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**Study on capitalisation of European decentralised cooperation experiences**

# **Final Report**

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## Acronyms

ACP African, Caribbean, Pacific  
AECID Spanish Agency for International Development Cooperation  
AFD Agence Française de Développement.  
AFLRA Association of Finnish Local and Regional Authorities  
ADF Assemblée des Départements de France  
AIMF Association Internationale des Maires Francophones  
ALA Association of Local Authorities.  
AMF Association des Maires de France  
ARF Association des Régions de France  
BMZ German Ministry of Economic Cooperation and Development  
CIDEU Centro Iberoamericano de Desarrollo Estratégico Urbano  
CLGF Commonwealth Local development Forum  
CNCD Commission Nationale de la Coopération Décentralisée.  
CSO Civil Society Organisations  
CSP Country Strategy Paper  
CUF Cités Unies France  
DAC Development Assistance Committee  
DANIDA Danish International Development Assistance  
DC Decentralized Co-operation  
DCI Development Cooperation Instrument  
DEVCO Development and Cooperation EuropeAid, European Commission  
EC European Commission  
EDF European Development Fund  
EIDHR European Instrument for Democracy and Human Rights  
ENPI CBC European Neighborhood Partnership Instrument Crossborder Cooperation  
ENRTP Environment and Sustainable Management of Natural Resources including Energy.  
FEMP Spanish Federation of Municipalities and Provinces  
FORAL CPLP Foro de Autoridades Locais da Comunidade dos Países de Língua Portuguesa  
GDP Gross Domestic Product  
GiZ Deutsche Gesellschaft für Internationale Zusammenarbeit  
ICLEI International Council of Local Environmental Initiatives  
ICT Information and Communication Technologies  
IDeA Development Agency for Local Government (UK)  
LA Local Authorities  
LDC Least Developed Countries  
LGDK Local Government Denmark  
LGIB Local Government International Bureau (UK)  
MDG Millennium Development Goals  
MIC Mid Income Countries  
MS Member States of the European Union  
NGO Non-Governmental Organisation  
NSALA Non State Actors and Local Authorities Programme  
NSLGCP North South Local Government Cooperation Programme (Finland)  
OCO Oficina de Orientación y Coordinación (Programme URBAL)  
ODA Official Development Assistance  
OECD Organisation for Economic Cooperation and Development  
OECD-DAC Development Assistance Committee of the Organisation for Economic Cooperation and Development  
OICS Osservatorio Interregionale Cooperazione Sviluppo  
PECI Programa Específico de Cooperação Intermunicipal  
SALAR Swedish Association of Local Authorities and Regions  
SIDA Swedish International Development Programme  
SMEs Small and Medium Enterprises  
SOLACE Society of Local Authority Chief Executives (UK)  
UCLG United Cities and Local Governments

UIM Unión Iberoamericana de Municipalistas  
UK United Kingdom  
UN United Nations  
UN-HABITAT United Nations Human Settlements Programme  
VNG Association of Netherlands Municipalities  
VVSG Association of Flemish Cities and Municipalities

## EXECUTIVE SUMMARY

Local Authorities are playing an increasing role in development cooperation policies contributing to a more complex, dynamic and efficient international scenario. They have emerged to become recognised by the international community as critical political stakeholders responsible for strengthening territorial development, leading proximity policies and providing basic public services to citizens in such important sectors as social cohesion, sustainability and economic development.

In accordance with this role, LAs in developed countries, especially in Europe, have begun to create cooperation relationships with their counterparts in developing countries, establishing partnership agreements focusing mainly on strengthening and enhancing their institutional and operational capacities. This modality of cooperation, defined as decentralised cooperation, has become an emerging phenomenon in the last decade engaging thousands of cities and regions all over the world.

The European Commission has underlined all these facts recognising the role of LAs in the development process, not only in their service providing capacity, but also as catalysts for change, conflict prevention, and confidence building<sup>1</sup>. Over the past two decades the EC has developed various financial programmes dedicated to support what we could define as induced decentralised cooperation. The EC will continue supporting LAs in the frame of its new development cooperation policy as stressed in the *Agenda for Change*<sup>2</sup> and the *Joint Communication Global Europe*<sup>3</sup> focusing in the priorities that will be addressed in the forthcoming *Communication Local Authorities in Development*.

Moreover, in recent years, some EU Member States have recognised and regulated decentralised cooperation as a part of the official cooperation framework, and have developed strategies and programmes to support their LAs in this regard.

The main objective of the study, which covers a five year period (2007-2011), is to provide an analysis of the EC financial instruments in the area of decentralised cooperation as well as to give an overview of the main strategies and tools of the EU and its Member States in this field. Through the findings of the research a set of recommendations has been defined, with a focus on good practices, to improve the added value of the future EU initiatives and their complementarity with MS strategies.

For the purposes of the study, the definition of decentralised cooperation given by the EC in the Terms of Reference of the specific assignment has been used: “Decentralised cooperation is development cooperation between Local Authorities from Europe and Local Authorities from partner countries”.

The term LAs is used in its widest sense as directly or indirectly elected public governing bodies at sub-national level possessing within a given territory, as defined by law, a degree of autonomy from the central government and a set of competences to deliver public goods and services to citizens. Local authorities encompass a large variety of public governing bodies at various levels i.e. municipalities, communities, districts, countries, provinces, regions, etc.<sup>4</sup>

Among the six financial instruments established by the EU for channelling external aid during the financial period 2007-2013, 9 programmes, both geographic and thematic, containing priorities focusing on the reinforcement of LAs in the partners countries have been analysed in chapter 4. In this regard, bearing in mind the foreseen definition of decentralised cooperation, 149 projects

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<sup>1</sup> Communication “Local Authorities: Actors of Development”. COM (2008) 626 final, 8.10.2008.

<sup>2</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, “Increasing the impact of EU Development Policy: an Agenda for Change” COM (2011) 637 final, 13.10.2011.

<sup>3</sup> Joint Communication to the European Parliament and the Council, Global Europe: A New Approach to financing EU external Action, COM (2011) 865 FINAL.

<sup>4</sup> This approach to the concept of LAs and ALAs has been provided in the issue paper published by the EC preparing the Communication on “Local Authorities in Development”

coming under these programmes have been identified and analysed, representing an EC contribution of approximately 138 million € in five years (2007-2011). That means, if we consider the funds allocated by the EU in the framework of its development cooperation policy (an average of approximately 45.000 million € per year), that decentralised cooperation represent a minimum percentage (0,3%) of the total amount. Furthermore, the study shows how in the framework of certain programmes that could be very appropriated, LAs are not eligible or not taken into account, as in the case of the majority of the bilateral aid strategic programmes.

From the findings of the research we can conclude that decentralised cooperation projects funded under EC programmes tend to cover what we have defined as “soft” initiatives focusing on reinforcing LAs capacities (institutional and operational), accompanying processes (decentralisation and local self-government) and providing services. “Hard” initiatives such as financing infrastructures are limited and generally linked to pilot initiatives. Regarding sectors of intervention, local governance is the main one absorbing almost 50% of EC funds although environment and sustainable development is emerging as an increasingly addressed subject at local level. Latin America and ACP countries are the main geographical areas of intervention whereas Asia, despite the growing importance of its LAs, is the least funded region.

Concerning modalities of intervention, the EC operates mainly through call for proposals to finance projects and, exceptionally, providing direct grants. Although innovative forms of funding development initiatives like the “budget support” or the “trust funds” have not been used in this framework, “south-south” cooperation and new forms of coordinating programmes appear as new modalities to highlight, which are providing technical support to financed projects. During the research, 24 projects have been identified as good practices and have been analysed. Their added value does not lie in the services provided or in the infrastructures installed but in their capacity to facilitate knowledge, experience and know how to improve LAs institutional and operational capacities. Such projects reinforce the political agenda of LAs involved and the scope of their local, national and international alliances empowering them to interact with other levels of government and to defend their interests and highlight their needs (advocacy).

In chapter 5 a general overview of EU MS strategies in the field of decentralised cooperation is given. The first conclusion drawn is that decentralised cooperation is a very rich, dynamic, innovative and heterogeneous phenomenon subject to a constant evolution and thus in a permanent state of change. However, although in a significant number of countries decentralised cooperation is existent but not a substantive modality; two main models have been identified. The first one, which is preeminent in Southern European countries (France, Italy and Spain), is characterised by highly competent and empowered individual LAs in the field of decentralised cooperation operating in a recognised and even regulated framework. The second one, which is common in Northern European countries, focuses on a strong coordination between highly professionalised LAs Associations and central governments in the field of international development cooperation.

In many European countries decentralised cooperation is approached as a public policy being recognised and even regulated by law, either as a specific competence of LAs or just as a way through which to implement their competences in a proper manner. Moreover, it is usually provided with a specific budget, considered, in the framework of the OECD DAC as official development assistance, deferring in every EU MS on the percentage allocated.

The report highlights the lack of transparency in the majority of the countries where the access to information regarding decentralised cooperation is very limited. This is a challenge to address despite the notable effort made by LAs Associations promoting this type of development



cooperation, in providing information, training and assessment among their partners and assuming an active advocacy role with regards to their MS or the EC's public policy in the field.

The strong historical, economic, cultural and social links that EU LAs have all over the world ensures that the footprint of European decentralised cooperation is broadly spread across the world map. Furthermore, concerning sectors of intervention, heterogeneity is also the main rule being LAs competences, as broad as they are, the common framework of intervention.

Unfortunately, it is clear that the present economic crisis could affect this phenomenon in an important manner, reducing funds allocated, constraining LAs international participation and putting citizen's commitment to the common goal of solidarity under pressure. There are some disturbing consequences already visible, exemplified by the decision of some major LAs to drastically reduce or even suspend their political and economic engagement with international solidarity and with decentralised cooperation. From a decentralised cooperation point of view, it would be desirable for MS to provide a strong reaction to this situation, as in France where the central government is reinforcing its commitment with the French LAs or in Finland, Sweden or the Netherlands, where successful experiences are still being promoted.

Decentralised cooperation is a European heritage, a political strategy to promote LAs interests and values. As shown in many countries, the added value of decentralised cooperation lies not in the funds that LAs can allocate or mobilise but in the territorial links they can build, enhancing dialogue on the ground with local stakeholders who will be potentially fundamental for local development.

In chapter 6 the study provides a comparison between the main EC and EU MS strategies in the field of decentralised cooperation, highlighting nine key elements that should be addressed to improve and strengthen those strategies:

1. The strategic dimension given to decentralised cooperation.
2. The legal framework covering decentralised cooperation activities.
3. The coordination and complementarity mechanisms established at European and national level to improve the added value of decentralised cooperation.
4. The percentage of ODA allocated in decentralised cooperation initiatives.
5. The operational mode to support decentralised cooperation.
6. The geographical coverage of European decentralised cooperation initiatives.
7. The type of projects supported in the field of decentralised cooperation.
8. The main sectors of intervention.
9. The enhancement of the transparency and accountability mechanism in the frame of decentralised cooperation strategies.

To conclude the study, following on from those foreseen 9 key elements, a set of 22 recommendations is provided to help to enhance the added value of EC and EU MS strategies in the field of decentralised cooperation, with a view to reinforcing the complementarity between political and operational approaches and providing clear guidelines to improve future instruments in the 2014-2020 EU Financial Framework.

It should be stressed that those recommendations are derived from the results of the research carried out. Thus, from the analysis of the various EC programmes concerned, the data related to projects identified as best practices, the publicly accessible information regarding EU MS strategies in this field and also the information supplied by central governments and LAs associations during the research.

# 1. Background.

International cooperation is no longer only a matter of states or International Organisations. Several actors have emerged in recent years playing an increasingly significant role. Civil society organisations, universities, enterprises, local and regional authorities among others, have contributed to a more complex, dynamic and efficient system based on the building of partnerships.

Local authorities (LAs) should play a critical role in development as crucial political bodies, responsible for developing proximity policies and providing central services for citizens in the field of social cohesion, sustainability and economic development. Decentralisation, local self-government, subsidiarity, local governance and urban policies, have become relevant concepts on the national and international agenda. Many different international organisations and bilateral and multilateral programmes have, as their main objective, the aim to strengthen the institutional and operational capacities of LAs.

In accordance with their increasingly important role, LAs in developed countries, mainly in Europe, have begun to establish cooperation relations with their counterparts in developing countries. Initially this occurred through twinnings, following vertical models, transferring resources and providing technical assistance. More recently it has started to occur through horizontal practices, building partnerships where the mutual assistance, the exchange of experiences and knowledge sharing are key objectives. This type of cooperation, defined as decentralised cooperation, has become an emerging phenomenon engaging thousands of cities and regions all over the world.

The European Commission has underlined all these facts recognising the role of LAs in the development process, not only in their service providing capacity, but also as catalysts for change, conflict prevention, and confidence building<sup>5</sup>. Over the past two decades the EC has developed various financial programmes dedicated to support what we could define as induced decentralised cooperation. These programmes have been very important to improve the quality and strengthen the impact of existing practices. Through participation in projects under such programmes LAs have become more efficient in the management of their own reality. They have gained experience and had access to best practices which have enabled them to further develop their own innovative and strategic policies. This in turn has reinforced their capacities to operate within the international arena, creating access to new resources and opportunities.

Moreover, in recent years, as well as the EC, some member states have recognised and regulated decentralised cooperation as a part of the official cooperation framework, and have developed strategies and programmes to support their local authorities in this regard.

Local authorities will continue to have a role in the future of the European Union development cooperation policy. The Agenda for Change<sup>6</sup>, EU development cooperation strategic framework for the next financial period 2014-2020, considers them as key actors for the accomplishment of the two main objectives proposed: 1) Democratisation, human rights and good governance; 2) Inclusive and sustainable growth for human development.

As emphasised during the Structured Dialogue between the European Commission, Civil Society Organisations (CSO) and LAs from the EU member states and the partner countries held between 2010 and 2011, it is imperative to take into consideration the lessons learned over the past five years of project implementation and to capitalise on the knowledge acquired to better define future programmes. In addition, the recommendations made by the international community in the field of aid effectiveness should be taken on board. It is essential to harmonise efforts, divide the work,

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<sup>5</sup> Communication "Local Authorities: Actors of Development". COM (2008) 626 final, 8.10.2008.

<sup>6</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, "Increasing the impact of EU Development Policy: an Agenda for Change" COM (2011) 637 final, 13.10.2011.

and aspire to a better coordination and complementarity between programmes funded by different donors, particularly in the field of decentralised cooperation.

## 1.1. An overview to the European dimension of the concept of decentralised cooperation.

The concept of “decentralised cooperation” remains an evolving concept and there is yet to appear a wholly accepted definition among academy, experts and operators. In past decades it has always been referred to as the practice of development cooperation managed by actors separate from central governments (NGOs, LAs, Universities...) but in recent years the concept appears mainly linked with the notion of partnership between LAs in the field of official aid.

In the framework of the European financial instruments, the notion of decentralised cooperation comes up for the first time in 1989 at article 12 of the Lomé IV Convention. In 1992 a specific budget line<sup>7</sup> was created but it was not until 1998 that the first regulation<sup>8</sup> was published providing the first specific legal basis.

Indeed, the concept of decentralised cooperation was simply an approach to development cooperation which “placed the agents at the focal point of implementation and hence pursued the dual aims of gearing operations to needs and making them viable”. It was intended to be a particular approach to cooperation, a new modality, rather than another instrument or window for funding small grassroots projects.

The 1998 Regulation on Decentralised Cooperation, which was amended and extended in 2004<sup>9</sup>, gives the concept a very large scope<sup>10</sup>. Then, in 2006 the *Regulation establishing a financing instrument for development cooperation*<sup>11</sup> (DCI), launched in the frame of the *European Consensus*<sup>12</sup>, introduced some remarkable changes, repealing, among many others, Council Regulation on decentralised cooperation. Under the DCI framework, the *Thematic Programme “Non State Actors and Local Authorities in Development* establishes a new scenario, focusing on these two types of different operators and no longer in decentralised cooperation as a modality. Here, for the first time the EC provides a clear difference between Non State Actors and Local Authorities, also establishing two separate budget lines.

Since the establishment of the DCI, while the role of local authorities in development cooperation is strongly recognised and reinforced, decentralised cooperation, understood as partnership between EU LAs and LAs in partner countries, is foreseen as desirable but not the main objective.

Beyond financial instruments, the European Commission has attempted to establish a new approach to the phenomenon, particularly through the Communication “*Local Authorities: actors for Development*”<sup>13</sup>. The concept of decentralised cooperation is here used “*to describe the publicly and privately funded aid provided by and through local authorities, networks and other local actors.*”<sup>14</sup>

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<sup>7</sup> In the frame of the Council Regulation (EEC) N° 443/92 of 25 February 1992 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America.

<sup>8</sup> Council Regulation N° 1659/98 of 17 July 1998 on Decentralised Cooperation.

<sup>9</sup> Regulation (EC) N° 625/2004 of the European Parliament and the Council of 31 March 2004 extending and amending Regulation N° 1659/98 of 17 July 1998 on Decentralised Cooperation.

<sup>10</sup> Article 3, establishes that the “partners eligible for financial support pursuant to this Regulation shall be decentralised cooperation agents in the Community or the developing countries, such as: local (including municipal) authorities, non-governmental organisations, organisations of indigenous peoples, local traders’ associations and local citizens’ groups, cooperatives, trade unions, economic and social actors organisations, local organisations (including networks) which are active in the area of regional decentralised cooperation and integration, consumer organisations, women’s and youth organisations, teaching, cultural, research and scientific organisations, universities, churches and religious associations or communities, media and any non-governmental associations and independent foundations likely to contribute to development”.

<sup>11</sup> Regulation (EC) N° 1905/2006 of the European Parliament and the Council of 18 December 2006..

<sup>12</sup> Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: “The European Consensus”. OJ C 46, 24.2.2006. See points 16 and 87.

<sup>13</sup> COM (2008) 626 final, 8.10.2008.

<sup>14</sup> Pag 3. Communication “Local Authorities: actors for Development”, COM (2008) 626 final, 8.10.2008.

Although in the spirit of the text the EC does link decentralised cooperation with the partnership between local authorities, it continues to place both LAs and local actors (civil society), under the same umbrella.

The European Parliament has also attempted to bring clarity to this issue. The Shapira Report<sup>15</sup> stresses the importance of local governance and of the role of LAs as agents of development, it also considers that is “*important, however, to make a clear distinction between the specific role of local authorities and that of non-State actors, in terms of their sphere of competence, legitimacy and democratic control, experience in the management of local affairs and involvement in the implementation of public policies*”.

As in the case of the EC, this approach to the concept of decentralised cooperation inherent in the report is clearly linked to the notion of partnership between LAs, however, it does not provide a clear definition. Moreover, it still refers to the concept as proposed by the Lomé IV Convention in 1989.

Meanwhile, the Committee of the Regions has repeatedly addressed the question. In its *Opinion concerning Decentralised cooperation in the reform of the EU's development policy*<sup>16</sup>, the notion is defined as “*...international cooperation led by European local authorities (as defined by the respective Member State's legislation) under the direction of their democratically elected executive and involving local stakeholders distinct from both central state government and civil society*”.

Among EU Member States, the given meaning of the concept, by some major countries in the field including France, Spain, Italy, Holland and Sweden, tends to follow the partnership approach.

The “*Commission Nationale de la Coopération Décentralisée*”<sup>17</sup> (CNCD) approaches the theme under the framework of the international action of the territorial authorities, recognised and regulated by law, with a special focus on aid partnership, considering that aid as official. The focus is on the concept of partnership between French territorial collectivities (municipalities, departments and regions, consortia, agglomerations...) and foreign territorial collectivities eligible under Public Development Aid. In addition, the CNCD highlights and promotes the capacity of the territorial collectivities to mobilise and articulate the Civil Society Organisations (CSO).

In Spain, the concept of decentralised cooperation is also linked to the partnership between LAs but some institutions, like the *Observatory of Decentralised Cooperation EU-LA* and the *Spanish Federation of Municipalities and Provinces (FEMP)* tend to add the notion of *public* to the concept, classifying it as **public decentralised cooperation**.

The Dutch model of municipal international cooperation also has to be analysed as it is based on international partnership and particularly focusing on the strengthening of local governments. This model is valid for all types of partnership building between LAs including those within the framework of development cooperation actions.

## 1.2. The concept proposed for the assignment.

For the purposes of the present study, we will use the definition of decentralised cooperation given by the EC in the Terms of Reference of the specific assignment: “Decentralised cooperation is development cooperation between Local Authorities from Europe and Local Authorities from partner countries”.

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<sup>15</sup> European Parliament Resolution of 15 March 2007 on local authorities and development cooperation.

<sup>16</sup> Opinion of the Committee of the Regions on Decentralised cooperation in the reform of the EU's development policy (2006/C 115/09)

<sup>17</sup> [www.diplomatie.gouv.fr/cncd](http://www.diplomatie.gouv.fr/cncd).

### 1.3. The subjects of decentralised cooperation.

The central subjects of decentralised cooperation are Local Authorities (LAs). It is important to underline that the concept of LAs used in the present study includes local authorities as well as national, regional, continental and international associations of Local Authorities (ALAs).

The following approach to the concept of LAs and ALAs has been provided in the issue paper published by the EC preparing the Communication on “Local Authorities in Development”<sup>18</sup>.

#### **What is meant by LAs and ALAs?**

The term LAs is used in his widest sense as directly or indirectly elected public governing bodies at sub-national level possessing within a given territory, as defined by law, a degree of autonomy from the central government and a set of competences to deliver public goods and services to citizens. They encompass a large variety of public governing bodies at various levels i.e. municipalities, communities, districts, countries, provinces, regions, etc.

As defined above, LAs vary across a range of dimensions, including: population size, number of tiers in the local government system, urban vs. rural, mandates and functions, human and financial resources, linkage with customary institutions, degree on which they are downwardly accountable and representative, and their financial arrangements.

Associations of Local Authorities (ALAs) are to be understood as umbrella organisations based on membership and representative at national, regional, continental and international level, with a permanent body established as an autonomous entity in accordance with the legislation in force in the country of registration.

## 2. Objectives.

The main objective of the study is to provide an in depth analysis of the EC financial instruments in the area of decentralised cooperation as well as to give an overview of the main strategies and instruments of the EU and its Member States in this field. Through the findings of the research, with a focus on good practices, a set of recommendations will be defined to improve the added value of the future EU initiatives and their complementarity with MS strategies.

The assignment has been divided into four specific objectives:

- To identify the main trends on EC support on decentralised cooperation in the past five years (2007-2011) through the analysis of thematic, regional and bilateral EC programs and the most relevant projects financed in their frame.
- To give an overview and establishing main trends on the MS strategies, policies and programs in the field of decentralised cooperation analysing major experiences and practices as well as modalities of intervention.
- To compare EC and MS main trends in this field providing the key elements to improve European decentralised cooperation.
- To provide, starting from the capitalisation of the research, recommendations to the EC to improve added value of the future EU initiatives and their complementarity with the programs of the MS.

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<sup>18</sup> The Issue Paper Local Authorities in Development does not represent an official position of the European Commission.

### 3. Approach and Methodology.

The assignment has been implemented following the structure of the specific objectives outlined in the Terms of Reference.

With a view to observing the main trends and following a policy analysis approach, the study identifies the main strategies formulated by the public operators (EC and MS) concerning themes, geographical coverage, budget assignments and modalities of intervention. In the same way, the most relevant projects financed by the EC have been analysed. Finally, after comparing the results of the research, recommendations are provided on how to improve added value of the EC programmes and instruments supporting decentralised cooperation in the next framework period and how to ensure complementarity with MS strategies.

#### 3.1. Identification of the main trends observed from the analysis of the programs and the most relevant projects financed by the EC in the field of decentralised cooperation.

The first step has been identifying, listing and analysing geographical (bilateral and regional) and thematic programmes for the period 2007 – 2013 dealing with decentralised cooperation in the framework of the different EU development cooperation instruments.

The review of each programme follows the same analytical structure.

##### General information

Number of DC projects	DC Budget (% over total)
Size of the projects and duration	Modality of intervention (call for proposals, budgetary aid...)
Project category (support to LA's, support to LA's associations, south-south cooperation)	Type of project (capacity building, service providing, mixed)

##### Relevant topics

Themes	Number	Budget
Local governance		
Environment and sustainability		
Economic Development		
Education, culture and social affairs		

##### Geographical information

Region	Number	Budget
Latin America		
Asia		

ACP		
Neighbourhood		

## Partnership information

Role in projects

Geographic information

Lead partner	EU27	Mid income Countries	LDCs
Implementing partner (CSO)			
Partner			

The information obtained from the analysis of each EC programme or financial instrument has been added into a general template, divided in three sections, concerning thematic, regional and bilateral programs, which has helped to identify the main trends through summarising and aggregating the information.

The information obtained through this exercise has been cross checked, where possible, with the analysis of Mid Term and Final Program Evaluations, ROM (Results Oriented Monitoring) concerning programs and the “Overview of the EC support in the area of decentralised cooperation”, a document provided by the EC.

For each programme, an overview of the most relevant projects financed (considered as best practices) has also been prepared following the foreseen analytical structure: strategic objectives and principles (related to the programme objectives and the policies to improve), operational objectives (capacities to improve), stakeholders and beneficiaries (to be reinforced), activities (related to the objectives), impact, results and budget (including management).

Further, in order to identify projects which demonstrate best practices, particular attention has been given to the following results:

- Strengthening institutional and operational capacities of LAs.
- Contributing to public policies formulation and multilevel governance.
- Facilitating the exchange of experiences and knowledge transfer, disseminating lessons, methodologies and best practices.
- Promoting LAs participation in development cooperation.

The identification of best practices has been done through the existing programme evaluations and through direct interviews with programme administrators.

Moreover, the following documents have been analysed:

- Project submitted and approved by EC, technical and financial reports (annual, intermediate and final), Annual Operative Programming (if exists), ROM (if exists) and evaluation (if exists). Information obtained has been dropped into a Project Analysis Grid.
- Aggregated reports for each Programme (for example the Consolidated Report of the Urb-AI III Programme).

The study was implemented partially at DEVCO - EuropeAid headquarters in Brussels and partially as home based work.

### **3.2. Overview of the MS strategies, policies and programs in the field of decentralised cooperation.**

In order to produce an effective overview of the decentralised cooperation strategies in the 27 EU MS and Croatia (accessing country) the expert team has obtained the most homogeneous information possible on every country. In this regard, three information sources have been taken into account:

- Bibliography (general and for every country) provided by the members of the team, the EC, Platforma and the Observatory of Decentralised Cooperation UE - Latin America.
- Official information available online.
- Information provided by the Ministries of Foreign Affairs and the National LAs Associations (MFO and LAAs of the 27 EU MS and Croatia have been contacted).

