



**CONSULTATIVE PROCESS ON
AID EFFECTIVENESS AT
THE LOCAL LEVEL**

Fourth High Level Forum on Aid Effectiveness (HLF-4)

The Fourth High Level Forum on Aid Effectiveness (HLF-4) will take place from 29 November to 1 December 2011 in Busan, Korea. The Busan Forum will be a major milestone in the OECD/DAC-led process on aid effectiveness (AE) launched by the Rome (2003) and Paris (2005) declarations, and followed by the Accra Agenda for Action (2008).

The main objectives of the HLF-4 are to assess the global progress in improving the quality of aid against the agreed commitments, share global experiences in delivering the best results, and agree on an outcome document to further enhance efforts to make aid more effective in reducing poverty and achieving the Millennium Development Goals (MDG), particularly at country and local levels. Moreover, the discussions will address the fundamental changes in the development landscape, particularly marked by the increasing number of development cooperation actors and by pressures to development assistance levels arising from the international economic crisis.

In terms of format, the HLF-4 agenda will include panels or round-table type high-level debates, either in plenary or separate sessions. A Knowledge and Innovation Space will be available in Busan (similar to the Marketplace facility at HLF-3), showcasing specific aspects in an exhibition style environment, possibly accompanied by mini-debates. Side events will take place at the main venue, prepared and organized under the responsibility of their promoters.

1,500-2,000 participants from 160 countries are expected to participate in the HLF-4 representing Governments (OECD DAC donors, non-DAC donors and emerging economies, developing countries); CSOs (NGOs, private sector, private donors); parliamentarians; global funds and programmes; and multilateral organizations.

Consultative process on aid effectiveness at the local level

In view of the HLF-4, the United Nations Development Programme (UNDP), through the Bureau for Development Policy (BDP) and the ART Initiative, has promoted a broad consultative process on AE at the local level. This process has been carried out with the collaboration of the Andalusian Municipalities Fund for International Solidarity (FAMSI) - vice-presidency of United Cities and Local Governments (UCLG), the Forum of Global Associations of Regions (FOGAR), the Institute of Development Studies and International Cooperation (HEGOA), the Local Authorities' Fund for Decentralized Cooperation and Sustainable Human Development (FELCOS Umbria), the Observatory for Decentralized Cooperation European Union – Latin America of the Barcelona Provincial Council, countries like Colombia, Italy, Senegal and Spain, and with the active participation of a broad variety of actors (see annex).

The objective of this process is to provide a reflection and collect practical experience on the crucial role of sub-national governments and stakeholders in governance processes, decentralization and deconcentration strategies, and for MDG achievement. It also aims to position the importance of actor complementarity at the local level and between different levels of development governance (local, national and global) to effectively achieve development results.

The main consultation sessions were held in:

- Barcelona, Spain (October 2010), in a consultation co-organized by the Observatory for Decentralized Cooperation EU – LA and UNDP, which set the foundations for the discussion on AE at the local level;
- Bilbao, Spain (November 2010), in a consultation co-organized by HEGOA and UNDP, which deepened the debate on AE at the local level;
- Dakar, Senegal (February 2011), in a consultation co-organized by the Government of Senegal and UNDP, in the context of the World Social Forum, which incorporated the Southern perspective;
- Medellin, Colombia (April 2011), in a consultation co-organized by the Government of Colombia (Presidential Agency for Social Action and International Cooperation), the Agency of Cooperation and Investment of Medellin and the Metropolitan Area (ACI) and UNDP, where the key messages on AE at the local level were validated;
- Foligno, Italy (June 2011), in a consultation co-organized by FELCOS Umbria and UNDP which completed the cycle adopting the key messages for Busan.

The events were used for strategic thinking and sharing of experiences and lessons from field experience, as well as to showcase what has produced results in different geographical, economic, political, cultural and religious contexts. Participants in the meetings identified and agreed on the conclusions summarized in this document. These messages seek to inform the HLF-4 discussions and aim to represent a framework for the articulation of the post-Busan development cooperation at the local level.

