Modalities of Decentralised Cooperation

Author: 
**Johanna Fernández Rodríguez**

Content Coordinators: 
**Ana Tapia Aquino**  
**Pedro Marcos García López**

Observatory of Decentralised Cooperation EU-LA
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1. Presentation

Welcome to the module “Modalities of Decentralised Cooperation”!

This module is an immersion into the different modalities of decentralised cooperation. We will, therefore, pay particular attention to the different ways each cooperation modality is conceptualised (direct, indirect, bilateral and multilateral); the main instruments for implementing them (projects, programmes, technical cooperation); and the administrative procedures or mechanisms used (government grants, collaboration agreements, memoranda of understanding, etc.).

Indeed, it is not simply a question of mobilising economic resources, but also of creating relations based on horizontality, reciprocity, and mutual learning to enhance the potential of all parties. As we will discuss further on, city-to-city cooperation, multi-level partnerships, and public-private alliances for development, are all bringing new, more strategic and innovative models of decentralised cooperation.

Lastly, we look at the main sources of funding for Local Authorities in the current context, such as the Local Government Funding Agencies (LGFA), the Global Fund for Cities Development (FMDV), and the European Commission’s (EC) Thematic Programme NSA-LA.

Module objectives:

- Distinguish between the different modalities of decentralised cooperation.
- Know the main instruments and mechanisms for implementing the modalities of decentralised cooperation.
- Assess the advantages and disadvantages of each modality of decentralised cooperation.
- Use examples to show how they are applied in real life scenarios.
- Provide tools for analysing modalities of decentralised cooperation in a global context.
- Know the workings of municipal and regional networks and their importance for building local agendas in an international context.
- Know some of the main mechanisms for funding local authorities that are currently in place.
2. Modalities of decentralised cooperation

The modalities that we can find within the system of international cooperation, and particularly in decentralised cooperation are conceptual distinctions between the different ways that Local Authorities\(^1\) get involved in cooperation actions and manage resources. In the case of decentralised cooperation, which is a complex phenomenon involving different actors, a myriad of approaches and different realities, there are different models of decentralised cooperation, depending on the analysis perspective.

Here it is important to highlight the fundamental role of the Observatory of Decentralised Cooperation EU-LA UE-AL\(^2\) as an instrument for knowledge management and a meeting point, through its substantial contribution of working papers, studies and reports which have enriched practices and concepts surrounding the study of decentralised cooperation and its action modalities.

This first section focusses on a **conceptualisation** of the main modalities of decentralised cooperation, through the following assessment framework:

- Depending on the level of involvement and responsibility of the actors: **Direct and indirect cooperation**
- Depending on the type and number of actors: **Bilateral and multilateral cooperation**
- Depending on the type of relationship between the actors: **Horizontal and vertical cooperation**

Lastly, we will compare the different **instruments** used to implement public policies on decentralised cooperation and manage the resources.

### 2.1. Direct Cooperation

Direct cooperation is a modality of decentralised cooperation that occurs through direct collaboration between Local Authorities who are the main agents in the cooperation process, and often the only ones. This collaboration is based on the involvement and autonomy of those agents. This is a core component and serves as its backbone, giving it a specific interest and meaning.

According to Jean Pierre Male (2008), direct cooperation between Local Authorities can have particular features that set it apart from the other forms of cooperation. This is because:

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\(^1\) ‘Local Authority’ is used in its widest sense to encompass the large variety of sub-national levels and government agencies, i.e. municipalities, communities, districts, counties, provinces, regions, etc. Concerning development cooperation, there is substantial heterogeneity in the mandate, finance and functions at each level and within each level (European Commission, COM 2008:3).

\(^2\) [http://observ-ocd.org/es](http://observ-ocd.org/es)
• It can focus on local and territorial problems (local public services, urban policy, land management, etc.);

• It offers expertise and know-how that can be transmitted or exchanged directly between local institutions, rather than having to resort to consulting firms or external experts;

• It can establish medium and long term cooperation frameworks because the actors involved, who generally use their own resources, can set their own specific modalities of cooperation;

• It can lead and promote broader relations, including and engaging other local social agents; and finally

• It can guarantee a highly direct relationship with citizens, allowing for better control and more involvement and participation from civil society.

It should be noted that the roles of local administrations tend to be quite comparable from one country to the next, even when there are considerable differences in terms of revenue. There may be slight differences in the resources that are available, and therefore in the types of solutions that are adopted. However, the way in which local matters are managed is highly similar across the board, and is a strong foundation for exchanging practices or technical assistance.

The local council generally has authority over the control of a city’s urban sprawl, the supply of basic services to residents (water, electricity, sewage system, etc.), the provision of basic social services (primary education, primary healthcare, etc.), and a series of matters that have a direct impact on the daily lives of citizens.

With this modality of cooperation, it is the local subjects themselves (in this case Local Authorities) who are co-responsible for the initiatives and practices that lead to their own evolution, fostering procedures based on coordination and complementarity that facilitate local ownership of the actions and results of cooperation.

Unlike traditional cooperative practices, the key here is to ensure the broadest possible participation and involvement of those who benefit directly from the action during the full cycle of the cooperation project/programme (design, implementation, monitoring, evaluation) (Mina, Flores, 2007:44).

Here, what makes direct cooperation unique for a local or regional government is that it is not simply a source of funding that would be comparable to other types of cooperation, but rather an irreplaceable opportunity allowing for: **1) Exchanges in both the technical and organisational spheres; and 2) The forming of political and institutional relations.**
2.1.1 Factors indicating the emergence and dynamism of direct cooperation

With regard to relations between sub-state actors of the European Union and Latin America, Jean Pierre Malé argues that the emergence and dynamism of Direct Cooperation should be understood in the context of three processes:

**Internationalisation of the local dimension,** i.e., the growing importance that local governance is gaining at an international level, beyond North-South relations (this also occurs between Local Authorities that share the same territory or continent).

**Development cooperation prompted from the local sphere and territories** (which experienced a great surge in Spain in the 1990s) from a North-South perspective and fuelled by humanitarian and development paradigms.

The dimension of solidarity with certain political and social processes that has fostered relations between local and regional governments from the EU to Latin America following criteria for solidarity and political support for social transformation processes (such as the Cuban Revolution, the Sandinista movement, and the Peasant movement). This type of motivation has been highly prevalent in Europe, particularly during the 1980s and 1990s.

In any case, the development of Direct Cooperation demonstrates the empowerment process experienced by sub-state government levels and would probably not have occurred without the surge of “top-down” agendas aimed at promoting decentralisation of the state. They were driven by international organisations such as the World Bank (WB), the International Monetary Fund (IMF), or United Nations agencies such as the United Nations Development Programme (UNDP) and UN-Habitat, as part of the growing debate during the 1990s on the role that the state can and should play in development processes.

In the case of the EU, which is made up of countries with different past experiences in terms of local government and inter-municipal cooperation, there is also an interest in the process of decentralised cooperation. In specific reference to the decentralised cooperation fostered from the EU to Latin America, special mention should be given to the launch of the now concluded URB-AL Programme \(^3\) in 1995 by the European Commission, directed at European and Latin American Local Authorities to develop decentralised cooperation networks between authorities concerning specific matters and problems related to urban development.

2.1.2 Direct cooperation and institutional strengthening

Direct cooperation is arguably one of the modalities of cooperation most suited to the institutional strengthening of Local Authorities for the very reason that its decentralised nature creates a scenario with a very significant number of potential actors that can work simultaneously in very different spheres and projects, generating learning processes and

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\(^3\) For more information on the Programme, go to: [http://www.centrourbal.com/](http://www.centrourbal.com/)
Modalities of Decentralised Cooperation

experiences that can later be shared and spread throughout the network of decentralised governments.

Decentralised cooperation is, therefore, a sphere of experimentation, innovation, and learning that, when successful, has the capacity to cause a powerful ripple effect on the entire system. By definition, a decentralised local government and regional structure provides for a wide range of scenarios for work, innovation, and experimentation.

Naturally, this does not rule out the possibility of having expert cooperation in complementary fields, when executing direct cooperation projects aimed at development and institutional strengthening. However, without a doubt, it is the presence and contact between Local Authorities that can guarantee effective contributions that can be clearly capitalised structurally to bring about institutional strengthening.

In this regard, Albert Serra (2008) suggests two basic types of actions carried out as part of direct cooperation that link and provide added value to institutional strengthening:

<table>
<thead>
<tr>
<th>Actions aimed at developing policies and projects focused on public policy whose final purpose is to support development. They include all kinds of actions for direct cooperation with a mainly sector-based objective which is not directly focused on institutional strengthening (social public policy in the broad sense, and urban, land, and economic public policy).</th>
</tr>
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<tbody>
<tr>
<td>Actions aimed directly and explicitly at promoting institutional strengthening of local and regional governments in any aspect, from the strengthening of leadership and governance abilities to developing operational and technical capabilities that lead to organisational improvements and training.</td>
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The distinction between these two work areas is mainly that the final purpose actions focus on providing goods and services to citizens and local groups. Meanwhile, the concept of institutional strengthening focusses on initiatives aimed at strengthening and improving how the government itself is organised, run, and institutionalised.

In this regard, direct cooperation should allow Local Authorities to promote active participation of citizens and Civil Society Organisations (CSO) in cooperation actions and policies for development by connecting them with counterpart organisations belonging to the associated local government. This helps to strengthen citizenship and local democracy and heighten society’s responsibility and solidarity in terms of global problems through practical means (Proyecto Local, 2010: 46).

The fact that Local Authorities lead decentralised cooperation is precisely what mobilises a wide range of local social actors, providing a coherent framework for action under the control of citizens.

Therefore, carrying out direct cooperation projects in the sphere of institutional strengthening can be considered as a strategy capable of showcasing as much as possible the circumstances
of Local Authorities to all those involved, using their experiences and know-how in all spheres relating to their role, and taking responsibility for achieving better levels of economic and social development.

<table>
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<tr>
<th>Advantages/Oppotunities</th>
<th>Disadvantages/Risks</th>
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<tr>
<td>- By taking a horizontal and inclusive approach, this modality of cooperation enables dialogue among equals on the basis of mutual learning and the exchanging of experiences to build partnerships for development with public policy at the core.</td>
<td>- It requires political will to be achieved.</td>
</tr>
<tr>
<td>- Any direct cooperation action, regardless of its objective, can offer and undoubtedly needs to offer elements of institutional strengthening to ensure that objectives are achieved and reinforced and to makes sure that they are structurally integrated into the governance capacity of local or regional government.</td>
<td>- The instruments for implementing it (agreements, twinning, Memoranda of Understanding) must be equipped with structures for monitoring and coordinating that are effective and active over time.</td>
</tr>
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<td>- It includes co-funding dynamics.</td>
<td>- It is heavily conditioned by the political climate in the countries of the partner local governments and by possible changes in terms of those running the public, executive, or management teams.</td>
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<tr>
<td>- It does not require many economic resources to achieve good results.</td>
<td></td>
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<tr>
<td>- It allows for quick alignment with local development strategies.</td>
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<tr>
<td>- It is ideal for developing actions aimed at institutional strengthening.</td>
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<tr>
<td>- It enables the creation of local synergies that can lead to an increase in technical and institutional skills.</td>
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<tr>
<td>- It encourages the participation of actors from civil society when designing public policy.</td>
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<td>- Mainstreaming of cooperation for developing other municipal areas.</td>
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Source: Author’s compilation based on the document by AECID, 2016.

The following are some examples of direct cooperation:

As part of an initiative to rebuild the market in the city of Mahajanga, Madagascar, the French city of Mulhouse provided its partner city with practical knowledge and advice on how to manage and organise market activities while it was being rebuilt. A small Italian town – Santa Croce Sull’Arno (13,000 inhabitants) – played a fundamental role by joining five towns in Burkina Faso to create a birth registration system that did not previously exist. With the help of the Burkina Faso Ministry of Local Government and Decentralisation, the initiative spread to other regions.

Source: Author’s compilation based on the information included in the report titled “Non-State Actors and Local Authorities in Development”. European Commission, EuropeAid.
Tintigny municipality: Belgian programme for direct cooperation

As part of the Belgian programme for direct cooperation created and run by the Union of Cities and Municipalities of Wallonia (Union des villes et communes de Wallonie, UVCW), the Tintigny municipality in Belgium collaborates with the Djidja in Benin in the field of institutional strengthening.

Benin is advancing towards greater decentralisation and the transferring of certain powers. However, this process comes with big challenges in terms of training and funding in order to ensure basic services for all citizens.

In the case of the Tintigny-Djidja association, the first step was to create a property register (i.e. a land registry) allowing to considerably raise tax revenue. In the long-term, this register will cover 2,184 km² of land divided into twelve districts. Between 2009 and 2013, six of the twelve districts have been included in the property register, with the inclusion of the remaining districts in the 2014-2016 phase.

The second step was to update the civil registration, mainly by: (i) acquiring an IT program for civil status management through a joint public contract; (ii) software training and management of the civil status database; and (iii) providing the basic IT equipment for the service. The work to create and update the database. In six months, approximately 128,000 civil status files have been digitalised.

