



Development effectiveness at the local and regional level

Fostering synergies between local and regional governments and the EU in the post-Busan era



PLATFORMA
The European voice of **Local** and **Regional** authorities for development



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Introduction

Up until the last decade, neither national governments – with a few exceptions – nor the European institutions fully understood the value and potential of local and regional governments' contribution to international development. In the late 1990s, the European Union (EU) developed its own concept of decentralised cooperation yet, in practice, it largely focused on NGOs. The EU also implemented a few global programmes on a regional basis targeted at local and regional governments, such as Asia-Urbs and Urb-AL, although a general framework was lacking.

Both international dynamics (mainly at UN level) and the European Parliament played an important role in enhancing the profile of local and regional governments in EU development cooperation. In March 2007, the European parliament adopted the resolution “local authorities as actors for development” drafted by Pierre Schapira (who is also a Deputy Mayor of Paris). It set out clearly the arguments for local and regional governments' role in development cooperation. Further lobbying by local and regional government organisations contributed to the creation of a new EU thematic instrument for “non state actors and local authorities”, which came into effect in 2008. In this programme about 30 million euros a year are earmarked for local and regional authorities.

In this context, PLATFORMA was launched in order for local and regional authorities involved in development cooperation to have a strong voice at European level. One of the objectives of PLATFORMA is to examine development effectiveness from the point of view of local and regional governments. PLATFORMA promotes the attributes of international development activities of local and regional governments in the European Union, compared to those of international donors or of civil society, while underlining their complementary nature.

Local and regional government development cooperation offers concrete responses to improve the daily lives of local communities through the development of basic services, the establishment of enabling conditions for local development and support for improved local governance and decentralisation. Therefore, qualitative forms of local and regional government development cooperation and their support to decentralisation deserve more attention in the cooperation processes of the European Commission.

The present publication seeks to address this “missing link” by exploring opportunities for improved synergies between, on the one hand, the action of local/regional governments and, on the other hand, the support strategies of the EU in favour of decentralisation and local governance. This analysis is given in the context of the Busan Partnership for effective development cooperation (2011) and the related paradigm shift towards development effectiveness.

This document builds on the many articles and case studies that have been written on decentralised cooperation. It is based on the experience of PLATFORMA members and their partners in decentralised development cooperation and on the available information on EU support to decentralisation and local governance, in particular the thematic global evaluation of the European Commission support to decentralisation and local governance, as well as on the positions developed by local and regional governments in the framework of the 4th High Level Forum on Aid Effectiveness in Busan.

This publication does not intend to draw a full picture of all international activities of local and regional governments. Cultural exchanges, economic partnerships and activities in education for development are outside the scope of the publication, which exclusively focuses on **development** cooperation of local and regional governments.

In addition, the focus is on the support the **European Commission** gives to decentralisation and local governance. It does not take into account the many other actors - multilateral donors, national donors, and NGOs - who also work in the field of strengthening local governance and decentralisation processes.

In order to better grasp the opportunities for synergies between the two sets of actors, it is important to understand better what each of them does and achieves. To this end, the first chapter gives an overview of the increasing role of local and regional governments in development processes and highlights the main elements of the shifting aid paradigm. Chapter 2 focuses on the wide diversity of local and regional partnerships, draws lessons from existing evaluation material on their impact, and reviews new challenges brought along by the Busan agenda. Chapter 3 provides a similar analysis for the action of the EU on decentralisation and local governance. It looks at the main features of EU intervention strategies, the impact achieved and the challenges arising from the Busan agenda, particularly in terms of involving local/regional governments more forcefully in EU development cooperation processes. Based on these two analyses, chapter 4 formulates recommendations on how to improve the synergies between the European Union and local and regional governments. The annex contains an overview of the development cooperation activities of local and regional governments in the various EU Member States.

This study and the recommendations made are only a first step in exploring where and how two processes - local government development cooperation and European Commission support to decentralisation and local governance - meet each other; few, if any, earlier documents, have referred to these possible synergies. It is thus a document which should be of interest to both EU decision-makers and European local and regional governments involved in decentralised cooperation. However, the search for synergy does not stop here: more efforts are needed to ensure that at all levels of support to local and regional development, governance and decentralisation reach their full potential.

PLATFORMA is...

...the voice of European local and regional authorities active in the field of decentralised cooperation.

Launched in 2008 with financial support from the European Commission, its main objectives are to:

- > **present a common message** to the European institutions, in particular for the definition and implementation of European development policies
- > **facilitate** networking of information and sharing experiences
- > **strengthen** the participation of European local and regional authorities in European development programmes
- > **strengthen** links with civil society.

PLATFORMA's membership fall into four main types:

- International associations of local and regional government (UCLG, ORU-FOGAR, AIMF, CLGF);
- European associations of local and regional government (CEMR, CPMR, AER, AEBR);
- Ten national associations of local and regional government (FEMP, AFCCRE, AICCRE, KEDKE, VNG, SKL, AMR, LGA, LALRG, CUF);
- Individual cities or regions, actively engaged in development cooperation (City of Lyon, Paris, Stuttgart and Bucharest, Province of Barcelona, Region of Tuscany).

The secretariat of Platforma is hosted and facilitated by the Council of European Municipalities and Regions (CEMR).

Source: www.platforma-dev.eu



1

Local and regional governments as partners for development
– a growing profile

The increasing importance of local and regional governments

Local and regional governments worldwide deliver services for their citizens' well-being and act as catalysts for the development process in partnership with other public and private actors. Central and sub-national governments are mutually dependent: in this "multi-level governance" structure, the underlying challenge is to strengthen capacity at all levels and ensure coordination among public stakeholders at different levels of government in order to increase their efficiency and sustainability.

Since the 1980s, governments and organisations both in Europe and in other continents have recognised the importance of local authorities as one of the main pillars of democratic states. The first binding document that stressed this recognition was the *European Charter on Local Self-Government*¹ (1985), ratified by 45 Member States of the Council of Europe. Later, the UN Habitat Agenda (1996) and the International Guidelines on Decentralisation and Strengthening of Local Authorities (2007) took up the main principles of this Charter, such as the promotion of good governance at all levels and the reinforcement of sub-national governments at the administrative, political and financial level.

As established in the *Global Reports on Decentralisation*², this increased recognition of the roles and importance of local and regional governments goes hand in hand with the fact that in a growing number of developing countries decentralisation processes are being undertaken to strengthen democracy and to improve the quality and effectiveness of government and service delivery.

At the same time, many of the challenges that the world faces need to be met at the local level: massive urbanisation, climate change, sanitary and human security, food and water supply, education, social and economic turmoil. This, combined with increasing urbanisation,³ places an enormous burden and

responsibility upon local and regional governments, both in urban and rural areas. Therefore, local and regional governments around the globe will play an even more important role in the coming decades.

A new local government culture is coming to life: rather than being mere administrators of a territory, mayors and local politicians are starting to be considered as the actual leaders of their communities. This has resulted in an increased profiling of local and regional governments internationally and at all levels. Their role in the development of a country, and as development partners, has increasingly been acknowledged.⁴

Twenty years of support to decentralisation

There are some conditions that need to be met in order to ensure that decentralisation is implemented successfully. Without going into detail about the various country contexts, which are very important in any decentralisation process, it is important to highlight that:

1. A pre-condition is an existing legal framework for, first of all, democratically chosen local authorities through transparent and competitive elections and, secondly, for decentralisation;
2. There must be sufficient ownership and leadership at the level of the central government to take the decentralisation agenda to the sector ministries with a clear strategy;
3. Decentralisation policies should be integrated into a wider process of public sector reform and improved public finance management, in which the assigned competences of each government level have enough human and financial resources to ensure effective implementation. In this regard, it is important that there is a clear definition of the competences transferred, according to the principle of subsidiarity;
4. All local stakeholders should be included in design, implementation and monitoring. Citizen participation at local level is crucial to strengthen transparency and accountability;
5. Local autonomy should be recognised and respected at political, administrative and financial levels.

1. The European Charter on Local Self-Government was inspired by the "European Charter of Municipal Liberties" adopted by the 1st General Assembly of the Europe' Municipalities in 1953.

2. UCLG, *Global Report on Decentralisation and Local Democracy* (2008 and 2011). According to a World Bank study (Dillinger, 1994), out of 75 developing countries with populations over 5 million, 63 were implementing decentralisation policies.

3. Approximately half of the world's population currently lives in urban areas and it is estimated that this will grow to as much as 60% by 2015 (UNDESA: <http://esa.un.org/unpd/wup/index.htm>).

4. Examples: Agenda 21, Rio de Janeiro (1992); the UN Millennium Summit (2000); Council of Europe Resolution 251 on City Diplomacy (2008); European Parliament Resolution (2007); communication 626 of the European Commission (2008); the Cancun final Declaration of the COP 16; the Accra Agenda for Action (2008) and the Busan Partnership for Effective Development Document (2011); communication "An Agenda for change" of the European Commission (2011) and the UN Development Cooperation Forum (July 2012).

The European Structured Dialogue

In March 2010, the European Commissioner for Development, Andris Piebalgs, launched a “Structured Dialogue” with Member States, the European Parliament, local and regional authorities, and non-state actors, on the role each should play in European development policy, in particular with regard to the next EU financial period (2014-2020). In the discussions that took place in 2010 and 2011, members of PLATFORMA highlighted the key roles for local and regional governments in the external cooperation of the European Commission (EC). Commissioner Piebalgs declared that the results of this Dialogue would be reflected in the EC positions on aid effectiveness and in the next multiannual financial framework of the EC.

Stronger involvement of sub-national governments

PLATFORMA members called for stronger ownership by Southern actors at all levels and recommended improved exchanges in partner countries between the EU delegations and associations representing sub-national governments. PLATFORMA members also highlighted the need for a special study on ways of involving local and regional governments in new modalities, e.g. decentralised budget support. PLATFORMA members also stressed that local and regional governments can act as catalysts to achieve stronger coordination between the different development actors at the community level, and can create an enabling environment for civil society organisations (CSOs).

EC support for local and regional governments

PLATFORMA members welcomed the review of the EC modalities for local and regional governments and CSO development activities, which are often ill-adapted to local governments’ nature and types of activity. PLATFORMA members underlined the need to simplify the selection method and to make better use of cities and regions’ practical expertise. PLATFORMA members also proposed that longer-term support mechanisms be made available for local and regional governments in partner countries.

Source: ww.platforma-deveu

National and multilateral donors have been supporting decentralisation processes and local governance in developing countries for the past 20 years. The evaluations of these donor programmes have underlined the importance of these processes and the need to adopt a multi-level approach, involving both national and sub-national structures. Studies have often highlighted that generally concrete interventions are not sufficiently embedded in the overall strategy of the donor. Decentralisation and local governance support should be designed with a long-term perspective, with enough resources and with a sound analysis of the contextual dynamics

in which all actors are involved.¹ The World Bank review on support to decentralisation (Pyndt, H. & Steffensen, J., 2005) states that to ensure sustainability of the results to be achieved support to local governments should be provided for a period of at least 10 years. The European Union recently undertook a thematic global evaluation of the European Commission support to decentralisation and local governance over the past 10 years which provided similar lessons from its experience (see chapter 3).

¹ See for example: OECD/DAC Evaluation Series (2004); NORAD evaluation (2008); and SDC (2011).

Despite these various decentralisation and local governance programmes, access to funding is still a major challenge for local and regional governments in developing countries. In addition the current trend of replacing project funding by general budget support and sector support, which is in line with the development effectiveness commitments of the Paris declaration (2005), has had negative side effects. The focus on national ministries in combination with project support at the community level creates a “micro-macro gap” in which intermediate government levels are overlooked.²

Peer support to local and regional government

In parallel, for many decades, at sub-national level, local and regional governments have exchanged with and learned from each other in order to develop and upgrade their capacity and effectiveness in meeting the needs of their people. Development cooperation of local and regional governments aims, amongst other things, to strengthen sub-national governments worldwide, through different modalities, with different actors and with a wide range of focus areas, with the ultimate goal of contributing to poverty alleviation.

However, there is still a need to further raise the awareness of the practice of this work. A detailed description of the approaches of local and regional governments and their associations is needed to show what this type of cooperation means for the development of a country and what the added value is compared to other development stakeholders. It is therefore also important to show the strengths, weaknesses, opportunities and threats of this kind of cooperation. A number of organisations of local and regional governments are striving to do this so at various levels (national, European, international).³

A better understanding of the added value of local and regional government development cooperation could also help increase the available financial support for decentralised cooperation partnerships. This currently is still fairly limited compared to the total amount of Official Development Assistance (ODA) worldwide. An overview of decentralised cooperation action and framework for each European Member

State and, where available, an estimate of the funds supporting local and regional government development cooperation is presented in Annex 1. The ways in which funds are raised or used will also be further explained in the next sections.

A European voice for local and regional governments in development cooperation

Local and regional government cooperation has become increasingly important as a complementary tool to central government cooperation to support governance in developing countries. The increased recognition of multi-level governance and the subsidiarity principle within the European Union has also created space for the autonomy of local and regional governments in the sphere of development cooperation.

Within the European Union this recognition has been obtained, as mentioned in the introduction, thanks to the report of Pierre Schapira (who is nowadays a political representative within PLATFORMA as Deputy Mayor of Paris) and the launching of the European programme “Non-State Actors and Local Authorities” in 2008 at the same time as the communication of the European Commission on Local Authorities as Actors of Development. Annexed to the communication was the *European Charter on Development Cooperation in Support of Local Governance* which set out the principles and modalities for improved effectiveness in support of local governance and decentralisation in developing countries, building on the Paris declaration on aid effectiveness.

With this framework, some local and regional government associations involved in advocacy towards the European institutions met in 2008 at the initiative of the Council of European Municipalities and Regions (CEMR). The creation of PLATFORMA as an informal umbrella platform was promoted by a group of local and regional governments and their associations. It is mainly funded by the European Commission.

The PLATFORMA members are committed to gaining increased political recognition for local and regional governments’ involvement in development cooperation and to having a meaningful dialogue with the European institutions in this area. During the Structured Dialogue on the involvement of CSOs and local authorities in EC development cooperation

2. Van Reesch, E. (2008).

3. UCLG is currently preparing a global position paper on “The Importance of Local Government and Development Cooperation”, to be adopted in December 2012. The position paper makes an analysis of the strengths, weaknesses, opportunities and threats of decentralised development cooperation, UCLG (2012).

in 2010 and 2011, PLATFORMA brought together the European local and regional government associations. In addition, PLATFORMA contributed to monitoring the EC non-state actors and local authorities thematic programme and joined in the dialogue on the new multi-annual framework for development cooperation. It will continue to do this in the upcoming communication on Local Authorities in Development.¹

Within the Committee of the Regions, the Commission for Citizenship, Governance, Institutional and External Affairs (CIVEX) committee also advises the European Union about the role of local and regional governments in development cooperation policies.

