

# The debate on decentralized cooperation: aid effectiveness after 2015

Perspectives from Spain

Francesc Badia i Dalmases and Carme Coll, editors



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CIDOB  
Elisabets, 12  
08001 Barcelona  
Tel. + 34 93 302 64 95  
Fax. + 34 93 302 21 18  
cidob@cidob.org  
www.cidob.org

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# PREFACE

*Carme Coll*

*Francesc Badia i Dalmases*

*Xavier Longan*



**Carme Coll**

International Advisor, UNDP-ART

**Francesc Badia i Dalmases**

General Manager and Senior Fellow, CIDOB

**Xavier Longan**

Coordinator of the UN 2015 Millennium Campaign

In recent years, as development cooperation began to incorporate the logic of the process of change in international relations brought about by the technological communications revolution and the resulting acceleration of globalization, the intervention of non-state agents and regional and local authorities in the development agenda has become a reality. This dynamics takes on a particular relevance in a context in which the local and global spheres are ever more interrelated. Regional and local authorities and their citizens confront and suffer the consequences of phenomena that originate beyond their territories, such as migration, unemployment, economic development, climate change, with effects that have an impact –positive or negative– on the lives of their citizens. In light of the existence of such topics of common interest, which affect equally both Northern and Southern territories, a *dialogue between territories* becomes imperative to a practical exchange of knowledge, experience and good practices on how to face these challenges. Decentralized cooperation, that is, cooperation carried out by local and regional governments, took on new weight as these authorities began to incorporate solidarity programs into their political agendas –and into their budgets. Led by a civil society organized into non-governmental organizations, the 0.7% campaign demanded that local governments include this quota of Aid for Development into their political programs.

The emergence of new resources also brought about the training of technical teams both for public administration and for civil society, which provided for a new capacity for action that added to the capacity developed by the governments themselves within the framework of their programs for development cooperation, on both the bilateral and multilateral level. The latter came under the leadership of the United Nations Development Program (UNPD). Similarly, the Southern countries began and consolidated decentralization processes and national programs for local development.

Once this scenario was firmly established in the first decade of the 21st century, in 2010 a process of coordination and joint work among the diverse actors of decentralized cooperation began. The new actors

were operating in the area of the international development agenda, and it became critical to validate the aggregate value of their action with regard to the development processes and the efficiency objectives of development cooperation. These actors agreed to prepare a position paper for the Fourth High Level Forum on Aid Effectiveness (HLF-4) held in Busan, South Korea, in December 2011. This cooperation global partnership came about under the leadership of the United Nations Development Program through its ART Initiative (Articulation of Territorial and Thematic Networks of Cooperation for Human Development), born precisely of the recognition by the UNDP of the need to articulate coherently and positively the multiplicity of actors that operate in the territory. Thus, the ART Initiative worked together with a group of actors and networks of decentralized cooperation that included the organization United Cities and Local Governments (UCLG), the network of Regions United (ORU/FOGAR), the Municipal Funds for Cooperation in Spain and Italy and the Europe-Latin America Observatory for Decentralized Cooperation which had been established by the Diputación de Barcelona (Provincial Government of Barcelona) with the support of the European Commission.

This networking process culminated in the organization of an event in parallel to the HLF-4 on the effectiveness of aid carried out on the sub state level of public administrations and other decentralized cooperation actors. The event met expectations and placed in relief the existence of a multilevel articulation among local, intermediate, national and multilateral actors, which is of increasing relevance to the international development agenda.

The joint work that culminated in the event organized in Busan was preceded by a series of coordination activities that began to take shape in an international seminary in Barcelona for the conceptualization of the terminology and added value of decentralized cooperation, followed by three regional seminar: the first in Northern Africa (Dakar, Senegal); the second in Latin America (Medellin, Colombia); and the third and last in Europe (Foligno, Italy). These successive encounters allowed for a reflection, with an eye toward opportunities, on the differentiated but complementary roles of each of the actors and on the contribution of sub state governments, networks of local governments, and multilateral organizations such as ART-UNDP, in the strengthening of the agenda of effectiveness of development aid.

The HLF-4 turned into the recognition of the decentralized actors and their incipient integration in the process. This formal recognition brought about at that time has resulted essential to the process, as, beyond the formal recognition of the contribution of decentralized cooperation, it achieved recognition on the intergovernmental level of the fundamental role local actors play as agents of development in their territories.

At this stage, and once this line of reasoning has been incorporated into the heart of the national governments represented at the United Nations, it has been established that sub state cooperation can clearly contribute to the principles of aid effectiveness, be it from the point of view of democratic appropriation, responsibility, and mutual rendering of accounts, or from the double perspective of member states, donors and aid recipients.



With regard to appropriation, sufficient evidence has been analyzed so as to be able to affirm that sub state governments, given their proximity to the citizens and their function as basic service providers, play a role of crucial importance in the provision of a development whose effectiveness is precisely based on direct and daily contact with the needs of the population. They also fulfill an important function with regard to responsibility and mutual accountability, as they are the vehicles of contact for citizens with their state governments, legitimating the process and putting it at the service of the effectiveness of the action from a bottom up perspective.