General reflections

In all of the events, participants stressed the importance of **the active role of local and regional governments and stakeholders to deepen, democratize and decentralize the AE agenda**,¹ accelerate MDG achievement, strengthen sustainable human development processes, design and implement decentralization policies, and promote local, democratic and inclusive governance,² as shown, inter alia, by the concrete experiences of Nariño and Medellin in Colombia and of Azuay in Ecuador.

Cases such as Ecuador and Morocco illustrated the efforts of ministries, local administrations and civil society to achieve the **articulation of territorial processes with national strategies and policies**. This is seen as one of the greatest challenges for the countries' on-going decentralization and deconcentration processes as well as for the international cooperation on how to better support such processes. To respond to this challenge, the design and implementation of frameworks and instruments for enhanced operational and programmatic coordination between different levels of action (local, intermediate and national) has proven very appropriate.

¹ For a reflection on the importance of local and regional governments in the EA agenda, see: United Cities and Local Governments, 2009, *Position Paper on Aid Effectiveness and Local Government*, Barcelona; and Government of Catalonia, *Position Paper: Decentralised Cooperation and Aid Effectiveness*, Barcelona, 2009.

² For a reflection on the AE agenda linked to decentralization and local governance, see: "To Enhance Aid Effectiveness: Specific Guiding Principles for Enhancing Alignment and Harmonisation on Local Governance and Decentralisation that will apply to specific country contexts", Informal Development Partners Working Group on Local Governance and Decentralisation (DPWG-LGD), adopted on December 17, 2009.

The need to **better articulate the action of the diversity of stakeholders engaged at the local level** in a way that maximizes joint impact on development also appeared to be a priority. For that, articulation is required not only amongst stakeholders involved in local development processes, but also between the different levels of action of development (local, national and global), which are interdependent. Several case studies revealed how multilateral organizations can accompany interested countries in the design or strengthening of frameworks and instruments to reinforce the complementarity between the various actors operating at local level and the coherence between the local-national-global dimensions.³

Participants in the discussions stressed that, consequently, to be more effective, international cooperation initiatives operating at the local level should place their action in multi-level articulation frameworks and **respond to the organized demand of the territories**, aligning to instruments of decentralization and deconcentration policies such as municipal and regional development plans. Moreover, the organized demand of the territory⁴ should be the result of a comprehensive formulation process, with broad participation of the territory's socio-economic stakeholders, with the inclusion of traditionally marginalized groups.

The Observatory for Decentralized Cooperation EU – LA and experiences such as Belo Horizonte (Brazil) and Rosario (Argentina), underlined the **crucial role of local governments in leading the design and management of local public cooperation policies**, as part of long-term local development strategies, with the international cooperation consequently placed at the service of local governments' development policies and the citizenry's welfare.

Various examples evidenced the **strategic potential of decentralized cooperation** to enhance the quality of development processes through the active relationship between territories around issues of common interest such as, among others, migration, health, employment, human security, citizenship rights, gender equality, environment and climate change. In order to better manage and respond to these issues of common interest, citizens of the North and South are increasingly engaged in structured and sustainable dialogue, a **"dialogue between territories"**, which can effectively address, from the local level, complex and sensitive issues, collectively contributing to their respective governance and local human development processes. In this sense, the experience of the Catalan Agency for Development Cooperation (ACCD), the Tuscany Region and the network "Enti Locali per la Pace" in Lebanon is highly relevant.

As underscored by the city of Dakar and decentralized cooperation networks such as FAMSI and FELCOS, the decentralized cooperation potentiality can find in **multi-level governance frameworks** the opportunity for systematic and far-reaching exchanges of technical, technological, organizational and managerial innovations between territories from the South and the North, via North-South, South-South and triangular cooperation, as illustrated by the case of the State of Paraná in Brazil with the Dominican Republic and El Salvador.

More specifically, participants in the consultation identified a number of challenges and opportunities that should be addressed in the global AE debate and in the engineering of the post-Busan development cooperation programs. In particular:

³ For examples of such frameworks, see: *"ART 4 Years 10 Results: Progress, Challenges and Perspectives"* – ART UNDP, Seville, 2009.

