A. Introduction and Purpose of the Brief

The Global Partnership for Effective Development Co-operation (GPEDC) is a multi-stakeholder platform to advance the effectiveness of development efforts by all actors, to deliver results that are long-lasting and to contribute to the achievement of the Sustainable Development Goals (SDGs). The GPEDC Work Programme for 2020-2022 is currently being developed and will guide its work towards the 3rd GPEDC High Level Meeting, planned for 2022. This policy brief intends to frame the discussions and conceptualisation of Action Area 2.6: Strengthening development effectiveness at subnational level to achieve the SDGs, which is part of Strategic Priority 2: Building better partnerships, of the GPEDC’s Work Programme.

The purpose of this brief is twofold: firstly, to provide a succinct overview of a selection of concepts that relate to effective development co-operation at the local level; and secondly, to propose a concrete set of enabling actions and instruments that can be taken forward as part of this action area. In the final section of the document, linkages with other action areas are identified.

B. Local and Regional Governments are key for localising SDGs and effective development co-operation (THE WHO)

In the Nairobi Outcome Document, the GPEDC members reaffirm specifically the 2030 Agenda’s pledge to leave no-one behind as a philosophy that imbues our work and recognise that development co-operation must leave no-one behind to be effective. And it is the local level, or the territory, where this pledge can be made a reality.

Local and Regional Governments (LRGs) are the sphere of government closest to people and the local government sector has an acute awareness of the challenges and opportunities facing society. Their deep roots in the social, political and economic fabric of communities places them in a position to act as convenors of partners in the community. LRGs are thus uniquely positioned to ensure participation and to design service delivery that contributes to the joint achievement of the global development goals and reduction of poverty.1 They are hence key for implementing SDGs.

LRGs face critical challenges, many of them being global concerns with a strong local impact. Rapid urbanisation requires responses in how to manage slums and housing policies and the equitable provision of basic services including water, sanitation, waste and energy, safe transport and urban, peri-urban and rural linkages. Climate change effects are locally drawn and resilience and environmental quality policies are key. Facing poverty requires employment

1 UCLG/CIB. Policy Brief on Development Effectiveness and Local Governments. 2018
and decent work at local level and social cohesion policies to avoid and prevent social exclusion.

Another challenge relates to the effectiveness of local initiatives and institutions. Transparent and capacitated local institutions are needed to implement the 2030 Agenda in an integrated and inclusive manner. Establishing and/or strengthening enabling institutional frameworks for localising the SDGs, as well as promoting integrated SDG based local development planning and monitoring systems are crucial.

LRGs have a critical role in setting priorities, executing plans, monitoring results and engaging with local communities, but also with businesses. Their policies respond to local economic, social and environmental contexts and inform national and global strategies and policies. They form a vital bridge between national governments, communities and citizens and have a critical role in the implementation of SDGs which must be defined and monitored departing from a bottom-up approach.  

The role of LRGs in the implementation of the SDGs is meanwhile commonly accepted. Their role in translating the development effectiveness principles to the local level is equally important. The GPEDC principle on ownership upholds that partnerships for development can only succeed if they are led by developing countries and if implementing approaches are tailored to country-specific situations and needs. In that sense, broad-based democratic country ownership means ensuring that communities at grass-roots level can influence national policies and priorities, through the established paths of legitimate government levels. For the overall development effectiveness principles, this means that the local processes are key, and that LRGs need to be in the centre of the approach.

C. Effective Development Co-operation at subnational Level (THE WHAT)

Over the last decade, considerable progress has been made with regards to development co-operation effectiveness at global level; few efforts though were made to implement the principles also at the local level. This is surprising considering that cities and regions have a crucial role to play in implementing the SDGs: it is estimated that 65% of the 169 SDG targets will not be reached without proper engagement of, and co-ordination with, LRGs. As a result, it is the local level where fragmentation and duplication of development co-operation efforts are most widespread. Today, coordination mechanisms and other instruments for co-operation effectiveness are mostly limited to the national level. A focus on effective development co-operation at local level holds therefore the promise for considerable additional development impact. Development will become more effective if these effectiveness concepts and principles are translated to the local level. Enabling institutional environments, local level platforms for collaboration, SDG based local development planning, as well as localised results frameworks are crucial elements with a huge potential to foster development effectiveness at local level.