Furthermore, all activities planned within the partnership framework were fully carried out. The savings, which came to approximately €22,000, also meant that the public buildings housing the civil register could be renovated.

In terms of providing education for development, the Tintigny municipality organised different activities in the territory. The Tintigny municipal bulletin also regularly publishes articles on how the partnership is advancing. Lastly, in 2012, as part of the solidarity week at Seine-Eure (France), the Tintigny-Djidja association presented their joint working experience.

Conclusions from the external assessment reports and the assessment workshops confirmed the relevance of the sector of intervention, considering: local administrative management (civil status, property register, local taxation strategies, human resource management).

Source: Portal of Decentralised Cooperation of the EU Committee of the Regions
2.2. Indirect Cooperation

Indirect cooperation is a modality of decentralised cooperation based on public funding, managed by intermediation and operating agencies, which are primarily NGDOs, cooperation funds, or agencies specialising in development. In this modality of cooperation, the local or regional government’s contribution and involvement is generally through financial resources.
Indirect cooperation (or cooperation delegated to other actors), which consists of financing projects or actions presented by non-governmental actors, in certain countries currently accounts for most streams of public decentralised cooperation⁴. In this case, local institutions limit themselves to funding NGDOs and supporting the social fabric, without drawing up actual public policy on development cooperation.

Therefore, this second modality falls within a North-South perspective and follows the general rationale of development cooperation. It could be argued that it arises from a development and/or humanitarian paradigm, which explains why interventions are often in the form of aid, i.e., based on the existence of basic needs that are not being covered, or on the will to alleviate the aftermath of catastrophes (mainly in Central America) (Male, 2008:6).

Recently, direct cooperation has started to be recognised as being as effective, or even more so, than indirect cooperation. One of the reasons that explains this increased effectiveness has to do with the collateral benefits of development through direct cooperation. These emerge by strengthening local public institutions which consolidate and establish this learning in the community and the territory, thanks to their stable and structural position in the social system (Serra, 200:70).

Indeed, to strengthen new approaches to decentralised cooperation, which is understood to be a tool available to Local Authorities for opening up new avenues for its players and for development cooperation in general given its potential for driving change in local development processes, Local Authorities themselves must take on the associated challenges and commitments, particularly in relation to redefining their roles in cooperation processes to reposition themselves at the centre of these processes as co-leaders and co-decision-makers of development processes within the territories in question.

“Strengthening and promoting local participatory development in Bongor and Gounou Gaya, Chad”

The City Council of Pamplona (Spain) granted a public grant in 2014, through its annual grant call, to the Spanish Alboan Foundation, for the sum of €37,366. Together with its local counterpart, the Association for the Promotion of Fundamental Freedoms in Chad, action was taken to broaden the capabilities of local and people’s representatives for strengthening democracy and respect for human rights through effective participation in Chad’s socio-economic development. This experience is an example of indirect cooperation, channelled through an NGDO.

Source: Author’s compilation based on the database of the Spanish Federation of Municipalities and Provinces (FEMP)

⁴ Spain or France, for example.
2.3. Bilateral Cooperation

This is the modality of cooperation that occurs between two Local Authorities based on agreements or pacts signed between them, constituting the general framework that specifically regulates the lines of action they share.

This modality tends to feature distinctive spaces for developing decentralised cooperation actions, typically cooperation twinning and/or projects.

2.3.1 Twinning: bilateral partnerships

According to the Council of European Municipalities and Regions: "A twinning is the coming together of two communities seeking, in this way, to take action with a European perspective and with the aim of facing their problems and developing between themselves closer and closer ties of friendship".

It involves establishing horizontal and direct links between municipalities that allow for exchange and mutual awareness, defined as a commitment made by two municipalities and their residents (Spanish Ministry of Foreign Affairs and Cooperation (MAEC), 2010:27).

2.3.2 An Overview of the Twinning Process

Twinning is considered as one of the first kinds of decentralised cooperation to emerge in the 20th century. This occurred after World War II, at a time when cities and local governments encouraged collaboration between different municipalities based on reconciliation, friendship, and peace, making cultural exchange between different societies a possibility.

In the 1960s, during the decolonisation of Africa, local governments in Europe formed relations with African communities that had recently become independent, based on providing humanitarian aid in emergency situations.

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With the advent of the 1980s there was a rise in solidarity-based relationships with European civil societies supporting political processes in Southern countries, particularly with Central America. This is the case of the twinning between municipalities of countries such as Spain, Austria, Germany and Holland with municipalities in Nicaragua, Cuba and El Salvador.

In terms of the EU, cultural and institutional twinning between Local Authorities in the EU and partner countries has resulted in many cases of successful partnerships. Many of the partnerships on which decentralised cooperation is based originated in the twinning process.

The Commission proposes that the EU supports more extensive exploitation of these development partnerships, to enhance the exchange of experience and build closer and more long-term partnerships for development (COM, 2008: 10).

Twinning between the cities of Sant Boi de Llobregat (Spain) and San Miguelito (Nicaragua): a successful case of development partnership

In 1994, the cities of Sant Boi de Llobregat and San Miguelito signed a memorandum of understanding laying the groundwork for a number of projects aimed at improving the living conditions of the population.

In 2007, in order to improve cooperation in the twinned municipality, a joint process of strategic reflection was launched. Starting with an analysis carried out by the town hall itself, some strategic areas of focus were identified, which were to be additionally implemented in coordination with different actors in the territory. As a result of this process, which was launched by the Town Hall of Sant Boi in collaboration with the town’s different institutions (Desos, Asociación de Amistad San Miguelito Sant Boi and Enseñanza Solidario), the San Miguelito Action Plan 2008-2011 for local, supportive, and sustainable development was approved by the competent bodies of each of the local institutions.

During the 2014-2015 period, another joint initiative was developed for improving land-use planning. The project strengthened the institutional capacity of the San Miguelito Town Hall for managing land through the creation of an Urban Planning area, the training of a technical team, and the revision and updating of the existing Urban Plan. This process was able to draw from the Sant Boi municipality experience in urban and land management, resulting in a process of institutional support to tackle the problems being experienced by the Nicaraguan municipality in matters of town planning and to lay the foundations to develop it.

The twinning experience with San Miguelito has been praised by different institutions for its level of coordination, coherence, and impact at a local level (Good Practices edited by Evalúa for the Catalan Agency for Development Cooperation, Good Practices by REDCREA, edited by the Confederation of Solidarity Funds, the Catalan Development Cooperation Fund sessions, and the Barcelona Provincial Government sessions, etc.).

The assessment report of the San Miguelito Action Plan 2008-2011 confirmed all of these processes and recommended that the strategic process that were started should be continued, such as the Master Plan for Water and Drainage, furthering citizen participation and taking a gender based approach. More recently, the project for implementing the Equal Opportunities Plan was assessed, confirming the relevance of the intervention, the high level of results achieved, and the strategic

Source: Townhall of Sant Boi de Llobregat
For more information on this twinning, please download the following document (in Spanish): Good Practices of Catalan Cooperation

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### An assessment of twinning: direct bilateral cooperation

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<th>Advantages/Opportunities</th>
<th>Weaknesses/Disadvantages</th>
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<tbody>
<tr>
<td><strong>Unlimited duration</strong> which favours mutual understanding, the building of trust, and the development of processes, as long as content is provided and objectives are regularly assessed and renewed.</td>
<td>Twinning generally occurs without an explicit strategic vision and a previously established strategic framework, and is rather designed to be an occasional exchange between authorities. It therefore meets the criteria of occasional and specific interventions.</td>
</tr>
<tr>
<td>Twinning means that local governance and development processes can be accompanied and enhanced as they are a source of mutual enrichment. Local governments can mutually help each other because they both have similar roles and problems to deal with.</td>
<td>Furthermore, there is hardly ever a strategic reflection when deciding “who” we should twin with and “why”, and it is only recently that twinning is being included in strategic development plans.</td>
</tr>
<tr>
<td>They allow local actors and civil society to engage in dialogue and get involved in local development processes and have been a way of raising awareness among the population in the North.</td>
<td>Many twinnings simply serve as a way of transferring resources, so that the relationship between the two cities starts and ends with an economic contribution.</td>
</tr>
<tr>
<td>They represent an instrument for directly supporting human development of cities.</td>
<td>Processes and investments are rarely monitored or assessed in terms of quantitative and qualitative results. There are no monitoring mechanisms nor “case studies”.</td>
</tr>
</tbody>
</table>

Source: Author’s preparation based on Corella, 2008.

### 2.4 From twinning to city-city cooperation

Decentralised cooperation has been occurring on its own thanks to specific direct collaboration experiences between local institutions, commonly referred to as ‘twinning’. This kind of cooperation has fostered horizontal dialogue between institutions and has shown that local governments can exercise active and inclusive leadership, and are capable of driving the necessary alliances to improve the social and territorial cohesion of their territories.

The current trend of decentralised cooperation and South-South cooperation is related to innovative processes for technical cooperation among institutions and new models that lead to the creation of real value chains among all parties involved. This maintains the best of the twinning experience that was so popular in the 1990s, and thus has a bearing on the will to not succumb to contexts of economic and financial crisis, nor to so-called “donor fatigue”.

#### 2.4.1 General characteristics of city-city cooperation

- Alignment with the local development plan and consistent with the national urban policy of partner countries.
- Identification of a specific sector of intervention in governability and civil society, including technical cooperation in areas related to municipal management and development of powers assigned to local government.

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6 Taken from the programme: “Alianza entre Ciudades: una propuesta de trabajo en red” (Alliance between Cities: a networking proposal). INCIDEM (Spanish Institute for International Cooperation and Municipal Development) 2014.
• Mission statements formalising the terms of the Partnership, informing of a wide concept of planning, reflection, and temporal action, greater than that of the political climate or of the small economic or electoral cycles. (Memorandum of Understanding).

• The contribution of municipal peer-to-peer cooperation, where the budget for interventions includes co-funding and co-management mechanisms.

• Design of an operational programme with all the basic components for contextualising the joint intervention, identify its contents and expected results, the activities to be developed, resources, and schedules.

• Identification of spaces for coordination that already exist, avoiding any duplication of effort or overlapping of actions, and mobilising local actors that are specially interested in the matter, as well as creating synergies with other programmes for partnership and coordination.

• Availability of technical personnel focused on monitoring and assessment.

The ANMAR Network of Twinning between Moroccan and Andalusian cities

This initiative was launched by FAMSI (Andalusian Fund of Municipalities for International Solidarity) in 2006 and aims to establish a joint work framework to join forces and coordinate efforts and actions between cities in Andalusia and Northern Morocco. Nowadays, the ANMAR Network is known as the ANMAR Federation of Local Authorities in Northern Morocco and Andalusia and has the support of over 60 local authorities in those regions. The Federation is the embodiment of the ANMAR Programme that began in 2006 and continued until the creation of the Federation. Programme led by the Andalusian Fund of Municipalities for International Solidarity (FAMSI), with the support of institutions such as the Andalusian Agency for International Development Cooperation (AACID), the Spanish Agency for International Development Cooperation (AECID), Morocco’s General Directorate of Local Authorities under the Ministry of the Interior (DGCL), and the United Nations Development Programme (UNDP). In the initial years, the ANMAR Programme activated collaborations, projects, programmes, spaces for meeting and dialogue, exchanging experiences and know-how, and ultimately creating an active network of local institutions between Andalusia and Morocco.

For more information go to the following link

Source: ANMAR Network website

2.5 Multilateral Cooperation

Multilateral cooperation refers to modalities of decentralised cooperation involving more than two local or regional governments or other actors from different countries. They are based on common collaboration agreements drawn up in the framework of different types of relationships: ad hoc committees generally motivated by cooperation projects or programmes; in the framework of Multilateral Organisations (United Nations System, for example), a network of municipalities, or by participating in municipal partnership actions.
An example of this modality of cooperation is the UNDP-ART Programme which, as described below, stands out for being an initiative involving a variety of actors and instruments in a multilateral scenario.

The ART initiative proposes to boost local development and decentralisation processes in a multilateral framework while also boosting decentralised cooperation in local governments. It is a role of “active” partners and actors, beyond the traditional role of donors or recipients of aid (Zurita, 2008:41). It can therefore be considered a new kind of multi-level partnership, a concept we will discuss further on. The following is an outline of the programme and a description of a specific case carried out under the initiative.

**UNDP-ART**

ART (Articulation of Territorial and Thematic Cooperation Networks for Human Development) is a global initiative for international cooperation led by the UNDP launched in November 2004 and associates programmes and activities by different United Nations agencies (in addition to the UNDP it includes: UNHCR, ILO, WHO, UNESCO, UNIFEM, UNITAR, UNOPS, among others).

The ART initiative aims to achieve Sustainable Development Goals (SDGs) by promoting the different local and regional governments. The programme supports local and national governments in the tasks of decentralisation and territorial development. With this as its ultimate objective, the ART programme coordinates international cooperation actors that share this objective together with national and regional governments, civil society, the private sector, and other UN agencies.

