

# Review of recent trends in decentralised co-operation: Mapping and analysing financial flows, actors and mechanisms

# OECD SURVEY TO LOCAL AND REGIONAL GOVERNMENTS ACTIVE IN DECENTRALISED CO-OPERATION

To the extent possible, responses to the questionnaire should be co-ordinated with the key stakeholders involved in Decentralised Co-operation in your territory

The OECD Survey questionnaire targets cities, regions and other local governments who are required to coordinate, as appropriate, the responses with relevant stakeholders involved in Decentralised Cooperation (DC)¹within their territories. The Survey is composed of six sections with questions on DC activities that are relevant to all cities and local governments.

Kindly send the consolidated response by **16 June 2017** to <u>Stefano.Marta@oecd.org.</u>

Kindly note that responses will be treated for the sole purpose of the final OECD report and that respondents will be consulted on drafts throughout the process

Respondent(s)' name	
Lead Organisation/Department	
Position	
E-mail	
Telephone	
Website	

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<sup>&</sup>lt;sup>1</sup> For the working definition of DC used for the purposes of the Survey, see the **Terminology** section.

### STRUCTURE OF THE QUESTIONNAIRE

#### **Background Information**

### **Terminology**

Section 1: Legal and institutional frameworks for DC;

Section 2: Key actors and strategic partners of DC in your LRG;

Section 3: Core motivations and priorities of DC in your LRG;

**Section 4:** Multilevel governance;

**Section 5:** Evaluation of DC results;

**Section 6:** Examples of DC best practices and challenging cases;

#### **ACRONYMS AND ABBREVIATIONS**

ACP Africa, Caribbean and Pacific

COP22 22nd session of the Conference of the Parties

CRS Creditor Reporting System
CSOs Civil Society Organisations

DAC Development Assistance Committee

DC Decentralised Co-operation
EC European Commission
EU European Union
GNI Gross National Income

G7 Group of 7 G20 Group of 20

IFIs International Financial Institutions

LAs Local Authorities

LDCs Least Developed Countries
LRGs Local and Regional Governments
NGOs Non-Governmental Organisations
ODA Official Development Assistance

OECD Organisation for Economic Co-operation and Development

OOF Other Official Flows PPP Public-Private Partnership

RDPC Regional Development Policy Committee

SDGs Sustainable Development Goals

### **BACKGROUND INFORMATION**

This survey forms part of a project to review recent trends in decentralised co-operation (DC) in EU countries, including a mapping and analysis of financial flows, actors and mechanisms (see the Terms of Reference attached). It is jointly implemented by the OECD Regional Development Policy Committee (RDPC) and the OECD Development Assistance Committee (DAC), in co-operation with the DG DEVCO of the European Commission.

The objective of the project is to take stock of recent trends and evolutions in DC and to understand emerging paradigms, including in terms of priority areas, recipients, governance mechanisms and actors, with a view to highlight lessons learnt and to suggest ways forward to guide the action of central, regional and local governments as well as non-governmental stakeholders through shared responsibility. The project seeks in particular to understand how DC can help localise global commitments such as the 2030 Agenda for Sustainable Development, the Paris Climate Agreement, the Sendai Framework for Disaster Risk Reduction and the New Urban Agenda (Habitat III).

The project will be completed in December 2017, with the launch of an official OECD publication to be organised around five main components:

- I. A statistical pillar aiming to track DC activities extended by local and state governments in DAC-EU member countries;
- II. An assessment of recent trends and persistent governance gaps hindering the effectiveness of DC projects at different scales;
- III. Lessons from 4-5 pilot case studies at the sub-national (regional and city) level, to take account of innovative and multi-level approaches to DC;
- IV. A set of "guidelines" on framework conditions across levels of government for DC to deliver;
- V. Donor profiles for each DAC-EU country surveyed, and case study profiles for the pilots covered

In addition to this Survey to cities, regions and other local governments, the project relies on three additional OECD Surveys to: i) DAC-EU Donors, which is ongoing and includes a section on DC ODA flows, ii) selected Partner Countries to collect their perspectives on the impact and effectiveness of DC projects, and iii) 4-5 Case Study Promoters to analyse innovative approaches and governance mechanisms for DC.

The results of the survey to local and regional governments are expected to provide evidence on the diversity of **DC** actors and their roles, stressing that DC often encompasses a much broader range of development activities than ODA including twinning, peer-to-peer learning, technical assistance and capacity building activities; the **core motivations** for local and regional authorities' contribution to development co-operation; the **geographical focus** of DC in terms of partner countries; the range of (**co-)financing schemes**; the main **multi-level governance gaps** hindering DC effectiveness as well as the **mechanisms** to bridge them; the types of DC **returns on investment** for "northern" and southern local authorities, be they direct (e.g. exports, migration) or indirect (e.g. intercultural dialogue, social cohesion, north-south solidarity) and their **transaction cost**; as well as the **impact and long-term sustainability** of DC interventions.