The Busan Partnership outcome document already stated that further support to local and regional governments should be given to enable them to assume more fully their roles above

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1 UNDESA/UNDP/UCLG Policy Brief. Local and Regional Governments as crucial actors for development: Decentralised Development Co-operation as a means to the support implementation of SDGs at local level. DCF 2014.
2 See reference 9. UNDP/UCLG/ILO. 2015
and beyond service delivery, enhancing participation and accountability at sub-national levels. The Nairobi outcome document provided a relevant framework for conceptualising development effectiveness at local level. It recommended promoting stronger collaboration between all levels of governance, to ensure that national development plans are better aligned with local development plans and initiatives, and local communities. Furthermore, the GPEDC acknowledges the essential role of transparent and accountable national parliaments and local governments in achieving the 2030 Agenda, as localising the Agenda will guarantee that the needs of the communities are the drivers of co-operation. It commits to strengthen the capacity of local governments to play this role and recommends including LRGs in consultations regarding development strategies to localise the SDGs.5

During the last GPEDC Steering Committee meeting (Seoul, December 2019), the members decided to include a dedicated action area on local effectiveness within the priorities for the next two years. This represents an exciting opportunity to advance concepts and approaches of effective development co-operation at subnational level, and to develop outputs that will support local SDG implementation.

This section explores a selection of concepts and approaches that relate to effective development co-operation at subnational level. Although they are all important and often inter-related, the interested stakeholders will need to identify the few aspects that they wish to explore further in the period 2020-2022. Some concepts and approaches for consideration are:

1. Whole of society approach
2. SDG aligned development planning
3. Decentralised Development Co-operation

1. Whole of society approach

Effective development co-operation is a key enabler for achieving local development effectiveness and, ultimately, the implementation of the SDGs at local level. It involves making sure that all the partners involved in the development process coordinate their work and use their resources effectively to ensure maximum impact by delivering sustainable solutions for people while leaving no one behind.

Implementing the 2030 agenda is a shared responsibility across levels of government, citizens, civil society and the private sector. Achieving the SDGs requires all levels of governments to innovate and to work across policy areas and to collaborate with different actors. Ideally such multi-stakeholder processes are institutionalised over time and turned into a permanent modality within local administrations. It also allows development partners not only to better align to local priorities but also harmonise and complement contributions with other development partners at the local level.6

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5 See reference 1. GPEDC. 2016
6 ECLAC. 2019 session New York, 27 July 2018–25 July 2019. Regional cooperation in the economic, social and related fields: ECLAC and the United Nations Human Settlements Programme, in coordination with the relevant United Nations country teams, have partnered to strengthen accountability systems in cities in Brazil, Peru and the Plurinational State of Bolivia and enable the monitoring of local government policies for achieving the Sustainable Development Goals, providing an operational platform for South-South cooperation and making available a set of virtual tools to facilitate city-to-city cooperation and knowledge exchange.
This comprehensive whole of society approach to local level development effectiveness can also help strengthening synergies with other priorities and action areas as established in the outcome document of the 18th GPEDC Steering Committee Meeting. It is in the territories where effective private sector (SMEs) and civil society (CSO partnerships - the level of government closest to the people is where trust and social cohesion can be built) engagement can be effectively promoted.

When adequate institutional mechanisms exist, trust will be built, and social cohesion strengthened from the bottom up. This will allow for concerted local action to reverse the trend of shrinking civic space and support efforts for strengthening people’s voice for development. Where there are many actors operating on the ground in an uncoordinated manner, both local policy makers and the public can feel like they have to navigate a complex maze. Without coordination, some populations and issues can fall between the cracks of organisational remits. OECD points out that strong and effective local leadership can be key in navigating trade-offs in the planning stage, as well as keeping collaboration efforts on track in the implementation stages. Local-level data is another facilitator that can help diverse stakeholders to unite around a shared vision and aggregating data and information across sectors in a way that is intelligible and actionable, allowing both for initial identification of priorities and for ongoing tracking of progress.7

The work of this action area could potentially explore these various aspects and the challenges of having a whole of society approach to local level development effectiveness. Participants can share experiences on how do we take the voices of the subnational actors better into account, and how to build an enabling environment for inclusive, multi-stakeholder partnerships, including through country-level platforms for collaboration, to perform complementary roles in a transparent and accountable manner. A discussion could also be led on how to better include voices from the local level in development dialogues and what have been good examples, i.e. when representatives from all different levels were present, just from the local level, etc. This also relates to the kind of system of every country (unitary, decentralized, deconcentrated, federal, asymmetric, ...), which could be further explored. Guidelines for a participatory multi stakeholder process that facilitate the definition of priorities for development co-operation in line with existing local development plans and strategies could also be developed.