In addition, the aim of several large regional programmes funded by the European Union is to improve the quality of local governments in partner countries (ASIA-urbs, CIUDAD, MEDPACT, URB-AL). Some programmes, for example ARIAL, provide support to local and regional governments and their associations in partner countries. The principle behind these programmes is that strengthening local and regional governments is only possible when they are actively involved in the design and implementation of development policies. Through the programmes, the local and regional governments are also better equipped to enter into dialogue with the European Union concerning local development.

Recognition is also growing at international level, although there is still work to be done to gain full recognition in all instances of decision making. The global umbrella organisation for cities and local governments and their associations, United Cities and Local Governments (UCLG), has been given a seat on the advisory committee of the UN Development Cooperation Forum (DCF) and was an observer in the previous OECD Working Party on Aid Effectiveness. Nevertheless, the Steering Committee of the newly-created Global Partnership for Effective Development Cooperation does not yet include a direct representative of local and regional governments among its members, and all the efforts to remedy this so far have been unsuccessful.

The shifting aid paradigm

This study cannot be written without taking into account the shifting aid paradigm which is reflected in major changes such as:

- the broadening of the development agenda, which now includes a wide range of global challenges and ‘global public goods’ that need to be addressed through innovative institutional arrangements and funding modalities (beyond aid);
- the emergence of new powers, emerging countries like the BRICS (Brasil, Russia, India, China and South Africa) and others as well as a range of ‘new’ actors on the development scene such as the private sector, local and regional governments, foundations and social movements, with significant attention to economic development and public-private partnerships; the revitalisation of South-South cooperation;
- the evolution of the international cooperation agenda from the Paris Declaration (2005) to the Accra Action Plan (2008) and ultimately the Busan Partnership (2011) which clearly shifts responsibility to partner countries and embraces the concept of ‘development effectiveness’ (see Box 1).

The changing aid paradigm raises fundamental questions about the added value and roles of the various stakeholders in development cooperation, including European local and regional governments. The way in which local and regional governments’ support will be affected by this shift, will be further examined in section 2.3.

¹ For more information see: www.platforma-dev.eu.

Busan agenda and some implications for decentralised development cooperation

Background to the development effectiveness debates

In 2005 the OECD DAC countries approved the Paris Declaration for effective development aid, to ensure that the Millennium Development Goals would be achieved more effectively. The Paris Declaration is mainly a donor-driven and state-centred agenda in which developed and developing countries agreed on a series of commitments to enhance the effectiveness of aid. In particular, donors committed themselves to pursue more demand-driven cooperation to ensure the development of their partners, as well as more coordination amongst donors to reduce overlap between programmes, and to work towards concrete results and shared accountability for transparent implementation.

At the High Level Forum that followed in Accra (2008), it became clear that other actors, including parliamentarians, local governments and CSOs were not taken sufficiently into account: In 2009 a UCLG Position Paper on Local Government and Aid Effectiveness called for a further inclusion of local governments in the debates on this subject.

The 4th High Level Forum in Busan (2011) looked at the progress and results of the agreements that were made at donor level in 2005 and shifted towards a more inclusive and democratic approach to an effective development agenda.

Recognition of local governments in the declarations of the High Level Forums

As a result of the lobbying efforts of the global organisation United Cities and Local Governments (UCLG), together with UNDP and the DeLoG (the informal donor group on decentralisation and local governance) and their local and regional government members, both the Accra Agenda for Action (2008) and Busan Partnership for effective development cooperation (2011) recognise the role of local governments in ensuring effective development.

Donors and other development actors committed to “work more closely [...] with local authorities [...] in preparing, implementing and monitoring national development policies and plans” (Accra Agenda for Action), because “[...] local governments play critical roles in linking citizens with governments and in ensuring broad-based and democratic ownership of countries’ development agendas.” (Busan Partnership for effective development cooperation)

The Busan Partnership document states that further support to local governments will be given to enable them to assume more fully their roles above and beyond service delivery, enhancing participation and accountability at sub-national levels. The document also stresses that efforts will be made to strengthen local capacities to engage effectively in South-South and tripartite cooperation.

Effective development cooperation principles

The Busan Partnership document stresses the need to broaden the focus of the challenges of effective development: as local governments’ role is more that of development partner than aid donor, local and regional governments have indeed been focusing on “development effectiveness” rather than “aid effectiveness”.

The Busan document has slightly recast the principles of the 2005 Paris Declaration on aid effectiveness. These are now given as:

1. Ownership of development priorities by developing countries
2. Focus on results
3. Inclusive development partnerships (openness, trust, and mutual respect and learning)
4. Transparency and accountability to each other.

Development effectiveness at local and regional level

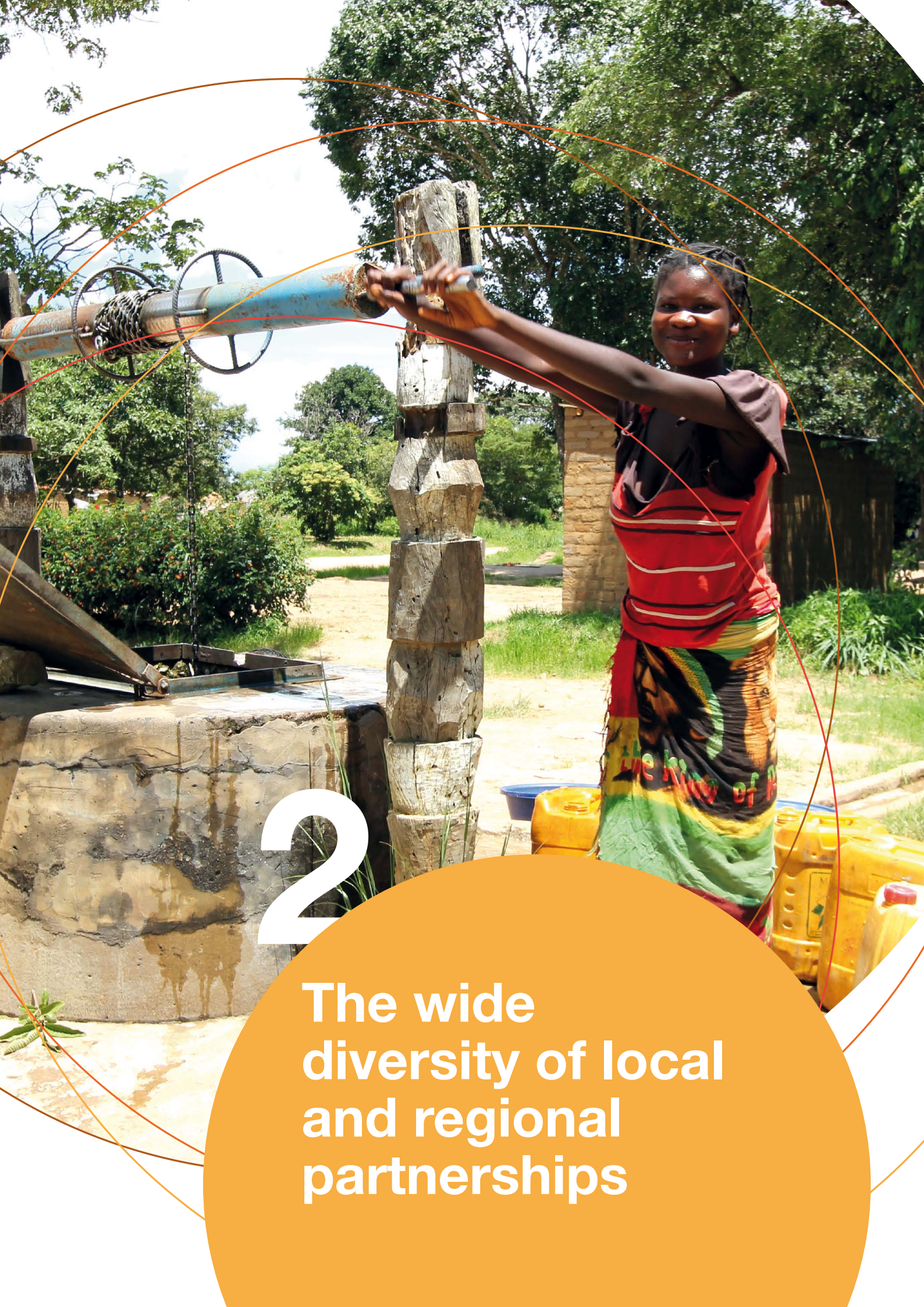
These principles can help us to assess the effectiveness of development cooperation at sub-national level.

– The principle of *ownership* means that all development actors should consider carefully the local, regional or national development priorities and plans, and ensure that the local partner is in the driving seat in determining the objectives of the partnership and in leading the implementation of its development policies. Local and regional governments should also participate in the identification and implementation of national development priorities and in the shaping of national development plans. This role should be respected by the European partner, who should help to strengthen their capacity to perform in these areas.

– Focusing on *results* is seen as key for local and regional government partnerships. They need to strengthen their capacities for better management of results, monitoring, evaluating and communicating progress. Local and regional governments also exchange information on programming approaches and coordinate between themselves as this enables them to create multiplier effects and to show the impacts of decentralised development cooperation.

– The principles of *inclusive development* partnerships and *mutual transparency and accountability* mean, in essence, that all partners should have a shared and transparent responsibility for achieving development results in an open and respectful way, with reciprocity and benefits for both partners. Domestic accountability ensures that this principle is brought closer to the citizen: from the perspective of local and regional governments, both horizontal accountability (between development partners) and vertical accountability (between layers of government and towards citizens in the partner country) need to be met and supported in decentralised development cooperation.

Source: Accra Agenda for Action (2008), Busan Partnership for Effective Development Cooperation (2011)



2

**The wide
diversity of local
and regional
partnerships**

Why and how sub-national governments engage in development cooperation

Historical background

Sub-national governments have been undertaking international activities for almost a century. The first international umbrella organisation, the International Union of Local Authorities (IULA), was established in 1913. In 2004, IULA merged with the United Towns Organisation to create United Cities and Local Government, the world umbrella organisation of local and regional governments and their associations.

Over the years, development policies and partnerships have emerged and evolved and now exist in many different forms. The traditional twinning or city-to-city partnerships still exist, but many have a different focus than before. This will be further detailed in this section. In addition, new forms of cooperation, such as tripartite or South-South cooperation are increasingly used.

Motivation and reciprocity

Partnerships and cooperation agreements between local and regional governments have been and are being established as a result of: solidarity, historical, linguistic or cultural links; as a way to be involved in international relations or diplomacy; through the presence of migrant groups in European countries; through applications in calls for proposals to which the European or partner city or region applied for a partnership; or through participation in generic or thematic networks of local and regional governments.

Many new links or agreements have an economic motivation, for example links between European cities or regions and those from emerging countries which have a future business potential (such as Brazil, China or South Africa). At the same time, these partnerships often include development issues, in which the experience is transferred from the European country.

In general, many cooperation initiatives highlight the reciprocal base on which their activities are established (see Box 2). Particularly in times of economic hardship, the benefits for the European partner are becoming more important in order to justify the need for the local or regional government to be involved in development cooperation, in addition to the traditional arguments of solidarity and contribution to poverty reduction.

BOX 2

Reciprocity of sub-national partnerships for development

Levels of benefit for the “northern” partner

Individual level

- Personal
 - Awareness and global citizenship
 - Cultural understanding
 - International experience and knowledge

- Professional
 - International competence
 - Language proficiency
 - Reflection on own professional practice
 - Intercultural tolerance and understanding
 - Job satisfaction

Organisational level

- Strengthened human resources
- Access to other financial and technical cooperation sources
- Establishment of new institutional links
- International visibility and strengthened negotiating capacity

Community level

- Improved service delivery as a result of exchange of experience and access to practices/policies in other countries
- Mutual understanding: promotion of intercultural tolerance and understanding and strengthened social cohesion at local level
- Economic development, investment, trade and tourism

Source: Data adapted from Tranberg Bjørndal, M. et. al. (2012)

The broad variety of partnerships¹

Just as there are a variety of ways in which partnership and cooperation agreements have originated, the modalities of support also differ greatly. Traditionally, partnerships were called “twinning”; nowadays, as well as this term, other frequently used terms are city-to-city, municipal international cooperation, or local and regional government development cooperation or partnerships, decentralised or sub-national (development) cooperation, etc. In this publication, the various terms will be used interchangeably, as the goal is not to identify the exact definition for the various approaches, but to find their added value compared to other stakeholders’ approaches.

The differences in terminology can imply slightly different approaches: in some cases, the local or regional government acts as donor and funds activities of NGOs both in Europe and in partner countries and their main focus is not on passing their own experience to their counterparts. However, having a local or regional government involved at both sides of the partnership ensures the continuity of the cooperation.

Other partnerships have their main focus on exchanging know-how between the institutional partners. These partnerships are based on an

¹ See Annex 1 for more information.

agreement between two or more sub-state actors that work together to learn from, exchange and share experiences with each other, to use this in their own development. These partnerships aim to contribute to local or regional development and capacity building of local and regional government bodies, with a view to fighting poverty and inequality and improving the living conditions of the citizens.

Developing the internal capacity of local or regional governments, or their umbrella organisations, is not done in isolation: local and regional governments are catalysts for growth that depend on many other actors in the municipality or region. Many European local and regional government development cooperation activities therefore directly involve civil society organisations, private sector and other stakeholders both at home – to create broad support within the home community and to raise awareness among citizens – and in the developing country – to ensure embedding and traction of the project in the local culture and community.

