



THE ROLE OF CITIES AND REGIONS

DEVELOPMENT CO-OPERATION **FUNDAMENTALS**



WHY IS IT IMPORTANT?

Almost 60% of Sustainable Development Goal (SDG) targets can only be achieved by subnational governments.

Cities and regions in OECD countries can play a key role in supporting subnational governments in developing countries to provide essential public services.

However, unlocking the full potential of cities and regions, while ensuring effectiveness, remains a challenge.



Central OECD governments co-ordinate, advise, monitor, and provide financing



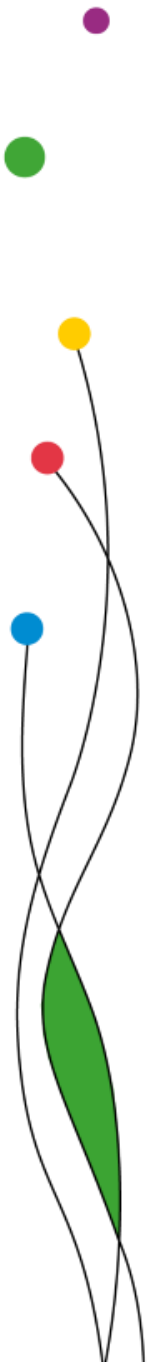
OECD cities and regions mobilise their own resources and expertise



Development co-operation support from OECD cities and regions is effective



Partnerships enable progress towards the SDGs



BASIC STANDARDS

Where appropriate, Development Assistance Committee (DAC) members should enable their subnational entities, such as local and regional governments, cities and municipalities, to support sustainable development in partner countries. DAC members can support the development co-operation efforts of their cities and regions by:

- developing their **capacity**
- supporting **mutual learning**
- mobilising **expertise and resources**

In addition to ensuring **alignment with national policies and priorities**, DAC members should encourage their subnational entities to adopt [development effectiveness principles](#) when working in developing countries. These are country ownership, focus on results, inclusive partnerships, and transparency and mutual accountability.

Section III.3 of the [OECD DAC Peer Review Analytical Framework](#) sets out the DAC's expectations with regard to subnational entities in DAC countries, including ensuring that they adapt efforts to the local partner country context and base efforts on mutual learning.



GOOD PRACTICES



Central government: Policy, strategy and institutions

National development co-operation policies reflect the role and contribution of cities and regions. Policies and legal frameworks enable them to engage in development co-operation and, where relevant, cities and regions are consulted at national level and in partner countries. Co-ordination is enabled through multi-level and multi-stakeholder partnerships and other mechanisms.

- Spain's [development co-operation strategy](#) recognises the role of local authorities. It acknowledges their engagement with cities and regions in partner countries, in particular by providing technical assistance and civil society funding, and their role in supporting citizen engagement in Spain.
- Italy co-ordinates the efforts of its regions. Italy's [law on development co-operation](#) promotes partnerships with subnational entities and enables local authorities to participate in consultative bodies that shape Italy's development co-operation. Guiding principles for Italian development co-operation also apply to subnational entities.



GOOD PRACTICES



Central government: Management systems

The central government provides advice and support to cities and regions on effective development co-operation. Official development assistance (ODA) channelled through or provided directly by subnational entities is monitored and results are reported.

- Germany has [a national agency](#) that provides advisory services and networks for subnational entities engaging in development co-operation. When reporting on ODA, Germany [disaggregates information on development co-operation](#) by federal states and municipalities.
- France publishes [an annual report](#) on decentralised development co-operation, provides guidance on reporting and uses a web-based platform for reporting development results.
- Global Affairs Canada provides [funding to its local authorities](#), connects Canadian and partner country local leaders and experts, and facilitates technical exchange between peers.



GOOD PRACTICES



Central government: Financing and mobilisation of resources

The central government provides financial support for development co-operation efforts of its cities and regions, and incentivises them to mobilise local resources and expertise.

- In France, a [law enables municipalities](#) to use 1% of their water and sanitation budget for international co-operation in the sector, providing significant and stable funding.



Subnational entities: Co-ordination and transparency

Local and regional authorities co-ordinate and communicate their actions. They participate in follow-up and monitoring processes for sustainable and inclusive development, notably those supporting the 2030 Agenda, Addis Ababa Action Agenda and Paris Agreement.

- The Italian region of Tuscany has [mobilised a broad network](#) of public and private sector actors offering specific competences and expertise, with a strong focus on policy coherence using the SDGs as a reference framework.



MEASURING SUCCESS

Decentralised development co-operation delivers if it:

- ▶ Respects important tenets of development effectiveness: it builds on local ownership, focuses on results, is transparent and co-ordinated.
- ▶ Adds value by mobilising additional expertise and resources that are adapted to the partner country context.
- ▶ Is based on partnership and mutual learning.



RESOURCES

This OECD policy paper on [unlocking the potential of cities and regions](#) identifies strengths and challenges in current decentralised development co-operation approaches.

An OECD report on [the key role of cities and regions for the 2030 Agenda](#) analyses the evolution of financial flows, emerging trends and innovative paradigms related to the development co-operation of local and regional governments.

A research study by Platforma on [shaping a new generation of decentralised co-operation](#) aims to increase understanding on different co-operation models, to meet strengthened standards of effectiveness and accountability.

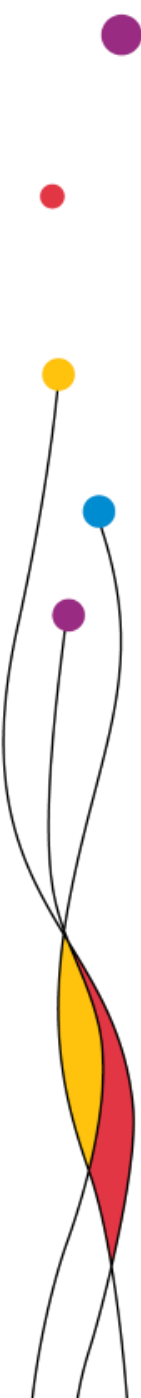
This [policy paper](#) sets out United Cities and Local Governments (UCLG)'s work and objectives as they relate to development co-operation.

Find relevant evaluations via the [DAC Evaluation Resource Centre \(DEReC\)](#).

Relevant topics in this series

Global education, as local authorities can help to raise awareness.

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DEVELOPMENT CO-OPERATION FUNDAMENTALS

This series unpacks development co-operation standards and illustrates how DAC members are applying them. Applying standards can help all actors to fulfil their ambitions and commitments.

Each *Fundamentals* document introduces a **key aspect** of effective co-operation, sets out **basic standards**, offers **good practice** examples, and identifies **relevant resources**.

Other topics in this series, which is being expanded and updated regularly, can be found [here](#). For any comments contact DCD.TIPs@oecd.org.