Fruit of this reflection and the result of the working group that arose from the collaboration between the Catalan antenna of the UNDP-ART program and the Barcelona Centre for International Affairs (CIDOB), which has been its home since 2011, a series of activities have taken place which has offered a double process of reflection and discussion.

On the one hand, following the work of coordination and dynamization of networks carried out by the UNDP-ART antenna at the CIDOB, it was considered timely to commission commended experts in the different areas with a series of field studies that were taking the Catalan experience as a case study which culminated in the writing of preliminary reports that then were discussed internally and debated in a seminar held in Barcelona in September 2012. Positioned squarely in the post-Busan paradigm and in the studies that are being carried out at different levels in order to contribute to the future global development agenda beyond 2015, the date set for the achievement of the Millennium Development Goals, by taking a general Spanish overview and focusing on the Catalan diverse and very meaningful experience, the seminar confirmed the existence of a shared awareness, not only of the need for a change in the model of development aid, but also of the opportunity of carrying it out as a strategy to emerge stronger from the current crisis by means of a greater coordination among the actors of a decentralized cooperation.

A reading of the results of this process of research, reflection, and discussion demonstrates the need to increase the efforts invested by all the agents of decentralized development cooperation with the ultimate objective, which all share, of providing a more inclusive model, one in which the role of emerging countries, civil society, the private sector and sub state agents will be recognized.

The present research document, published jointly by CIDOB, UNDP-ART and the United Nations Millennium Campaign, aims to make a modest contribution to guarantee the strategic alliance forged on the road to the Busan Forum. The objective is to continue to promote multilevel dialogue, accompanying the processes of reflection on the efficacy of development cooperation and following up on the Rio+20 accord with the participation in the process of consultation and proposal for a post-2015 agenda in which the contribution of these distinct actors will be the foundation for continuing to perfect a long-term action for development.



# INTRODUCTION

*Francesc Badia i Dalmases*

*Carme Coll*



## INTRODUCTION

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### **Francesc Badia i Dalmases**

*General Manager and Senior Fellow, CIDOB*

### **Carme Coll**

*International Advisor, UNDP-ART*

**T**hroughout the last three decades the Spanish system of development cooperation has been under construction. One of the most outstanding dynamics of this system has been, beyond any doubt, the development of decentralized cooperation, which, in budgetary terms, has supposed, at certain points, more than 15% of the total of Spanish Official Development Assistance (ODA). But beyond the undeniable economic value, the contribution of decentralized cooperation must be measured particularly in qualitative terms.

In general, the potential of cooperation driven by decentralized governments resides in its capacity to promote a territorial focus on development processes. This implies evaluating the relationships of proximity established between actors, how they define reality and how the processes are constituted from below. At the same time, in principle they have a greater capacity to establish alliances with a broad range of actors, particularly in the development partner countries. Hence, this allows for the definition of other models of relationship among the actors within a logic of multilevel governance.

Autonomous communities and local governments have been designing, with different degrees of depth, normative, institutional and budgetary frameworks upon which they have constructed public policies for development cooperation. Throughout this period, Catalonia –which will be the focus of this publication– has been one of the forerunners in decentralized cooperation in Spain, above all since approval of the Catalan Law for Development Cooperation in 2001 and the later edification of the entire legislative and institutional apparatus that has allowed this policy to be driven and consolidated throughout the last decade. In this regard, and beyond other considerations relative to budgetary capacity and discursive and methodological aspects, Catalan public policy for development cooperation has stood out in these years for its will to implicate the entire range of social and institutional actors, for conceiving it as being strategic in character by promoting planning and evaluation of the policy, and for its marked aspiration to influence and participate actively in shaping international agendas for development and development cooperation with a discourse (its own and shared) constructed from a decentralized perspective.

With the economic and financial crisis as a backdrop, decentralized cooperation in Spain, and also in Catalonia, has been suffering important setbacks, manifested particularly in the drastic cutbacks in Official Development Aid (ODA) in most of the autonomous communities and local governments. In a word, an uncertain scenario appears that puts a check on the cooperation model that has been taking shape until now. Similarly, the international agenda for aid effectiveness is advancing around a new architecture of development cooperation, with new actors who are taking on a greater protagonism vis-à-vis the traditional players.

In response to these tipping points, the Barcelona Centre for International Affairs CIDOB, the ART Initiative of the UNDP and the United Nations Millennium Campaign, with the support of the *Agència Catalana de Cooperació al Desenvolupament de la Generalitat de Catalunya* (Catalan Development Cooperation Agency –CDCA) has proposed an in-depth reflection with the entire range of actors so as to contribute to the clarification of the profound transformation that is taking place in the decentralized system of Spanish development cooperation, the challenges it faces, and the solutions it might propose for the future, using the Catalan experience as a testing ground.

To carry out this commitment, the institutions that have driven this reflection proposed to a group of experts in the field that they carry out four studies that would analyze, according to the aforementioned logic, the relative situation of the four principal development cooperation actors who are operating in the decentralized sphere: autonomous communities, local administrations, the private business sector and civil society organizations. In this way, these studies, which ended up constituting the four chapters of the publication you have in your hands, were aimed to allow, as a diagnostic, for the provision of information on the present situation of the diverse agents and of their principal dynamics, while also identifying possible recommendations and future lines of action.