A simplified overview of the various forms of partnerships is described in Box 3. This is not an exhaustive list, but rather gives an idea about different focuses of the partnerships over time. The different types imply different activities and approaches that range from cultural exchanges to technical assistance on issues

BOX 3 Types of European local and regional government cooperation

Types	Focus	Timeframe
Twinning	Traditionally to promote mutual understanding and peace; focus on cultural exchange	Since World War II
Solidarity/ reconstruction partnerships	After civil wars, national disasters or political persecution	For example in Nicaragua, South Africa or more recently in Haiti
Institutional development partnerships	Institutional development of local or regional governments (peer-to-peer) or their associations (Association Capacity Building) to effectively manage their responsibilities and tasks in service delivery to their citizens (or members)	Mainly since the 1980s
Territorial partnerships with significant involvement of NGOs	Local and regional development partnerships that implement their activities mainly through NGOs whose activities focus on improving the living conditions of the citizens	Mainly since the 1980s
Thematic network partnerships	Networks that focus on tackling challenges such as climate change	Since the mid-1980s
Economically motivated partnerships	Strategic international positioning to address development issues with a view to engage in business relationships	Particularly since the last decade

Source: Based on UCLG (2012)

such as town and land planning, waste management, good governance, public administration or economic development.

Twinning, or city-to-city, partnerships focus mainly on citizen exchanges, through visits and contacts – such as between schools or elected people and civil servants of two or more municipalities.

Solidarity partnerships mainly exist in countries with a (post-)conflict situation, crisis or natural disaster. European municipalities or regions support the affected sub-national governments in reconstruction, helping them to set up their service delivery after events such as a civil war or earthquake. This kind of support can take place on an ad-hoc basis, immediately after the crisis, or it can take the form of longer-term support when the process takes longer due to the absence of an effective or democratic central government: the local and regional level are more responsive to the needs of the citizens.

The third category of **institutional capacity development** is largely used largely by northern European countries. It focuses on ensuring that the partner establishes sufficient capacity to implement its tasks and duties to become an effective, accountable and transparent service deliverer. The partnership generally uses a peer-to-peer approach in which technical assistance is provided. This does not mean that no other actors are involved in the partnerships; schools, water or waste companies, for example, may play an important role in the partnership. However, the main emphasis is on the institutional link itself.

It is important to highlight that this category includes city-to-city, region-to-region and association-to-association capacity building. Association capacity building (ACB) aims to strengthen an association in its service delivery towards its members, its lobbying of central government, and in developing a sound sustainable financial and internal management.

Over the decades, peer-to-peer exchanges have evolved and become more professional: in many northern countries these cooperation initiatives are nationally coordinated by the local or regional government association which is responsible for the management of a broader coordinated programme, with focus on up-scaling and clear outcomes and results.

The **territorial partnerships with a main role for NGOs** are mainly found in cooperation activities of regions and south European local and regional governments, where often a bigger role is destined to NGOs, both in the European country and in the partner country. In some cases, local development agencies are created to implement joint cooperation actions. Unlike the previous category, this approach does not necessarily have its main emphasis on an institutional link between local or regional governments. Such a link is, however, a requirement or reason to set up projects with NGOs.

In some countries NGOs receive grants from municipalities or regions to implement projects for local or regional development in partner countries, typically through calls for proposals.

Most of the more recent European municipal or regional international cooperation partnerships focus on the possible **business opportunities**, where tripartite partnerships are common. A further motivation for these partnerships is to exchange and learn from each other, while improving the international profile and trade of both partners.

Lastly, the **networks of local and regional governments** in the partners' respective countries are becoming increasingly important to exchange experiences and knowledge on global challenges that have impact on local and regional governments. These networks can be generic or thematic.

Legal frameworks of Member States for sub-national development cooperation

In order to be able to describe the implementation of development cooperation activities of local and regional governments, it is important to look at the institutional arrangements and frameworks that allow for sub-national governments to engage in development cooperation.

Box 4 shows that the legal framework does not always have an impact on the real activity of local and regional governments. In some cases a policy exists but there are no real significant decentralised development initiatives, whereas in other cases, despite legal constraints to engage in development cooperation, there is some activity in decentralised cooperation.

BOX 4 Level of involvement in decentralised cooperation vs. the legal frameworks of EU Member States

Level of involvement	EU member states	Legal framework
High	Belgium, France, Italy, Spain, Sweden	Legal framework defines parameters of activity of LRG in the provision of development cooperation
	Germany (regional), Finland, Netherlands	No formal legal framework shaping activity of LRG in the provision of development cooperation
Moderate	Denmark, Germany (local), UK	No legal framework supporting activity of LGR in provision of development cooperation.
Low	Hungary, Poland, Latvia, Luxembourg and Romania	Legal framework defines parameters of activity of LRG in the provision of development cooperation
	Austria, Estonia, Portugal, Malta, Slovenia, Lithuania and Bulgaria	No clear supporting framework that defines capacity of LRG to engage in provision of development cooperation
	Czech Republic, Cyprus Ireland, Greece and Slovakia.	No legal framework: constraints in the ability of LRG to engage in development cooperation.

Source: Based on Copsey, N. & Rowe, C. (2012); CEMR (2003); OECD (2005)

It is important to note that the new EU Member States have adopted foreign policies and strategies for development cooperation upon their accession to the European Union. Generally, these countries pay particular attention to the countries from the East, such as Moldova, Armenia or Ukraine. Partnership agreements between cities and regions, if they exist, also are focused mainly on this region. Financial contributions for sub-national partnerships so far are not very high.

While the Communication of the European Commission on local authorities (2008) emphasises the role of local and regional governments as donors, European local and regional governments see themselves first and foremost as development partners or actors and not as donors. Though financial resources are indeed a catalyst for cooperation in various EU member states, funds cannot be made available from the local or regional level in all EU countries. The main focus lies on cooperation on a basis of trust, confidence and equality.

In eight EU Member States, the contribution of local and regional governments is included in the total ODA figures.¹ In Belgium, Germany and Spain, particularly, this amounts to a significant proportion of the total ODA (in Spain, prior to the serious financial

crisis, this was around 15%). This can be explained mainly by the fact that these countries have a (quasi-) federal system, in which powerful regions have influential development agencies.

In other countries, the ODA figures include only projects financed by the Ministry of Foreign Affairs. If the Ministry of Foreign Affairs contributes to municipal international cooperation programmes or projects, this is thus also included in the ODA figure, though not specified as such. In the case where national governments include only their own contribution to development cooperation, this does not necessarily mean that local and regional governments themselves do not contribute financially or in-kind to development cooperation. In some countries, the local or regional government association analyses the international activity of municipalities or regions in their country. It is, however, an extremely demanding task to keep an overview of the budgets for development cooperation and the various projects due to the frequent changes, the large number of actors, and the variety of ways in which these amounts are included in the budgets of local and regional governments. Also, there is no commonly accepted instrument as to how to measure the contribution of local and regional government, including staff time and materials.

For all these reasons, it is very difficult to get a good picture of the financial contributions to local and regional development cooperation from the EU Member States. But they are clearly modest. In most countries, the number of staff and finances of decentralised cooperation is still limited compared

¹ The OECD study (2005) details the budget destined to official development assistance by local authorities of DAC countries. The EU Members who mentioned the contribution of local and regional governments are: Austria, Belgium, France, Germany, Greece, Italy, Portugal and Spain. There were also States that stated that the amount was too small to justify the administrative burden to look up the information and in other countries the answer given was that there was no such activity in their country.

to the total ODA figure. International development cooperation is not usually a key priority of local and regional governments, nor of their associations, and thus their contributions are likely to be modest. However, *“despite the limited sums involved, several [OECD] members consider that local governments can make a significant contribution to development cooperation, in particular by transferring their know-how and experience of local administration to partner countries. With regard to financing aid activities local governments remain small actors but, being well-placed to reinforce pro-development public opinion in donor countries, they can help to mobilise additional resources for aid.”* OECD (2005), p9

Coordination and synergies with national governments interventions

In some EU countries, national governments look at the active involvement of local and regional governments in international development cooperation with some reluctance, particularly in cases when there is a political interest at stake or where important budget reductions are taking place due to the financial and economic crisis.

However, at the same time, in recent decades local and regional governments have become important players in the international arena and it is evident that states should no longer see them as opponents that work against the national government policy.

Coordination and synergy between the different levels of state actors helps to generate action fronts and provides national governments with a broad range of experience to respond to issues, challenges or disasters that impact at the local or regional level.

As already stated, some countries include the financial contribution of local and regional governments to development cooperation in official ODA figures, and some have a supporting legal framework. These aspects point to a recognition of the importance of this type of cooperation and are a first step in looking for synergies between the cooperation of sub-national and national public actors.

For example, in France the national government stimulates support to decentralisation and encourages coordination and alignment, but at the same time respects the local traction and ownership of these projects in which the partners have identified the core objectives themselves. However, in some cases, partnerships remain “standalones” and are not integrated into a broader programme.

In (quasi-)federal states, where regional governments are more autonomous, such as in Spain,

the coordination with the state level is hampered. Regional governments mostly have their own development cooperation laws, policies and agencies, and own mechanisms for supporting local governments within their region to engage in local government partnerships for development; this is not always aligned with the national policies for development cooperation.

In these countries the local or regional government associations serve their members by providing information and advice, organising meetings, and lobbying national government on behalf of their members. A good example of such association is *Cités Unies France* (United Cities France - CUF).

Northern European national governments, in particular, make funds available for municipal international cooperation programmes. In many cases these are managed by the association of local and regional governments, to ensure that the partnerships are part of a comprehensive professional programme, within a framework of clear themes and targets. These programmes are designed in line with the international development policy and priorities of the central government and ensure a clear monitoring and evaluation of the added value and impact. Also, this kind of broader programme is typically coordinated with the embassies or NGOs active in the partner country (as is the case, for example, in the Netherlands).

Despite the improved synergies and coordination of state and sub-national development cooperation in this programme approach, it implies a more “top-down” definition of overall objectives, resulting in a bigger challenge to fit the needs of the partner into the pre-defined policy priorities and thus to ensure genuine ownership and traction.

Local and regional governments also work together with multilateral organisations and national governments with a view to increasing the impact of their development cooperation. In partner countries, a multilateral framework can play a catalytic role in linking different levels of government given its convening capacity. For example, UNDP established multi-actor and multi-level frameworks for local-regional-national dialogue in 19 countries through the ART Initiative.² These frameworks can be useful transmission belts connecting local and regional experience and needs with national development strategies.

For an overview of the coordination and synergy for each EU member State, see annex 1.

² Articulation of Territorial Networks for Sustainable Human Development.

Financing of local and regional partnerships

As evident from the section above, the financing of local and regional government development cooperation differs greatly. In addition, the schemes listed above have been challenged by the financial and economic crisis in recent years. Budgets dedicated to development cooperation have been affected at all levels.

Broadly speaking, six main types of financing can be identified:

1. Own resources only

In the case of Spain and Italy, a significant amount of funds is mobilised from the municipal and regions own budgets. Sometimes, this is complemented by funds available at national level through calls for proposals (i.e. Spain).

This is the case for regional governments in many European countries. Typically the development cooperation activities of regional governments target public authorities or NGOs or a mix of both. Regions from European countries generally fund their own cooperation activities in partner countries and sometimes have their own permanent agency for development cooperation with large budgets and responsibilities to work on international cooperation (for example in the German Länder or in the Spanish autonomous regions). In the case of Belgium, Spain and Italy, the regions fund municipal international cooperation schemes.

2. Own resources and national funds for regions and local governments

French local and regional governments mobilise an important amount of funds for development cooperation from their own budgets. In addition, the national government supports local and regional government projects with a significant contribution (see annex 1).

3. National funds channelled directly to regions or municipalities.

Fund for regional development cooperation are generally not channelled through the regional government associations, but are directly transferred to regions. In some cases, this is also the case for local governments (for example in Denmark, Germany, and the United Kingdom), and this is topped up by contributions from local governments themselves.

4. Part channelled from national government to local or regional governments associations and part channelled directly to municipalities or regions

Part of the funds for decentralised cooperation is channelled through the associations of local and regional governments, and part is allocated to sub-national governments directly (for example in Flanders and Sweden). There is some co-financing from local and regional governments themselves.

5. All funds from national government channelled through local government associations

National governments channel all funds available for international cooperation initiatives of local and regional governments through the national associations of local and regional government (this is the case for Finland, the Netherlands and Wallonia), which have a coordinating role to transfer funds to the partnerships and to ensure that the partners are trained to achieve the best possible results. There is little or no co-financing from local governments themselves.

6. National government channels funds to local government associations

A new model is the Dutch one where the Dutch government has assigned the local government association VNG International to implement activities on behalf of the Dutch municipalities. Dutch municipal expertise is used when needed, while the association coordinates, implements and manages the Local Government Capacity programme. This format enables the government to ensure that the involvement of municipalities is done in a coordinated manner, in which a more integrated development approach is used.

The impact of local and regional government development cooperation

Highly relevant, efficient and effective programmes

Given the differences in the decentralised development cooperation projects or programmes, evaluations look at different outcomes and impact. Generally, the evaluations of local and regional international cooperation programmes¹ show that the programmes have a high degree of relevance, efficiency, effectiveness and a high level of sustainability in comparison to other development cooperation programmes, however fragile some of the processes may be.

The relevance is shown by the fact that the themes taken up in the projects reflect key priorities in municipal or regional governance, and sectoral priorities which strongly contribute to effective

1 This section is based on evaluations of Municipal International Cooperation programmes of the Association of Finnish Local and Regional Authorities (ALFRA), International Centre of Local Democracy (ICLD), the Association of Flemish Cities and Municipalities (VVSG) and the International Cooperation Agency of the Association of Netherlands Municipalities (VNG International).

governance. The most successful projects are those that aim to address a need that is perceived to be a priority by the partner and/or that are aligned with processes run at a higher administrative level.

The projects mainly build on existing organisations on both sides – the local or regional governments – and on existing staff capacity, thus avoiding setting up parallel structures with no political leadership by the partner. As a result, processes have a high level of sustainability and continuity. It is very important to realise that for development partners, such as multilateral organisations, states or civil society organisations, the cost of not working with decentralised local and regional governments may be high: lack of sustainability of the implemented action if it is not embedded into a local public policy; duplication of work; confusion on local and regional governments' mandates; and, distrust among citizens.

Generally speaking, commitment in both Europe and in the partner country is very high and the long-term relationships result in trust and good dialogue between the partners. The long-term relationship is important for sustainability and to ensure capacity development. A combination of long-term objectives (advocacy, training, etc.) and concrete tangible goals makes it easier for local governments to engage the people.

Long-term relationship to support the regionalisation process in Morocco

Regionalisation in Morocco began in 1997. Since 2001 the French region Provence-Alpes-Cote d'Azur started a partnership with the Tanger-Tétouan region, in order to support the regionalisation process.