### **TERMINOLOGY**

### **Decentralised Co-operation (DC)**

The proxy used to appraise the volume of DC activities builds on the 2005 OECD Report which defines DC as "aid provided by the public sector other than the central government". Although the term "decentralised co-operation" is considered in the 2005 Report as aid extended by local and regional governments, it is well-known that other activities beyond the definition of Official Development Assistance (ODA) are often referred to as DC. For example, aid by non-governmental organisations and other civil society organisations, trans-frontier co-operation in Europe and twinning within OECD countries are also commonly referred to as DC (OECD, 2005). Therefore, while the survey focuses primarily on the perspectives of local, regional and national governments who report on DC activities to the CRS, it also includes a number of qualitative questions to reflect, when possible, the perspectives of other DC players, including non-governmental actors. The final Report will also feature a survey to selected recipients of DC (June 2017). It is expected that the project results in a consensual definition of DC, based on countries' terminologies currently used.

#### **Sub-national Governments targeted by the Survey**

This questionnaire should be responded by the following institutions, when and if they play a prominent role in DC in their territory and have a significant experience in this area. Umbrella organisations of cities, regions and other forms of local governments within and across countries are also invited to share the Survey with their constituencies.

"Local and regional governments" (LRG) hereinafter refers to the following sub-national entities:

- Municipalities (cities, towns, wards, boroughs, *inter-municipal*, *metropolitan areas*);
- Provinces (including départements", Land-Kreise, districts) (TL3)<sup>2</sup>;
- Regions (including federal states, länders, comunidades autónomas, counties, oblast, voïvodies) (TL2).

Note that the terminology varies from one member to another and that not all members systematically have three levels of local government. Note also that in some countries the term "local government" is used for municipalities and provinces, but not for regions or federal states. In contrast, the European Commission employs the term "Local Authorities" to refer to public institutions with legal personality, component of the State structure, below the level of central government and accountable to citizens. The term therefore encompasses different tiers of government, e.g. villages, municipalities, districts, counties, provinces, regions, etc. (EC COM, 2013). For the sake of consistency and inclusiveness, the Survey herein refers to "Local and Regional Governments" (LRGs) as an encompassing term for all forms of sub-national governments.

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<sup>&</sup>lt;sup>2</sup> Regions within the 35 OECD countries are classified on two territorial levels reflecting the administrative organisation of countries. The 398 OECD large (TL2) regions represent the first administrative tier of subnational government, for example, the Ontario Province in Canada. The 2 241 OECD small (TL3) regions correspond to administrative regions, with the exception of Australia, Canada, and the United States. These TL3 regions are contained in a TL2 region, with the exception of the United States for which the Economic Areas cross the States' borders. For New Zealand, TL2 and TL3 levels are equivalent and defined by Regional Councils. All the regions are defined within national borders.

This classification – which, for European countries, is largely consistent with the Eurostat NUTS 2013 classification – facilitates greater comparability of geographic units at the same territorial level. Indeed, these two levels, which are officially established and relatively stable in all member countries, are used as a framework for implementing regional policies in most countries.

#### **Decentralised Co-operation Actors**

The survey also makes reference to **Decentralised Co-operation Actors**, whether they are "supporters" or "implementing partners" of DC. This refers to the wider grouping of entities who play an important role in DC financing, coordination, implementation and evaluation, including and beyond local and regional governments:

- Supranational institutions (e.g. European Commission) or international/multilateral organisations;
- National or Central: central or federal government; national associations/networks of local and regional governments or umbrella organisations of agencies and funds;
- Regional: state, region, province, canton or autonomous community;
- Local: municipalities;
- Non-governmental organisations and/or civil society organisations;
- Private sector and financial actors (international financial institutions, investors);
- Universities and research centres.

