

## Conference

### ***Aid effectiveness, multilevel governance and decentralized cooperation: basis for a new, post-Busan development cooperation architecture and the role of regions and cities***

Coordinated by the Delegation of the Basque Country to the EU & the UNDP ART Initiative

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## **CONTRIBUTION PAPER**

### ***1. Changing new development paradigm***

In the last years, the discussions around an emerging “new development paradigm” constitute a fundamental challenge in the context of the international development architecture. There does not seem to be an agreement on a ‘new development paradigm’ thus so far, the analysis is one of ‘work-in-progress’ based on various elements being addressed and defined. It is self-evident that any such new paradigm will have to inevitably reflect tested development solutions from both the North and South as well as how the emerging new global powers from the South play an active role in these deliberations.

One of the crucial features of this evolving context is the increasing relevance and unique roles of existing and new actors into the international development arena: from development banks, to consortia of NGOs, the private sector including consulting firms, foundations, as well as new decentralized cooperation actors, all of whom are or have become serious players in a vibrant but complex development landscape. In light of this changing operating environment from country level up to the international arena, rethinking the traditional approach to international cooperation, inclusive multilateralism and the roles and relevance of related international institutions has been initiated by a wide range of actors.

In this context, the proliferation of development partners operating at the sub-national level requires increased policy coherence and coordination efforts to ensure that their joint action generates expected results, or in other words, contributes to development effectiveness.

### ***2. The added value of Decentralized Cooperation with the multilateral framework***

Local administrators and civil servants, professionals of civil services, volunteers, NGOs, academics, social entrepreneurs, experts, as well as national governments and international organizations, each of them with their specific responsibilities, interact in DC initiatives. These represent a new logic of action which comprises great potentiality, 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 citizens on issues of common interest.

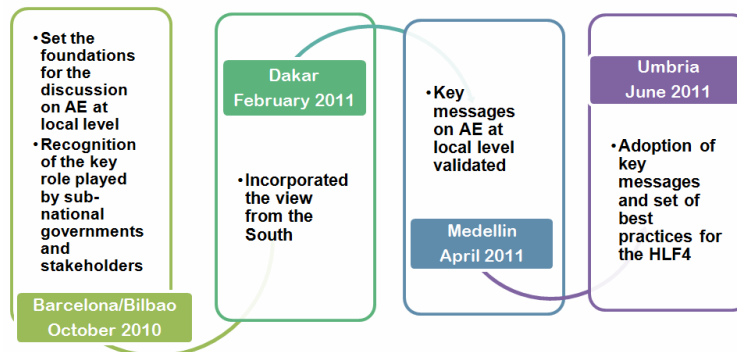
Its implementation is however not exempt of some of the limitations that have traditionally weakened development cooperation. The fragmentation and sporadic nature of initiatives, difficulties in monitoring and limited sustainability, are all present in the DC. Various field experiences reveal that incorporating DC to the multilateral framework contributes to curbing these weaknesses, favoring the actions' continuity on the medium and long-term, which in turn supports effective change processes, as well as reducing the cost of aid and its fragmentation.

### ***3. The sub-national perspective in the Fourth High Level Forum on Aid Effectiveness (HLF-4)***

The Fourth High Level Forum on Aid Effectiveness (HLF-4) took place from 29 November to 1 December 2011 in Busan, Korea, concluding the OECD/DAC-led process on aid effectiveness 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 were 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 (MDGs).

In view of the HLF-4, UNDP promoted a broad consultative process on aid effectiveness at the local level, in close collaboration with 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), Local Authorities' Fund for Decentralized Cooperation and Sustainable Human Development (FELCOS Umbria), the Observatory for Decentralised Cooperation European Union – Latin America, the Basque Government and countries like Colombia, Ecuador, Italy, Senegal or Spain and with the active participation of a broad variety of actors.