The partnership aimed to strengthen the competences of the Moroccan region in regional planning and in ensuring its legitimacy as a recent political institution, and was co-financed by both partners which ensured ownership on both sides.

The cooperation has helped to strengthen regional service delivery, mainly in respect of the protection of natural and cultural heritage, management of forest areas and environment, economic development and infrastructure in rural areas, and spatial planning, as well as mobilising the various actors within the territory. The partnership has been implemented on the basis of good dialogue with all actors involved: politicians; professionals; central government departments; NGOs and citizens.

The first phase of the cooperation was launched in 2001 and completed in 2008. At present, a number of projects are under way, notably the creation of a regional natural park and the implementation of a regional policy for social and solidarity economy.

The success of the cooperation can mainly be explained by the fact that it has been built on a basis of good dialogue and with a long-term approach, which has resulted in the achievement of concrete and sustainable outcomes.

Source: PACA Region

Peer-to-peer: cost-effective and equal partnership

In the light of longstanding trade links, various institutions of the municipality of Hamburg have established cooperation activities with their counterpart institutions in Dar es Salaam, Tanzania.

The Waste Management Company of the City of Hamburg, has been partnering with the department for solid waste management of the Dar es Salaam City Council since 2004. The partnership provided for an exchange of experts on solid waste management, support for the technical and organisational optimisation of waste collection and disposal, and the development of a fee system. In 2009, the cooperation was further expanded and it was agreed to jointly set up a pilot plant for composting organic waste. The concept was developed such that it could be implemented with little technical assistance and low investment input. The plant was completed in February 2010.

Composting is one element that will help establish sustainable food security for the city as it reduces the level of groundwater contamination surrounding landfills, while at the same time allowing the production of a nutrient-rich soil ameliorant for agriculture. It is also possible to achieve economic benefits through the sale of compost as a fertilizer.

The Waste Management Company of Hamburg provided support not only in the form of material, but also in the form of knowledge transfer, to ensure sustainability and continuity. The project funding was initially covered by the City of Hamburg, and has now shifted towards a co-financing model, which has strengthened the ownership by the City Council of Dar es Salaam.

Source: German Association of Cities and City of Hamburg

A distinctive feature of the programmes is that the overhead costs are less in this type of collaborative programme than in other types of development cooperation programmes (no costs of expat staff and programme management units). With relatively small budgets, the partnerships can achieve important results. The most effective form of learning is generally the peer-to-peer approach, which has a long-term character and generates trust and fluidity of contacts.

Another characteristic of these programmes is the potential to leverage learning effects and knowledge between different levels of government. At the same time, embedding of development initiatives in networks of personal links, leads to greater motivation of staff and elected officials and is more sustainable than those emerging from specific time-bound projects or programmes.

What do the projects or programmes aim to achieve?

The objectives of the evaluated programmes were found to be too ambitious in most cases. The way in which a local or regional development cooperation programme contributes to good governance in the partner country should be looked at from the right perspective. Regardless of the programmes' quality, there are structural limitations that are mainly due to the political and technical reality in the partner country and outside the programmes' impact - such as supportive decentralisation processes or sub-national reform policies in the partner country which constitute an enabling environment for local and regional governments.

Many of the evaluations analysed have shown that it is very important to ensure that the objective of the project, programme or partnership is feasible. Decentralised development programmes can contribute to poverty alleviation and the achievement of the Millennium Development Goals, though outcome and impact were easier to assess when concrete objectives were chosen. Examples of concrete objectives are strengthened institutional capacities within policy areas falling under the responsibility of the partner, such as water or waste management, education, primary health, registry, security, economic development or urban planning.

Outcomes for municipalities and regions

Most of the evaluations analysed have some (indications of) outcome defined in terms of capacity building. The decentralised development cooperation programmes are generally aimed at building capacity in order to help the beneficiaries mitigate their own problems. The programmes offer an opportunity to invest in the local or regional administration and the relationship between citizens and the local or regional authority. This adds considerable value to the support of local development processes.

Sub-national governments are strengthened in a number of ways: in policy formulation and strategy development; in internal management and citizen participation; in service delivery and taxation; and, in new technical solutions to identified local problems.

The four most highlighted outcomes are:

1. Improved public service delivery

2. A strengthened role of local authorities in ongoing decentralisation processes, allowing them to manage local development in a better, more effective way

3. Accomplishment of principles of transparency, effective citizen participation and accountability

4. A boost for local authorities credibility and recognition for their role as driving force behind local development.

Source: Based on the evaluation of Municipal International Cooperation programmes, interviews with PLATFORMA members, and UCLG (2012)

The fragility of some of the processes can partly be explained by: the lack of supportive national frameworks; turnover of staff and changing political constellations at the all levels of government; and the insufficient connection between the various development cooperation programmes. In many cases, it remains difficult to describe the volume and quality of the outcome in the short-term.

The World Bank estimates that the typical capacity development cycle for demonstrating sustainable results is 10-20 years and for more short-term programmes to be effective designs and decision-making processes must be simplified.¹

Impact on poverty reduction

As already stated, most projects aim to influence longer-term processes. This often makes the impact difficult to assess within the project period of a partnership. Impact is something that can only be assessed from a long-term dynamic and projects of local and regional governments are generally embedded into long-term dynamics.

It is expected that many projects are contributing to poverty reduction, mainly through empowerment of citizens and paying specific attention to the situation of poor people in planning and implementation. Although the outcomes regarding poverty alleviation have not been analysed in all evaluations, projects focusing on basic services, such as solid waste and water management, do indeed contribute to poverty reduction.

For some other themes this relation is more difficult to prove. In projects focusing on financial management, benefits seem to affect mostly the middle-income

¹ UNDP (2008), p5.

BOX 5 The five potential unique strengths of decentralised development cooperation

1. Peer-to-peer learning for enhanced knowledge

Transfer of knowledge and experience between municipalities on a basis of trust and equality enables a genuine learning process. The partnership makes use of the unique in-depth knowledge of local and regional governments on service delivery, good governance and accountability.

2. Long-term support for strengthening the local and regional government sector

The long-term relationship results in trust and good dialogue which enables sustainability and effective and efficient capacity development.

3. Cost-effective sustainable processes through existing structures

Strengthening existing organisations and thus avoiding setting up parallel structures ensures sustainability. As there is no need to hire long-term consultants or set up project offices, the partnerships are cost-effective.

4. Leverage learning effects

The partnerships can leverage learning effects and knowledge between different levels of government and different levels of society. They contribute to building leadership at the local level.

5. Reciprocity

As the partnerships are built on a basis of equality, both partners benefit from the partnership; for European partners this mainly results in community development and active citizenship through international visibility, increased problem-solving capacity through access to good practices, and strengthened human resources.

Source: Based on the evaluation of Municipal International Cooperation programmes, interviews with PLATFORMA members and UCLG (2012)

Concrete actions and upscaling

In 2008, a cooperation agreement was signed between the French Region Pays de la Loire and the state of Burundi. This cooperation project (2008-2013) represents an exceptional form of cooperation from a French region towards a state. The project has been supported by the French Ministry of Foreign Affairs. The objective of the cooperation is to strengthen basic service delivery and the capacity of public structures in four sectors: sport, health, agriculture and environment. A transversal issue in the cooperation is that of territorial development, local governance and support to decentralisation through the transfer of knowledge.

The strong institutional links in both Pays de la Loire and the state of Burundi stimulates a dynamic way of implementing activities and achieving the objective of sustainability.

The activities are defined in a participatory way with a broad range of stakeholders from both territories such as NGOs, universities, hospitals and local associations. A total of 50 partners are involved, from both sides of the partnership.

The activities follow the principle of subsidiarity: cooperation activities are implemented at the level of government closest to the citizens. Local actors are considered to be able to achieve visible and swift results with concrete actions, after which upscaling of results to the national level is easier. For example, free care for women that suffer from fistula was converted into national law from an activity involving local governments.

A pilot project focusing on capacity building and support to decentralisation (training of Burundian local elected representatives, exchange of experiences between Burundian and Pays de la Loire local authorities) will be launched in 2013.

Source: AFCCRE and the Pays de la Loire Region

groups. However, in the longer-term, local governments should be able to improve services as their income is increased, provided money is well spent.

In general, it is important to recognise that these are all long-term processes of a political nature (which depend on the redistribution of power and resources) and the dynamics differ from project to project and evolve over time. The projects provide good examples from which experiences can be extracted.

The donor is therefore, in most cases, made aware of the different way of programming that is required to achieve sustainable development results in local and regional government cooperation, and must see the importance of using a process-oriented approach as opposed to the project approach that is used in other, more mainstream, development projects.

In addition, it is important to highlight that the amount of funds for decentralised development cooperation is still relatively modest compared with

the amount of funds that NGOs, national governments and European or international donors spend on programmes and projects. There are no studies as to whether the impact would be different if funds were to equal those of NGOs, for example. It is almost impossible to speak about impact without analysing the funds that are used in the programmes.

Obstacles to improved harmonisation and synergies with other development actors

As already mentioned, developing the internal capacity of a local or regional government, or their umbrella organisation, is not an isolated process. Local and regional governments depend on many actors both in their communities and in the national context. "Vertical harmonisation" between the various layers of government remains extremely important. When a project aims to strengthen the local governments' capacity to deliver a certain service, it is crucial that, at national level, the decentralisation policies are correctly implemented and that the transfer of new responsibilities is combined with sufficient financial resources for implementation.

Harmonisation is often understood to be reducing the number of partners involved to avoid fragmentation, but involvement of cities and regions, which constitute an important part of the institutional architecture of a country, is crucial.

Some partner countries organise donor coordination tables and, in some cases, include the associations of local and regional government, or donors and organisations that support local and regional government. While this still remains an exception, it is important for ensuring tailoring of the development strategy to the partner communities.

Coordination between the interventions of European local and regional government is important to avoid a burden for the partner local or regional government (association). However, for the European local or regional government partners, it should be noted that, in some cases, coordination is difficult because of the various donor agendas. For instance, coordinating one municipal international cooperation programme with another from a different European country, both funded by the national government, is difficult due to the different management requirements of the central government (i.e. different accounting mechanisms, different programming cycles).

Local and regional governments themselves exchange information and share knowledge at the European level (through PLATFORMA) and at global level (through UCLG, ORU-FOGAR, AIMF and CLGF) in order to encourage cooperation between the different actors.

Efforts are being undertaken to ensure that the actors in important local government development cooperation programmes can exchange experiences and learn from each other to further professionalise their practices.

Opportunities for synergies and new challenges for local and regional development cooperation

Building on this positive track record

The preceding section has illustrated clearly the potential of local and regional development cooperation to achieve development and governance outcomes. Despite the limited amounts of funds earmarked by the EU (compared to what is channelled through NGOs), local and regional governments have been able to demonstrate a clear added value as development players. Donor agencies such as the EU could build on these comparative advantages and seek to improve the relevance of their own interventions by

ensuring strategic linkages, enhancing funding opportunities for local and regional governments while helping to create a more conducive environment for decentralised dynamics.

The aforementioned shifting aid paradigm may help to foster such linkages and related outcomes. The gradual moving away from traditional development aid can be considered an opportunity for local and regional government development cooperation in the sense that there is:

- More attention to “new” actors for development, such as local and regional governments;
- A shift from the traditional project management towards more process-oriented approaches - this can be a great opportunity for local and regional government development cooperation, which, as stated above, is already to a great extent working with this approach;
- A growing focus on mutual benefits, or reciprocity, which aims at fostering inclusive and equal partnerships, is also an added value in the new paradigm. In this regard, it is important to work together to improve the exchange of policies and strengthen processes. Networks in which these exchanges take place provide great potential for creating mutual benefits;
- Lastly, a greater priority on strengthening accountability at all levels of government, including local and

CIB Working Group: Harmonisation of municipal development programmes

At the global level, the Capacity and Institution Building Working Group, one of the technical platforms of United Cities and Local Governments, brings together professional practitioners of local government associations and individual local governments active in development cooperation with the overall objective to improve the quality, coordination and alignment of their development cooperation interventions.

In the Working Group’s annual meetings, members noted that a lack of information on each other’s work in municipal international cooperation and association capacity building had led to duplication or overlap in programming. For example, two or more northern local government associations would be working in a given country with a southern local government association on the same topic without even being aware of the other’s work. This had led to inefficiencies such as separate workshops being organised with the same partners around the same dates.

As an important step towards better coordination of efforts, information is gathered annually to track “who is doing what and where” in terms of development programmes, in order to identify possibilities

of joint action. The Working Group maps interventions of CIB members and their main publications and tools. Updates are discussed annually in CIB meetings. Concrete cases of coordination have been stimulated in the CIB Working Group: a good example is the coordination that took place after the earthquake in Haiti (see below). The CIB Working Group serves as a technical resource base for UCLG and its political committees, and is formally linked to the Committee on Development Cooperation and City Diplomacy. It has drawn up a policy paper on aid effectiveness and is currently developing one on development cooperation. These papers are meant to inform the practice of UCLG members and provide a policy basis for dialogue with the international donor community and multilateral institutions. The CIB Working Group has been playing and continues to play a key role in the identification of opportunities for cooperation as well as in providing an opportunity for strengthening relations amongst members. Its secretariat is based within VNG International and supported by various members.

Source: www.uclg.org/cib and UCLG (2009), UCLG Position Paper on Aid Effectiveness and Local Government

regional governments. The political processes that are being targeted in local and regional government development cooperation contribute to this principle.

New challenges arising from the Busan partnership for local and regional governments

Whether these opportunities for a greater profile of local/regional governments and for stronger synergies are tapped will depend on how local/regional governments themselves deal with the Busan agenda. The following analysis looks at the issue of compatibility between current local/regional government practices and the Busan principles. It does not aim to give concrete evidence on the actual implementation of the development effectiveness principles, but rather provides general orientations based on existing evaluations and interviews with PLATFORMA members.¹

1. Ownership

The level of ownership varies in the decentralised development cooperation projects but, generally, commitment both in Europe and in the partner country is considered to be very high.

Projects are generally aligned with priority themes in municipal or regional structures and thus have “local traction”, which ensures sustainability and ownership of the results by the partners. Though this shows that there is genuine local ownership in most of the projects, it should be noted that the Busan outcome document refers mainly to the importance of ownership at the national level. In this sense, it is important to advocate for broad-based democratic ownership, in which local and regional governments are duly consulted by national governments about development priorities.