### Section 1: Legal and Institutional frameworks for DC

This section investigates legal and institutional frameworks as well as the mechanisms and tools used by cities/local governments to implement DC projects. 1.1 What are the international relations competences and cooperation policy frameworks of your LRG? Please provide a description and links to relevant sources (max. 200 words). Is there a standard definition of DC in your LRG? 1.2 Yes No *If yes, please provide the definition and links to relevant websites / sources.* 1.3 What are the prevailing legal and institutional frameworks, regulations and incentives frameworks (financial, legal, etc.) for DC in your LRG? Please provide a description and links to relevant sources (e.g. a specific law, conditionality, other types of incentives) (max. 200 words). 1.4 Have you developed guidelines for DC design and implementation in your LRG? Yes No If yes, please explain/provide the corresponding sources/references to be cited. 1.5 Which DC actors in your LRG are involved in co-financing schemes for DC implementation? **DC** Actors No Yes International/multilateral organisations **European Commission** National government

Local/regional government

Private sector actors

NGOs/ civil society

Other, specify

National association of local and regional governments

Please describe the co-financing schemes with the DC Actors indicated above and implemented by
your LRG or in your country (max. 200 words). Please provide links to relevant sources.

1.6 Which modalities for DC projects are most commonly used in your LRG? The objective of this question is to establish a typology of DC modalities. See the definitions provided below for further clarification.

Modalities	Yes	No	Examples and lists of actors/partners
Partnership modality			
Agency modality			
Network modality			
Other, specify			

- The **partnership modality** refers to the creation of solid and structured bi- and multilateral relationships between individual LRGs as in the case of twinning, for example.
- The **agency modality** refers to the use of channels of LRGs' associations to deliver their associates' development cooperation efforts (e.g. national association of local governments and their agencies, specific regional agency or fund for DC, etc.).
- The **network modality** is a way to channel decentralised development cooperation, bringing together LRGs, their associations, other territorial stakeholders (CSO, universities, research centre, private companies) and multilateral actors. The network modality has been promoted by different EU or global programmes and platforms (e.g. URBACT, Covenant of Mayors for Energy and Climate, URBAL, Asia Urbs, Tacis etc.)

### Section 2: Key actors and partners of DC in your LRG

This section aims to map the key actors and stakeholders involved in DC at LRG level in donor countries, as well as the strategic partners and their roles.

2.1	Please select the box corresponding to the central role of the main actors involved in I	DC in
	your city/local government and list their names.	

Actors	Promoter (lead actor)	Enablers (supporting & coordinating)	Facilitators (intermediaries)	Implementers (field-level implementation)
Regions				
Please list names & specify				
Provinces				
Please list names & specify				
Cities				
Please list names & specify				
Multilateral or supranational organisations				
Please list names & specify				
Central government/sectoral ministries				
Please list names & specify				
NGOs, civil society, youth volunteers				
Please list names & specify				
Private sector & Financial actors (IFIs, investors)				
Please list names & specify				
Universities and research centres				
Please list names & specify				
2.2 In your country, do all LRGs play the same role and carry out the same kinds of DC activities, or are there different roles for cities, regions or other forms of local governments?    Yes				
If no, please explain how their	roles and/or L	OC activities differ.		
Role of cities:		33		
Role of provinces:				

2.3 Has your LRG undergone changes in the implementation of DC activities following territorial reforms in your country (e.g. metropolitan areas)?

Yes	
No	

metropolitan partners? Does the merger of municipalities favour a more optimal scale for DC? Or do such mergers hinder DC due to lower budgets?)
2.4 Please draw a figure mapping all relevant stakeholders in DC within your territory, and showing their interactions and/or connections.
Please insert the mapping here, specifying the lines of authority, frequency of interaction and coordination mechanisms, or provide relevant web links or sources.
2.5 What are the main interlocutors of your LRG in partner countries where you have DC projects?
Please list them as appropriate
Local:
Provincial
Regional:
National:

Please explain (e.g. Does the emergence of metropolitan authorities lead to more DC among

### Section 3: Core motivations and priorities for DC in your LRG

The aim of this section is to understand the core motivations and geographical priorities for the contribution of LRGs to DC. The section will also help to identify emerging paradigms such as the contribution of DC to global agendas, in particular the 2030 Agenda for Sustainable Development.

# 3.1 What is the methodology/approach to define the DC strategy and planning in your LRG? Do you have an annual/multi-annual strategy or plan for DC?

**Please provide examples** (e.g. strategies/plans to be approved by elected bodies, consultative process with CSOs, private sector, academia, etc.)