In terms of decentralised cooperation, there are around 600 actors currently working as part of the different ART programmes including local and regional governments, funds, cooperation agencies, and local, national, and international networks of subnational governments in countries such as Belgium, Brazil, Canada, Spain, France, Italy, and Monaco. Civil society organisations, national and international centres of study and universities of other countries also participate.

It creates programmes for governability and local development that help contribute to the decentralisation process, improving public services and fostering territorial economic development. The programme focusses on:

- Democratic governability
- Reducing poverty
- Preventing and recovering from crises
- Information and Communication Technologies (ICT)
- HIV/AIDS

Source: Informative document on the UNDP-ART methodology
2.6. **Vertical and horizontal modality of decentralised cooperation**

In the transfer and implementation of the modalities described above, authors such as Sanahuja and Martinez (2014) go one step further and suggest another type that depends on how the process of decentralised cooperation is built, on the nature of the relationships it involves, and on the type of actions implemented as a result. In light of this, there are two big modalities of decentralised cooperation: **The vertical model and the horizontal model**.
2.6.1 Vertical modality of decentralised cooperation

It is characterised by the forming of relationships on the basis of funding, where decision-making generally lies with the donor and the recipient is held responsible. They are, therefore, unequal relationships marked by access to funding and a relationship logic between a donor and a recipient, hence the use of the term “vertical model”. The nature of the relationship, which is on the basis of funding, determines the type of actions undertaken using this model of decentralised cooperation. Generally speaking, they are specific actions involving funding for short-term projects. (Sanahuja and Martinez, 2014: 49).

From the point of view of the actors involved, it is a reduced model because, while not exclusively limited to decentralised governments, it does not tend to include actors other than NGDOs and decentralised governments.

The vertical model is often an asymmetric model given that the decentralised government of the partner country does not participate, reducing involvement to the decentralised government of the donor country, an NGDO of the donor country, and sometimes an NGO of the partner country.

This means that it is very hard to ensure that actions will be sustainable, particularly when the local government is not involved nor committed (Malé, 2008: 24).

At times, the vertical model of decentralised cooperation is a result of the attitude of the decentralised governments in the partner countries, who view the decentralised governments of the donor country solely as funders who provide resources. When this point of view determines the practices and relationships driven by decentralised cooperation, the exchange is reduced to a transfer of resources, with both sides missing out on a learning opportunity. The decentralised actors give up the search for the added value inherent to decentralised cooperation (Malé, 2008: 25).

The vertical model of decentralised cooperation is considered by some authors to be the prevalent model in Spain and France, precisely two countries where decentralised cooperation has experienced the biggest boost (Gómez Galán and Sanahuja, 1999: 50; Del Huerto, 2005: 50).
2.6.2. Horizontal modality of decentralised cooperation

This model is based on the European Union’s understanding of decentralised cooperation\(^7\). This approach supports a horizontal understanding of decentralised cooperation between partners guided by mutual interest. From the point of view of the actors, it is a more inclusive model as it involves actors from civil society (grassroots movements, social movements), and organisations such as trade unions, businesses, coops, and universities. This type of horizontal relationship is therefore considered to be an ideal type of decentralised cooperation and is seen as a way of minimising the vertical nature of relationships (Sanahuja and Martinez 2014: 51).

### LocalMed Platform – Morocco

This is an initiative driven by the Barcelona Provincial Government in collaboration with the Moroccan Association for Research and Development (Centre Marocain pour la Recherche et le Développement - CMRD)

It offers a space for discussion among town councils in the Barcelona province and communes in the north of Morocco, promoting learning and documenting experiences in the area of local public policy. Its goal is to improve the quality of life of citizens by strengthening local public policies that contribute to social cohesion.

The platform promotes a series of specific learning activities (courses), exchanges, analysis, and training (workshops), supported by policies and political and technical support actions around three main topics: planning and evaluating local public policy, promoting local economy, and citizen participation.

The municipalities that form part of the LocalMed-Morocco Platform are: Barcelona, Castelldefels, Cerdanyola del Vallés, Esplugues de Llobregat, la Llagosta, Rubí, Mataró, Molins de Rei, Sabadell, Sant Boi de Llobregat, Sant Feliu de Llobregat, Terrassa, Tordera, Viladecans and Vilafraanca del Penedés; and the Moroccan communes of Chefchaouen, Tangier, Tétouan, Larache, M’diq, Fnidaq, Ksar el Kebir, Assilah, Ouezzane, Martil and Oued Laou.

Here, the purpose of decentralised cooperation using a horizontal model consists of encouraging development processes by supporting decentralisation processes; improving the design and implementation of public policies; local governance; the capacity of local governments to provide services that meet the needs of the local population through a redistributive and fair rationale; by helping to strengthen associative networks and thus social participation in decision-making and organisation to demand transparency and accountability.

Both models described above — the vertical model and the horizontal model of decentralised cooperation — are ideals, that rarely fully materialise. Instead, in the majority of cases both models are at play in a single state, and both can even be applied by a single decentralised actor. In other cases, decentralised cooperation actions being carried out by different decentralised governments are transitioning from one of these models to the other. Normally this transition is from the vertical model to the horizontal model.

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\(^7\) A new focus on cooperation relationships that strives to create direct relationships with local representative bodies and stimulate their own capacity to plan and implement development initiatives with the direct participation of the population groups concerned, bearing in mind their interests and their opinions on development. Report on the implementation of decentralized cooperation. COM (96) 70 final.

Available at: [http://aei.pitt.edu/38926/1/COM_(96)_70_final.pdf](http://aei.pitt.edu/38926/1/COM_(96)_70_final.pdf)
2.7. Criteria for choosing a model

For a Local Authority, choosing between cooperation models primarily means deciding on the position to take in terms of how the action is executed and the parties who are to be involved. There are two aspects that explain the difference between these two modalities. Firstly it depends on the involvement and responsibility that the LA has when deciding on and executing projects. Secondly, it depends on the role it has in identifying priorities, i.e., the lines of work that the local or regional government deems essential for its public policy on development cooperation and which are specified in projects that the LA has a part in identifying and designing (MAEC, 2011: 26).

At this point, we face an additional element that is a kind of middle ground between the two previously discussed modalities: Concerted cooperation, which includes all cooperation actions involving one or more actors, in addition to local or regional governments, that take on the responsibility of one or several phases of the project life cycle. This is sometimes referred to as joint implementation. (MAEC, 2010: 26)

Concerted cooperation is a modality for establishing forms of collaboration between civil society and the municipal government, which are implemented in line with projects, actions, and interventions that have a specific time frame. They are not permanent pacts or agreements, but rather their validity and duration depend on highly specific goals and actions (Proyecto LOCAL, 2010: 54).

3. Main administrative procedures and instruments for decentralized cooperation modalities: How are they implemented and what mechanisms are used?

The instruments for international cooperation and decentralised cooperation are the different tools used by the different system actors to execute and/or coordinate their actions. The characteristics of these different instruments affect how they are managed, and whether or not they are to be used depends on the objective to be achieved, the wider context surrounding their use, existing skills, and compliance with certain prior conditions needed to effectively and efficiently use each instrument.

3.1 Project

A project can be defined as a set of activities that have a defined objective, that must be carried out in a specific geographic area, that has predefined resources and schedules, and that is being carried out for a particular group of final beneficiaries, in order to solve specific problems or improve a particular situation. A project is considered to be the most ideal instrument when there are prior conditions (or the project itself creates them) that ensure it is sustainable, i.e., that the positive effects it is having will continue even after the external assistance is gone (AECID, 2014: 23).
3.2 Programme

A programme can be defined as a full set of actions and activities designed to achieve certain development results in a specified time frame. Due to the comprehensive nature of a programme, the actions and activities that form part of it can span different sectors, subjects, and geographical areas (AECID 2014: 24). As such, the fundamental difference between a programme and a project is the scale, scope, or complexity of their objectives, yet there is hardly any difference in the way they are managed, which in both cases involves identical phases and life cycles.

3.3 Technical Cooperation

Technical cooperation can be defined as a set of activities funded by a donor country, in this case by a subnational government, aimed at transferring knowledge in order to strengthen institutional skills and human resources in different parts of the subnational government in the partner country. It is, therefore, a generic term that applies to contributions to development primarily through training, education, and technical assistance. (Cámara, 2011: 137). The most common initiatives in technical cooperation are:

- Dissemination activities, such as conventions, seminars, and conferences.
- Research grants and scholarships, training, etc.
- Specialised training and educational activities (courses, seminars, sessions, workshops, etc.)
- Technical advice and consulting on different subjects.
- Internships, study visits, and exchanges for experts, researchers, etc.
- Applied research, technological development and demonstration.
- Exchanging of experiences and good practices.

According to the OECD’s DAC glossary, technical cooperation can come in two forms:

- **Donations, national grants, subsidies or subventions from the countries that receive the development assistance for receiving education at home or abroad.** Includes funding of:
  - Students who are nationals of partner countries studying both secondary and third level education (including postgraduates, scholarships, etc.).
  - National trainees from partner countries who are receiving non-academic education, or practical or vocational training through study visits and short

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8 TECHNICAL CO-OPERATION. Includes both (a) grants to nationals of aid recipient countries receiving education or training at home or abroad, and (b) payments to consultants, advisers and similar personnel as well as teachers and administrators serving in recipient countries (including the cost of associated equipment). Assistance of this kind provided specifically to facilitate the implementation of a capital project is included indistinguishably among bilateral project and programme expenditures, and not separately identified as technical co-operation in statistics of aggregate flows. Information available at: [https://stats.oecd.org/glossary/detail.asp?ID=2686](https://stats.oecd.org/glossary/detail.asp?ID=2686)
training courses in the same country, or attending non-academic courses and seminars.

- Equipment and materials for training, demonstration, and other reasons of technical cooperation.

- **Technical support for partner countries by sending experts, consultants, and advisers, as well as teachers and administrators, serving in recipient partner countries, including the associated equipment costs.** For example, this includes:

  Experts, teachers, volunteers, and payments to public and private organisations for sending experts to developing countries.

**Technical cooperation** should preferably be focused on areas in which the LA has a particular level of expertise, knowledge, and experience, and where it has achieved successful results that can be transferred to the local partners, or a comparative advantage over other potential donors.

### 3.3.1 Administrative procedures: Mechanisms for regulating decentralised cooperation

Administrative procedures are the channels through which instruments are implemented for development cooperation, and more specifically for decentralised cooperation. The main mechanisms used are grants and contracts, underpinned by different mechanisms for budgetary management.

### 3.3.2 Public grants for international cooperation through competitive calls for proposals

From a quantitative perspective, a subnational entity’s cooperation policy is ultimately sustained by the awarding and management of public ODA grants. Yet it is true that certain activities go beyond the limits of grants, such as with institutional dialogue processes, different actions of political influence, or with some technical cooperation projects, as mentioned previously.

Calls for proposals are key instruments for raising the effectiveness of Local Governments’ development cooperation activities. For that reason, they should be drawn up in accordance with:

- The regulations governing the grants awarded by the Entity in the modality of cooperation development.

- The strategic plan, or failing that, the document that sets out the geographic or sector priorities and defines the Local Entity's preferred intervention methods. Should such a document not exist, the ordinance or the call itself can be used to indicate the entity’s basic priorities in terms of development assistance.

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9 Taken from the Management Report by FEMP, 2011.
The call, therefore, need not replicate a generic model, but must rather highlight those elements that describe how the local entity understands its involvement in Official Development Assistance.

### 3.3.3 Direct cooperation grants, regulated by a direct award contract

Contracts or agreements that are approved in municipal plenary sessions outline the specific terms of cooperation between two municipalities, at several levels: The specific twinning framework agreement tends to be a contract or protocol indicating the intentions of both parties to collaborate and cooperate. Content is later added to the contract through specific agreements for projects.

Direct bilateral cooperation also uses this agreement mechanism for yearly or multi-year projects and programmes that are not listed as twinnings, but are equally approved at municipal plenary sessions (MAEC, 2011: 28).

Regardless of the purpose of the grant and the case for resorting to a direct award, it is advised that this type of assistance be regulated through an agreement that clearly states the objective of the action to be carried out and the obligations of the parties involved.

This document will describe the project formulation and lay the groundwork for how it is to be monitored and assessed. In short, it must reflect the project’s life cycle and the guarantees in place to ensure it is carried out (APPENDIX 2: Agreement model).

### 3.3.4 Nominal subsidies and administrative contracts

‘Nominal Subsidies’ are grants whose purpose, budgetary allocation, and beneficiary are specifically designated in the local or regional government’s statement of expenditure. This means that the direct beneficiary of the grant is specified.

#### 3.3.5. Administrative Contracts

Administrative contracts are signed by Public Administration — in this case by a local or regional government — and have a public interest. They normally last for one (1) year and cannot be renewed. Administrative contracts frequently signed are:

- **Supply contracts:** They are used to purchase or lease property. The amount tends to be around €50,000.

- **Service contracts:** An agreement is reached to carry out an activity or obtain a result that does not involve construction or supply. The amount tends to be around €18,000.