However, we should be aware of the risks of dependence on donor funds and “aid addiction” at all levels, including local and regional governments, which can undermine ownership by the partners and the final target groups (the citizens).

2. Results

As has been shown in the previous section, there are many good results that derive from local and regional government development cooperation. However, results in local and regional government development cooperation are generally system changes that require longer-term processes. It is a challenge to fit the project approach to decentralised development cooperation activities, as has also been shown in the literature on

how to engage local and regional governments in the development of a country. Generally, a mix is sought between longer-term and short-term objectives.

Another challenge is up-scaling of good practices to ensure greater impact of individual projects. The contexts of the up-scaling should be taken into account. What is considered a need by one local government is not necessarily a need in neighbouring local governments. A clear strategy for up-scaling is therefore important, taking into account the ownership principle.

3. Inclusive partnerships

Partnerships between sub-national governments are generally based on equality, trust and respect and can thus be characterised as inclusive. Long-term relationships result in trust and good dialogue which also contributes to accountability and transparency towards each other. This also contributes to the outcomes of the project: the learning process between partners is considered to be a key strength of decentralised development cooperation, as it results in efficient capacity development.

Though partnerships are inclusive at the level of the local or regional government institutions, it is still important to involve citizens and civil society organisations as much as possible in the design and implementation of the cooperation activities and to ensure participatory processes.

4. Accountability and transparency

Given the high commitment of both partners, the accountability and transparency between partners is generally very high.

Many decentralised development cooperation projects focus on citizen participation and on the relations with central government. Upward accountability can be achieved when local and regional governments become true partners in the national dialogues about development policies and strategies. Downward accountability is a main task of local and regional governments: everything they do (including within decentralised development cooperation) should be for the benefit of their citizens. In this context, the watchdog role of civil society organisations is crucial to monitor the accountability of local and regional governments.

In some decentralised cooperation programmes this is already a main focus. Domestic accountability should be more explicitly included as a main theme, as it is exactly here where local and regional government partnerships can make a difference with regard to other development stakeholders.

¹ An innovative exercise measuring the implementation of the development effectiveness principles at the local level has been developed by the Government of Ecuador and UNDP through the ART Initiative and piloted in the Ecuadorian provinces of Carchi and Esmeraldas. (UNDP, 2011).

Coordination and cooperation for local government reconstruction and effective service delivery in Haiti

After the earthquake of 12 January 2010 in Haiti, solidarity movements of civil society and municipalities arose in, amongst other countries, Canada, France, Spain and the Netherlands, focusing on the re-development of effective governance and the delivery of local government basic services.

In 2010, the Haitian Ministry of Interior and Local Government, a number of mayors and other representatives of cities affected by the earthquake put in a request for support for a series of municipalities in Les Palmes, located in south-west Haiti. This call for assistance was honoured by Cités Unies France (CUF), the Federation of Canadian Municipalities (FCM), the Union des Municipalités du Québec (UMQ), the City of Montreal, and VNG International (the international cooperation agency of the Association of Netherlands Municipalities). The programme also supports two local government associations and the Haitian Ministry of Interior and Local Government to play a stronger role in the reconstruction and decentralisation process of the country. The fact that the request for cooperation came from the Haitian authorities themselves indicates that this local government capacity development programme is demand-driven and responds to local priorities. Furthermore, in the implementation of the projects, the partners pay close attention to the specific needs of the local governments and try to coordinate their support in such a way as to respond to as many local government demands as possible.

The projects are aligned with the national reconstruction plan. The cooperation partners have also made use of the action plan drafted by the Ministry of Interior and Local Governments that stipulates in which specific areas local governments need to be strengthened. The projects work with local governments, while keeping the Ministry closely involved, so that they can learn from what happens locally and use best practices to better define their national policy and include lessons learned in official regulation.

Re-establishment of institutional and technical capacities

CUF, the Canadian partners and VNG International work according to the agreed binding principles of transparency, participation, equality and anti-corruption and use a professional, results-oriented approach to development cooperation. Their projects work in a direct and practical way on restoring the functioning of the governance system, building channels of communication between the local governments and their citizens, and reconstructing municipal capacity to function as permanent institutions in the political and administrative landscape of Haiti.

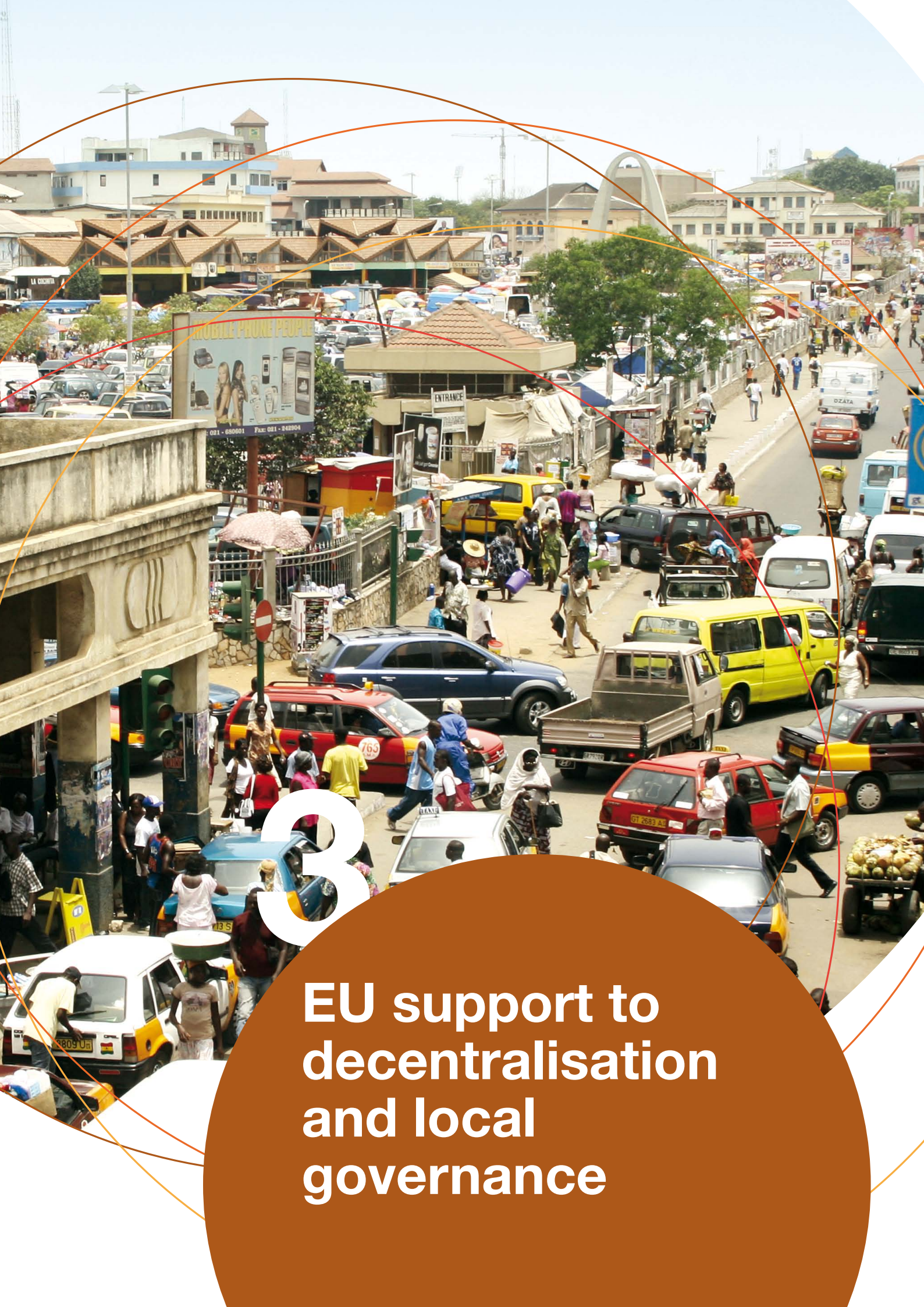
The specific objectives of the programmes are to re-establish the institutional and technical capacities of four municipalities in the Les Palmes region, to provide key urban services related to education, land use planning, project management, financial management, human resources and communication, water and waste management. By doing so the Haitian municipalities are supported in regaining their capacity to manage relations with the central government and NGOs active in their area. Strengthening the capacity of local governments will have a direct impact on the environment, the economy and the health and functionality of these coastal cities and, thereby, the foundation is being laid for future (local) economic development. Moreover, the strengthening of local governments aims to contribute to more accountable, transparent and participatory political systems. At the start of the cooperation activities CUF, the three Canadian partners, and VNG International discussed the specific issues on which each would work. The division of responsibilities was made on the basis of expertise: CUF is working on education and governance; VNG International on water and waste management; and the Canadian partners are working on issues related to land use, project management, financial management, human resources and communication. In addition, the Canadian partners and VNG International are maximising the efficiency and effectiveness of their programmes by sharing the costs of a range of activities and services.

Challenges for effective development

Even before the earthquake struck Haiti, the country was already characterised by low levels of capacity at local government level, as well as a highly centralised government. The earthquake has wiped out the little capacity that existed. This means that the programmes are dealing with very basic issues of governance and capacity building, ranging from clarifying the responsibilities of elected officials and improving the capacity of local governments' administration to supplying basic equipment to run programmes. In addition, due to the high number of international and other organisations active in the reconstruction of Haiti, both the implementing partners and the Haitian local governments have difficulties understanding what projects are being developed and implemented in their area, especially since many NGOs active in Haiti have not sought contact with local authorities to inform them about their projects.

While there is a need for close cooperation with all stakeholders involved, it takes a long time to achieve sustainable results. A long-term vision of support is therefore very important for effective local development.

Source: Cités Unies France, VNG International and the Federation of Canadian Municipalities



3

**EU support to
decentralisation
and local
governance**

This chapter looks at the way the EU has been engaging in decentralisation and local governance in the past. In the process, it will be observed that local and regional governments have long been relatively “neglected actors” in EU development cooperation processes.

The situation has improved in recent years as key policy frameworks have started to recognise the specific role and added value of local authorities. Dialogue has improved also (mainly at global and regional level) while timid progress has been made in terms of expanding funding opportunities in both the geographic instruments of the EU (the country strategies and related national or regional indicative programmes or action plans) and the thematic instruments (such as the budget line for non-state actors and local authorities already mentioned).

Yet, on the whole, the partnership between the EU and local and regional governments still needs to be further developed, particularly in operational terms. Both the Busan outcome and the recently published EU communication “An Agenda for Change” (2011) insist on the need for upgrading the status of local and regional governments in development processes. The challenge in the years ahead will be to seize these windows of opportunities, deepen the dialogue, and explore the scope for complementary action and mutually beneficial synergies. This may include the development of a fully-fledged EU policy towards decentralised cooperation which so far has been missing.

Why and how the EU engages in decentralisation and local governance

In order to better understand the opportunities for synergies, it is important to briefly examine how the EU positions itself in the decentralisation arena and how the relationships with local and regional governments evolved over time. Until the late 1980s European development cooperation with partner countries was highly centralised. This reflected the nature of post-independence development strategies. Central governments were seen as the motor of development and limited space was available for other actors (e.g. the private sector, civil society, and local and regional governments) to participate in the process. The structural adjustment processes of the 1980s and, above all, the democratisation wave that swept across the developing world after the fall of the Berlin wall put an end to this primacy of development

aid through the central state. In many countries, decentralisation processes regained momentum. Conceived in a context of democratisation and the ‘good governance’ agenda, decentralisation was meant to favour an effective devolution of competences, resources and decision-making powers to democratically elected local governments. The underlying idea was not only to formally establish local governments but also to promote more participatory and accountable forms of local governance. This was thought to be instrumental for local economic development and effective spatial planning, with local authorities acting as catalysts in fuelling collaboration between local actors or defending local interests with higher levels of government.

In response to this new institutional landscape, the EC gradually sought to move away from the single-actor approach to cooperation. The opening up of EU development policy and practice to actors other than the central state was enshrined in the Lomé Convention of 1989 and was given more shape in the Cotonou Agreement (2000). This new policy framework replaced a generation of successive Lomé Conventions between Europe and partner countries in Africa, the Caribbean and the Pacific (ACP). As a result of the new thinking on development, the Cotonou Agreement embraced the principle of participatory development. It recognised the importance of decentralisation and local governance and the need to ensure the participation of local and regional governments in the cooperation activities.

However, the principle of participatory development remained vague in terms of the practical modalities for involving local and regional governments and facilitating access to funding. This was in sharp contrast to the clarity provided on the general rules for the participation of non-state actors (NSAs), given that the EC invested seriously in clarifying terms of engagement with NSAs in the early years of the Cotonou Agreement. For NSAs, the EC developed new policy documents and guidelines, reinforced the dialogue and diversified funding opportunities, particularly for capacity development programmes. No such steps were taken towards local and regional governments during that initial period.¹ Only through intensive lobbying would a gradual change in this “unequal treatment” between the two sets of actors take place.

From 2005 onwards, efforts were made to improve the overall significance of local and regional governments in EU development policies and practices. References to the key role of local and regional

¹ For a detailed analysis of the diverging EC approach to non-state actors as compared to local governments in the initial years of the Cotonou Agreement, see the ACP Local Government Platform (ACPLGP) survey.

governments in development began to permeate key policy documents. The EC invested in building its internal knowledge base on decentralisation through regional seminars and the production of guidance to delegations.¹ Furthermore, the EC pro-actively invested in sharing experiences with other donors, through platforms such as the Informal Development Partners Working Group on Decentralisation and Local Governance (DeLoG). A new thematic financial instrument of the European Commission was created for both NSAs and local authorities in 2006, followed by the first dedicated communication² in 2008 and full involvement of local and regional government in the aforementioned Structured Dialogue process from 2010-2011. Regular consultations have been taking place with European local and regional governments, facilitated by PLATFORMA, while the EC has provided institutional funding to PLATFORMA since 2008. Lastly, the EC decided to launch a global thematic evaluation of the Commission's support to decentralisation processes (covering the period 2000-2009) which was completed in 2012.

Despite these advances in recent years, the integration process of local and regional governments has not yet been completed. The political recognition of local and regional governments as a distinct actor, with a specific identity, role and added value, is increasingly becoming a reality but important challenges remain to be addressed, particularly at operational level. These include: the need to fully and effectively link local and regional governments to the overall EU development cooperation processes; developing more strategic approaches to supporting decentralisation and local governance in partner countries; and providing new opportunities for local and regional authorities to access relevant funding (aligned to their institutional mandate and *modus operandi* as public entities).