⁴ The concept of territory understood both as the physical space and the various actors present in that space.

Challenges

Participants recognized that a number of challenges should be addressed in the global aid effectiveness debate for enhanced aid effectiveness at the local level, mainly:

1. Adopt new AE references, such as acknowledging the crucial role of decentralized cooperation, not as an additional source of funding, but as a democratization strategy, a pragmatic and innovative way of mobilization for human development and for continuous dialogue between territories on issues of common interest.
2. Move from the original donor-beneficiary logic and project-based approach to a paradigm based on sustainable horizontal partnerships between territories, rooted in equity, trust, common interests and long term relationships.
3. Link the active and inclusive participation of communities in the design of cooperation programs to the specific possibility of programming the available resources in the field, based on the priorities identified by the "dialogue between territories" and in the framework of local development plans.
4. Avoid multiplying the number of projects for each of the territory's priorities. Instead, the various cooperation actors operating at the local level should respond to common and comprehensive diagnosis linked to public policy and proposed by the territory, reducing both the risk of fragmentation and the cost of aid.
5. Encourage coordination frameworks in the field for better harmonization of different international cooperation actors, which often pursue common objectives but operate with different schedules, technical approaches, administrative procedures and evaluation criteria.⁵
6. Reinforce capacities of the different local and national stakeholders to organize the comprehensive and non-sectorial demand of the territory in relation to the opportunities offered by the international cooperation.
7. Move from declarations of intention to specific targets and indicators, using instruments to measure the impact in terms of human development.

Opportunities

Participants stressed that within the changing development cooperation landscape, cooperation at the local level offers substantive opportunities to scale up efforts to reduce poverty, strengthen development opportunities and achieve the MDGs, namely:

1. A territorial approach to development, to better implement the AE principles and contribute to MDG achievement from the local level.
2. An inclusive ownership of development processes, ensuring the active participation of local and regional governments and CSOs in the development cycle and debate, both in the North and the South.

⁵ The Autonomous University of Barcelona, the Bocconi University of Milan and the UNDP ART Initiative presented the instrument to measure the added value of actor complementarity at the local level, currently implemented in Ecuador and Morocco.

3. The articulation between the local-national-international dimensions via multilevel governance (multilaterals, bilateral cooperation, decentralized cooperation, parliaments, NGOs, foundations, private sector, migrant communities, academia).
4. The definition and implementation of new financial instruments aimed at local and regional administrations to locally manage funds (from national origin or international cooperation) in support of local and regional development plans.
5. The strengthening of accountability systems (domestic and mutual) taking advantage of the territorial frameworks' proximity to the citizenry to build confidence and to facilitate participatory decision-making, the evaluation of performance based on results, and the devolution of results to citizenry.
6. Sharing decentralized cooperation models of territorial organization for enhanced harmonization and effectiveness of development actions.
7. Raising awareness, through specific field practices, of the added value that the complementarity between decentralized cooperation networks and the multilateral framework represents in strengthening territorial development processes, as well as to face challenges derived from the preservation and equitable access to global public goods.
8. Promoting knowledge exchange and peer learning through the empowering partnership in the territory and between territories, in various forms of South-South, North-South, South-North and triangular cooperation, facilitating the sharing and the replication (adapted to each context) of good practices at the local level.

Final reflections

This document summarizes the core elements emerging from a discussion between actors from diverse backgrounds and nature, providing guidance to envisage the design of the post-Busan cooperation programs. The discussions have stated that, despite the additional efforts required to deepen the AE agenda, there are experiences and practices that register clear positive results. These are linked to the development opportunities offered through decentralized cooperation and the complementarity amongst actors and different levels of action to maximize joint impact on territorial development processes and to improve the quality of decentralization and deconcentration processes.

Practical experiences and case studies demonstrate that in the changing landscape of development cooperation, the increasing multiplicity of actors can certainly lead to fragmentation but can also, through the diversity of competencies and development responses, lead to coordinated action, political coherence and successful multi-level interventions. The interaction and cooperation between the multilateral framework, national and local governments, and decentralized cooperation networks has the potential to better address medium and long term development processes and make aid more effective in achieving the MDGs and sustainable human development. It is thus fundamental to promote coherence between the interdependent local, national and global levels of development in the Busan debate and in the engineering of the post-Busan cooperation programs.

