

United Cities and Local Governments (UCLG)

**The Role of Local and Regional Governments
in Development Cooperation — A New Call
to Action Towards 2030 and Beyond**

**UCLG Policy Paper - for approval by the Executive
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Foreword

United Cities and Local Governments (UCLG), as a global network of cities and local, regional, and metropolitan governments and their associations, is committed to representing and amplifying the voices of local and regional governments (LRGs) to leave no-one and no place behind.

LRGs create the local conditions in which the ideals of the Sustainable Development Goals (SDGs) and Agenda 2030 for Sustainable Development are a lived reality. Together we, as a global network and as local and regional governments, are the sentinels of the hopes, dreams, and aspirations held by communities around the world.

In 2013, UCLG adopted its first *Policy Paper on Development Cooperation and Local Government*. Its objective was to promote the various models of development cooperation done by LRGs and Local Government Associations (LGAs), commonly designated as “decentralized cooperation”. The Paper was an invitation to the international community to recognize the role of LRGs and LGAs as development actors, to better engage them in policy dialogues, to share resources, and to foster stronger partnerships.

For almost ten years, the Policy guided our advocacy and programming effort. Since then, we have witnessed gains for LRGs and LGAs, and a better recognition of their role in development cooperation and for implementing Agenda 2030.

Yet, in that decade, the global context has changed, new issues have emerged, and decentralized cooperation practices have evolved. As we approach 2030, this new reality requires a renewed common narrative, to build on success and to act upon our challenges.

UCLG’s vision is that decentralized cooperation is fully recognized, efficient, and impactful, responding to the most pressing development concerns faced by local communities. We see decentralized cooperation as an essential way to attain sustainable development and realize the SDGs.

This new Policy Paper, *The Role of Local and Regional Governments in Development Cooperation— A New Call to Action towards 2030 and Beyond*, is presented for adoption by the UCLG Executive Bureau in June 2022. It provides direction to UCLG and our members for the years to come. It is a call to action with six key objectives aimed at strengthening decentralized cooperation to help achieve the SDGs by the year 2030.

This Policy was prepared by the Capacity and Institution Building (CIB) Working Group of UCLG. It is based on research and extensive interviews conducted by the Institute for Development Studies (IDS) and the work of UCLG’s Policy and Learning teams and of UCLG’s regional sections on decentralized cooperation and the SDGs.

The Global Challenges We Face

In the last ten years, the context in which international development cooperation is taking place has profoundly changed. Major development challenges are intensifying, some are improving, and new ones have appeared.

A Changing Development Context

Although global poverty rates have declined in absolute figures in the last decade, inequalities in accessing basic services and economic opportunities are still prevailing in too many countries. Close to one billion people live and work in informal, under-served, and precarious local conditions worldwide, while billions more depend on unreliable drinking water, electricity, and health care access.

It is also now undeniable that climate change is becoming the paramount challenge that our world is facing. Even though many countries have adopted ambitious greenhouse-gas reduction plans, the climate crisis is accelerating. Climate change is creating a ripple effect on several other development issues, particularly for the most vulnerable and marginalized.

Natural disasters, conflicts, and humanitarian crisis are aggravating in many parts of the world. Civil unrest in Ethiopia, Yemen, and Syria, terrorist insurgencies in many other nations, and the Russia-Ukraine war are driving millions of refugees outside their countries.

It has also become clear that the crisis caused by the Covid-19 pandemic will have lasting effects. The pandemic is a new global health challenge showing the need to invest in health care systems already weakened by long-standing deficiencies in financial, political, and technical capacities. The pandemic exacerbates many other development challenges and drives a massive reallocation of funds to national response and recovery plans. This creates financial constraints to organizations that traditionally receive central government funding like civil society organizations or intergovernmental transfers like LRGs.

The impact of climate change, of disasters and conflicts, of the Covid-19 crisis, and inequalities in access to basic services and economic opportunities, are still deeply gendered. Women and girls are more likely than men to live in poverty and work in lower-paid and insecure employment, to face domestic and other forms of violence, to have to flee their homes, and to lack access to social protection, basic services, and assistance.