### 3.3.6 Collaboration Agreements and Memoranda of Understanding

Collaboration agreements and Memoranda of Understanding (MoU) are instruments that are often used to regulate bilateral or multilateral cooperation between parties. These non-
regulated agreements do not confer legal obligations, but rather serve as political or extrajudicial commitments, simply binding the parties. Collaboration Agreements or MoUs set out the matters on which the parties wish to cooperate. A Monitoring Committee, which is normally subsequently set up, identifies projects of mutual interest. (AECID, 2014: 56)

Cooperation through Twinning is mainly formalised through Cooperation Agreements to express the merging of shared interests and a joint action framework.

### 3.3.7 Contributions to Municipal Cooperation Funds

The emergence of municipal cooperation funds in Spain is an original way of joining municipal efforts in terms of official decentralised cooperation, not yet replicated in other European countries.

Contributions to municipal cooperation funds constitute a new participation instrument for Local Authorities. With this new way of joining forces, economic resources provided by associated institutions are jointly managed. This enables smaller municipalities that cannot create their own decentralised cooperation programme to group together in Cooperation Funds set up as non-profit organisations.

In this work space, analysis and evaluation criteria for projects can be merged and an expert technical team provides coordinated monitoring of supported projects, thus overcoming the scattering of efforts, overlapping, and technical and economic limitations experienced by many local institutions.

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The **Catalan Development Cooperation Fund**, has 314 members: 282 town or city councils, one decentralised municipal entity, 14 county councils, three provincial councils, one association of municipalities, and 13 entities and NGDOs.

The **Andalusian Fund of Municipalities for International Solidarity (FAMSI)** is a network of eighty (80) local governments and sixty (60) collaborating entities founded in 2000 to coordinate the interest and technical and financial resources directed at international cooperation for local human development.

“**A brighter future for youth in East of Jerusalem - Institutional support for the Beit Hanina Youth Center**”

The municipalities of Perugia, Terni and Foligno in the region of Umbria (Italy), which form part of the Italian Fund of Local Entities for Decentralised Cooperation and Sustainable Human Development (FELCOS), have supported an initiative focused on improving the living conditions of young people in East Jerusalem in terms of social and cultural integration and inclusion through the institutional strengthening of the “Beit Hanina Youth Center”. This example was used to highlight the fact that indirect cooperation not only focuses exclusively on supporting actions by Non-Governmental Development Organisations (NGDOs), but also those undertaken by other specialised institutions.

For more information on the project, go to: [FELCOS](http://www.confederacionfondos.org/es/la-confederacion/)

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11 Appendix 1.
12 Appendix 2.
13 There are currently nine (9) Cooperation Funds in Spain. These funds form part of the Spanish Confederation of Cooperation and Solidarity Funds (CONFOCOS). For more information, visit: [http://www.confederacionfondos.org/es/la-confederacion/](http://www.confederacionfondos.org/es/la-confederacion/)
4. Multi-level Partnerships

As mentioned in previous sections, since the second half of the 20th century, twinning has been a traditional instrument used by Local Authorities for establishing bilateral agreements for direct cooperation. However, present-day modalities and spaces for forming relationships and joining forces vary considerably, moving from a traditional approach to one based on more strategic partnerships. This latest trend is partly due to their growing participation in the area of international relations and the clear acknowledgement of their role as key actors in development (COM, 2008: 2).

In cooperation development, the term “partnership” refers to the forming of alliances between related institutions that have a shared vision about a certain development process, with strategies and efforts to launch it and keep it running over time. A partnership requires a capacity for mutual learning, i.e., the will to advance towards a shared objective (Proyecto LOCAL, 2010: 47). For a partnership to be able to function, a horizontal cooperation approach must be taken. Partners must share objectives and view the relationship as a chance to learn and exchange know-how. It is ultimately a qualitatively renewed version of cooperation twinning.

On the other hand, here the term “multi-level” describes exchanges between actors and institutions that have different administrative and geographical scopes. This can include: International Agencies, National Governments and Local Authorities, Universities, CSOs, the private sector, etc.

Therefore, MULTI-LEVEL PARTNERSHIPS can be defined as:

New strategic alliances for development between different government levels (national and/or regional, local) or other institutions (International Agencies, Universities, Companies, CSOs, etc.). These types of collaboration or partnership emerge with the goal of encouraging development processes based on horizontality, mutual learning, and the will to make this last over time.

4.1 Relational government or territorial democratic governance: A new approach to implementing multi-level partnerships

Multi-level partnerships can also be associated to the concept of relational government inasmuch as it proposes a type of public management, in this case carried out by territorial governments to increase the intensity, quality, and diversity of interactions between economic, social, and institutional actors and the different segments of the population to improve creativity, trust, collaboration, and an enterprising culture, with civic actions by all citizens to collectively achieve greater human development by sharing and cooperating (Pascual and Tarragona, 2009: 47). This type of government is based on the idea that any challenge presented to a society is a collective challenge, which must be addressed by implementing an action involving the main actors, and that receives maximum social support.

Territorial democratic governance is a new way of governing territories (the way of governing intrinsic to relational government), with the object of organisation capacity and societal action, using the means of relational management or networking, for the purpose of human development. (Pascual and Tarragona, 2009: 58)
Pascual and Tarragona (2009) claim that the privileged aspects of relational management between territorial governments and civil society are relationships with agents that have a bigger capacity for transforming the territory, whether this is due to their resources and powers or due to their social legitimacy in terms of knowledge and morals. This group includes:

- **Intergovernmental relations**: Both on a multi-level scale with governments from different territorial spheres and on a multilateral scale with governments from the same territorial level, whether they are inter-municipal or inter-regional.
- **Relations with big institutions**: Universities, research and development centres, chambers of commerce, renowned cultural and educational foundations, churches, etc.
- **Relations with the private economic sector**: Productive and financial sectors, venture capital firms, business associations and confederations, etc.
- **Relations with social and professional agents**: Trade unions, professional associations, neighbourhood associations, important social movements, etc. Also includes relations aimed at articulating a social fabric and strengthening the territory's social capital.
- **Relations with social entities that, while having a more sector-based and specific purpose than social movements, also play an important intermediary role.**

The impact that focusing on *relational government* has on the establishment and implementation of *multi-level partnerships* lies in several aspects:

1. The need for multi-actor participation in the sphere of decentralised cooperation to undertake more coherent and effective actions.
2. They can serve as tools for enhancing creativity, trust, and collaboration among actors in order to achieve a new shared solution in the face of common challenges.
3. They offer a new space for managing global interdependence from a local perspective.
4. Partnerships that take an inclusive and horizontal approach allow for greater and better multi-level collaboration between actors and institutions by setting a common reference framework to articulate the specific benefits and services of each actor.
5. Actions undertaken by LAs in relation to different global agendas as part of multi-level partnerships should start out by working alongside citizens and culminate in a process of accountability.
6. Multi-level partnerships bring a new broader and deeper meaning to development, understood as a responsibility shared by all actors that participate.
7. An opportunity to create networks as spaces for multi-level coordination.

**Source**: Elaborated by the author.

The focus of relational government, understood as a way of managing what is public, offers agendas for creating public policies on decentralised cooperation and its intervention modalities with:

- New tools for strengthening strategies and actions aimed at developing skills among actors of the territory in question.
- New multi-actor exchange spaces for reaching a new and shared solution in the face of common challenges.

Therefore, this means that decentralised cooperation is viewed as a public policy that, from its design and implementation, includes and recovers technical, financial, and knowledge resources from the territory itself. Skills development to make a territory’s cooperation agenda effective should also position and acknowledge the city as a territory that boasts good practices and significant learning. This means considerably increasing interaction with actors...
Modalities of Decentralised Cooperation

from the territory, engaging as many as possible under a common reference framework where each actor’s specific potential is leveraged.

Lastly, multi-level partnerships arise out of a re-consideration of the assistance offered through traditional cooperation models, moving on to an innovative relational model that develops horizontal relationships based on mutual interest between the parties. In this working framework, the relationship management skills of actors in a specific territory gain considerable importance. Decentralised cooperation can contribute to the development of these skills by connecting actors that have experience in management and local public policy, striving to create an impact and broader and longer lasting relationships that can contribute to the management of a relational government, beyond merely transferring material resources.

4.2 Multi-level Governance in the EU

Another concept associated with multi-level partnerships is multi-level governance\(^\text{14}\). This concept first appeared approximately 20 years ago in specialised literature on European integration. Therefore, its origins are confined to some very defined areas of study (international relations and political science) and with one object of analysis: The European Union.

In this field of analysis, it is also suggested that the political sphere and the creation of and decisions concerning public policy are not only on two levels (Member States and European Institutions), but rather across multiple levels including: Local authorities, interest groups, civil society organisations, and transnational environmental movements. (Noferini, 2008: 184).

With these modalities of decentralised cooperation, a move towards multilevel governance could represent an important and original perspective from which to focus the role of local governments as international development actors in their operational framework by forming multilevel partnerships for development.

4.3 An opportunity to coordinate actors?

Coordination and dialogue with different government levels and with international agencies is the advisable work method for incorporating urban and territorial matters in global agendas, yet it does not always happen that way.

There is wide international consensus on the need to coordinate efforts, establish complementarities, and ensure that development cooperation actions are coherent. This is because a multitude of state and non-state actors participate in the international scene as part of the framework of development cooperation. That is why, for years, these actors have been

calling for a joint reflection to be able to make better use of resources by coordinating policies and projects.

In this regard, the implementation of multi-level partnerships can create an opportunity for coordinating actors around a specific sector, country, or region. These partnerships may result in the creation of alliances, networks, or other new ways of cooperating.

Consequently, managing participation and the need to connect more frequently with contexts involving a multitude of agents (international, national, regional, local, public, and private) also requires Local Authorities that are prepared and familiar with such complex matters (Noferini, 2010: 185). In this case, special care must be taken in terms of the mechanisms that regulate relations with agents.

When preparing any kind of multilevel partnership, the actors must carefully reflect on the institutional environment it will operate in and on the actual margins for the decentralised action in question.

In any case, if the spaces for coordination between different government levels and international agencies are to get results, they must be spaces for discussion among equals, i.e., among independent institutions that are not operating under the principle of tutelage. Coordination must give rise to the exchange of information and knowledge, the complementarity of efforts, and the sharing of work and responsibilities. (Zapata, 2016: 100).

Judging by several recent experiences, it is evident that in terms of direct bilateral relations, Local Authorities can continue their actions under this modality of cooperation. However, for actions that have a broader scope, multilevel coordination has become imperative.

Proof of this is the collaboration between local governments, states, and international agencies in cooperation projects, when signing agreements for programmes or projects, and when establishing co-funding mechanisms. Some such programmes include: The Cities Alliance formed by the United Nations Human Settlements Programme (UN-Habitat) and the World Bank, the European Commission’s URB-AL regional programme, and the UNDP-ART initiative. The following are some examples:
4.4 New Decentralised Cooperation Partnerships: Public-Private Partnerships

To establish a sustainable development agenda, the Post-2015 Development Agenda points to the need for partnerships with the private sector and civil society. Furthermore, the EC has long recognised the role of the private sector in development processes and the need to work more closely with said sector (COM, 2011: 3).

Given this scenario, in terms of decentralised cooperation, it has become increasingly evident that there is a need to identify and recognise the complementary and necessary role of coordinating LAs with other actors in the territory. Furthermore, a widespread strategic culture

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The Cities Alliance experience

Cities Alliance is a multilevel partnership aiming to reduce urban poverty and promote the role of cities in sustainable development.

Its members are:

Cities Alliance has a wide range of members, including: Local authorities, national governments, non-governmental organisations, multilateral organisations, and associated members.

What does Cities Alliance do?

Its strategic objectives consist of supporting cities in implementing effective public policy, promoting active citizenship and an economy characterised by both public and private investment. To achieve its objectives, Cities Alliance endeavours to:

- Develop and/or improve national policy frameworks to meet urban development needs.
- Develop and implement local inclusive strategies and plans.
- Institutional strengthening of cities to provide better services to “poor cities”.
- Develop mechanisms to get citizens involved in the city or in urban governance.

Promoting Participatory Development in Mongolia

As a result of its transition from a socialist to a market-led economy in the 1990s, Mongolia has urbanised rapidly. The collapse of the traditionally nomadic livestock economy has triggered large scale migration from the countryside to the cities, particularly to the national capital Ulaanbaatar. Approximately half of Mongolia’s population now lives in the Municipality of Ulaanbaatar and the size of the city has more than doubled to over 14,011 hectares since 1990 to accommodate its population of 1.3 million people. This expansion has taken place haphazardly and largely without any strategic urban planning. Informal neighbourhoods called ger areas have expanded in all directions. A ‘ger’ is a round tent structure used by Mongolia’s traditionally nomadic people. It is the most affordable form of housing available for migrants and low income residents. Over 60% of the city’s population live in ger areas; most of them are poor, jobless or under-employed.