A country strategy fiche has been elaborated for every country providing the following information:

- Legal framework
- Priority countries
- Priority themes
- Budget allocated
  - Central Government budget
  - % Central Government budget allocated in CD
  - LA budget
- Type of LA involved
- Modalities of intervention

To provide the required overview the analysis has focused not only on the central government strategies but also on LAs, especially regions, major cities and national LAAs.

### **3.3. Comparison of EC and MS main trends in this field.**

After comparing EC and MS main strategies in this field, the study provides a list of key elements which could improve European decentralised cooperation.

### **3.4. Recommendations to the EC to improve added value of the future EU initiatives and their complementarity with the programs of the MS.**

Starting from the capitalisation of the research carried out and after the development of the list of key elements provided in chapter 6, the report provides a set of recommendations to the EC in order to improve added value of the future EU initiatives in the area of decentralised cooperation and their complementarity with the programs of the EU MS.



## 4. Main trends on EC support to Decentralised Cooperation.

The European Commission was one of the first international bodies to support decentralised cooperation in the framework of its cooperation policies. Programmes like Med Urbs, URB-AL or AsiaURBS in the mid-nineties have been determinant and following this period the EC has improved and enhanced its support for such cooperation through different types of instruments.

### 4.1. Structure of EC Programs supporting decentralised cooperation.

The European Union created six financial instruments for channelling external aid during the financial period 2007-2013:

- Instrument for Development Cooperation (DCI)<sup>19</sup>.
- Instrument for Pre-Accession Assistance<sup>20</sup>.
- European Neighbourhood and Partnership Instrument (ENPI)<sup>21</sup>.
- European Instrument for Democracy and human Rights (EIDHR)<sup>22</sup>.
- Instrument for Stability<sup>23</sup>.
- Nuclear Safety Cooperation.<sup>24</sup>

These instruments are supplemented by the European Development Fund<sup>25</sup>, not part of the European Union budget, but nevertheless managed by the European Commission.

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<sup>19</sup> EC Regulation N° 1905/2006 of the European Parliament and of the Council of 18 December establishing a financing instrument for development cooperation.

<sup>20</sup> Regulation (EC) N° 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA).

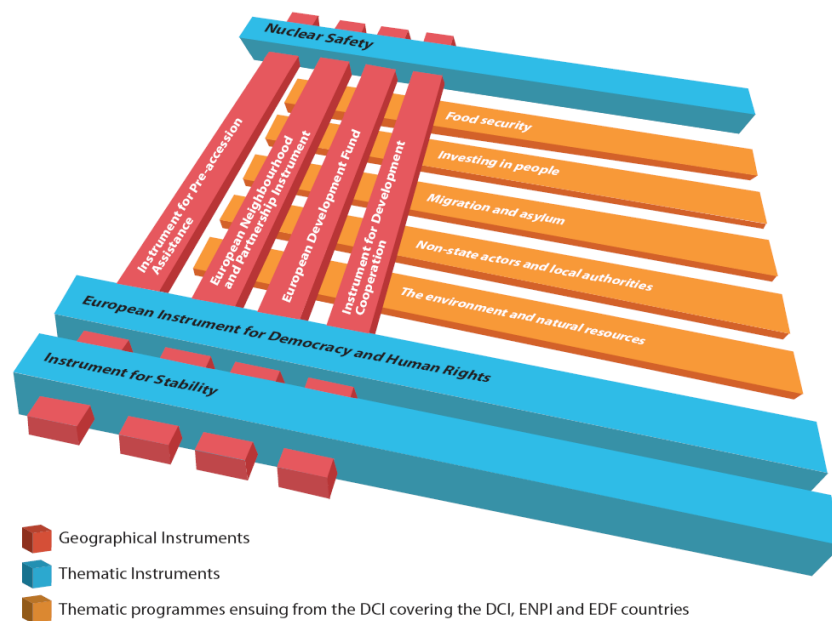
<sup>21</sup> Regulation (EC) N° 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighborhood and Partnership Instrument.

<sup>22</sup> Regulation (EC) N° 1889/2006 of the European Parliament and of the Council of 20 December 2006 on establishing a financing instrument for the promotion of democracy and human rights worldwide.

<sup>23</sup> Regulation (EC) N° 1717/2006 of the European Parliament and of the Council of 15 November 2006 establishing an Instrument for Stability.

<sup>24</sup> Council Regulation (EURATOM) 300/2007 of 19 February 2007, establishing an European Instrument for Nuclear Safety Cooperation.

<sup>25</sup> The 10th EDF (2008-2013) is governed by the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other, signed in Cotonou on 23 June 2000.



Under the remit of each instrument or fund, geographic and thematic programmes are developed.

Geographical Programmes “shall encompass cooperation in appropriate areas of activity with partners’ countries and regions determined on a geographical basis”<sup>26</sup>. Those geographical areas are: the ACP countries, Latin America, Asia and the Neighbourhood countries (Mediterranean and Eastern Countries).

In the frame of the geographical programmes, programming and allocation of funds is established through the drawing up of strategic papers and multiannual indicative programmes for each partner country (bilateral aid) or region (regional programmes).

Thematic Programmes are those encompassing a “specific area of activity of interest to a group of partners’ countries not determined by geography or cooperation activities addressed to various regions or groups of partners’ countries”. Such programmes should “add value to and be additional to and coherent with, actions funded under geographic programmes”<sup>27</sup>. Programming and allocation of funds is addressed through thematic strategy papers.

In line with the aims of the study, all geographical (bilateral and regional) and thematic<sup>28</sup> programmes formally opened to LAs have been analysed and within that framework, only those containing decentralised cooperation projects.

For operational and analytical reasons, the results of the research carried out are presented through the clustering of programmes according to their geographical (bilateral and regional) and thematic basis, as follows:

- Geographical Programmes:

- Bilateral aid: the EDF - PARAD Programme (Mali).

<sup>26</sup> Art. 4 of the EC Regulation N° 1905/2006 of the European Parliament and of the Council of 18 December establishing a financing instrument for development cooperation.

<sup>27</sup> Art. 11 of the EC Regulation N° 1905/2006 of the European Parliament and of the Council of 18 December establishing a financing instrument for development cooperation.

<sup>28</sup> Non State Actors and Local Authorities (NSALA), Migration and Asylum Programme, Food Security Programme, Environment and Sustainable management of Natural Resources Programme and Investing in People Programme.

- Regional Programmes: the DCI - URB-AL Programme, the ENPI - CIUDAD Programme, the Hungarian-Slovakia-Romania-Ukraine ENPI - CBC Programme, the Mediterranean Sea ENPI - CBC Programme, the EDF - ARIAL Programme and the EDF - Water Facility Programme.

- Thematic Programmes: the DCI: Non State Actors and Local Authorities Programme (NSALA) and the Environment and Sustainable Management of Natural Resources including Energy Programme (ENRTP).

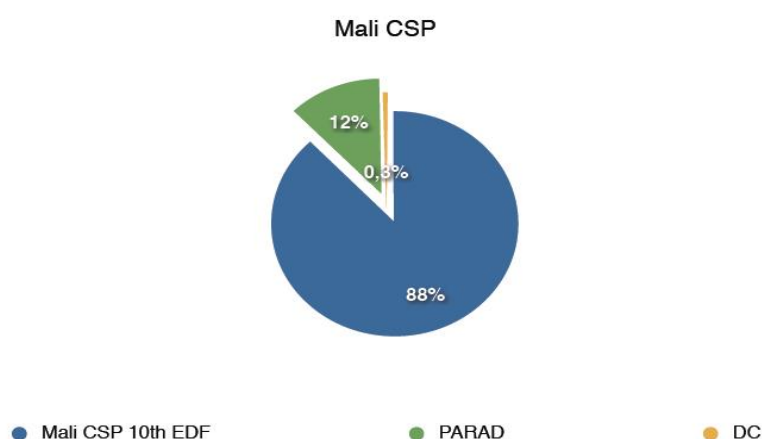
## 4.2. Geographical Programmes.

### 4.2.1. Bilateral Aid.

In the framework of geographical programmes, bilateral aid is that which is provided only to one country. Related to this type of aid, 135 Country Strategic Papers (CSP)<sup>29</sup> signed by the EU with different countries (MIC and LDC)<sup>30</sup> have been analysed in-depth and 24 of those were found to include priorities focusing on the reinforcement of the role of LAs and the enhancement of their institutional and operational capacities. Through this analysis we can conclude that only in one case, the Mali CSP, is there a programme which enables decentralised cooperation.

The PARAD programme (2005-2010) aimed at supporting development actions implemented by local authorities from the EU and Mali in order to promote decentralisation, relations and cooperation between local authorities and social dialogue, as well as local authorities' participation to their own development.

Among other activities, PARAD financed, for a total amount of 1.871.798,18 Euros disbursed through a Call for Proposals launched in 2008 (out of the 75 million Euros available for the entire programme), 12 projects for decentralised cooperation involving Mali and EU local authorities. The amount allocated for decentralised cooperation projects represented only the 2,6% of the total budget of the Programme and 0,3% of the total amount allocated in that country under the 10th EDF.



Certainly due to historical reasons, almost all the European partners were French (11 out of 12 projects), one Belgian and one Senegalese (triangular experience). The majority of the projects financed were small budget (under 500.000€) and the general themes covered were mainly related to local governance (9 projects out of 12), economic development (2) and environment and sustainability (1).

<sup>29</sup> Country Strategy Papers are prepared by the European Union (EU) in consultation with beneficiary countries, involving their governments, regional and non-state bodies and other donors. The strategy papers are based on shared analysis of the specific regional or national problems, constraints and needs, leading to the definition of priority sectors for assistance, in line with existing national development plans and countries' poverty reduction strategies. They include detailed Multiannual Indicative Programmes.

<sup>30</sup> Mid Income Countries and Low Developed Countries.

#### 4.2.1.1. Conclusions.

It is very difficult to draw more than one conclusion concerning the value of decentralised cooperation in the frame of bilateral programmes.

Despite the rich reality of partnerships between European LAs and their partners in the majority of corresponding partner countries and the fact that bilateral aid could be an opportune basis to support this kind of initiative, decentralised cooperation is so far limited in that framework

#### 4.2.2. Regional Programmes.

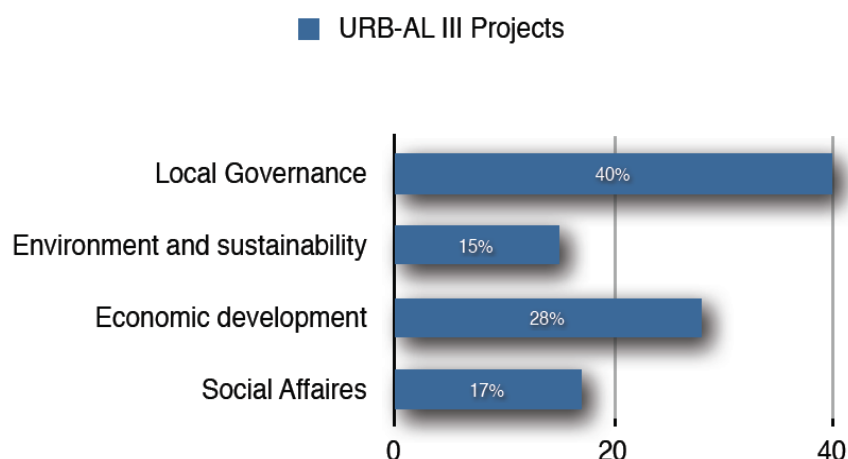
Regional programmes cover all the countries in one of the geographical areas of intervention of the EU (ACP countries, Latin America, Asia and the Neighbourhood countries). It is certainly in the framework of those programmes that the decentralised cooperation oriented financial instruments have been most clearly developed. However, it is important to stress that this does not mean that those programmes are the most valuable concerning LAs support.

Five programmes have been detected as being relevant for the purposes of the study: One in the frame of the DCI; Urb-AL III; two in the frame of the ENPI; CIUDAD and CBC; and two in the frame of the EDF; Arial and Water Facility.

##### 4.2.2.1. DCI. URB-AL III Programme.

The Urb-AL Programme's aim is to consolidate and promote social cohesion processes and policies at a territorial level in Latin America. Phase III of the programme (2008-2011) awarded 21 grant projects (44 million €) and one Technical Assistance project (6 million €).

The projects financed under this programme can be considered as relatively big in terms of resources allocated; the average is 2.5 million €, and the duration, higher than 24 months. They focus on supporting LAs through projects in different fields related to social cohesion: 7 projects on local governance (17,8 M€/40%), 3 on environment and sustainability (6,5M€/15%), 6 on economic development (12,4M€/28%) and 4 on social affairs (7,3M€/17%).



Since its creation in 1995, URB-AL has always promoted networking activities between European and Latin American LAs. Given that the aim of the programme is to promote exchange of experiences and knowledge transfer, it is very positive that most of the consortiums managing projects in the third phase are composed of a rich array of partners from different countries.

12 of the projects are led by European LAs and 8 by Latin American and their actions have impact in 80 territories over the region (in Central America, the Andean Region and South America). Thus the architecture of the programme facilitates not only North-South exchanges but also the South-South. In fact, 18 of the 20 projects include some type of South-South cooperation. This form of cooperation is seeing a certain boom at the moment in the region where some countries like Brasil, Chile or Colombia are starting to operate as donors. URB-AL has always played an important role in this field.

Finally, the Programme has the support of a Coordination and Orientation Office<sup>31</sup> which provides technical assistance and strategic orientation to ensure the coordination and smooth operation of the projects. The singularity is that this support structure is lead and co-financed by a consortium integrated by LAs (except one governmental foundation) selected through a call for proposals.

### **Best practices.**

Through consultation with the EC Programme managers and with the Orientation and Coordination Office of the Programme (OCO), 6 projects<sup>32</sup> have been identified as showing best practices . They are the following:

- “Institutional Innovation in intermediate governments: the regionalisation as a key instrument to promote proximity democracies”. Provincia de Santa Fe (Argentina).
- “Touristic borders. Cohesion, inclusion and social development through sustainable tourism”. Provincia di Frosinone (Italy).
- “La basura sirve”. Comune di Arezzo (Italy).
- “Urban and territorial participative management: a key for social and territorial cohesion”. Regione Toscana (Italy).
- “EMIDEL. Local Development and emigration in Latin America”. L’Hospitalet de Llobregat (Spain).
- “Local policies for violence prevention in urban areas”. Estado de Pernambuco (Brasil).

The relevant effort made by LAs in co-financing projects (the average in the six projects is close to 0.5 million €) shows their increasing appropriation. To give an example, the Government of the Province of Santa Fe (Argentina)<sup>33</sup> has allocated more than 700.000 € and that from Pernambuco around 300.000 €.

It is also interesting to note the diversity and heterogeneity of LAs participating in the programme, which is no longer a framework simply devoted to big cities or regions but to all sort of LAs; small, medium or large collectivities, capital cities, urban and rural areas, peripheral regions or metropolitan areas.

Despite the fact that projects are clearly and firmly led by LAs, they are also involved in dialogue with other organisations such as universities, SMEs or organisations representing citizens’ interests.

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<sup>31</sup> <http://www.urb-al3.eu/>

<sup>32</sup> 6 individual project fiches are found in annex.

<sup>33</sup> The URB-AL III project lead by the Province of Santa Fe was conceived to strengthen the Provincial Strategic Plan ([www.santafe.gov.ar/index.php/plan\\_estrategico\\_provincial/content](http://www.santafe.gov.ar/index.php/plan_estrategico_provincial/content)).

URB-AL has been an appropriate tool for strengthening and enhancing institutional and operational capacities of LAs in Latin America. Activities aiming to consolidate concepts such as strategic planning, public-private partnerships, territorial and development plans, citizen's participation, are common and valuable.

In this way, the programme has also contributed in order to launch or consolidate public policies in certain domains linked to an integral vision of the concept of social cohesion and has empowered LAs giving them the chance to coordinate and aim for complementary cooperation with other levels of government.

The aim of the programme is to facilitate exchanges of know-how, knowledge transfer, disseminating lessons and best practices and to capitalise on experiences so the architecture of the projects which come under it are well focused on that objective providing initiatives and tools to achieve it.

Finally, it should be noted that since 1995 URB-AL has been a very good example of how to reinforce the capacities of LAs to participate in development cooperation initiatives and to stress their strategic approach in that regard.

#### **4.2.2.2. ENPI. CIUDAD Programme.**

CIUDAD (2009-2013) seeks to promote mutual understanding, dialogue and cooperation between local actors in the EU and the partner countries of the ENPI region (both South and East). The programme targets the improvement of local and regional government capacities with regard to the use of good governance principles and in particular towards the achievement of sustainable, integrated and long-term urban development planning.

For the purposes of the present study 17 projects have been analysed of the 21 retained by the EC in the frame of the call for proposals<sup>34</sup>. The amount allocated in those projects (11.943.378€) represents the 85,31% of the total budget (14 million €) of the programme.

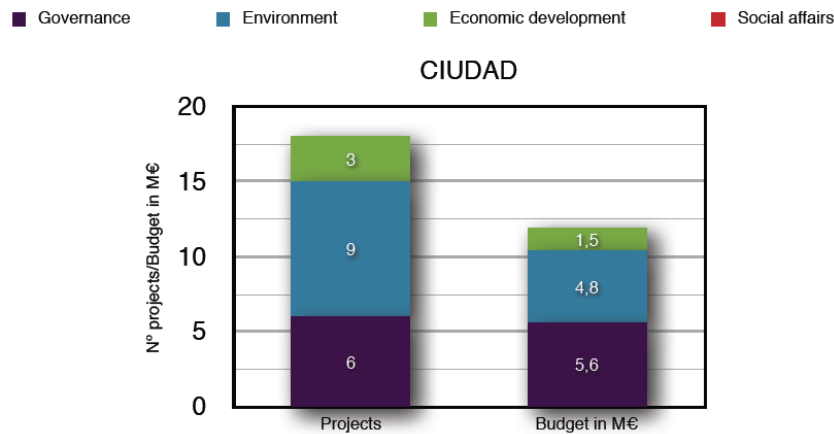
In addition, the CIUDAD Supporting Mechanism supports the 21 grant projects through activities of capacity building, knowledge and information sharing, improvement and enlargement of networks, visibility and dissemination, etc.

Unlike the URB-AL Programme, CIUDAD is characterised by financing small and medium sized projects (8 projects with a total budget of less than 0.5 million € and 9 between 0.5 and 1,5 million €). Only one project goes beyond 1.5 million €. Despite the fact that the co-financing principally comes from the European LAs, some of the neighbourhood partners make considerable budgetary efforts, especially those from Morocco and Tunisia, which gives an idea of the interesting capacity for appropriation they show in this regard.

The majority of the projects selected focused on environment issues (9) despite the fact that the budget allocated is bigger in the governance development projects (6). There are also 3 projects in the area of economic development.

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<sup>34</sup> Concerning the rest, 2 were cancelled and 2 have not been considered as DC projects because of their activities.



Concerning the geographical repartition of the projects, 7 were executed in the South region (3.644.301€), 6 in the East (3.395.399€) and 5 in the South-East (4.903.678€). The majority of the partners involved were EU LAs (12 leading partners and 22 partners) and among those, the majority were from the southern countries of the EU (France, Italy and Spain). In relation to the non EU partners, 6 were leading projects and 17 acting as partners.

### **Best practices**

According with the indications provided by the programme managers, 4 projects were identified as best practices:

- GOSPEL: “Gouvernance en matière de sport en tant que lien social”. Ville de Marseille (France).
- SURE: Sustainable Urban Energy in the ENPI Region - Towards the Covenant of Mayors City of Friedrichshafen (Germany).
- SUSTOUR: An integrated approach for the sustainability of the tourism production. Province de Venice (Italy).
- Gestion Optimisée des Déchets dans la Méditerranée. Région Bruxelles-Capitale (Belgique).

There are several issues to highlight.

Programmes like CIUDAD (the same for URB-AL) are indicated to reinforce what we could define as the “soft competences” of the LAs. The added value of the projects analysed does not lie in the services provided or in the infrastructures installed but in their capacity to facilitate knowledge, experience and know how to improve LAs institutional and operational capacities, meaning political, strategic and technical skills. The analysis also shows that these kind of projects reinforce the political agenda of the LAs involved (at local, national and international level) and the scope of their local, national and international alliances empowering them to interact with other levels of government (national) to defend their interests and needs (advocacy).

CIUDAD projects build capacity of LAs to communicate and disseminate their activities and make them visible to the citizens within their proximity. In all the cases the main local stakeholders are involved (SME, Industry, Universities, NGOs...)

As previously noted, Regional Programmes are a good way to promote South-South cooperation and triangulation. This can be seen in practice with CIUDAD. Moreover, by observing the best practices selected we can conclude that, through their participation in decentralised cooperation

projects, LAs will improve their capacity to be involved in further development cooperation initiatives.

Concerning the achieved results, it is interesting to see how the most valuable impact in all the projects is the building of capacity to strengthen the institutional and operational capacities of the LAs involved.

#### 4.2.2.3. ENPI-CBC Programme (Cross Border Cooperation).

The CBC is a key priority of the ENPI and aims at reinforcing cooperation between the EU Member States and partner countries along the external border of the EU through two types of programmes: land border/short sea crossing programmes between at least two countries sharing a common border, and multilateral programmes covering a sea basin.

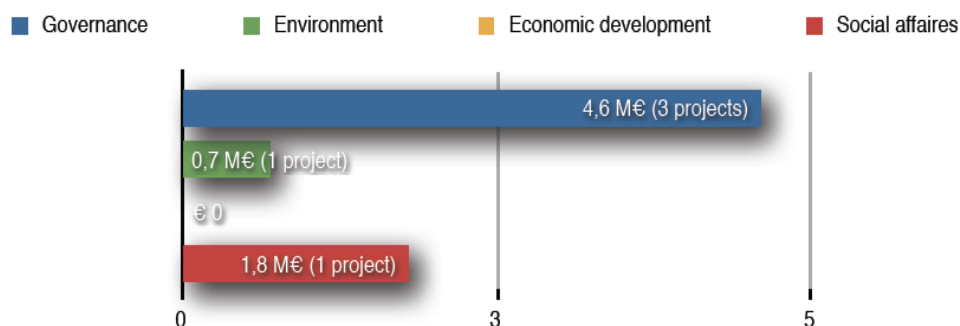
Thus, 13 CBC programmes (9 land borders, 1 sea crossing and 3 sea basin programmes) have been established with a total funding of 951 million € for the period 2007-2013. The specificity of the CBC is that it uses an approach inspired by the EU Structural Funds: multiannual programming, partnership and co-financing. It is co-funded by the ENPI and the European Regional Development Fund. Each programme has one single budget, a common management structure (entrusted to a local or national authority jointly selected by all participating countries to the given programme), a common legal framework and implementation rules.

Given these specificities, it has been decided in the framework of the present Study to analyse one programme for each typology of CBC programmes: the Hungary-Slovakia-Romania-Ukraine programme being the most representative of the land border programmes (total allocation: 68.638 million €) and the Mediterranean Sea Basin programme (total allocation: 200 million €).

##### 4.2.2.3.1. ENPI-CBC Mediterranean Sea Programme.

Although cross border cooperation is an optimal framework for territorial cooperation and for decentralised cooperation, and despite the strong partnership between LAs all over the Mediterranean region, until 2011 only 5 projects adhering to our DC definition were selected under the ENPI-CBC Mediterranean Sea Programme.

The EU financing of those projects represents only the 3,92% of the total budget of the programme. Nevertheless, they were important projects in budgetary terms, 3 of them of more than 1.5 million € and 2 between 0.5 and 1.5 million €. These were long-term projects (4 of them of more than 24 months), all lead by European LAs (from the regions eligible in the framework of the programme), and focusing on capacity building initiatives in different sectors as shown in the following graph.



Finally, similar to the cases of URB-AL and CIUDAD but under a different legal framework, the Managing Authority of the Programme is a LA, the Autonomous Region of Sardinia (Regione Autonoma della Sardinia).



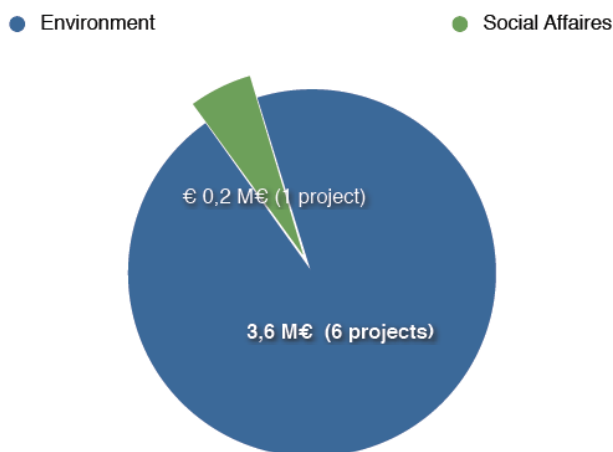
#### 4.2.2.3.2. ENPI-CBC Hongaria-Slovaki-Romania-Ukraine Programme.

The overall aim of this CBC Programme<sup>35</sup> is to promote activities which will lead to a more intense and deeper social and economic cooperation between regions sharing common border.

The overall objective of these programmes is to intensify and deepen cooperation in an environmentally, socially and economically sustainable way between Zakarpatska, Ivano-Frankivska and Chernivetska regions of Ukraine and eligible and adjacent areas of Hungary, Slovakia and Romania.

Following the foreseen criteria, 7 DC projects have been identified in the framework of this programme, with a EU allocation of 3.802.121,70 €, representing the 13,91% of the total budget. They are mainly small and medium sized projects (none of them has a budget with more than 1.5 million € EU funding) and short-term duration (none goes beyond the 24 months).

Most of the projects financed (5) focused on capacity building while 2 of them were based on service providing. As shown in the following graph, most of the projects had a clear orientation towards environmental issues (6) while only 1 focused on social affairs.



It is noteworthy that there are more Ukrainian LAs acting as lead partners (4) than EU LAs (3) while concerning partners there's a clear balance (4 and 4).

#### 4.2.2.4. EDF. ARIAL Programme.

The overall objective of the ARIAL programme (2007-2013)<sup>36</sup>, contracted by the ACP Secretariat, is to improve the quality of local government in the ACP region, and more specifically to improve the participative power of local governments through the strengthening of its principal representative bodies: the Associations of Local Authorities (ALAs) at national, regional and sub-continental level.