2. **SDG aligned development planning**

People need to experience positive change in their day-to-day reality, where it affects them most, - their cities and regions. Development co-operation effectiveness at local level is most meaningful if directly linked to the implementation of the SDGs. It can in fact become a catalytic enabler for the implementation of the SDGs at the local level. The SDGs are a challenging, complex, and interconnected policy agenda.8

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8 The UN Regional Commissions have an important role in implementing the 2030 Agenda and its SDGs through providing technical support, leveraging means of implementation; and facilitating effective follow-up and review. ECLAC, for example, has identified in close consultation and dialogue with its Member States key priority areas, which include the promotion of the integration of the SDGs into national and territorial planning, budgeting and investment schemes.
Regardless of the level of decentralisation across countries, regions and cities have core responsibilities in policies that are central to sustainable development and people’s well-being. Local and Regional Governments (LRGs) are henceforth key for delivering the economic, social and environmental transformations needed for achieving the SDGs. As the level of government closest to the people, LRGs are in a unique position to identify and respond to sustainable development gaps and needs.

It is recommended to apply an integrated SDG based logic, i.e. discuss overall development plans for promoting coherence and complementarity and, if applicable, install sectorial break out committees. This will allow to address development co-operation in systemic issues and emerging areas, following the major development challenges and needs. It will also be important to design (and integrate in the overall modality) a multi-level governance mechanism at sub national level, which shall enable and incentivise different levels of LRGs to integrate within the overall process.

Another important aspect is language; Does development cooperation need to adjust their discourse to the language of the local people, or is it the people that need to develop an SDG language? There is also the aspect of data and statistics at the local level, which would link this work to Action Area 1.3: Strengthening effective support to statistical capacity and data.

There is a growing pool of experience within LRGs on setting up sub national (as part of the overall multilevel institutional set up for the 2030 agenda) institutional frameworks for SDG implementation and monitoring systems are piloted by various cities and regions, as is voluntary local reporting. This first-hand experience on experimenting with and implementing enabling institutional frameworks, SDG based integrated development planning, or monitoring systems that foster dialogue and evidence-based policy making, positions LRGs (and their respective institutions) extraordinarily well for supporting these processes also in partner territories (when engaged in Decentralised Development Co-operation) or through peer to peer exchange, always based on first-hand experience.

3. **Decentralised Development Co-operation**

LRGs are not only key actors in their own territories, but equally important in their role as development co-operation providers. Decentralised Development Co-operation (DDC) has been recognised as a relevant modality to strengthen LRGs institutional and operational capacities. In the past decades, DDC has evolved remarkably and has been shifting towards more professional, horizontal models, based on the demand of partner countries. While international aid remains overwhelmingly channelled through central governments, both on the donor and recipient sides, networks of cities and regions are emerging that allow for exchange of experience and solutions. Already 70% of cities in countries engage in peer-to-peer exchanges, including cross border partnerships. This makes DDC – in all its forms – undoubtedly a crucial modality for promoting development effectiveness at local level.

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9 See reference 23. Addressing also systemic development issues through the monitoring of effectiveness is one of the key challenges identified by the GPEDC.

10 See reference 10.

11 DCD/DAC. OECD. Decentralised Development Co-operation: Unlocking the Potential of Cities and Regions. 2019
OECD finds in its latest report that DDC is gaining considerable traction and represents a missed opportunity to maximise financing for sustainable development. A 2016 Development Cooperation Forum (DCF) policy brief emphasised the role of local authorities in promoting the effectiveness of development co-operation at the global level. LRGs support the articulation of needs in consultation with citizens at the sub-national level, help build capacities of local administrations to manage international development resources and promote improved division of labour among external development co-operation partners. As such, a common position on effectiveness of development co-operation provided by local and regional governments has evolved over the years.

All development co-operation providers can and should support the establishment of systems for enhanced local development effectiveness. DDC can play a leading role in promoting effectiveness principles and systems at local level. LRGs have shifted to setting up new specific modalities based on horizontal and reciprocal partnerships between peers, with a high capacity to mobilise economic and social stakeholders at the territorial level, such as the private sector, civil society organisations and academia. These modalities possess great potential to contribute to more development effectiveness through peer-to-peer learning, the exchange of experiences and know-how, the provision of technical assistance and the promotion of a shared political agenda.

Several angles of Decentralised Development Co-operation can be explored. One where the GPEDC could add value as a platform that brings together a variety of development actors would be South South Decentralized Development Co-operation (SS-DDC). The group could explore examples of SS-DDC, understand what works and doesn't, and facilitate the sharing of practices among the different actors involved.

D. Enabling actions and instruments for Development Effectiveness at Subnational Level (THE HOW)

A bottom-up learning process is proposed below. Outcomes and outputs will need to be detailed further in line with the substantive focus of the work.

1. Mapping and state of the art: As the first step of this action area, a horizon scanning can be done to identify ongoing initiatives and work already done by others. This mapping would bring to light practical examples and inform about issues and challenges encountered in strengthening development effectiveness at subnational level. The scope of the mapping will be further adjusted depending on the substantive focus identified for it. This could be focused on a specific effectiveness issue, or more broadly on the different examples of subnational development cooperation i.e. a development cooperation agency working with subnational level through using the

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12 For the latest document on DDC see reference 14: OECD. 2019
13 UNDESA. Localizing Monitoring and Review of Development Co-operation for the 2030 Agenda – Prospects and Challenges. DCF 2016 Policy Brief. See also: Effective decentralised development co-operation: flows, modalities and challenges. 2013 and for a European perspective: Development Co-operation at local and regional level. PLATAFORMA. 2015
14 UNDP/UNDESA/UCLG. Policy Brief. Local and Regional Governments as crucial actors for development: Decentralised Development Co-operation as a means to the support implementation of SDGs at local level. 2014 Development Co-operation Forum.
country system (treasury and audit capacity); a city that supports another city through peer learning; a region that supports another city or region.

2. **Case Studies:** Based on the insights from the mapping a few in depth case studies could be carried out. These investigations would show what the real challenges and issues are. The number of studies and their depth will be determined depending on funding available.

3. **Participatory discussions:** A participatory discussion on the findings of the mapping and of the case studies could be done either to validate the findings or to complement them with further experience from the group. Sharing of first-hand experiences can also be done independently from the case studies. These can be supported through meetings, platforms and other forms of exchange.

4. **Policy paper:** A final output of this action area could be a policy paper that provides clear recommendations on the chosen issue(s) targeted to policy makers. This policy paper can be presented for discussion at the 3rd GPEDC High Level Meeting in 2022.

There are other actions and instruments that could also be considered, either for the 2020-2022 period or for future work programmes beyond that. Some of these are:

- **Peer-to-peer learning:** Peer-to-peer learning can explore challenges and successes in aligning local action with the overall national efforts for both implementing the SDGs as well as for enhanced development (co-operation) effectiveness. It can be among local governments in various countries, or also focused on experiences on enabling institutional environments, local level platforms for collaboration, SDG based local development planning and results frameworks. It would be important to focus on peer-to-peer at the local level. The Effective Institutions Platform has good guidance on how to undertake this.

- **Guidance notes:** Based on good practices, guidelines for localising SDGs and strengthening effectiveness at the local level can also be explored. For example, guidance can be focused on how to organise and set up a participatory multi stakeholder process to facilitate the definition of priorities for development co-operation in line with existing local development plans and strategies.

- **Individual assessments:** An assessment of subnational institutional capacity could be useful to determine capacity gaps at local level, including LRGs, private sector and civil society institutions. Areas of capacities to be assessed could be, for example, readiness for managing and leading the implementation of the SDGs, including also development effectiveness elements. Assessments could be led by LRGs in co-operation with civil society and supported by development partners and could eventually inform the elaboration of a coherent and well targeted subnational capacity strengthening strategy and plan geared towards harmonising and aligning development co-operation partners towards the most pressing capacity gaps and producing and management SDG related local data.

- **Targeted technical and financial support:** Support can be provided by development co-operation partners, including DDC, which undoubtedly has a specific and important role to play. Technical support to partner countries could be aimed at enhancing data collection and analysis, including data disaggregated by age, sex and location for use
in policy-making, planning, budgeting and reporting on implementation of 2030 Agenda. It could also be targeted to develop the capacities of partner countries to receive support to integrate the SDGs into national development plans and corresponding country results frameworks. The support can be targeted to LRGs but also to associations of LRGs.

E. Linkages with other Action Areas

As the members of the GPEDC take a holistic and SDG centred approach to development effectiveness it is not surprising that also many action areas within the new work agenda are closely inter-linked. Following linkages can be established:

**Action Area 1.3: Strengthening effective support to statistical capacity and data**
If enabling actions are geared towards the establishment of inclusive local monitoring systems, local data and its integration (official data, citizens generated data and big data) will be key. Tools to support evidence based and data-driven local policy making will considerably enhance effectiveness. Functional links with national statistical data and monitoring systems are necessary. Even though not limited to DDC actors, but regions with well-functioning statistical institutions could be powerful advocates and provide support to territories in setting up data and supporting statistical systems and capacity at sub national level.

**Action Area 2.1: Private sector partnerships for sustainable development: Translating the Kampala Principles to action**
Whole-of-society approaches that go beyond government, to involve the private sector and others are necessary to address the shared development challenges. Support for setting up inclusive Local Economic Development systems is also a key enabling action to enhance development effectiveness. Such systems are well placed to generate endogenous resources, integrate private and public sector partnerships, and allow cities and regions to unleash on their endogenous development potential.

**Action Area 2.4: Civil society partnerships: addressing shrinking civic space and reinforcing effectiveness**
Setting up enabling institutional environments and territorial development processes are recommended enabling actions, which includes the promotion of vertical as well as horizontal articulation of actors. It is the local level where most direct interaction between the Government and the population is taking place. When adequate institutional mechanisms exist, trust will be built, and social cohesion strengthened from the bottom up. This will allow for concerted local action to reverse the trend of shrinking civic space and support efforts for strengthening people’s voice for development.

**Action Area 2.7: Effective multilateral support**
Multilateral agencies are well placed to facilitate and support efforts for development effectiveness at the local level. In extending the one UN concept to the subnational level the multilateral system could take the lead for enhanced development effectiveness at local level, providing technical support and supporting enabling actions, thereby convincing and facilitating also other development partners to join efforts for more effective development cooperation at local level. As pointed out in the Strategic Priorities for the Global Partnership's
Work Programme 2020-2022, such efforts will require behavioural change by both development partners that fund multilateral organisations, but also by multilateral agencies themselves.

**Action Area 3.1: Moving beyond generating monitoring evidence to increased use of results**

The Global Partnership monitoring captures the role and contribution of subnational governments through assessing whether local governments are invited to engage in the preparation of national development strategies; how subnational strategies are aligned to national development strategies; and whether local governments are included in PPD and in mutual accountability mechanisms for development co-operation. The 2019 global progress report\(^\text{15}\) proposes that more systematic and meaningful consultations are needed with subnational governments, both by partner country governments and by development partners. As part of action area 3.1, these and other monitoring findings will be used to support country-level dialogue and action to improve multi-stakeholder collaboration for local SDG implementation. Learnings from these dialogues can feed into 2.6 work and vice-versa.

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\(^{15}\) [http://effectivecooperation.org/monitoring-country-progress/making-development-co-operation-more-effective/]
1. Localising Results Frameworks

Recognising the relation between the use of country-led Results Frameworks (RFs) and country ownership, 165 governments, with their endorsement of the Busan Partnership Agreement, committed to rely on country-led results frameworks to guide their support to partner countries and, to the extent possible, avoid parallel systems to monitoring and tracking results of their development interventions. Furthermore, in 2016 the Nairobi Outcome document reiterated the use of country-led results frameworks as a matter of urgency for development partners.\(^{16}\) A major emphasis of global efforts to implement the 2030 agenda is placed on the achievement of integrated, agreed development results, with clear roles for all actors, shaped by their distinct capabilities and responsibilities. Monitoring the results and impact of development co-operation requires an effective, inter-related effort to share information and monitor and review progress made at sectoral and national level, with governments tasked to track, collect, assess and exchange relevant information.\(^{17}\)

2019 the GPEDC reports that the extent to which development partners rely on country-owned results frameworks and planning tools by aligning to partner country priorities and using results, statistics and monitoring systems, dropped from 64% in the 2016 monitoring round to 62% in the 2018 round.\(^{18}\) Even though there is a slight drop, the 62% is still encouraging. Today it is widely recognised that monitoring, review and knowledge sharing about progress in development is paramount to the successful achievement of development goals. It builds on strong domestic accountability between the government and its citizens and their representatives. Such robust exchanges can provide the necessary encouragement to change behaviours, foster ownership of agreed development goals by all stakeholders and improve the quality of development co-operation policies and interventions to achieve sustainable development results.

Given the importance of implementing the SDGs at the local level, this policy brief proposes to extend the Results Framework logic also to the subnational level. Easy-to-implement measures to review progress and facilitate knowledge sharing and mutual learning at the local level in a timely and effective way will be critical to ensure allocation and effective use of resources and, ultimately, the implementation of the SDGs. As at the national level, such Local Results Frameworks (LRF) should use frameworks and planning tools that are already at place in a given territory.\(^{19}\)

UNDP has experience in implementing local tools that can support the adaption of the LRF concept to the local level. For instance, a methodology developed for measuring development co-operation effectiveness at local level was pioneered in Ecuador and applied in the provinces Carchi and Esmeraldas.\(^{20}\) The methodology proposes a set of indicators at the local level against

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\(^{16}\) GPEDC. Indicator 1A: Development partners use country-led results frameworks. Methodology Draft for consultation. 2016

\(^{17}\) ECOSOC/DCF. Policy Brief No.11. Promoting integrated, aligned and country-driven results frameworks to support the 2030 Agenda for Sustainable Development. 2015


\(^{19}\) LRFs might be most effective if implemented at sub national level but should include or be linked to more local results and planning frameworks, if in place.

which ownership, harmonisation and alignment with local development strategies and plans can be measured. The tool was not only used to measure compliance with the principles of development co-operation effectiveness at the local level, but also embedded within various additional actions: i) design and implement programs and strategies of capacity development adapted to the real needs of LRGs; ii) improve and/or create models to manage international co-operation at the territorial level; iii) strengthen the role of LRGs as managers of the territorial development and their position vis-a-vis international co-operation; and iv) to achieve a greater impact of development co-operation on territorial development. To achieve these results, UNDP promoted (in addition to the tools for measurement effectiveness) the establishment of Territorial Working Groups (promote an inclusive LRG led territorial dialogues between stakeholders), participatory and inclusive local development planning, and the elaboration of International Guidelines for Development Co-operation in more than 20 countries.

The work could include the following outputs:

1. **Adapt and adjust the national Results Frameworks to the sub national level.**
   Similar to the national level, this will help LRGs to engage with development partners and others and become a basis for strengthening their local co-operation policies and multi-stakeholder co-ordination mechanisms. It will also support tracking and implementing the Sustainable Development Goals, generating data for SDG 17 and SDG 5. It will require some behaviour change by development partners, as they would plan their development co-operation efforts and assess their performance using LRFs and/or other similar subnational/sector planning tools, minimising the use of ad hoc or parallel results frameworks by development partners. These processes will also strengthen the position and negotiation power of LRGs and other relevant local stakeholders vis-à-vis international development co-operation providers.

2. Elaborate a methodology and guidelines on how to translate the LRFs into **International Development Co-operation Guidelines.** These guidelines will allow a territory to also reach and attract development partners without presence in the specific territory, or even without country presence. This instrument is specially tailored to DDC actors that only in few cases have presence in a given territory or country. These Guidelines will clearly spell out the development potential and challenges of a given territory, its local priorities and desired areas of co-operation (financially as well as exchange/capacity strengthening). This will guide potential co-operation partners and allow them to align themselves with well-managed subnational/local development process. These guidelines can then be shared with and distributed through development partners nationally, as well as internationally. It will also allow LRG associations, such as UCLG for example, to orient their members towards local authority driven multi-stakeholder territorial development processes.