In light of this, between 2000 and 2010 an interesting multilevel partnership arose, consisting of Cities Alliance, the Municipality of Ulaanbaatar (Mongolia) and UN-Habitat. The aim of the association was to design and implement a multi-year programme to provide technical and financial support for a ger area upgrading strategy and investment plan in order to redevelop, upgrade and manage Ulaanbaatar’s ger areas in a participatory and inclusive manner. The approximate budget for the initiative was USD 487,005.

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15 http://www.un.org/sustainabledevelopment/globalpartnerships/
has gradually been formed which allows organisations that are involved to share goals such as sustainable human development (SDG), the Local Economic Development (LED) focus, and the territorial focus (Bustamante and De la Varga, p. 1).

This has all paved the way for the establishment of complex organisational networks that frequently involve several different types of actors, including companies, civil society, NGDOs, Universities, etc.

In this model, comprising a complex network of actors, it is expected that each actor shares, contributes, and takes on development goals with other actors using their experience and know-how. That is why LAs have been encouraged to find more effective mechanisms to promote sustainable human development from a territorial perspective and to promote more efficient use of resources allocated to decentralised cooperation. As a result, many LAs are becoming increasingly active in the search for innovations based on constant mutual learning which calls for new and improved ways of cooperating.

Forming public-private partnerships in the territorial sphere can be a chance to achieve objectives based on the transfer of new resources and knowledge that can be applied when undertaking decentralised cooperation.

However, there are indeed codes, practices, and skills specific to the field of cooperation that are foreign to and often at odds with business dynamics, and vice versa. It is, therefore, necessary for all parties to make an effort to engage in mutual understanding in order to better integrate businesses with other actors who are more established in the cooperation system. To do so, practical experiences should be encouraged to create awareness of new approaches and ways of operating. (Mataix, Sánchez, Huerta and Lumbreras, 2008: 3).

One of the tools that public cooperation agencies try to promote are Public-Private Partnerships for Development (PPAD). These Partnerships set a common goal shared by public agencies, civil society organisations, and companies to achieve certain objectives of mutual interest, while fostering a sense of collaboration and coordination among the three sectors. (Proyecto LOCAL, 2010: 60)

From a local perspective, Local Authorities should take an active role as guiding agents of public policy and coordinators of the development processes in their territories, coordinating the different actors that operate in their district and liaising with other government levels (regional/provincial and national).
According to De la Varga and Bustamante, the convergence of these new trends in the context of decentralised cooperation helps generate:

A new framework for relations, establishing complex organisational networks where it is increasingly common to find multiple actors participating, including companies, civil society, NGDOs, and universities.

The possibility that each actor shares and takes on development goals with other actors while understanding how their own specific contribution fits in with broader transformation dynamics.

A wider impact on people's quality of life through contributions from other actors (beyond their contribution to economic development).

The search for complementary skills, approaches and experiences across different actors in the territory, which ultimately generates efficiency and a greater impact.

A new dynamic where the actors operating in the territory are not competing against each other, but rather with each other, for the benefit of that territory.

The rise of new governance models.

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The Siyakhana Health Trust in South Africa

Since it was founded in 2008, the Siyakhana Health Trust is a striking example of a Public-Private Partnership for Development with the participation of numerous actors, searching for complementarities in terms of the skills, approaches, and experiences of the different actors in the territory. The Siyakhana Health Trust arose out of the success of the “Mercedes-Benz work centre programme for HIV” and the realisation that work centres are ideal settings from which to implement coordinated and permanent responses against HIV. In light of this, a unique programme was set up to combat HIV in the small and medium sized company sector, with the support of the public and private agents involved. The project will enable tests to be carried out so that approximately 4,500 employees and 18,000 dependent families may be treated. The approximate budget for the Partnership is one million euros.

The partnership includes: Mercedes Benz South Africa (previously Daimler Chrysler SA), Deutsche Investitions und Entwicklungsgesellschaft mbH (DEG), Border-Kei Chamber of Business, Broadreach Healthcare LLC (BRHC), Eastern Cape Department of Health, and Buffalo City Metropolitan Municipality.

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The following is a brief outline of the main advantages and disadvantages of public-private partnerships for development:

<table>
<thead>
<tr>
<th>Opportunities/Advantages</th>
<th>Risks/Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decentralised cooperation as public policy gains greater potential if a development agenda is established at the highest level that offers adequate spaces and incentives so that it may be complemented by the potential of the appropriate private business sector</td>
<td>There is a risk of distorting the development policy if the partnership is not set up under the appropriate terms so that it can positively contribute to the development objectives.</td>
</tr>
<tr>
<td>Possibility of having technical and financial resources and knowledge as of yet unavailable to the cooperation to address the development policy’s objectives.</td>
<td>If there is no leadership of the development agenda and a genuine understanding of its objectives, the development strategy could be distorted to meet the demands of business partners.</td>
</tr>
<tr>
<td>New action and relationship spheres for cooperation to focus on territorial and local economic development objectives.</td>
<td>Lack of administrative instruments adapted to managing this modality.</td>
</tr>
<tr>
<td>A new kind of relationship with the private business sector, with a strategic focus on mutual understanding and mutual leveraging of skills.</td>
<td>There is a risk of fragmentation and a lack of coordination if there are insufficient coordination measures in place for monitoring and managing the partnership.</td>
</tr>
</tbody>
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Source: Author's compilation based on the document by AECID, 2016.
5. Networks of municipalities and regions

5.1 Overview

Throughout history there have been ways of coordinating similar to the city networks that exist nowadays. There was a time when Greek cities formed partnerships based on common goals — the leagues — that share some similarities with current networks. City networks played a decisive role in the configuration of medieval Europe, which would later give rise to the construction of the modern state system. The commercial connections that existed between the cities led to the consolidation of the capitalist world economy and the creation of a modern territorial state in terms of the practices that occurred inside the cities, such as secular authority, types of legal entities, and territoriality (Sassen, 2010).

Despite their conceptual similarities, these examples are a far cry from modern-day networks that are characterised by:

- Their global geographic or macro-regional scope.
- The speed and ease with which information is exchanged.
- The qualitative diversity of the objectives and political and social actors that are participating.
- And above all, the lack of a central command (principle of horizontality).

Therefore, nowadays networks can be described as a way of organising organisations, institutions, social groups, and individuals who are linked through a kind of coordination based on the principle of horizontality — without a central command — striving to reach certain agreed-upon objectives (as cited in Zapata and Arjona, 2014: 50).

Actually, the most recent precursor to the international municipal movement began with the “Union Internationale des Villes”, which was established in 1913 in the city of Ghent (Belgium) and aimed to promote democracy and local autonomy. The initiative was driven by a group of mayors who, at the time, saw the need to continue the cooperation among municipalities and make it permanent. During the tumultuous 1920s, the “Union Internationale des Villes” underwent periods of organisational instability. Nevertheless, it managed to maintain its lines of action and in 1928 adopted the name International Union of Local Authorities (IULA).

Although IULA began as a mainly European movement, it quickly expanded its work to other regions, and played a fundamental role in opening communication channels between the “new” municipalities created during the post-colonial period and the territories with a much broader history. IULA managed to create partnerships in approximately 100 countries across the world.
After the Second World War, the World Federation of United Cities was created (FMCU-UTO, est. 1957), an initiative spearheaded by a group of mayors of European cities with the aim of encouraging international cooperation with local governments of developing countries by exchanging experiences in local management and involving not just institutional actors but also political, technical, and social actors, etc. Both the IULA and the FMCU-UTO were formed on the main premises of the United Cities and Local Governments (UCLG) which will be discussed further on.

5.2 Networks as an instrument for positioning local and regional governments in global agendas

Networks of local and regional governments have become important actors in the international system. There is widespread agreement on the importance of this type of actor in different spaces for negotiation and debate on the international agenda. Current matters of concern that might include climate change, economic and development policies, migration, security, international commerce, etc., not only have a global and national impact, but directly affect the configuration of territories and the daily lives of those involved. The closest level of management to give an outlet to these topics is the local government which should govern in consensus with the other actors that are involved in these spaces (private companies, civil society, academia, etc.) (Fernández and del Huerto, 2016).

Therefore, local and regional government networks are an effective and indispensable tool for positioning the territorial dimension in the international agenda, when they are properly managed. The impact of local institutions has helped bring problems into the global debate that had gone unnoticed due to the all-encompassing action of states, spurred on by realist theories of international relations where the state is considered as the cornerstone.

As suggested by Zapata and Arjona (2014), networks represent the possibility of internationalising local authorities on two levels:

- **Externally:** They ensure representation, lobbying, and the search for recognition and visibility by strengthening and improving negotiating positions vis-à-vis international organisations and central governments themselves. They enable a direct influence for creating cooperation programmes and, above all, stand behind the claim that local authorities are development actors (p. 51).

- **Internally:** Networks promote technical cooperation, learning from public policy, and the exchange of information among members, objectives that are related to improving planning and local public management, and that have positive effects on citizens’ quality of life. Just like with any other innovative factor, networks aim to find creative solutions to complex problems, enriching the array of options and decision-making individually (p. 52).
The Strategic Toolkit is an innovative guide on how to build an agenda collaboratively, among local authorities. This tool was created by the Global Network of Cities, Local and Regional Governments (UCLG).

The Toolkit consists of guidelines giving an overview of the UCLG’s Global Agenda and its objectives, and instruct the users on how to help build on it using their experience and ideas.

It also explains how to compile the main elements to collaboratively come up with a strong agenda, and about the importance of identifying narratives and the basic counter narratives to defend it.

5.3 Systematisation of the main municipal and regional networks

In recent years there has been a proliferation and consolidation of networks that group different local bodies (cities, municipalities, regions, provinces, associations, etc.) that are coordinated from different perspectives and with different work horizons. Action carried out through networks can take a multiscale approach, going from global to regional and focussing on multiple topics or specific ones.

Therefore, networks formed by different Local Authorities have a general typology:

- **According to the scale of the action carried out through the network:** Global or regional. The first case applies to the coordination of local institutions from different continents with common objectives that are generally associated to political influence. In the case of regional networks, this refers to the grouping of actors (local) with similar social, cultural, and political circumstances, allowing them to develop a much more specific agenda.

- **According to the topic the project is coordinated around.** Networks can be cross-cutting and multi-topic or can be focused on one specific area of interest. Global networks tend to take a cross-cutting approach focused on lobbying different multilateral institutions or integration processes such as the United Nations (UN), the European Union (EU), and the Economic Community of West African States (ECOWAS). In the case of regional networks, there are normally groupings made from specific profiles that work in specific fields.

It should be noted that this is a general distinction between local institutions/authorities, but just like with any other social process, there are nuances and different way of acting that are mixed depending on the interests and circumstances the actors find themselves in.

The following chart indicates some examples of different networks:

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16 Taken from the Global Network of Cities, Local and Regional Governments (UCLG) 
The use of networks by Local Authorities has been key to positioning their agendas in the international arena. This is because the deepening of globalisation processes and interconnecting scales of action have opened the doors to actors and institutions wishing to position their demands and interests in the different decision-making spaces at both a global and regional level.
Therefore, Local Authority networks have, on the one hand, helped local agendas gain greater importance in these decision-making spaces, and on the other hand, opened new debates and renewed others regarding existing links between events and policies on a global scale, and how they affect the territories.

**Africities**

Africities was created as a cross-cutting multi-topic meeting space uniting several local authorities in Africa to address different spheres that call for action in the territories in question: high rates of poverty, social exclusion in city centres, accelerated urbanisation across the continent, the impact of migration from rural areas to cities, decentralisation processes, etc.

Africities has helped position Africa’s local authorities and coordinate their interests in different platforms of the “Global South”, starting a large-scale debate on the future of these cities.

The network’s main objectives are:

- Define shared strategies to improve the living conditions of people locally.
- Contribute to integration, peace and unity of Africa starting with the territories.

Local authorities that form part of this network hold a summit every three years, organised by United Cities and Local Governments of Africa (UCLG Africa). The first edition was held in 1998 in Abidjan.

**CITYNET**

CITYNET is a network that coordinates the cities of Asia-Pacific and seeks to respond to the growing needs of these territories.

The first Regional Congress of Local Authorities for the Development of Human Settlements in Asia-Pacific was held in 1982 in Yokohama, Japan. This congress was held with the support of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the United Nations Human Settlements Programme (UN-Habitat), and the city of Yokohama. The focus of this meeting was the need to create cooperation links among local governments and urban actors.

CITYNET was officially founded in 1987 under the auspices of ESCAP, UNDP, UN-Habitat, the City of Nagoya, and 27 members. From then on, its goal has been to promote cooperation and partnership links across the Asia-Pacific region in order to make cities more sustainable.

### 5.4 How networks function

To understand how international networks function, it is important to consider some of their main features, which are as follows:

1. **No central command structure**: City networks are coordinated on the basis of horizontality. The organisational structure they have is agreed upon by all members.
2. **Global or macro-regional scope**: City networks arise out of the need to have a bearing on institutional architecture on an international level which is why its geographic radius extends to both global and regional spheres.