### **3.2Which types of activities has your LRG relied on in the past 10 years to implement DC programmes/projects?** Please tick relevant boxes and show change over time if any

Type of activities	2005	2010	2015
Peer to peer learning			
Cultural co-operation			
Students exchange/ research / scholarships			
Transfer of technology and know how			
Technical missions			
Training			
Long term assistance support			
Others, (please specify )			

#### 3.3 What are the main sectors that your LRG has supported through DC in the past 10 years?

Policy/service areas	2005	2010	2015
Local governance/ democracy/ decentralisation			
Health			
Education			
Humanitarian assistance			
Economic development			
Transport and mobility			
Agriculture			
Social inclusion (e.g. slum upgrading, basic services, youth projects)			
Environment/Climate change			
Water and sanitation			
Gender			
Land use			
Urban planning			
Migration			
Culture			
Food security			

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kimity (neighbouring countries)
eme poverty (e.g. focus on Least Developed Countries)
rity countries defined by central aid authority rity countries identified by partner International Organisations
ressing global priorities (G7, G20, SDGs, COP, etc.)
ough citizen's consultation
al communities' priorities
noc
er criteria (please specify )

Other, specify

model and approach?

Please explain (max. 200 words each).
Agenda 2030 (Sustainable Development Goals)
Paris Agreement (COP)
Habitat III (New Urban Agenda)
UN Summit for Refugees and Migration
or Summer of Refugees and Angration
EU Consensus on Development
The Consensus on Beveropment
Sendai Framework for Disaster Risk Reduction 2015-2030
Schall Fame work for Disaster Misk Reduction 2013-2030
Other emerging paradigms
Other emerging paracigms

### 3.8 What are the top 5 words you would associate with DC from the list of key words below?

Rank from 1 (most important) to 5 (least important), or suggest alternative words. The objective is to develop a word tag cloud.

Effectiveness	Peer to peer
Efficiency	Place-based
Empowerment	Proximity
Formal / informal	PPP
Governance	Service delivery
Habitat III	SDGs
Information	Sharing
Interculturality	Stakeholders
Knowledge	Top-down
Leadership	Transparency
Legitimacy	Trust
Local	Twinning
Multi-level	Urbanisation
Ownership	Win-win
Partnerships	
	Efficiency Empowerment Formal / informal Governance Habitat III Information Interculturality Knowledge Leadership Legitimacy Local Multi-level Ownership

Ranking		
1.		
2.		
3.		
4.		
5.		
Other(s)		

### **Section 4: Multilevel governance**

This section focuses on the multi-level governance dimension of DC projects within the donor country. It intends to understand how the LRG considered interact with upper and lower levels of governments in its country when designing and implementing DC projects. By multi-level governance, it is herein referred to the mutually dependent relationships – be they vertical, horizontal, or networked – between public actors situated at different levels of government. The section seeks to identify the main gaps that could hinder the effectiveness, efficiency and inclusiveness of DC projects, as well as existing co-ordination and governance mechanisms to bridge them.

## 4.1 Overall, what are the main challenges that your LRG faces <u>in your country</u> when designing and implementing DC activities?

Please rank from 1 (most important) to 7 (least important).

Multi-level governance challenges	Ranking
Silos leading to institutional fragmentation	
Lack of critical scale at local level due to territorial fragmentation	
Diverging DC objectives, strategies, and priorities across levels of government	
Insufficient scientific, technical, and infrastructural <b>capacity</b> of local and regional actors	
Unstable or insufficient <b>funding</b> of local and regional actors	
Poor transparency and <b>accountability</b> practices due to weak monitoring and evaluation	
Lack of or insufficiently robust data and information to guide decisions and priorities	

# 4.2 In your provider country, which challenges have hindered the <u>effectiveness</u> of DC interventions of your LRG, meaning the extent to which DC objectives can be reached?

Challenges	Major challenge	Relevant challenge	Not an challenge
Lack of institutional/legal incentives/frameworks for DC			
Fragmentation / lack of co-ordination of projects/actors within the provider country			
Lack of relevant scale within the provider country			
Misalignment across local/regional/national authorities within the provider country			
Lack of an inventory of DC project in the provider country			
Other, please specify			

# 4.3 In your country, which challenges have hindered the <u>efficiency</u> of DC projects of your LRG, meaning the extent to which DC activities are implemented at the least cost for society?

Challenges	Major challenge	Relevant challenge	Not an challenge
Lack of staff and managerial capacities			
Lack of knowledge on DC at national level			
Lack of knowledge on DC at local level			
Lack of capacity for DC long-term planning			
Lack of financial guarantees for DC projects			
Weak prioritisation of DC funds across levels of government			
Lack of multi-annual strategic plans and budgets for DC			
Lack of robust data on DC initiatives or data of poor quality			
Other, please specify			

# 4.4 In your country, which challenges have hindered the <u>inclusiveness</u> of DC projects designed and implemented by your LRG?