The ARIAL programme consists of two components. Firstly, it aims at providing technical assistance and operational support to regional and national associations of local authorities in order to strengthen their ability to effectively represent the interests of their members. This technical assistance is provided through a Consortium led by VNG International, the agency of the Association of the Netherlands Municipalities, through a grant project of 5.125.618 €.

Secondly, a support project for an ACP Platform of Local Authority Associations established in 2011 aims at improving information flows on EU development policies to local authorities in ACP

<sup>35</sup> <http://www.huskroua-cbc.net/>

<sup>36</sup> [www.arial-programme.eu](http://www.arial-programme.eu)

countries, and to facilitate their direct participation in EU development policy formulation. This platform was launched and established through a direct grant of 1.026.000 €.

The activities of the Platform revolve around its three roles of representation and advocacy; information and networking; and technical support to its members. There is the clear expectation that the local government representation mechanism at the national, regional and ACP-EU levels is supplemented and consolidated.

Even though it is not a *stricto sensu* decentralised cooperation programme, apart from reinforcing South-South cooperation, it envisages decentralised cooperation through the technical assistance of VNG International. The Platform certainly has great potential to foster decentralised cooperation initiatives as a politically relevant organised structure and has obvious capacity to lobby for the ACP region.

#### **4.2.2.5. EDF. Water Facility Programme.**

The ACP-EU Water Facility was set up in 2004 with the 9<sup>th</sup> EDF, with the principal aim of providing water and basic sanitation to the underprivileged and specifically of improving water management governance in the ACP countries.

The 10<sup>th</sup> EDF allocated 206 million € to the Facility, divided between a pooling mechanism to co-finance medium-sized water and sanitation infrastructure projects with other European donors and development financing institutions (40 million €) and three Calls for Proposals: “Water, Sanitation and Hygiene Promotion for the Millennium Development Goals” (129 million €), “Partnerships for Capacity Development in the ACP Water and Sanitation Sector” (23 million €), “Promotion of the Millennium Development Goals: Sanitation in poor peri-urban and urban areas in ACP countries” (14 million €).

Decentralised cooperation activities and projects can mainly be found among the grant projects funded by the “Partnership for Capacity Development” where 11 projects have been identified with a total EU allocation of 6.443.072 million €. They are mainly medium and small projects (less than 1.5 million €) executed in a period of more than 24 months. They are all led by European LAs accompanied, in 3 cases, by CSOs acting as implementing partners. ACP LAs had already been acting as partners amongst themselves.

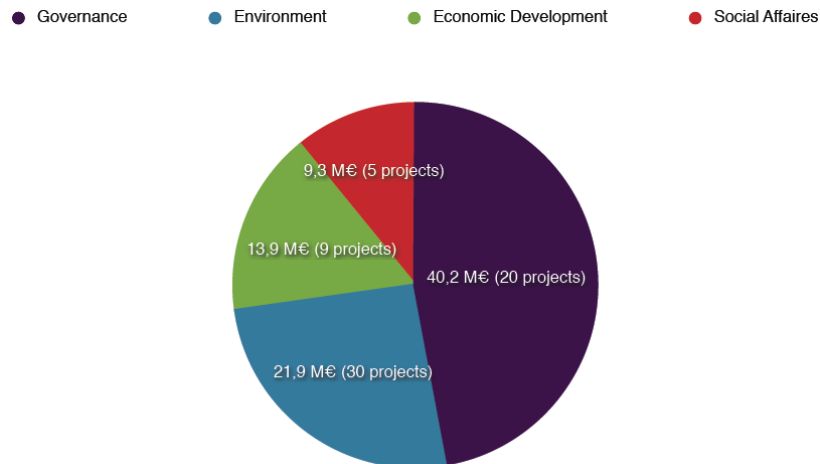
#### **4.2.2.6. Conclusions.**

A total of 64 projects (85,3 million €) have been analysed in the framework of regional programmes (URB-AL, Ciudad, ENPI CBC, Arial and Water Facility). The average of budget allocation of all these programmes for decentralised cooperation is 72% of the funds available considering that some of the programmes, like URB-AL, Arial and CIUDAD, clearly focusing on decentralised cooperation allocate the 100% of the funds to those types of projects, and that the rest, ENPI CBC, ARIAL and Water Facility, have a broader scope. So the contrast is substantial between URB-AL (100%), Arial (100%) and CIUDAD (84%), on one hand, and ENPI - CBC (0,7%) or Water Facility (3,1%) on the other.

Projects are selected normally through calls for proposals although there are 4 projects launched through direct grants. Concerning budgetary size, most of them are big projects of more than 1.5 million € (27), but there are also some medium sized, between 0.5 and 1.5 million € (21) and some small of less than 0.5 million € (16). In terms of duration almost all the projects have a period of execution superior than the 24 months (63), only one has a duration of between 12 and 24 months and none have a duration of less than one year.

All the projects analysed were focusing on capacity building (34) but some of them combine it with service providing (30). Concerning topics, the following graph shows the importance of each of the topics selected in terms of budget and number of projects. It is worth to highlight that the better-funded projects are those focusing on governance. There are 22 environment projects and 20

focusing on governance and mobilising more than the double of funds. This is because projects/consortium/platforms providing technical assistance and operational support to other projects, as for example in URB-AL, CIUDAD and ARIAL, are included under that topic and very well financed.



Concerning the geographical impacts of the projects, there is a balanced distribution between Latin America (22 projects) and Neighbourhood countries (23 projects, 12 in the South, 6 in the South - East and 5 in the East) while the ACP countries benefit from 19 projects. Regarding the funds allocation:

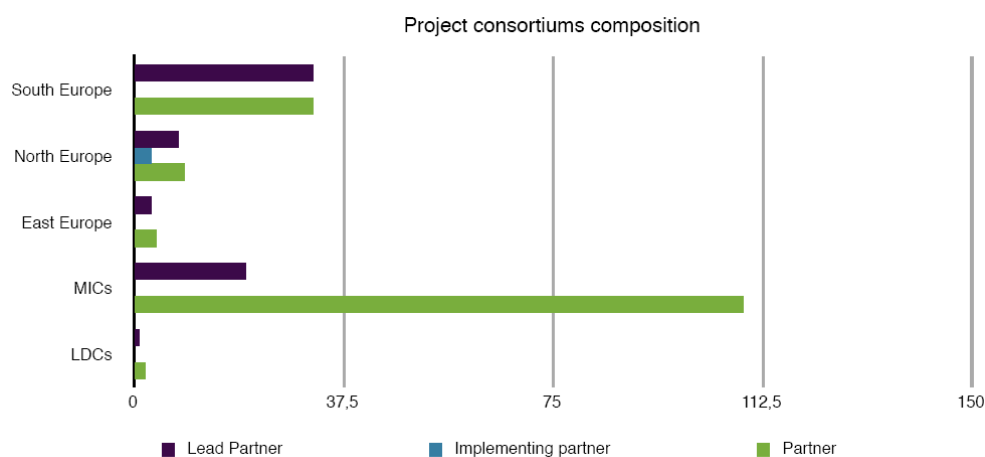
- Latin America: 50.000.000,14 €.
- ACP: 12.594.690 €
- Neighbourhood: 22.895.171,7:
  - ENPI East: 7.197.520,7 €
  - ENPI South: 10.793.973 €
  - ENPI South East: 4.903.678 €

Finally, and regarding the composition of the consortia dealing with the projects, most of them were led by European LAs (43) while only 21 by LAs in the partners countries of which only one by a LDC LAs. As shown in the following graph, it is interesting to note the relative balance between northern and southern European LAs and that most implementing partners (CSO) were from MICs<sup>37</sup>.

<sup>37</sup> Lead partner: the “lead partner” has the responsibility to build up the partnership around the project, to submit the project to the EC and to assume the contractual relationship, thus also the communication, with the EC. The lead partner, apart from implementing some of the project activities, also assumes the technical and financial coordination among all partners.

Partner: the “partner” takes an active part in the implementation of the project through a formal agreement with the lead partner. Each partner assumes specific activities within the project and is thus responsible for the relative parts of the project’s budget.

Implementing partner: the term “implementing partner” is referred specifically to those OSC members of a partnership that assume the implementation of some or the totality of the activities substituting a partner local authority from the south due to the latter’s lack of competences or capacities allowing it to perform the activities.



### 4.3. Thematic Programmes.

Thematic programmes are those focusing on well-defined sectors and their related issues. They may be oriented to any developing country benefitting from EU external aid. Two programmes, DCI-NSALA and Environment, have been detected as containing decentralised cooperation projects.

#### 4.3.1. DCI. Non State Actors and Local Authorities.

The NSA/LA programme (2007-2013) replaces the NGO co-financing and decentralised cooperation programme. It aims at encouraging non-state actors and local authorities from the EU and developing countries to get more involved in development issues and to strengthen their capacities in policy-making processes. The NSA-LA foresees three objectives: 1. In-country operations and multi-country actions (total allocation: 583 million €) in partner countries; 2. Development Education within the EU and acceding countries (total allocation: 102 million €); 3. Coordination and communication activities between European civil society and local authorities' networks (total allocation: 17 million €).

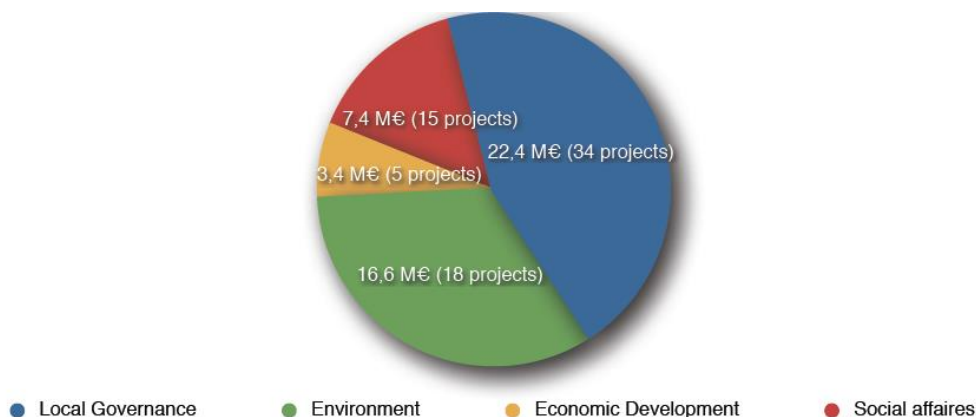
According to the definition provided for the study, decentralised cooperation projects are eligible under the first objective and in the frame of the LA budgetary line. Among 339 projects lead by LA and funded under the objective 1 of the NSA-LA programme, 72 can be identified as decentralised cooperation projects, most of them small and medium sized (only 3 received more than 1,5 million €) focusing on capacity building (70 projects of which 24 combined with service providing and only two focused exclusively on service providing).

Nevertheless, the 267 remaining projects focus also on strengthening and enhancing LAs capacities through the definition of project consortia in which CSO (European and/or from the partners' countries) play a central role accompanying LAs from the EU or from the partners' countries (but not from both). This type of project, although it has not been addressed in the present study, is also clearly linked, as decentralised cooperation projects are, to the territorial dimension of development.

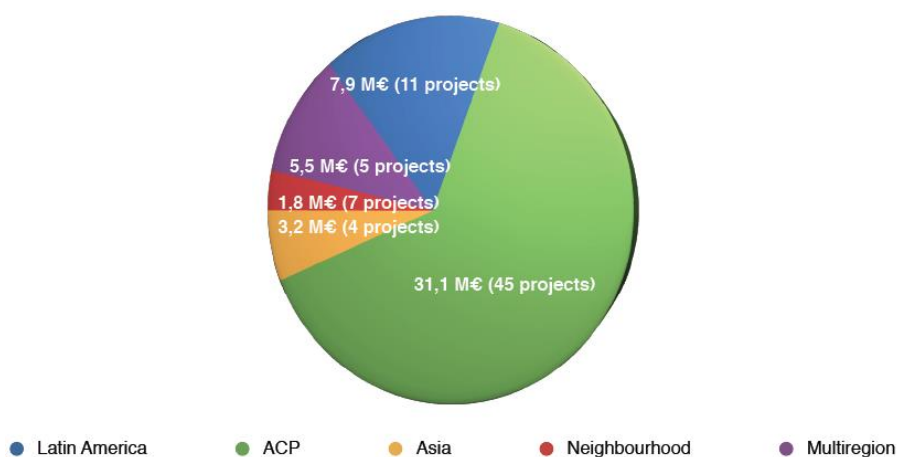
72 DC projects, almost 50 Million €, the 23% of the total amount of the LA budget line

Most of the projects (54) were long-term projects (more than 24 months) and dealing with LAs support initiatives (58). But in this programme there has also been a focus on initiatives supporting LAs associations (11) from different countries and a notable amount of South-South cooperation projects (17).

Concerning sectors of intervention, the following graph shows how most of the projects focused on local governance, which is the most well financed sector. It must also be considered that economic development, which is a common competence of LAs all over the world, was the least financed sector.



Regarding the geographical area of intervention, most of the projects were executed in the ACP countries (45, which represents the 62,5%). The following graph shows the whole scheme:

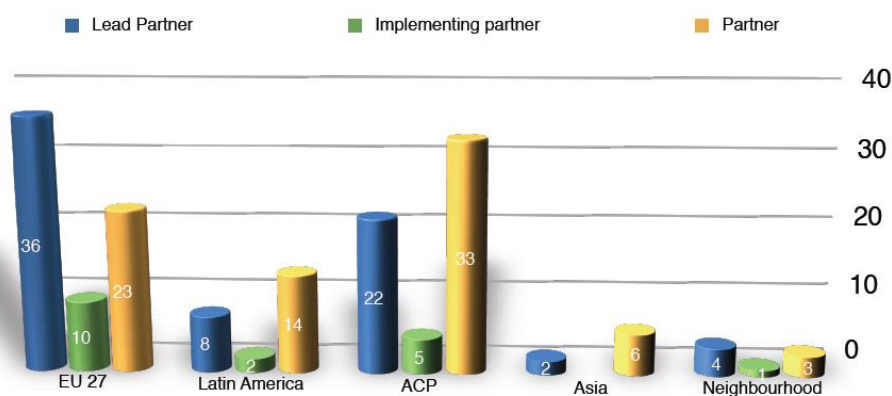


If one looks to the European leading partners on the projects, it is clear that most of them were from the South of Europe (32 of 36), specifically from France, Italy and Spain (in that order). However, it should be noted that the majority of the leading partners were from Mid Income (17) and Low Developed Countries (20)<sup>38</sup>. That is in contrast with other regional programmes such as URB-AL and CIUDAD and shows that the main focus of the programme is to reinforce LAs in the partner countries.

Concerning partners on the projects, 23 came from the EU (majority from the south) and 58 from MIC and LDC. There was also a notable amount of implementing partners (10 EU, 5 MIC and 6 LDC), that is to say, CSOs helping partners in the South, with constrained institutional or operational capacities, to implement or execute the projects.

Finally, through the graph, one can analyse the geographical origin of the LAs participating in NSALA projects.

<sup>38</sup> Mid Income Countries (MIC) and Low Developed Countries (LDC).



## **Best practices.**

Following the indications provided by the programme managers, 7 projects were identified as best practices:

- "Appui à la décentralisation et à la gouvernance locale dans les pays en développement". UCLG (International body).
- Patrimoine Culturel et développement local. Renforcement des capacités des autorités locales de l'Afrique de l'Ouest dans le domaine de la protection et de la valorisation durables du patrimoine culturel. Association Internationale des Maires Francophones (AIMF).
- "Enfrentamento à la violência contra as mulheres". Provincia di Torino (Italy).
- "Red de Observatorios para el Desarrollo Participativo". Ayuntamiento de Madrid (Spain).
- "Fortalecida a gestaô integrada da Bacia Hidrográfrica do Rio Apa para o desenvolvimento sustentável de população dos Departamentos de Concepción e Amambay, Republica do Paraguay, e do Estado de MAtô Grosso do Sul, República Federativa do Brasil". (Brasil).
- A Town Twinning for Water Right Promotion in Aygabac Community (Armenia).
- Towards environmental sustainability and water sanitation in Aygabac Community (Armenia).

After having analysed these projects there are some principal points to be made:

It has to be clear that the main objective of the programme is to strengthen and enhance LAs capacities. It is not to promote or facilitate the exchange of experiences, the transfer of knowledge and know-how and the construction of partnerships between LAs. Those activities are desirable, necessary and extremely valuable, yet not the core of the programme.

This is the main reason why only 72 out of the 339 projects led by LA and funded under objective 1 of the NSA-LA programme can be considered as accomplishing the criteria provided to define decentralised cooperation.

As in the case of URB-AL and CIUDAD, the projects considered as good practices focused on reinforcing "soft" competences and not "hard" infrastructures. They are good instruments to propose, develop or consolidate public policies, to reinforce institutional or operational capacities through training and assessment activities, to articulate citizen's participation, to innovate through new forms of public - private partnerships and to accompany processes and to defend interests in front of other levels of government.

The programme is opened to a very large and heterogeneous variety of LAs despite the fact that larger institutions generally appear to be much more prepared. In this framework it is necessary to highlight that the NSALA Programme is the only one that explicitly promotes the role of LAs Associations at national, regional and international level as actors defending and promoting (through lobby and advocacy activities) the interests and the needs of LAs. It is also interesting to notice the alliance between LAs Associations and some individual LAs engaged to reinforce them in the field of development cooperation (see UCLG project where the main co-financing partners are two individual LAs).

Finally, as argued for other programmes, the experience obtained through the participation in DC projects in the framework of the NSALA programme is relevant to promote LAs participation in development cooperation initiatives and to build partnership relations with other LAs at international level.

#### **4.3.2. DCI. Environment and Sustainable Management of Natural Resources including Energy.**

The ENRTP programme helps developing countries and partner organisations to address environmental and natural resource management issues. Moreover, it helps to meet their obligations under multilateral environmental agreements and to take international policy leadership in such areas as fighting climate change, tackling land degradation and desertification, biodiversity protection and proper management of chemicals and wastes. The total budget of the programme is approximately of 470 million € for 2007-2010 and there has been only one decentralised cooperation project in the period examined, with a EC funding of 800.000 €, equal to 0,54% of the programme's budget.

The project<sup>39</sup>, which has also been considered as a good practice, focuses on strengthening the capacity of LAs and their national and international associations, participating in the climate change agenda, being part of the international debate and highlighting and enhancing the role they play at national and international level.

The initiative has been very instrumental in reinforcing the visibility of LAs and their associations in the field of climate change and is highly valued for its results related to the improvement of LAs advocacy and lobbying capacities.

#### **4.4. General conclusions.**

Data collected and presented in the precedent chapter allows the presentation of certain trends and tendencies concerning EC instruments and programmes supporting decentralised cooperation all over the world.

Firstly, it should be stated that funds allocated to support decentralised cooperation are very limited (138 million over 45.000 million € in five years). They represent a minimum percentage (0,3%) of the total amount of the funds allocated by the EU (putting together DCI, ENPI, EDF, EIDHR, Stability Instrument and Pre-Accession Instrument) in development cooperation. Some facts to have in mind:

- Despite the strong partnership of European LAs with their homologs all over the world and the fact that reinforcing LAs has been recognised by the EC, and among many other multilateral and bilateral development actors, as crucial, only 24 of the 135 CSP analysed includes the strengthening of LAs in their strategic orientations and only 1 decentralised cooperation project.

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<sup>39</sup> Local Government's mobilisation and backing for the development and implementation of a global and comprehensive post-2012 climate change agreement.

- The budget line supporting LAs in the frame of the DCI-NSALA represents only the 10% of the total amount of the programme. In that frame only 72 projects from 339 can be considered as decentralised cooperation projects.

Secondly, with regards to the projects analysed in the framework of the various programmes which have been at the heart of our research, some general remarks are presented:

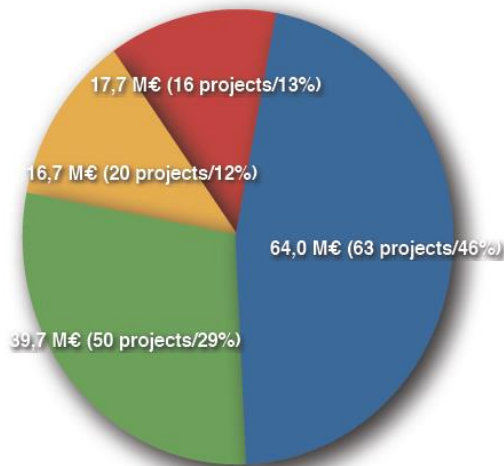
- For the most part, the projects have been selected through calls for proposals launched by the EC (Brussels headquarter or Delegations) but there are some exceptions, some direct grants related normally to technical assistance and orientation platforms (ARIAL and CIUDAD...). No innovative instruments, as *budgetary support or trust funds*, have been used in the area of decentralised cooperation.
- Some programmes (URB-AL, CIUDAD, Arial and ENPI CBC) have co-financed the establishment of different type of platforms to support LAs implementing projects. It is interesting to note that those platforms dealing with these tasks are in charge of LAs, LAs consortium or LAs associations. Evaluations of this methodology (they are all currently in process) must be analysed to determine their success and sustainability.
- Concerning the size of the projects in budgetary terms, it is notable that regional programmes tend to finance bigger projects (more than 1.5 million €) whereas thematic programmes, particularly NSALA tend to finance medium sized or small projects (there's only one DC big project in the frame of that programme).
- In relation to the duration of the projects most of them (82%) tend to be executed in a two year (or more) period and short projects are rare.
- Although most of the projects tend to reinforce LAs in the partner countries, there are some projects focusing on LAs Associations at a national, regional and international level. These types of projects are normally orientated towards reinforcing LAs capacity in advocacy and lobbying. DCI-NSALA has a specific line focusing on this objective but other programmes like ARIAL (in ACP countries) or Environment (concerning LAs Associations specialised in the area of environment like ICLEI) are also promoting the role of that type of association.
- South-South cooperation projects and even triangular ones are becoming more and more frequent. Within the framework of the various programmes analysed there are some interesting examples and in some cases this type of cooperation is prioritised.

Decentralised cooperation projects tend to cover what we could define as “soft” initiatives focusing on reinforcing capacities (institutional and operational), accompanying processes (decentralisation, local self-government promotion...) and providing services. “Hard” initiatives such as financing infrastructure are rare or nonexistent

- Through analysis of topics on which projects are focused one can consider that Local governance is the main priority concentrating the most number of projects and funds allocated (43%). On the contrary, it's relevant to note that economic development is the sector that receives less funding.

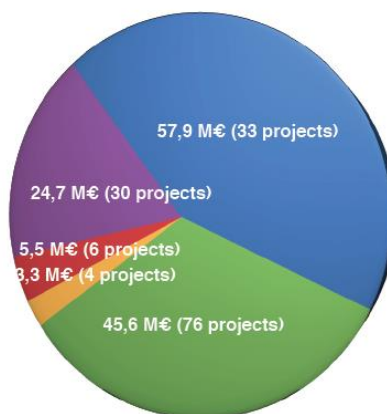


● Local Governance    ● Environment    ● Social Affaires    ● Economic Development



- Relating to geographical distribution of funds and projects it is worth noting that thematic (and bilateral) programmes are most concentrated in the ACP countries whereas regional programmes are much more frequently focusing on Latin America and the ENPI countries. Despite the growing importance of Asian LAs, the region is not highly funded in the area of DC as a result, surely, of the disappearance of regional programmes like Asia Urbs. Funds and projects are distributed as follows:

● Latin America    ● ACP    ● Asia    ● Multiregion    ● Neighbourhood



- The nature of NSALA and Environment Programmes make it possible to fund Multiregional projects. Such projects are open and the perfect instrument for networks and international LAs platforms or associations like UCLG or ICLEI.

Most of the projects have been led by European LAs (81 projects). Southern LAs are the most active (64 projects from France, Italy and Spain, in that order) followed by northern LAs (13 projects) and eastern LAs (4 project). It is not negligible the amount of projects lead by MICs (35 projects) and LDCs LAs (33 projects, although includes the 12 small projects in the frame of PARAD in Mali).

- There are also some projects in which CSOs act as implementing partners (11 European, 80 in MICs and 6 in LDCs).

- With regards to partners, 77 European LAs have been posted (being French LAs the most active), 44 LAs coming from MICs and 46 from LDCs.

Concerning the projects analysed as best practices, we can also draw some general conclusions:

- It is evident that projects have contributed to the launching, modification or consolidation of public policies in certain domains linked to LAs competences, i.e. environment, economic development, education, culture, social affairs, etc, reinforcing their strategic and political capacities and their role to lead and articulate stakeholders (SMEs, Universities, NGOs...) in local and territorial development processes.

The added value of the projects analysed does not lie in the services provided or in the infrastructures installed but in their capacity to facilitate knowledge, experience and know how to improve LAs institutional and operational capacities i.e. political, strategic and technical skills. Such projects reinforce the political agenda of the LAs involved (at local, national and international level) and the scope of their local, national and international alliances empowering them to interact with other levels of government (national) and to defend their interests and necessities (advocacy).

- Programmes supporting decentralised cooperation are opened to a very large and heterogeneous range of LAs, although big cities and regions are better prepared and are generally more successful in being selected in the frame of the various calls for proposals. This does not mean that results of projects lead by those big LAs have more impact and benefits for the populations. There are very interesting, innovative and efficient projects led by medium sized LAs and seeing very interesting results.
- It is also interesting to highlight that in some cases LAs from MICs (especially in countries like Brazil, Argentina or Morocco) contribute to projects with a high level of co-financing which shows an increasing degree of appropriation and points to how strategic those decentralised cooperation projects are considered.
- Although in the framework of some programmes, exchange of experiences, transfer of knowledge and know-how and dissemination of results are only desirable but not at the core of the explicit aims formulated (this is the case of DCI-NSALA), through the analysis of best practices it is clearly shown that decentralised cooperation projects are perfect frameworks for these types of activities that are considered as relevant and valuable to reinforce LAs all over the world.
- Decentralised cooperation is considered as an important tool to reinforce the capacities of LAs to participate in development cooperation initiatives and to stress their strategic and political approach to that framework.

To conclude, as stressed at the beginning of this chapter, we can assert that, despite being relatively limited in terms of funds allocation and in comparison with the totality of the EC external aid budget, EC programmes have been very important to promote decentralised cooperation. LAs are very active in the field of development cooperation and are increasingly becoming aware of the added value of participating in EC funds. Their proximity to citizens, their capacity to articulate as local actors, the visibility of the impacts and benefits of actions implemented, make them an attractive political actor to reinforce and to take into account.