Annex

Co-organizers of the consultative process

- Agency for Cooperation and Investment, ACI Medellin
- Andalusian Fund of Municipalities for International Solidarity, FAMSI - United Cities and Local Governments, UCLG
- Forum of Global Associations of Regions, FOGAR
- Government of Colombia. Presidential Agency for Social Action and International Cooperation
- Government of Senegal
- Local Authorities' Fund for Decentralized Cooperation and Sustainable Human Development, FELCOS Umbria
- Institute of Development Studies and International Cooperation, HEGOA
- Observatory for Decentralized Cooperation European Union - Latin America, ODC
- United Nations Development Programme, UNDP

Participants of the consultative process

- Action Research for Co-Development (ARCO), Italy
- Agency for Local Authorities Cooperation (ACEL), Italy
- Alternatives Foundation
- Arco Latino
- Association of Ecuadorian Municipalities
- Autonomous Government of Region of Oruro, Bolivia
- Association Carretera Central (ARCI), Italy
- Association of Local Democracy Agencies (ALDA), Veneto, Italy
- Association Pathologists without borders, Italy
- Autonomous Province of Trento, Italy
- Autonomous University of Barcelona
- Barcelona Provincial Council
- Bureau in Support to Canadian Cooperation (BACDI), Senegal
- Canadian International Development Agency (CIDA), Embassy to Senegal
- Centro de Pensamiento Estratégico Internacional, (CEPEI) Colombia
- Chamber of Commerce, Industry, Handicraft and Agriculture (CCIAA), Italy
- Civil Society Actors Platform (PASCiB), Benin
- Complutense University of Madrid (ICEI), Spain
- Council for the Development and Integration of the South (CODESUL), Brazil
- Development Cooperation Interregional Observatory (OICS), Italy
- EAFIT Colombia
- Economic and Social Research Institute of Puglia (IPRES), Italy
- Economic Development Agency of Ruhuna (RUEDA), Sri Lanka
- Enlaza Mundos Programme, Colombia
- EPM, Colombia
- European Foundation for North-South Cooperation (FECONS)
- European Parliament Development Commission
- Family Compensation Fund of Antioquia (COMFAMA), Colombia
- Family Compensation Fund of Fenalco – (COMFENALCO), Colombia
- German International Cooperation (GIZ), Germany
- Government of Andalusia, Spain
- Government Basque Country, Spain
- Government of Bolivia. Ministry for Development Planning
- Government of Caldas, Colombia
- Government of Catalonia, Spain
- Government of César, Colombia
- Government of Colombia. Presidential Agency for Social Action and International Cooperation
- Government of Cundinamarca, Colombia
- Government of Ecuador
- Government of El Salvador
- Government of Indonesia. Regional Autonomy Directorate, National Development Planning Agency
- Government of Italy. Ministry of Foreign Affairs (DGCS)
- Government of Mauritania
- Government of Mexico City
- Government of Mozambique
- Government of Nariño, Colombia
- Government of Quindío, Colombia
- Government of Senegal
- Government of Spain – International and Latin American Foundation for Administration and Public Policy, FIIAPP
- Government of Spain –Spanish Agency for International Cooperation for Development (AECID)
- Government of Sri Lanka, Ministry of Economic Development
- Government of the Balearic Islands, Spain
- Government of the State of Rio de Janeiro, Brazil
- Government of Tolima, Colombia
- Government of Valencia, Spain
- G.T-FASS- COLOBANE, Senegal
- Health Agency (ASL 8), Region of Tuscany, Italy

