiatives)
<b>HOW</b>	On-site visits, direct observation	Extraordinary meetings
	Surveys/interviews to partners / to users	Surveys/interviews to partners / to users
	Regular meetings with the partners	In-depth implementation and analysis of indicators
<b>WHAT FOR</b>	Regular reports and updates with recommendations to partners to redirect derailments	Final report with thorough evaluation of partnership and results with recommendations for future actions
	Transparency and accountability	Transparency and accountability
		Capitalisation

The selection of appropriate indicators should be made with the support and agreement of all partners involved, particularly those most directly benefitting from the action (who are in most cases the partners from the South). It is they who need to make sure the data necessary to apply the indicator is, or will be, available and results are realistic and relevant. Partners should also ensure that monitoring and reporting systems are not too complex and expensive for the local partners who have only limited capacities, avoiding duplication of efforts in any case. But as pointed out above, local stakeholders (CSOs, academia, businesses) can contribute enormously to generating data and methodologies.

In the process of **achieving the Sustainable Development Goals** adopted in 2015, localisation refers to taking into account subnational contexts, from setting the Goals and targets to determining the means of implementation and using indicators to measure and monitor progress.

Reporting has become essential to achieving the 2030 Agenda inasmuch it provides key information, feedback and learning mechanisms at every stage of implementation and provides scope for inclusiveness and broad participation. But reporting also serves as a way to be transparent and accountable to oneself and to the citizenship and stakeholders, as well as foster ownership and coordination with other stakeholders who are also contributing to the 2030 Agenda.

LRGs are striving to design and implement indicators that are in line with those indicators proposed by the UN and used by the national governments. This important exercise allows for an easier comparison of progress made amongst the different LRGs in the world and, in the same vein, contributes to shaping and analysing the progress made at national level.

LRGs should propose indicators that are in line with their own development cooperation policy, principles and indicators. At the same time, they should ascertain whether the development cooperation planning of the superior tiers of government (supralocal, national, regional, international) includes indicators that can be of use by the partnership. This might be useful on some occasions in order to contribute with the local perspective and achievements to the monitoring, evaluation and reporting of those supralocal governments.

The data compiled during the partnership should be subsequently systematised for the purpose of using them in future initiatives. If it does not exist, a database of projects should be created.

### Transparency and accountability

One of the main purposes of the monitoring and evaluation task is transparency and accountability. These global principles for development cooperation increase the interest and commitment of the partners and beneficiaries, thus enhancing the impact of the actions and ensuring the society's commitment and involvement in the long-term development of their territories.

The principle of transparency, understood as all information made publicly available in a comprehensible, accessible, and timely manner, can be complied with through a myriad of different channels. LRGs may use their websites, transparency portals, newsletters, press releases etc. to present the initiative before, during and after its implementation – this including the enforceable legislation, members of the partnership, the calls for proposals launched and their results where applicable, financial management and performance issues (balance sheets, audit reports), and contribution to policy coherence, amongst others. LRGs should also ensure their partners undertake to act in a







transparent and accountable manner and take the appropriate measures with this purpose. Only this way will citizens be able to hold their governments to account in meeting their development goals.

LRGs should also ensure they allow for the creation of beneficiary feedback mechanisms. For this, the data provided and shared through the transparency mechanisms established by them should also be made available to the beneficiaries, while their capacities to understand and react to these data should be assured and reinforced.



# 8 CONCLUSIONS

**B**uilding on the previous studies on decentralised cooperation and multi-stakeholder approach, learning from the recent successful experiences promoted by LRGs worldwide in this sense and aligning these efforts to the current global agendas, several conclusions can be drawn.

**I.** Decentralised cooperation is still an evolving concept. It is slowly overcoming the traditional top-down approaches and increasingly promoting horizontal practices. It is important to keep looking into those modalities that prove more efficient—those that take place amongst equals, and abandon vertical approaches based on the mere transfer of financial resources.

**II.** By taking a territorial approach and involving local stakeholders, LRGs increase their capacity to respond to the actual needs and aspirations of their territory and of those partner territories by mobilizing the local potentialities and assets.

**III.** The involvement in decentralised cooperation initiatives of the different local stakeholders operating in the territory is a determining factor for the alignment of these practices to the 2030 Agenda and the SDGs as well as to other global agendas.

**IV.** Additionally, bearing in mind that the multi-stakeholder approach is essential for reinforcing local economic development policies, decentralised cooperation becomes a very suitable framework for strengthening local capacities in this sense.

**V.** The combination of private-sector initiatives with development outcomes is increasingly determining. By understanding this sector's needs and priorities, LRGs will be more capable of maximizing the impact of their contributions: innovation, knowledge, technology, new jobs and competitive approaches.

**VI.** However, it is crucial to determine the limits of private-sector involvement in decentralised cooperation.

While its contribution is key, its for-profit goals should not be ignored. LRGs in partner territories should be provided with the necessary resources to understand and benefit from the relationship with the private sector in the framework of public-private partnerships. Decentralised cooperation can be an enormous contributor in this sense.

**VII.** The relevance of the non-profit sector in the field of decentralised cooperation remains unaltered despite the arrival of new stakeholders. What is more, its role as a networker is strengthened alongside with its collaborative spirit, expertise in other territories and interest for global justice.

**VIII.** As the need for specialised knowledge for monitoring and reporting grows, the knowledge-based sector is clearly a very suitable actor for local, multi-stakeholder partnerships for development.

**IX.** Transnational multi-stakeholder partnerships require agreeing upon important governance arrangements. This includes the institutionalisation of the partnership and on the roles, funding, cooperation mechanisms, and transparency and accountability requirements, amongst others.

**X.** The EU is already advancing towards the new post-2020 development cooperation policy, which will reframe the bases of decentralised cooperation. In this sense, the EU is giving an increasing importance to all societal stakeholders (and, particularly, the private sector through the EU External Investment Plan for example) in the implementation of development cooperation initiatives. It is thus crucial to reinforce LRG's capacities to understand all these stakeholders' needs and priorities and be able to work with them under full operational conditions. Decentralised cooperation has shown itself to be appropriate platform for the exchange of experiences, knowledge and innovation through a horizontal approach in this sense.

*Development cooperation no longer lies only in the hands of public authorities. While non-governmental organisations might be the most traditional counterpart of governments in international aid and development cooperation in many countries, they are experiencing the rise of other players.*

*Local and regional governments strive towards leading this new era of development cooperation through what has been called “decentralised cooperation”.*

*But how to put all these stakeholders together in order to create more efficient, coherent and complementary multi-stakeholder partnerships for decentralised cooperation?*

*The objectives of this study are to reinforce the new and innovative landscape and alliances for decentralised cooperation, in the context of the 2030 Agenda and the EU answer to the territorial dimension.*



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