In spite of this, decentralised cooperation as a modality of cooperation is losing weighting in EC programmes which are mainly oriented towards reinforcing LAs as relevant actors. As stressed in this chapter, the partnership between European and LAs in partner countries is something desirable which is no longer of core importance in the framework of the biggest programmes such as, for example, the DCI-NSALA. In addition, according to the political documents launched by the EC in the recent months, this will be the tendency in the future. Although LAs are clearly mentioned in some of the documents, for example Agenda for Change, and democratic governance will be considered as a pillar for European external aid policy, decentralised cooperation as an approach to cooperation disappears as one of the priorities and becomes a requirement.

## **5. Main trends on EU Member States strategies to support Decentralised Cooperation.**

The increasing role of LA in international development cooperation is an undisputed reality in many European Member States. Europe presents a very heterogeneous panorama plenty of contrasts and differences in terms of legislation, institutional architecture, strategies, methods, budgets or priorities.

Decentralised cooperation is the culmination of a long and rich process starting with twinning after World War II, the decolonisation process and the migration flows in different moments of the 20th Century. It is also the result of the political and social solidarity movements held in Europe during the 80s and the 90s (especially after the Earth Summit held in Rio in 1992) which involved many cities and regions all over the continent focusing on, e.g., Cuba, Nicaragua, Palestine, Lebanon or South Africa. Finally, it is the result of LAs awareness of the necessity, in a globalised world, of building alliances between homologs to defend their interests and needs in the international arena.

To analyse this panorama we have to be aware that in Europe there are different scenarios, some Member States where decentralised cooperation is a recognised, consolidated, dynamic and relevant practice and some others where this phenomenon is at an initial stage or even non-existent.

As stressed in the methodological approach provided in chapter three, the current situation of decentralised cooperation in the 27 EU MS and in Croatia has been analysed. To present the results and to give a proper overview, an individual and specific approach to certain countries has been considered as relevant and necessary due to their substantial contribution. Whereas some others countries cannot be treated individually because the phenomenon is too incipient or even non-existent, in such cases a common explanation is provided.

### **5.1. Belgium.**

In Belgium, a highly decentralised country, communities and regions have the power to sign international agreements on matters which are within their jurisdiction. The National Law on Belgian International Cooperation<sup>40</sup> establishes no geographical limitations for the indirect actors, among which we can find NGOs and LAs. At a regional level, the Flemish Decree on municipal development cooperation<sup>41</sup> recognises the role of local government in the field and provides financial incentives<sup>42</sup>.

The greater part of the Belgian Official Development Aid (ODA) comes from the Federal State. In 2010, the ODA achieved its historical maximum, reaching 2.265 million €, 0,64 % of the GDP, yet

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<sup>40</sup> Voted on 25 May 1999 by the House of Representatives and published in the Belgian official journal on 1st July 1999.

<sup>41</sup> Voted in 2004.

<sup>42</sup> 2007 UN Habitat National Legal Frameworks for Local Governments international Action

this is decreasing from that year due to general budgetary constraints. Funds allocated by LAs considered as ODA are estimated around 5% of the total bilateral aid<sup>43</sup>. Coordination between the different agents is assured through the annual meeting of the Union of Belgian Cities and Municipalities.

The Federal State has a programme to foster municipal cooperation articulated through regional associations as the channel to support the cooperation ties between Belgian local governments and third countries municipalities. In the period 2008-2012, 14 Municipal International Cooperation Programmes (MIC) have been approved in Africa and Latin America.

It's particularly significant the leading role of the Association of Flanders Cities and Municipalities (VVSG). The association has developed a specific programme focused on development education and awareness-raising and its own MIC programme, covering 38 partnerships, to strengthen decentralised cooperation which is complementary to the one from the Federal State.

The Federal State also launched a five-year programme (2008 – 2012) entirely managed by VVSG where the local governments assume technical assistance role and do not contribute in any case to the project funding. The call for proposals they launch fits to the Federal State thematic priorities and countries. That is to say, concerning themes, the three main priorities are young people, local economic development and environment. Concerning countries, those are: Bolivia, Ecuador, Peru, Niger Mali, Senegal, Benin, Morocco, Algeria, DR Congo, Rwanda, Burundi, Uganda, Tanzania, Mozambique, South Africa, Palestinian Territories and Vietnam.

We could state that Belgium, as a strongly decentralised government, is an example of a balanced combined system of decentralised cooperation support. On the one hand, it has a relatively strong federal programme to support this kind of cooperation guided by the government priorities and strategy, and on other, there are the regional programmes which are normally more flexible and inspired in the specificity of their territory following the logic of historical links of the municipalities with certain countries and themes.

## **5.2. Denmark.**

Danish LAs work in the field of development cooperation is based on a strong partnership with Danida, the Danish Development Cooperation Agency, articulated, mainly, through the Danish Municipalities Association (LGDK)<sup>44</sup>.

The law on International Development Cooperation was passed in 1998, regulating the organisation of Danish cooperation, in which local entities do not participate. However, they are able to make twinning and cooperation agreements (in the case of the municipalities) and bilateral actions (in the case of the counties), principally with countries from Eastern Europe.

Since 1989, the Central and Eastern European countries in particular have shown a great interest in the Danish model of local government, building on comprehensive decentralisation, local democracy and the handling of essential welfare tasks. In these countries, a great demand exists for counselling and guidance on how to develop the public sector, including the local government sector.

Consequently, LGDK has supported the development of local government in these countries by way of a large number of projects. From the mid-1990s, LGDK has also been engaged in projects in Asian, African and Latin American countries. LGDK offers its services on a consultancy basis, often in collaboration with other public or private organisations, local authorities, local government associations and local government managers' associations. The Danish Government/Danida, the EU, the International Bank for Reconstruction and Development and other international development banks or donors, most often finances these consultancy services.

LGDK has been working within most aspects of democratisation and decentralisation processes. The emphasis is placed in the following areas:

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<sup>43</sup> Observatory of Decentralized Cooperation [www.observ-ocd.org](http://www.observ-ocd.org)

<sup>44</sup> [www.kl.dk](http://www.kl.dk)

- Decentralisation strategies.
- Local government finance.
- Support to Local Government Associations and inter-municipal cooperation.
- Public participation.
- Environment.
- Strategies and evaluation.
- 

### 5.3. Finland.

Finland's LAs participation in development cooperation mainly follows the same scheme as the other Scandinavian countries, that is to say, a strong partnership between the Association of Finnish Local and Regional Authorities<sup>45</sup> and the central government.

Section 2 of the Local Government Act has been interpreted to provide that local authorities are meant to operate primarily in their own area, but that local interests may also be served by extra-territorial and international cooperation. This interest demands activities outside the territorial boundaries of the local authority and the country.

Since 2001, the Ministry of Foreign Affairs has funded the North South Local Government Cooperation Programme (NSLGCP), which is led and managed by the Association of Finnish Local and Regional Authorities. This programme focuses strictly on partnerships between Finnish and African LAs and has enabled 37 linkages with LAs in several African countries including Ghana, Kenya, Namibia, South Africa, Swaziland and Tanzania.

The NSLGCP is currently in its fourth period since it started in 2001 with a pilot phase and funding agreements between the AFLRA and the Ministry of Foreign Affairs has been renewed every three years:

- Pilot phase (2002-2004): 1.17 million €.
- Second phase (2005-2007): 3,95 million €.
- Third phase (2008-2010): 5 million €.
- Forth phase (2011-2013): 7 million €.

During these three periods, the Programme was divided into three components:

- Cooperation activities between LAs in Finland and in Africa.
- Knowledge and information generation and dissemination to enhance quality of cooperation and to increase demand for cooperation in Finland.
- Management and administration services to for the programme and the linkages.

LAs, Finnish and African, can apply for an average of 100.000 € per year for the implementation and a maximum of 20.000 € for the planning of cooperation.

Furthermore, several individual local authorities, mainly bigger cities, have drawn up specific strategies for their international cooperation activities and most local authorities include a chapter dedicated to international affairs in their multi-annual general strategies.

These strategies define geographical and thematic priority areas linked, normally, to their general strategies (e.g. promotion of local economy and businesses). Most often the plans include consultation or joint formulation with third actors such as business sectors important for the city, universities, etc.

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<sup>45</sup> [www.localfinland.fi/en](http://www.localfinland.fi/en)

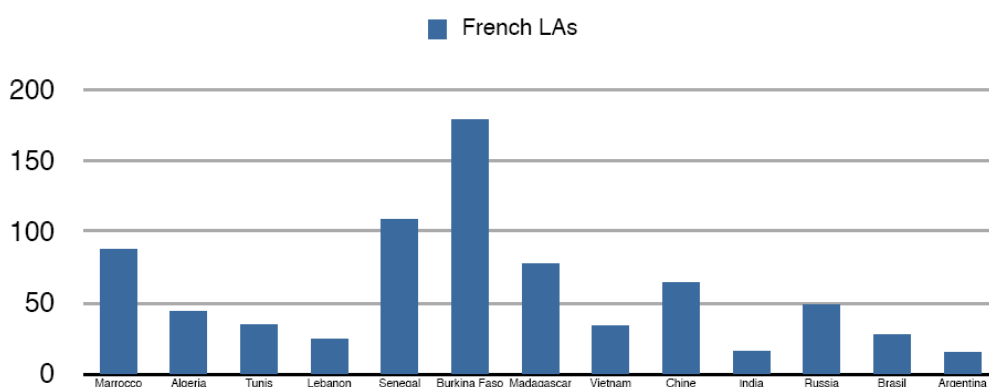
## 5.4. France.

France has a very rich scheme of decentralised cooperation with very active LAs, individually and collectively, and with a clear Central Government strategy to support and coordinate LAs international cooperation activities.

LAs competences in the field of international cooperation are explicitly recognised in the *Thiollière Law* of the 25th of January 2007, which amends the Law of the 6th February 1992 on Territorial Administration. This Law confers LAs the capacity, according to French international engagements, of concluding international agreements with other LAs with the aim of leading initiatives in the field of development and aid cooperation. It's worth noting that international cooperation has been perceived, since 2007, as a formal competence of LAs and no longer as a way to exercise or enhance other formal competences.

All types of LAs are included under the framework of this Law, that is to say, regions, departments, municipalities and other forms of inter-municipal (including the "syndicats mixtes") or inter-regional public bodies.

According to the *Atlas de la Coopération Décentralisée*<sup>46</sup>, 4.806 (from more than 35.000) French LAs are leading 12.609 decentralised cooperation projects with more than 10.000 LAs in 147 partners countries<sup>47</sup>. French LAs tend to work in the frame of the "francophonie" and of the former colonies. They are really on the ground in the Mediterranean region, in West Africa and in some parts of Asia (Vietnam) despite emerging countries as China and Brazil which are increasingly becoming focal points. The following graph shows some trends:



French LAs have the capacity to allocate their own resources in decentralised cooperation projects. According to the OECD Development Report, France is the second major donor in the world and in 2010, 0,8% of the French ODA was coming from LAs, this is to say, more than 100 million €. Regional Councils are the major donors among French LAs with very active and influential actors like Île de France, Rhône Alpes or the Provence, Alpes, Côte d'Azur Regional Councils.

Something very specific and singular regarding French decentralised cooperation is the possibility provided by the *Law Oudin Santini* that permits some LAs managing water, gas and electricity services to allocate 1% of their budgets concerning those subjects in international development initiatives in the field of water, sanitation and electric and gas distribution.

It is also very interesting to highlight the institutional architecture of decentralised cooperation. There are, as we have seen, very active and dynamic LAs working individually on a pure partnership approach, not only allocating funds but also providing technical assistance, providing

<sup>46</sup> <http://www.cncd.fr/frontoffice/bdd-monde.asp>

<sup>47</sup> Source: France Diplomatie.

services, articulating and engaging with CSOs and citizen's and building political alliances with their homologs in other countries.

But apart from acting individually, LAs have merged efforts by setting up some associations specialised in development cooperation. Some of those operate at a national level, like Cités Unies France<sup>48</sup> (CUF), a specialised platform which coordinates a network of more than 500 LAs including almost all the regions, departments and main municipalities whereas the three national associations of territorial governments (AMF, ADF, ARF). Others do it at regional level through networks promoted by some regions aiming at assisting and accompanying all their territorial stakeholders involved in international cooperation.<sup>49</sup>

Finally, the strong engagement of French Foreign Affairs Ministry has also to be underlined. There's a well-defined strategy to support LAs international activities especially in the field of decentralised cooperation articulated around six specific commitments.

- To ensure that international action of LAs is secure (Thiollière and Oudin-Santini Laws).
- To foster coordination and mutualisation.
- To offer space for dialogue.
- To co-finance with absolute transparency.
- To encourage the emergency of local authorities on the international scene.
- To support decentralisation processes and the improvement of local governance.

Coordination and mutualisation is assured through different innovative instruments, as the *Atlas de la Coopération Décentralisée*, a very interesting instrument that provides detailed information on decentralised cooperation of every LA in the country, or the support given to *Country groups*<sup>50</sup> in the frame of Cités Unies France or thematic platforms in the field.

It is also very interesting to underline the role of the *Commission Nationale de la Coopération Décentralisée*<sup>51</sup> a space foreseen to promote and enhance dialogue and consultation between LAs and Central Government. It's conceived as a joint instrument presided by the Foreign Affairs Minister and integrated by 16 representatives of the LAs main associations and 16 of the central government acting, the *Délégué pour l'action extérieure des collectivités territoriales*, as secretary. According to the article L 1115-6 from the *Code General des Collectivités territoriales*, the CNCD can make propositions aiming to improve decentralised cooperation modalities.

French LAs can get also access to Foreign Affairs Ministry funds to finance their decentralised cooperation projects through different, annual and three-yearly, call for proposals in the frame of the programme "*Solidarité pour les pays en développement*". The calls define the list of eligible countries, provide thematic priorities (economic development, local governance, regional integration, agriculture and food security, water and sanity, sustainable tourism and historical and cultural heritage and the digital gap) and stimulate networking by providing major rates of co-funding to mutualised projects. Although emerging countries are not eligible they benefit from specific calls (Brazil, Argentina, Mexico, China, Morocco and India) whereas there are joint funds with countries having a special relationship.

It is worth highlighting that French government, despite his centralist tradition, has always been very active by defending LAs role in international cooperation and the need of reinforcing and enhancing local democracy at a European level and before international organisations.

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<sup>48</sup> <http://www.cites-unies-france.org/>

<sup>49</sup> Resacoop, Rhône Alpes ([www.resacoop.org](http://www.resacoop.org)), Medcoop, Provence Alpes Côte d'Azur ([www.medcoop.com](http://www.medcoop.com)); Horizons Solidaires, Basse Normandie ([www.horizons.-solidaires.org](http://www.horizons.-solidaires.org)); Cercoop, Franche Compté ([www.cercoop.org](http://www.cercoop.org)); Cap Cooperation, Aquitaine ([www.capcooperation.org](http://www.capcooperation.org)); Centraider, Centre Val de Loire ([www.centraider.org](http://www.centraider.org)); Réseau Alcid, Pays de la Loire ([www.alcid.org](http://www.alcid.org)); Reciproco, Champagne-Ardenne; Lianes Cooperation, Nord Pas de Calai ([www.lianescooperation.org](http://www.lianescooperation.org)); Cerapcoop, Auvergne ([www.cerapcoop.org](http://www.cerapcoop.org)); Ircod, Alsace ([www.ircod.org](http://www.ircod.org)).

<sup>50</sup> <http://www.cites-unies-france.org/spip.php?rubrique49>

<sup>51</sup> <http://www.cncd.fr>

## 5.5. Germany.

Germany presents a complex and diverse reality concerning decentralised cooperation. The country, which has no specific law in the area, has a highly professionalised model, fostered by the federal government and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). At the same time, the Bundesländer and the municipalities count with a self-tradition and their own approach to build relationships with developing countries LAs. In this framework, the key actor in terms of coordination and *professionalisation* is the Federal Ministry for Economic Cooperation and Development (BMZ).

Having the possibility to allocate their own resources, municipalities and Länder are key partners of the German Ministry of Economic Cooperation and Development (BMZ) for the design and the implementation of the German development cooperation policy.

The scenario is quite asymmetric: there is a great difference between the cooperation developed by the federal states and the one of the cities. The Bundesländer devote a relative high amount of own resources in contrast with the cities which focus their cooperation in technical assistances and in the participation in European and GIZ programmes and initiatives.

Länder have their own development cooperation programmes, mainly dedicated to education and training although their main activity consists of organising residential visits by students from receiving countries. Resources allocated by Länder in this framework represent 11% of German bilateral cooperation.

Concerning municipalities, although they focus mainly on their own territory through education, training and information activities they also implement their own programmes based on strategic alliances set up with developing countries municipalities and cities providing technical assistance<sup>52</sup>.

Technical assistance in the framework of municipal development partnerships appears to represent a potentially effective instrument for German development cooperation combining the know-how of German development cooperation, gained over decades, with the well developed relationships of the municipalities<sup>53</sup>. Therefore, GIZ has developed a programme, *Promotion of Municipal Development* devoted to increase the integration of German municipalities in development cooperation (MDC). In the same way, the German Association of Cities also contributes to foster decentralised cooperation providing expertise from a list of 140 experts on local affairs.

It is interesting to note that in the German case, the municipal cooperation is promoted mainly from the federal government whereas the regional level does not assume coordination and management tasks, as it happens in other decentralised/federal countries as Belgium. To assure a good coordination level of all public actors involved in cooperation there is an annual meeting called *Bund-Länder-Ausschuss Entwicklungszusammenarbeit*.

The German system counts also with the *Servicestelle Kommunen in der einen Welt (One World)*<sup>54</sup>, an instrument to promote activities of international cooperation at local and regional level. The most relevant topics are strengthen the ties with third countries municipalities, development and migration, fare trade, and best practices of public procurement<sup>55</sup>. This service agency is financed by the Germany's Federal Ministry for Economic Cooperation and Development, several federal states and the city of Bonn. It has to be stressed that this agency does not finance projects or initiatives; it offers technical assistance to municipalities, professional advice and an exchange platform.

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<sup>52</sup> FROLICH, LAMLIN Local development policy in Germany Study on the commitment of German cities, municipalities and rural districts to development policy. Eine Welt [http://www.service-eine-welt.de/en/images/text\\_material-1623.img](http://www.service-eine-welt.de/en/images/text_material-1623.img)

<sup>53</sup> 2003, GTZ Municipal Development Cooperation Approaches and experiences of other bilateral and multilateral donors. Studies of the Netherlands, Great Britain, Denmark, and the European Union.

<sup>54</sup> <http://www.service-eine-welt.de/>

<sup>55</sup> 2012 Maier, Kerstin La cooperación descentralizada en Alemania



In terms of budget, following the BMZ data, the Bundesländer financial contribution to the ODA was 43,4 million €. This number is much higher if we take into account the cost of the university allocations financed for students from developing countries (see figure 1). It is then very remarkable the weight of the grants in Bundesländer cooperation strategy.

Figure 1: Bundesländer contribution to the ODA in Germany (2005-2010) in million €

Concept	2005	2006	2007	2008	2009	2010
ODA Bundesländer	782.822	764.185	745.715	688.256	703.658	713.050
ODA Bundesländer (not having into account the university allocations for developing countries students)	38.191	47.214	44.918	45.078	41.273	43.401
ODA Germany TOTAL	8.112	8.313	8.978	9.693	8.674	9.804
Bundesländer contribution to the German ODA	9,7%	9,2%	8,3%	7,1%	8,1%	7,3%
Bundesländer contribution (not having into account the university allocations for developing countries students)	0,5%	0,6%	0,5%	0,5%	0,5%	0,4%

Source: 2012 Maier, Kerstin La cooperación descentralizada en Alemania

## 5.6. Italy.

In Italy, decentralised cooperation is a rather recent phenomenon, which has been growing fast particularly since the 1990's. The regulatory framework at the national level is composed of the Acts n° 49/87, 68/93, 267/00, the reform of the Italian Constitution's Title V as well as the Act n° 131/03, while at the regional level decentralised cooperation is regulated by specific international cooperation laws that most of the Italian regions have adopted.

Nevertheless, Italian local authorities have no jurisdiction in matters concerning foreign policy, neither is international solidarity formally recognised as one of their "missions". Their actions on the international scene need to be based on demands that arise in their territories. Therefore, they need to promote the full social, cultural, economic and environmental development of their communities in order to justify decentralised cooperation activities. Thus, the Act n° 131/03 applied under the amended Title V of the Italian Constitution provides that "the autonomous regions and provinces (...) may enter into agreements with other territorial bodies belonging to other countries, with the purpose of favouring economic, social and cultural development". It further reads that "they may enter into agreements with other countries, aiming to execute and apply international agreements (...) or agreements involving technical or administrative matters, or those that deal with programmes, with the purpose of favouring their economic, social and cultural development" (Article 6).

Historically, decentralised cooperation implemented by Italian local authorities is focused in the Balkans, which continue to be a priority area nowadays for various reasons: existence of a specific national law n° 84/2001, geographical proximity which created the need to manage immigrations flows and control sea and land border crossings, the need to maintain harmony in the area, the availability of EU and national funds complementing those of the local authorities, economic relations and transport issues, etc.

North Africa and the Middle East became successively a priority area for similar reasons. More recently (i.e. the 2000's), the interest of Italian local authorities has grown for Latin America and the Caribbean. This may be explained by the continuous presence of the Italian community in those countries, similar and complementary political, administrative, economic, social and cultural

structures, a leading role of SMEs and their clusters in the economy, the presence of reliable and trustworthy institutions that can be easily approached.

As far as the thematic coverage is concerned, the Italian decentralised cooperation is active in numerous sectors. However, three can be particularly highlighted for their dynamism and success: local governance and institutional strengthening, public services management and infrastructures (local welfare, health, education, water, energy, transports, environment, waste, etc.), and local economic development based on a specific Italian model characterized by SME development and the close interrelationship between agriculture, industry, the tertiary and public services.

Concerning budget allocation, the Ministry of Foreign Affairs makes a relevant effort having allocated more than 30 Million € since 2007 (corresponding to 1,46% of ODA) to finance Italian LAs initiatives while they contribute also with their own funds in a relevant manner, specially regions. To present an example, Piemonte and Sardegna have allocated more than 14 million € to fund their own programmes over the period 2007-2011.

Finally, in terms of implementing modalities, decentralised cooperation actions often involve a single Italian local authority. However, a new trend has been growing in the past few years: Italian regions have started to coordinate actions with one another, so have done municipalities and provinces<sup>56</sup> among themselves and each region with the local authorities in their territory. Some interesting institutions have appeared in the past years like the Development Funds created in some provinces and regions (Milano, Modena, Umbria<sup>57</sup>...) following the Spanish model or the Interregional Observatory for development cooperation (OICS)<sup>58</sup>, a common platform established in 1991 by all the Italian regions with the aim of strengthening its involvement in development cooperation activities as well as to promote its economical internationalization.

Despite all these positive and fast developments, the need to strengthen the coordination between the local authorities' system and the Italian Government still persists strongly in order to improve the general framework.

## 5.7. The Netherlands.

Decentralised cooperation in the Netherlands is a remarkable example of coordination. The International Cooperation Agency of the Association of Netherlands Municipalities, VNG International, has become the central pillar of a highly professionalised municipal cooperation offering training, tools and, most of all, the strategy to strengthen the ties with local governments in third countries.

In this country the international relations and the development cooperation competences correspond to central level. More concretely, the Foreign Affairs Ministry is the one which centralises the funds devoted to development cooperation from which approximately the 20% of the aid goes to the NGOs. Nor the Constitution nor the Municipal law (2002) mentions local government capacity to establish bilateral agreements in development cooperation.

According to a survey by VNG International (2006), 72% of Dutch municipalities are involved in international cooperation. For municipalities from 50 000 to 100 000 inhabitants, 95% are active in international cooperation, while the ones with more than 100 000 inhabitants are also involved in development cooperation (VNG International, 2006). However, only 21% of the municipalities have formulated their own policies on international cooperation.

Most of the decentralised cooperation is directed to VNG International and their support programmes: LOGO South, operational in 11 developing countries in the 'South' (in Africa, Asia, Latin America) and LOGO East, for the Middle- and Eastern European countries<sup>59</sup>. For the coming

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<sup>56</sup> See [www.upinet.it](http://www.upinet.it) and [www.anci.it](http://www.anci.it)

<sup>57</sup> [www.felcos.it](http://www.felcos.it)

<sup>58</sup> Osservatorio Interregionale Cooperazione Sviluppo. [www.oics.it](http://www.oics.it).

<sup>59</sup> 2008, VAN EWJK Decentralized cooperation between Dutch municipalities and municipalities in migrant countries

period, 2012-2015, and according to the Ministry of Foreign Affairs new priorities, the Local Government Capacity Programme has been launched with a budget of 12.5 Million € which will be managed and implemented by VNG International. In this sense, it is also very relevant the effort carried out by VNG International to support the Tunisian political reform through the Reinforcement of Tunisian Municipalities Programme with an estimated budget of 800.000€.

Concerning the budget, the Netherlands is an important EU donor for development cooperation which, for the 2009-2011 period, has spent 4.457 M €. It is estimated that the percentage of the budget devoted to decentralised cooperation is not more than 1% of the total<sup>60</sup>.

In general terms, as in many northern and central Europe countries, in the Netherlands decentralised cooperation between local governments is a phenomenon much more professional than spontaneous. It is important to highlight the alignment of municipal cooperation to the central State cooperation policy as most Dutch municipalities with international relations are participating exclusively in VNG International programmes.

The majority of the 18 priority countries for the central government cooperation programmes are LDCs countries from the ACP region<sup>61</sup> and, saving some exceptions as the Reinforcement of Tunisian Municipalities Programme, so are the countries targeted by municipal support programmes. Concerning the thematic areas of municipal programmes supported by VNG International, those are centred in local competences, with a special attention to water services and management.

The local governments contribute to this kind of cooperation through VNG International providing technical assistance and expertise (and no longer through funding) to the projects financed, normally, entirely by VNG International programmes.

## 5.8. Poland.

Poland is an emerging reality in terms of being a donor in the field of decentralised cooperation. Its Development Cooperation Act, adopted on 16th September 2011, does not specifically mention local governments as actors of development cooperation but its Article 3.1 refers to “entities constituting finance sector units in the understanding of the Public Finances Act of 27 August 2009”, among which local authorities. Thus, the various levels of Polish local government, i.e. municipalities, counties and regions, have been pursuing for several years a policy of decentralised cooperation through projects funded by Calls for Proposals launched by the Polish Ministry of Foreign Affairs. Although the amount of allocated funds to decentralised cooperation has been quite irregular from one year to the other since 2007 in terms of percentage of the total ODA<sup>62</sup> and of the bilateral assistance<sup>63</sup> provided by Poland, and remains in any case at a very modest level<sup>64</sup>, some characteristics are emerging<sup>65</sup>.