The world is also facing a weakening of democracy and its values, as well as the emergence of authoritarian regimes in several regions. Human rights and fundamental freedoms are under strain in many parts of the planet. In some countries, there is a closing of civic space for national and local civil society organizations. In other nations, social cohesion is fragmenting with the polarization of extremist views that test democratic principles, a phenomenon exacerbated by the Covid-pandemic.

All these development challenges take place in a more and more urbanized reality. More than half of the world's population now live in urban areas. By 2050, it is projected that close to 70% of the world's population will live in cities. Developing countries account for 75% of the world's urban population, a figure that has doubled over the past 50 years. Urbanization is the characteristic of the 21st century and will remain the main force behind development or lack of development.

The SDGs and the International Response

In response to those major challenges, we have seen a movement towards a greater push for sustainable development and for a better coordination of international cooperation.

In 2011, the Busan Partnership Principles were established to encourage a more effective development cooperation. In 2015, the 17 Sustainable Development Goals (SDGs) were adopted as part of the 2030 Agenda for Sustainable Development.

Since then, more than 100 countries have pledged to “Leave No One Behind” and fast-track the progress in regions that are the furthest behind. The SDGs provide an exceptional global framework to guide efforts to end poverty, protect the planet, and ensure peace and prosperity around the world by 2030.

As we are getting closer to 2030, the need to accelerate the implementation of the SDGs in the current “Decade of Action”, as pronounced by the United Nations, is now recognized as a matter of urgency.

A More Complex World

The last ten years have also shown that development cooperation is becoming more complex, more political and polarized with new powers, actors, and organizations.

Rising transition economies are increasingly involved in development cooperation, such as Brazil, Russia, India, China, South Africa. The development dynamics now cut across the traditional North-South continuum and often reflect different sets of values and motivations.

Although the Covid-19 response renewed a certain sense of multilateralism, there are major trends pointing to more polarized views on the world's affairs. In the aftermath of the pandemic, the need for all nations to pay attention to issues and challenges at home also meant, more often than not, a decreased focus to international development issues. There is a growing tendency for citizens to turn inward and withdraw from international solidarity.

Moreover, global social, economic, and environmental challenges must be addressed in an integrated, inclusive, and coordinated manner by all actors. This responsibility extends to not only governments at all levels, but also to civil society, academia, private sector, and citizens.

More than Ever, Local & Regional Governments Matter

In a context of unprecedented and universal challenges, one thing is evident. More than ever, cities, local, regional and metropolitan governments, and associations of local government are strategically positioned to contribute addressing global development issues, localizing the SDGs, and achieving Agenda 2030.

Local and Regional Governments are Key to Development and Democracy

As the order of government closest to the people and responsible for ensuring equitable delivery of essential services, local and regional governments occupy an important niche in development.

Cities and metropolitan areas create around 80 percent of global growth. Local communities are where most of the solutions for the pursuit of sustainable and equitable economic development reside, including green growth strategies. Therefore, local economic development and job creation are an increasingly important mandate for LRGs.

Moreover, urban areas generate most of greenhouse emissions and are the most affected by the worsening climatic conditions. LRGs are at the centre of addressing climate change, both from a mitigation and adaptation lens.

Local and regional governments are also key actors to support peace, security, and be protectors of human rights. LRGs play a critical role in ensuring trust, accountability, and transparency to deepen democratic engagement and fundamental good governance values. LRGs ensure an enabling environment for local civil society organizations to operate freely and without disturbance. In many countries, LRGs are the guardians of the democratic transition, an agenda which has been pushed backwards by the Covid-19, economic, and social crisis.

LRGs are also particularly well placed to address inequality, including gender-based inequalities. Promoting inclusive governance is an essential role of LRGs; LRGs know how to reach out to the poor and the most vulnerable and marginalized communities.

The Covid-19 pandemic has confirmed how LRGs are at the forefront to implement strong local actions to respond to crisis. LRGs are the closest sphere of government to address the needs of all communities in difficult circumstances.

Local and regional governments are in the best position to facilitate partnerships between levels of government, the private sector and civil society groups, to bring more effective and inclusive development.