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17 Taken from the Africities website [http://www.africities2015.org/](http://www.africities2015.org/)
18 Taken from Citynet [http://citynet-ap.org/](http://citynet-ap.org/)
3. **Streamlining**: For the network to function properly, dynamic structures must be put in place that allow for the streamlined exchange of information, experiences, and decision-making. The use of communication technologies and instruments has helped to maintain and strengthen networks.

4. **Array of actors**: The rationale behind networks means that different types of actors located in isolated territories can have a presence in the international arena.

5. **Democratisation of knowledge**: City networks contribute to the democratisation of knowledge through the access and exchange of information and good practices in local governance. Cities and municipalities with lower populations and less territory benefited the most from this type of action.

The features described above tie in closely with the organisational structure of networks. Here are some of the specific ways they function:

1. Networks are coordinated around **common interests**. Partnerships can include work on a specific topic (Network of Ibero-America cities for Culture) or on territorial profiles (Worldwide Network of Port Cities). The first and fundamental step is to precisely define and focus on both the purpose and the scope of the network.

2. The **profile of members** depends on the work areas, the interests that have been jointly agreed upon by the network, and its geographic radius. Members can have different legal personalities which must be collectively established by members, in addition to their role in the network.

3. The **organisational structure of a network** is what makes it different. Networks function horizontally, which does not equate to a lack of initiative or planning. In fact, responsibilities are divided up into activities for coordination, financial administration, membership control, and the creation and implementation of projects, in accordance with the principle of horizontality.

4. **How a network is coordinated** plays a decisive role in maintaining and strengthening it given that it is responsible for staying in permanent contact with members to stimulate interaction and participation.

5. **Communication** among members is extremely important. Whether this is done through the website, newsletters, or regular meetings, coordination must ensure close communication among members and offer an easy and streamlined way of exchanging information.

The advantages of working as part of a network include the huge opportunity to get closer and share information about matters that are relevant to the management of public policies with institutions that share the same problems. In terms of the capacity to manage problems, network members always have a lot to learn/teach and contribute/receive, creating a multipolar situation driven by solidarity.
5.5 Coordinating a Network of Local Authorities: Municipal Associative Movement

Municipal associations and federations constitute a specific kind of local authority networks and share many of the operating mechanisms described in the previous sections. However, they also have some particular features that are explained below:

Firstly, one of the main objectives of municipal associations and federations is to lobby multilateral organisations, groupings of states or similar institutions where the guidelines for international policies are debated and decided. Therefore, they are focused on positioning the local agenda and forming their own space for dialogue that does not necessarily go through the state, a key actor in international relations. This occurs through asymmetrical power relationships where local governments are a “step below” states and, therefore, are not formally recognised by Public International Law, nor are they direct subjects of international laws (Zapata, 2008: 12). Nevertheless, in recent years we have witnessed a rise in popularity where the influence and recognition of the work of local authorities is increasing.

Secondly, this type of municipal networks tend to focus their work on providing technical assistance services to their members in the management of local public policy and decentralised development cooperation. This type of cooperation is focused on improving the efficiency of their actions in the international sphere and the development of different tools enabling them to share experiences, knowledge, and good practices for tackling problems related to their territories and improving how they are managed.

To paraphrase Sassen (2007), it is important to note that municipal federations and associations have also helped nurture the debate on globalisation processes and their effect on a non-state level, providing insight into how these processes are locally implemented through the economic system, migration, or work cultures, based on the notion that the state is not the only container of social processes.

An interesting example of municipal association is the United Cities and Local Governments network (UCLG), which has played a key role in positioning these actors in the global sphere and broadening the international agenda. We must not forget that the UCLG arose out of a partnership between three municipal organisations with a broad trajectory: IULA, FUCMA, and Metropolis. In the Paris Founding Congress (2004), the greatest number of representatives of local and regional governments to date assembled with the aim of creating a global network to coordinate different initiatives that they were already working on simultaneously, but without a shared mechanism,
To fulfil this mission and the objectives set by the network, UCLG\textsuperscript{19} works through a decentralised structure where one of the main pillars consists of regional sections. Each of these sections set their own policies and provide institutional support to the central organisation within their agreed geographical area. There are currently seven regional sections, as shown in the following chart:

<table>
<thead>
<tr>
<th>NETWORK</th>
<th>SCOPE</th>
<th>MEMBERSHIP</th>
<th>FOCUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cités et Gouvernements Locaux Unis d’Afrique</td>
<td>Africa</td>
<td>Different types of local governments (cities, metropolises, provinces, regions) and their associations</td>
<td>Cross-cutting multi-topic Political influence</td>
</tr>
<tr>
<td>Latin American Federation of Cities, Municipalities and Associations (FLACMA)</td>
<td>Latin America</td>
<td>Different types of local governments (cities, metropolises, provinces, regions) and their associations</td>
<td>Cross-cutting multi-topic Political influence</td>
</tr>
<tr>
<td>United Cities and Local Governments Asia-Pacific (UCLG ASPAC)</td>
<td>Asia-Pacific</td>
<td>Different types of local governments (cities, metropolises, provinces, regions) and their associations</td>
<td>Cross-cutting multi-topic Political influence</td>
</tr>
<tr>
<td>Eurasian section of UCLG</td>
<td>Eurasia</td>
<td>Different types of local governments (cities, metropolises, provinces,)</td>
<td>Cross-cutting multi-topic</td>
</tr>
</tbody>
</table>

\textsuperscript{19} The UCLG has over 1,000 members from 145 countries across the world. In addition to regional sections, the network’s decentralised structure also consists of: 1) a \textit{metropolitan section} that groups together 137 cities and works to drive exchanges, collaborative projects, and training programmes among the big cities, as well as promoting urban development experiments and strategic networks; and 2) a \textit{section for regional governments}, which is a relatively new space that aims to generate synergies among regions, intermediate cities, and associations of small municipalities.

Some of the general features of UCLG\textsuperscript{1}’s regional sections that should be mentioned are:

- The promotion and defence of local self-government.
- The representation and defence of general interests of Local Authorities vis-à-vis other public administrations.
- The development and consolidation of the local sphere based on self-governance and solidarity among Local Authorities.
- The promotion and enhancement of friendly relations and cooperation with Local Authorities and their organisations in the international sphere.
- The provision of all kinds of services, either directly or through companies or agencies, to Local Corporations or their dependent organisations.
Europe Section, Council of European Municipalities and Regions

Different types of local governments (cities, metropolises, provinces, regions) and their associations
Political influence
Cross-cutting
multi-topic
Political influence

Federation of Canadian Municipalities (FCM)

North America
Different types of local governments (cities, metropolises, provinces, regions) and their associations
Cross-cutting
multi-topic
Political influence

United Cities and Local Governments Middle East and West Asia section (MEWA)

Middle East
Different types of local governments (cities, metropolises, provinces, regions) and their associations
Cross-cutting
multi-topic
Political influence

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“United Cities and Local Governments Middle East and West Asia section (MEWA)”

MEWA aims to promote cooperation among local authorities in the Middle East and West Asia around shared values and democratic local self-government so that they are effectively represented in the international community.

Some issues that local authorities are currently working on that have been grouped into the section are: the eradication of poverty, decentralisation, urban mobility, climate change, migration, strategic urban planning, gender equality, sustainable development, the millennium development goals, and others. It also aims to create synergies with national governments and with multilateral organisations operating in the region.

The network consists of local authorities and municipal associations from the following countries: Azerbaijan, Afghanistan, Saudi Arabia, Bahrain, Cyprus, United Arab Emirates, Egypt, Iran, Iraq, Libya, Jordan, Kuwait, Oman, Pakistan, Syria, Turkey, and Yemen.

One of the keys to exchanging experiences, political debate and smooth communication is the work carried out by Committees and Working Groups.

The UCLG Committees and Working Groups are bound by the following principles:

1. Where necessary and ad referendum of the ratification of the World Council, the Executive Bureau may create a Committee or Working Group, or put an end to their activities.
2. The Committees and Working Groups shall operate in accordance with the organisation’s statutes and principles.

Committee Objectives:
The Committees participate in the preparation and implementation within the sphere defined by the Executive Bureau and the framework of the Activities Programme for the period in progress. The results of their work shall be presented before the UCLG Executive Bureau and/or World Council. Each Committee can establish one or various working groups.

Working Group Objectives:
The Working Groups contribute to the development of proposals with the aim of enriching the discussion in a Committee and/or developing cooperation initiatives between local governments and their associations. All of this within the framework of action agreed by the Executive Bureau.

Source: Chart based on the document drawn up by UCLG, 2010.

20 Taken from United Cities and Local Governments Middle East and West Asia Section (MEWA) [http://uclg-mewa.org/en/](http://uclg-mewa.org/en/)
This section looks at the function of some of the committees in terms of strengthening the capacity of municipalities in their actions abroad and in the creation of strategies and public policies focused on this field of work:

- **Decentralisation and Local Self-Government Committee (DAL):** This committee consists of local and regional governments and municipal associations from across the world. The Executive Presidency has been held by the Barcelona Provincial Government since 2007, working alongside the World Organisation in order to strengthen the decentralisation processes and local self-governance processes of all the regions in the world.

  The committee focusses on the following specific objectives:

  - Improve local governments’ capacities to strengthen democracy, decentralisation and local self-government.
  - Create discussion forums.
  - Observe and analyse current events.
  - Foster research in decentralisation and local self-government.
  - Strengthen political impact.

- **Committee of Development Cooperation and City Diplomacy:** This committee is the result of the merging of two previously existing committees: the Decentralized Cooperation Committee and the Committee on City Diplomacy, Peace building and Human Rights.

  The Committee on Development Cooperation and City Diplomacy is a committee which proposes and develops policies and gives advice to the World Organization on issues related to local government international development cooperation and city diplomacy. The committee is formally liaised with various Working Groups, such as the Capacity and Institution Building Working Group, the Working Group on Migration and Co-Development and the Working Group on Responsible Tourism and Sustainable Development, the Municipal Alliance for Peace (MAP), and the European Platform for Peace in the Middle East.

In relation to the UCLG Working Groups, it is important to highlight the work of the **Migration and Co-Development Group**, whose president is the **Mayor of La Garriga (Spain), Chair of the Catalan Cooperation Fund**. The main objective of this working group is to develop a framework agreement on the role of municipalities and local governments in the area of city intervention, migration, and cooperation that serves as an example for members of the UCLG and that allows for a clear distinction between development cooperation policies and integration policies in the area of co-development.

**5.6 Limitations of networks and future challenges**

The chart below outlines the main difficulties and challenges for the future of local and regional government networks.
Weaknesses/Limitations

- Weakness in coordination. The great number and diversity of actors in a network can make it difficult to create strategic shared visions.
- Power Asymmetry. The horizontal structure can result in the network being controlled by those members with most access to resources (economic, symbolic and/or political). Power asymmetry can make it difficult to form partnerships.
- Organisational weakness. Networks formed with occasional objectives (sporadic meetings, mission statements, etc.) that have little hold on their members or that depend on external funding could result in organisational weakness or a lack of autonomy, putting the network’s future into question.
- Lack of regulation. Networks have institutional and legal frameworks that regulate them, which could negatively impact how they are run and the unity of their members.

Challenges/Difficulties

- Coordination of objectives and priorities. Local governments must coordinate the priorities of development plans with internationalisation objectives to ensure their policies are aligned, avoid the use of unnecessary resources and efforts, enable long-term planning, and coordinate actions with the different levels of administration.
- Active participation. Local governments that decide to participate in a network should actively take part in forums for debate, work groups or committees, or in exchanging experience with their peers. The network’s information and actions should be structured, disseminated, and institutionalised within the institution and with other local actors.
- Stability and continuity. Participation in a network is a long-term process. Therefore, a local government should have clear strategic objectives so that it can gradually build on its visibility in the international or regional sphere. Only with a clear action strategy will the network ensure the continuity of political and governance changes.
- New strategies and action areas. The participation of cities and municipalities in global and regional networks has opened new lines of work relating to conflict resolution mechanisms and the establishment of “municipal diplomacy” strategies. These new work areas must be explored, analysed and evaluated by local authorities as they can contribute to how they are positioned in international institutional architecture.

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6. Sources of Funding

The economic and financial crisis has had a direct impact on the mechanisms and sources of funding for Local Authorities. In the case of Europe, it is currently very difficult for the majority of local and regional governments to directly access financial markets, and transfers from central government are very often small and unpredictable (FMDV, 2014: 1). Furthermore, in some cases, local governments who are also development actors have been forced to reduce ODA grants. This erratic behaviour shows how public policy on decentralised cooperation is vulnerable to political and economic cycles.

There is a common problem for partner developing countries: Rapid urbanization. For example: The African Development Bank (AfDB) estimates a population increase of 300 million in Africa’s urban areas over the next two decades. There is, therefore, a huge need to invest in infrastructure: housing, transport, roads, water, sewage system, etc. The AfDB estimates that the financing needs of African cities amount to 90 billion USD yearly. In Asia, India alone will need approximately 2.2 trillion USD over the next 20 years to meet the required urban investment. Many countries in Latin America are in similar predicaments (Andersson, 2014: 1).
Clearly then, one of the main challenges currently facing Local Authorities is the shortage of financial tools to be able to facilitate access to financial resources adapted to their needs, such as the generation and valorisation of endogenous economic resources using Local Economic Development (DEL) tools and strategies. Here, the role of decentralised cooperation is key; being able to link projects by technical and financial actors with a focus on exchange among peers.