First of all, a core group of priority countries is to be noted: Ukraine, Georgia, Belarus and Moldova; while a different “second-priority country” appears from one year to the other (e.g. Kyrgyzstan in 2007 and Afghanistan in 2010). Thus, Polish decentralised cooperation focuses so far exclusively on the ex-URSS Republics.

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<sup>60</sup> Estimated following OECD data and information gathered through VNG website

<sup>61</sup> Priority 1: Benin, Mozambique, Ethiopia, Uganda, Rwanda Priority 2: Afghanistan, Burundi, Yemen, Palestinian Territories, Sudan Priority 3: Bangladesh, Ghana, Indonesia, Kenya

<sup>62</sup> 3,49% of total ODA in 2007; 0,3% in 2008; 3,64% in 2009; 0,34% in 2010; the percentage for 2011 is under preparation. Sources: *yearly Annual reports of Poland's Development Cooperation (2007, 2008, 2009 and 2010)*.

<sup>63</sup> 8,13% of bilateral assistance in 2007; 1,29% in 2008; 4,13% in 2009; 1,34% in 2010; the percentage for 2011 is under preparation. Sources: *yearly Annual reports of Poland's Development Cooperation (2007, 2008, 2009 and 2010)*.

<sup>64</sup> 1.267.996 US\$ in 2007; 1.082.088 US\$ in 2008; 1.177.594 PLN in 2009 (approximately 378.000 US\$); 3.888.387 PLN in 2010 (approximately 1.217.531 US\$); the amount for 2011 is under preparation. Sources: *yearly Annual reports of Poland's Development Cooperation (2007, 2008, 2009 and 2010)*.

<sup>65</sup> Information available in the yearly Annual reports of Poland's Development Cooperation (2007, 2008, 2009 and 2010; the 2011 report is currently under preparation and data is not publicly available yet).

In addition, among the four priority countries, Ukraine is by and large the one receiving the great majority of the funds (an average of 684.913 US\$ per year since 2007 against an average of 122.118 US\$ for Georgia, 109.216 US\$ for Belarus and 71.046US\$ for Moldova during the same period), and implementing the highest number of projects (an average of 13 projects per year since 2007, against 2 or 3 for the other countries).

Secondly, the decentralised cooperation projects cover mainly three themes: 58 local governance projects and 7 environment/sustainability projects have been funded since 2007, and 9 economic development projects since 2008. The “education/culture/social affairs” theme was initially covered (5 projects funded in 2007 and 2008), though in a secondary way, but has been ignored since 2009.

Among the three major themes, the one predominantly funded is thus local governance with, again, a clear focus on Ukraine (41 projects out of the total 58).

Finally, no support to local authorities’ associations and no cooperation between local authorities of developing countries have been funded so far, which might simply be understood as a characteristic of the first-stage nature of Poland’s decentralised cooperation effort.

To conclude, Poland’s effort towards decentralised cooperation is still at its beginnings in terms of allocated amount of money (corresponding to an approximate yearly average of one million US\$ since 2007<sup>66</sup>) and percentage of the total ODA and of the bilateral assistance. However, the few regular features that can be noted may lead one to think that Poland has been undertaking some “tests” in a privileged area with the final aim of slowly and gradually building the basis for a sustainable and well-tailored policy of decentralised cooperation, respectful of its overall foreign policy.

## **5.9. Portugal.**

Portugal LAs have a long and rich tradition in the field of international relationships, especially in Europe and within the frame of the Lusophone countries, mainly through twinning but also, more recently, in the field of decentralised cooperation initiatives. For many years, since the 70s, all kind of cities, from the big ones, such as Lisbon or Porto, to the medium sized, have been active building cultural, economic and solidarity links with cities all over the world.

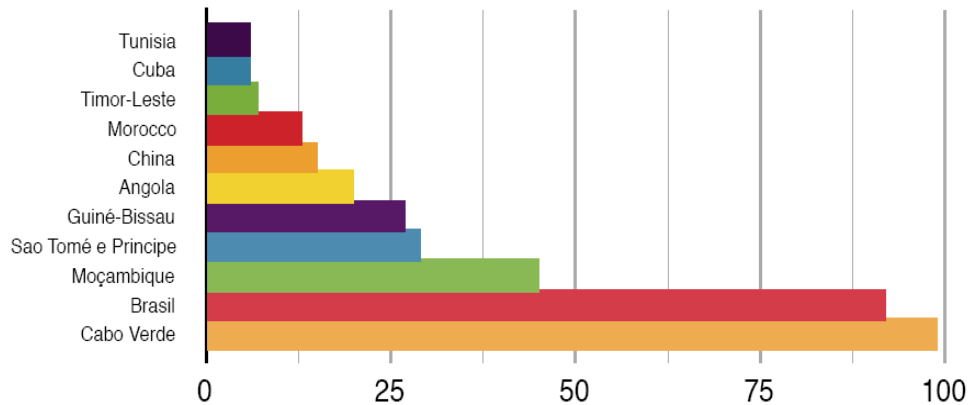
In the field of decentralised cooperation, Portuguese LAs have developed different forms of intervention, going from the bilateral agreements, formalised through cooperation protocols (focusing on project funding or technical assistance) or twinning agreements (medium and long term partnerships), to multilateral approaches being very active in different kind of networks.

The following graph shows the twinning agreements signed by Portuguese LAs before 2010 including development initiatives with partners’ countries. Except some emerging (China) or neighbour countries (Morocco and Tunisia) the majority of the partnerships are built with LAs in the Portuguese speaking countries. It’s very interesting to see the intensity of the relation with Cabo Verde’s LAs, even bigger than that with Brazilian ones.

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<sup>66</sup> Idem.

## Twinnings 2010



It is also worth highlighting the importance of the role played by the Association of Portuguese Municipalities<sup>67</sup> that since 1992 has signed three agreements with the Foreign Affairs Ministry to promote and enhance decentralised cooperation. Those agreements have been focusing on different issues and have allowed from initiatives dealing with the reinforcement of “sister” LAs associations in the Lusophone countries, the co-funding of decentralised projects lead by Portuguese cities and the creation of FORAL CPLP (*Foro de Autoridades Locais da Comunidade dos Países de Língua Portuguesa*)<sup>68</sup>, a political space for dialogue.

Related to those agreements, the Foreign Affairs Ministry launched, in the framework of the *Programa Integrado de Cooperação Portuguesa*, a specific programmes to fund decentralised cooperation initiatives lead by Portuguese LAs, the *Programa Específico de Cooperação Intermunicipal (PECI)*, which had two different periods, the first one between 1998 and 2001, and the second one between 2005 and 2009.

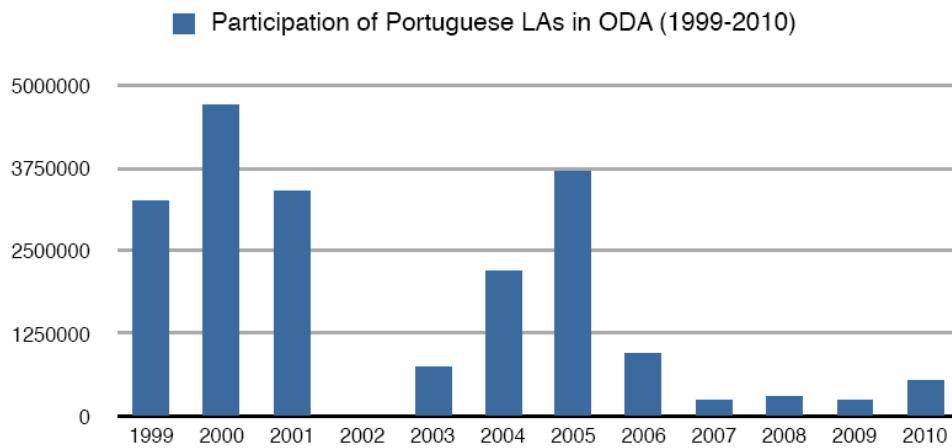
In the framework of this programme, and with the aim of complementing the national strategies, decentralised cooperation projects were funded, mainly in Portuguese speaking countries and in different thematic areas such as capacity building, urbanism and territorial planning, infrastructures, sanitation, environment, culture and cultural heritage. Neither in the first nor in the second phase of the programme were the funding amounts highly relevant (less than 2 million E for the first period) but still permitted the launching of a limited number of projects (77 in the second period) consolidating partnerships build in an equity and reciprocity basis.

Although the third phase of the programme was agreed upon and prepared in 2010, the recent severe financial crisis in Portugal meant that that it had to be suspended.

Concerning the LAs individual strategies, Portuguese law enables them to pass international agreements with homologs and to finance projects under their framework. However, the Portuguese reality is quite specific in terms of funds allocation because, as shown in the following graph, it has had a remarkable tendency to decrease.

<sup>67</sup> Associação Nacional de Municípios Portugueses (ANMP), [www.anmpt.pt](http://www.anmpt.pt)

<sup>68</sup> [www.foralcplp.org](http://www.foralcplp.org)



In this sense, it has to be stressed that, despite the fact that many LAs have been active in this field, signing diverse cooperation agreements and implementing interesting projects (own funded or through national or European funds) in terms of funds allocation there is a clear difference between the effort of the city of Lisbon (more than 10 million € in the 1999-2010 period) and the rest (Porto, the country's second city has allocated a little more than one million €, in the same period).

## 5.10. Spain.

Decentralised cooperation in Spain has had an enormous evolution in the past two decades. Departing from a tradition of very little action in the field of twinning (in comparison with French, Italian or German LAs) Spanish LAs have begun to be deeply engaged after UN Earth Summit held in Rio de Janeiro in 1992 and citizen's mobilisations calling for solidarity occurred in almost every Spanish city at the beginning of the nineties.

This evolution has been important concerning models, funds allocated, strategic and political dimension and geographical and thematic impacts.

The first peculiarity to consider is that differentiating between local and regional governments is more necessary than elsewhere. Spain is a neo-federal country with very powerful regions (Comunidades Autónomas), not considered in the national political framework as LAs, with legislative capacities and assuming a significant part of the public expenditure (almost 50%). Many of these regions have defined their policies in the field of international cooperation following central governments schemes, acting as donors (in fact, they are), enacting specific laws, defining programmes, strategies and priorities, articulating private and other public actors, allocating important amounts of aid and even signing agreements with multilateral organisations (mostly with UN agencies).

LAs (municipalities, provincial councils and other forms of intermediate local governments) have also evolved considerably. Departing from vertical models based on funding, through call for proposal, NGOs projects, direct cooperation mechanisms, based on partnerships with homologs, have become more common in the recent years.

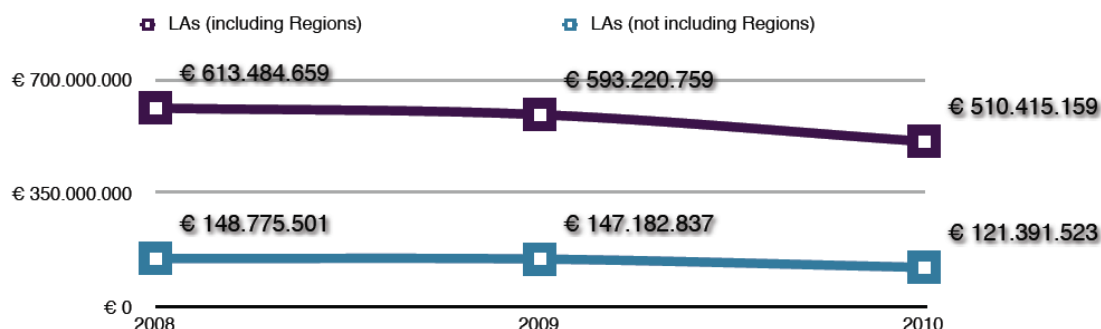
The relationship between LAs and NGOs has been really strong and explain an important part of the Spanish model of decentralised cooperation. Although it does not fit with the concept of decentralised cooperation we are using for the purposes of this study, what we could name as indirect decentralised cooperation has been the main mechanism to express LAs' solidarity.

But thanks to the influence of certain EU programmes (as URB-AL, MED-URBS, Ciudad...), the leading role of certain LAs and some important networks (as CIDEU, MedCites, UIM, Arco Latino, Interlocal), Spanish LAs have started to consolidate partnerships with homologs in other regions in the world, especially in Latin America and in the Mediterranean region, funding projects and building political and territorial alliances.

Spain does not have a specific Law regulating the participation of LAs in development cooperation. Although the Basic Law on Local Government<sup>69</sup> does not include the international development cooperation as a recognised competence for LAs, the International Cooperation Law<sup>70</sup> regulates the participation of Regions and LAs in this field highlighting that their action is based on the principles of budgetary autonomy and self-reliance and that it should respect the general and basic guidelines formulated by the Parliament and the principles of partnership between public authorities in access and sharing of information and optimisation of public resources.

It is also worth to note that many Regions like Catalunya, Andalucia or Euskadi, have their own Laws and that an Interterritorial Commission is foreseen to coordinate efforts between all public administrations allocating funds considered as ODA.

If we have an in depth look at the funds allocated during the recent years we can draw some interesting conclusions. Although the Spanish DC has made a considerable effort being placed in the first position in the decentralised cooperation European ranking in terms of own funds allocation, with many LAs (Regions and local governments) accomplishing and even going beyond the 0,7% recommendation, the current crisis is having a great impact. The following graph shows some trends in that field<sup>71</sup>.



As shown, funds allocated by LAs, including regions, represented in 2010 the 16,91% of the Spanish ODA<sup>72</sup> and those excluding regions (Municipalities, Provinces and other forms of local government) the 4,02%.

Concerning sectors, 83,70% of the actions were in the field of development cooperation, 6,21% in the field of humanitarian aid and 10,08% in that of education for development and sensitisation. The following graphs show the distribution of LAs aid (not counting regions) following the DAC list of sectors<sup>73</sup>:

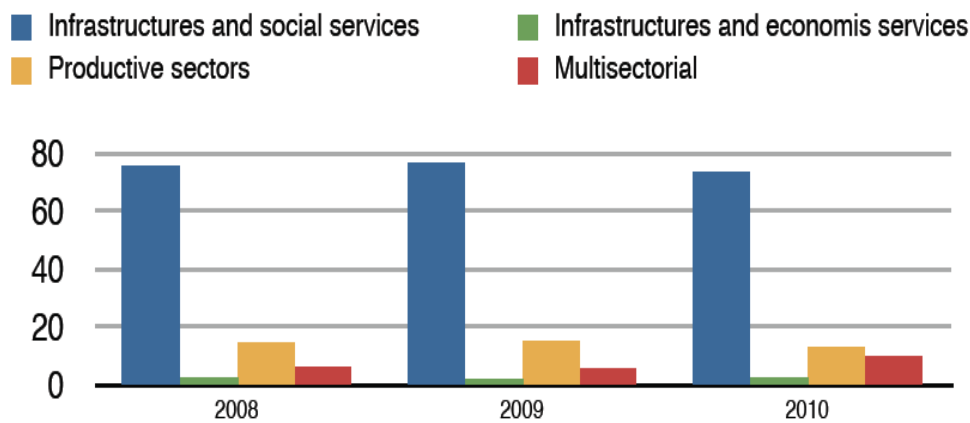
<sup>69</sup> Law 7/1985, from the 2th April 1985.

<sup>70</sup> Law 23/1998, from the 7th of July.

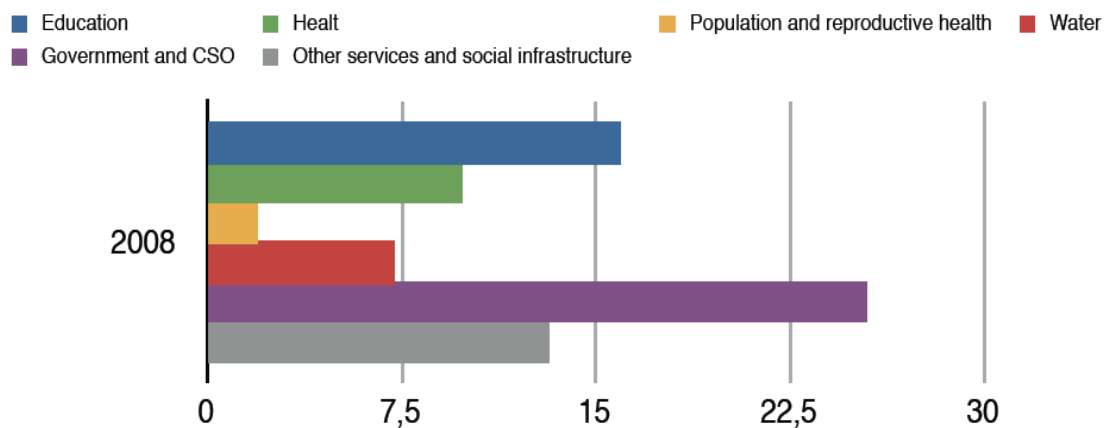
<sup>71</sup> La Cooperación al desarrollo de los Gobiernos Locales. Informe 2010. Federación Española de Municipios y Provincias. <http://cooperacion.femp.es/index.php/documentacion>

<sup>72</sup> Being Spain the seventh country following the DAC list of Net Official Development Assistance in 2010.

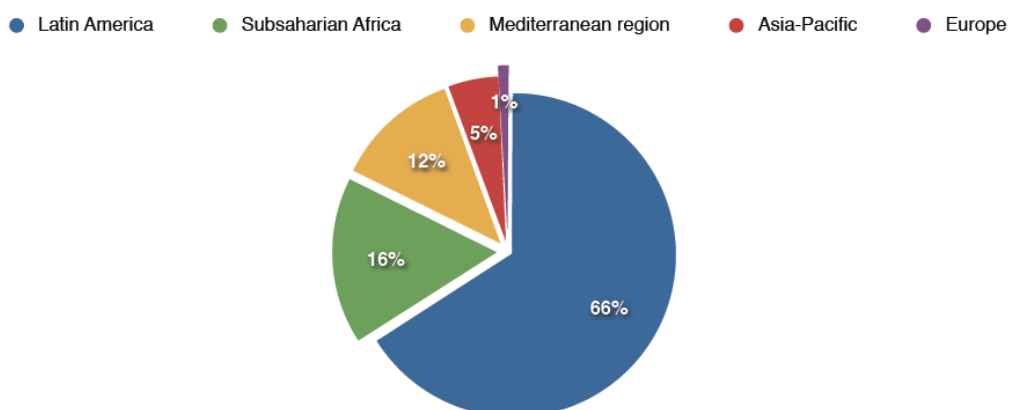
<sup>73</sup> <sup>73</sup> La Cooperación al desarrollo de los Gobiernos Locales. Informe 2010. Federación Española de Municipios y Provincias. <http://cooperacion.femp.es/index.php/documentacion>



As demonstrated, social services (following the DAC list of sectors) concentrate the main efforts of Spanish LAs, and in that frame, initiatives focusing on reinforcing governments and civil society organisation.



Finally, concerning geographical areas of intervention, due to historical reasons, an important part of the funds allocated by Spanish LAs go to Latin America. However, contrary to what might appear, Latin America is not the first beneficiary of Spanish ODA, it is in fact Africa<sup>74</sup>.



Other interesting aspects concerning Spanish decentralised cooperation can be listed as follows:

- Major donors (regions and big local governments) tend to program their development cooperation policies in a similar way as central government does. Thus, they publish

<sup>74</sup> <sup>74</sup> La Cooperación al desarrollo de los Gobiernos Locales. Informe 2010. Federación Española de Municipios y Provincias. <http://cooperacion.femp.es/index.php/documentacion>



multi-annual frameworks which are normally agreed with major stakeholders and provide clear information about budgets, geographical areas of intervention, sectors of intervention, and methodologies of intervention and transparency, accountability and evaluation measures.

- Contrary to other European Member States as France, Spanish central government does not provide a well-structured framework to work with LAs despite some funding programs as Municipia or some dialogue spaces as the Inter-territorial Commission provided in the Development Cooperation Law. Efforts in that field are incipient and have a long path to go, especially if we consider that the present crisis may set down a certain involution in this area.
- The Municipia Programme<sup>75</sup> was set up as a space for the joint programming between Spanish LAs and those in their partner countries in an articulated framework in coordination with the AECID (Spanish Agency for International Development Cooperation), the Spanish Federation of Municipalities and Provinces (FEMP) and the Confederation of Development Funds. Although the Programme, or rather the Spanish Development Agency, has allocated some funds to finance some LAs projects (especially those from the Development Funds and from FEMP), the programme has shown serious difficulties in exploiting its potential, it remains unsuccessful in its efforts and its future is uncertain due to the present crisis in Spain.
- Spain presents a high degree of transparency and accessibility to information regarding decentralised cooperation. Thus, the Spanish Federation of municipalities and Provinces publishes, in collaboration with the Ministry of Foreign Affairs and Cooperation, an annual report on LAs activities in development cooperation
- Spanish DC scenario presents a singular figure, the development cooperation funds<sup>76</sup>, which are private entities grouping LAs (normally cities and other local governments although in some cases they include also NGOs) at a regional level aiming to concentrate funds to realise projects in partners countries. They normally manage important amounts of funds and projects and concentrate important number of LAs although they cannot take advantage, being private bodies, of one of the major values of decentralised cooperation which is simply to lead the construction of partnership between territories and their stakeholders.

## 5.11. Sweden.

In Sweden the legal competence of development cooperation belongs to the central government (The Ministry of Foreign Affairs). The 60% of the total expenditure is managed by the Swedish International Development Agency (SIDA). The development cooperation is generally centralised which means that the other government levels do not have an active role in financing development cooperation activities.

Within this restrictive framework, Sweden follows the Netherlands model based on the efficiency and professionalism of the sector defined and implemented by the central government.

At local level, the main political role has been assumed by the Swedish Association of Local Authorities and Regions, SALAR, which centralises and coordinates the cooperation developed by local authorities. In order to assure a high quality and professionalism in its activities based on the “export” of best practices; SALAR has founded a private company, SKL International, which<sup>77</sup> supports democratic community planning and administration at the local and regional levels, using knowledge and experience from Swedish local and regional governments.

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<sup>75</sup> [www.programamunicipia.org](http://www.programamunicipia.org)

<sup>76</sup> Fondos de cooperación al desarrollo. More info in [www.confederacionfondos.org](http://www.confederacionfondos.org)

<sup>77</sup> [www.sklinternational.se](http://www.sklinternational.se)

The Swedish International Centre for Local Democracy<sup>78</sup> is also a relevant actor of the decentralised cooperation as they manage the Programme Municipal Partnership. For this specific programme where the Swedish local authorities are the applicants to calls for proposals and only contribute with their expertise, the eligible countries are focused in three geographical areas: Europe (Albania, Bosnia and Herzegovina, Georgia, Kosovo, Macedonia, Moldova, Serbia, Turkey, Ukraine and Belarus), Asia (India, Indonesia, China and Vietnam) and Africa (Botswana, Kenya, Namibia, South Africa, Tanzania and Uganda)

Even though the central state promotion of decentralised cooperation is crucial in the Swedish case, it must be said the new internationalisation and EU membership has led Swedish local authorities to greater cooperation. Local authorities also have a long history of pairing with communities in other countries, especially Nordic countries.

In terms of budget, Sweden has been an example in meeting (and exceeding) the development objectives. Following the OECD data, this country in 2009 and 2010 devoted the 1.12% and 0.9% of GDP in cooperation with third countries.

## 5.12. The United Kingdom.

In the United Kingdom the powers over matters of international relations and cooperation correspond to the central state which, through the **Department of International Development**, manages the funds that the central government earmarks for cooperation, on a bilateral or multilateral basis.

The **Local Government (Overseas Assistance) Act 1993** is one of the few European laws aimed specifically at empowering local authorities to establish international cooperation relations, albeit with the authorisation of the corresponding minister<sup>79</sup>. In any case, regional international development cooperation is permitted under the “Soft Law” framework that regulates relations on international policy between the UK’s regional governments and the national government.

In the **UK**, direct decentralised cooperation in development is quite scarce, and almost irrelevant. Local authority participation in cooperation is usually carried out through global partnerships and through the presence in national and international networks such as *United Cities and Local Governments (UCLG)*; *The Commonwealth Local Government Forum (CLGF)*; *Local Governments for Sustainability (ICLEI)*. In this sense, it has to be highlighted that the tendency of local governments to centre their activities in lobby actions through these platforms is more frequent than efforts in development projects. Although, at the regional level, the Scottish Government, the Welsh Assembly Government and Northern Ireland Executive have each developed their own policy and strategy for international development cooperation.

It has to be taken into account that British development cooperation is a multi-level process, with local and regional actors implementing strategies alongside the national authorities<sup>80</sup>. It means that there is a mixed model: local and, most of all, regional governments define their own strategies of decentralised cooperation always complementary to those of the central government.

The **UK Local Government Alliance for International Development** brings together various organisations from the British local level (SOLACE, LGA, IDEA, etc.) in the establishment of bilateral programmes with foreign local authorities (assisted by the corresponding ministry). The funding of these organisations is quite diverse; it can also come from private sources and this fact possibly contributes to a major “independence” within the decentralised cooperation strategy.

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<sup>78</sup> [www.icld.se](http://www.icld.se)

<sup>79</sup> <http://www.observ-ocd.org/Actualidad.asp>

<sup>80</sup> 2012 CoR Study on the Competencies, Financing and Actions Undertaken by Local and Regional Authorities in International Development

In UK the assistance funds made available by the ministry are administered by the LGIB (Local Government International Bureau). This includes the design of application and selection procedures, technical back-up and support of the partnership, and financial administration of the assistance funds.

It should also be mentioned that the relevant task that the *Commonwealth Local Government Forum* is facilitating a scheme for local technical assistances. In particular through the programme Commonwealth, the Scheme matches UK councils with an overseas partner. CLGF supported both parties through identifying a project of mutual benefit and developing a project plan, and can provide up to £40,000 to support selected project activities.

It is interesting how local authorities have been increasingly encouraged to work in partnership with the community they serve using different methods of participation.

In general terms, regional funding for decentralised development cooperation comes from national government resources, with regional authorities able to determine spending priorities from a block grant. At the local level, international development cooperation is concentrated primarily through the association for local authorities of England and Wales. Taking into account that the UK is an important donor devoting to the ODA around 0.6% of the GDP, the percentage addressed to decentralised cooperation it is not very relevant<sup>81</sup>.