EU support in the field: entry points and objectives pursued

The absence of a solid policy framework has not prevented the EC from entering the decentralisation arena in a growing number of countries across various regions. In the early 1990s the approach was mostly experimental, with decentralisation being addressed somewhat indirectly, through rural development programmes, which at that time were still quite popular. In other countries pilot programmes were implemented to transform classical micro-projects (driven by communities) into local development processes fuelled by joint action between

communities and local governments. Gradually, by providing direct support to national decentralisation reforms through budget support operations (e.g. Mali), programmes became more sophisticated. These projects were supported through the so-called geographic instruments of the EC, i.e. the financial envelope provided to each partner country and related National Indicative Programme (NIP).

The final report of the aforementioned thematic evaluation of EC support to decentralisation usefully distinguishes three main 'entry points' for the decentralisation support programmes:

1. Direct policy support to decentralisation.

In this first approach, the EC supports reform processes led by the central government and therefore primarily reflects a top-down approach. It addresses the entire chain for effecting decentralisation down to regional and local levels. Evidence suggests that it proves rather difficult to construct synergies with the actions and specific needs of local and regional governments in these types of programmes as both the policy dialogue and the funding tends to remain highly centralised.

2. Sectoral decentralisation.

This approach selects key sectors as the focal points for support. It seeks to clarify how sectoral responsibilities and resources are devolved to regional and local levels and how capacities are built at various levels to assume the new roles that come along with decentralisation. The focus is generally more on the development and implementation of effective sector policies than on support for the decentralisation process itself. While these programmes tend to include capacity development initiatives for local and/or regional governments, there is often not much scope for developing wider relations with decentralised actors or for providing complementary financial support (e.g. for partnerships between local governments). This should be a central objective in the future for well-performing decentralisation systems.

3. Local and regional development.

This entry point is based on a bottom-up approach. It refers to support schemes targeted at enhancing local development through dialogue with local and regional governments and decentralised cooperation activities. The resulting programmes tend to focus strongly on the promotion of local governance. In some countries which do not have a decentralisation policy or a commitment to implement existing reform agendas, this type of project is used as a sort of laboratory for decentralised modalities of managing development. These experiments provide a fertile ground for testing

¹ EuropeAid thus published a guide on 'Supporting Decentralisation and Local Governance in Third Countries', January 2007.

² COM 2008 (626). Local Authorities: Actors in Development.

EC and VNG in support of decentralisation in Uruguay: improving social and territorial cohesion

Since 2008, the European Commission has been financing the Integra project in Uruguay. The overall aim of this project, which is coordinated by the Presidential Office of Budget and Planning in Uruguay, is to strengthen the decentralisation process, improve social and territorial cohesion, and to bring public policy closer to local communities.

During the first phase of the project (2009-2012) VNG International, the International Cooperation Agency of the Association of Netherlands Municipalities, provided advisory services to the Presidential Office and the sub-national governments.

As part of this project, departmental and regional development plans were formulated in a participatory manner as to ensure ownership by the citizens of the priorities for sub-national governments. In addition, comparative local economic and social development indicators were developed to define an improved system for the distribution of national funds and thus contribute to a more equal development, from which particularly the most fragile groups of society benefit.

The development of studies on decentralisation and training modules for local governments have proven to be an investment in the newly created third layer of 89 municipalities in Uruguay. The first phase of the Integra project was able to develop concrete activities in 150 local communities and 19 departmental governments in total, and thereby to reach over 60,000 citizens.

Through these activities the project has also contributed to improved coordination between local communities, departmental governments and ministries. This is crucial to the next steps of the decentralisation process and for further improvement of the effectiveness of sub-national governments in responding to the needs of their inhabitants.

With its roots in Dutch local government and its extensive experience in decentralised development cooperation, in Latin America and elsewhere, VNG International has been able to successfully advise the Presidential Office and sub-national governments. This case is a good example of how the European Commission and European local and regional government associations can forge functional collaborations in decentralised development projects to achieve tangible and sustainable results. Other examples of this cooperation between local government associations and the European Commission can be found mainly in new EU member states or European countries bordering with the European Union.

Source: Government of Uruguay (2012) Programa Uruguay Integra Continuará Desarrollando Políticas Públicas de Cercanía; Uruguay Integra Programme successfully completed, VNG International (2012)

participatory mechanisms, local government capacity building approaches, effective ways to set-up a multi-actor dialogue at local level and financial transfer systems. By demonstrating the feasibility and benefits of a local governance approach to development, EC aid programmes may gradually help to create a domestic demand – from the bottom-up – for more effective decentralisation. This is the most promising approach in terms of constructing synergies between the EU and local and regional governments. It has led to experimental programmes under the geographic instruments that sought to inject resources directly into the budgets of local authorities, thus allowing them to build legitimacy, strengthen their autonomy and deliver services (see the Acords programme in Madagascar³). Yet, in this type of programme, links with decentralised cooperation partnerships have remained very weak, despite the potential for synergies.

EC programmes in support of decentralisation and local governments across the three entry points seek to achieve multiple (interlinked) objectives. However, in essence there are two major motivations: (i) poverty reduction through improved social service delivery; and (ii) governance reforms. In pursuing these objectives, the EC generally seeks to adopt a realistic

approach. The partner countries are not exposed to excessive preconditions' that need to be secured before engaging with a decentralisation process. Generally, in literature or donor policy papers, the following preconditions are acknowledged for engaging in decentralisation support in the partner country:

1. Existence of a basic legal framework for decentralisation;
2. Financial resources to undertake assigned functions;
3. Human resources in local governments;
4. Mechanisms for political accountability;
5. The existence of central institutional arrangements to steer the decentralisation process.

In the Commission's view, it is more useful to turn these prerequisites into the "building blocks" of a coherent and medium-term strategy to support the formulation and implementation of a truly-owned national reform agenda.

The Reference document of DG DEVCO-EuropeAid on decentralisation and local governance promotes the adoption of an open-systems perspective: this should enable external agencies to understand the context of decentralisation processes which consist of different interacting and interdependent elements embedded in a particular and societal context and which are influenced by regional and international trends (see Box 6 p.30).

³ See <http://www.acords.org/> for more information.

Financing of support to decentralisation and local governance

Given the various entry points for EC support to decentralisation, financed through the many geographic and thematic instruments, tracking resources spent on decentralisation and local governance is not easy. Often the support is not immediately visible or labelled as pertaining to the specific field of decentralisation and local governance. A case in point is the sectoral support programmes in a decentralised context: within such a sector programme, it is very difficult to isolate the resources targeted at reinforcing the decentralisation system.

The recently concluded thematic evaluation made an inventory of financial flows in the period 2000-2009. Despite the technical and methodological limitations of such an exercise, valuable information regarding the funding of decentralisation and local governance was retrieved:

- EC financial contributions for both direct support to national decentralisation policies and local development/governance activities have increased substantially during the evaluation period, reaching a peak in 2005 (150 million euros of commitments);
- Notwithstanding the fact that direct support to decentralisation was marked as a priority, on average the EC contribution represented only 2.5% of overall EC financial contributions (all sectors and countries included) over the period 2004-2008;

- Within the category of direct support to decentralisation policies, most of the resources were spent in a limited set of countries (Tanzania, Benin, Mali, Madagascar, Liberia);
- From 2008 there has been a striking decrease in new major interventions in support to national reform agendas;¹
- In terms of geographic breakdown of the funds for decentralisation and local governance, 74% of the funds (586 million Euro) went to Africa (particularly francophone Africa), 10% (78 million Euro) to Latin America and only 4% (33 million euro) to Asia;²
- Most financing went through the geographic instruments³ though a significant part was channelled through a variety of thematic instruments, including Rehabilitation, Decentralised Cooperation, NGO co-financing, European Initiative (later Instrument) for Democracy and Human Rights (EIDHR) and more recently Non-State Actors and Local Authorities.⁴

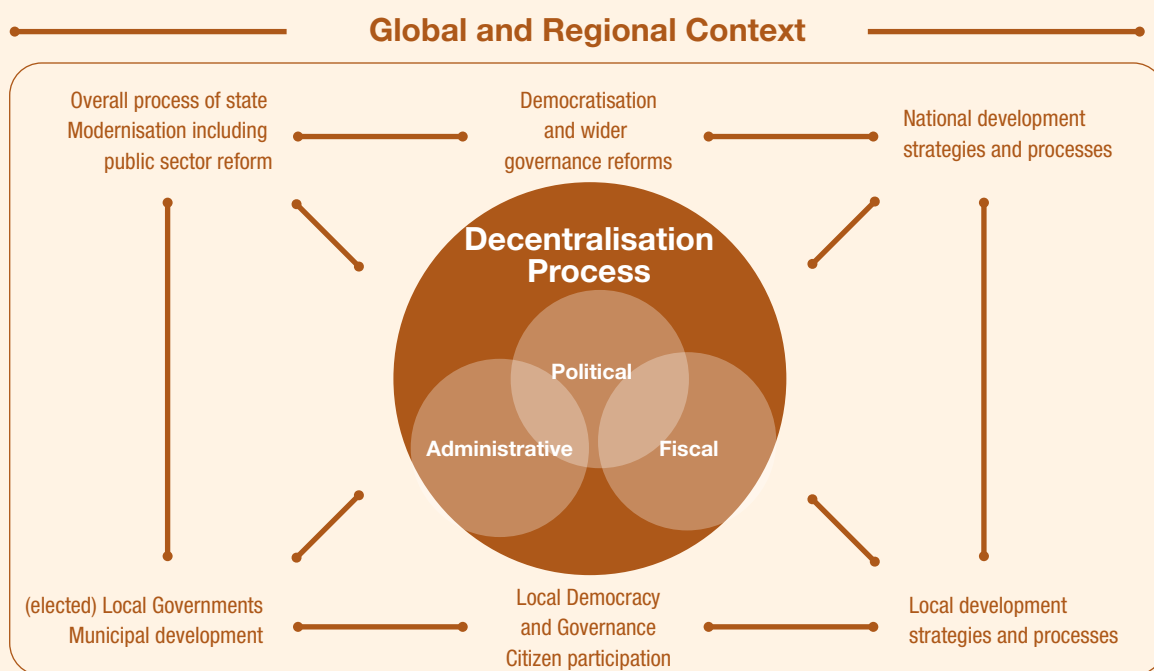
1 This is linked partly to the programming cycles of the EC (new cycle will start in 2014), but could also indicate a declining commitment to provide direct support to decentralisation.

2 Factors contributing to the low figure of aid to decentralisation processes in Asia include the limited demand for interventions in this area and the presence of other donors with more experience than the EC (such as the World Bank and the Asian Development Bank). The two largest contributions in Asia were targeted at Cambodia and Afghanistan – countries with a rather poorly developed public sector structures and with no significant degree of fiscal decentralisation.

3 EU geographic instruments relate to the funds allocated to particular countries and regions under the various cooperation agreements (ACP, ENPI, ALA).

4 This thematic budget has proven difficult to access for local authorities, amongst other things because of the high transaction costs and ill-suited nature of the Call for Proposals system.

BOX 6 The open-systems perspective



Available evidence suggests that these different funding channels remain relatively difficult for local and regional governments to access, thus reducing the scope for synergies to be developed. This is also the case for the thematic instrument for non-state actors and local authorities. One explanatory factor is the inadequacy of the procedural requirements (i.e. Call for Proposals) which tend to suit better the needs of non-state actors than those of public entities such as local and regional authorities.

The impact of EU support to decentralisation and local governments

Where was EC support to decentralisation and local governance most effective?

The thematic evaluation report provides an independent perspective on the effects and results of the EC support to decentralisation and local governance. Evaluation findings suggest that EC support has been most effective in selected aspects of decentralisation reform, such as the formulation of decentralisation policies, development of intergovernmental fiscal transfer systems, capacity building of local government staff in areas of planning and public financial management, or improving access to selected services. EC support has been most successful when undertaken as a comprehensive public sector reform effort.

In contrast, support has been less effective in achieving deeper legal reforms (in particular the harmonisation of sector legislation), decentralisation of human resource management, building central capacities to steer the reform and increasing the degree of local government autonomy (beyond managing discretionary grants). It was also observed that EC support has had limited or no direct bearing on the quality of local services. These two latter points are particularly important for this study with its focus on constructing synergies between the EU and the development cooperation efforts undertaken by local/regional governments. It suggests the EU should creatively adapt its intervention strategies and funding instruments to create more space for local and regional governments to effectively assume their autonomy.

The added value of the EC is seen to reside particularly in its capacity to allocate substantial resources to supporting decentralisation in a partner country. However, in many cases the limited technical expertise and human resources available at both Delegation level and headquarters has been a major constraint

(for instance, to effectively engage in policy advocacy work towards partner governments).

Other interesting findings of the evaluation include:

1. The capacity of the EC to adapt to local conditions by adopting a variety of aid delivery mechanisms, including joint funding modalities; some countries display a mix of modalities to feed strategically into partner country's development processes. In other cases the mix is not evident or clear. The EC is increasingly promoting, whenever possible, the use of sector budget support in governance processes;
2. The difficulty of pursuing decentralisation-related objectives in EC sector interventions (e.g. health or education) unless the EC staff also engage with general decentralisation reform work;
3. The importance of aligning EC support to nationally-owned reforms in order to ensure sustainability;
4. The limited linkages between EC support for bottom-up demand for accountability and wider systemic decentralisation reforms;
5. Insufficient attention is paid to assessing the political dimensions and incentives of the reform processes;
6. The EC's pro-active approach in terms of promoting increased coordination and complementarity with Member States;
7. The relatively modest (and decreasing) level of EC staff resources dedicated to working on decentralisation/local governance;
8. A rather weak capacity to monitor support for decentralisation.

Based on all these findings, the evaluation report concludes that the EC has "a unique, but largely unrealised, potential for global support to decentralisation in partner countries". In order to tap into that potential, the central recommendation invites the EU to develop "an explicit response strategy that clearly embeds future support for decentralisation reforms within a wider public sector reform agenda" while intensifying efforts to better understand the politics of the reform process, broadening country ownership and ensuring concrete development outcomes (such as qualitative and sustainable local services).