Challenges	Major challenge	Relevant challenge	Not an challenge
Challenges related to accounting control & financial audits (from your LRG, or implementing NGOs/CSOs)			
Limited information sharing across levels of government			
Poor monitoring and evaluation of DC results			
Weak stakeholder engagement in DC projects			
Missing platforms for dialogue with partner countries/cities			
Other, please specify			

# 4.5 Which mechanisms are in place in your city/local government to overcome the above-listed multi-level governance challenges?

Please specify the mechanisms below and provide links to relevant sources or websites.
Mechanisms to co-ordinate DC activities, strategies, objectives across levels of government in line with the principles of subsidiarity
Mechanisms to build capacity of local actors for DC
Mechanisms to share data and information across DC players
Mechanisms to pool DC initiatives at the relevant territorial scale
Mechanisms to prevent corruption, foster integrity and transparency
Mechanisms to assign the needed funding to DC activities

### **Section 5: Evaluation of DC results**

This section focuses on the existing evaluation mechanisms to assess the impact, costs and benefits of DC
projects. Evaluation is herein considered as the systematic and objective assessment of an on-going or
completed project, programme or policy, its design, implementation and results. The aim is to determine the
relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability.

5.1	Overall in your case, would you say that the evaluation and monitoring of DC projects is
	mostly carried out at:

Levels of government	Yes	No
Central government level		
Regional / provincial level		
City level		
Other - please specify		

### 5.2 Which mechanisms are in place to assess the impact of your DC interventions?

<b>Evaluation mechanisms</b>	Yes	No	Please provide examples & sources
Surveys, (partner' satisfaction, etc.)			
Monitoring and Evaluation system			
Evaluation reports			
Ex-post analysis			
Indicators system			
Other – please specify			

### 5.3 What is the scope of the evaluation mechanism in place?

Evaluation objectives		No
Achievement of DC project/programme objectives		
Impact of the DC project in the partner country		
Efficiency/value for money of DC project		
Long-term sustainability of DC outcomes		
Stakeholder engagement in DC project		
Ownership of the DC partner country		
Other – please specify		

### 5.4 Are the evaluation results made available to the general public? Where and How?

Please specify and provide also link to websites, report etc.				

5.5 What are the returns on investment of DC for "northern" and "southern" authorities, be they direct (e.g. institutional strengthening, improved service delivery, migration) or indirect (e.g. intercultural dialogue, economic development, social cohesion)?

Please provide some examples for both northern and southern authorities, a short description, and relevant references / web links/sources.
5.6 Have you produced any synthesis document that takes stock of DC initiatives in your LRC in the last 5 years?
Yes
If yes, please describe what the document assesses and provide us with a copy or web link.
5.7 Do you assess the long-term sustainability of DC projects?
Yes
If yes, please provide the following information:
Concrete example of what happened after the DC project / funding expired
Follow-up actions put in place by the partner country

### **Section 6: Examples of DC best practices and challenging cases**

This section aims to identify the best practices as well as	some challer	nging cases of	DC intervent	tions.		
6.1 Please identify three success stories/ best probriefly why they functioned well (200 words e		OC by your l	LRG and ex	xplain		
Best Practice 1						
Best Practice 2						
Best Practice 3						
6. 2 Please identify three challenging cases of Dobriefly why they did not succeed (200 words e	_	ted by your l	LRG and ex	xplain		
Challenging case 1						
Challenging case 2						
Challenging case 3						
6. 3 Please select the actions, by order of importance, foreseen in your LRG to address the challenges of DC implementation.						
Importance						
	Top	Middle	Low priority	N/A		
Actions	priority	priority	priority			
Raising awareness on importance of DC (e.g. new DC						
information systems apps, websites, interactive tools)						
Fostering co-operation across levels of governments		П		П		
Enhancing cross-sectoral dimensions of DC projects				$\Box$		
Improving stakeholders engagement				╁ਜ਼		
New legal frameworks, regulations, incentives						
Fostering capacity and training for DC projects						
Sharing information, commitments, actions for						
building trust and confidence around DC						
Promoting CSO –LRG partnerships				<del>                                     </del>		
Promoting public-private partnerships						

6. 4 The project includes 4-5 case studies to zoom in-depth in selected EU countries and draw lessons from the achievements/challenges of different governance models for DC. Is your LRG interested in participating in the project as a case study?

Other, please specify

Yes			
No			
If yes, please explain which could be the thematic area/story line of the case study in your city/local government.			
+++++			
Thank you for taking the time to complete the core survey questionnaire on DC activities in member countries. You may provide any <u>additional information</u> , <u>advice</u> , <u>suggestions</u> , <u>or views</u> not captured in the survey questionnaires, below.			