The role of local government associations in bringing vertical and horizontal integration, and better national action plans is also very important. In most countries, LGAs represent the voice of all local (and regional) governments, which makes them essential to good multilevel governance.

Moreover, LGAs create space for learning, collaboration, and the sharing of good practices between local and regional governments. They are often builders of capacity within the municipal sector, through programs and other vehicles designed and delivered specifically for their members. This responsibility for capacity building is developing quickly in several LGAs and in local government networks in many regions and countries.

This Role is Better Recognized

In the last decade, UCLG united its voice with several partners through the Global Task Force of Local and Regional Government (GTF). This led to the creation of the World Assembly of Local and Regional Governments, officially recognized by the United Nations.

As such, we have been increasingly invited to participate in global, regional, and national networks and venues to represent the vision and the aspirations of LRGs when development policies and strategies are designed.

As a result, the role of LRGs and LGAs to address global developmental challenges in an urbanizing world has been better acknowledged and articulated in the policy agendas of a growing number of UN agencies, multilateral and bilateral organizations, and national governments.

In 2015, the international community recognized urbanization as a major trend with the inclusion of SDG 11 “Make cities and human settlements inclusive, safe, resilient and sustainable” in the Agenda 2030. This was also acknowledged by a drive for the localization of all the other SDGs to ensure their effective implementation.

The New Urban Agenda, adopted at Habitat III in 2016, further confirmed how urbanization can be a powerful tool for sustainable development around the world.

The SDGs & Agenda 2030, the New Urban Agenda, the Paris Climate Agreement, the Sendai framework, and other global development strategies adopted in the last ten years, all confirmed the need for well-planned and well-managed cities and regions.

Since the adoption of these global agendas, what we have heard from local and regional governments from all regions is clear: cities, towns and regions of all size can connect their local plans with those international strategies to better engage local stakeholders in their implementation.

A Recognition but Insufficient Means

Yet, while LRGs continue to be at the forefront to tackle development challenges, they still struggle with capacity, financial resources, full recognition, and re-centralization setbacks.

The demand for financing and technical assistance emanating from LRGs has increased but has not been met. Around the globe, many LRGs do not have sufficient support to improve their general technical capacity and financial autonomy. They still face uneven and unpredictable intergovernmental fiscal transfers and extremely limited access to credit and capital markets. Those issues are even more acute for smaller and rural local and regional governments, outside major urban centres.

Global agendas do not translate into a sufficient engagement of LRGs and their associations in the implementation of their programs and action plans. When actions are decided and taken, national governments are at the table, but LRGs and LGAs often are not. This is of particular concern, knowing that the OECD has estimated that nearly 60% (100 of the 169) of the SDG targets require engagement with local and regional governments, in order to be met.

In recent years, several multilateral agencies, financing institutions, development banks and private sector organizations have set the objective to extend their financing instruments to LRGs. This includes new innovative offers such as pool financing, blended finance, or green and social impact funding. Still, most of LRGs are not technically equipped to be able to access these opportunities nor to fully appreciate when and how to use various forms of innovative financing.

National decentralization policies and state reforms have also brought more attention on LRGs in the past decade. Local and regional governments need instruments, competences and authority through official decentralization policies and legislation adopted by national governments. Studies by the OECD and by UCLG have shown that decentralization, particularly fiscal decentralization, leads to more effective and targeted service delivery for the benefit of citizens in the long term. Yet, in many countries, decentralization has only been partially implemented. In others, lack of management capacity, issues of corruption and transparency, and political will have led some governments to rein in the decentralization process and re-centralize local government functions.

In recent years, multilateral and bilateral donors have shifted their development assistance to priorities which often omit local governance or decentralization as thematic focuses. The reallocation of budgets to respond to the Covid-19 crisis is adding to those difficulties.

All those challenges create a serious gap between the need and the aspiration to localize SDGs, and the issues local and regional governments face to secure expertise and financial resources to tackle development challenges.

Decentralized Cooperation is Part of the Solution

Development cooperation done by local and regional governments and local government associations—commonly called “decentralized cooperation”—has proven to be a very effective approach to address global challenges, build local and regional government capacity, and facilitate resource mobilization.