### **5.13. Other Member States and Croatia.**

To close this overview, we have to consider a very heterogeneous and important group of countries in which, although they are all considered as donors, decentralised cooperation is less relevant, incipient or simply inexistent.

As stressed, it is a heterogeneous group, going from highly developed countries as Luxembourg or Austria, through to the less developed, like Malta or Cyprus and the East European new Member States.

Luxembourg and Austria despite both being wealthy countries, present different characteristics, Luxembourg is a major donor in terms of % of the GDP (1% in 2010), the second in Europe after Sweden. Thus, it is a country deeply involved in development cooperation but, certainly because of its small size, with a high degree of concentration in the central government. LAs cannot be considered as actors in this field, their international activities being limited to some twinning agreements in Europe.

Austria is an average donor in international development terms, spending 0,32% of its GDP but only 2% is allocated by LAs, which is not much compared to similar countries. Their action is a part of the twinning activities, mainly with neighbourhood countries, focused on receiving and attending to refugees. This represents expenditure considered as development aid but, under no circumstances, decentralised cooperation.

Greece is not a major donor of ODA, spending only half of the EU average as percentage of GDP on assistance in 2010 (0,19%), and this is being marked as a downward tendency due to the crisis. LAs are, except if we consider some twinning with development countries, not really considered as partners or actors in development cooperation policies.

The same can be said about Ireland despite the fact that it is an above average donor spending 0,52% of GDP in ODA in 2010. LAs international activities are mainly concentrated in Europe and in some international networks not being part of the development cooperation system.

Concerning Malta and Cyprus, they are recent donor countries, with an incipient policy in that field and with an ODA lower than many regions and big cities in Europe. LAs in Cyprus and Malta are starting to be relatively active in decentralised cooperation activities, in coordination with NGOs,

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<sup>81</sup> Data from the OECD statistic website <http://www.oecd.org/dataoecd/42/53/44285551.gif>

and mainly in their neighbourhood countries but funds allocated cannot be considered as substantial.

Finally, the Member States of the Eastern zone of the EU (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Romania, Slovakia, Slovenia)<sup>82</sup> and Croatia are part of the group of countries implementing very few, if any, decentralised cooperation activities. They are all international donors and as such have adopted acts, which give a legal framework to and regulate their international development cooperation activities. In the majority of cases (Bulgaria, Czech Republic, Estonia, Hungary, Latvia and Lithuania), these acts or regulations contain some specific mention or articles about the possibility for the local authorities to receive funds from the central government budget and/or to finance by themselves, as well as implement, their own development cooperation activities with local authorities of developing countries. In a few cases (Croatia, Romania and Slovenia), a specific law or regulation on local government mentions decentralised cooperation. In one case only (Slovakia), there is no legislative text mentioning decentralised cooperation.

In Slovakia and Slovenia decentralised cooperation projects are being funded mainly through Calls for Proposals, with sometimes the use of singular additional modalities such as funding through diplomatic missions based in the developing countries (Lithuania), twinnings (Croatia) or a sort of “in-kind” decentralised cooperation (exchange of experts, exchange of best practices and know-how, etc.) as is practiced by Romania due to a lack of available funds.

It is relevant to note that all kinds of local authorities have participated to decentralised cooperation projects during the period 2007-2011: from the lowest level of municipalities, communes and cities, to regions, passing by counties. In the case of Lithuania only<sup>83</sup>, LA associations have also been active. The interest in decentralised cooperation activities seem therefore to be largely widespread among the various levels of local authorities, which might be a promising element for the future development and dynamism of the sector.

However, the participating local authorities have to cope with very minor financial amounts for the decentralised cooperation projects and therefore implement small-scale projects. Examples range from budgets of approximately 5.200 € for an Estonian project implemented by the Kehtna county in Ukraine, to a maximum of approximately 60.000 € per year in the case of the Czech Republic or the “in-kind” decentralised cooperation practiced by Romania. Again, Lithuania demonstrates to be more pro-active in the sector than its EU partners. Indeed, it disbursed approximately 110.000€ per year between 2008-2011, which represents 1,03% of the central government’s budget for international cooperation, the highest amount and percentage after Poland. Showing thus clearly that decentralised cooperation, still considered as quite an innovative tool of development cooperation, is not only the privilege of big and rich countries.

Finally, two common features can be noted for this group of EU MS. Firstly, the recurring theme for which all the countries have funded and implemented decentralised cooperation projects is aimed at developing and strengthening local governance. The other themes are (in order of importance): economic development, education/culture/social affairs and environment. Only Lithuania and Latvia has supported LA associations.

Secondly, all the countries focus on directing funds at the ex-USSR Republics, with in addition some other countries such as FYROM, Afghanistan, Mongolia and Ethiopia, in general all transition or developing countries with a history of relationships with the ex-USSR.

To conclude, in all cases, except one, a legal framework foresees the possibility for local authorities to participate to decentralised cooperation activities, although it does not specify any coordination mechanism with the other development cooperation tools.

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<sup>82</sup> At this stage of the report drafting (July 2012), information is still missing from Bulgaria, Hungary and Latvia.

<sup>83</sup> For precision, such activities by LA associations have been reported only by Lithuania. For all the other countries, no information has been provided on decentralised cooperation activities by LA associations.

Decentralised cooperation in the MS of the Eastern zone of the EU is at a very first testing stage with relatively little commitment geographically (the priority countries share well-known political, economic and social issues due to a common history with the eastern EU MS), thematically (local governance being the basis of decentralised cooperation) and financially. Thus showing that, for the time being, decentralised cooperation is not a priority for these EU MS and risks remaining embryonic for the years to come.

## 5.14. General conclusions.

After having had an overview on the major trends in the EU Member States, we can conclude that this is a very rich, dynamic, innovative and heterogeneous phenomenon, subject to a constant evolution and in permanent change.

Due to its heterogeneity, trends and tendencies might change a lot with regards to different countries. However, there are some common trends to highlight such as the capacity of LAs to contribute with their expertise, know-how and experience in the field of local governance having the technical assistance that they provide a great potential.

We can draw some general and specific conclusions that might be interesting in the common effort of improving the reality of this phenomenon.

- LAs allocation of funds dedicated to development cooperation is considered as ODA by the CAD of the OECD. In some countries like Spain, the % of LAs contribution is not negligible, closer to the 20% in some of the years of the analysed period, before the crisis.
- In many countries LAs international activities and engagements and, specifically, decentralised cooperation practices, have a formal legal recognition. In others, although there's no specific law, their presence in the international arena, either through twinning or cooperation agreements, is considered as necessary to implement their competences in a proper manner.
- Decentralised cooperation is increasingly being recognised as a local public policy having a strategic and transversal dimension being linked with the majority of the local competences.
- LAs in France, Italy and Spain are very active and dynamic individually and collectively, presenting strategies, instruments and experiences with a high added value. The importance of individual LAs having a strong commitment and a clear political strategy in this field indicates a relevant appropriation which shows a strong commitment of citizen's (voters) and an important degree of autonomy and self-reliance.
- Despite the added value of individual LAs, mainly regions and big cities and provinces, those countries present, too, interesting forms of national and regional coordination and aggregation of efforts, like the Development Funds in Spain and Italy and Cités Unies France (CUF) and some regional networks in France.
- The Netherlands and the Scandinavian Countries present very interesting systems of coordination between LAs through LA Associations. Examples like the VNG in The Netherlands or SKL International in Sweden are important to indicate how LAs can be really professional in this field and obtain relevant and measurable impacts.
- Although this highly coordinated system can reduce the appropriation and the richness of bilateral or multilateral partnerships based on territorial exchanges, it can be seen as a good model to face the current crisis without dismantling the system.

High	Highly competent and empowered individual LAs in the field	Spain, France, Italy, Germany (some cases)
	Strong coordination with Central Government through LAs	The Netherlands, Denmark, Sweden, Finland, Belgium, France.
Moderate	Consolidated realities	Germany, UK, Portugal.
	Emerging realities	Poland
Low	Incipient or non-existent activities in the field	Austria, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, Romania, Slovakia, Slovenia.

- Decentralised cooperation is an excellent tool to improve the capacities of LA to promote themselves in a globalised world defending their interests and needs.
- It is also a good modality to enhance citizens' commitment toward certain values (solidarity, justice, mutual understanding, diversity...) which have been very important for Europeans. Local and regional experiences in the field of education and awareness-raising are very common and valuable in many countries
- There are some very interesting emerging realities as Poland but also some major countries in the development scenario (like Germany and the UK) with a high potential but a limited weight in the field of decentralised cooperation. There are also many countries, especially in the East, where this modality of cooperation is incipient or even nonexistent.
- Transparency has to be improved in the majority of the countries where access to information related to decentralised cooperation is really limited. There are some good practices to be taken into account.
- LAs Associations are very active in almost every country promoting decentralised cooperation among their partners, providing information, training and assessment. The political task performed by Platforma<sup>84</sup>, a LAs structure created in 2008 to interact with EU institutions in the field of international development cooperation policies, should be highlighted. Integrating the major LAs Associations (including CMRE and UCLG and FOGAR, European and world organisations of cities, regions and local governments) and the most active European individual LAs, Platforma aims at "coordinating the voice of LAs" presenting a "common message to the European Institutions" as well as "networking information and sharing experiences".
- Concerning geographical regions of intervention, the map is also very heterogeneous being in every case linked to historical, social or economic grounds regarding every country.
- Regarding sectors of intervention, LAs competences are the common framework of intervention being local governance, a horizontal approach, and environment, economic development, culture, education and social affairs, the most relevant topics.

<sup>84</sup> <http://www.platforma-dev.eu/>

Unfortunately something certain is that the present economic crisis could affect this phenomenon in an important manner, reducing funds allocated, constraining LAs international participation and putting under pressure citizen's commitment with the common goal of solidarity. There are some disturbing consequences already visible, like the decision of some major LAs to drastically reduce or even suspend their political and economic engagement with international solidarity and with decentralised cooperation.

A strong reaction is desirable, like in France, where the central government is reinforcing its commitment with the French LAs or in Finland, Sweden or the Netherlands, where successful experiences are being promoted. Decentralised cooperation is a European heritage, a political strategy to promote LAs interests and values. As shown in many countries, the added value of decentralised cooperation lies not in the funds that LAs can allocate or mobilise but in the territorial links they can build, articulating, on a proximity basis, local stakeholders who can and will be fundamental for local development.

## **6. Key elements of the European strategies in the field of decentralised cooperation.**

As we have seen, decentralised cooperation has become further established and is more and more supported as a concept for development cooperation across Europe. The European Union has been very active supporting this type of cooperation since the mid-nineties and has developed some structured programmes in this regard. Among the Members States there are also very interesting experiences showing that some central governments have decided to recognise, legitimate and improve support to their LAs enabling them to become more active in this type of cooperation.

However, there is a lack of complementarity between EC and MS strategies (and between different MS themselves) resulting in only a limited degree of coordination. This prevents the decentralisation cooperation from having a major impact, although it has this potential.

Following the prior reflections of the study, we proceed to compare EC and EU MS strategies to support decentralised cooperation and can point to key elements that should be addressed, which could provide those strategies with an added value, thus improving and strengthening them. The key elements which will be overviewed here are in fact common to all the scenarios analysed, yet the different key actors (EC and EU MS) show different degrees of intensity and commitment in their efforts to address them.

The attached table (see Annex) shows the application of the related key elements in every EU MS and in the EC helping to compare scenarios. Those key elements will be clearly linked to the recommendations proposed in chapter 7.

9 key elements:

- The strategic dimension given to decentralised cooperation.
- The legal framework covering decentralised cooperation activities.
- The coordination and complementarity mechanisms established at European and national level to improve the added value of decentralised cooperation.
- The percentage of ODA allocated in decentralised cooperation initiatives.
- The operational mode to support decentralised cooperation.
- The geographical coverage of European decentralised cooperation initiatives.
- The type of projects supported in the field of decentralised cooperation.
- The main sectors of intervention.
- The enhancement of the transparency and accountability mechanism in the frame of decentralised cooperation strategies.

## 6.1. The strategic dimension given to decentralised cooperation.

Support to decentralised cooperation must be considered as part of international development cooperation policy and should respond to a public and well defined strategy, agreed between all the stakeholders; this should be transparent, measurable and evaluable.

In this regard, the EC and certain Member States have designed different approaches to support decentralised cooperation which have subsequently been inserted into wider political strategies.

As analysed in the first chapter of this study, in 2006 the “European Consensus” was published providing the general framework for development matters in the period 2007-2013. Among the common principles established in this document, it states that “the EU acknowledges the essential oversight role of democratically elected citizens’ representatives. Therefore it encourages an increased involvement of national assemblies, parliaments and local authorities”. In the same sense the report affirms that “with a view to improve legitimacy and accountability of country-driven reforms, the Community ... will ... also support decentralisation and local authorities...”<sup>85</sup>

Indeed, as depicted in chapters 1 and 4 of this study, the European Union has established several programmes supporting and enhancing, directly or indirectly, decentralised cooperation under its different financial instruments.

A good example of this is the Non State Actors and Local Authorities Programme, as a funding instrument within the framework of the Development Cooperation Instrument (DCI) to “strengthen the capacities of ... local authorities in the policy making process, so as to promote an inclusive society ... increase the level of awareness of European citizens regarding development issues ... achieve more efficient cooperation, foster synergies and facilitate a structured dialogue between civil society networks and local authorities associations”.<sup>86</sup>

In addition, the URB-AL III Programme and the ENRTP Programme (Environment and Sustainable Management of Natural Resources including Energy) are also established under the DCI Instrument.

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<sup>85</sup> Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: “The European Consensus”. OJ C 46, 24.2.2006. See points 16 and 87.

<sup>86</sup> Art. 14 of EC Regulation n° 1905/2006 of the European Parliament and of the Council of 18 December establishing a financing instrument for development cooperation.



URB-AL particularly highlights the need to pay additional attention to promoting social cohesion as a shared goal within such cooperation. Here it is clearly a priority policy within Community-Latin America relations alongside the support to public institutions and the reinforcement of good governance.<sup>87</sup>

Moreover, the ENRTP programme has established the need for “working upstream in assisting developing countries to achieve MDG on environmental sustainability through capacity building for environmental integration in developing countries, supporting ... local authorities ...”.<sup>88</sup>

Concerning the ENPI Programmes (CIUDAD and CBC) the political framework is provided by the ENPI Regulation which indicates that “Community assistance under this Regulation shall normally be established in partnership between the Commission and the beneficiaries. The partnership shall involve, as appropriate, national, regional and local authorities...”.<sup>89</sup>

Finally, the Cotonou Partnership Agreement and the EDF (European Development Fund) Regulations are the core instruments of the Aerial and the Water Facility Programmes. Indeed, the Cotonou Agreement establishes that “the actors of development will include ... local, national and regional” public bodies.<sup>90</sup>

The following table shows the foreseen links between the political and strategic frameworks and the current legal basis covering programmes analysed in the present study.

Strategic Framework	Legal basis		Operational Instrument
The European Consensus	DCI	Art. 64	Non State Actors and Local Authorities
		Art. 6	URB-AL III Programme
		Art. 13	ENRTP
The European Consensus	ENPI	Art. 4	ENPI - CIUDAD
			ENPI - CBC
The European Consensus	EDF & Cotonou Partnership Agreement	Art. 6	EDF ARIAL
			EDF Water Facility

The strategic dimension of the participation of LAs in international development cooperation has been reinforced and clarified through the *EC Communication, Local Authorities: Actors for Development*<sup>91</sup> which provides a clear recognition and legitimization of the role LAs play.

In the same sense, a similar scenario is provided for the next Multiannual Financial Framework (2014-2020) by the *Agenda for Change*<sup>92</sup> and the *Joint Communication Global Europe*<sup>93</sup> which

<sup>87</sup> Art. 6 of EC Regulation n° 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation.

<sup>88</sup> Art. 13 of EC Regulation n° 1905/2006 of the European Parliament and of the Council of 18 December establishing a financing instrument for development cooperation.

<sup>89</sup> Art. 4 of EC Regulation n° 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighborhood and Partnership Instrument. See also arts. 14, 15 and 17.

<sup>90</sup> Art. 6 of the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other, signed in Cotonou on 23 June 2000.

<sup>91</sup> Communication “Local Authorities: Actors of Development”. COM (2008) 626 final, 8.10.2008.

<sup>92</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, “Increasing the impact of EU Development Policy: an Agenda for Change” COM (2011) 637 final, 13.10.2011.

<sup>93</sup> Joint Communication to the European Parliament and the Council, Global Europe: A New Approach to financing EU external Action, COM (2011) 865 FINAL.

presents the role of LAs as key actors in development. It highlights the need to strengthen the dialogue and coordination with them. Related to this, a major challenge will be the process that is to be addressed in the coming months to define a new EU policy on Local Authorities in partner countries through the new Communication on Local Authorities in Development.

Concerning EU MS, while most of them do not provide a strategic framework for the international action of their LAs, certain MS do have specific programmes within their development cooperation policies. Such programmes are articulated in different manners.

Some MS include the development cooperation carried out by LAs in their general development cooperation scheme through specific mention in their development plans (for example this is the case in Italy, Spain and France).

Others support Municipal Development programmes through agreements with their LAs Associations, as is the case of the Netherlands, Sweden, Denmark and Finland, or through specific platforms operating through central government, as is the case of Germany.

Besides this, LAs in certain countries like Spain, Italy, Germany and France, have the capacity to define strategic approaches in the same way as their central governments. In that sense, some very interesting examples of strategic plans can be found, which include elaborate definitions of objectives, actions and the resources available.<sup>94</sup>

### Strategic Plan for Development Cooperation of the Basque Government for 2008 – 2011 ([http://www.elankidetza.euskadi.net/x63-planestr/es/contenidos/informacion/plan\\_director/es\\_plandire/plandirector.html](http://www.elankidetza.euskadi.net/x63-planestr/es/contenidos/informacion/plan_director/es_plandire/plandirector.html))

It defines the political framework of the Basque agenda in the field of development cooperation: human sustainable development;

It provides the general objective of the Plan as well as 7 directives;

General Objective: to develop a quality cooperation policy with a transforming identity, duly coordinated and coherent, focusing on the eradication of the structural poverty;

Directive 1: to define a theoretical reference framework for the cooperation promoted by the Basque Government.

Directive 2: to programme the concentration of the geographical impact.

Directive 3: to strengthen the principal stakeholders of the Basque cooperation system.

Directive 4: to design a coherent frame of cooperation instruments.

Directive 5: to consolidate a coherent and integrated policy in the frame of humanitarian aid linked to a long term development.

Directive 6: to increase the impact of Education for Development.

Directive 7: to increase the budget of the Basque Government in the field of development cooperation moving towards the 0,7% aim in 2012.

Monitoring and evaluation system ([http://www.elankidetza.euskadi.net/x63-planestr/es/contenidos/informacion/plan\\_director/es\\_plandire/adjuntos/evaluacion.pdf](http://www.elankidetza.euskadi.net/x63-planestr/es/contenidos/informacion/plan_director/es_plandire/adjuntos/evaluacion.pdf))

<sup>94</sup> See also others examples: Generalitat de Catalonia:

[http://www20.gencat.cat/docs/cooperaciocatalana/Continguts/01ACCD/05pla\\_director/Pla\\_director\\_2011\\_2014.PDF](http://www20.gencat.cat/docs/cooperaciocatalana/Continguts/01ACCD/05pla_director/Pla_director_2011_2014.PDF); Regione Toscana:

[http://www.regione.toscana.it/regione/export/RT/sito-RT/Contenuti/sezioni/diritti/cooperazione\\_internazionale/rubriche/piani\\_progetti/visualizza\\_asset.html\\_2094967396.html](http://www.regione.toscana.it/regione/export/RT/sito-RT/Contenuti/sezioni/diritti/cooperazione_internazionale/rubriche/piani_progetti/visualizza_asset.html_2094967396.html);

Région Île de France: [http://www.iledefrance.fr/fileadmin/contrib\\_folder/Rubriques/Europe-International/Rapport\\_cadre\\_Inter-10DEL.pdf](http://www.iledefrance.fr/fileadmin/contrib_folder/Rubriques/Europe-International/Rapport_cadre_Inter-10DEL.pdf).

## 6.2. Legal framework covering decentralised cooperation activities.

Together the EU MS present a heterogeneous legal and institutional framework to approach decentralised cooperation. As is clearly stated in the *Study on the Competencies, Financing and Actions undertaken by Local and Regional Authorities in International Development*<sup>95</sup> performed by the Committee of the Regions, there is a broad diversity across the EU's 27 MS. While some countries provide highly accurate and detailed legislation others approach decentralised cooperation with no particular legal framework at all.

Several EU Member States have implemented legislation recognising and legitimising their LAs and increasing their capacity to enable them to operate in the international cooperation system.

Some MS, such as France and the UK, have developed specific laws recognising decentralised cooperation as a proper competence of LAs, regulating their actions and the funding of their activities in this field.

Other MS regulate it through general international cooperation law including some articles or chapters dedicated to LAs as recognised actors. In certain cases, such as Italy, Belgium and Spain, there are even regional laws in the field.

Three examples of regional laws in the field of decentralised cooperation:

- Law 26/2001 of 31 of December 2001 of the Parliament of Catalonia on Development Cooperation.
- Regional Law of 17 of April 2007 of the Autonomous Region of the Vale d'Aosta concerning regional interventions in the frame of development cooperation and international solidarity.
- Flemish Government Decree of 22 June 2007 on Development Cooperation.

A third group of MS recognises decentralised cooperation in the frame of a legislative instrument regulating LAs' general status and competences among which international cooperation is formally foreseen.

Finally, a significant number of MS have not regulated the presence of LAs in the international sphere, meaning that they accept, or even support this presence as a necessary or valuable way to implement their competences in a proper manner<sup>96</sup>. On the one hand, some very relevant countries like Germany and The Netherlands do not actually have a specific legal instrument regulating international development cooperation. On the other hand other MS, despite having adopted such legal instruments, do not provide in them concrete provisions concerning LAs international cooperation.

*Legal framework for LAs participation in decentralised cooperation*

<sup>95</sup> [http://ira4dev.cor.europa.eu/portal/SiteCollectionDocuments/DDC\\_FINAL\\_23%2011%2020111%20final%20EN.pdf](http://ira4dev.cor.europa.eu/portal/SiteCollectionDocuments/DDC_FINAL_23%2011%2020111%20final%20EN.pdf)

<sup>96</sup> Study on the Competencies, Financing and Actions Undertaken by Local and Regional Authorities in International Development. Committee of the Regions. February 2012.

Specific Law		France, UK
General Law on international development cooperation recognising and regulating LAs competences in the field	Central Government Law	Belgium, Czech Republic, Estonia, Italy, Latvia, Lithuania, Slovenia, Spain
	Regional Laws	Belgium, Italy, Spain
Law regulating Local Governments' status and competences recognising LAs capacities in the international arena		Bulgaria, Croatia, Finland, Greece, Hungary, Ireland, Malta, Romania.
General Law on international development cooperation not mentioning LAs		Austria, Cyprus, Denmark, Luxembourg, Poland, Portugal, Slovakia, Sweden.
No Law in the area of international development cooperation		Germany, The Netherlands

Meanwhile, the European Union does not provide a specific regulation to regulate decentralised cooperation by EU LAs, but the role of EU and partner countries LAs is foreseen in the different Regulations governing the various instruments in the field of development cooperation<sup>97</sup>.

### 6.3. Coordination and complementarity mechanisms

As stressed previously, the lack of qualitative coordination and complementarity mechanisms at European, national and even regional level is one of the key constraints on the effectiveness of aid, also in the field of decentralised cooperation.

Coordination and complementarity efforts to strengthen and improve strategies to reinforce decentralised cooperation need to be addressed at the following different levels

- Between the EC and the EU MS
- Between the EC and the LAs
- Between the EU MS and the LAs
- Between LAs themselves

The European Commission and the Member States have different formal mechanisms, for example the DCI Committee, to coordinate policies and to enhance complementarities in the framework of the different financial instruments for development cooperation. Although those mechanisms were not specifically created to focus on decentralised cooperation strategies, the commonality of their objectives with those of certain specific programmes, for example the DCI-Non State Actors and Local Authorities or the DCI-URB-AL Programmes, has meant that on some cases European LAs are seen as key partners to be involved.

<sup>97</sup> See chapter 4.1 of the present study.

For instance, the Memorandum to the DCI Committee concerning the 2011 Annual Action Programme in favour of El Salvador included, in its complementarity actions/donors coordination chapter, information on the Poverty Reduction Programme (15 Million) promoted by the Development Agency of the regional government of Andalusia -Junta de Andalucía- (Spain).

In the same way, coordination and complementarity with other international operators, especially multilateral agencies (UNDP ART GOLD Programme<sup>98</sup>, UN-Habitat...), relevant in the field of decentralised cooperation is also a key challenge. Some UN Agencies are very active focusing on strengthening LAs in the least developed countries (LDCs) and promoting shared mechanisms to operate with decentralised cooperation. Therefore, taking into account the close links existing between those agencies and the EC in the field of international development cooperation, a stronger focus on decentralised cooperation should be a desirable aim. Such coordination has already been exemplified in different multilateral forums such as in Busan or in New York at the 2012 Development Forum where different side events were organised to discuss the application of the effectiveness criteria to decentralised cooperation.

Concerning the relationship between the EC and LAs, the Commission launched a *structured dialogue* with civil society organisations and LAs, including their associations, with the participation of other Community institutions such as the European Parliament, Member States and EU Delegations in partner countries.<sup>99</sup> This dialogue took place between March 2010 and May 2011 and provided relevant conclusions in order to strengthen the effectiveness of all stakeholders involved in EU development cooperation. The dialogue has been recognised as a “non-binding confidence and consensus-building process”<sup>100</sup> to strengthen partnership and explore ways to improve the European Commission and the partners working methods and practices.

The *Structured Dialogue* has also permitted a very large and broad participation<sup>101</sup> in the framework of what it has been known as the “Quadrilogue”, including representatives of the European Parliament, the EU Member States, CSO and LAs representatives and the European Commission. Therefore, despite the fact that it was not conceived to act as a coordination system, the *structured dialogue* has shown itself to be very valuable as a mechanism to improve complementarity between the strategies of the different partners.

One of the main results of the Structured Dialogue issued at *the Budapest Declaration*<sup>102</sup> was the recommendation addressed to the EC to “improve the quality of the engagement/dialogue processes at all governance levels”. In Budapest, Development Commissioner Piebalgs reiterated the importance of enhancing dialogue at all levels, and suggested establishing a stable space for dialogue in Brussels, to allow systematic debate with Civil Society Organisations and Local Authorities<sup>103</sup>.