This section looks at three mechanisms for funding Local Authorities:

<table>
<thead>
<tr>
<th>Local Government Funding Agencies (LGFA)</th>
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<tbody>
<tr>
<td>The Global Fund for Cities Development (FMDV)</td>
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<tr>
<td>The Thematic Programme. Non-State Actors and Local Authorities in Development (NSA-LA)</td>
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</tbody>
</table>

6.1 Local and Regional Government Funding Agencies

One of the ways of responding to the challenges described above is to create Local Government Funding Agencies (LGFA). A LGFA is a means of financial cooperation among Local Authorities. The process leading to the creation of these agencies supports credit worthiness, helps create local markets, and increases transparency in the local government’s decision-making process. Furthermore, an LGFA is self-regulating in the sense that it prohibits excessive loans (Andersson, 2014: 1).

Scandinavia and the Netherlands were pioneers in this type of cooperation. Now French Local Authorities have come on board, with England’s Local Government Association not far behind.

A LGFA is a cooperation project between a country's Local Authorities. This means that the Local Authorities are joint owners of the agency, sometimes with the state having a partial interest. The mission of this kind of agency is to meet the needs of Local Authorities and issue bonds in the capital markets. The revenue from these bonds is then provided as a loan to the Local Authorities. The agency is created for the good of the Local Authorities and is not for profit. In terms of loans, municipal funding agencies only operate within the borders of their respective countries.

The challenge of rapid urbanisation in partner developing countries is so great that it can only be funded, at least partly, by public sector loans. Some cities have already issued bonds, such as Ahmedabad and Bangalore in India, and Johannesburg and Kigali in Africa (Andersson, 2014: 4). Inter-municipal financial cooperation between Local Authorities has already proved to be successful in partner developed countries and could eventually play an important role in partner developing countries too.
Although LGFAs have been used in territorial cooperation, they could also be applied to the specific nature (based on their own experience and knowledge in the work areas within their field due to their competence as sub-state governments) and relevance (for improving practices and local/regional policies) of direct cooperation among territorial communities. Sources of local funding could constitute one of the areas where this specific nature and relevance could be expanded on. Joint local and regional responses in the context of partnerships with other countries are a fundamental part of the local development mechanism of a particular territory, where decentralised cooperation can yield positive results for all parties.

6.2 The Global Fund for Cities Development (FMDV)

The FMDV is a network that provides Local Authorities with direct and independent access to funding. It was created in October 2010 at the initiative of Metropolis, United Cities and Local Governments (UCLG) and by 34 founding members (cities and city networks). The FMDV is an international political organisation which aims to strengthen solidarity and financial capacity by and among local authorities.

The FMDV came into being because local governments needed:

- Operational and functional assistance when finding sustainable and feasible financial solutions for projects driven by local governments;
- Adapted to the specific needs and circumstances of territories, to the capacities and competences of government official and their partners, following a rationale of subsidiarity and efficiency in the management and transferral of knowledge (ownership);
- Independent from central government, the private sector, development agencies, and international donor funds. The FMDV develops strategies defined by the local governments themselves.

Source: FMDV

The FMDV provides technical support and financial engineering throughout the entire preparation process of urban development projects (definition, search for funding, and organisation). It helps local governments get the financial resources that best meet their needs and under the best conditions: guarantees, loans, grants, donations, capital market, and endogenous instruments.

This double component of offering both technical support for urban development and financial engineering to enable access to sustainable funding, enables governments, elected authorities and their technical teams to design, implement, and assess their own development projects depending on the characteristics and potential of their territory and in consultation with other interested local actors.

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23 [https://www.uclg.org/en](https://www.uclg.org/en)
The FMDV works to strengthen the financial independence of local governments, in terms of decentralisation, budget planning, and tax collection. The FMDV provides support in the design and implementation of financial strategies and tools in close collaboration with local actors. It is about progressively and securely directing the territory on a strategy to find the most suitable funding.

The FMDV headquarters are located in Paris, France, and it has worldwide presence with six regional offices in Europe, Africa, Asia, and Latin America. The regional offices are there to be closer to members and the projects carried out in their areas.

### 6.2.1 Some of its experiences

#### 6.2.1.1 Creation of the African Cities Development Fund (ACDF)

The will to create a funding instrument for African local and regional governments enabling to support urban projects preparation and financing was established during the closing ceremony of the RESolutions Africa/Marrakesh 2014 Conference. The conference took place in Marrakesh (Morocco) in December 2014, in partnership with UCLG-A and the municipality of Marrakesh, and led to the signing of the “Marrakesh Declaration”. FMDV and UCLG-A were appointed to contribute to the reflection, organize the political and institutional dialogue with partners such as the African Development Bank and other international and national financial institutions, and bring the needed financial engineering. Requests have been made to financial partners in order to allow the development of feasibility studies and consultation with the stakeholders.

#### 6.2.1.2 Restructuring the local governments’ funding instrument of Ivory Coast

From the end of 2015 onwards, the Ivory Coast Ministry of Interior has invited the FMDV to participate in the implementation of a new financial instrument for the country’s local and regional governments by mobilizing expertise and connecting with potential financial partners. Through this 3-year partnership, FMDV will also support Ivory Coast’s cities to come up with five development projects, integrating a strong focus on resilience and the fight against climate change.

#### 6.2.1.3 Supporting the creation of a regional funding mechanism for local governments in the West African Economic and Monetary Union (WAEMU-UEMOA)

The WAEMU signed a cooperative agreement with FMDV to support its Local Authorities Council (Conseil des Collectivités Territoriales - CCT) to create a regional funding mechanism for local governments that are part of the Union. This mechanism will help the 3,000 local

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governments in the eight Member States of the WAEMU to mobilise additional funding to support the territories' local development, and allow the population to benefit from a better access to local infrastructure and basic services. It also aims to support the diversification of financial resources for local governments of the Union by helping them to access loans, and also by assisting them in their regional integration initiatives.

6.2.1.4 Supporting the implementation of the Network of African Local Government Funding Institutions (RIAFCO)

FMDV supports the deployment of RIAFCO, a network gathering the National African Finance Institutions for Local Governments (NAFILG). This support aims at diversifying the products and services offered for NAFILG to Africa’s local governments, enabling them to face their urban development issues through technical support and the development of innovative financing products. Within this framework, several actions have been conducted by FMDV, such as publishing a report on the results and development prospects of NAFILGs (Benin, Cameroon, Nigeria, Burkina Faso, Burundi, Mali, Senegal, Gabon, and Madagascar).

To develop this programme in 2015, FMDV received support from the French Development Agency (AFD). For 2016 it received assistance from the World Bank and the UN Capital Development Fund (UNCDF). These activities will aim at facilitating local governments’ access to funding and to broaden the range of financial services offered to them for their local development. Echoing this cooperation program with African financial institutions:

As part of the UN Conference on Financing for Development (Addis Ababa, Ethiopia, July 2015), the FMDV launched the idea of a Global Forum of National Finance Institutions for Local Governments (NFILG). The action program will enable closer dialogue between local governments and the NFILGs on other continents (to better define and increase the impact of their financial products and services) and create gateways for professional exchange between NFILGs from several continents.

**Source:** FMDV

REsolutions to Fund Cities

This programme was launched by the FMDV to "Rethink Economic solutions that operationalise sustainable, efficient, and resilient local development".

REsolutions concentrates on identifying, analysing and transferring economic and financial strategies and mechanisms that improve the impact and effectiveness of urban development policies. The programme also works on pilot-implementing these instruments in volunteer territories.

Anchored and articulated at the regional level in a multi-actor setting, REsolutions seeks to equip local authorities with the tools to integrate and operationalise a wide variety of financial resources for the endogenous development of their cities.

**Source:** FMDV
6.3 A funding instrument for Local Authorities and Civil Society Organisations: The case of the European Commission’s Thematic Programme "Non-State Actors and Local Authorities in Development" (NSA-LA)26

The aim of the thematic programme: “Non-State Actors and Local Authorities in Development” is to stimulate non-state agents and local authorities (LA), both in the EU and in developing countries, so that they become more involved in matters of development.

The global objective of this programme is to “reduce poverty in the framework of sustainable development, including to reach the Millennium Development Goals (MDG) and other objectives set by the international community”. It aims at “strengthening the capacities of Non-State Actors and Local Authorities in order to facilitate their participation in the policy making process and reinforce their ability to provide the most vulnerable populations in the developing countries with basic services”.

The support programme to Non-State Actors and Local Authorities in partner countries firstly aims at building the intervention capacities of these actors. It provides funding for actions in very diverse fields and to set up sustainable partnerships between civil society and local authorities on the one hand, and between these actors and the European institutions, on the other.

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<thead>
<tr>
<th>Budget for the Thematic Programme NSA-LA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014: €36,366,417</td>
</tr>
<tr>
<td>2015: €45,035,802</td>
</tr>
<tr>
<td>2016: €60,291,733.00</td>
</tr>
</tbody>
</table>

Source: EU Budget

The Thematic Programme NSA-LA relies on the following principles:

<table>
<thead>
<tr>
<th>Recognising the autonomy of the actors.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respecting their initiative right to apply for European co-funding of their projects.</td>
</tr>
<tr>
<td>Recognising the pluralist nature of the actors and their diversity.</td>
</tr>
<tr>
<td>Recognising the importance of third country organisations as actors of their own development.</td>
</tr>
<tr>
<td>Recognising the active role local authorities may play in promoting human rights and democracy while increasingly mobilising support for the defence of the interests of disadvantaged populations in developing countries.</td>
</tr>
<tr>
<td>Recognising the role all these actors play in reinforcing civil society organisations in developing countries.</td>
</tr>
</tbody>
</table>

Source: NSA-LA Programme

In practice, Non-State Actors and Local Authorities are invited to submit project proposals on a regular basis. The calls for proposals are publicly announced (e.g., in the main ACP country

Each call for proposals includes information on the types of projects that will be considered for funding and on the prerequisites. They are published on the Europe Aid website and on the European Union delegation websites.  

6.4 Diversification of Resources and Other Sources of Funding

Decentralised cooperation has been closely linked to the use of earmarked funds, using a symbolic percentage of 0.7%. For some reason they have always been considered as available funds for carrying out cooperation actions locally.

The aim is to go beyond that limited vision of how to finance decentralised cooperation. On the one hand, external funds must be identified where Local Governments can present initiatives and proposals within the framework of programmes or calls for proposals. These external funds may be public administrations (Central Government, European Union), multilateral agencies (UNDP, UN-Habitat, World Bank, etc.), or global municipal networks and their funding instruments (for instance, UCLG, FMDV, etc.). On the other hand, diversification of collaboration with actors such as the private sector, universities, etc., as part of territorial cooperation dynamics, can result in a new way of funding international cooperation actions.

Lastly, it should be noted that the move towards another kind of decentralised cooperation, where the local or regional government carries out more sustainable actions in the field of institutional strengthening and supporting public policy of local partners, can often be done without huge financial expense. Going from a project approach to a process approach while maintaining a long-term outlook is also another way of addressing financial needs.