- International Cooperation Association (ALCI), Lodi, Italy
- International Cooperation South - South NGO (CISS), Italy
- Italian Farmers Confederation (CIA Umbria), Italy
- Local Authorities for Peace, Italy
- Lux-Development - Senegal
- MedCités
- Mediterranean Apiculture Forum, Italy
- Merloni Institute, Italy
- Metropolitan Institute of Technology (ITM), Colombia
- Municipalities Association of Umbria (ANCI), Italy
- Municipalities Coordination for Peace (CO.CO.PA.)
- Municipal Council of Maputo, Mozambique
- Municipal Council of Nador, Morocco
- Municipality of Araboua, Morocco
- Municipality of Barcelona, Spain
- Municipality of Belo Horizonte, Brazil
- Municipality of Boghé, Mauritania
- Municipality of Bogotá, Colombia
- Municipality of Bologna, Italy
- Municipality of Buenos Aires, Argentina
- Municipality of Caldono, Colombia
- Municipality of Casablanca, Morocco
- Municipality of Chefchaouen, Morocco
- Municipality of Colonia, Uruguay
- Municipality of Florence, Italy
- Municipality of Foligno, Italy
- Municipality of Haret Hreik, Lebanon
- Municipality of Lauro de Freitas, Brazil
- Municipality of Medellin, Colombia
- Municipality of Moron, Argentina
- Municipality of Pasto, Colombia
- Municipality of Perugia, Italy
- Municipality of Rosario, Argentina
- Municipality of Siena, Italy
- Municipality of Spoleto, Italy
- Municipality of Temara, Morocco
- Municipality of Terni, Italy
- Municipality of Torino, Italy
- National Association of Local Authorities (ANCLM) Morocco
- National Federation of Departments, Colombia
- National Institute of City Planning (INU Umbria), Italy
- New Horizon, Senegal
- NGOs Association of Piemonte - Casa dei Popoli, Italy
- OCO URBAL III Regional Office Bogota, Colombia
- Organisation for Economic Co-operation and Development , OECD
- OXFAM, Italy
- Provence-Alpes-Côte d'Azur Region (PACA), France
- Partnership for Policy and Effective Responsibility (PEPA), Senegal
- Poliedra Projects in Partnership Company (P3), Italy
- Programme in Support to Microfinance Sectorial Policy (PALPS), Senegal
- Provincial Government of Aousserd. Morocco
- Provincial Government of Esmeraldas, Ecuador
- Provincial Ministry of Economic Development, Southern Province of Sri Lanka
- Provincial Fund of Milan for International Cooperation (FPMCI), Italy
- Province of Florence, Italy
- Province of Perugia, Italy
- Province of Pesaro and Urbino, Italy
- Province of Sassari, Italy
- Province of Terni, Italy
- Province of Torino, Italy
- Red Cross Prevention and Relief Training Center (CEPAD) Colombia
- Region of Puglia, Italy
- Region of Umbria, Italy
- Regional Council of L'Oriental, Morocco
- Regional Council of Louga, Senegal
- Regional Council of Tanger-Tetouan, Morocco
- Regional Development Agency of Diourbel, Senegal
- Research and Action Group (GRAPAD), Benin
- Restrepo Barco Foundation, Colombia
- School of Management, Finance and Technology (EAFIT), Colombia
- Senegalese Agency in support to decentralization and citizen initiative (ASADIC), Senegal
- Social Association - L'Officina della Memoria (APS), Italy
- Social Watch, Benin
- Spanish Federation of Municipalities and Provinces, (FEMP), Spain
- Task Team on South-South Cooperation (TT-SSC)
- Union of Associations of Local Authorities, Senegal
- Union of Municipalities of Dunnieh, Lebanon
- UN Millennium Campaign
- United Cities Italian Committee (CICU) - UCLG
- United Nations Commission for Latin America and the Caribbean (CEPAL)
- University of Antioquia, Colombia
- University Bocconi, Italy
- University Mohammed 1st of Oujda, Morocco
- University of Bologna, Italy
- University of Dakar, Senegal
- University of Florence, Italy
- University of Perugia, Italy
- University of Pisa, Italy
- University Oriental of Naples, Italy
- UNDP Virtual School
- Water Right Foundation, Italy
- Western Africa Women Association (AFAO), Senegal
- Zinguinchor Council, Senegal