Decentralized Cooperation Adds Value

Decentralized cooperation is deeply anchored in the principles of solidarity, reciprocity, mutual understanding and exchange of knowledge, and long-term collaboration amongst local and regional governments.

Decentralized cooperation is done by local and regional government employees and elected officials who have the unique skills of being “doers”, able to go beyond theory and actually implement innovative solutions. It is a powerful tool for practitioners across countries, to discuss common problems and arrive at concrete results.

Its added value also lies in the fact that decentralized cooperation takes a territorial approach to development as well as a multi-stakeholder perspective, by which the citizens, the local civil society, and the private sector are all engaged.

Because it is deeply rooted in a belief of solidarity, decentralized cooperation contributes to international relations, keeping countries and societies connected, integrated, and communicating. It helps bring international relations down at the citizens and local civil society organizations level. LRGs are able to mobilize their whole communities to engage in international

activities. It is a way to promote peace, democracy, human rights, and create a more just world, at local level and beyond.

Thus, decentralized cooperation is one of the mainstays in any serious pursuit of sustainable development.

Decentralized Cooperation is Evolving

Decentralized cooperation has evolved over the last decade. It has become a cooperation model that involves a more complex set of relationships between local government counterparts, partners and peers from everywhere in the world, including municipal networks and associations.

We have moved past the traditional aid perspective of donors and recipients, in which the “rich North” is helping the “poor South”. The development of South-South and triangular cooperation (North-South-South) brings new models, actors, and enriches development cooperation. Those new practices have emerged to respond to the need to catalyze lessons, good examples and to find more adapted solutions in regions where urbanization is intensifying, which is particularly happening in the global South. Hence, decentralized cooperation is being increasingly understood as a diverse model of cooperation transcending traditional aid paradigms.

In past years, LRGs, LGAs and several local government networks have gained a stronger experience in designing and delivering effective and sustainable capacity building initiatives, using various modalities and approaches. Those initiatives now include more projects to respond to humanitarian crisis and conflicts. The pandemic has also created more intensive cooperation among LRGs and LGAs despite logistical challenges.

Decentralized cooperation also benefits from new monitoring tools, and from solid forward-thinking knowledge on the challenges affecting cities and countries. Recently, the “digital turn” brought by the pandemic and other technological advances have created new and innovative ways of collaborating, sharing, and implementing decentralized cooperation initiatives.

Development cooperation done by local and regional government and local government associations has traditionally focused on technical assistance and less on financing. However, lately, decentralized cooperation has entered the financing space to help unlock private financing and investments for LRGs. New intermediation instruments, such as the Global Fund for Cities Development (FMDV), have been put in place by UCLG, Metropolis, and other local government networks. They reinforce the capacities of local governments in financing and investment, and catalyze financial market opportunities. Local government networking (North-North, South-South, triangular) has also become a critical modality to share knowledge and connect peers together to look at innovative solutions in the financing space.

Decentralized Cooperation Attracts More Interest

As a result of this progress, in recent years, decentralized cooperation has attracted more attention from multilateral and bilateral agencies and development organizations. There is a multiplicity of new actors involved.

Civil society organizations, NGOs, the private sector and academic institutions continue to be key partners for LRGs and LGAs. Several new active multi-stakeholder networks have also emerged, many of them focused on local issues and challenges (e.g. inequality, affordable housing, migration, responding to climate change). And amid natural and human crises, humanitarian organizations are more often reaching out to LRGs to coordinate their local responses.

Besides being recognized as “development *actors*”, LRGs and LGAs are starting to be seen as “development *partners*”, which add value to bilateral and multilateral development assistance, and to international development done by the civil society and private sector.

Decentralized Cooperation Can Go Further

Despite the tremendous strides made recently in decentralized cooperation, some challenges continue to persist.

Local and regional governments and their associations around the world do not all have the same capacity, resources, legislative authority, and an enabling environment to get involved in development cooperation. This is particularly the case in the global South, where the sharing of good practices and practical training in decentralized cooperation should become more accessible. Local and regional elected officials have sometimes to be convinced themselves of the value of investing their time and resources.

Decentralized cooperation is also still too often considered by funders in a traditional donor-recipient relationship in which accountability is given to “donor partners” from the North. In countries facing humanitarian crisis, conflicts or post-conflict situations, local and regional development cooperation is not sufficiently perceived as a mechanism that can assist local governments. Most of the time, LRGs and LGAs are wrongly seen as non-state development partners, having to compete like other service providers for development funding.

The practice of decentralized cooperation done by LRGs and LGAs also has to become more effective. It is often fragmented, too narrowly focused on small projects, not impactful and outcome driven, and not sufficiently directed to highly urbanizing regions, major global challenges, and the most vulnerable. Moreover, there isn’t enough comprehensive, timely information about decentralized cooperation inputs, investments, and results.

On top of that, decentralized cooperation is perceived by other actors as not adequately cognizant of the country contexts in which it takes place. It is seen as not effectively aligned with other development agencies and programs operating in the local governance sector. It is often also not sufficiently addressing cross-cutting issues like gender equality or youth engagement.

Access to decentralized cooperation opportunities and funding is often difficult, especially for partners from the global South. Besides, decentralized cooperation is still not properly adapted to respond to the needs of LRGs in countries where security is an issue.

In conclusion, to go further, decentralized cooperation has to be better enabled, be more sustainable, and become more efficient.

A Call to Action with Six Key Objectives

To respond to the contextual changes and to the evolution of decentralized cooperation, LRGs and their associations have to be more recognized, engaged, and enabled as strategic actors and key partners in development cooperation.

We, UCLG and our members, are calling to action through six key objectives.

1. Push for More Institutional Recognition, with Real Resources, for Local and Regional Governments to Address Global Challenges

The urgent and intensifying nature of global challenges, rapid urbanization in several countries, as well as opportunities and innovation inherent at the local and regional level, imply an ever-growing responsibility for local and regional actors. This has been recognized in Agenda 2030 and other global agendas.

Yet, the importance of supporting LRGs and LGAs as “development actors” is often overlooked by still too many organizations, agencies, and national governments. LRGs and LGAs continue to face strained financial and personnel capacities, lack of institutional recognition and autonomy, and re-centralization setbacks. Even when their role as development actor is recognized, it usually

does not translate into a real engagement and allocation of resources for the implementation of action plans.

We must continuously ensure that LRGs and LGAs are recognized as critical levels of government to address global development challenges. The involvement of LRGs and LGAs in policy dialogues must evolve into real partnerships and tangible allocation of resources when it is time to implement policies and programs. LRGs and LGAs must be considered strategic implementation actors, with a formal seat at the table, along with national governments, when concrete actions are designed and decided upon.

To push for recognition of the role of LRGs and LGAs as development actors with real resources, we, UCLG and our members, will:

- Multiply our advocacy efforts and continue speaking with one united voice at the global level, particularly through the Global Task Force of Local and Regional Governments. We will continue to demand a recognition of the essential role played by LRGs and LGAs and the need for a real allocation of resources to be able to localize the SDGs and address global development challenges.
- Call for the establishment of more formal and permanent seats at global, regional, and national tables where we can represent the vision and aspirations of LRGs, when development agendas, public policies, and programs are turned into concrete action plans and programs.
- Press national governments to recognize LRGs and LGAs as development actors in national development strategies, including in their Covid-19 response and recovery strategies, and to develop stronger decentralization policies and programs.
- Urge multilateral and bilateral development funders and implementers to continue adopting decentralization, local governance and democracy, local service delivery, and local government association capacity building, as clear thematic focuses, with tangible allocation of resources, in their strategies, projects, and Covid-19 recovery programs.
- Commit to continue to gather our experience and knowledge on the ground as local and regional development practitioners, to inform global, regional, and national policy development, implementation and action planning.

2. Make Decentralized Cooperation a Fully Recognized and Resourced Development Cooperation Approach

Increasingly, decentralized cooperation is proving to be the best way for local government practitioners to discuss common problems with peers, and support capacity building through solidarity, reciprocity, and mutual understanding. This is the way for them to arrive at concrete sustainable development solutions, including for the most vulnerable and marginalized populations.

Yet, awareness building on the need for decentralized cooperation continues to be necessary. More elected officials have yet to see the added value of decentralized cooperation. Also, in many countries, LRGs and LGAs have to be given more resources and legislative authority to get involved. Decentralized cooperation should be understood by all as a mechanism that can adapt to support local governments facing humanitarian crisis, conflicts, or post-conflict situations. Traditional accountability frameworks, that often only focus on “donor partners” from the North, should be looked at differently. And LRGs should not be competing, with or like other service providers, for development funding.

We need to build more awareness that decentralized cooperation is an essential and effective approach concretely adding value to bilateral and multilateral development assistance. LRGs

and LGAs must be fully acknowledged as development partners and strategic interlocutors by local governments, national governments and other multilateral development agencies. Moreover, LRGs and LGAs need a better enabling environment in support of decentralized cooperation, and funding must be more predictable and be increased.

To promote decentralized cooperation as an essential cooperation approach, we, UCLG and our members, will:

- Continue to be very active in international and national fora to push for the recognition of LRGs and LGAs as formal partners who have their place and role in development cooperation and who provide a diversity of expertise that help achieve international assistance objectives, particularly for the most vulnerable and disadvantaged.
- Identify the most prevailing enabling challenges and urge national governments, in all regions and countries, to create policies, legislative frameworks and enabling environments that will facilitate the involvement of LRGs and LGAs in decentralized cooperation.
- Encourage structured dialogues and the adoption of formal strategic partnership agreements between LRGs and LGAs, and national Ministries of Foreign Affairs and/or Development Cooperation ministries, and multilateral organizations to better integrate decentralized cooperation into a formal multi-level governance assistance model.
- Continue to advocate for easier to access, more predictable, flexible and additional decentralized cooperation financing, in the form of multi-year funding programs or financing arrangements specifically designed for LRGs and LGAs.
- Encourage multilateral and bilateral donors to include decentralized cooperation initiatives as technical assistance delivery modalities in their programs and portfolio of projects, including in countries facing crisis, conflicts, or post-conflict situations.
- Inspire more local and regional elected officials to commit and engage in decentralized cooperation, and regard it as a modality to achieve their local sustainable development objectives.
- Continue to share and disseminate our best examples of decentralized cooperation to demonstrate and promote to the value added, efficiency, diversity, and financial impact of LRGs and LGAs development cooperation the international community.

3. Make Decentralized Cooperation More Effective, Professional, Innovative and Sustainable

LRGs, LGAs and local government networks have gained a strong experience in designing and delivering effective and sustainable capacity building for local and regional governments, including new triangular and South-South models and technological innovations.

Yet, decentralized cooperation must become more effective. It should be less fragmented, better aligned and coordinated, more impactful, and directed at highly urbanizing countries and global issues, including with LRGs in countries in conflict or post-conflict situations. There is a need for more comprehensive data on decentralized cooperation investments and results. Major issues like human rights protection, gender equality or youth engagement should be better addressed.

LRGs and LGAs must strategically focus their decentralized cooperation initiatives on the global challenges that matter urgently now and for the future, particularly for the most vulnerable and disadvantaged. LRGs and LGAs should better coordinate amongst themselves and with other actors to create synergies and increase the impact of decentralized cooperation. LRGs and LGAs need to continue investing in knowledge, result monitoring and accountability, as

well as innovative approaches and in the “digital turn”, to remain efficient and agile in an ever-changing global context.

To make decentralized cooperation even more efficient, professional and innovative, we, UCLG and our members, will:

- Commit to focus our decentralized cooperation initiatives to where urbanization is at its highest and on the most important current global challenges, including post-Covid-19 recovery, climate change, equitable economic growth, reducing inequalities, migration, human rights and democracy, ~~and decentralization and local government institutional development.~~
- Pledge to direct our decentralized cooperation efforts to support the most vulnerable and disadvantaged population, including women, girls, and the youth in general.
- Assist national and regional LGAs, particularly from the global South, to put in place more region/country-level coordination frameworks that will facilitate relationships between actors and create synergies and complementarity between decentralized cooperation initiatives.
- Undertake to better align our decentralized cooperation with the objectives of bilateral and multilateral organizations to improve multi-level governance development assistance.
- Commit to simplify and streamline decentralized cooperation processes, make them more accessible, and facilitate access to funding, particularly for new partners in the global South.
- Commit to develop larger and more comprehensive program-based initiatives that will pool together the resources of local and regional governments involved in the same countries to create more harmonized, targeted, and impactful decentralized cooperation.
- Support new forms of decentralized cooperation models, like South-South and triangular cooperation, between countries and between regions of the global South, that provide more adapted solutions to LRGs and LGAs.
- Create new modalities and initiatives to bring decentralized cooperation to more difficult country contexts where local and regional government need support in crisis prevention, crisis management and response, but where security is a concern.
- Design more LGA-to-LGA decentralized cooperation initiatives that build the capacity, knowledge and expertise of national (and regional associations) of local governments, and help set them up where they do not exist.
- Develop more tools, guidelines, and templates, and incubate more innovative ideas and methodologies, including digital working environments, distant learning and delivery methods, to improve, make more accessible, and professionalize decentralized cooperation practices.
- Provide more opportunities for concrete knowledge-sharing, training and access to regional cadres of experts regarding best practices in decentralized cooperation, particularly for LRGs newly engaged in development cooperation and in South-South partnerships.
- Enlarge the number and use of monitoring frameworks and open data systems to improve the quality of reports and evidence of results and actual impact, including sex and age disaggregated data and clear figures on financial investment flows generated by decentralized cooperation.

4. Further Engage Decentralized Cooperation in the Financing Sphere

For LRGs to respond to development issues and localize SDGs, they need access to more funding. The financing market and available instruments are evolving rapidly. On one side, there are increasing needs from LRGs, particularly following the Covid-19 impact, and on the other side, public and private financial partners are offering more instruments, supports and resources that are eligible for LRGs. Yet the demand and the supply sides are currently not connecting, creating in some way a market failure.

UCLG and its partners and several LGAs have recently entered the financing market sphere to help develop strategies and institutional mechanisms, including new municipal investment funds, for promoting investment, mobilizing and catalyzing more capital financing for LRGs. However, a large part of UCLG's constituency remains behind in this regard.

LRGs and LGAs must be better equipped, prepared and supported to be able to access new financing opportunities and to fully appreciate when and how to use various forms of financing. Through decentralized cooperation, LRGs and LGAs can be better capacitated and informed, access more knowledge and inspiring experiences and benefit from the direct support of their peers.

To further engage in the financing sphere, we, UCLG and our members, will:

- Multiply efforts, particularly through FMDV, to be involved in policy dialogues, strategies, programs, and mechanisms with financing institutions for mobilizing financing for LRGs.
- Open more collaboration and create direct partnerships between LRGs and LGAs involved in decentralized cooperation, and financing institutions like multilateral, regional, national, and subnational development banks, and other local government financing facilities.
- Through national local government associations, help facilitate more international linkages and sharing of good practices on how to create intermediary instruments at the national level in order to pool resources, diminish financial risks, and help LRGs access international financial markets.
- Focus more decentralized cooperation initiatives on actions related to local finance such as local taxation and fiscal autonomy, fiscal transfers, fiscal legislations, public-private partnerships, land-based finance, debts, or the access to financial and capital markets.
- Gather and disseminate more experience of successful innovative local government financing modalities and facilities, such as the International Municipal Investment Fund and the African Territorial Agency (pool financing).
- Commit to structure more communities of practice on local finance, including with practitioners from LRGs, Development Finance Institutions and group of independent experts, who can act as advisors to LRGs on the various financing options and models proposed by financing institutions.

5. Help Create More Sustainable and Integrated Development Cooperation between all Countries and Actors

In 2011, the Busan Partnership Principles provided a guide for more effective development cooperation. The adoption of the SDGs in 2015, particularly SDG 17, renewed the international commitment to global partnership and cooperation.