---

27 Africa, Caribbean and Pacific.  
28 For more information on the different call for proposals models and requirements for each country and/or region, go to: https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?ADSSChck=1468405314613&do=publi.welcome&nbPubiList=15&depub=&searchtype=AS&orderby=upd&finpub=&ZGEO=38233&orderbyad=Desc&pqr=7573847&userlanguage=en  
29 This figure stems from the 1970s, when it was set by the United Nations General Assembly as the percentage of GDP that developed countries are to invest in development cooperation. Nonetheless, it is the minimum percentage allocated to development cooperation by modern day public administrations.
7. Bibliography


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http://eprints.sim.ucm.es/37219/1/sanahuja%20Carolina%20DT38%20Pari%CC%81s%20y%20descentralizada.pdf


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Access the document through the following link:

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Access the document through the following link:


Access the document through the following link:


Access the document through the following link:


Access the document through the following link:

7.1 RECOMMENDED Bibliography


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7.2 RECOMMENDED Videos

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- https://www.youtube.com/watch?v=pkQvj4cY7kM&list=PLhUJ26iqpEfMnY4tccXpFvo4-rakF6x&index=2
- https://www.youtube.com/watch?v=ELH7TXkFaC8&list=PLhUJ26iqpEfMnY4tccXpFvo4-rakF6x&index=3
## 8. Glossary

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>AACID</td>
<td>Andalusia Agency for International Development Cooperation</td>
</tr>
<tr>
<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
</tr>
<tr>
<td>AECID</td>
<td>Agencia Española de Cooperación Internacional para el Desarrollo (Spanish Agency for International Development Cooperation)</td>
</tr>
<tr>
<td>AEXCID</td>
<td>Agencia Extremeña de Cooperación Internacional para el Desarrollo (Agency for International Development Cooperation in Extremadura)</td>
</tr>
<tr>
<td>LGFA</td>
<td>Local and Regional Government Funding Agencies</td>
</tr>
<tr>
<td>LA</td>
<td>Local Authority</td>
</tr>
<tr>
<td>NSA</td>
<td>Non-State Actors</td>
</tr>
<tr>
<td>ANMAR</td>
<td>Federation of Local Authorities in Northern Morocco and Andalusia</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>ART</td>
<td>Articulation of Territorial and Thematic Cooperation Networks for Human Development</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>ECOWAS</td>
<td>Economic Community Of West African States</td>
</tr>
<tr>
<td>CEMR</td>
<td>Council of European Municipalities and Regions</td>
</tr>
<tr>
<td>ESCAP</td>
<td>United Nations Economic and Social Commission for Asia and the Pacific</td>
</tr>
<tr>
<td>UCLG</td>
<td>United Cities and Local Governments</td>
</tr>
<tr>
<td>CIDEU</td>
<td>Red de Ciudades Iberoamericanas (Ibero-American Cities Network)</td>
</tr>
<tr>
<td>COM</td>
<td>Communication</td>
</tr>
<tr>
<td>DGCL</td>
<td>Morocco’s General Directorate of Local Authorities</td>
</tr>
<tr>
<td>FAFFE</td>
<td>Fondo Andaluz para la formación y el empleo (Andalusia Foundation for Training and Employment)</td>
</tr>
<tr>
<td>FAMSI</td>
<td>Fondo Andaluz de Municipios por la Solidaridad Internacional (Andalusian Fund of Municipalities for International Solidarity)</td>
</tr>
<tr>
<td>FCM</td>
<td>Federation of Canadian Municipalities</td>
</tr>
<tr>
<td>FELCODE</td>
<td>Fondo Extremeño Local de Cooperación al Desarrollo (Extremadura)</td>
</tr>
<tr>
<td>FA LCD</td>
<td>Local Fund for Development Cooperation</td>
</tr>
<tr>
<td>FELCOS</td>
<td>Fondo de Enti Locali per la Cooperazione Decentrata e lo Sviluppo umano sostenibile (Italian Fund of Local Entities for Decentralised Cooperation and Sustainable Human Development)</td>
</tr>
<tr>
<td>FLACMA</td>
<td>Latin American Federation of Cities, Municipalities and Associations</td>
</tr>
<tr>
<td>FMDV</td>
<td>The Global Fund for Cities Development</td>
</tr>
<tr>
<td>ACDVF</td>
<td>African Cities Development Fund</td>
</tr>
<tr>
<td>GNNSC</td>
<td>Global Network on Safer Cities</td>
</tr>
<tr>
<td>ICLEI</td>
<td>Local Governments for Sustainability</td>
</tr>
<tr>
<td>INCIDEM</td>
<td>Instituto de Cooperación Internacional y Desarrollo Municipal (Institute of International Cooperation and Municipal Development)</td>
</tr>
</tbody>
</table>
Modalities of Decentralised Cooperation

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAEC</td>
<td>Spanish Ministry of Foreign Affairs and Cooperation</td>
</tr>
<tr>
<td>MEWA</td>
<td>United cities and local governments Middle East and west Asia</td>
</tr>
<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
</tr>
<tr>
<td>NGDO</td>
<td>Non-Governmental Development Organisation</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UN-Habitat</td>
<td>United Nations Human Settlements Programme</td>
</tr>
<tr>
<td>IO</td>
<td>International Organizations</td>
</tr>
<tr>
<td>OSC</td>
<td>Civil Society Organizations</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>RIAFCO</td>
<td>Réseau des Institutions Africaines de Financement des Collectivités Locales (Network of African Local Government Funding Institutions)</td>
</tr>
<tr>
<td>SALGA</td>
<td>South African Local Government Association</td>
</tr>
<tr>
<td>UCLG ASPAC</td>
<td>United Cities and Local Governments Asia-Pacific</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>WAEMU</td>
<td>West African Economic and Monetary Union</td>
</tr>
<tr>
<td>UNCDF</td>
<td>UN Capital Development Fund</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
</tr>
<tr>
<td>UNITAR</td>
<td>United Nations Institute for Training and Research</td>
</tr>
<tr>
<td>UNOPS</td>
<td>United Nations Office for Project Services</td>
</tr>
<tr>
<td>UVCW</td>
<td>Unión des Villes et Comunes de Wallonie (Union of Cities and Municipalities of Wallonia)</td>
</tr>
<tr>
<td>WACAP</td>
<td>World Alliance of Cities against Poverty</td>
</tr>
</tbody>
</table>
COLLABORATION AGREEMENT BETWEEN [ ] AND [ ] RELATING TO [ ]

Party of the first part, [ ].

Party of the second part, [ ]

RECITALS

[ ]

[ ].

In view of the foregoing, the parties mutually agree and acknowledge each other’s full capacity to sign this agreement, which will be governed by the following

CLAUSES

ONE.- Object of the collaboration agreement

The object of this agreement is to define and regulate collaboration between [ ] and [ ] for [ ].

TWO.- Specific Commitments

2.1.- Commitments of the [ ]

[ ] commits to:

- Jointly define, in the framework of [ ], the topic of [ ];
- Provide technical support [ ]; and
- Collaborate in the drawing up of [ ].
- Pay [ ] EUR
- [OTHER, depending on the case]

The above-mentioned payment will be made [ date ].

As proof of the fulfillment of the assigned obligations, [ ] will present the Monitoring Committee with [ depending on the case, list of invoices, with copies (or not) of the invoices; audit reports issued by an auditor registered in the Official Registry of Account Auditors of the Spanish Accounting and Audit Institute, or other proof, as agreed upon in each case ].

The first of these reports will be presented before [ ] and the second before [ ] (if applicable).

2.3.- Commitments of [ ]

[ ] commits to:

- Pay [ ] EUR
As proof of the disbursement of said funds, [ ] will present the Monitoring Committee with [depending on the case, list of invoices, with copies (or not) of the invoices; audit reports issued by an auditor registered in the Official Registry of Account Auditors of the Spanish Accounting and Audit Institute, or other proof, as agreed upon in each case].

The first of these reports will be presented before [ ] and the second before [ ] (if applicable).

THREE.- Monitoring Committee

The parties will form part of a Monitoring Committee that will oversee the collaboration agreement, consisting of a representative of [ ] and a representative of [ ], in charge of:

I. Assessing compliance and monitoring commitments made in this collaboration agreements or in others signed as part of it.

II. Approve the signing of agreements with other institutions

III. Provide solutions to any matter raised concerning the application or understanding of this collaboration agreement.

IV. Report and disclose to the parties the advances being made in the fulfilment of the collaboration agreement and those deriving from it.

V. Draw up expenditure approval reports based on [the documentation presented by the parties], which will be accompanied by an assessment report on the commitments undertaken and how they compare to the activities originally scheduled.

This committee will convene [quarterly], and whenever necessary, depending on the nature of the matters to be dealt with and will be governed by the rules the committee itself establishes.

POSSIBLE CLAUSES ON INTELLECTUAL PROPERTY AND DATA PROTECTION, ETC.

FOUR.- Causes for rescinding the agreement

If either of the parties fails to comply with the obligations set forth herein, the others may demand said obligations be fulfilled, or declare the agreement rescinded.

The agreement may also be rescinded if, despite endeavouring to comply with the obligations, this proved impossible.

Regardless, the affected parties will have the right to reimbursement for the damages and compensation for any losses they may have incurred.

FIVE.- Causes for terminating the agreement

This agreement may be terminated for any of the following reasons:
a) If the object is fulfilled or its term expires.
b) If the object no longer exists.
c) Through rescission, in accordance with Clause Four above.
d) By agreement between signatories.
e) Due to the reasons liable to determine the rescission of administrative contracts, unless these are incompatible with the rules and principles governing the collaboration.

SIX - Entry into force, term, renewal

This collaboration agreement will enter into force on the day it is signed by the parties and will be valid until payment of the amount stipulated in Convenant Two above.

The [ ] activities will take place during a period of [ ], starting from [ ].

The term of the contract may be extended when agreed to in writing by the parties.

SEVEN - Applicable regulations and competent jurisdiction [as applicable]

This collaboration agreement is governed by the clauses herein, and otherwise, by [Law 26/2010, of 3 August, on the legal system and procedure for public administrations in Catalonia], Law 7/1985, of 2 April, governing the Bases of the Local Regime, the [Consolidated Text of the Municipal Law and Local Regime of Catalonia, approved by decree 2/2003, of 28 April], the Regulations for Works, Activities, and Services of Local Bodies, approved by Decree 179/1995, of 13 June, and any other Spanish legislation on local and self-governing regimes.

Notwithstanding the decision of the parties to terminate the contract by mutual agreement, the Judiciary Courts of [Barcelona] will be the competent bodies should a dispute arise in the interpretation, application, and termination of this agreement.

In witness whereof, the parties hereby sign this agreement in duplicate and to the same effect, in the place and on the date indicated below.

In [place], [date]

[REPRESENTATIVE SIGNATURE] [REPRESENTATIVE SIGNATURE]

APPENDIX 2

Model of Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING AND COLLABORATION
BETWEEN

Today, the signatories hereby agree to the following:

Article 1
Objectives and purpose

1. This MOU does not specify the financial obligations of the parties but rather serves as an institutional model for collaboration between the participating cities so that they may regularly express their shared intentions and explore different cooperation scenarios for formalising public policies.

2. This MoU establishes a framework for cooperation in which the parties shall explore cooperation scenarios and formalise political intentions.

3. Collaboration between the parties will focus on XXXX

4. The objective of cooperation is XXXX

5. The main results expected from this collaboration are detailed below:

Article 2
General Responsibilities of the Parties

1. The Parties agree to undertake their respective responsibilities, in accordance with the provisions of this MoU.

2. The Parties will maintain each other mutually informed of all relevant activities relating to this MoU and can be consulted at any time should the other parties deem this necessary.

3. The Parties will abstain from acting in any way that may negatively affect the interests of the other Parties and will fulfil their commitments, bearing in mind the terms and conditions of this MoU at all times.

4. The Parties agree that this MoU and any work plan agreed below do not have fiscal nor financial implications. Any pledge to transfer any object of value that involves payment or to provide funds, goods, or services by the Parties for any agreed-upon activity shall be agreed upon in separate agreements in writing by the representatives of the Parties, and will be independently authorised by a competent authority of the funding party, in line with the regulations, rules, policies, and practices of the Parties. The Parties agree that this MoU does not confer said authority.

Article 3
Collaboration Areas of the Parties

The foundations on which the collaboration process is established are:
Modalities of Decentralised Cooperation

Article 4
Specific Responsibilities of the Parties

1. The responsibilities of xxxxxx are:

2. The specific responsibilities of XXXX are:

Article 5
Monitoring and Assessment

1. The Parties will regularly consult with each other in order to monitor and review the progress of the activities within each project that has been jointly agreed upon.

2. The Parties share with each other all relevant information and documents, including investigations, reports, and any other information related to the activities, results and the final impact of the collaboration.

3. The parties must, whenever possible, carry out the shared mission as per the programme.

Article 6
Termination

1. This MoU may be terminated by any of the Parties through written notice, thirty (30) days before said termination is intended to take place. In this case, the Parties will take the appropriate measures so that the activities included in this Memorandum of Understanding are brought to a close as quickly and orderly as possible.

Article 7
Amendments

1. This Memorandum of Understanding may be modified through written agreement between the parties. Any matter that has not been included in this Memorandum of Understanding will be resolved by the Parties in accordance with the general objectives thereof and in such a way that continues to encourage good relations.

Article 8
Settlement of disputes

1. The Parties will make every possible effort to amicably settle any dispute, conflict, or claim that may arise as a result of this MoU or due to its breach, rescission, or
invalidity. Should Parties wish to reach an amicable agreement through conciliation, this will take place in accordance with the United Nations Commission on International Trade Law (UNCITRAL), or in accordance with the procedure agreed to by the Parties.

2. If any dispute, conflict or claim between the Parties that arises or is related to this MoU, or is due to its breach, termination or invalidity cannot be resolved amicably in accordance with the foregoing paragraph within sixty (60) days following the receipt by one of the Parties of the Counterparty’s request for an amicable solution, it may be presented by either Party to arbitration, in accordance with the UNCITRAL Arbitration Rules. The court of arbitration will not have the authority to award punitive damages. The Parties will be obliged to consider the arbitration award as the final resolution of all disputes, claims, or conflicts.

**Article 9**
**Notifications**

1. Any notification or warning will be provided in writing and will be considered as delivered when it is actually received by the other Parties at the following addresses:

**Article 12**
**Entry into force**

1. This MoU will enter into force when it is signed by the Parties’ authorised representatives, and will be effective as of the date of the last signature, remaining as such for the period of time in which the referenced project is under way, as of the effective date of this MoU, unless it is rescinded by any of the Parties, in accordance with article 4 (1).

IN WITNESS WHEREOF, the undersigned, being duly authorised representatives of xxxxxxx, hereby sign X original copies in the place(s) and on the date(s) indicated below: