

Decentralised Development Co-operation A Global Policy Toolkit and Guidance for Practitioners





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Foreword

Decentralised development cooperation (DDC), or partnerships for sustainable development between cities and regions in developed and developing countries, can drive major global agendas forward. Achieving a sustainable, equitable and resilient future will rely on the active engagement of subnational governments in many key Sustainable Development Goals (SDGs) and emerging policy priorities, such as the response to global health crises, support for refugees and implementing net-zero pathways. This report, *Decentralised Development Co-operation: A Global Policy Toolkit and Guidance for Practitioners* aims to leverage the potential of DDC to reap mutual benefits and promote peer-to-peer learning, bring development co-operation closer to people and their daily lives, and deliver technical services and expertise.

The toolkit compiles nearly 30 best practices by national and subnational governments for effective, efficient and inclusive DDC partnerships. It draws on the experience of the regional development policy (RDPC) and development assistance (DAC) communities to strengthen DDC partnerships at all levels of government, including and beyond OECD members. The toolkit focuses on:

- Clarifying the terminology and actors related to DDC, their relevance to global agendas, and the main challenges and opportunities they face;
- Providing successful examples and stories at national, regional and local levels in order to enhance DDC effectiveness, efficiency and impact worldwide;
- Offering guidance on implementation modalities of DDC policies, including to design strategies and mobilise financing in support of DDC activities.
- Promoting policy dialogue and mutual learning across levels of government within a same country, and between peer countries, cities and regions within and across donor and partner countries.

The toolkit is organised around three building blocks needed to improve the impact and effectiveness of DDC on the SDGs: (i) policies, strategies and programmes, (ii) multi-level governance and financing, and (iii) data, monitoring and evaluation.

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1 | The contribution of Decentralised Development Cooperation to global agendas

WHAT IS DECENTRALISED DEVELOPMENT CO-OPERATION (DDC)?

While DDC lacks a standard definition, it is often characterised by partnerships between subnational governments (OECD, 2018^[1]). In the literature, DDC often refers to international development co-operation carried out by subnational governments, or cities and regions from one (often developed) country partnering with cities and regions from another (often developing) country. DDC definitions have several common characteristics, including common principles of reciprocity (i.e. mutual benefits), subsidiarity (i.e. locally led or place-based) and multi-stakeholder (i.e. territorial) approaches. DDC actors include a variety of subnational governments such as cities and regions, provinces, city-states, federal states, intermunicipal co-operation bodies, etc., as well as non-governmental actors including civil society, academia and the private sector. City-to-city partnerships, which have gained interest in the G20 context, are a form of DDC undertaken by municipalities from developed and developing countries to initiate and develop co-operative actions to their mutual benefit.

Official development assistance (ODA) provides a useful tool for defining the scope of DDC and to monitor contributions by subnational governments.¹ The OECD defines DDC as international development co-operation (including in-kind peer-to-peer learning, capacity building and knowledge exchange) and financial contributions (including in-donor spending as well as resources that cross borders) extended by subnational governments and eligible to count as ODA.

As shown in Table 1.1, DDC financial flows reported as ODA increased considerably between 2015 and 2021 but with significant differences across countries. Total recorded volumes increased by almost 40% (reaching USD 2 831 million in 2021) and accounted for 3.6% of total official development assistance (ODA) in 2021 (up from 3.3% in 2015). Significant variations in DDC flows exist across countries. Between 2015 and 2021, Portugal registered the largest increase in DDC volumes (+1 500%), although this is mainly attributable to the marginal amounts reported in 2015. Over the same period, DDC volumes in the United Kingdom and France more than doubled and increased by over 60% in Germany and Spain. The latter three countries were also the main drivers behind the overall increase in recorded DDC between 2015 and 2021. However, over half the countries with available data saw DDC volumes fall, with significant declines in Austria (-83%), Italy (-65%), Japan (-69%) and Canada (-34%). For Canada, which incurred one of the largest declines in volume terms, the decline was due mainly to a reduction in spending for projects in developing countries (i.e. project-type interventions). However, although recorded DDC flows fell in Canada, the country provides some good examples on DDC that might not be fully captured in ODA flows. For example, the national government provides co-financing to the Federation of Canadian Municipalities to carry out DDC activities between Canadian municipalities and associations, and municipal counterparts from the Global South, particularly on good governance and gender equality.

Cross-border DDC flows also increased considerably, but again with significant variation across countries. DDC that crosses borders (i.e. excluding in-donor costs, which are mainly attributed to student tuition and refugee hosting costs) increased by 17% over the 2015–21 period, accounting for roughly 20% of total ODA channelled as DDC, but in close to half the countries with available data, volumes fell, more than halving in Japan and Italy.² Much of the DDC that crossed borders targeted United Nations (UN) Sustainable Development Goal (SDG) 3 “Good health and well-being” as well as SDG 11 “Sustainable cities and communities”, SDG 2 “Zero hunger”, SDG 4 “Quality education”, SDG 5 “Gender equality”, SDG 16 “Peace and justice” and SDG 6 “Clean water and sanitation” (Marta and Morris, 2022^[2]).

However, some care is needed in interpreting official DDC data, which is under-reported and hence understates its full benefits. In 2021, 11 out of 30 DAC countries reported on ODA provided by cities and regions. While this reflects an increase in reporting from nine members in 2005, the low coverage of data prevents a comprehensive assessment of DDC financial flows. Among members which do not report DDC, the small size of projects or the lack of a legal framework for subnational authorities to formally engage in development co-operation are often cited as key challenges. However, cities and regions in

nearly all DAC members, including those that do not report ODA, engage in international exchange and partnerships with ODA-eligible countries, suggesting that a significant amount of DDC activities is not captured, or at least not disaggregated, within ODA reporting.³

Table 1.1. Trends in DDC ODA growth rates

USD millions, net disbursements (2020 prices)

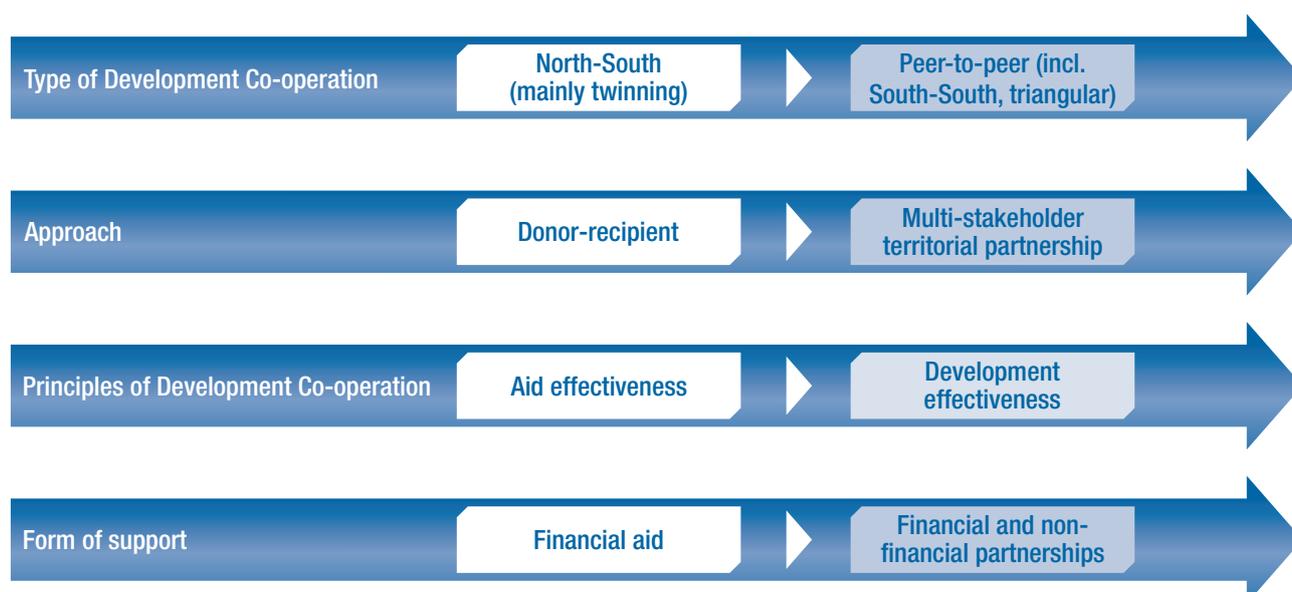
	2015	2016	2017	2018	2019	2020	2021	Change (%)	Change in cross-border (2016-21) (%)
Austria	189.4	269.5	72.5	31.7	21.1	22.6	32.6	-83	21
Belgium	95.7	86.5	89.4	84.4	79.1	106.9	85.9	-10	4
Canada	260.8	285.5	285.1	206.1	234.0	176.7	171.0	-34	-62
Czech Republic	0.3	0.4	1.0	-	-	-	-	-	-
France	69.2	97.6	119.3	137.3	141.8	139.4	143.1	107	-9
Germany	1 089.8	1 151.5	1 258.5	1 382.7	1 579.9	1 757.4	1 901.3	74	17
Italy	22.8	17.9	6.9	13.1	11.1	7.3	8.0	-65	-117
Japan	3.9	3.6	2.8	3.0	3.4	1.6	1.2	-69	-108
Portugal	0.1	0.2	0.5	1.1	1.6	1.6	1.6	1 500	89
Spain	237.8	272.0	301.3	346.3	381.1	368.8	388.7	63	30
Switzerland	63.6	76.9	70.7	67.7	67.7	66.8	59.8	-6	9
United Kingdom	17.7	18.5	21.3	16.9	21.7	21.7	37.5	112	36
TOTAL	2 051.2	2 280.2	2 229.4	2 290.4	2 542.5	2 670.8	2 830.7	38	17

Note: Each year represents total DDC including in-donor costs. The change in cross-border DDC excludes all in-donor costs. Source: Based on OECD Development Assistance Committee (DAC) Creditor Reporting System (CRS) database last accessed on 2 February 2023.

In addition, DDC goes beyond financial transfers. In most OECD countries, local and regional governments are responsible for and have competences and knowledge in policies that are central to sustainable development and well-being, such as water, housing, transport, infrastructure, land use, and climate change amongst others (OECD, 2020_[3]). Due to the evolution of decentralised development co-operation activities over the past years, DDC increasingly includes non-financial partnerships fostering peer-to-peer learning activities, knowledge exchange, capacity building and exchange of experiences and best practices amongst subnational actors, in particular in the areas mentioned above. Recognising the growing importance of the non-financial and in-kind contributions of DDC is key to fully capturing the importance and the diversity of DDC modalities and approaches. These in-kind contributions are highly underestimated in the ODA flows as many regions and particularly municipalities undertaking non-financial DDC partnerships are not reporting on those projects as they don't have the capacity and resources to do so or still don't see the value of reporting.

DDC has evolved from a North-South and donor-recipient approach to a partnership approach that increasingly fosters peer-to-peer learning and mutual benefits. Since the adoption of the 2030 Agenda in 2015, the evolution of traditional donor-recipient development co-operation models is accelerating towards partnership-based approaches that aim to achieve reciprocity and peer-to-peer learning (Figure 1.1). Nowadays, subnational entities mainly engage in activities where their comparative advantages and competencies lie. This is notably the case in knowledge transfer and sharing in areas such as local governance and service delivery, for example in water and waste management. Other activities include awareness-raising, peer-to-peer exchanges, and mutual learning. Peer-to-peer learning can be a valuable tool for cities and regions to learn from each other's successes and obstacles and enable a return on investment for all parties. Such activities are usually based on the principle of reciprocity going beyond a top-down, north-south type of co-operation (OECD, 2018_[1]). As mentioned above, these peer-to-peer partnerships and in-kind contributions are highly underestimated in ODA flows, including in countries that are currently reporting. Current data should be therefore carefully interpreted and national governments should provide incentives and technical support to cities and regions to strengthen reporting on DDC activities.

Figure 1.1. Evolution of DDC-related concepts



Source: Based on OECD (2018_[1]), *Reshaping Decentralised Development Co-operation: The Key Role of Cities and Regions for the 2030 Agenda*, <https://doi.org/10.1787/9789264302914-en>;

Central governments can help to ensure development effectiveness principles provide guidance to subnational governments and other local actors to carry out DDC. DDC actors have adopted new concepts and principles of development co-operation, such as the notion of development effectiveness, as opposed to aid effectiveness (Figure 1.2). In 2011, the Busan Partnership for Effective Development Co-operation formally recognised the subnational level as development actors, calling for the implementation of four main principles: i) ownership of development priorities by developing countries, ii) focus on results, iii) inclusive development partnerships, and iv) transparency and accountability (OECD, 2018_[1]). The Busan Partnership for Effective Development Co-operation highlighted that openness, trust, mutual respect, and learning lie at the core of effective partnerships in support of development goals. Development effectiveness principles could provide guidance for subnational actors to improve their policy environment and strengthen their partnerships with diverse actors at local and national level to deliver on agreed development results. While cities and regions do not carry out the GPEDC monitoring, since it is led by national governments, the Global Partnership for Effective Development Co-operation (GPEDC) aims to support the effectiveness of DDC by linking subnational and central actors for policy coherence.⁴ The GPEDC also seeks to strengthen the voice of cities and regions within dialogues on development effectiveness, including at GPEDC High-Level Meetings such as the [2022 Effective Development Co-operation Summit](#). The Kampala Principles for Effective Private Sector Engagement in Development Co-operation could further provide guidance to subnational governments engaging in private sector partnerships in development co-operation, which could be further promoted at the subnational level in DDC partnerships (OECD, 2019_[3]). More recently, the G20 Rome High-Level Principles on city-to-city partnerships for localising the SDGs emphasise the importance of co-operation between cities for the achievement of the 2030 Agenda. Building on the crucial role of cities to contribute to the SDGs, the G20 Development Working Group elaborated the “G20 Rome High-Level Principles on city-to-city partnerships for localising the SDGs” in 2021 (**Box 1.1**).

Box 1.1. Ten G20 Rome High-level Principles on city-to-city partnerships for localising the SDGs

- 1) **Territorial Approach.** Promote city-to-city partnerships as a means to enhance the implementation of a territorial approach in responding to and recovering from the COVID-19 pandemic, reducing vulnerability to climate change.
- 2) **Multi-level Governance.** Strengthen multi-level integrated governance and coordination for greater effectiveness of city-to-city partnerships and more demand-based initiatives, while considering local and regional contexts and responding to the specific needs of different geographical areas and governance systems, as appropriate.

- 3) **Rural-urban Connectivity.** Enhance rural-urban connectivity, and co-operation, including between primary and intermediary cities, including through past G20 work on infrastructure.
- 4) **Data and Indicators.** Encourage local and regional governments to exchange approaches and practices in mainstreaming SDGs indicators into planning and policy documents at all levels of government and produce disaggregated data towards strengthened context-specific analysis and assessment of territorial disparities in collaboration with national governments, which could also support countries in developing their Voluntary National Reviews.
- 5) **Monitoring and Evaluation.** Taking into account different national and local contexts, develop monitor and evaluation (M&E) indicators towards a result framework for evidence-based city-to-city partnerships, documenting their impact and providing recommendations to optimise those partnerships.
- 6) **Peer-to-peer Learning.** Focus on mutual benefit, peer-to-peer learning, support and review in city-to-city partnerships, including the exchange of knowledge on sustainable urban planning and capital investment planning.
- 7) **Capacity Development.** Support capacity development and build local managerial capital and skills for effective, efficient and inclusive city-to-city partnerships implementation.
- 8) **Stakeholder Engagement.** Engage all relevant stakeholders to implement territorial network modalities of city-to-city partnerships towards the achievement of the SDGs, including by establishing partnerships with the private sector.
- 9) **Financing.** Call on local and regional governments to develop effective financing and efficient resource mobilisation strategies and instruments in collaboration with national governments as appropriate, through existing mechanisms to support the implementation of the 2030 Agenda through city-to-city partnerships, including by integrating the SDGs in budgeting processes.
- 10) **Digitalisation.** Develop strategies to build human, technological, and infrastructural capacities of the local and regional governments to make use of and incorporate digitalisation best practices in city-to-city partnerships.

Source: (G20 Development Working Group, 2021_[5])

The following sub-section highlights the growing relevance of subnational governments in developed countries to engage in international partnerships and advance global sustainable development and climate goals in developing countries.

UNLOCKING THE POTENTIAL OF DDC

Global sustainable development and climate agendas increasingly recognise the importance of engagement with and partnerships between cities and regions. More than 65% of the targets of the SDGs rely on subnational actors to achieve the goals and provide key competencies for basic public service delivery (e.g. water, housing, transport, infrastructure and land use) (OECD, 2020_[6]). More than half of the world's top 40 economies, measured by gross domestic product (GDP), are regions, namely second tiers of government (OECD, 2019_[3]).⁵ The G20 Rome High-level Principles on City-to-city Partnerships for Localising the SDGs (hereafter the G20 Principles) establish core guidance and emphasise the importance of co-operation between cities from advanced economies and those from the Global South (G20 Development Working Group, 2021_[7]). The Paris Agreement⁶ also recognises the importance of subnational governments "to uphold and promote regional and international cooperation" (UNFCCC, 2015_[8]). Recently, several DAC members endorsed a statement supporting locally led development which aims to redress power imbalances in the aid system, seeks to empower ownership of local actors and calls for support for diverse partnerships tailored to local conditions by 2030 (OECD, 2023_[9]).⁷ In light of this recognition by global agendas, there is increasing momentum for national governments and development co-operation agencies to leverage on their partnerships with subnational governments in support of localising the global goals and increasing policy coherence for sustainable development.

OECD subnational governments have mobilised significant financial resources to respond globally to successive crises. Recent humanitarian, health and climate crises have put subnational governments further at the frontline of global response efforts and crisis management (e.g. housing refugees, distributing vaccines, implementing net-zero pathways, etc.). Following the COVID-19 crisis, subnational governments in OECD countries have been key recipients of national stimulus funding, much of which contains social or green objectives. Between 2019 and 2020, subnational current spending increased by 4.0% in real terms as a result of COVID-19 response measures (OECD, 2022_[10]). Since 2022, city-to-city partnerships have also gained prominence in response to Russia's war against Ukraine. In Germany for example, more than 140 cities have partnerships with peers in Ukraine as of April 2023 (SKEW, 2022_[11]).

Yet many local governments continue to face protracted challenges to access financing for sustainable development, particularly in the poorest countries. Rapid urbanisation, population growth and decentralisation reforms are constraining already limited resources in cities and regions in developing countries. The highest rate of urban population growth is concentrated in low-income countries (OECD, 2019_[3]). Financing needs for public infrastructure, services and maintenance are increasing without sufficient resource mobilisation by subnational governments from capital markets or subnational government revenue generation to match the growing needs (UN-Habitat, 2015_[12]).

DDC, when carried out effectively, can help overcome these challenges by achieving impact locally and delivering unique value-added within development co-operation strategies. As early as 2005, the OECD carried out a first study on the growing role of decentralised co-operation in aid programmes (OECD, 2006_[13]). Since then, the OECD Regional Development Policy Committee (RDPC) and DAC have carried out several joint studies to reshape DDC and unlock its potential (OECD, 2018_[1]; 2019_[3]). As part of this work, key characteristics were identified as DDC's core added value compared to mechanisms with other actors (e.g. bilateral agencies, multilateral organisations, etc.) carrying out development co-operation projects and programmes:

- **Promotion of mutual benefits and peer-to-peer learning.** Knowledge sharing and capacity building are often the central motivations for subnational governments in donor countries to engage in DDC. Subnational governments face several common challenges related to SDG planning, delivery and implementation. Peer-to-peer learning, in particular, can be a valuable tool to learn from each other's successes and obstacles and enable a return on investment for both parties.
- **A bottom-up approach that brings development co-operation closer to people and their daily lives.** Subnational governments are accountable to their constituencies through elections, regular participation in public meetings and other forms of direct contact. Because of their proximity and local engagement, subnational governments tend to benefit from higher levels of trust from citizens than national governments. However, only a small portion of ODA provided by central governments represents financing aimed to provide upstream capacity and institutional support in sub-national governments to improve access to financing in developing country cities and regions (e.g. decentralization reforms, urban development, etc.).⁸ Increasing such flows could provide an opportunity to strengthen trust by working directly with subnational governments that are closer to citizens and can better tailor support to citizens' needs in developing countries.
- **Delivery of technical services and expertise.** As a reflection of their core competencies, DDC activities are mainly carried out in areas where subnational governments have specific technical expertise, such as basic service delivery. Regardless of the variety of institutional organisations across federal and unitary systems of government, the primary areas of subnational spending as a share of GDP in OECD countries tend to be related to education, general public services (mainly administration), social protection, health, housing and community amenities, recreation and culture, environmental protection, public order and defence (OECD, 2022_[10]).

BUILDING BLOCKS OF THE GLOBAL POLICY TOOLKIT

The Global Policy Toolkit seeks to raise awareness and promote knowledge exchange and policy dialogue among governments on how to overcome challenges related to DDC. Examples of longstanding key challenges to unlock the potential of DDC include the risk of fragmentation and duplication of efforts across many actors, lack of oversight and accountability for development effectiveness and impacts, and partial data and reporting coverage to assess the quantitative and

qualitative contributions of DDC partnerships. The toolkit is a repository of good practices, successful examples and stories for effective, efficient and inclusive DDC partnerships. It compiles nearly 30 best practices by national and subnational governments. It further draws on the experience of the regional development policy (RDPC) and development assistance (DAC) committees to strengthen DDC partnerships at all levels of government, including beyond OECD members. The toolkit aims to:

- **Clarify the terminology and actors related to DDC**, their relevance to global agendas and the main challenges and opportunities they face.
- **Provide examples** at the national, regional and local levels in order to enhance DDC effectiveness, efficiency and impact worldwide.
- **Provide guidance** on implementation modalities of DDC policies, including designing strategies and mobilising financing in support of DDC activities. See the sections on guidance for implementation at the end of each chapter.
- **Promote policy dialogue and mutual learning** across levels of government within the same country and between peer countries, cities and regions.

The toolkit focuses on three building blocks needed to improve the impact and effectiveness of DDC on SDGs: i) policies, strategies and programmes; ii) multi-level governance and financing; and iii) data, monitoring and evaluation.

DDC policies, strategies and programmes

While the heterogeneity of national governance systems (degree of decentralisation) can complicate a common international definition of DDC, the development and promotion of common guidance for DDC by national governments in specific contexts can help to achieve more effective DDC partnerships. Examples in the toolkit demonstrate how to better identify and target locally led and place-based priorities and how to promote co-creation (Flanders in Belgium, Sweden). Other examples explore how subnational governments provide their own guidance to advance sectoral priorities for DDC including to support of gender equality and environmental service delivery (Finland, Spain).

The toolkit further demonstrates how subnational governments in developed countries can benefit from knowledge and expertise from their peers in partner countries. Expanding beyond a one-way, north-south paradigm, DDC offers a return on investment (e.g. social, cultural, political, economic), knowledge exchange and peer-to-peer learning in support of climate change advocacy (Sweden), mutual learning for disaster risk reduction (France, Italy, European Commission) and the promotion of fair trade and sustainable value chains for all actors (Belgium).

A few subnational governments have longstanding multi-annual partnerships which permit long-term predictability of budgets. Local and regional governments can promote long-term strategies through policy frameworks that clarify the role of DDC within development co-operation and broader localisation strategies. For example, Flanders, Belgium, has a five-year commitment cycle with selected partner countries, targeting several sectors. The toolkit explores notably how several governments at the regional and municipal levels are embedding DDC into long-term sustainability strategies, including promoting SDG 17 "Partnerships for the goals" and environmental sustainability (Bavaria and Bonn, Germany).

Recommendations:

- Develop common DDC guidance and objectives at the national, regional and local levels as well as in specific policy areas for locally led and effective development co-operation.
- Facilitate peer-to-peer partnerships for the delivery of mutual benefits by focusing DDC activities in the policy areas where cities and regions have strong comparative advantages, competencies and knowledge to share.
- Promote long-term DDC programming, to strengthen the stability of partnerships, overcome short-term funding challenges and help drive SDG localisation.

Multi-level governance and financing of DDC activities

The toolkit demonstrates how multi-level legal frameworks specify the competencies for subnational governments to carry out external actions and promote targeted engagement. Frameworks can support engagement on DDC such as the German Government and Federal States Programme (*Bund-Länder-*

Programm, BLP) which supports federal states in initiating and implementing cooperation projects in partner countries, and aims to improve the co-operation between the German government and federal states in the field of development co-operation. These frameworks can also focus on defining more specific sectoral competencies, such as laws in France which allow subnational governments to devote a portion of their budgets and mobilise own-source resources to promote access to drinking water in developing countries.

National governments and development co-operation agencies are wellplaced to help their subnational governments match supply with demand for technical expertise in developing countries and promote policy coherence of external actions. Examples in the toolkit point to several donor agencies (e.g. Canada, United States) that have longstanding institutions aimed to strengthen DDC technical exchanges which are financed in part by aid agencies. For example, in Canada, Global Affairs Canada (GAC) provides co-financing to the Federation of Canadian Municipalities). In addition, national governments are strengthening engagement with associations and networks that co-ordinate subnational governments to better reach large numbers of small actors (such as in the Netherlands, where VNG International and the Ministry of Foreign Affairs have strengthened their partnership on DDC). National governments can also share public sector expertise with local authorities through different types of instruments,

Subnational governments are strengthening their networks with a broad range of actors including civil society organisations (CSOs), multilateral organisations, universities, the private sector, etc. These networks allow stronger engagement with local actors in DDC activities. Examples in the toolkit demonstrate the value of a systems approach by mobilising the knowledge and expertise of all the territorial stakeholders in the specific policy sector where the region has a comparative advantage (e.g. Tuscany's approach to advancing the circular economy in DDC activities by mobilising all territorial stakeholders with strong knowledge on this policy area, such as municipalities, universities, private companies, CSOs). Other examples included in the toolkit demonstrate how partnerships with CSOs allow subnational governments to broaden the scope of DDC activities and support empowerment and accountability processes in partner countries (Germany). Finally, subnational governments can strengthen engagement with multilateral organisations to better co-ordinate with broader development actors working in partner countries (Catalonia in Spain, United Nations Development Programme, European Union). Examples demonstrating partnerships involving the private sector are included throughout the toolkit. For example, Bavaria deploys a DDC strategy to create a network with private sector actors on the African continent, contributing to strengthening economic ties and promoting economic growth.

Recommendations:

- Design multi-level governance and legal frameworks to clarify the role of subnational governments in external actions and support them in DDC engagement.
- Provide co-financing and pool resources across levels of government to promote policy coherence and avoid piece-meal approaches, align priorities and match supply and demand for technical expertise.
- Strengthen multi-stakeholder and territorial approaches that leverage the knowledge, expertise and comparative advantages of all territorial actors in a specific policy area beyond governments, such as CSOs, private sector, universities, among others.

Data, monitoring and evaluation of DDC activities

To overcome the data challenges, national governments are seeking to better showcase the role and contribution of cities and regions to advancing on global goals which can help to motivate heightened DDC engagement. Examples in the toolkit focus on progress by five OECD member countries to disaggregate ODA data provided by cities and regions, providing greater visibility to their financial (monetary) and nonfinancial (qualitative - such as the project descriptions included in ODA reporting which allow for assessing support for policy objectives, including the SDGs) contributions (Belgium, Germany, Japan, Spain and the United Kingdom). One example explores the benefits of ODA data campaigns which have helped to raise awareness of DDC engagement opportunities among their subnational governments (France). The development of one-stop data platforms has proven to increase reporting and engagement by subnational governments and improve whole-of-government ODA policies by increasing understanding of the benefits of, and how to carry out, DDC actions (France). Finally, governments can provide co-financing contingent on transparency and accountability mechanisms, such as certification and labels to control the quality of expertise and services provided by local and regional authorities to partner countries (France).

National and subnational governments are seeking to build the evidence base on the output, outcome and impacts of DDC activities. Some subnational governments require systematic impact evaluation carried out by external auditors (Flanders in Belgium). Recent efforts seek to identify indicators and develop a logical

framework to help monitor and evaluate city-to-city partnerships (European Commission). With many subnational governments seeking to localise the global goals, the 2030 Agenda targets and indicators provide a framework for data collection to monitor the alignment of DDC with the global goals. Several examples included in the toolkit reveal that subnational governments are using the SDG framework, including their voluntary local reviews (VLRs) to collect and monitor data and better align programmes and existing partnerships with the SDGs (Basque Country in Spain, Lommel in Belgium, Kiel in Germany).

Recommendations:

- Collect and showcase DDC data, including ODA disaggregated by subnational governments, to motivate DDC engagement, improve reporting and promote the transparency and accountability of activities.
- Provide incentives and technical support to regions and municipalities to strengthen the reporting on the qualitative dimension of DDC, in particular on the non-financial partnerships that are focused on peer-to-peer learning and in-kind contribution, to better understand the full value and better illustrate the potential of DDC activities.
- Strengthen monitoring and evaluation by including measures of the outcome and impact of DDC projects and programming and by using data to align programmes and partnerships to the SDGs.

Methodology:

The examples in the toolkit were extracted from already published OECD material, provided by city networks and platforms engaged in DDC activities, submitted by peer review inputs to the German DDC policy dialogue and from a call for good practices extended to both RDPC and DAC delegates. The methodology for collecting examples is further detailed below and selection criteria are provided in **Box 1.2**.

Box 1.2. Selection criteria

Examples included in the toolkit were selected based on several core criteria:

- **Effectiveness** (demonstrates local ownership, focus on results, co-ordination).
- **Existence of partnership** and mutual learning (goes beyond the one-way, North-to-South paradigm).
- **Verifiable data and information** (documents and other evaluations are available to verify the credibility of cited impacts).
- **Timeliness** (responds to emerging development challenges).
- **Innovation** (provides a new approach that improves DDC implementation and/or outcomes).

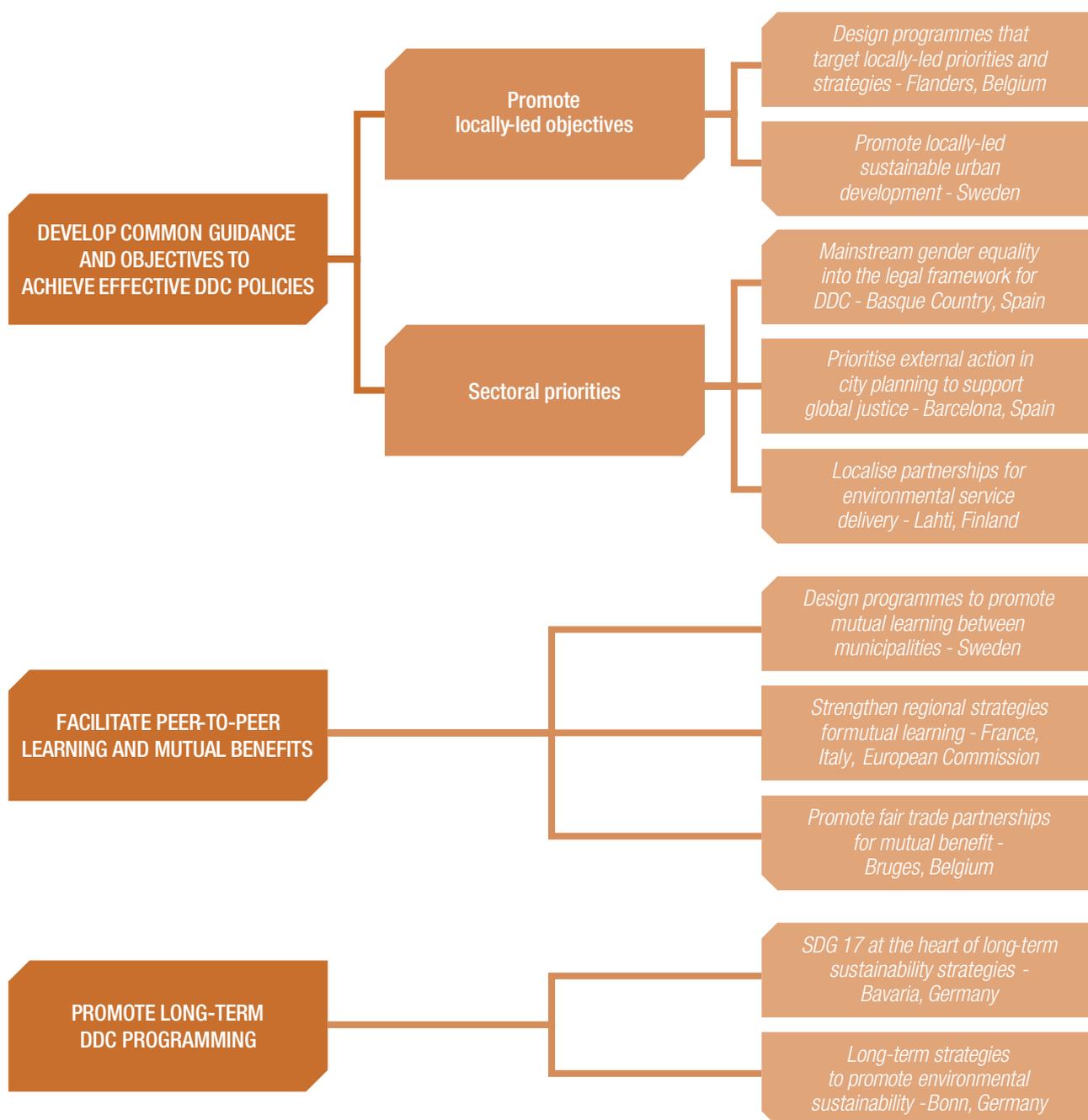
Sources:

- Previous OECD research, published and declassified:
 - OECD (2018), *Reshaping Decentralised Development Co-operation: The Key Role of Cities and Regions for the 2030 Agenda*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264302914-en>.
 - OECD (2019), "Decentralised development co-operation: Unlocking the potential of cities and regions", *OECD Development Policy Papers*, No. 22, OECD Publishing, Paris, <https://doi.org/10.1787/e9703003-en>.
- Desk research carried out by the OECD secretariat in 2022-23 to collect new examples and update previous ones. Examples selected were discussed with governments to clarify and provide further details where possible (October 2021-March 2023).
- Outreach to DDC actors, networks and associations (Committee of Regions, PLATFORMA, United Cities and Local Governments, among others) (October 2021-March 2023).
- Outreach at the RDPC and DAC included a call for best practices as well as a presentation at the RDPC and a DDC technical seminar organised with DAC members. These engagement points provided additional insights and perspectives (November 2022-March 2023).
- First in-depth OECD policy dialogue and report on DDC in Germany, including inputs from peer review by Belgium, France, Italy and Spain (October 2021-March 2023).

2 Decentralised Development Cooperation policies, strategies and programmes

Common guidance, including policies and strategies, can help to ensure decentralised development cooperation (DDC) partnerships that better target local priorities, deliver tailored sectoral expertise, facilitate peer-to-peer learning for mutual benefits and are carried out over the long term. This chapter examines how governments are working to develop and promote common guidance in specific contexts such as at the country or subnational levels and across thematic or sectoral priorities (Figure 2.1).

Figure 2.1. Toolkit building blocks for effective DDC policies, strategies and programmes



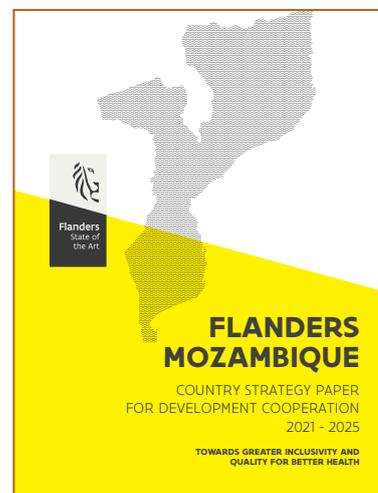
DEVELOP COMMON GUIDANCE AND OBJECTIVES TO ACHIEVE EFFECTIVE DDC POLICIES

Promote locally led priorities and strategies in partner countries

Design programmes that target locally led priorities and strategies – Flanders, Belgium

In order to achieve maximum effectiveness of its programming, Flanders concentrates its development cooperation in three partner countries, Malawi, Mozambique and South Africa, and in one sector per partner country. By bundling technical expertise, follow-up capacity and financial resources, Flanders seeks to leverage its value-added and to tailor in the best possible way the scope and implementation of its programmes to local priorities.

To identify local priorities, a Country Strategy Paper (CSP), is prepared with each country based on a dialogue and negotiation process to set strategic priorities and ensure local ownership over a five-year period. The negotiation process involves the local authorities, both at the district and provincial levels in both countries. A mid-term review is carried out and related recommendations seek to improve the effectiveness of the partnership (OECD, 2018_[11]). Each CSP includes a quantitative and indicator-based results framework.



Source: FDFA (2021).

Since 2006, Flanders and the government of Mozambique have implemented a CSP programmatic approach with, as of 2011, a specific focus on health. The current CSP 2021-25, "Towards greater inclusivity and quality for better health", totalling EUR 25 million, integrated pandemic preparedness (Government of Flanders, 2023_[16]). To promote synergies with other donors and between health and other sectors, the CSP also includes an assessment of contributions across multi-dimensional objectives, inputs, outcomes and impact, including in support of gender, governance and human rights.

To help overcome the challenges due to insufficient local public financial management, in 2013, the Flemish government funded a technical specialist to help improve administration of the PROSAUDE fund for health financing. In 2022, thanks to the local technical support provided by Flanders, an agreement to extend the PROSAUDE memorandum of understanding (MoU) allows for research into new ways of integrating different funding mechanisms in the health sector (Government of Flanders, 2022_[17]).

Find out more:

- <https://www.fdfa.be/en/country-strategy-paper-flanders-mozambique-2021-2025>.
- <https://www.flanders.org.za/Events/prosaude-partners-sign-a-two-year-extension-to-the-memorandum-of-understanding-with-the-mozambique-ministry-of-health-misau>.

Promote locally led sustainable urban development – SALAR, SKL International, Sida, Sweden



Source: SymbioCity (2020).

Since 2010, the Swedish International Development Cooperation Agency (Sida) has financed the SymbioCity programme implemented by the Swedish Association of Local Authorities and Regions (SALAR) and its international branch.¹ The SymbioCity programme seeks to foster partnerships with the global south to alleviate urban poverty and promote sustainable urban development, based on an inclusive, holistic approach (SKL International; SALAR, 2020_[18]).

The innovative approach to identifying the scope of projects relies on the assessment of the city's key assets across sectors and actors to break down silos and to identify synergies between economic, environmental, socio-cultural and spatial dimensions, including improving living standards and well-being, comfort, safety, and quality of life by including multiple stakeholders and citizens in urban development processes. To ensure local ownership and tailoring to the local context, the SymbioCity approach works bottom-up by

targeting community and stakeholder engagement to identify their "vision" for the city, with an emphasis on the design of strategic city planning as opposed to approaches which target the exchange of technical know-how in specific areas.

For example, in 2012-14, SymbioCity and the Indonesian government designed a programme aiming to address rapid urbanisation in small- and medium-sized cities. Following consultations between Swedish and Indonesian stakeholders, including the Indonesian Ministry of Public Works (MoPW), the Indonesian Ministry of the Environment, the University of Tadulako and the Association of Indonesian Municipalities (APEKSI) in Indonesia, cooperation started in November 2012 (SKL International; SALAR, 2020^[18]) (NALAS; PLATFORMA, 2021^[19]; SALAR; SKL International; SymbioCity, 2020^[20]). An Urban Sustainability Review and Action Plan of Palu was approved and funded around three core themes: good governance; social and cultural issues; and green urban system and management.

A broad evaluation of SymbioCity projects was carried out by Sida in 2014, based on the OECD Development Assistance Committee (DAC) principles for the evaluation of development projects (Dahlgren and Wamsler, 2014^[21]), which confirmed that all projects in China, Indonesia and Zambia met their intended objectives, within their stated timeframes and in line with budgetary restrictions. Going forward, the evaluation recommended strengthening the focus on poverty reduction through closer dialogue between elected officials and the urban poor.

Find out more:

- <https://symbiocity.org/wp-content/uploads/2020/01/Broschyr-SymbioCity-210X260-vg.pdf>.
- <https://symbiocity.org/wp-content/uploads/2020/01/SC-Indonesia-Sweden-Edition.pdf>.

Design DDC policy frameworks to advance sectoral priorities

Mainstream gender equality into the legal framework for DDC – The Basque Country, Spain

In 2011, the Basque government adopted a conducive legal framework to mainstream gender in local planning and DDC projects, supported by non-governmental organisations (NGOs) and feminist movements. In particular, the 4/2005 Equal Opportunity Between Women and Men Act and the Law 1/2007 on Development Co-operation raised awareness of gender issues among local institutions (OECD, 2018^[1]). The Basque Agency for Development Cooperation (BADC) integrates gender as a sectoral priority and a key crosscutting criterion for the selection of any DDC project (OECD, 2018^[1]). A multi-dimensional

gender analysis framework is used to appraise interlinkages across race, gender and immigration as well as legal, social, political and economic factors. For example, gender mainstreaming is reflected in the financial support to feminist organisations like the World March of Women or to projects in collaboration with UN Women. The BADC allocates 20% of its funds to actions that prioritise women's empowerment and 10% to initiatives that include local partners belonging to feminist organisations (OECD, 2018^[1]).

The distinctive feature of the Basque DDC model is that civil society plays a key role in shaping it, through civil society organisations (CSOs) that receive support from the BADC and other local regional governments (LRGs) to implement DDC activities that also feature gender considerations. The Basque Country played a pioneering role in institutionalising gender into development co-operation policy. The influence that CSOs had on public institutions and the pressure of the feminist movements were crucial for promoting a joint effort among public institutions, CSOs and feminist organisations to address the causes of gender inequalities at all stages of development (OECD, 2018^[1]).

Gender is now a key component of the eligibility criteria for DDC projects. Project proposals that do not incorporate the gender perspective are not considered for funding. The gender conceptual framework has translated into the Basque law, budget commitments and human resources as well as instruments and funds of the three work streams of decentralised co-operation: development co-operation, humanitarian action and education for social transformation.

Find out more:

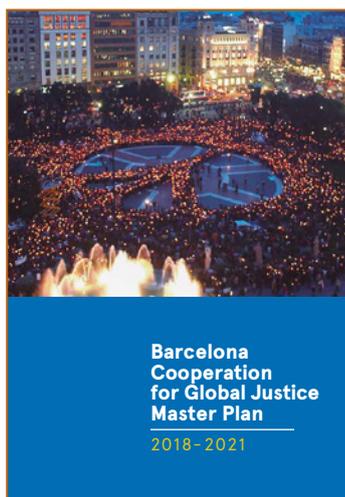
- <https://dx.doi.org/10.1787/9789264302914-en>.



Source: AVCD (2023).

Prioritise external action in city planning to support global justice – Barcelona, Spain

Source: City Council of Barcelona (2018).



Barcelona's 2018-21 master plan intensified international co-operation among cities in support of global justice, targeting the systemic and root causes of growing global inequalities.² Under the title *Cooperation for Global Justice Master Plan* (known as PCJG in Catalan), the plan seeks to maintain close coherence with other city council programmes and act as an instrument for the definition and planning of public policy in the municipal government's external action, promoting global justice in the sphere of development cooperation (Barcelona City Council, 2018_[22]).

For example, the PCJG has improved the city's 15-year partnership with Maputo, Mozambique, in the area of services dedicated to vulnerable and excluded populations. In that framework, the Habitat Project coled by non-profit organisations Water & Sanitation for the Urban Poor and *Arquitectura Sin Fronteras de Catalunya* (ASF Catalunya) improved the right to decent housing in Maputo's informal neighbourhoods to help transform them into more secure and accessible living areas. Consequently, Maputo's informal neighbourhoods have seen a decrease in the number of conflicts and

violence linked to insecure land tenure (UCLG CIB, 2020_[23]; UCLG, 2022_[24]). In May 2022, the co-operation between Barcelona and Maputo was successfully renewed until 2025, with a new focus on peri-urban agriculture and women's empowerment.

The PCJG was developed in three phases. First, a group of experts was commissioned to produce a Strengths, Weaknesses, Opportunities and Threats (SWOT) diagnostic of the city's DDC. A participatory process was then launched, consisting of interviews and workshops with experts from the public sector, academia and trade unions. In a second phase, the same group of experts produced a draft master plan for discussion. The third phase involved negotiation among political groups represented on the city council board. Finally, the plan was endorsed by the Municipal Committee for International Development Cooperation and was approved at the Municipal Committee Plenary Meeting (Barcelona City Council, 2018_[22]). In 2023, the city council started elaborating a new co-operation master plan for global justice, aiming to broaden the vision based on global justice to issues such as economic, environmental, gender and social justice (Barcelona City Council, 2023_[25]).

Find out more:

- https://ajuntament.barcelona.cat/economiatreball/sites/default/files/documents/barcelona_cooperation_master_plan_2018-2021_ang.pdf.
- http://www.cib-uclg.org/sites/default/files/architecture-guide-to-the-un-1nabile-development-goals-vol_2_123.pdf.
- http://www.cib-uclg.org/sites/default/files/uclg_english_pp.pdf.

Localise partnerships for environmental service delivery – Lahti, Finland

In an effort to expand international networks in support of environmental service delivery (i.e. "cleantech"), co-operation between the city of Lahti (Finland) and Rustenburg District Council (now Bojanala Platinum District Municipality, BPDM), South Africa, was formalised by the North-South Local Authority Cooperation Program in 2002. The programme initiated a three-year pilot project with 8 Finnish local authorities and their southern counterparts and resulted in 11 years of mutual learning between



Lahti and the BPDM (Aalto, 2014_[26]; Smith, 2010_[27]). The strength of the programme relied on a peer review modality between local governments (Olsen et al., 2012_[28]). As a follow-up, further co-operation agreements were signed between Finnish and South African municipalities (Aalto, 2014_[26]). Engagement between the municipalities gradually shifted from a focus on environmental management systems to improving service delivery. As a result, both parties agreed to include the local level directly in planning and decision-making processes (Aalto, 2014_[26]). With a strong focus on local municipal involvement, partners carried out participatory approaches to co-operation and supported the local administrations in planning and implementing new environmental policies, based on local needs (as opposed to importing ready-made solutions and technologies) (Smith, 2010_[27]). Results included a provincial environmental management system and a provincial spatial development plan (Aalto, 2014_[26]).

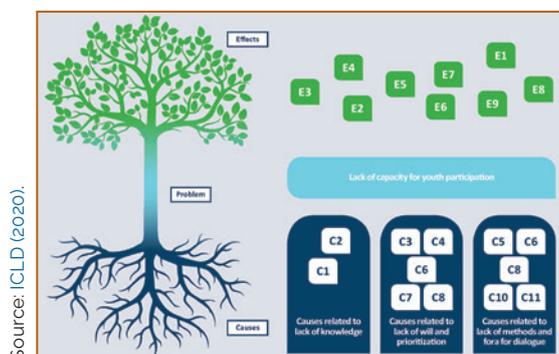
Source: Lahti University of Applied Sciences. (2014).

Find out more:

- <https://www.theseus.fi/bitstream/handle/10024/103841/Self-Evaluation-of-development-cooperation-management-and-impact.pdf?sequence=1&isAllowed=y>.
- https://www.ccre.org/docs/Platforma_European_perspectives_EN.pdf.

FACILITATE PEER-TO-PEER LEARNING AND MUTUAL BENEFITS

Design programmes to promote mutual learning between municipalities – ICLD, Sweden



Sida promotes mutual learning between subnational governments in Sweden and their peers in developing countries via its non-profit organisation ICLD (Swedish International Centre for Local Democracy), which aims to support poverty reduction through democratic participation at the local level. Its municipal partnership programme provides funding for partnerships between Swedish municipalities and developing country municipalities. In addition to funding, the ICLD provides support, including the provision of guidelines and best practices to initiate, plan and implement municipal partnerships (ICLD, 2020^[29]). In 2021, 47 Swedish and 116 international municipalities, 41

of which are municipalities from southern Africa (others are from eastern Africa, eastern Europe and Asia), were involved in ICLD programme activities (ICLD, 2021^[30]).

One example of a municipal partnership financed by the ICLD is the LuMa Youth for Change project (201721) between Lusaka City Council (Zambia) and the city of Malmö (Sweden), to strengthen the participation of youth in local democracy and climate change advocacy, for greater engagement in decision making.

The project succeeded in strengthening the Lusaka Youth Council and resulted in the creation of a municipal platform for green action. It further connected youth and decision makers through educational activities via a toolbox for youth participation, exchange trips between cities, workshops and training sessions. The overall approach and its implementation are available for consultation in the form of a digital toolkit, allowing other municipalities to consult and learn from the guidelines (NALAS; PLATFORMA, 2021^[19]; ICLD, 2021^[31]).

Find out more:

- https://icld.se/wp-content/uploads/2020/07/ICLD_Handbook_MunicipalPartnerships_V8.pdf.
- https://icld.se/wp-content/uploads/2022/06/ICLD_Arsberattelse_2021_Eng-rev.pdf.
- <https://platforma-dev.eu/new-handbook-on-decentralised-cooperation/>.

Strengthen regional strategies for mutual learning – Aude in France, Viterbo in Italy, European Commission

Recognising the increased incidence of climate disasters in Europe and Latin America, since 2017, the European Commission has financed a EUR 88 million peer-to-peer partnership, EUROCLIMA+, which aims to increase mutual learning, transfer of knowledge and exchange of experiences to strengthen capacities for disaster risk reduction in Latin America. In that framework, a partnership was developed between the region of Piura in Peru, the province of Loja in Ecuador, the Ecuadorian State Secretariat, the French department of *Meurthe et Moselle*, the French department of Aude and the province of Viterbo in Italy, to share good practices via a cross-border platform, implemented by Expertise France and the German Agency for International Cooperation (GIZ). The partnership allows us to compare experiences and adopt innovative approaches to risk management. The project focuses on four dimensions: i) floods and drought; ii) resilience of populations; iii) protection of agricultural activities, livestock and forests; and iv) regional and local governance (Expertise France, 2020^[32]). Several outcomes of the partnerships include a diagnosis of the vulnerabilities across the different territories, the development of flood and forest fire prevention infrastructure, as well as of hydrometric stations and warning and monitoring systems, the promotion of reforestation campaigns and stronger involvement of the local populations in all risk management mechanisms (Expertise France, 2020^[32]).



Find out more:

- <https://www.expertisefrance.fr/fiche-projet?id=625239>.

Promote fair trade partnerships for mutual benefit – Bruges in Belgium, European Union



Since 2019, the BRULOWA Cooperation partnership between the city of Bruges, Belgium and the city of Ebolowa, Cameroon has promoted the implementation of the United Nations (UN) Sustainable Development Goals (SDGs) at the local level, including through technical expertise in support of sustainable value chains for chocolate production and responsible citizenship. Under the European Union (EU) Development Education and Awareness Raising Programme (DEAR), the cities identified each other as like-minded partners, agreeing on a common framework to guide and inform their mutual strategy and planned activities, including the promotion of fair trade by local actors (European Union, 2021^[33]; City of Bruges, 2023^[34]).

The partnership was carried out with local cocoa institutions in Cameroon such as the *Société de Développement du Cacao* (SODECAO) and the *Collège Régional d'Agriculture d'Ebolowa*. In Bruges, Oxfam is a regular partner in raising awareness about sustainable chocolate. The city of Bruges has further established an innovative financing mechanism that allows citizens to donate to reforestation or water projects in Ebolowa: since 2021, residents of Bruges who celebrate a marriage, legal cohabitation or 100th anniversary can donate the financial retribution they receive from the city of Bruges to a water project in Ebolowa. These funds amount to around EUR 10 000 to EUR 12 000 annually, which is approximately one-third of the budget for the realisation of a solar-powered water point (European Union, 2021^[33]; City of Bruges, 2023^[34]).

More recently, the partnership has committed to connecting four schools in both cities, with the SDGs as a common denominator. In Ebolowa, "SDG clubs" aim to inspire young people to actively participate in city policies. Ebolowa works with an NGO that engages a group of teachers and students in schools as ambassadors of the SDGs. Building on this experience, Bruges carried out work via an online platform called "SDG-generation" for secondary schools. With a view to the future, the initiatives from both cities will link up and seek synergies for further collaboration.

Find out more:

- https://europa.eu/capacity4dev/articles/cities-fair-trade-alliances-sustainable-chocolate-chain?fbclid=IwAR36S1_53M94BEbbs7msjJosgz6YHLKkm4gxgt1Ljtb0V81oMVhJenRNngDQ.
- <https://www.brugge.be/global-partnership>.

PROMOTE LONG-TERM DDC PROGRAMMING

SDG 17 at the heart of long-term sustainability strategies – Bavaria, Germany

To advance SDG 17 "Partnerships for goals", the Bavarian Africa Package, adopted in 2019 to promote long-term development co-operation partnerships, targets the areas of education, agriculture, environment and public administration. The package resulted in the creation of a Bavarian regional office in Addis Ababa, Ethiopia. The Bavarian Office for Africa reports to the Bavarian State Chancellery and is the permanent contact point and hub for Bavarian contacts with Ethiopia, the African Union (AU) and the rest of Africa (Bavarian Office for Africa, 2023^[35]).



Source: Bavarian Office for Africa (2023).

Projects funded under the Bavarian Africa Package are monitored through regular visits to the project sites and evaluation based on the parameters defined during the projects' appraisal. An example of Bavaria's activities in Africa is its co-operation with NGO *Menschen für Menschen* (MfM). Leveraging the extensive experience gained in several regions in the country, MfM executes a strategy towards improving agriculture, access to water, education, health and human development in the communities. The NGO employs an approach of integrated rural development, meaning that activities from various dimensions of sustainable

development (such as health, agriculture, education and water) are linked and implemented together in selected locations with a long-term perspective. In the first project phase until 2017, *Menschen für Menschen* achieved a number of outcomes in Dano, including the construction of 16 new school buildings, increased access to education increased from 52% to 70%, micro-credits for 2 050 women, increased access to drinking water from 15% to 50% as well as an increase in field yield by 50% (MfM, 2023_[36]).

The 2022 Bavarian Sustainability Strategy 2022 provides guidelines for DDC activities in relation to SDG 17 to further improve economic, social, ecological and political conditions in partner countries. Projects must be adapted to the local context in the partner country. The strategy further aims to strengthen the ownership of partner countries and develop long-term partnerships (State of Bavaria, 2022_[37]). In this way, Bavaria deploys a DDC strategy to create a network on the African continent, contributing to strengthening economic ties and promoting economic growth.

Find out more:

- <https://africa.bayern.de/>
- <https://www.menschenfuermenschen.de/stories/wasser/hoffnung-fuer-dano/>
- https://www.nachhaltigkeit.bayern.de/doc/bayerische_nachhaltigkeitsstrategie_2022_bf.pdf

Long-term strategies to promote environmental sustainability – Bonn, Germany

Source: City of Bonn (2023).



The city of Bonn adopted a unique, long-term approach to DDC partnerships more than 25 years ago, taking international co-operation beyond existing city-twinning with European cities. Bonn began its active engagement in DDC in the 1990s with the launch of several sustainability-orientated partnerships. To date, Bonn has maintained six city partnerships, namely with Bukhara (Uzbekistan), Cape Coast (Ghana), Chengdu (China), La Paz (Bolivia), Minsk (Belarus) and Ulan Bataar (Mongolia) (City of Bonn, 2023_[38]).

In these partnerships, the cities jointly address challenges in the field of municipal services, such as disaster prevention and climate change adaptation and mitigation. In addition to technical exchange, joint projects with a focus on environmental sustainability are also carried out. For example, the Sustainable Bukhara project addresses sustainability in the hospitality sector in Bonn and Bukhara alike. Other projects include the Eco-Resilient Cities project on renewable energy, waste recycling and climate change adaptation in La Paz or the renaturation of Fosu Lagoon in Cape Coast (City of Bonn, 2023_[39]). Partnerships with these cities have evolved over the years to respond to new development challenges. For example, during the COVID-19 crisis, partners from the health sector were identified and engaged.

Find out more:

- <https://international.bonn.de/international-profile/international-cooperations/partners-across-the-world.php>

GUIDANCE FOR IMPLEMENTATION

As presented in Chapter 1 "Building blocks of the Global Policy Toolkit", this sub-section provides an overview of key recommendations and guidance to implement and transfer examples detailed above.

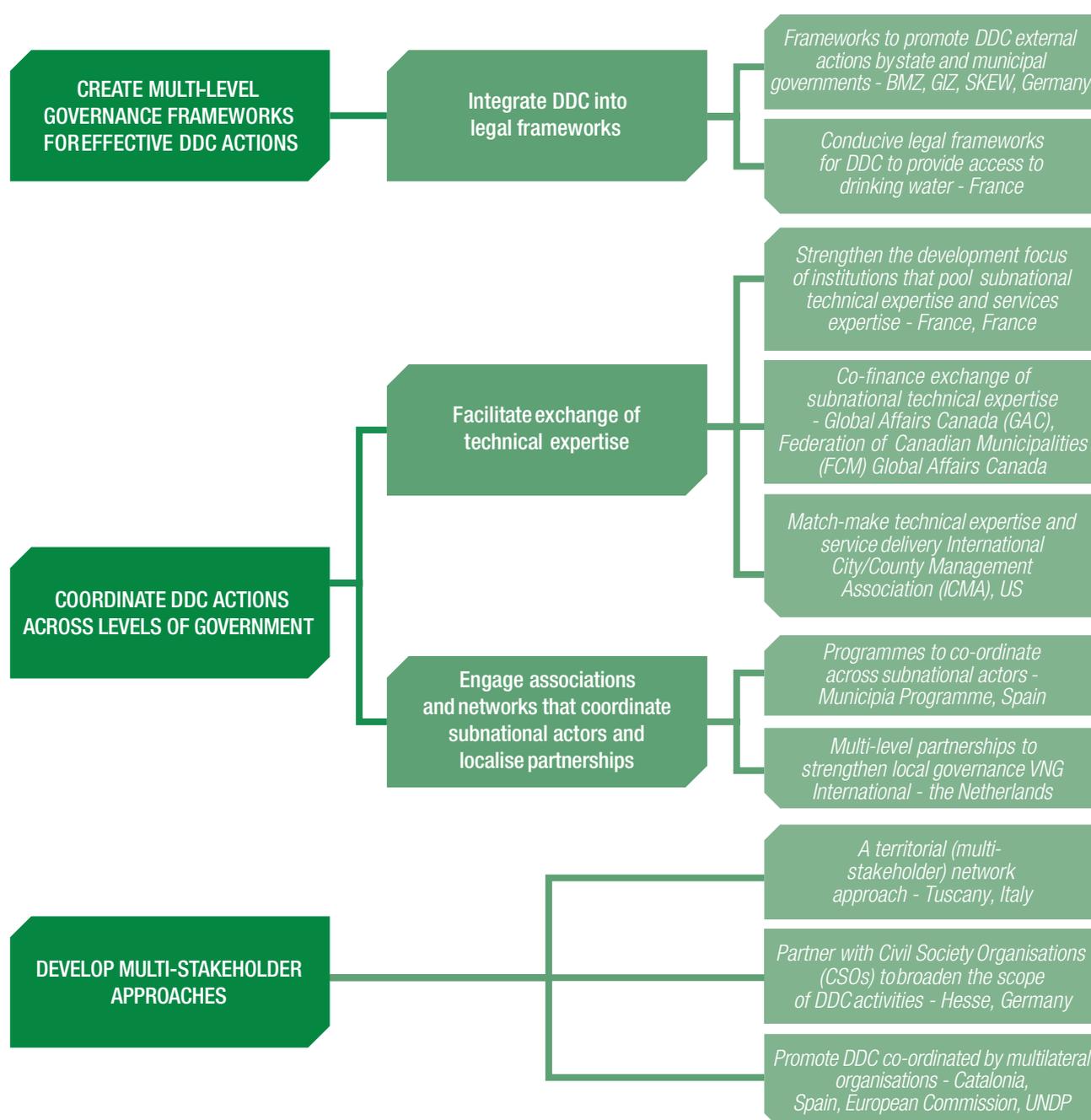
- **Develop common guidance and objectives for DDC for place-based and effective DDC at the country, regional and sectoral levels.** The development and promotion of common guidance for DDC and understanding in specific contexts help to achieve more effective DDC partnerships. Examples in the toolkit demonstrate how to better identify and target place-based priorities, such as focusing on co-creation across DDC actors in developing countries (Flanders in Belgium, Sweden). Other examples explore how subnational governments provide guidance to advance sectoral priorities for DDC including targeting gender equality and environmental service delivery (Finland, Spain).

- **Facilitate peer-to-peer partnerships for the delivery of mutual benefits.** Expanding beyond a one-way, north-south paradigm, subnational governments seek to mobilise their own knowledge and expertise to support their peers in partner countries while benefiting from the returns on investment (e.g. social, cultural, political, economic returns) through exchanges of knowledge, good practice and peer-to-peer learning. Several examples in the toolkit provide illustrations of how subnational governments are working with national and regional governments to engage in DDC knowledge exchange in support of climate change advocacy (Sweden), mutual learning for disaster risk reduction (France, Italy, European Commission) and promotion of fair trade and sustainable value chains (Belgium).
- **Promote long-term DDC programming, including SDG localisation, to strengthen the stability of financing and partnerships.** Several subnational governments have longstanding multi-annual partnerships which permit long-term predictability of budgets (e.g. Flanders has a five-year commitment cycle with a few partner countries and targeting several sectors). Local and regional governments can promote long-term strategies through policy frameworks that clarify the role of DDC within development co-operation and broader localisation strategies. The toolkit explores notably how several subnational governments are embedding DDC into long-term sustainability strategies, including promoting SDG 17 and environmental sustainability (Bavaria and Bonn, Germany).

3 | Decentralised Development Cooperation multi-level governance and financing

Coordinated actions across levels of government (e.g. municipalities, states/regions, national governments, etc.) and multi-stakeholder approaches can strengthen the value-added of a diverse array of actors (e.g. civil society organisations [CSOs], universities, private sector, multilateral organisations, etc.) in delivering decentralised development cooperation (DDC) partnerships. This section examines how multi-level governance can be strengthened to facilitate and coordinate DDC actions across levels of government and with broader actors, including through programmes that facilitate the exchange of technical expertise, pooling of resources and use of co-financing mechanisms (Figure 3.1).

Figure 3.1. Toolkit building blocks for effective DDC multi-level governance and financing



STRENGTHEN MULTI-LEVEL GOVERNANCE FRAMEWORKS FOR EFFECTIVE DDC ACTIONS

Integrate DDC into legal frameworks and multi-level coordination programmes

Frameworks to promote DDC external actions by state and municipal governments

– BMZ, GIZ, Engagement Global/SKEW, federal states, municipalities, Germany



Source: German Government and Federal States Programme (2023).

Established in 2015, the German Government and Federal States Programme (*Bund-Länder-Programm*, BLP) implemented by the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) aims to improve strategic cooperation between the German government and federal states for development cooperation (GIZ, 2022^[40]), developing joint DDC projects building on state competencies (GIZ, 2022^[41]). As a federally owned enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for

sustainable development. The core activity areas of the programme are sustainable economic development, good governance, the environment, climate and energy as well as pandemic resilience. The programme links regional expertise in the federal states with technical co-operation projects initiated by the federal government and implemented by GIZ (GIZ, 2022^[40]). In its pilot phase (2015-19), the BLP supported 42 projects and 30 projects in the more recent phase (2019-23). Generally, BLP projects in partner countries are financed by the federal level (maximum 60%) and the state level (minimum 40%, contributed either in-kind or financially or as a combination of both) but some programme elements (such as capacity building for the federal states and their institutions) are entirely covered by the federal level.

For example, the BLP project between Rhineland-Palatinate and Rwanda focuses on the digitalisation of Rwandan agriculture. In a first phase, the Rhineland-Palatinate Ministry of Economic Affairs, Transport, Agriculture and Viniculture (MWVLW) and the Rwandan Ministry of Agriculture and Animal Resources (MINAGRI) analysed the country's existing agricultural meteorology infrastructure, notably the technical solutions necessary to digitalise weather forecasting. Based on that assessment, the partners started to draw up an implementation plan whereby weather stations in Rwanda become increasingly automated and Meteo Rwanda expands its electronic data-processing activities. The resulting agricultural meteorology service could serve as a model for other regions to promote sustainable and climate-proof agricultural practices (GIZ, 2022^[40]; GIZ, 2022^[41]).

Created in 2002 and funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), the Service Agency Communities in One World of Engagement Global (SKEW) is the competence centre for municipal development cooperation in Germany, with the objective to strengthen co-ordination and engagement with municipalities. In its funding opportunities for German municipalities, it provides up to 90% of the total eligible expenditure of municipal DDC projects, with at least 10% to be provided by the applicant's own funds or a third party's. One example includes the SKEW Municipal Climate Partnerships programme which aims to strengthen co-operation between German municipalities and municipalities in the Global South to further climate change mitigation and adaptation (SKEW, 2022^[42]).

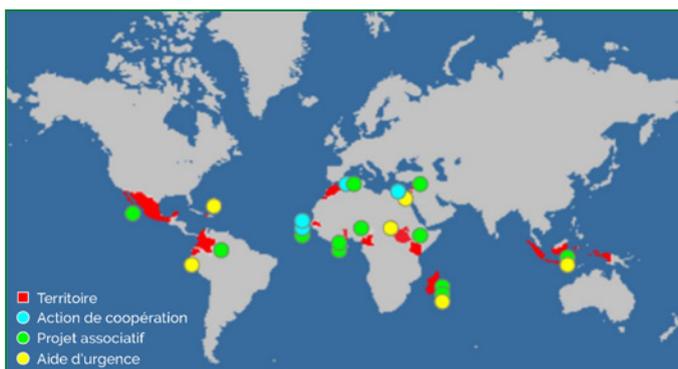
Find out more:

- <https://www.giz.de/en/worldwide/g1262.html>.
- <https://bund-laender-programm.de/en>.
- <https://skew.engagement-global.de/municipal-climate-partnerships.html>.
- <https://skew.engagement-global.de/our-history.html>.

Conducive legal frameworks for DDC to provide access to drinking water - France

Legal frameworks in France help to mobilise resources for DDC, particularly to promote access to drinking water in Sub-Saharan Africa. The Decentralised Co-operation Law (1992) defines the parameters of DDC in general and the more recent Oudin-Santini Law (2005) defines the role of DDC specifically in water and sanitation.

The Oudin-Santini Law allows municipalities, public institutions of inter-municipal co-operation (*Établissement public de coopération intercommunale*, EPCI) of all sizes and *syndicats mixtes* (i.e. joint associations) in charge of drinking water and sanitation service delivery to voluntarily mobilise up to 1% of their financial resources to carry out co-operation actions with foreign territorial authorities, including investments in hard infrastructure, capacity building, technical assistance or water ecosystem services protection. Water agencies may also carry out international co-operation in the field of water and sanitation (also up to 1% of resources), in compliance with France's international commitments and with the approval of the Basin Committee (Government of France, 2005^[43]). Fifteen years after its adoption, the Oudin-Santini Law has mobilised a total of EUR 30 million per year (SEDIF, 2022^[44]). Over the period 2016-20, funds resulted in 9 projects in developing countries totalling over EUR 1 million (Toulouse Métropole, 2022^[45]). However, in 2017 only 82 out of 35 500 French "territorial collectivities" (*collectivités territoriales*) leveraged opportunities provided by the law, suggesting the potential for further resource mobilisation (Solidarités International, 2023^[46]).



More recently, the Thiollière Law (2007) and the Development and International Solidarity Act (2014) consolidated international co-operation as a local authority competency. The 1992 law allows communities in France to sign co-operation agreements with foreign local authorities. The Thiollière Law provides further clarity on which type of DDC activities can be implemented by subnational governments. The Development and International Solidarity Act brings additional flexibility to external action carried out by local authorities, allowing them to support any development co-operation activity (OECD, 2018^[1]). Finally, in August 2021, the French Government passed another law relative to development aid in sectors beyond water (e.g. environment, food security, and health), setting further standards for DDC and linking it with the SDGs, in the "*Loi n° 2021-1031 du 4 août 2021 de programmation relative au développement solidaire et à la lutte contre les inégalités mondiale*".

Find out more:

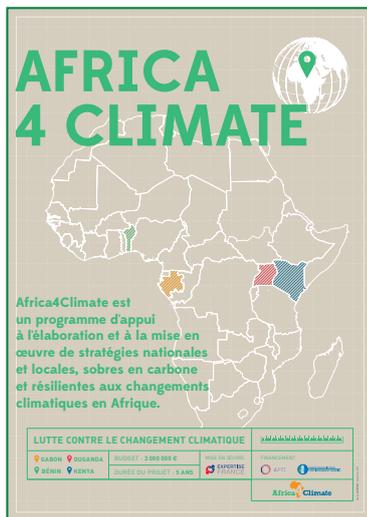
- <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=LEGITEXT000006078688>
- <https://www.sedif.com/loioudinsantini15ansdesolidariteinternationale>
- <https://doi.org/10.1787/9789264302914-en>

COORDINATE DDC ACTIONS ACROSS LEVELS OF GOVERNMENT

Facilitate exchange of technical expertise

Strengthen the development focus of institutions that pool subnational technical expertise and services – Expertise France, AFD, France

In 2014, Expertise France was created to coordinate and implement international technical co-operation in developing countries. In 2021, to strengthen the development focus of its activities, promote better coordination across development actors and target key sectors including governance, security, climate change, health and education, Expertise France was integrated within the *Agence Française de Développement* (AFD Group). Between 2017-21, the volume of resources mobilised by Expertise France increased from EUR 148 million to EUR 324 million. Over two-thirds of the total amount was allocated to African countries (Expertise France, 2023^[47]).



Source: Expertise France (2017).

One example is a project within the Africa4Climate programme, in cooperation with the Group for the Environment, Renewable Energies and Solidarity (GERES) and the *Groupement Intercommunal des Collines* (GIC) in Benin. The GIC received half of its financing from the what at the time was the Picardie region (France), as well as technical assistance from the Hauts-de-France region. The project allowed sharing of information and training of municipal technical teams on development and climate issues and on techniques to restore degraded soil. The project combined the transfer of expertise and technical engineering, with the aim of creating local knowledge and strengthening the capacities of local stakeholders to put forward bankable projects (OECD/SWAC, 2020_[148]).

To facilitate further mobilisation of the expertise of French regional and local authorities in international projects, Expertise France and the Association of French Territorial Administrators (AATF) signed an agreement in 2019 to pool 220 territorial administrators (i.e. civil servants at the head of local governments) who can potentially be mobilised for external action (Expertise France, 2019_[149]).

Find out more:

- <https://rapport-annuel.expertisefrance.fr/en/>
- <https://www.oecd.org/swac/topics/climate-change/border-cities-practical-guide.pdf>
- <https://www.expertisefrance.fr/en/actualite?id=747125>.

Co-finance exchange of subnational technical expertise – GAC, FCM, Canada

Global Affairs Canada (GAC), the Canadian development co-operation agency, provides co-financing to the Federation of Canadian Municipalities (FCM) to carry out DDC activities between Canadian municipalities and associations, and municipal counterparts from the Global South (OECD, 2018_[11]; Government of Canada, 2022_[50]). The FCM is an association of Canadian municipal governments created in 1901, which includes 2 100 municipalities, from cities and rural communities, as well as 20 territorial and provincial municipal associations (FCM, 2023_[51]). Through the funding provided by the GAC, the FCM connects Canadian municipal leaders and experts with peers in developing countries in order to enable collaborations and technical exchanges that improve local governance and public service delivery (FCM, 2023_[52]).



Credit: Chantal Havard, FCM, 2022.

For instance, the Inclusive Municipal Leadership Project in Tunisia (2018-2023) brought together the City of Gatineau and the municipality of Bolton-Est as institutional partners, as well as over a dozen of Canadian locally elected officials and practitioners. The project was financed by GAC and implemented by the FCM and the International Development Centre for Innovative Local Governance (CILG-VNG International). It focused on advancing gender equality in the context of decentralisation and improved local governance for development. *Inter alia*, the project provided peer-to-peer coaching to 254 locally elected officials (of which two thirds were women), resulted in the creation of 37 gender-specific services in 8 Tunisian communes, piloted the organisation of children's councils in four communes, and helped establish a national Network of Locally Elected Tunisian Women (FCM, 2023_[53]).

Find out more:

- <https://doi.org/10.1787/9789264302914-en>.
- <https://www.fcm.ca/en/about-fcm>.
- <https://fcm.ca/en/programs/international-programs>.
- <https://fcm.ca/en/programs/international-programs/inclusive-municipal-leadership-program>.

Match-make technical expertise and service delivery – ICMA, USA

Source: ICMA (2016).



In the United States, the International City/County Management Association (ICMA) matches American local government expertise/technical assistance with needs in developing countries (ICMA, 2023_[54]). In 1997, the ICMA partnered with the U.S. Agency for International Development (USAID) to create the CityLinks programme aiming to facilitate the exchange of best practices and urban management expertise (ICMA, 2023_[55]). The co-financing approach of the programme provided additional financial resources to supplement the programme's activities and increased the coverage and effectiveness of USAID's budget resources (ICMA, 2023_[55]). In 2011-16, the CityLinks

programme focused on three core objectives: i) improve climate-related governance and systems in targeted urban areas; ii) increase the resilience of cities for food security; and iii) improve water supply and sanitation access in urban communities. For example, the multi-year USAID/Dominican Republic's Urban Resilience to Climate Change (CLIMA) project implemented with the ICMA mobilised USD 20 million between 2015-18 for municipalities from the Dominican Republic (USAID/ICMA, 2018_[56]). An evaluation of the project carried out by a USAID external contractor indicates that the programme has "contributed significantly to improving resilience of four Dominican communities through land use planning, and achieved important results in terms of capacity building for replication" (USAID/ICMA, 2018_[56]).

Find out more:

- <https://icma.org/>
- https://www.climatelinks.org/sites/default/files/asset/document/2018_USAID_Planning-for-Climata-Adaptation-Program_0.pdf

Engage associations and networks that coordinate subnational actors and localise partnerships

Programmes to coordinate across subnational actors – MUNICIPIA, Spain

The MUNICIPIA programme was launched across national and subnational governments in Spain in 2007, including the Spanish Agency for International Development Cooperation (AECID), the Ministry of Public Administration, the Spanish Federation of Municipalities and Provinces (FEMP)



Source: <https://www.aecid.es>.

and the Confederation of Cooperation and Solidarity Funds (CONFOCOS), the Spanish central entity that gathers part of the local funds for cooperation (UCLG, 2009_[57]). The programme aims to promote the coordination and effectiveness of activities related to DDC among the 17 autonomous governments, which each have a budget for international development cooperation and at least 100 municipal international development funds (COSLA, 2016_[58]). Key results include increased data and reporting by municipalities on official development assistance (ODA) as well as better coordination and communication on external actions. MUNICIPIA is present in 15 countries and about half of the projects have a strong focus on Latin America. Since 2007, a total of 55 projects have been implemented. A total of 31 projects are underway and 14 are in the pipeline and the start-up phase. The targeted countries include Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, México, Nicaragua, Panamá, Paraguay, Perú, Uruguay and Venezuela with a total budget of EUR 12 395 000 (FIIAPP, 2023_[59]).

Find out more:

- https://www.uclg.org/sites/default/files/aid_effectiveness_ucl_position.pdf
- https://www.cosla.gov.uk/_data/assets/pdf_file/0027/14679/20160216_international_development_lg_scoping_final_short.pdf



Source: VNG International (2023).

To create a formal venue for policy exchange between levels of government in the Netherlands to strengthen DDC partnerships for local governance, the International Cooperation Agency of the Association of Netherlands Municipalities (VNG International) initiated a five-year strategic partnership (2022-26) with the Ministry of Foreign Affairs entitled Sustainable Development through Improved Local Governance (SDLG), including an annual policy summit (UCLG, 2022_[24]). This strategic partnership is the result of several years of negotiations at the highest level of government (UCLG, 2022_[24]).

The programme generated funding from the Dutch Ministry of Foreign Affairs to carry out specific initiatives for the empowerment of local governments across eight different countries (Burundi, Iraq, Mali, Mozambique, the Palestinian Authority, Somalia, South Sudan and Uganda), with a focus on thematic priorities related to migration, security and rule of law, integrated water management and local revenue mobilisation (VNG International, 2023_[60]).

By recognising the role of local governments in development co-operation, the programme contributes to a more coordinated multi-level governance system both in the Netherlands and in partner countries. The partnership improves information sharing on key messages as well as the alignment of positions at major international events. In May 2023, a first annual report of the SDLG programme to be submitted to the Ministry of Foreign Affairs is expected to take stock of outcomes and impacts to date (Scotcher, 2022_[61]).

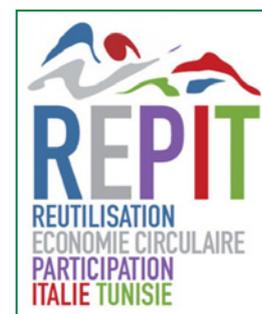
Find out more:

- http://www.cib-uclg.org/sites/default/files/uclg_english_pp.pdf
- <https://europeanevaluation.org/events/consultancy-trainer-outcome-harvesting/>
- <https://www.vng-international.nl>

ENHANCE MULTI-STAKEHOLDER APPROACHES

A territorial (multi-stakeholder) network approach – Tuscany, Italy

Tuscany, Italy, follows a model of DDC based on the concept of territorial partnership. The promoter of the DDC activity is the region, usually in close collaboration with the territorial DDC actors. This approach entails a direct partnership and collaboration between the region and the local regional governments (LRGs) in the partner countries. It is mainly characterised by non-financial activities, such as peer-to-peer learning and the exchange of best practices in the sectors where the region has strong knowledge and expertise. The implementing actor is the region itself together with the territorial actors – municipalities, association of LRGs, NGOs, private companies, and universities – selected on the basis of their comparative advantages in the sectors of intervention (OECD, 2018_[1]).



Source: Anci Toscana (2023).

The involvement of a variety of actors reflects the systems approach to DDC promoted by the region. Its main advantage is that it builds on synergies among the actors multiplying regional resources – financial and particularly non-financial – for DDC activities. The direct collaboration and exchanges among DDC actors – various levels of government, the private sector, NGOs and universities – and the multi-annual presence of DDC actors, given the focus on specific priority countries, has allowed the establishment of solid networks in the partner countries. Co-ordination of activities may be more demanding than other DDC models given the multiplicity of actors involved but greater benefits can be deployed accordingly across a broader range of stakeholders in donor and partner countries. The territorial network approach provides a higher return on investment by mobilising the knowledge and expertise of all the territorial stakeholders in the specific policy sector where the region has a comparative advantage. One example is the promotion of the circular economy between the municipality of Capannori and local and regional governments in Tunisia (such as the Tunis Governate), through the National Federation of Tunisian Towns (*Fédération Nationale des Villes Tunisiennes*) and the *Association Pontes Tunisie*, with the support of the region of Tuscany, with the participation of the municipality of Rosignano, Cispel Toscana, Anci Toscana and the Chamber of Commerce of Maremma and Tirreno (OECD, 2018_[1]; PLATFORMA, 2018_[62]).

Find out more:

- <https://doi.org/10.1787/9789264302914-en>.
- <https://platforma-dev.eu/capannori-italy-tunis-tunisia-rep-it-reutilisation-economie-circulaire-participation/>.

Partner with CSOs to broaden the scope of DDC activities – Hesse, Germany

Source: Hessen-Agentur (2021).



In Germany, several federal states carry out DDC activities by providing financial support to German CSOs. A lack of staff and managerial capacities is often a major obstacle to carrying out DDC activities effectively (OECD, 2023_[4]). By working with CSOs, subnational governments can advance and maintain partnerships with developing countries to compensate for limited federal state capacities and staff resources.

For example, in Hesse, the State Ministry of Economic Affairs, Energy, Transport and Housing (HMWEVW) finances CSOs,¹ youth volunteers, universities and research centres² (HMWEVW, 2021_[63]). The Advisory Council for Development Cooperation and the Development Policy Network Hessen (*Entwicklungspolitisches Netzwerk Hessen e.V.*, EPN) are the main mechanisms for CSO capacity building. Funding for CSOs in DDC activities is also assigned accordingly (e.g. HMWEVW Budget, State of Hesse, Chapter 07 05, Funding Product No. 39) (OECD, 2023).

By working with CSOs, the state of Hesse is able to engage in a wide range of policy and service areas including education, humanitarian assistance, economic development, environment/climate change and water (OECD, 2023_[4]). CSOs have proximity to constituencies and beneficiaries in partner countries and can reach people facing a high risk of discrimination, marginalisation or vulnerability. Their ability to provide service delivery in partner countries is another important comparative advantage, as is their ability to support empowerment and accountability processes in partner countries (OECD, 2020_[64]).

Find out more:

- https://wirtschaft.hessen.de/sites/wirtschaft.hessen.de/files/2021-08/broschuere_ausgewaehlte_beispiele_fuer_die_entwicklungszusammenarbeit_im_land_hessen_stand_03.2021.pdf.
- <https://doi.org/10.1787/51eb6df1-en>.
- <https://doi.org/10.1787/afedb776-en>.

Promote DDC co-ordinated by multilateral organisations – Catalonia in Spain, European Commission, UNDP

Responding to a call by the Lebanese Ministry of Environment in 2014, the European Commission and the United Nations Development Programme (UNDP) carried out an assessment of the environmental impacts of the Syrian refugee crisis in Lebanon (UNDP, 2014_[65]). The impact assessment determined that a rapid increase in solid waste during the crisis, due to the influx of refugees, created unsustainable capacity and resource strains on the fragile public infrastructure system.



Source: MedCités (2020).

To address the challenge, the Al Fayhaa Union of Municipalities launched the Integrated Municipal Solid Waste Management in Al Fayhaa (ISWMF) project in 2017-18 to identify opportunities for the international exchange of technical expertise in solid waste management. Five public Catalan institutions (region of Catalonia, the Catalan Agency for Development Cooperation [ACCD], the Metropolitan Area of Barcelona (AMB), the Provincial Government of Barcelona and the municipality of Barcelona) signed an agreement to jointly work to implement the ISWMF. The ACCD led the project, which was co-financed by the four subnational governments, with the aim of working together with Syrian refugees in Lebanon alongside the UNDP.

Within this framework, each participating institution made substantial contributions. For instance, Barcelona City Council, the AMB and the Catalan Waste Agency (ARC) actively shared technical knowledge on solid waste management. The ACCD successfully coordinated the participation of the Catalan municipalities in the campaign for the Syrian refugee crisis. Finally, MedCities – a network of Mediterranean coastal cities created in Barcelona in 1991 – helped foster a direct relationship with the urban community of Al Fayhaa and shared its knowledge of the local context. Finally, the ACCD contributed through leadership, technical coordination and the creation of a policy dialogue among the Catalan Consortium, the UNDP and the urban community of Al Fayhaa.

As a result, the exchange enabled local authorities in Lebanon to increase their capacity to plan over the medium term and to develop innovative technical solutions for the management of solid waste, notably reducing costs. The transfer of knowledge focused on the necessity to align solid waste management with humanitarian intervention and the development of infrastructure in national systems and programmes (PLATFORMA, 2018_[66]).

Find out more:

- https://procurement-notice.undp.org/view_file.cfm?doc_id=110938.
- <http://platforma-dev.eu/wp-content/uploads/2017/03/Decent-coop-Medit-and-ME-with-Regione-Toscana.pdf>.

GUIDANCE FOR IMPLEMENTATION

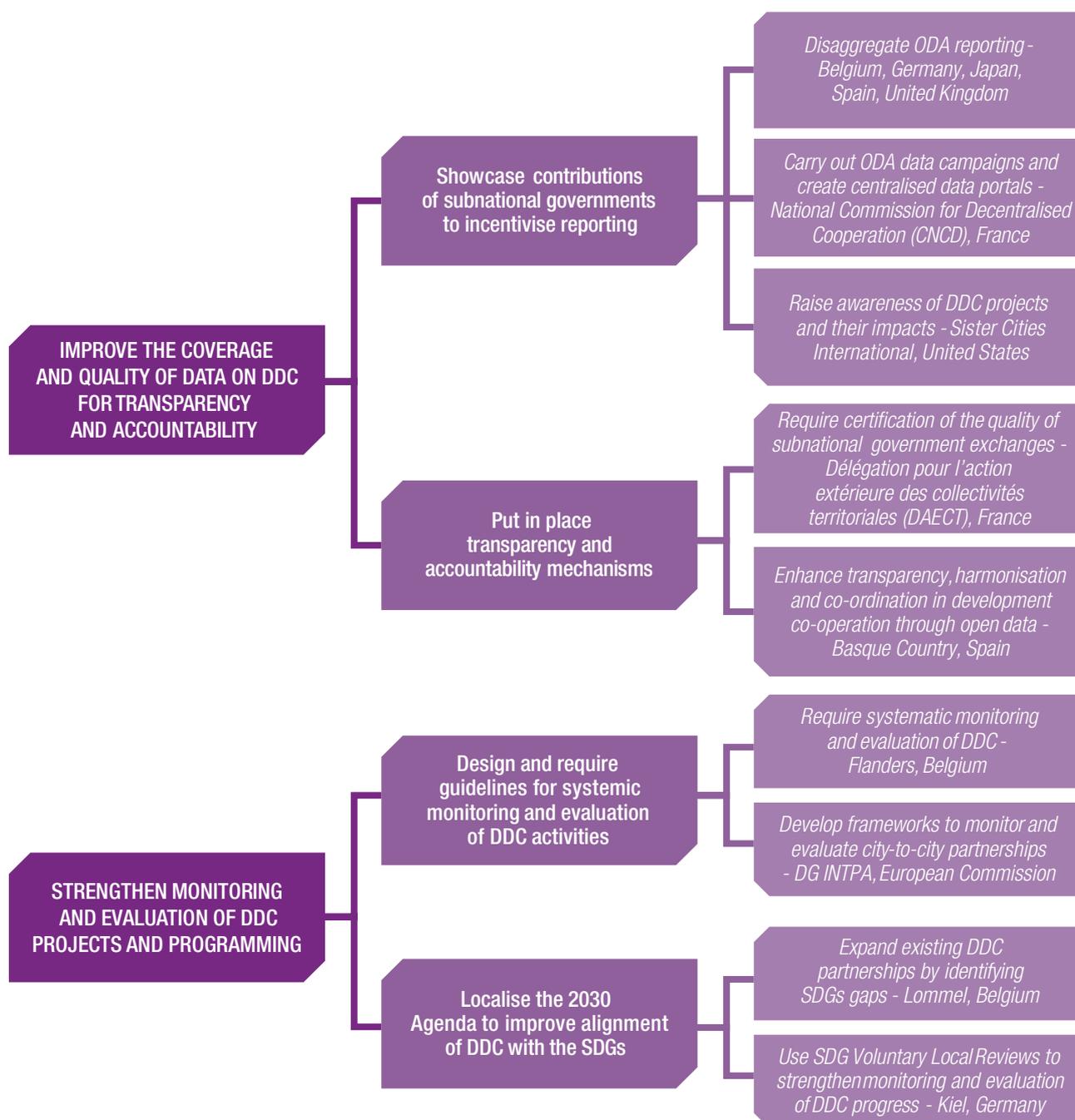
As presented in Chapter 1 “Building blocks of the Global Policy Toolkit”, this sub-section provides an overview of key recommendations to implement and transfer examples detailed above.

- **Strengthen multi-level governance frameworks to promote targeted subnational DDC engagement.** The toolkit demonstrates how legal frameworks can specify the competencies for subnational governments to carry out DDC and promote targeted engagement. Frameworks can support engagement, such as the BLP which provides a framework for multi-level DDC in Germany. Other frameworks can focus on defining more specific sectoral competencies, such as laws in France which allow subnational governments to devote a portion of their budgets and mobilise own-source resources to promote access to drinking water, and more recently broader sectors, in developing countries.
- **Coordinate DDC actions across levels of government.** With their unique vantage point, national governments and development co-operation agencies are well-placed to help match supply and demand for technical expertise in support of local priorities in developing countries and promote policy coherence of external actions. Examples in the toolkit point to several donor agencies (e.g. Canada, United States) that have longstanding institutions aimed to strengthen DDC technical exchanges which are financed in part by aid agencies. Other more recent institutions provide insights on how to improve the pooling of resources (France). In addition, national governments are strengthening engagement with associations and networks that coordinate subnational governments in order to better coordinate large numbers of small actors (e.g. associations of municipalities the Netherlands and Spain).
- **Enhance multi-stakeholder and territorial approaches.** Subnational governments are strengthening their networks with a broad range of actors including CSOs, multilateral organisations, universities, the private sector, etc. These networks allow higher engagement with local actors in DDC activities. Examples in the toolkit demonstrate the value of a systems approach by mobilising the knowledge and expertise of all of the territorial stakeholders in the specific policy sector where the region has a comparative advantage (e.g. Tuscany’s approach to advancing the circular economy in DDC activities). Other example included in the toolkit demonstrates how partnerships with CSOs allow subnational

4 | Data, monitoring and evaluation of Decentralised Development Cooperation

Improving the coverage and quality of financial and non-financial data on DDC partnerships, including documenting the qualitative component of DDC on peer-to-peer learning and in-kind contribution, and strengthening guidance for monitoring and evaluation (M&E) frameworks are key ingredients to achieving intended outputs, outcomes and impacts. This section examines how governments are making headway to better incentivise reporting, centralise DDC data platforms, raise awareness of the opportunities to engage in DDC and use data to strengthen the SDG alignment of existing DDC partnerships (Figure 4.1).

Figure 4.1. Toolkit building blocks for effective DDC data, monitoring and evaluation



IMPROVE THE COVERAGE AND QUALITY OF DATA ON DDC FOR TRANSPARENCY AND ACCOUNTABILITY

Showcase contributions of subnational governments to incentivise reporting

Disaggregate official development assistance (ODA) reporting – Belgium, Germany, Japan, Spain, United Kingdom

Source: FEMP (2023).



Among the 11 DAC members that reported on DDC as ODA in 2021, 5 disaggregate ODA data by regional or state-level agency, i.e. have introduced specific agency codes to valorise the contributions of subnational governments individually (OECD, 2023_[67]).

Improving the granularity of reporting provided to and by subnational governments by using specific agency codes helps to valorise DDC contributions. It further helps subnational governments prioritise DDC in their programming and demonstrate the return on investment of carrying out DDC activities (OECD, 2023_[4]). More granular reporting further provides a means to share good practices among subnational governments willing to learn from the innovations and approaches implemented by their peers.

Spain is a longstanding provider of disaggregated ODA data by local and regional authorities. All 17 autonomous regions report on ODA and are separated in the database. Additionally, Spanish municipalities also have a separate agency code.¹ Municipalities were included in reporting in 1999 and continuously reported since 2002, as have autonomous governments. Since 2005, municipal data has been coordinated by the Spanish Federation of Municipalities and Provinces (*Federación Española de Municipios y Provincias*, FEMP). In practice, the FEMP carries out an ODA data survey of Spanish municipalities and maintains a data portal to showcase ODA data. The federation has also designed a statistical tool called “datosAODlocal” to present the data using graphs and interactive maps (FEMP, 2022_[68]).

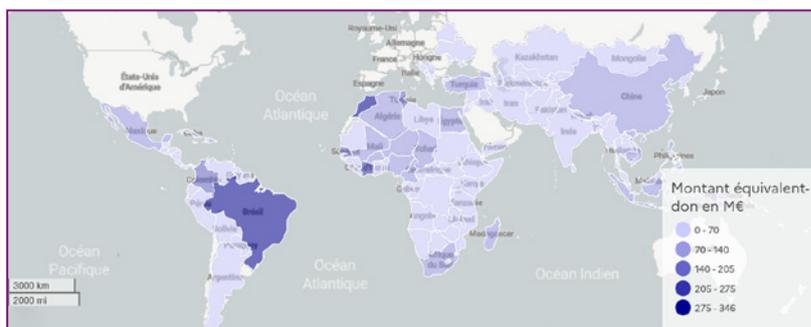
Similarly, all Belgian regions submit data on ODA, including municipalities, each with its own category. In Germany, all 16 federal states also report on ODA, each with its own agency code – despite not all including the municipal level. In the United Kingdom, the devolved governments of Scotland and Wales are separately listed. Finally, Japan separates prefectures and cities in its submissions.

Find out more:

- <https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/>
- <https://doi.org/10.1787/afedb776-en>.
- <http://cooperacion.femp.es/>.

Carry out ODA data campaigns and create centralised data portals – CNCD, France

In 2009, the National Commission for Decentralised Cooperation (*Commission nationale de la coopération décentralisée*, CNCD) created a French atlas of decentralised cooperation and other external actions, which was made available to all decentralised cooperation actors on the CNCD website. The tool helps to promote the international action of French local authorities by allowing them to declare ODA via the website, submit their projects to obtain co-financing from the French Ministry of Europe and Foreign Affairs and update their dedicated profile. Projects are searchable by recipient region/country, by donor local and regional authorities and by keyword, including themes, financing, etc. (French Ministry of Europe and Foreign Affairs, 2022_[69]). The CNCD website also serves as a one-stop shop to report data, submit project proposals and share information on decentralised cooperation. More than 11 440 decentralised cooperation projects, carried out by nearly 4 700 French local authorities with nearly 8 300 partner authorities in 135 countries, are listed to date (French Ministry of Europe and Foreign Affairs, 2022_[69]).



Source: Government of France (2023).

To incentivise reporting on ODA by subnational governments and populate the Atlas data portal, the French government carries out an annual ODA campaign among cities and regions to raise awareness of the benefits of DDC and the importance of ODA and provide technical assistance on ODA reporting where needed. As a result, the number of actors reporting has more than doubled from 196 local governments in 2012 to 482 in 2017. In 2019–20, the number of French regions and local authorities again doubled from 470 to 1 040, mainly due to increased reporting by cities with fewer than 100 000 inhabitants (French Ministry of Europe and Foreign Affairs, 2022_[69]).

In 2021, the French Ministry of the Economy, Finance and Industrial and Digital Sovereignty and Ministry of Europe and Foreign Affairs launched an open database to gather all ODA information at the national and subnational levels.² To increase the transparency of the whole-of-government ODA policies, the portal facilitates access to data by provider agency, geographical area, sector and financial instrument. The data are updated annually and are currently available for 2018, 2019 and 2020 (French Ministry of Europe and Foreign Affairs; French Ministry of the Economy, Finance and Industrial and Digital Sovereignty, 2022_[70]).

Find out more:

- https://www.diplomatie.gouv.fr/IMG/pdf/rapport_apd_2020_-_donnees_2019_cle49ab16.pdf.
- <https://data.aide-developpement.gouv.fr/pages/communiquer/>.

Raise awareness of DDC projects and their impacts – Sister Cities International, United States

Source: Sister Cities International (2020).



Sister Cities International is an American non-profit organisation that promotes the role of American cities and communities in international development co-operation, including peer-to-peer learning and exchange. The aim of the association is to improve the implementation of external partnerships carried out by American cities. The association includes 471 members in 138 different countries. It published an annual impact report up to 2019, which included data on amounts financed, the number of jobs created, the number of countries engaged and the objectives of the exchanges (Sister Cities International, 2020_[71]). For example, Sister Cities promotes the development impacts of the diaspora partnership between the United States city of Atlanta and Montego Bay in Jamaica, formalised by the Sister Cities Committee (AMBSCC). The programme regularly communicates and raises awareness of support provided to Jamaican citizens over 30 years including in-kind and financial support for education, technology and medical care delivery.

Find out more:

- <https://sistercities.org/wp-content/uploads/2020/06/2019-SCI-Impact-Annual-Report-Final.pdf>.

Put in place transparency and accountability mechanisms

Require certification of the quality of subnational government exchanges – DAECT, France

The EXPE-CT programme was created by the French *Délégation pour l'action extérieure des collectivités territoriales* (DAECT) in order to certify and control the quality of the expertise and services provided by French local and regional authorities to partner countries. In 2011, the DAECT launched a programme to support the thematic co-operation of territorial authorities – called PACT 2 and then PACT 3 – mobilising experts accredited in specific areas of intervention (climate change, social cohesion, economic development, cultural diversity, etc.). The programme broadened objectives (i.e. developing DDC activities in partner countries where French local authorities have little presence) and provided further flexibility for labelling procedures.



Source: Government of France (2023).

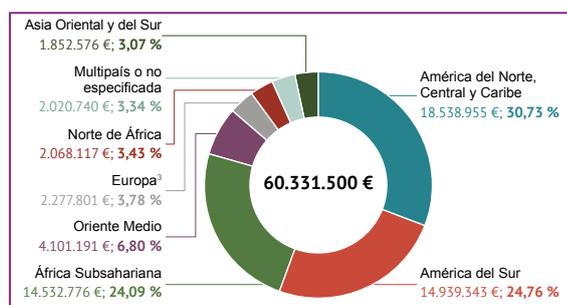
The programme requires French local and regional authorities to conduct an evaluation of project results less than two months after completing the project. Failure to submit the evaluation or an evaluation that is not sufficiently clear can result in the loss of the certification label and a request to reimburse the

cofinancing provided to the local or regional authority. Projects that are co-financed by the programme are short-term and do not exceed one week. The evaluation reports, therefore, include further information assessing the sustainability of the project in the future and the possibility of extending it over a longer period (French Ministry of Europe and Foreign Affairs, 2023_[72]).

Find out more:

- https://www.diplomatie.gouv.fr/fr/politique-etrangere-de-la-france/action-exterieure-des-collectivites-territoriales/valoriser-mon-expertise-territoriale-a-l-etranger/programme-expect/#sommaire_4.

Enhance transparency, harmonisation and coordination in development cooperation through open data – Basque Country, Spain



Source: Basque Public Cooperation Portal (2021).

Since 2007, the Basque law has required that all development co-operation policies be preceded by an evaluation of the previous policy to ensure continuity. The first evaluation carried out, *Evaluación Participativa del Plan Estratégico y Director de Cooperación para el Desarrollo 2008-11*, was critical to the elaboration of the subsequent strategic plan (OECD, 2018_[11]).

In 2015, the Basque government began the process of designing a web portal for public cooperation data, by taking stock of existing different information and communication systems. The portal was eventually

designed in collaboration with the Research Group on Policy Coherence for Development and International Cooperation of the Hegoa Institute (UPV/EHU), with the technical support of non-profit organisation eFaber. The initiative contributes to improving Basque cooperation information systems, harmonising information on the activities carried out, improving accountability, facilitating analysis and research, and promoting inter-institutional coordination and the move towards a “culture of evaluation”. In addition, it is a one-stop-shop for the evaluation of DDC activities carried out since 2014 by the following institutions: the Basque government; the provincial councils of Alava, Bizkaia and Gipuzkoa; the city councils of Bilbao, San Sebastian and Vitoria-Gasteiz; and Euskal Fondoa – Association of Cooperating Basque Local Bodies (*Asociación de Entidades Locales Vascas Cooperantes*). As an inter-institutional initiative, it aims to promote transparency and coordination in the field of development cooperation (Basque Government, 2023_[73]).

Results from 2021 show that, for example, Basque DDC took place in 66 countries, through 212 different entities (a majority of which were from the Basque Country), 322 local social entities took part in over 1 121 projects, for a total cost of EUR 74 253 567 (Basque Government, 2021_[74]).

Find out more:

- <https://euskalankidetza.hegoa.ehu.eus/es/site>.
- https://euskalankidetza.hegoa.ehu.eus/Informe_Cooperacion_Vasca_2021.pdf.

STRENGTHEN M&E OF DDC PROJECTS AND PROGRAMMING

Design and require guidelines for systemic M&E of DDC activities

Require systematic M&E of DDC – Flanders, Belgium

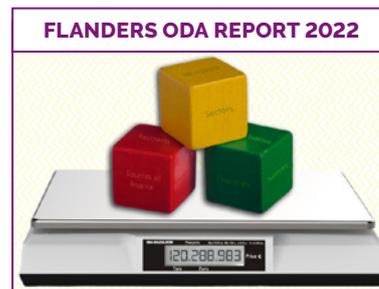
The Flanders development agency is one of the few subnational governments which has guidelines for DDC M&E, resorts to external evaluators and financial audits, and gathers all reports in a centralised database, including information (indicators, results, finance, etc.), which is also a hub for ODA data collection (Government of Flanders, 2023_[75]).

Flanders developed guidelines for the implementation of its DDC projects and programmes, which also include impact evaluation. The guidelines apply to policy evaluations and both to partner countries and to Flanders. Evaluations are usually developed by external evaluators while the monitoring is undertaken by Flanders and its local partners.

Mid-term reviews (MTRs) are one of the main evaluation modalities in partner countries, as in the case of Malawi and Mozambique. M&E guidelines must be followed, which are partially based on risk assessment. Financial audits are usually conducted by certified auditors at the level of individual projects and programmes.

Find out more:

- <https://doi.org/10.1787/9789264302914-en>.
- <https://www.fdfa.be/en/oda>.



Source: Government of Flanders (2022).

Develop frameworks to monitor and evaluate city-to-city partnerships – EC DG INTPA



The EC Partnerships programme uses a logical framework, or log frame, to measure the fulfilment of the objectives of a city-to-city partnership. The log frame includes the overall objectives of the partnership (intended impact), specific objectives (outcome) and outputs where different indicators are used to measure the extent to which the different objectives have been achieved (EC, 2021_[76]). It also includes an activity matrix, which identifies and describes partnerships' key activities to be carried out to produce the intended outputs and the necessary means such as political, technical, financial, human and material resources required to implement these activities, e.g. staff, equipment, supplies and operational facilities (OECD, 2023_[77]).

For example, the partnership Adapting Local Integrated Urban Development Plans to the SDGs aims to ensure a territorial approach to sustainable development between the cities of Madrid, Spain and Praia, Cabo Verde. The impact of the partnership is measured by the number of inhabitants in Praia benefitting from the project activities. The outcome to promote urban governance is measured by the number of local strategic plans developed. The output is measured by the adoption of a local strategic plan for sustainable development and the SDGs, an action plan and an investment plan (output).

The OECD has developed an M&E framework for city-to-city partnerships to localise the SDGs which combines a self-assessment framework and a set of indicators. Taking into consideration the ten G20 Rome High-level Principles on City-to-city Partnerships for Localising the SDGs (hereafter the G20 Principles) and the four objectives of the European Commission's partnership programme (strengthen urban governance, ensure social inclusiveness of cities, improve resilience and greening of cities and improve prosperity and innovation in cities), the framework proposes a two-component approach to monitor and evaluate the progress of cities involved in city-to-city partnerships towards the SDGs and their compliance with the G20 Principles. The first component, a self-assessment framework for local governments and their territorial stakeholders aims to enable them to assess to what extent they are aligned with the ten G20 Principles on city-to-city partnerships to localise the SDGs. The second component of the M&E framework is a set of indicators to assess how cities involved in city-to-city partnerships are progressing towards the SDGs (OECD, 2023_[77]).

Between 21 October and 18 November 2022, the self-assessment framework was pilot tested in 27 of the 57 partnerships participating in the European Commission's programme on Partnerships for Sustainable Cities, via an online survey. Findings show that peer-to-peer learning and a territorial approach are the two G20 Principles in which the surveyed city-to-city partnerships score the highest, while the financing G20 Principle is where they score the lowest. In most cases, city-to-city partnerships address concrete local challenges such as urban mobility, affordable housing and gender equality (OECD, 2023_[77]) (OECD, 2023).

Find out more:

- https://intpa-econtent-public.s3.eu-west-1.amazonaws.com/ePrag/2021.0/ePRAG_public_full_en.pdf.
- <https://doi.org/10.1787/d2fe7530-en>.

Localise the 2030 Agenda to improve the alignment of DDC with the SDGs

Expand existing DDC partnerships by identifying SDG gaps – Lommel, Belgium

The city of Lommel, Belgium, and the city of Ongwediva, Namibia, have been engaged in a city-to-city partnership since 1998, focusing on youth and education. In 2019, while developing a multi-year programme for their partnership, both partners carried out an “SDG check” on the draft programme through a workshop exercise named the “SDG circle”. Based on this workshop, five SDGs were identified as potential areas to expand the existing partnership: SDGs 5 (gender equality), 6 (clean water and sanitation), 7 (affordable and clean energy), 12 (responsible consumption and production) and 14 (life below water). As a result, additional activities were designed to fill the identified SDG gaps. The next five-year agreement between Lommel and Ongwediva should be developed using the same model, with the SDGs serving as a reality check on the scope of projects and a framework to strengthen the partnership (VVSG, 2022_[78]).

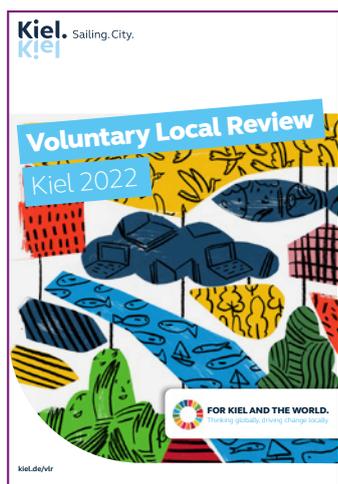


Source: City of Lommel.

Find out more:

- <https://www.vvsg.be/Leden/Internationaal/SDG-pagina/documents%20in%20foreign%20languages/Gameboard%2017%20SDGs%20core%20theme.pdf>.

Use SDG voluntary local reviews to strengthen M&E of DDC progress – Kiel, Germany



Source: City of Kiel (2022).

Voluntary local reviews (VLR) are one vehicle used by local governments worldwide to respond to demand for tracking contributions to the SDGs and communicating on progress toward the United Nations 2030 Agenda. The 2022 *European Handbook for SDG Voluntary Local Reviews* notes a recent surge in reporting by local governments including German cities (Bonn, Düsseldorf, Hannover, Mannheim, Stuttgart) that have already carried out VLRs (Siragusa et al., 2022_[79]).

The city of Kiel, which carried out its first VLR with SKEW in 2022, also utilises ODA data to monitor development partnerships and the city's progress towards SDG 17 (City of Kiel, 2022_[80]). Kiel reports its annual ODA grants to the state of Schleswig-Holstein and thus to the federal government. The figures reported include the share of funding contributed to projects supported by the Federal Ministry for Economic Cooperation and Development as well as funds from the municipal budget made available for projects in the Global South. In 2021, the total sum spent on ODA in Kiel amounted to EUR 138 669 (City of Kiel, 2022_[80]).

SKEW provides targeted guidance for municipalities on indicators and reporting methods to facilitate VLRs. Although ODA data are not specifically mentioned in such guidance, it recommends that “expenditure on projects in the context of development co-operation” be included in VLRs (SKEW, 2022_[81]).

Find out more:

- <https://op.europa.eu/en/publication-detail/-/publication/2fddf0e-f5c2-11ec-b976-01aa75ed71a1/language-en>.
- https://www.kiel.de/de/kiel_zukunft/nachhaltigkeitsziele/_dokumente_VLR/Global_Engagement_ENG-digitale_Version.pdf.
- https://skew.engagement-global.de/files/2_Mediathek/Mediathek_Microsites/SKEW/Publikationen/4_Material/Material_111_bf.pdf.

GUIDANCE FOR IMPLEMENTATION

As presented in Chapter 1 “Building blocks of the Global Policy Toolkit”, this sub-section provides an overview of key recommendations to implement and transfer examples detailed above.

- **Collect and showcase DDC data to motivate engagement by subnational governments and strengthen transparency and accountability.** To overcome the data challenges, national governments can motivate DDC engagement by subnational actors by better showcasing their role and contribution to advancing the global goals. Examples in the toolkit focus on the progress of five members to disaggregate ODA data provided by cities and regions, providing greater visibility to their financial (volumes) and non-financial (qualitative) contributions (Belgium, Germany, Japan, Spain and the United Kingdom). One example explores how governments can further carry out ODA data campaigns to raise awareness of DDC, increase reporting and create a centralised online data platform. The development of one-stop data platforms has proven to increase engagement by subnational governments and improve whole-of-government ODA policies (France). Finally, governments can provide co-financing contingent on transparency and accountability mechanisms, such as certification and labels to control the quality of the expertise and services provided by local and regional authorities to partner countries (France).
- **Strengthen M&E of DDC projects and programming.** Governments are seeking to build the evidence base on the outcome and impacts of DDC activities. Some subnational governments require systematic impact evaluation carried out by external auditors (Flanders, Belgium). Recent efforts to identify indicators and develop a logical framework help to monitor and evaluate city-to-city partnerships (European Commission). With many subnational governments seeking to localise the Sustainable Development Goals, the 2030 Agenda provides a framework to monitor the alignment of DDC with the global goals. Several examples included in the toolkit reveal that subnational governments are using the SDGs, including their VLRs, to better align programmes and existing partnerships with the SDGs (Basque Country in Spain, Lommel in Belgium, Kiel in Germany).

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Notes for Chapter 1:

- ODA provides information on DDC financing trends of 11 DAC members, an increase of 2 members reporting, up from 9 members in 2005. To report the flow of ODA channelled as DDC, member countries use specific donor agency codes to attribute project-level data to financing provided by institutions at the subnational level. However, different members report using different agency codes according to their governance structures (e.g. prefectures, autonomous regions, federal states, municipalities, etc.).
- Based on OECD DAC CRS database. Since 2018, Germany has consistently accounted for more than 60% of DDC volumes worldwide, mainly due to tuition costs.
- For example, this toolkit includes several examples of DDC good practices from DAC members that do not currently disaggregate DDC activities in ODA reporting (i.e. the Netherlands, Sweden and the United States).
- The Global Partnership for Effective Development Co-operation (GPEDC), co-led by UNDP and the OECD, is an example of an international partnership contributing to a more inclusive monitoring and evaluation culture. Through its monitoring exercise to track progress on the implementation of internationally-agreed development effectiveness principles, it allows multiple stakeholders, including local and regional actors from both provider and partner countries to participate in the monitoring process.
- California is the largest subnational government globally and would rank 5th among sovereign governments after Germany and before India in terms of GDP in 2021.
- See: <https://unfccc.int/process-and-meetings/the-paris-agreement>.
- For example, the United States Agency for International Development (USAID) commits to allocating 25% of its funding to local organisations by 2025 as well as placing local actors in the lead for either design, implementation or evaluation of 50% of its programming by 2030 (OECD, 2023[9]).
- By contrast, subnational direct investment in capital expenditures decreased by 0.4% in real terms.
- In 2018, USD 1.87 billion or 1.3% of total bilateral ODA supports cities and regions in developing countries (OECD, 2019[3]). This amount refers to ODA that supports, rather than channels resources directly to cities and regions in developing countries. OECD CRS purpose codes do not currently disaggregate ODA channelled directly to subnational governments in developing countries. Instead, purpose codes that support decentralisation, urban development, low-cost housing and housing policy were examined. Future analysis could provide a more precise methodology (e.g. text search analysis or geocoding) to estimate volumes of ODA channelled directly to subnational governments in developing countries.

Notes for Chapter 2:

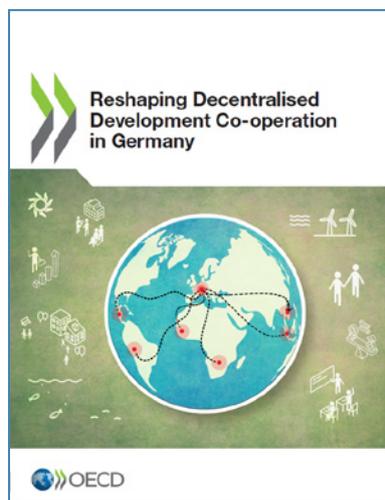
- Partner countries provided co-financing for staff salaries during the projects as well as travel fees to Sweden.
- "Master plans" are considered Barcelona City Council's main co-operation planning instruments (Barcelona City Council, 2018[22]).

Notes for Chapter 3:

- For example, the Development Policy Network Hessen (*Entwicklungspolitisches Netzwerk Hessen e.V.*, EPN) and the German section of the World University Service (WUS).
- For example, the Vietnamese-German University, the University of Giessen (*Universitätshauptgebäude der Justus-Liebig-Universität Gießen*), Goethe University Frankfurt, *the Technische Universität Darmstadt and Hessische Landesstelle für Technologiefortbildung*.

Notes for Chapter 4:

- The autonomous cities of Ceuta and Melilla are also listed separately in the database but they do not report under their individual item.
- Accessible at data.aide-developpement.gouv.fr.



You can find the OECD report Reshaping Decentralised Development Co-operation in Germany here:

<https://oe.cd/pub/4YP>

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