2. **Local Economic Development approach**

   Development will become more effective if translating these concepts and principles to the subnational level. The **Kampala Principles** have been deliberately structured to ensure

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21 A selection of such International Guidelines for development co-operation can be found under: https://issuu.com/artpublications/stacks/0e57b2608cb0427e991f2af0727adcb

the Effectiveness of development Co-operation at the local level. ECUADOR. Secretaria Tecnica de Cooperacion Internacional. 2013.
inclusivity at the country level. Reflecting the diversity of stakeholders involved, their differing incentives and the range of modalities that exist for private sector engagement (PSE) through development co-operation. At the same time, PSE through development co-operation aims to enhance the positive contribution of core business operations to sustainable development. The principles furthermore stress that there is a need for investment in the development of institutional capacities to effectively partner across different stakeholder groups. The development community should also support the efforts of stakeholder groups to strengthen their capacity to engage effectively in PSE through development co-operation. This includes through national and local-level policy making and resource allocation with a focus on commonly excluded or difficult to reach groups. The Nairobi outcome complements these principles by pointing out that sustainable development is first and foremost, driven by domestic resources. The mobilisation and effective use of domestic resources to support national development priorities and the 2030 Agenda is critical for sustainable long-term, country-owned development.

In order to promote the Kampala principles at the local level, development co-operation providers should consider supporting integrated Local Economic Development (LED) systems thereby unleashing the endogenous development potential of a territory and facilitating a catalytic role of the private sector (SMEs) in the overall implementation of the 2030 agenda. This brief advocates for applying the well-tested Local Economic Development (LED) approach, which is implemented widely and used by various development partners to foster inclusive territorial development processes and is well placed to promote the Kampala principles in a comprehensive way at the territorial level, since it can reduce disparities between more and less advanced areas by generating local businesses and jobs, increasing overall private sector investment and improving information flows with investors and developers. LED approaches are understood as the process by which public, business and nongovernmental sector partners work collectively to create better conditions for sustainable and inclusive economic growth and employment generation. LED approaches can also serve to increase the coherence and confidence with which economic development strategies are pursued. At the same time, the LED approaches offer a comprehensive strategic and operational framework to address many challenges related to the overall implementation of the SDGs at the local level, fostering linkages between public and private sector as part of a holistic and multidimensional approach.

3. Territorial approach to Development Effectiveness and SDG Localisation

The 2030 Agenda cannot be considered as an agenda on top of all the others, but as a framework to shape, improve and implement regions and cities’ visions, strategies and plans, hence a new local and regional development paradigm to promote sustainability in cities and regions. In cities and regions this can be best achieved through applying a territorial development approach that is endogenous and spatially integrated, leverages the contribution of actors operating at multiple levels and brings incremental value to national development efforts. Already in 2011, UNDP argued that there was compelling evidence showing that the application of the aid effectiveness principles at the local level can result in accelerated MDG

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22 See reference 2. GPEDC.2019

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implementation, and that the territorial approach was the appropriate framework for
development co-operation to foster sustainable development results.\textsuperscript{24}

OECD equally argues that the combination of factors leading to poor socio-economic and
environmental performance is usually context-specific and needs to be tackled through place-
based/territorial policies and thus have a critical role to play in addressing the root causes of
persistent territorial disparities.\textsuperscript{25} They are based on the idea of policy-coordination across
sectors and multi-level governance, whereby all levels of government as well as non-state
actors should play role in the policy process. They consider and analyse functional territories,
in addition to administrative areas and build on the endogenous development potential of each
territory and use a wide range of instruments and actions, including targeted investment in
human capital, infrastructure investments, support for business development, and research
and innovation among others.\textsuperscript{26}

In practical terms, the territorial approach can help to foster vertical as well as horizontal policy
coherence (also between individual departments in public admirations), as well as strengthen
multi-actor collaboration in implementing comprehensive development strategies and policies.
This is particularly true when it comes to implementing the 2030 agenda, which is a shared
responsibility across levels of government, citizens, civil society and the private sector. The
territorial approach also allows to leverage the contribution of development co-operation
partners operating at multiple levels and bring incremental value to national as well as local
development efforts. It allows development co-operation partners operating at the local level
to connect with all relevant development partners, profit from integrated development planning
and inclusive monitoring systems.

\textsuperscript{24} UNDP. The Territorial Approach in the Path towards Effectiveness and Efficiency. The UNDP/ART Initiative experience. 2011
\textsuperscript{25} Place-based policies stress the need to shift from a sectoral to a multi-sectoral approach, from one-size-fits-all to a context-
specific measures and interventions, from a top-down to a bottom-up approach to policy making and implementation.
\textsuperscript{26} OECD. A Territorial Approach to the Sustainable Development Goals. 2019