DEVCO launched the follow up of the Structured Dialogue through a meeting held in Brussels in November 2011, in which the proposal of a high-level policy dialogue (the Policy Forum for development) was very well received, confirming the need to bring together, at the EC Headquarters level in Brussels, relevant stakeholders working on development and cooperation issues. This would allow those actors “to exchange and discuss on issues linked to the follow up of the Structured Dialogue, on EU main policies and initiatives and on more global policy issues

<sup>98</sup> [http://www.undp.org/content/undp/en/home/ourwork/partners/regions\\_and\\_localauthorities.html](http://www.undp.org/content/undp/en/home/ourwork/partners/regions_and_localauthorities.html)

<sup>99</sup> Art. 14 of the EC Regulation n° 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation.

<sup>100</sup> Final Statement of the Structured Dialogue, Budapest, 19th of May 2011.

<sup>101</sup> More than 700 participants from the EU and 65 Partner countries and 51 EU delegations.

<sup>102</sup> Final Statement of the Structured Dialogue, Budapest, 19 May 2011.

<sup>103</sup> Background Document of the second interim meeting: Creating a space for dialogue with Civil Society Organisations and Local Authorities. The Policy Forum on Development.

linked to the international development agenda<sup>104</sup>. The background document of the second interim meeting, held on 18-19 October 2012<sup>105</sup>, defines the architecture of the Policy Forum on Development providing its goals and objectives, its working modalities as well as its membership. It has been confirmed as a permanent space for dialogue opened to CSO and LAs to ensure their effective consultation and contributions to EU development policies and programmes. The Policy Forum will also be open to other EU Institutions as well as to the EU MS.

Furthermore, the Committee of the Regions, mostly through its CIVEX Commission, is also an important arena for the interaction between LA and EU strategies. The nature of this EU institution, a non-binding consultative body, makes its role and capacities more linked to advocacy efforts than to coordination activities. However, since 2001 the Institution has tried to develop certain tools to disseminate decentralised cooperation experiences and best practices contributing to more efficient aid. In that sense, the specialised portal concerning international action of LAs, containing the Atlas of Decentralised Cooperation<sup>106</sup>, as well as the *Assises of Decentralised Cooperation*, a meeting concentrating the relevant actors in the field, are two good examples of the efforts made by this institution to strengthen and enhance this type of cooperation in Europe.

Among EU MS there are some good examples of coordination structures between central governments and LAs although it is not an extended practice in the majority of the countries.

In the case of France we can take a pertinent case of a coordination structure. This is a structure combining a system enhancing and supporting individual LAs in the field of decentralised cooperation, through calls for proposals funding decentralised cooperation projects, with a mechanism assuring political dialogue between central government and the representatives of LAs, the *Commission Nationale de la Coopération Décentralisée*.

In Spain, coordination is mainly seen between Central Government and Regions (Comunidades Autónomas) through the *Interterritorial Commission* foreseen in the International Cooperation Law while LAs (municipalities and other forms of LAs) are represented by the *Federación Española de Municipios y Provincias (FEMP)*. The Commission is a good political mechanism but does not assure a real joint road map.

The *nordic system* is also a significant model, involving a high degree of coordination between central governments and LAs associations through the implementation of joint programmes clearly inserted into the national policy. In these countries, particularly in The Netherlands, Sweden and Denmark, LA associations are highly professionalised and are among those with important resources.

However, this system, which is extremely efficient in terms of results, reduces the capacity for appropriation of LAs as independent actors participating in decentralised cooperation. Their role is mainly limited to contribute with expertise in the frame of third parties programmes (LAs Associations and Central Governments) and not to lead the construction of territorial partnerships with other LAs mobilising and involving the most relevant actors in their territories. Their political leadership in such a setting is to some extent, marginal.

A relevant variant of this system can be found in Germany where central government shows a high interest in LAs expertise and a strong commitment to reinforce local governance in the frame of its development cooperation policy. However, the German system does not focus on individual LAs or

<sup>104</sup> Policy Forum on Development. 1st interim meeting, Brussels - 10-11 May 2012.

<sup>105</sup> Background Document of the second interim meeting: Creating a space for dialogue with Civil Society Organisations and Local Authorities. The Policy Forum on Development.

<sup>106</sup> [www.lra4dev.cor.europa.eu/portal/en/atlas](http://www.lra4dev.cor.europa.eu/portal/en/atlas)

on LA associations but rather on platforms working within in the framework of the German Development Agency (GiZ)<sup>107</sup>.

The strong links existing between European LAs and their partners in developing countries has been a key factor in strengthening the level of complementarity between European central governments' bilateral strategies and decentralised cooperation partnerships. Indeed, some EU MS like France, Italy and Spain, are incorporating their LAs in the definition of their country strategies, reinforcing the specific role that LAs can play in the enhancement of local governance.

This tendency could be replicated at EU level. As shown during the study, only 24 of the 135 Country Strategy Papers (CSPs) signed by the EU with its partner countries (beneficiaries of EU bilateral assistance) actually incorporate measures to strengthen institutional and operational capacities of LAs. Moreover, only in one case, the Mali CSP, are concrete measures enhancing decentralised cooperation foreseen. Consequently, at the present time, decentralised cooperation in the frame of EU bilateral aid is marginal.

A special mention has to be given to the EU Delegations and to the representations of EU MS development agencies in the developing countries. Due to their representation capacities, they are a good tool through which to ensure coordination on the ground. They are also focal points for all citizens, central government representatives, decentralised cooperation, civil society organisations and other actors. There are good examples of this in several countries where EU delegations and MS Development Agencies like AFD, AECID or GiZ work in closer cooperation with LAs involved in decentralised cooperation partnerships.

Finally, although coordination between European LAs among themselves is not a simple task it is an important subject to address. There are several regional, national and European structures that are valuable in this frame and that can help to address the need for further coordination and complementarity in the field of decentralised cooperation.

At European level, Platforma emerges as an advocacy and coordination instrument which is still evolving and improving its capacity but with a considerable potential for the future.

At national and regional level there are also interesting bodies and practices like the CUF in France (Cités Unies France), the Development Funds in Spain or the Interregional Observatory for Development Cooperation (OICS) in Italy.

European LAs have to be well coordinated with EU institutions, with national central governments and among themselves but it is also very important to reinforce and to improve their coordination capacities with actors in their territories that can contribute in an important manner to enhance their partnerships in third countries.

## **6.4. Percentage of ODA.**

The fourth key element is the percentage of ODA dedicated to support or promote decentralised cooperation in the EC and in the MS. This percentage varies in a considerable manner depending on the MS being small in the majority of the cases and non-negligible in some others.

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<sup>107</sup> <http://www.service-eine-welt.de/>

EU MS organised under a federal scheme (Germany, Belgium, Spain), with regions managing an important part of the public expenditure, tend to dedicate a higher percentage to decentralised cooperation than the rest. Thus, the average of ODA mobilised by LAs in Spain has been higher than 15% in the recent years, despite the current crisis will modify in a considerable manner this scenario, superior to 8% in Germany and close to 5% in Belgium.

However those figures are relative if we consider that the type of actions funded by those regions does not exactly fit with the definition of decentralised cooperation provided in the present study. Indeed, it is so if we take into account that a very high percentage of the Bundesländer contribution to German ODA is dedicated to awarding university grants for students coming from developing countries. Moreover, Spanish regions tend to work under schemes more similar to those of central governments than to those characteristic of decentralised cooperation, working through Cooperation Agencies, funding UN programmes and establishing direct partnerships with central governments in developing countries.

The case of France is also singular, where although the percentage of ODA dedicated to support decentralised cooperation is not very high (around 1%), there is a specific legal mechanism, the *Oudin-Santini Law*, that permits LAs to allocate 1% of the budgets devoted to water, gas and electricity to development finance initiatives in these subjects. This type of mechanism provides a clarity regarding a crucial issue: the budgetary capacity of LAs international action.

Concerning the EU, although the EC has made a considerable effort to strengthen and enhance LAs institutional and operational capacities and to support decentralised cooperation in partner countries, the funds allocated are very limited. For instance, LAs are not eligible in the framework of certain very interesting programmes and their participation in others (such as bilateral programmes) is reduced.

Nevertheless, if we take into account the definition provided for the present study, the percentage of EU funds that have been allocated to specifically support decentralised cooperation is very limited.

## 6.5. Operational mode.

The debate on aid effectiveness has revealed that some of the classical approaches on international cooperation have still to evolve to meet all the principles stated in the Paris Agenda and reinforced since through the Accra and Busan forums. The need for major appropriation or a more coherent harmonisation of aid strategies has meant that some modalities, like the funding of projects, have had to be combined with others providing an added value.

Decentralised cooperation has always been linked to the “project approach” as unique form of transferring aid. Despite the argumentation against this type of cooperation, which focuses on its lack of concentration and its tendency to fragment, disseminate and minimise impacts, no other forms have been developed yet.

*Call for proposals and direct grants* are the two unique forms used all over Europe in the area of decentralised cooperation. Innovative instruments such as *budget support* or *trust funds* that could be very useful in this field have not been implemented neither by any MS nor by the EC.



*Budget support* is a consolidated modality in the frame of bilateral and multilateral frameworks of cooperation at national, European and global level. It is “a way of implementing development aid which consists in giving financial aid to the treasuries of the recipient countries. This aid increases the resources available to the recipient country to implements its own budget according to its own procedures. What generally characterises budget support is that it goes directly to the partner government and is then integrated into their own systems of appropriation, procurement and accounts and is not connected to specific projects”<sup>108</sup>.

This modality, although it presents some constraints and risks, is relevant to strengthen the appropriation of the recipient actor (normally the central government of a country) highlighting its autonomy and its institutional and operational capacities. It goes beyond the project approach that focuses on isolated activities providing support to public policies through its main tool, the budget, enabling a broader and more integrated approach to development strategies. Budget support enhances the coordination between donors and recipients, facilitates the transfer of higher amounts reducing the transactions costs and enabling major concentrated efforts in priorities defined by the recipient.

Following the EU standards and regulations, budget support, which can be general or sectoral, requires some criteria<sup>109</sup> to be met, “where circumstances permit”<sup>110</sup>:

- A properly formulated national or sectorial policy and strategy.
- A stability-oriented macroeconomic policy.
- A credible and relevant programme to improve public-finance management.

According to the research carried out, no experiences linking decentralised cooperation or LAs reinforcement with budget support were reported in the frame of the EC and the EU MS programmes and strategies. There was, however, a remarkable simulation exercise developed in close cooperation between the Observatory of Decentralised Cooperation and the Government of the Province of Santa Fe (Argentina)<sup>111</sup>. The simulation was made based on the idea of a direct budget support from the EC to the government of the Province without passing through the central government, which is not realistic in the actual circumstances.

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<sup>108</sup> European Commission. Budget support. “A question of mutual trust”. Luxembourg. Office for the Official Publications of the European Communities. 2008.

<sup>109</sup> Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other, signed in Cotonou on 23 June 2000.

<sup>110</sup> Point 26 of the Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: “The European Consensus”. OJ C 46, 24.2.2006.

<sup>111</sup> Marc Rimez and Maria del Huerto Romero. Observatory on Decentralised Cooperation. Yearbook 2010. The sectoral local budget support. A simulation case: the health sector in the Province of Santa Fe (Argentina). Page 45-63.

Conclusions from the simulation exercise held by the Observatory of Decentralised Cooperation UE - LA Health Sector and Government of the Province of Santa Fe (Argentina):

- 1.- The possibility of extending budget support to the local level has to be foreseen in the debate on aid effectiveness.
- 2.- Budget support at local level should help to overcome the “project approach” progressing to the support to public local policies reinforcing institutional and operational capacities of the LAs.
- 3.- The simulation shows that some local governments can address the requirements to be eligible for budget support.
- 4.- The simulation demonstrates that the Government of the Province of Santa Fe accomplishes the criteria of the Performance Measurement Framework (Public Expenditure and Financial Accountability - PEFA- [www.pefa.org](http://www.pefa.org)).
- 5.- The simulation shows that intermediate local governments (provinces, regions, federal states) can be an appropriate level to manage budget support initiatives devoted to LAs.
- 6.- The simulation shows that in certain cases LAs have the operational capacities to manage this type of instrument.

Reference: <http://www.observ-oed.org/LibreriaPagina.asp?id=645>.

Indeed, this modality could certainly be a good mechanism to support, in a very efficient manner, certain LAs (major cities, metropolitan areas, provinces, regions and federal states in some emerging or developing countries) which have the required capacity to manage such an instrument. In the framework of budget support, decentralised cooperation partnerships could be a remarkable tool for LAs providing them with valuable assistance in the exchange of experiences, the capitalisation and transfer of know-how and knowledge and the dissemination of invaluable results.

Another modality which has rarely been used in this field and that should be considered for in-depth analysis is the “*multi donor trust funds*”. Trust funds are financing arrangements set up with contributions from one or more public and/or private donor. It can be country specific, regional or global in its geographic scope and is normally established on a programmatic basis, defining scope and activities.

This type of funding is common among multilateral actors and investment banks, a financial engineering tool specially recommended to manage important investments allowing the participation of several public and private donors. This modality could be useful and very efficient to fund large infrastructure in major urban areas and regions, based on the commitment of the central government but working directly with the LA.

In 2008 a group of LAs members of Metropolis<sup>112</sup>, the world association of the major metropolitan areas, launched an initiative to raise funds from national and international donors to finance major infrastructures in highly populated urban areas. This initiative, the Global Fund for Cities Development<sup>113</sup>, has been revealed as an innovative mechanism launched on the basis of a strong partnership held between LAs with the complicity of a certain multilateral donor.

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<sup>112</sup> [www.metropolis.org](http://www.metropolis.org)

<sup>113</sup> <http://www.fmdv.net>

## The Global Fund for Cities Development - FMDV (<http://www.fmdv.net>).

Although it is not a trust fund, the FMDV works under a similar approach. It is a technical assistance and financial engineering organisation in the field of urban development, working on the designing and planning of programmes to their funding, implementation and assessment.

The FMDV aims to facilitate access for LA to the available financial resources by:

- Promoting local funding for urban projects through the development of endogenous social and economic dynamics that are both sustainable and competitive.
- Involving local people and local actors in the definition and financing of projects to ensure ownership and reduce costs improving quality and relevance.
- Strengthening the credibility of LAs, their projects and the urbanisation programmes they manage, vis-à-vis funding bodies, to facilitate their investments or loans.
- Supporting LAs and governments in the establishment of conditions for sustainable local economic development that is properly linked to the constraints of the local, national and international contexts.
- Strengthening the existing decentralised cooperation that is the basis for solidarity between LAs.
- Promoting the development of decentralised south-south or Emerging/South cooperation.
- Providing sufficient domestic and external guarantees

In recent years the EC has started to decentralise the management of important programmes like some of the ENPI CBC Programmes. As such, the Region of Sicily is the managing authority of the Italy - Tunisia CBC Programme and the Region Sardinia of the Mediterranean CBC Programme. Following a similar approach, some support structures assumed by European LAs have been established to accompany the implementation of some Programmes (URB-AL III, CIUDAD, ARIAL) assuring technical support to the projects funded under the programmes as well as coordination in order to ascertain a capitalisation of the results. It's a replicable modality that allows for making use of LAs expertise in the field and the empowering of local governments or local governments associations in the field of international cooperation.

In the same sense it is also worth mentioning that in some countries LAs use transnational platforms and networks to develop their own decentralised cooperation. We can highlight the case of the UK (The Commonwealth Local Government Forum, UCLG, ICLEI), where this modality is, to some extent, the common rule. While this is not the only mechanism to implement decentralised cooperation activities, networks are also performing well in other countries like France (Cites Unies France, regional networks, Association Internationale des Maires Francophones<sup>114</sup>), Spain (Regional Development Funds and many networks in the frame of the iberoamerican system) or Portugal (Foro de Autoridades Locais da Comunidade dos Pais de Lingua Portuguesa).

As noted in the study, some of the EC programmes have provided a good framework to promote South - South decentralised cooperation. This valuable new type of cooperation has gradually appeared in some of the EU MS strategies but it is being highly promoted by emerging countries like Brazil, Chile and Turkey.

South - South decentralised cooperation initiatives are an optimal framework for capacity building initiatives enabling scenarios in which confident partnerships can develop between highly homogeneous partners. They are also complementary to the classical North-South initiatives as well as being a pertinent foundation for triangulation. This last form of cooperation has not been

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<sup>114</sup> <http://www.aimf.asso.fr/>

detected during the study although it begins to appear in some of the discussion forums and some experiences are currently being tested.

Strengthening the integrated management of the Apa River basin for the sustainable development of the populations of the Departments of Concepción and Amambay (Paraguay) and the State of Mato Grosso do Sul (Brazil).

Funded through the DCI - Non State Actors and Local Authorities Programme.

Lead Partner: State of Mato Grosso do Sul (Brazil).

Partners: Government of the Amambay (Paraguay). Asociación por la Paz y el Desarrollo (Paraguay).

Budget: 2.264.892€. EU funding: 1.998.000€. LAs contribution: 266.892€.

Capacity building project in the field of environment and sustainable development, considered as a best practice in the frame of the present study (see fiche attached) and highlighted as contributing to public policy formulation and the enhancement of multilevel governance.

Reference: [http://ec.europa.eu/europeaid/documents/case-studies/brazil\\_water\\_giapa\\_en.pdf](http://ec.europa.eu/europeaid/documents/case-studies/brazil_water_giapa_en.pdf)

## 6.6. The geographical coverage of decentralised cooperation.

As we have seen in chapter 4, the EC is supporting decentralised cooperation initiatives all over the world through different programmes.

The following table summarises the repartition of EC funds allocated in decentralised cooperation and the percentage of decentralised cooperation projects financed by the EC in the different regions of the world.

	Funds allocated	Projects financed
Latin America	42%	22%
ACP Countries	33%	51%
Neighbourhood	18%	20%
Asia	2,3%	2,6%

Certainly due to the known potential of their LAs which have a high capacity for absorbing funds, Latin America concentrates most of the EU funding in the field of decentralised cooperation. However, 51% of the projects are implemented in the ACP countries, an important part of which are medium and small sized projects (less than 1.5 M€ €). In contrast, it must be stressed that despite the high potential of LAs in Asia, this region receives a lower proportion of the available funds.

In chapter 4 it is noted that a significant number of European LAs participating in EU programmes supporting decentralised cooperation are from south European countries, especially France, Italy

and Spain. Individual LAs in South Europe are leading 79% of the projects while a lot fewer projects are led by Central and North European LAs (21%), mostly LA associations.

Concerning EU MS, the scenario is heterogeneous and the presence of European LAs is spread all over the world. LAs in the different MS tend to follow consolidated historical, social, economic or cultural links to choose their areas of action. The following links should be noted:

- The strong relationship between LAs in some former metropolises (UK, France, Spain, Portugal) with their counterparts in the former colonies in Latin America, Africa or Asia.
- The social, cultural and economic grounds that are the basis for the strong relationship between some countries with the countries which were the destiny of their migrants some decades ago (i.e. Italy with Argentina or Brazil).
- The tendency shown by some LAs working with their partners in their neighbourhood countries (France, Spain and Italy with the Maghreb countries, or EU central and eastern countries with the countries of the former Soviet Union ).
- The economic criteria are also very important to explain the growing relationship between LAs in some big EU MS (France, Germany, Spain or Italy) and LAs in emerging countries (Brazil, China, India).
- The economic criteria explains too the focus that some Nordic MS (Denmark, Finland, The Netherlands) are putting on the less developed countries in the world to fight poverty.

## 6.7. Type of project.

As stressed in the report, and in relation to the type of project executed, decentralised cooperation is the perfect foundation for what we have called “soft” initiatives, that is to say, projects focusing on the improvement of the institutional and operational capacities of LAs through:

- Exchange and transfer of knowledge, experiences and know how.
- Follow-up political and social processes (decentralisation, LAs financial framework, etc...).
- Development of pilot initiatives.
- Provision of services.

However it is also possible to find projects focusing on infrastructures, especially in some EU MS where LAs tend to address them, directly or with the support of the central government. The main cities and regions in countries like France or Spain have a certain tendency to be involved in these types of projects. In Spain, prior to the economic crisis, big regions with an important development cooperation budget had the capacity to fund infrastructures directly.

### Cooperation Programme between the Ministry of Health of Mozambique and the Government of Catalonia.

Mozambique is one of the priority countries included in the Catalan Development Cooperation Agency Director Plan. The Government of Catalonia has signed an agreement with the Ministry of Health of Mozambique focusing on the health sector of the Province of Inhambane. The agreement, which facilitates the participation of various public and private Catalan actors (the University of Barcelona, The Clinic Hospital, several NGOs, etc...), includes the construction of several health infrastructures like different Health Centres to provide for the population in rural areas.

In some other cases, cities and regions cooperate with central governments in order to fund infrastructures in cities or regions in their partner's countries. However, in these cases, funding for infrastructure is mainly allocated by the central government while the LAs provide knowledge and expertise.

## 6.8. Sectors of intervention.

For the purposes of the present study, four sectors of intervention have been identified as priority:

- Local Governance.
- Environment and sustainable development.
- Social affairs.
- Economic development.

There is clear evidence in both the EU MS and the EC strategies, that local governance is the main priority concentrating almost the 50% of the funds and the projects reviewed. Nevertheless, we are seeing a growing interest in the environment and sustainable development sector, especially after the leadership shown by LAs in this field through many relevant initiatives like the Covenant of Mayors<sup>115</sup> or the World Mayors Summit on Climate held in Mexico in 2010<sup>116</sup> before the COP 16<sup>117</sup>.

Although the social affairs sector constitutes a certain amount of funds and projects, especially in the framework of certain EU MS strategies, there are some symptoms that show that it is losing weighting. Indeed, in the frame of EC programmes supporting decentralised cooperation it concentrates only 15% of the funds

Despite the intrinsic role that they should have (due to the crisis period that the world is facing) and to the competences that LAs have in this field, it is evident that economic development projects are the least common in the field of EC Programmes.

Those for sectors of intervention cover a broad scope of topics that have been addressed by LAs all over the world (i.g. decentralisation, waste management, equal opportunities between women and man, education, sme...). Although their competences are also broad, a special attempt should be made to identify, under each of these sectors, the main topics of the LAs political agenda to avoid dispersion of efforts and to improve impacts. LAs international organisations (like UCLG, FOGAR, ICLEI, etc...), which are consolidated as highly professional advocacy platforms, are operating in the international sphere, highlighting their political priorities that should be taken into account by international donors as being highly linked with the real territorial needs.

## 6.9. The enhancement of the transparency and accountability mechanism in the frame of decentralised cooperation strategies.

The information and the knowledge related to decentralised cooperation disposable in Europe is relatively limited. There is a fundamental lack of transparency which makes difficult to capitalise the rich experiences that exist.

The EC provides relevant information regarding its strategies and operational instruments that can be of interest to LAs yet in some cases it is difficult to link this to decentralised cooperation. The results of those strategies and instruments (programmes and projects evaluations, project

<sup>115</sup> [www.eumayors.eu](http://www.eumayors.eu)

<sup>116</sup> [www.wmsc2010.org](http://www.wmsc2010.org)

<sup>117</sup> United Nations Climate Change Conference held in Cancun, México, from the 29 of November to the 10 of December 2010.

information) are rarely available and it is difficult to take advantage of the lessons learned, the experiences and the knowledge generated through each programme and each project.

A common online forum related to dissemination of such information is needed. The information available at the existing *Decentralised Cooperation Portal*<sup>118</sup> launched by the Committee of the Regions and the EC is still rather limited, uncompleted and even outdated. Other interesting platforms like the *Observatory of Decentralised Cooperation EU - LA*<sup>119</sup>, launched in 2005 with the EC support, has reduced its activities because of the lack of institutional accompaniment and other emerging institutions like the Institut des Hautes Etudes de l'Action Internationale des Villes et des Gouvernements Locaux (IDHIL)<sup>120</sup> in France are , interesting but still remain too limited.

Regarding the EU MS the situation is dependent on the particular, although in the majority of the countries it is very difficult to access to the information which is not even collected and processed.

Among the relevant experiences existing in Europe we can highlight that from France where the Portal put in place, by the Ministry of Foreign Affairs through its *Délégation pour l'action extérieure des Villes in the frame of France Diplomatie*<sup>121</sup>, is highly recommended. It is complete and very well structured providing aggregated information, operational tools as well as individual information concerning French LAs. This portal contains the *Atlas de la Coopération Décentralisée*<sup>122</sup> a very useful tool which provides a census, through cartography, of almost all French LAs international activities presenting the information in a very friendly and accessible way.

Some Central and Nordic European States (The Netherlands, Belgium, Denmark, Sweden, Finland for example), following their open tradition of transparency, provide also very interesting and accessible information despite the access to concrete experiences is still difficult and limited. The case of Spain is also interesting. The *Federación Española de Municipios y Provincias*, through an agreement with the Spanish Ministry of Foreign Affairs, has a complete portal<sup>123</sup> providing relevant information and an annual report concerning development cooperation activities of LAs which contains highly detailed and valuable statistical information. But in the majority of the cases, even in countries with a very strong tradition in the field, accessibility is really limited.

Beyond the access to relevant institutional and operational information, there is a lack of general knowledge in the field of decentralised cooperation. This type of cooperation has not been frequently analysed from an academic or research point of view which means that the evolution of models and paradigms is quite slow. In recent years some research centres have emerged in different countries dealing with the subject trying to build solid references but there is still much work to be done. Here again, the work of the Observatory of Decentralised Cooperation between the EU and LA has to be stressed, as well as those already mentioned from the IDHIL in France or some academic centres<sup>124</sup> which are becoming interested in the matter.

## 7. Recommendations to the EC.

After an overview on the EC and the EU MS strategies to support decentralised cooperation and compared the key elements in order to improve European decentralised cooperation, we can draw some recommendations to enhance their added value, reinforcing the complementarity between

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<sup>118</sup> <http://ira4dev.cor.europa.eu/portal/es/Paginas/welcome.aspx>

<sup>119</sup> <http://www.observ-ocd.org>

<sup>120</sup> <http://www.idhil.org/>

<sup>121</sup> <http://www.diplomatie.gouv.fr/fr/enjeux-internationaux/cooperation-decentralisee/>

<sup>122</sup> <http://www.diplomatie.gouv.fr/fr/enjeux-internationaux/cooperation-decentralisee/atlas-francais-de-la-cooperation/article/presentation-et-mode-d-emploi-98153>

<sup>123</sup> [www.cooperacion.femp.es](http://www.cooperacion.femp.es)

<sup>124</sup> Centro de Estudios y Documentación Internacionales de Barcelona - CIDOB ([www.cidob.org](http://www.cidob.org)); Centro Studi di Politica Internazionale - CEsPI ([www.cespi.it](http://www.cespi.it)); Instituto Complutense de Estudios Internacionales, ICEI ([www.ucm.es/info/icei](http://www.ucm.es/info/icei))

EC and MS political and operational approaches and providing some suggestions in view of the future instruments in the 2014-2020 EU Financial Framework.

It has to be stressed that the following recommendations come from the analysis of the various EC programmes concerned, the data related to projects considered by EC administrators as best practices, the information available on the net regarding EU MS strategies on that field and the information supplied by central governments and LAs associations during the research.

Recommendations to the EC are structured in 9 groups following the key elements addressed in the previous chapter to improve decentralised cooperation strategies.

## **7.1. To strengthen the strategic dimension given to decentralised cooperation.**

As stressed in chapter 6, the EC has clearly shown its commitment to continue considering LAs as key actors in its development cooperation policy<sup>125</sup> and is working to formulate, as will be shown through a new Communication on Local Authorities in Development, a new policy on Local Authorities. Furthermore, the Policy Forum on Development will be a permanent space opened to LAs and CSO to ensure their effective consultation and contributions to EU development policies and programmes.

This strategic effort should be strengthened by the encouraging of a strong participation by all the relevant stakeholders working with the umbrella organisations representing LAs all over the world that can provide a specific point of view to EC development policies different to that of CSOs.

### **Recommendation 1:**

Promote the participation of the relevant stakeholders in the future Policy Forum on Development highlighting the specific role of LAs as key stakeholders in the formulation and the monitoring of the EU development policies and programmes.

As shown in the present study, decentralised cooperation experiences supported by both the EU and the EU MS, show that it presents a clear added value as an adequate mechanism to strengthen and enhance the role of LAs in development. That is to say that decentralised cooperation should appear in the new EU development policy, especially in the frame of the new policy regarding LAs in development, as an optimal development cooperation modality directly indicated as reinforcing LAs institutional and operational capacities.

### **Recommendation 2:**

Underline, in the framework of the new EU development policy, the role of decentralised cooperation as a recognised development cooperation modality to strengthen and enhance institutional and operational capacities of LAs by building territorial partnerships.

Within EU MS, some countries have defined strategic approaches in the frame of their official development policies to the strengthen LAs in partners countries and to support decentralised cooperation as a valuable modality (France, Italy, Spain, Germany, the Netherlands or the

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<sup>125</sup> See page 47 of the present Study.



Scandinavian countries) however, in the majority of the cases this approach is not explicitly foreseen.

In the present study, it has also been underlined that the tendency to define strategies in this field has been identified among some relevant EU LAs, especially in the case of big cities and powerful regions that treat decentralised cooperation as a public policy.

### Recommendation 3:

Strengthen the strategic and political dimension of decentralised cooperation by encouraging EU MS and EU LAs to design specific programming and planning instruments.

## **7.2. Provide a legal framework covering decentralised cooperation activities.**

Public policies need to be developed in an adequate manner providing legitimacy, guarantees to citizens, transparent objectives and accountable measures, through a proper legal framework. Decentralised cooperation cannot be an exception and has to be formally recognised as a proper competence of LAs.

While this is not the case in most of the EU MS, there are some good examples on how to provide a reasonable legal framework to decentralised cooperation. France presents the most adequate frame with a specific law as well as another concerning specific measures on LAs financing in the field (Thiollière and Oudin-Santini Laws).

### Recommendation 4:

Promote the clarification of the legal framework regulating the international activities of LAs, particularly in the field of decentralised cooperation and including provisions concerning the financial aspects.

## **7.3. Strengthen the coherence, the complementarity and the coordination within the EC and the EU MS Strategies.**

As stressed during the present study there is a lack of complementarity between EC and EU MS strategies to support decentralised cooperation as well as a real need to establish coordination mechanisms or to improve those already existing.

Complementarity in the frame of EC programmes supporting decentralised cooperation is not clear enough and in some cases it seems that there is a lack of coherence. Beyond the differences between thematic and regional instruments, programmes like the Non State Actors and Local Authorities and URB-AL III or Ciudad seem to have overlap of aims and the types of activities undertaken are subject to duplication.

### Recommendation 5:

A strengthened and more coherent participation of LAs in EU development cooperation policies should be ensured for the 2014-2020 Multiannual Financial Framework.

Almost all the programmes analysed focus on reinforcing and strengthening LAs as key actors for development. In some of them, LAs are considered as important stakeholders to address the proposed objectives. But only in a few (URB-AL III and the Parad Programme) the construction of partnerships between European and partner countries LAs (as such, decentralised cooperation as defined in the terms of the present study) is considered as the central focus of the programme. Moreover, as stressed in chapter 4, the Non States and Local Authorities Programme, as the main programme in this field, does not focus on decentralised cooperation as a priority but only as a suitable scenario (only 23% of the projects of the LAs budget line in the framework of the NSALA respond to the DC definition).

### Recommendation 6:

Strengthen the specificity of decentralised cooperation in the frame of the proposed Civil Society Organisations and Local Authorities in Development Thematic Programme, through the pertinent operational mechanisms.

Bilateral aid is an important part of the EC's scheme to intervene in development cooperation. As stressed in chapter 4, LAs participation in the frame of this instrument is very limited (measures concerning the reinforcement of LAs appear in 24 of the 135 Country Strategy Papers).

Furthermore, coordination and complementarity with other international operators, especially multilateral agencies (UNDP ART GOLD Programme<sup>126</sup>, UN-Habitat...) relevant in the field of decentralised cooperation is also a key challenge. As stressed, some UN Agencies are very active focusing on strengthening LAs in the less developed countries and promoting shared mechanisms to operate with decentralised cooperation on the ground.

### Recommendation 7:

Promote the commitment of national governments of partner's countries to strengthen the participation of LAs in the programming, monitoring and evaluation of Country Strategy Papers. Strengthen the dialogue with multilateral agencies, especially those of the UN System, to improve the coordination of strategies in partners' countries with regards to decentralised cooperation.

The Structured Dialogue has clearly shown that increased complementarity and coordination between the relevant actors (EC, EU MS and LAs), is necessary to make European decentralised cooperation more efficient. EU MS and their LAs show a high degree of geographical and thematic specialisation that could be taken into account when considering the implementation of operative programmes with added value. However, complementarity and coordination cannot be foreseen case by case. They should be assumed as a necessary consideration on a permanent basis. In this regard the Policy Forum is a great challenge to address.

<sup>126</sup> [http://www.undp.org/content/undp/en/home/ourwork/partners/regions\\_and\\_localauthorities.html](http://www.undp.org/content/undp/en/home/ourwork/partners/regions_and_localauthorities.html)

#### Recommendation 8:

Encourage the follow up of the Structured Dialogue recommendations through the Policy Forum not only as an optimal framework to ensure LAs' participation in EU development policies but also as an adequate platform to enhance coordination and complementarity between all the relevant stakeholders strategies in the field of decentralised cooperation, especially the EC, EU MS and LAs representatives.

### **7.4. Improve the percentage of ODA allocated in decentralised cooperation initiatives.**

ODA allocated in decentralised cooperation has, as we have seen, different sources.

The EC has made a considerable effort in prioritising the reinforcement of LAs as key actors of development and the building of partnerships between territories as a development cooperation modality as well as allocating, through different programmes, a relevant but still limited amount of resources.

Although there is not a need to significantly increase the available resources without first being certain of LAs capacities to absorb more funding, some instruments (bilateral aid) and programmes (i.e. EIDHR, Migration Programme, Investing in People,...) should be more permeable to LAs to exert the added value that they have the potential to provide.

#### Recommendation 9:

Encourage the participation of LAs as eligible actors in the frame of EU programmes. Promote decentralised cooperation as an adequate instrument in the field of all pertinent EC Programmes as well as the active participation of LAs in EU bilateral aid.

With regards to EU MS, funding allocated to support LAs and decentralised cooperation is very limited. Although, some countries (The Netherlands, Germany, Denmark and Finland) present relevant programmes to reinforce LAs in their partner's countries and others (France) coherent instruments to enhance decentralised cooperation while reinforcing LAs in the South, none of them goes beyond the 2% of their ODA.

#### Recommendation 10:

Promote the commitment among EU MS to reinforce decentralised cooperation as a valuable modality in the frame of their development policies, by increasing the financial resources available which are addressed to specific programmes reinforcing LAs in their partners' countries.

Finally, concerning European LAs contributions, as we have seen, the scenario is heterogeneous. Indeed, although LAs in certain MS make important contributions, the majority of funding is still limited.

Despite the crisis and the fact that the main tendencies show the contrary, European LAs financial commitment to development cooperation should be improved in order to increase the pertinence of

the role that they can play in the international arena. However, LAs should count on the strong commitment of citizens by enhancing international solidarity; strengthen the concept of mutual responsibility and disseminating the benefits of decentralised cooperation initiatives.

#### Recommendation 11:

Open a dialogue with European LAs representatives in order to establish the mechanisms to improve their financial commitment approaching the 0,7% rule launched at the Earth Summit held in Rio. Improve development education and awareness raising mechanisms in order to strengthen citizens' commitment concerning this recommendation and the involvement of LAs in development cooperation.

### **7.5. Improve the operational mode to support decentralised cooperation enhancing its efficiency.**

European decentralised cooperation has seen a remarkable evolution in terms of efficiency although there is still a long way to go. Modalities of intervention have evolved considerably from the initial vertical models, in which the transfer of funds was the main value, to the current horizontal ones, based on the construction of partnerships between LAs and their territories.

EC Programmes have been very important to promote a more efficient decentralised cooperation, encouraging European LAs to become more coherent, specialised and well-focused bodies participating in international development cooperation. In addition, LAs have been able to make use of their highest value; their experience and expertise in the field of local and territorial governance and their capacity to build strategic partnerships among homologs considered as key actors for inclusive and sustainable growth.

In the same manner, we should highlight the need for a major appropriation by LAs in partners countries on the basis of the initiatives developed in their territories. This appropriation should be assured through an effective involvement in the planning, monitoring and evaluation of the initiatives as well as with a solid contribution to their funding. As we have seen in chapter 4, there are good examples of a high budgetary involvement of LAs in partner's countries showing a strong commitment to address strategic interventions through decentralised cooperation initiatives.

The EC is very well positioned to continue building more efficient decentralised cooperation models, through its programmes and especially through the foreseen Communication on Local Authorities in Development. For this reason a set of recommendations to be addressed to LAs, both European and from the partners' countries can be proposed in order to consolidate those appropriated models in accordance with the aid effectiveness principles.

## Recommendation 12:

The following 10 recommendations addressed to LAs, both European and from the partners countries, are indicated to improve decentralised cooperation efficiency.

I.- Decentralised cooperation has to be assumed as a proper competence of European LAs, part of their political strategy to assure its own development and being transversal with the rest of local policies (economic development, environment, social affairs, culture, education...).

II.- Decentralised cooperation strategies must be transparent and accountable being explicable to citizens.

III.- Partnerships with LAs of other regions of the world have to be sustained and consolidated in solid links (historical, cultural, economic, social or even environmental grounds) to be efficient.

IV.- Despite decentralised cooperation is a form of international development cooperation benefits have to be bidirectional providing both parts with solid arguments for the appropriation of the initiatives.

V.- Civil Society Organisations as well as other local actors of the private sector (enterprises, universities, research centres, etc...) have to be involved in decentralised cooperation initiatives.

VI.- The thematic approach and the specialisation have to be stressed as relevant elements in the frame of decentralised cooperation initiatives to take advantage of the knowledge, the experience and the expertise of LAs in a certain matters in the frame of their competences.

VII.- Knowledge transfer, exchange of experiences, political processes accompaniment, lobbying, service providing have to be highlighted as optimal matters for decentralised cooperation.

VIII.- A competence always needs a budget. Decentralised cooperation as a recognised and legitimised natural competence of LAs must be funded in the framework of LAs budget. The 0.7% recommendation still valid and desirable, yet to improve appropriation financial contribution of LAs in the partners' countries, especially those in MICs and emerging countries, should be increased to a higher percentage.

IX.-Decentralised cooperation initiatives should be submitted to a coherent programming and being oriented to results to be more efficient.

X.- Evaluation should be a requirement in the frame of decentralised cooperation initiatives.

During the Study it has also been shown that almost every EC and MS programme are managed through call for proposals to select projects. Some direct grants have also been accorded although they can be considered as exceptions and have always related to the establishment of technical support structures. Both modalities are appropriated for the purpose they serve, particularly in the case of the call for proposal permitting to orient or induce the activities to be funded, following political approaches and strategies. However, as stressed in chapter 6, there are some innovative forms of funding for development projects, which are very common at present which have not been used in the frame of decentralised cooperation and that should be tested.

Moreover, some support structures assumed by European LAs have been established to accompany the implementation of some Programmes (URB-AL III, CIUDAD, ARIAL) assuring

technical support to the projects funded under the programmes as well as coordination in order to ascertain a capitalisation of the results.

#### Recommendation 13:

Analyse the possibility to introduce innovative forms of funding such as the budgetary support or the trust funds in the frame of programmes supporting decentralised cooperation. Strengthen the participation of LAs in the management and the technical coordination of EC and EU MS Programmes.

In the same manner South-South cooperation initiatives have been highlighted as a new and innovative form of decentralised cooperation.

#### Recommendation 14:

Enhance the South-South and triangulation initiatives in the field of decentralisation cooperation, both in the EC and in the EU MS strategies. Establish coordination mechanisms with emerging countries supporting this type of cooperation.

### **7.6. Improve the geographical coverage of European decentralised cooperation initiatives.**

As indicated in the precedent chapter, European decentralised cooperation is spread all over the world. However, there are some regions which concentrate more resources (ACP countries, and Latin America), especially if we refer to the EU programmes in the field. In that sense, Asia, although it is an emerging continent with strong potential development capacities, has had less funds allocated to it by the EU to perform initiatives through LAs which could address serious poverty and development problems.

In this regards, the role of United Cities and Local Governments (UCLG) and its regional section has to be highlighted as an optimal platform to approach LAs in Asia (and those from the rest of the world) to the EC and the EU MS instruments to support LAs and decentralised cooperation. Moreover, there are other interesting forums to take into account like the EU-China Mayor's Forum organised, under the EU-China Urbanisation Partnership, by the Committee of the Regions with the support of the European Commission (DG Regio) and Eurocities, the network of mayor European Cities.

#### Recommendation 15:

Reinforce the links of cooperation with LAs in all the regions in order to improve their participation in EC programmes. Strengthen, to this aim, the cooperation with regional and international LAs Associations, especially through PLATFORMA and other relevant platforms and associations at regional and global level, such as United Cities and Local Governments (UCLG).

The diversity of typologies of LAs involved in decentralised cooperation has been remarked throughout this study; Federal States, Regions, Provinces, Metropolitan Areas, cities of all sizes. The reality is that given that the significant differences in terms of capacities and competences of such bodies, strategies to support them cannot be defined and articulated in a uniform way.

Programmes supporting LAs must take into account such differences in order to be more useful and more efficient in this field.

#### Recommendation 16:

Propose an in depth needs analysis in relation to the forthcoming Communication on Local Authorities in Development focusing on the challenges that every type of LA (rural areas, cities, metropolitan areas, regions, federal states...) is facing in order to improve their capacities to participate in decentralised cooperation through the establishment of ad hoc measures.

Concerning EC Programmes, the study has shown that in most cases, project leaders (and partners) are South European individual LAs or Nordic LAs associations. Thus, an important part of European LAs remain underrepresented in decentralised cooperation. From this we can conclude that there are still more valuable experiences and knowledge that could be gained from LAs from other states. This is especially relevant in the case of the LAs of the Eastern countries whose experiences during its transition as pre accessing countries to the EU could be very relevant in the field of decentralised cooperation.

#### Recommendation 17

Promote, in closer cooperation with Platforma, a homogeneous participation of LAs all over Europe in EC programmes able to support decentralised cooperation, taking advantage of the richness of European territorial experiences.

### **7.7. Focus on the most valuable type of projects in the field of decentralised cooperation.**

There is a common agreement, supported by the facts found in the present study that decentralised cooperation is an optimal framework for capacity building and service providing initiatives. However, there is also an open discussion as to whether the funding of infrastructures in the frame of decentralised cooperation accomplishes its aims in line with the aid effectiveness criteria set out in the Paris Declaration.

Although decentralised cooperation projects focusing on infrastructure, especially small infrastructure, are an empirical reality, considering the limited resources, which will also decrease as a result of the economic crisis, this type of project does not provide an added value compared to other bilateral (central governments) and multilateral donors projects. Indeed, if as stressed in the Paris Declaration, there is a need for “a more effective division of labour”, avoiding fragmentation, LAs can provide higher impact addressing other types of projects, supporting institutional and operational capacities of LAs in their partners’ countries. This does not exclude, as we have seen, the accompaniment of big urban or territorial infrastructures funded by other donors, providing knowledge in the frame of multi-actors agreements.

#### Recommendation 18:

Focus on capacity building as a way to improve the provision of services at local level and as an optimal framework for strategies supporting decentralised cooperation initiatives.

## **7.8. Focus on strategic topics in the frame of the main sectors of intervention.**

During the study four main sectors of intervention concerning decentralised cooperation have been highlighted as the frame for the research: local governance, environment and sustainable development, social affairs (including education and culture) and economic development.

The four sectors provide a broad scope in which most of the topics related to LAs competences and attributions can be placed. However, in order to have a major impact, there is a need to prioritise around strategic topics. These topics should be highlighted under the forthcoming EU Multiannual Financial Framework (2014 - 2020) related to the different EU development instruments (thematic, regional and bilateral instruments).

### **Recommendation 19:**

Although LAs competences are broad, a special attempt should be made to identify, under each of these sectors and according to each country context, the main topics of LAs political agenda to avoid dispersion of efforts and to improve impacts. To this end, the policy Forum on Development should be an optimal platform to open dialogue with LAs representatives.

## **7.9. Enhance the transparency, the accountability and the generation of knowledge in the frame of decentralised cooperation.**

Although there are some important tools in some EU MS and in the EU framework, information and data concerning decentralised cooperation is, as we have noted during research, very difficult to access. Indeed, transparency and accountability are two major challenges in almost every country in Europe.

### **Recommendation 20:**

Improve the access to information concerning decentralised cooperation in Europe, both concerning EC and EU MS strategies as well as European LAs initiatives on the ground. Encourage accountability as an imperative responsibility in this field in order to assure citizens' commitment.

Furthermore, as we have highlighted there is an important lack of knowledge related to decentralised cooperation. This fact constrains the evolution and the improvement of this modality of cooperation.

### **Recommendation 21:**

Promote, in the frame of the proposed Civil Society Organisations and Local Authorities in Development Thematic Programme, support to research centres and think tanks generating knowledge and capitalising best practices in the field of decentralised cooperation.

In the present study several crucial themes have been highlighted many of which should be analysed in depth to improve decentralised cooperation and EC and EU MS strategies in this field.



We can, with this aim, underline some of the issues that, in our opinion, must be addressed in the future.

#### Recommendation 22:

Departing from the findings of the present study, develop an in depth analysis of the following points in order to improve the efficiency of European decentralised cooperation strategies:

- Towards a clarification of the concept of decentralised cooperation.
- Advantages and constraints of the different EU MS models to strengthen decentralised cooperation.
- The territorial dimension of decentralised cooperation. New forms of public-private partnership.
- Decentralised cooperation as a new modality in the frame of EU bilateral aid.
- New instruments to promote LAs reinforcement in partners' countries: budgetary support and trust funds.
- Citizens' commitment to decentralised cooperation: a new challenge for EU development education and awareness raising strategies.

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[http://www.planning.gov.cy/planning/planning.nsf/dmlcyactivities\\_en/dmlcyactivities\\_en?OpenDocument](http://www.planning.gov.cy/planning/planning.nsf/dmlcyactivities_en/dmlcyactivities_en?OpenDocument)

Union of Cyprus Municipalities.  
<http://www.ucm.org.cy/Index.aspx?Language=English>

## **Denmark.**

Danida.  
<http://um.dk/en/danida-en/>

Danish Local Government Association.  
<http://www.kl.dk/English/Local-Government-Denmark/>

## **Estonia.**

Ministry of Foreign Affairs.  
<http://www.vm.ee/>

Association of Estonian Cities.  
<http://www.ell.ee>

Association of Municipalities of Estonia.  
<http://www.emovl.ee/est/?show=article&group=45&language=ENG>

## **Finland.**

The Association of Finnish Local and Regional Authorities (AFLRA).  
<http://www.kunnat.net/en/>

## **France.**

France Diplomatie. Ministry of Foreign Affairs. Decentralised cooperation.  
<http://www.diplomatie.gouv.fr/fr/enjeux-internationaux/cooperation-decentralisee/>

Commission Nationale de la Coopération Décentralisée.  
<http://www.cncd.fr/home.asp>

Cités Unies France.  
<http://www.cites-unies-france.org/>

## **Germany.**

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).  
<http://www.giz.de/>

Federal Ministry for Economic Cooperation and Development (BMZ).  
<http://www.minbuza.nl/en>

Servicestelle Kommunen in der einen Welt.  
<http://www.service-eine-welt.de/home/index.html>

Deutscher Städtetag  
<http://www.staedtetag.de/>

## **Greece.**

National Agency for International Cooperation (Hellenic Aid).  
<http://www.hellenicaid.gr/frontoffice/portal.asp?cpage=NODE&cnode=1&clang=1>

Central Union of Municipalities and Communities of Greece.  
[http://www.kedke.gr/?page\\_id=2447](http://www.kedke.gr/?page_id=2447)

## **Hungary.**

Ministry of Foreign Affairs.  
<http://www.mfa.gov.hu/kum/en/bal>

Association of Hungarian Local Authorities  
<http://www.toosz.hu/>

Partnership of Hungarian Local Government Associations.  
<http://www.kisvarosok.hu/>

Hungary Local Government Forum.  
[www.b-m.hu](http://www.b-m.hu)

## **Ireland.**

Association of County and City Councils.  
<http://www.councillors.ie/>

## **Italy.**

Ministry of Foreign Affairs.  
<http://www.esteri.it/mae/it>

Osservatorio Interregionale Cooperazione Sviluppo.  
[www.oics.it](http://www.oics.it)

Associazione Nazionale de Comuni Italiani.  
<http://www.anci.it/index.cfm?layout=sezione&IdSez=810157>

Unione Province d'Italia.  
[www.upinet.it](http://www.upinet.it)

Regione.it.  
<http://www.regioni.it/it/show-1879/newsletter.php?id=1385#art8872>

## **Latvia.**

Ministry of Foreign Affairs.

<http://www.mfa.gov.lv/en>

Latvian Association of Local and Regional Governments (LALRG).

<http://www.lps.lv/LARLG/>

## **Lithuania.**

Ministry of Foreign Affairs.

[www.urm.lt](http://www.urm.lt)

Association of Local Authorities in Lithuania (ALAL).

<http://www.lsa.lt/en/>

Statistics Lithuania.

<http://www.stat.gov.lt/en/>

## **Luxembourg.**

Lux Development.

<http://www.lux-development.lu/>

## **Malta.**

Ministry of Foreign Affairs.

<http://www.foreign.gov.mt/>

Locals Councils' Association.

<http://www.lca.org.mt/pages/iseMain.asp>

## **The Netherlands.**

Ministry of Foreign Affairs.

<http://www.minbuza.nl/en>

VNG International.

<http://www.vng-international.nl/home.html?L=0>

## **Poland.**

Ministry of Foreign Affairs.

<http://www.msz.gov.pl>

Association of Polish Counties.

<http://www.zpp.pl/index.php?title=HOMEPAGE&path=main%2Fglowna&pagelang=en>

Association of Polish Cities.

<http://www.zmp.poznan.pl/>

## **Portugal.**

Ministry of Foreign Affairs.

<http://www.cancilleria.gov.co/international/regions/europe/union/member/portugal>

Associação Nacional Municípios portugueses.

<http://www.anmp.pt/>

Instituto Camoes.

<http://www.instituto-camoes.pt/cooperacao#/Paginas/default.aspx>

## **Romania.**

Ministry of Foreign Affairs.

<http://www.mae.ro/en/>

Agency of Development Cooperation.

<http://www.aod.ro/index.html>

Association of Romanian Towns.

<http://www.aor.ro/>

National Union of County Councils.

<http://www.uncjr.ro/>

Association of Romanian Communes.

<http://www.acor.ro/new/index.php>

Romanian Municipalities Association.

<http://www.amr.ro>

## **Slovakia.**

Ministry of Foreign Affairs.

<http://www.foreign.gov.sk/>

Association of Towns and Communities of Slovakia.

<http://www.zmos.sk/>

## **Slovenia**

Ministry of Foreign Affairs.

<http://www.mzz.gov.si/en/>

Association of municipalities and towns of Slovenia.

[http://www.skupnostobcin.si/zgmenu/english/general\\_about\\_sos/index.html](http://www.skupnostobcin.si/zgmenu/english/general_about_sos/index.html)

Association of municipalities of Slovenia.

<http://www.zdruzenjeobcin.si/index.php>

## **Spain.**

Ministry of Foreign Affairs.

<http://www.maec.es>

Agency of Development Cooperation.

[www.aecid.es](http://www.aecid.es)

Programa Municipia.

<http://www.programamunicipia.org/>

Federación Española de Municipios y Provincias.

[www.femp.es](http://www.femp.es)

Confederación de Fondos de Cooperación.

<http://www.confederacionfondos.org/>

## **Sweeden.**

SIDA (International Development Cooperation Agency).

<http://www.sida.se/English/>

SKL International.

<http://sklinternational.se/projects>

International Centre for Local Democracy (ICLD)

[http://www.icld.se/eng/pdf/Verksamhetsberattelse\\_2010\\_eng.pdf](http://www.icld.se/eng/pdf/Verksamhetsberattelse_2010_eng.pdf)

## **The United Kingdom.**

British Foreign and Commonwealth Office.

<http://www.fco.gov.uk/en/>

LG Alliance. Local Government Alliance for International Development.

<http://www.lg-alliance.org/>

Local Governments Association.

<http://www.local.gov.uk/>

Local Government International Bureau (Idea).

<http://www.idea.gov.uk/idk/core/page.do?pageId=1115916>



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