However, in order to tap this "unique potential", there must be an intensified partnership between the EU and local and regional governments. It would help to strengthen country ownership, including nationally-owned decentralisation policies. Empowered local and regional governments, through smart funding strategies amongst other things, could be a very relevant ally in terms of improving the effective implementation and sustainability of EU-supported local development and governance programmes. Investing in decentralised cooperation activities, undertaken by European and partner country local

and regional authorities, could equally have positive spill-over effects in terms of building local government capacities, transferring expertise, improving citizen participation or enhancing local accountability.

Commitments for the future

The EU has expressed a clear commitment to build on this evaluation and to continue the search for more relevant and effective support strategies for decentralisation and local governance at the same time as promoting a stronger involvement of local and regional government in development and decentralisation processes. The envisaged new communication on the subject (2013) will further specify how the EU intends to use decentralisation as a tool to promote development outcomes and better governance in the future.

Pressure to modernise EU approaches to decentralisation and local governance also come from wider policy agendas.

First, the 2011 Agenda for Change related to EU Development Policy, which calls for the EU “to work more closely with the private sector, foundations, civil society and local and regional authorities as their role in development grows” and to “consider ways of mobilising local authorities’ expertise, e.g. through networks of excellence or twinning exercises”. Taking into consideration the aid effectiveness principles, the Agenda for Change urges the European Commission to concentrate its support on only three sectors per partner country, which may put an end to supporting local governance and decentralisation as a sector. However, it also makes a much more explicit reference to the political dimensions of development and upgrades the importance of democracy, human rights and governance. This offers opportunities to focus more on local democracy, voice and accountability, all areas in which local governments can play a crucial role.

Second, the Busan outcome document puts the need for inclusive partnerships at the centre of the development process. It means that involving other actors – such as local governments – is no longer a “favour” or an instrumental choice, but a fundamental building block of development.

The Busan agenda provides incentives for increased synergies

The previous sections have illustrated that there is a lot of “dormant potential” to be tapped in terms of synergies between EU actions and decentralised cooperation partnerships undertaken by local/regional governments. A further incentive for moving ahead in this direction comes from the Busan principles for effective development cooperation. The list below identifies the compatibility of current EU practices with these principles and new challenges, particularly in terms of deepening the partnership with local/regional governments.

1. Ownership

Ensuring country ownership has generally proven to be difficult to achieve. A key reason for this is that in many countries the elites in power only display a formal commitment to the reform. Behind the “façade” of new policies and laws there is often no real will to go ahead, especially with administrative and fiscal decentralisation. In such circumstances, the societal demand for decentralisation, arising from the local level, tends to exist but remains poorly structured and organised.

For the EU the challenge will be: (i) not to take ‘government ownership’ for granted; (ii) to invest in political economic analysis in order to identify the true drivers of reform; (iii) to support the emergence/consolidation of the ‘demand-side’; and (iv) to sequence its support according to what is feasible at a certain point in time, and (v) to support local and regional authorities and LGAs as partners and drivers for change and for monitoring.

2. Results

The evaluation shows that EU support generally leads to valuable contributions, particularly in some areas of the broad decentralisation agenda. Yet helping to achieving systemic changes has proven a much harder and frustrating job. A case in point is to the rather limited impact achieved with regard to improving the quality of services in a decentralising context. This is precisely the type of ‘result’ Busan is looking for from a development effectiveness perspective.

It calls for the EU to adopt more coherent and integrated support strategies that seek to address the systemic bottlenecks to effective decentralisation, including the lack of autonomy of local governments, the limited transfer of powers and resources to local and regional governments, the inadequate attention being given to the issue of ‘incentives to reform’ and the limited use of decentralisation as an ‘instrument’ to promote development and wealth creation at local level.

3. Inclusive partnerships

Decentralisation and local governance is not simply an issue that concerns the Ministry of Finance and the Ministry with direct responsibility (e.g. Ministry of Decentralisation or of Interior). This reform is about state building and deciding how best to organise power and the public service in a given country. Inclusive partnerships are key to ensuring that all stakeholders can work out a shared view on how to find the suitable mix between centralisation and decentralisation.

The EU has made efforts in recent years to broaden the dialogue on decentralisation and engage directly with local governments, but much remains to be done to foster inclusive domestic dialogue processes on what kind of decentralisation the country wants and how to get there.

4. Accountability and transparency

Domestic accountability is a central concept in the Busan agenda. On paper, decentralisation offers new windows of opportunities to foster downward accountability. Decentralisation indeed changes the “chain of accountability” by introducing a new institutional layer of authority and a layer of accountability much closer to the citizens.

The EU increasingly seeks to exploit the opportunities opened up by decentralisation for improving accountability and transparency, as noted by the Evaluation. These efforts should be further expanded and deepened in order to structurally embed a culture of accountability and transparency. In addition, they should be promoted both internally and with other development actors.

Operational challenges for the EU

In this context four operational challenges seem particularly important for the EU to address in the coming years:

1. To ensure strong strategic linkages between decentralisation support as a highly political public sector reform process with an instrumental value for development, and engaging with local governments as key actors in that process. The two streams of work need to be looked at together to ensure complementarities and synergy. This cross-fertilisation is not yet taking place (sufficiently). It is important to improve dialogue with local and regional governments and further facilitate access to funding, yet such an actor-oriented approach should remain embedded in broader strategic responses to the challenge of decentralisation;
2. To explore ways and means to enhance the quality of national dialogue processes on development, decentralisation and other key reforms. This implies supporting and involving local and regional governments and their associations to participate meaningfully in such processes, and particularly, as proposed in the Busan document, to support the inclusion of local and regional governments in the dialogue on development cooperation;
3. To focus on enhancing the degree of local government autonomy as this is a precondition for local and regional governments to be able to act as a catalyst for local development and wealth creation;
4. To develop a more integrated portfolio approach to supporting decentralisation and local governance, making strategic use of all available instruments. One way of doing this is to develop a clear EU strategy regarding municipal international cooperation – a policy that is missing at the moment. There are plans to do this and it presents a golden opportunity to build stronger synergies with the efforts of local and regional governments to upgrade their own approaches to decentralised development cooperation (see chapter 2).



4

Recommendations for a strategic partnership

between European local and regional governments and the EU based on the development effectiveness principles

In order to ensure that in the future local and regional governments can engage strategically in development cooperation, and there is more synergy between various development actors, the following recommendations both for local and regional governments and for the European Union should be taken into account.

Recommendations for European local and regional governments

For individual local and regional governments

1. Further upgrade the overall relevance and quality of decentralised cooperation activities so as to realise the full potential of this specific tool and continue to exchange best practices and lessons learned to enhance practices of development cooperation.
2. Enhance structural cooperation with civil society organisations, based on a respect of the distinct roles and comparative advantages of each actor and geared towards together achieving sustainable development and governance outcomes.
3. Ensure that there is sufficient support and understanding of decentralised development cooperation activities among citizens, through development education activities. A broad basis of support is necessary to justify cooperation activities.

For PLATFORMA

1. Further evolve towards a knowledge-based network of European local and regional governments that can systematically generate relevant lessons of experience and good practices for all interested practitioner communities. This will further enable the network to continuously demonstrate the added value of decentralised cooperation processes as compared to interventions by other actors and through other channels: this is a role for PLATFORMA and the coordination groups of local and regional government networks, such as the UCLG Capacity and Institution Building Working Group, as “drivers” of quality improvements among network members.
2. Enhance the network’s capacity for effective dialogue with the EU on matters pertaining to decentralisation and local governance and to provide concrete policy and operational recommendations on how to improve the overall EU response strategies towards decentralisation and local governance based on field experiences and lessons learned.

3. Develop an advocacy strategy to contribute to the formulation and effective implementation of the envisaged EU policy on decentralised cooperation. The focus should be on providing added value compared to existing national schemes and ensuring effective integration of EU support to decentralised cooperation as one of the instruments in a coherent ‘portfolio approach’.

Recommendations for the EU

1. Ensure that the planned new EU communication recognises the potential instrumental value of decentralisation to promote sustainable development outcomes, local wealth creation, and better local democracy and governance, and recognises the specific role that local and regional governments play in this regard. Provide a concrete operational response to the main recommendations of the thematic evaluation related to EC support towards decentralisation and local governance, particularly those pertaining to local/regional governments as fully-fledged actors of development.
2. Develop a fully-fledged EU policy in support of decentralised cooperation activities undertaken by local and regional governments; ensure a clear added value compared to similar schemes supported by Member States; and, integrate this specific instrument into a coherent EU ‘portfolio approach’, including budget support modalities for supporting decentralisation and local governance in partner countries.
3. Invest in enhancing the space and autonomy of local and regional governments as a precondition to become legitimate and effective catalysts of local development. Central governments should be called upon to decentralise those tasks in development cooperation that can best be done at local and regional level in line with the principle of subsidiarity. Local and regional governments would thus be jointly responsible for international development cooperation in the competences that they are responsible for in their country. If donors succeed in aligning their budget and sector support, and if they involve local and regional government associations in the partner countries in the policy dialogues and invite experienced and professional actors in tailor-made decentralised cooperation approaches, they introduce a real partnership and a well-orchestrated multi-level governance cooperation in which different levels of government really join efforts to achieve the international development goals.

4. In policy and practice, the EU should respect the division of roles between local and regional governments on the one hand, and civil society organisations on the other hand. This principle should also be applied with regard to accessing funds, either from geographic programmes or thematic programmes. This implies ensuring that the strategy for the future “Civil Society Organisations and Local Authorities” thematic programme better reflects the specifics and needs of local and regional authorities (as public entities) including in type and volume of activities to be funded and in terms of procedures. This would provide a better opportunity for ensuring complementarity with decentralisation and local governance programmes of the European Union. At the same time, the EU should help to create an enabling environment for both local and regional governments and civil society organisations to play their legitimate role in the development process and to engage in smart partnerships for better development and governance outcomes.

5. Take into account the lessons learnt from regional programmes such as URB-AL III, CIUDAD and ARIAL, and propose their continuation and replication. For many local and regional governments these programmes have been a mechanism facilitating their involvement in decentralised cooperation, particularly in local and regional economic development initiatives, territorial and multilevel governance approaches. In general, for the sake of inclusiveness and support to democracy, facilitate the involvement of local and regional governments in various instruments of EU external action, such as the European Instrument for Democracy and Human Rights and the European Neighbourhood Instrument.

6. Develop a common understanding with local/ regional governments on the application of the Busan principles and provide support for their implementation and monitoring. To this end, invest in and play a facilitating role to ensure fully-fledged participation of local and regional governments, preferably through their associations, in national and sectoral policy dialogues on development and in EU development cooperation programming processes. Their contribution will only be of value if local and regional governments and their associations are strengthened to play this role. The European Union, as a signatory of the Busan Partnership document, has committed itself to further strengthening local and regional governments as important actors, particularly in enhancing participation and accountability at sub-national level in the definition of development policies. A formal strategy for implementing this commitment is crucial. The European Union should use its influence to ensure that the issues agreed to in Accra and Busan are implemented and local and regional governments are represented in the Steering Committee of the Global Partnership for Effective Development Cooperation and their role is included in the global monitoring system of the Partnership.

Austria

The federal states in Austria support mainly Austrian NGOs in implementing development projects in Africa, Asia and Eastern Europe. Each federal state has its own development cooperation policy and funds projects that are generally aligned with the objectives of the national Austrian policies on development cooperation. A percentage of the budgets is dedicated to development education in municipalities and the private sector.

Only a small number of municipalities have partnerships with developing countries, such as Nicaragua, Tanzania and Uganda.

Belgium

Belgium is a federal country with three strong regions, each of which has its own local government system and association. Belgian municipalities are legally entitled to engage in external actions. In recent years financing has taken place from a mix of federal and regional programmes.

The first programme in support of municipal international cooperation was set up in 2000, focusing on supporting municipalities in the South through training and small investment projects. However, due to the ad-hoc nature of this programme and the little understanding of the donor about decentralised development cooperation, discussions were started to improve the framework of interventions. This led to the development of a multi-annual framework for municipal international cooperation (2008-2012), which the three local government associations in Belgium (Flemish, Walloon and Brussels) were sub-contracted to manage, with an annual budget of € 2 million. The framework focuses on lower priority countries, and concentrates on clear themes.

In addition, the Flemish government has its own multi-annual facility (2009-2011) for financing partnerships. The Association of Flemish Cities and Municipalities (VVSG), provides training and support to the participating municipalities.

Flemish partners are mainly in anglophone African countries and Latin America' the Walloon and Brussels partnerships focus on francophone Africa.

In addition to these programmes, many Belgian cities and municipalities have their own twinning links.

Annex

Decentralised development cooperation in EU Member States

Based on Bossuyt, J. (2008), UCLG (2012), interviews with PLATFORMA members and UCLG Capacity and Institution Building Working Group Questionnaires

Denmark

There is no formal legal framework for Danish municipalities to engage in decentralised development cooperation, though attention to international cooperation seems to be increasing among Danish local governments.

In 1990, Local Government Denmark (LGDK), the local government association, established an International Consultancy Division, which implements projects using the experiences and expertise on democratisation processes and local government systems they have gained in countries in Africa, Asia and Latin America.

LGDK's areas of expertise are: local government reform (development of legislative framework, division of public sector tasks, support to local government associations and training of staff); and local government finance and strategies for evaluation of decentralisation (development of decentralisation strategies and processes and their evaluation).

Finland

The most important contribution to local government development cooperation is the North-South Local Government Development Cooperation Programme managed by the Association of Finnish Local and Regional Authorities (AFLRA).

This Programme has been funded by the Finnish Ministry of Foreign Affairs since 2002. Currently, the programme has a budget of € 5 million for a period of three years and is supporting 16 partnerships, mainly in anglophone Africa. The partnerships focus on peer-to-peer exchanges and generally do not involve other actors.

Outside of this programme, there are some other partnerships between Finnish local and regional governments and sub-national governments in developing countries.

France

Of all the European Union Member States, France undoubtedly has the longest tradition and experience of engaging in decentralised development cooperation. It has a high degree of participation by local and regional governments, both at the technical and political level, and there is a close relationship with the national government and the French Development Agency (AFD).

Over the decades, the national government gradually took an interest in decentralised cooperation activities. A legal framework that allows municipalities to take external action was put in place in 1992 and refined in 2007. A formal policy forum for consultation of local and regional governments was set up – the National Commission of Decentralised Cooperation and local and regional governments have a permanent seat at the High Level Council for International Cooperation. Thus, decentralised cooperation has become an integral part of France's foreign development cooperation policy.