The multiplication and diversity of new partners involved in local and regional governance brings opportunities but also risks. There is a renewed need to avoid silos, parallel programming, opposing values and competition.

Through international relations, LRGs and LGAs can transcend different, and sometimes divergent, national and regional interests, and contribute to international solidarity. Decentralized cooperation can also be an instrument to help better align and coordinate with all partners, including new countries involved in international assistance.

LRGs and LGAs need to better manage the increasing political nature of development assistance that takes place in a complex, and fragmented set of relational geographies across various national, bilateral, and multilateral stakeholders. Decentralized cooperation should contribute to multi-stakeholder approaches, global partnership, sustainability and better coordination amongst actors involved in development cooperation from all regions and countries.

To help bring more integrated, inclusive, sustainable and coordinated global development cooperation, we, UCLG and our members, will:

- Multiply efforts to create more space for dialogue, roundtables, coordination and collaboration with new donor countries and other rising transition economies interested with LRGs and decentralized cooperation.
- Promote the role of decentralized cooperation to help facilitate multi-stakeholder partnerships through engagement in international fora such as the Global Partnership for Effective Development Cooperation.
- Continue to create alliances and develop and share more tools and methodologies that create horizontal partnerships with civil society organizations, academic institutions, the private sector, and other organizations, agencies and institutions for the implementation of decentralized cooperation initiatives.
- Increase collaboration with NGOs and humanitarian organizations to further strengthen the capacity of LRGs and LGAs to take on a coordinating role in crisis contexts.
- Collect more information and data on how decentralized cooperation contributes to multi-stakeholder coordination, global partnership, sustainability, and better relationships between actors involved in development cooperation from all regions and countries.

6. Foster Stronger Public and Political Support for Decentralized Cooperation

International relations keep countries and societies connected, integrated and communicating. It is a way to share fundamental values, ensure peace, justice, democracy, human rights and equitable development. It contributes to building an international order of solidarity and to fostering global citizenship.

Yet, the Covid-pandemic has created a reflux in public and political support for the international action of LRGs and LGAs. In certain countries, citizens are less supportive and do not always see the value for their community to engage and invest resources in decentralized cooperation. Certain political groups also fundamentally question the rationale for public investment in international development. This represents a risk of losing grounds and of letting challenging world issues unattended.

LRGs and LGAs play a key role in sharing democratic values, helping citizens engage actively in international relations, and fostering global citizenship. LRGs and LGAs must respond to a recent decline in public and political support by raising more awareness, strategically engaging citizens and political groups and stronger advocating on why decentralized cooperation is essential to address global challenges.

To foster stronger public and political support, we, UCLG and our members, will:

- Commit to develop more public awareness programs and initiatives to inform citizens of the importance and the results of decentralized cooperation to address global and local challenges like climate change, inequalities, migration, etc.
- Better demonstrate the value of decentralized cooperation as a two-way street, by showing concrete examples of how both communities engaged in international relations benefit positively from the cooperation.
- Encourage local government elected officials to engage political groups and political parties to advocate for the value of international development and decentralized cooperation to address global challenges.
- Create more alliances with local civil society organizations to leverage their capacities to advocate for decentralized cooperation and international development at the local and grassroots level.
- Directly engage local civil society organizations and citizens in decentralized cooperation initiatives to help create linkages between peer civil society groups internationally, and increase citizen contributions in international development efforts.

Implementing our new Policy

While our Policy Paper identifies six key objectives and specific areas for action, it seeks to maintain flexibility to adapt and enhance action areas as the context evolves over time.

In this vein, three-year implementation plans will be produced to enhance the effectiveness of the Policy. Those plans will be prepared in partnership between our World Secretariat and the Capacity and Institution Building Working Group, and in consultation with our members and partners.

UCLG will engage with its members and partners on an annual basis to review the implementation of the Policy against its objectives and action areas, discuss evolving global challenges and opportunities, and make required adjustments to implementation plans.

Together, we will continue to be global leaders in development cooperation to help achieve sustainable development and Agenda 2030.