The process aimed to gather evidence on the challenges and opportunities offered by the territorial approach to development cooperation as well as to provide a space for reflection and knowledge sharing, giving voice to hundreds of partners from all continents to enrich the global debate on aid effectiveness with the sub-national perspective. The process also permitted to identify lessons and good practices to scale up development results at the territorial level, particularly on how best can the diverse actors contribute to better development results at local level by maximizing their joint efforts. The main moments of the consultative process were:



These efforts culminated in the celebration of a **HLF-4 Side Event on Aid Effectiveness at Sub-National Level**, jointly organized by FOGAR, UCLG, the Informal Development Partners Group on Decentralization and Local Governance (DeLoG) and UNDP. All representatives and organizing partners agreed on common principles put forward in a conclusion document which, inter alia, stresses:

- i. *The added value of the work of local and regional government networks and their articulation within multilateral frameworks in promoting territorial development processes that respond to challenges directly affecting the lives of citizens.*
- ii. *The need to include local and regional governments in the aid effectiveness agenda both in the donor and recipient countries and agencies.*
- iii. *The need to avoid fragmentation and duplication of efforts through the development of multi stakeholder dialogues both at donor and recipient level while preserving diversity and promoting decentralization and local development.*
- iv. *The need to strengthen linkages between local, regional and national levels of governance to further a policy dialogue and the improved implementation of national development strategies and result-orientation.*
- v. *The need to recognize local and regional authorities as fully fledged partners in the international governance and aid architecture, and in the decision-making structures of relevance for the definition and implementation of the development agendas.*

#### **4. Beyond Busan: towards the 2012 Rio +20 Summit and the Development Cooperation Forum**

The HLF-4 Outcome Document marks the important transition **from an aid effectiveness agenda to a Global Partnership on Effective Development Cooperation**. A major step forward is the explicit acknowledgement of the democratic ownership of development cooperation and the expressed commitment of all partners to further increase their efforts to make development cooperation more effective and results oriented. All delegates concurred on the fact that key to achieving an effective development cooperation partnership will be the smooth and efficient implementation of all agreed principles that will put in place an effective global governance instrument. To this effect the Organisation for Economic Co-operation and Development (OECD) and UNDP were called upon to support the effective functioning of the Global Partnership.

The advocacy efforts of various partners in the consultative process and side event ***for recognition of the key role the sub-national level and its institutions play in enhancing overall aid effectiveness*** were finally rewarded by a specific reference in the final HLF-4 outcome document, Article 21.

The consultative process on aid effectiveness at the sub-national level, with some 200 organizations and institutions in Africa, Asia, Europe, and Latin America, allowed advocating for a stronger role of sub-national governments and DC at the Busan HLF-4. Numerous partners engaged in the consultative process have declared their willingness to continue this fruitful cooperation aiming to position the role and importance of the sub-national level and of multilevel governance to advance and strengthen partnerships increasing the effectiveness of development cooperation.

To this end, the inclusive dialogue and consultative process should carry on during 2012 to continue shaping and informing international, national and local politics for development effectiveness with the positive experiences of DC working with the multilateral framework, as a contribution for stepped up efforts to meet MDG commitments by 2015. Of particular importance in 2012 will be the:

- **Development Cooperation Forum (DCF)** - The 2005 World Summit mandated the United Nations Economic and Social Council (ECOSOC) to convene a biennial high-level Development Cooperation Forum (DCF) to review trends and progress in international development cooperation, including strategies, policies and financing, promote greater coherence among the development activities of different development partners and strengthen the normative and operational link in the work of the United Nations. The next DCF will be held in mid-2012 with the endeavor, among others, of materializing its responsibility as laid down by the Busan declaration in regards to DCF's role in consulting on the implementation of agreements reached in the HLF-4.
- **Rio + 20 Summit** - United Nations Conference on Sustainable Development (UNCSD) will take place in Brazil on 20-22 June 2012. It is envisaged as a Conference at the highest possible level, including Heads of State and Government or other representatives. The objective of the Conference is to secure renewed political commitment for sustainable development, assess the progress to date and the remaining gaps in the implementation of the outcomes of the major summits on sustainable development, and address new and emerging challenges.