Local and regional governments are allowed to develop cooperation relations of any kind with foreign partners and decentralised cooperation is promoted and supported through calls for proposals. These must respect the international commitments and priorities of the national government.

There are funding schemes available for decentralised cooperation, which foster linkages with other development actors and focus on themes where decentralised cooperation can have a clear added value. The French ministry provides around € 25 million for the multi-annual framework (2010-2012).

Despite this, an important characteristic of French decentralised cooperation is that most of the funds for decentralised cooperation are generated by local and regional governments themselves. These amounts are included in the overview of France's ODA.

The French Association of the Council of European Municipalities and Regions (Association Française du Conseil des Communes et Régions – AFCCRE) and the one for international affairs Cités Unies France (CUF) play important roles in support, information and training for French local governments active in decentralised development cooperation, in order to further professionalize the practice of decentralised cooperation actors. CUF manages 21 "country groups", which combine all sub-national actors active in decentralised cooperation in the various developing countries.

The National Commission of Decentralised Cooperation, with the support of the associations, also

maintains a very extensive Atlas of Decentralised Cooperation. According to the Atlas, some 4806 French sub-national governments have links with partners in developing countries; the majority in Francophone countries. The main themes of interventions are urban strategic planning, water, waste and sanitation, economic development, environment and youth. According to the OECD DAC review of French aid policy (2004), French decentralised cooperation amounts to approximately € 200 million a year.

It should be noted that decentralised cooperation of French local and regional governments is not only implemented through peer-to-peer cooperation, but often involves local NGOs, who may receive funds from the sub-national bodies to implement their activities.

Germany

The 16 German Länder, the German regional governments, are keen to raise their international profile and aim to contribute to development cooperation on the basis of complementarity, avoiding overlap and building on the comparative advantages of all actors. The Federation-Länder Committee for Development Cooperation is to take on a coordinating role.

Partnerships between the Länder and regions in developing countries mobilise local governments and civil society. In 2009, all 16 Länder were supporting projects in developing countries or implementing development activities in Germany. The Länder give high priority to development education in their own regions in Germany. A very big percentage of the funds is allocated to scholarships for foreign students. The financial contributions amounted to € 41 million in 2009, around 8% of the total ODA of Germany.

More than 500 municipalities in Germany are twinned with cities in Asia, Africa or Latin America, or are part of an international network of cities. However, local government development cooperation programmes have not been a strong feature of German international cooperation. There is generally no federal government funding for municipal international activities. However, the development agency (GIZ), Engagement Global, and foundations such as the Konrad Adenauer Stiftung support capacity development of local governments. These projects involve German local government experts and increasingly are involving municipalities in this work. Some bigger cities do have important twinning links or development cooperation projects abroad. The German Cities Association (DST) encourages its member cities to take part in decentralised development cooperation.

Italy

Italian local and regional governments have a long track record in decentralised development cooperation.

The regions, in particular, have become key players, both as actors and as providers of funds for Italian NGOs. The most active regions in recent years are Tuscany, Emilia Romagna, Lombardy and Piedmont. At local level, it is mostly larger cities which are involved.

There are a number of decentralised cooperation associations. For the regions, the International Observatory for Development Cooperation (OICS) supports international development cooperation initiatives of its members. The National Coordination of Local Authorities for Peace and Human Rights is one of the associations that supports local government development cooperation.

Italian decentralised development cooperation mainly focuses on the Mediterranean area, the Middle East, the Balkans and South America. Many authorities have been involved in Israel and Palestine.

According to Smith (2010), Italian regions provide about € 70 million a year for development cooperation, whereas local governments contribute € 15-20 million a year. The Italian government does not provide large amounts of direct funding for decentralised cooperation, although it is supportive of this kind of cooperation. Coordination between the various actors involved in decentralised cooperation still remains weak, as is the link with national development policies. However, there is a growing tendency to match government programmes with the financial intervention of sub-national governments.

Latvia

Latvia started the implementation of development cooperation policy in 2004 when it became an EU Member State. From then until 2010 development cooperation activities have been implemented with Afghanistan, Belarus, Georgia, Moldova and Ukraine in such priority areas as market economy, sustainable development of society, environment and education.

The first policy planning document in this area – the Development Cooperation Plan – was adopted in 2006. The Development Cooperation Strategy for 2011-2015 is currently in place; it states that the priority for partners are not only Eastern Europe, but also the countries of Central Asia. Likewise, the priority areas for cooperation have been slightly changed to add important areas such as municipal capacity building, regional development and spatial planning.

The Latvian Association of Local and Regional Governments (LALRG) and local governments themselves have been cooperating actively, mainly with local governments from Azerbaijan, Belarus, Georgia, Moldova and Ukraine, offering their reform experience on both policy and economy. National, local and international funding is used for development cooperation projects.

Netherlands

Local governments in the Netherlands have, over many years, played an important role in international cooperation, with strong support from the International Cooperation Agency of the Association of Netherlands Municipalities (VNG International), a special unit of the Association of Netherlands Municipalities (VNG).

Set up in 1991, VNG International assists and provides training to Dutch municipalities active in international cooperation, supports the development international policy of municipalities, manages the municipal international cooperation programmes funded by the Dutch Ministry of Foreign Affairs, and carries out consultancy work in areas such as association capacity building and support to decentralisation processes and local governance.

Since 1993, the Dutch Ministry of Foreign Affairs has made available funds for decentralised cooperation; the first individual partnerships were funded but then a comprehensive programme was set up, known as the LOGO South programme, which supported 40 partnerships. The programme supported local governance and democracy to enhance basic service delivery in developing countries. As it has developed,

the lessons learned have been taken into account to improve the implementation of the programme.

The new Local Government Capacity Programme (2012-2016; € 22,5 million) has further professionalised the ways in which local government expertise is used in local government capacity building in developing countries: the programme uses the expertise of municipal officers and politicians of the Netherlands, with VNG International managing the programme management.

In the target countries, the programme looks at strengthening not only local governments but also the associations of local governments to enable them to influence the national dialogues on development and to better provide services to their members.

There is a strong focus on capacity building. The target groups are local governors (politicians and decision makers) and civil servants (policy-makers and implementers). The country programmes are developed in a participatory manner and conceived as a framework to ensure that there is focus, coordination and coherence of the various initiatives in the partner countries to avoid fragmentation and at the same time to ensure ownership.

The programme is fully aligned with the development policy of the Netherlands, including the main priority themes and countries, and is coordinated with other development actors active in the countries of intervention.

Poland

In Poland, development cooperation with local government units began in 2006. The Polish aid agency wants to create opportunities for local government units to be involved in aid measures. Following an announcement by the Minister of Foreign Affairs on the opportunity to submit proposals, local governments can now submit projects on cooperation for development or democratisation and civil society development. Technical and financial assessment of projects is carried out by the Department of Implementation of Development Programmes of the Ministry of Foreign Affairs, based on the criteria set out in guidelines.

Focus countries for Polish development aid are Eastern European countries – such as Belarus, Georgia, Moldova and Ukraine – and also Afghanistan, Angola and the Palestinian National Authority.

Portugal

Many Portuguese councils have developed policies for international relations, mainly through twinning. In 1999, national law recognised the role for local and regional governments and established that the action of local and regional governments in international affairs would particularly focus on the European Union and Portuguese speaking countries, such as Angola, Brazil, Cabo Verde, Guinea Bissau, Mozambique, Santo Tomé e Príncipe and Timor.

Though decentralised development cooperation exists, ad hoc activities are more common than longer-term comprehensive programmes. Over the last decade there has been a decline in development cooperation activities between municipalities.

Romania

The Association of Romanian Municipalities involvement in international development cooperation is new compared to that of associations from other Member States. As in most of the countries from the new Member States, local governments were not previously involved in international development cooperation programmes, neither at national level nor at European or international level.

Before 1990, Romania used to have bilateral cooperation projects on education, health, and development of infrastructure at the state level with countries from North Africa region (Morocco, Egypt, Libya etc.) Upon Romania's accession to the EU it adopted a national strategy for development cooperation, which aims to support the UN Millennium Development Goals to eradicate poverty in the least developed countries and to promote democracy and respect of human rights. Particular attention is given to countries from the East, through the so-called Eastern Partnership Initiative of the EU.

Romanian cities have many partnership agreements and twinning links with local authorities from Moldova, in which they are supported by the Association, which has an important role in coordinating international cooperation activities, raising awareness and identifying project partners. Through the Association, lobby work is done to achieve recognition and co-financing for local authorities activity in development cooperation.

Spain

In the 1980s, just after the re-establishment of democracy, Spain became involved in many solidarity twinning arrangements. In the early 1990s Spain saw the rise of a broad citizenship movement pushing for the achievement of the UN target of 0.7% of GNI for development cooperation. Local and regional governments responded to this and allocated funds to NGOs to implement their international cooperation activities in developing countries.

In the mid 1990s, cities started to develop their own municipal international policies focussing more on peer-to-peer cooperation, alongside NGO funding.

There are at least three levels of sub-national government that earmark significant amounts of funds to decentralised development cooperation: the autonomous communities (regions) have their own development cooperation laws, policies and agencies; the provinces implement their own cooperation policies and initiatives; and, the individual cities or municipalities are also committed to contributing 0.7% of their budgets to development cooperation.

The coordination between development cooperation delivered by the state and the initiatives of autonomous regions, provinces and individual local governments is rather weak. However, there is a national inter-territorial committee for coordination, in which the Ministry of Foreign Affairs, the autonomous regions and the Spanish Federation of Municipalities and Regions (FEMP) are represented. At sub-national level, municipalities coordinate through the Funds of Solidarity and Cooperation: nine such regional funds receive municipal funds and other public and private contributions to implement international cooperation projects. At provincial level, the Network of Solidarity Municipalities of Barcelona supports municipalities to work together in decentralised development cooperation. The FEMP supports members through information and training. At regional level, some autonomous communities have established committees to coordinate their cooperation policies with that of municipalities and provinces.

According to the FEMP, the local government contribution in 2008 was close to € 150 million. The contribution of autonomous communities is three times as large. A proportion of the funds is granted to NGOs and development education in the home municipality or province, and another part is used for peer-to-peer cooperation. The main areas for intervention are Latin America, the Mediterranean and sub-Saharan Africa.

The amount destined to decentralised cooperation is expected to decrease due to the current financial crisis which is affecting the budgets of local and regional governments.

Sweden

Swedish local and regional governments have played an active role in international cooperation, both across Europe and worldwide for 25 years. The national association of local and regional governments, SKL, has managed the funding made available by the Swedish International Development Agency for twinning with developing countries. In 2005, a new Municipal Partnership North-South programme was launched.

SKL International, a specialised agency, became a separate entity of SKL in 2000 and today is a consulting firm specialising in the strengthening of local and regional democracy and governance. SKL International managed the Municipal Partnership programme until 2009, which is now a responsibility of the International Centre for Local Democracy (ICLD) in which SKL has a majority stake.

Partnerships put in their project proposals which are assessed by ICLD and SKL on poverty relevance, problem area, feasibility and sustainability. The final decision is made by the Swedish International Development Agency. The current programme supports some 40 partnerships, of which the majority are in anglophone Africa.

SKL International also implements association capacity building projects, particularly in Southern Africa, funded by the Swedish Development Agency.

United Kingdom

The level of local government decentralised cooperation in the UK is currently quite modest. Many local governments are involved in some sort of twinning arrangements with smaller-scale projects and, recently, with an increasing focus on economic links with, for example, China. However, a limited number of local governments participate in broader programmes.

The main mechanism has been the Commonwealth Local Government Good Practice Scheme, financed by the Department of International Development (DfID) and managed by the Commonwealth Local Government Forum (CLGF). Approximately 30 partnerships have been formed in six countries, focusing on a development priority. The partnerships receive up to € 50,000 per project and local governments co-finance the activities through in-kind contributions, such as staff time.

The Local Government Association of England and Wales (LGA) is involved in association capacity building activities through peer reviews in Africa.

The Local Government Alliance for International Development (supported by local government associations, including the LGA, and other organisations involved in municipal issues), provides support materials, case studies and toolkits for local government development cooperation.

Other Member States

Through the EU enlargement of 2004 and 2007, 12 new EU countries committed to set up development aid programmes. These countries generally have had a lot of twinning agreements with towns and regions of older European Member States. Given their rich experience in decentralised cooperation, these countries are now establishing such ties with surrounding non-EU countries, such as Armenia and Moldova. In most of the new Member States, local and regional governments are being involved in shaping the agenda of development cooperation, though the level of involvement varies from country to country.

Greece, Ireland and Luxembourg have little or no tradition in decentralised development cooperation programmes and are therefore not included here.

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Acronyms

ACB	Association Capacity Building
ACP	African, Caribbean and Pacific
AEBR	Association of European Border Regions
AER	Assembly of European Regions
AFCCRE	French Association of the Council of European Municipalities and Regions
AFLRA	Association of Finnish Local and Regional Authorities
AICCRE	Italian Association of the Council of European Municipalities and Regions
AIMF	International Association of Francophone Mayors
AMR	Romanian Municipalities Association
CIB Working Group	Capacity and Institution Building Working Group
CIVEX	Commission for Citizenship, Governance, Institutional and External Affairs
CEMR	Council of European Municipalities and Regions
CLGF	Commonwealth Local Government Forum
CPMR	Conference of Peripheral Maritime Regions
CSO	Civil Society Organisation
CUF	Cités Unies France (United Cities France)
DAC	Development Assistance Committee
EC	European Commission
EU	European Union
FEMP	Spanish Federation of Municipalities and Provinces
ICLD	International Centre for Local Democracy
KEDKE	Central Union of Municipalities and Communities of Greece
LALRG	Latvian Association of Local and Regional Governments
LGA	Local Government Association of England and Wales
LGDK	Local Government Denmark
MDG	Millennium Development Goal
MIC	Municipal International Cooperation
NGO	Non-governmental Organisation
NSA	Non-state actor
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
ORU-FOGAR	Organisation of Regions United - Forum of regional governments and global associations of regions
PLATFORMA	European platform for local and regional governments for development
SKL International	International Development Agency of the Swedish Association of Local Authorities and Regions
UCLG	United Cities and Local Governments
UN DCF	United Nations Development Cooperation Forum
UNDP	United Nations Development Programme
UVCW	Union of Cities and Communes of Wallonia
VNG International	International Cooperation Agency of the Association of Netherlands Municipalities
VVSG	Association of Flemish Cities and Municipalities

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