The presentation of the preliminary conclusions of these studies to the range of actors took place on September 20, 2012, in a day-long working session held at the headquarters of the CIDOB in Barcelona, conceived as a space of open and sincere dialogue in which to share ideas and proposals.

In a word, the objective of the project has not consisted of (nor pretended to) taking an exact snapshot of the situation of the sector, nor of designing a precise exit strategy for each of the actors analyzed, but rather in bringing to the table fundamental elements for reflection, which would allow for the identification of trends, and which, to the greatest possible extent, would contribute to establishing the basis for a shared agenda to confront this process of transformation.

The publication you have in your hands, thus, is the result of this whole process, which includes the four studies that were carried out, nourished by the discussions and reflections that arose in the course of the working session, and finally turned into the four chapters of the publication presented here.

To start with a general overview before focusing in the Catalan case, the first chapter, written by Juanjo Iborra, Pablo J. Martínez and Ignacio

Martínez, is devoted to the subject of development cooperation driven by the Spanish autonomous governments, where the authors examine the different political options that are presented to confront the current context of economic and financial crisis in Spain and the EU. To a great extent these options, as the text points out, are responding to a *doctrinal dispute* regarding the consideration of development cooperation as public policy or as a *subsidiary (voluntary)* of other policies. In this sense, the study confirms that, in most cases, autonomous governments are opting for a *weakening* of the public nature of cooperation policy, even for its virtual *liquidation*. Only a very few autonomous communities continue even now to stake a claim for its continuation, reflected in terms of ODA budgets, a search for political and social consensus among the diverse actors, or a revision of the model to increase its effectiveness. In the light of this certainty, the authors elaborate a series of reflections on the value of the various areas of consensus that, in terms of this policy, had, or seemed to have, been constructed from the autonomic administration sphere.

At the same time, the chapter examines in depth some of the main weaknesses that the Spanish autonomic model of development cooperation has been manifesting throughout this decade of consolidation (2000-2010). Thus, the chapter deals with issues such as the gap between doctrinal and planning frameworks on the one hand and project-driven operations on the other. The resulting model, inefficient and clearly atomized, manifests hypertrophy in the area of management (a phenomenon for which the authors use the term “projectorate”, coined by scholar Rodríguez Carmona), a lack of genuine and efficient mechanisms of coordination, and the deterioration of the political dialogue among the actors.

Finally, the chapter ends with a series of proposals for lines of action to confront future challenges to Spanish autonomic cooperation, in keeping with the suggestions of the diagnostic, for the purpose of transforming the model to strengthen the role of the autonomous communities in the area of global development policy.

Taking then Catalonia as a case study, the second chapter refers to the Catalan civil society organizations, a category which, for practical reasons and despite the danger of incurring in imprecision, includes Development NGOs, labor organizations and university agents.

The chapter, written by Xavier Martí González, starts out from an initial working hypothesis: these organizations must confront a new scenario in the area of development and development cooperation that is marked by a *return to an inclusive capitalism*, a reconfiguration of the traditional donor-receiver relations owing to the arrival of new donors, and a new attitude toward welfare policies in Europe, with the consequent *regression of certain public policies*. The challenge can be found in how these organizations react to the emergence of such a scenario and what *adaptive or alternative* strategies they adopt to the model being imposed. This, then, is the axis around which the discursive framework of this chapter revolves.

It takes off from a description of Catalan cooperation throughout the past decade, paying mind to the declared will to vindicate its *decen-*

*tralized and transformative nature*, as well as the importance that civil society organizations have had in the design, planning and execution of public policy. This point is raised with the intention of helping to contextualize the drastic cutbacks in ODA budgets over the last years and their impact upon the sector.

The author then goes on to present the main conclusions of the diagnostic. Here, the critical situation that these entities are undergoing in the present moment is described, underlying the differences among the different actors analyzed. In turn, the chapter enumerates some of the measures the organizations are taking to try and confront the difficulties. In addition, the causes that are adduced by the sector to explain the situation are examined in depth. Some of these are *external* in nature: economic crisis –the conjuncture factor– and political prioritization –the *ideological* factor. Others are *internal* to the sector: distancing from society, corporatism and individualism, and an excessive dependency on public financing. Finally, in addition to analyzing the perception, sometimes uneven and complex, that the organizations have with regard to issues such as the international agenda for aid effectiveness or the growing participation of the private business sector in development cooperation, Xavier Marti’s diagnostic closes with a projection into the immediate future of a series of dynamics among which are highlighted the foreseeable shrinking and reconversion of the sector, the growing polarization at its core, the preeminence of actions focuses on the base of the pyramid in the orientation of ODA, or the increase in volunteer work.

The author finishes the chapter proposing a reflection on the necessity for NGOs in particular to return to their *founding nature*, that is, the repoliticize their actions and reconnect with the citizenry and with social movements.

The third chapter, written by Andrea Costafreda, takes on development cooperation undertaken from the sphere of local government, particularly in Catalonia. Costafreda structures her work in three main blocks. In the first she approaches the factors that, to her understanding, determine the *change in cycle* that has been emerging over the past few years: a significant reduction in ODA budgets (*the budgetary factor*), a loss of the social base in public policy for development cooperation (*the social factor*), and the possible revision of competencies of local governments (*the institutional factor*). This leads her to offer three potential theoretical scenarios for the mid-term, regarding local development cooperation. Thus, according to the more or less structural or conjunctural nature of the crisis, the author projects one optimistic scenario, one pessimistic, and one she places at the middle point which, according to the results of the diagnostic, would appear to be the most plausible.

The second block is a reflection upon possible strategies for the future. To this end, and based on the intermediate scenario that points toward a transformation of the local cooperation model, the main strengths, weaknesses, opportunities and threats are identified, following a SWOT methodology for development cooperation in the area of local government. Following this exercise, the author sketches out two possible models toward which such a transformation could be directed. One is defined as a *positive* model for development efficiency



and would be anchored in elements such as horizontality, added value, knowledge transfer and the ability to mobilize municipal resources. The other is conceived as a model *in tension* with development effectiveness, in which aspects such as aid-centered action, the principle of return, and ties to integration policies or economic promotion would be predominant.

Finally, in the third block, Costafreda sets down a series of ideas for the construction of a future agenda for municipal development cooperation. Some of these ideas rest on *consensus* and others on *new and old challenges*. Among the first, issues such as horizontality, institutional leadership and the need for greater coordination, taking a stake in Education for Development and accountability, are mentioned. Among the second, stronger ties to the international agenda, the rethinking of relationships with the full gamut of cooperation actors, geographical and sectorial concentration, the broaching of new mechanisms of co-financing and partnership are all stressed.

The fourth and last chapter, by authors Blanca Manresa and Maria Prandi, leaves behind the institutional actors and analyzes the role of the private business sector in development cooperation. The chapter takes off from an exercise of contextualization of the role of business as an agent of development, and places the emphasis on how, from the emergence of the focus on the Base of the Pyramid in the last decade, the assumption of the role of the private sector has been unfailingly impregnating the agendas of the main international institutions in this area, such as the United Nations, the World Bank, the OECD or the EU. Manresa & Prandi indicate that this has led in turn to a greater presence of this actor in the spaces of definition and execution of development cooperation agendas, with a flourishing of public-private alliances. In this regard, the accent falls on the scenario that opens with the adoption of the Global Partnership for Effective Development Co-operation in the High-Level Meeting of the DAC held in Busan in 2011, where a new architecture for aid, in which the private business sector is called upon to play a key role, is consolidated.

The chapter also presents, for the purpose of illustration, the experience of four great bilateral agencies of development cooperation (North American –USAID–, British –DFID–, German –GIZ– and Spanish –AECID–) in incorporating the participation of this sector into their policies. This outline seeks to serve as a reference for the later analysis of Catalan cooperation and the integration of business by means of different instruments.

Previously, the chapter had presented the principal conclusions of the diagnostic carried out on the Catalan case, with reference to such aspects as: the scant knowledge of the sphere on the part of the entrepreneurial network (made up primarily of small to mid-sized businesses); the greater interest in social action in Catalonia; the preference for a tie to the core of the business; or the little learning acquired of the eventual collaboration experiences with Development NGOs. In this regard, it also shows how this actor perceives the participation of the private business sector in development cooperation, with an eye to the marked ideological component that underlies it. Finally the authors pose a series of challenges as elements for a future debate.

To sum up, the four chapters presented here seek to constitute a valuable tool to promote debate and joint reflection from a Spanish/Catalan perspective, at a time in which development cooperation, and concretely decentralized cooperation, are confronting a context of change of significant dimensions. For this reason, besides bringing to bear diagnostic elements on the current situation with regard to these four key actors, challenges and opportunities to advance with a shared agenda are also identified.

Hopefully, the reflections and case studies presented here will serve to illuminate further the complex debate around the current critical situation of aid cooperation in general, and decentralized cooperation in particular, and the potential lessons to be learned from the Spanish/Catalan case for the international community.

Barcelona, June 2013

# ACRONYMS AND ABBREVIATIONS



- AECID** Spanish Agency for International Development Cooperation  
(*Agencia Española de Cooperación Internacional para el Desarrollo*)
- APPD** Public-Private Alliances for Development  
(*Alianzas Público-Privadas para el Desarrollo*)
- ART-Gold** Articulation of Territorial and Thematic Networks for Human Development
- BSR** Business Social Responsibility
- BMZ** Federal Ministry of Economic Cooperation and Development (Germany)  
(*Ministerio Federal de Cooperación Económica de Desarrollo-Germany*)
- CDCA** Catalan Agency for Development Cooperation  
(*Agencia Catalana de Cooperación al Desarrollo*)
- CfD** Communication for Development
- CIDOB** Barcelona Centre for International Affairs
- CONGDE** Coordinating committee of NGOs for Development  
(*Coordinadora de ONG para el Desarrollo*)
- CSR** Corporate Social Responsibility
- DAC** Development Assistance Committee (*Comité de Ayuda al Desarrollo*)
- DIFID** Department for International Development/Departamento de Desarrollo Internacional
- ECOSOC** Economic and Social Council of the United Nations
- EfD** Education for Development
- FAD** Aid Development Fund (*Fondo de Ayuda al Desarrollo*)
- FCCD** Catalan Fund for Development Cooperation (*Fons Català de Cooperació al Desenvolupament*)
- FCONGD** Catalan Federation of NGOs for Development  
(*Federación Catalana de ONG para el Desarrollo*)
- FONPRODE** Fund for the Promotion of Development  
(*Fondo para la Promoción del Desarrollo*)
- GDA** Program of Global Development Alliances
- GIZ** German Society for International Cooperation  
(*Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH*)
- IDEA** Office for Innovation and Alliance Development  
(*Oficina de Innovación y Desarrollo de Alianzas*)
- ILO** International Labor Organization
- IMF** International Monetary Fund
- LFA** Local Framework Approach
- MAEC** Spanish Ministry of Foreign Affairs and Cooperation (Ministerio de Asuntos Exteriores y de Cooperación)
- MDGs** Millennium Development Goals
- NGO** Non-Governmental Organization
- ODA** Official Development Assistance (*Ayuda Oficial al Desarrollo*)
- OECD** Organization for Economic Co-operation and Development
- ORU-FOGAR** Regions United
- PACI** Annual Plan for Autonomic Cooperation
- RFP** Requests for Development
- SGCID** Spanish Office of the Secretary General for Development Cooperation
- UCLG** United Cities and Local Governments
- UNPD** United Nations Development Program
- UNEP** United Nations Environment Program
- SMEs** Small and Medium-Sized Enterprises
- UNCTAD** United Nations Conference on Trade and Development
- USAID** United States Agency for International Development
- WB** World Bank



# CHAPTER 1

## SPANISH AUTONOMOUS GOVERNMENTS' COOPERATION POLICIES

*Juanjo Iborra*

*Pablo J. Martínez*

*Ignacio Martínez*





Juanjo Iborra  
Pablo J. Martínez  
Ignacio Martínez

*Study group for the "2015 and more" Platforms*

The present chapter is devoted to an analysis of the state of Spanish autonomic cooperation<sup>1</sup> at a moment of significant changes both in the international context, as characterized by the transformations in the development agenda and the approach of the post-2015 process, and on the state level, characterized by a severe economic crisis that is having a notable effect on the ability to finance –and perform– of the decentralized governments. In this context some of the factors that, in the preceding period, had favored the birth and evolution of such aid are undergoing severe adjustments. This chapter is aimed at analyzing these changes and identifying the tendencies being followed in cooperation policy on the part of autonomous communities. The analysis presented takes off from a broad bibliographic review, as well as a review of the evolution of the Official Development Aid (ODA) of the autonomous communities and of the field study<sup>2</sup> and subsequent discourse analysis done by the research team.

In recent years the expansion of decentralized cooperation has been truncated as a consequence of a regression that in practical terms can be called generalized, in the following three areas: doctrinal, budgetary and political

### Spanish autonomic cooperation policies at the crossroads

Autonomic cooperation in Spain has undergone important changes of late. From its origins in the eighties and later evolution in the decade of the nineties, urged on in good measure by the citizenry and organizations of the civil society, in the first decade of the 21st century decentralized cooperation in general, and autonomic cooperation in particular, is seeing its greatest period of quantitative growth, evolution of the institutional and normative framework, and doctrinal development in what could be called the cycle of expansion of decentralized cooperation. In recent years, nevertheless, this expansion has been truncated as a consequence of a regression that in practical terms can be called generalized, in the following three areas: doctrinal, budgetary and political.

1. The term "autonomic cooperation" refers in abbreviated fashion, so as to facilitate reading of the document, to the international development cooperation practiced by autonomous communities. The authors wish to express their gratitude to the persons interviewed for their collaboration in the research process.
2. A total of ten interviews have been carried out, seven of which took place with the heads of the departments of international cooperation of seven autonomous communities.

Multilevel governance requires the participation of decentralized governments in the global development agenda, as cooperation policies, far from being a voluntary option, are becoming in greater measure the responsibility of regional and local governments as well

### The existence of a doctrinal dispute

Independently of the intensity and impact of the cutbacks that decentralized cooperation policy is undergoing, it seems relevant to focus on showing that the response to the crisis on the part of Spanish autonomic and local governments, in the form of fiscal adjustments, is giving rise to the configuration of a basic doctrinal dispute, which establishes a new framework in which the legitimacy and foundations of decentralized cooperation is becoming a source of controversy, when not directly coming into question. There exists, at the present time, a doctrinal dispute that, though it is often latent, will be key to the future of decentralized cooperation. A dispute that reflects two positions which arise from radically different conceptions. The autonomous governments that assume that cooperation is public policy, for which local and autonomous governments have competency and responsibility, would represent the first, which we could call the cosmopolitan position. The second position considers cooperation to be a voluntary action performed “graciously” (Alonso, 2006: 23) by decentralized governments and, therefore, expendable in accord with criteria of political and economic suitability. This second position reflects a subsidiary view of cooperation policy.

In the first case, decentralized cooperation reflects the commitment and collective responsibility of the gamut/network/totality of the governments that make up a decentralized State in the solution of global problems, and specifically in the struggle against poverty and the overcoming of North-South inequality. According to this discourse, decentralized cooperation is justified in the strategic value of the international cooperation actions executed by the autonomous communities and local entities from the point of view of multilevel governance, as well as in their differential and complementary value in relation to the ODA advanced by the General State Administration (GSA). In a world increasingly interrelated, which confronts development challenges of a more and more global nature (Millán *et al.*, 2012), the role of decentralized governments has the potential to be ever more strategic. Multilevel governance, therefore, requires the participation of decentralized governments in the global development agenda, as cooperation policies, far from being a voluntary option, are becoming in greater measure the responsibility of regional and local governments as well.

From this perspective the specific and differential potentialities of decentralized cooperation are clear, since these actors have at their disposal knowledge and direct experience in affairs that are essential for the promotion of development, such as democratic governance, decentralization, public management, basic social services, democratization and citizen participation. Moreover, and again from a normative point of view, the foundation and legitimization of the of decentralized cooperation enjoys a high degree of citizen involvement not only as participants and in the generation of consensus with local and regional government, but also in resource management and the establishment of priorities for decentralized cooperation policies. The recognition of these potentialities must not hide the fact that, as numerous studies (Martínez and Sanahuja, 2009; De la Fuente *et al.*, 2010; Unceta *et al.*, 2011) attest, in the positive arena in which decentralized cooperation has been defined, it has evolved unevenly, giving rise to a rather heterogeneous map of experiences and realities.

The second of these conceptions, based on a subsidiary view of autonomic cooperation, is under doctrinal influences from the field of international relations, concretely from the *realpolitik* view of both foreign action and of economic policy, derived from neoliberal postulates. Drawing on these influence, the subsidiary conception of cooperation policy is expressed, in the autonomic arena, both in the territorial withdrawal of the actions of decentralized governments, on the one hand, and in a confrontation of the rights of the citizens of the North with those of the South that relegates cooperation policy to volunteerism and to private and individual initiatives, on the other. Either stealthily or, in some cases, openly, the spread of such discourse is producing a progressives dismantling of cooperation policy and, more concretely, of decentralized cooperation as it has been defining itself thus far. In some cases, and not forgetting the unfortunate experiences of the Official Development Aid (ODA) of Spain<sup>3</sup>, there is an attempt to utilize cooperation policy for the purpose of commercial internationalization and/or of political projects for which the priority ceases to be conceived in terms of global citizenship and development objectives, to be seen in terms of the benefits –economic or otherwise– that can be obtained from external actions. Though, following analysis of the discourse proceeding from field work, it cannot be asserted that this position is explicitly expressed in the majority of cases, in fact, analysis of general cutbacks, as well as the explicit declarations made by numerous political leaders<sup>4</sup>, show that the policy of cooperation appears as a non-priority, as a second-order, nonessential policy, which implicitly presupposes that such policy constitutes an option that the Northern societies allowed themselves when they were managing budgetary *surpluses*. This wave of general cutbacks, excessive in the case of cooperation policies, as well as the insufficiently strategic way in which such budgetary reductions in this policy area have been undertaken, demonstrate, at very least, a lack of commitment to a politics of cooperation, as well as an inconsistency on the part of many political leaders in the vision and the conception they have of cooperation policy.

Though it goes beyond the scope of this chapter, it is worthwhile to point out that this latter argument has been applied to local entities for some years now, awakening neither sufficient attention nor a satisfactory response to the advancement of this ideological position. At this point it is necessary to weigh the additional impact that the elimination of the contribution of ODA to many local entities (LE) has in certain high-priority sectors and countries with which we cooperate<sup>5</sup>.

The progressive advancement of this volunteerist conception of decentralized cooperation is considered by ODA management sectors to be the application of a political discourse, a–more or less covert–basic ideology, which the context of economic crisis has provided an opportunity to surface without openly revealing its agenda.

A reflection of the dispute between the cosmopolitan and subsidiary visions, in a great number of autonomous communities there currently exists an evident contradiction with regard to the doctrinal corpus that had been constructed in recent years, basically throughout the cycle of expansion of decentralized cooperation, and which has been reflected in an extensive normative framework of planning and institutionalization of cooperation policies. Despite the doctrinal advances

3. One clear example of this manipulation has been the Fund for Aid to Development (FAD), the main instrument of Spanish cooperation for decades, based on the idea of tying the interests of internationalization of Spanish companies to the cooperation policies through what was known as tied aid.
4. In recent months the public declarations of a number of political representatives of different territorial arenas have expressed an idea of the ODA as a policy conceived in terms of a “zero sum game” with regard to the whole of social policies, giving the citizens an image of competition for resources among the citizens of one territory and the citizens of third party countries. For just a few examples in this regard, see the declarations of the minister of Foreign Affairs and Cooperation, José Manuel García Margallo, in his appearance before the Commission for Cooperation of the Congress of Deputies, in March 2012, in which he affirmed that, as painful as it was to cut funding to cooperation, “it is even harder to do it to pensions or to close clinics”. Also worth examining are the declarations of the Minister of Justice and Social Welfare of the Valencian *Generalitat*, Jorge Cabré, in which he used the argument of a national emergency to justify the internal reorientation toward Valencian territory of the policies of aid and solidarity.
5. In 2010 more than 40% of the Spanish ODA intended for the Saharawi population proceeded from LE, close to 15% in the cases of Cuba and Ecuador, and over 10% in countries such as Bolivia, El Salvador, Guatemala and Mexico. Data taken from the II Master Plan for Cooperation in Navarra, elaborated from the PACI2010 (Annual Plan for International Cooperation 2010).

An initial option can be observed with a stake in the renewal of cooperation policy and is based on i) the maintenance of the relative volume of ODA, ii) the seeking of political and social consensus and iii) the revision of the model in order to improve it

that underlie numerous legislations and plans in matters of autonomic cooperation, the appearance of the shift in discourse that prefers a retreat to the interior and the false confrontation that justifies the need to choose between resolving situations of exclusion and poverty within and without the respective borders, has not been contested explicitly at the governmental level. In this regard, public discourses that advocate collective responsibility in global affairs, and manifest that it is just as important to provide political answers to domestic questions as to international ones, have not been forthcoming. It would thus appear that there exists a general consensus that more or less openly questions the validity and pertinence of public policies as fundamental mechanisms of redistribution.

### A range of policy options for autonomic cooperation

Following a number of years of marked growth in autonomic ODA and the development of a normative and institutional framework for the policies of decentralized cooperation, we are observing, particularly in the past two years, a practically generalized shift in the politics of autonomic cooperation. The result of political decisions under the influence of the doctrinal dispute with regard to the cooperation of non-state actors, the cooperation of numerous autonomous governments is witnessing an adjustment to the some of the defining elements on which it had been based in previous years. Though this change is generalized, different tendencies and intensities can be observed, which allows for a discussion of different options that fall into the following groups:

#### First option: Maintenance of cooperation as a public policy

Though it is a minority option, several autonomous communities are explicitly putting their weight behind decentralized cooperation as public policy. Far from viewing the crisis as a justification for the reduction of a politics of cooperation, this exception period is seen as an opportunity to improve the current model, giving it a greater transformative capacity through more efficient and effective practices. This option is based on several elements, though not all of them are developed in the same way by the different autonomous communities.

- Maintenance of autonomic ODA or a reduction proportional to that of other areas, and to the general budget of the autonomous community<sup>6</sup>. Until 2011, the last year for which there exist official data on expenditures, several autonomous governments have taken this approach (table 1).
- Seeking reinforcement of dialogue and open lines of communication among cooperation actors to achieve a greater consensus and protection of cooperation policies for their legitimization before the citizenry. In this sense, to highlight the elaboration of declarations and resolutions in organs of participation and legislation that take a stand on the importance of a politics of cooperation and highlight its importance even in the current context of crisis, as is the case of the document recently elaborated by the Basque Council on Development cooperation, titled *For a quality decentralized cooperation*<sup>7</sup>

6. The data on the autonomic ADO can be consulted in the PACI Follow-up and, for the year 2011, in the memory dump on ADO of the MAEC (Ministry of Foreign Affairs and Cooperation), both of which are available at: [http://www.maec.es/es/MenuPpal/CooperacionInternacional/EstadisticasAOD/Paginas/estadisticas\\_ayudaoficialdesarrollo.aspx](http://www.maec.es/es/MenuPpal/CooperacionInternacional/EstadisticasAOD/Paginas/estadisticas_ayudaoficialdesarrollo.aspx)

7. Available at: [http://www.ongdeuskadi.org/es/coordinadora/documentacion\\_view.php?id=102&categoria=6](http://www.ongdeuskadi.org/es/coordinadora/documentacion_view.php?id=102&categoria=6)

- Revision aimed at a greater rationalization and the effectiveness of the current management model. At very least debates/discussions among actors are taking place with regard to the need to transform some elements of the model so as to resolve the excessive dispersion and fragmentation that has occurred. The elements that appear to stand out in these debates are the achievement of a greater geographical and sectorial concentration as well as the adequate resolution of the issue of agents and channels. In this regard the need is recognized for a greater implication of public administrations in the planning and execution of policies of cooperation, either by increasing their direct cooperation, increasing their profile in the strategic orientation of their ODA, and/or coordinating departments in the Autonomous Community itself more effectively. In the same area of discussion, a revision of the relationship with the agents of cooperation will be undertaken in which the reforming of the model and the criteria for the concession of grants will be marked as a priority, with the aim of elevated the level of exigency of the NGOs, whether by revaluing elements such as the local implantation of the Development NGOs, or by taking into account the specialization that other agents such as universities and businesses can offer.

**Table 1. Evolution of ODA in autonomous communities (in millions of Euros)**

Autonomous communities	2005	2006	2007	2008	2009	2010	2011*
Andalusia	37,9	53,0	81,7	96,7	99,3	80,65	14,5
Aragon	5,7	6,1	8,0	9,6	10,6	11,2	6,9
Asturias	8,7	11,4	12,9	11,7	11,3	12,1	11,3
Balearic Islands	11,6	14,0	16,4	15,5	14,9	9,8	1,6
Cantabria	4,8	5,1	5,4	5,1	5,8	2,0	3,9
Canary Islands	4,8	7,9	17,7	18,7	16,2	12,0	2,4
Catalonia	44,1	56,9	57,7	62,8	57,3	56,7	33,0
Castile-La Mancha	30,5	34,8	36,2	40,3	46,3	38,1	0,3
Castile and Leon	8,9	11,6	13,1	10,3	11,8	10,5	9,1
Extremadura	6,0	5,8	7,7	9,0	13,7	14,3	9,1
Galicia	6,5	5,8	10,7	9,8	12,2	10,7	7,0
La Rioja	2,4	2,9	4,4	4,0	3,8	4,2	3,1
Madrid	21,6	33,1	30,9	38,9	38,0	35,8	10,6
Murcia	2,7	4,2	5,1	5,1	4,7	2,1	0,2
Navarre	16,6	16,5	19,0	20,6	20,6	20,5	18,26
Basque Country	31,0	28,6	29,3	40,8	39,6	44,3	44,9
Valencian Community	21,6	25,4	30,6	64,8	39,1	23,2	15,0
<b>Total</b>	<b>266,1</b>	<b>323,9</b>	<b>387,5</b>	<b>464,6</b>	<b>446,0</b>	<b>388,8</b>	<b>191,8</b>
<b>Average</b>	<b>15,6</b>	<b>19,0</b>	<b>22,7</b>	<b>27,3</b>	<b>26,2</b>	<b>22,8</b>	<b>11,2</b>

Source: PACI Follow-up (Annual Plan for Autonomic Cooperation)

To sum up, an initial option can be observed with a stake in the renewal of cooperation policy and is based on i) the maintenance of the relative volume of ODA, ii) the seeking of political and social consensus and iii) the revision of the model in order to improve it. The Autonomous Community that appears to be most clearly advocating for this model in its most complete form is the Basque Country. In other autonomous communities some of these elements appear more evidently, while others carry them out timidly or do not show the same degree of consensus among the different actors.

### *Second option: Weakening of the public cooperation policy*

In the face of the option that stakes a claim for maintaining cooperation policies in a renewed way, a considerable group of autonomous communities, though with important differences from one to the other, has opted for an important reduction both of the autonomic ODA and of the structure devoted to the development of cooperation policies. This is the case of options that generally are accompanied by a discursive shift aligned with a subsidiary view of cooperation in an attempt to justify budgetary and structural reductions to the policy, questioning its pertinence and in some cases even the purpose of cooperation policy. The essential elements of this option are as follows:

8. To date there is a notable difference between the nonpayment of commitments undertaken with social organizations—which obtain in many autonomous communities, some of which we have considered to be among those that could be better identified with the first option of maintenance of the policy, as is the case of Andalusia—; and the path of budgetary or programmatic non-execution carried out through norms of unavailability of loans or a substantial reduction in the loans approved at the time of application, and other cooperation actions. The main difference can be established as discerning among all the instances of noncompliance in such a way that some of them might be considered deferrals by reason of liquidity while others suppose their de facto disappearance, thus constituting new reductions in previously committed budgets and programs. The turmoil for social organization and their partners is, in both cases, very important for questions of predictability, programming and appropriation. Not in vain does the new scenario move between uncertainty—of some day receiving payment—and the potential breaking of the contract.
- Reduction of ODA volume, generally in a disproportionate form with regard to the rest of social programs and to the autonomic budget. Within this option two tendencies seem to be seen: on the one hand, some autonomous communities manage the reduction by applying strategic criteria and trying to safeguard the areas indeed considered strategic, and on the other, autonomous communities that apply reductions without taking strategic considerations of improvements or consolidation into account, instead applying a *criterion* of tabula rasa whose only logical basis is the maintenance of the model inspired in the so-called “coffee for everyone” (meaning once an autonomous community gets a competence, the rest have the right to get it as well).
  - Non-fulfillment of commitments by means of non-execution and non-payments, with a strong effect on both the continuity and effectiveness of the cooperation programs and the associative network both locally and in the partner countries. For the social tissue of the partner countries, the abandonment of commitments take on brings with it a scenario of lack of predictability that impedes de facto an adequate programming and thus undermines the principle of democratic and local appropriation, broadly vindicated by decentralized governments and recognized in the Accra Agenda for Action. The social tissue interwoven with cooperation in these autonomous communities is abruptly undone giving way to a unilateral rupture on the part of the autonomous governments of the *contract* with the organizations of civil society, which implies, in turn, the breaching of the commitment with the citizenry<sup>a</sup>
  - The doctrinal reversal that takes shape in the abandonment of the previous discourse and its progressive substitution with a new narrative based on the necessary de-responsibilization of the autonomic public administrations with regard to global affairs, justified by the increase in domestic demand. In the same way, this new narrative promotes substitution and compensation of the reductions in public budgets by an appeal to private financing, thus weakening the public policy character of the cooperation. The discursive shift is also characterized by the signaling of the degree of professionalization, organization and technification of the actions and agents of cooperation as inadequate, appealing for a return to volunteerism and individual action, this time as a new form of efficiency.

To sum up, it can be affirmed that this option is characterized by an excessive reduction in the volume of ODA and the paralysis or suspension of commitments assumed previously, which has required a discursive



shift, with ample justificatory motivations, but which attempts to configure a new narrative of cooperation that contributes to its weakening and to the undermining of its legitimacy. It is reasonable to consider that this rapid doctrinal regression is produced, among other things, by the scant reflection and the evident instrumentalization with which this public policy of cooperation has been treated by many political leaders. Though it is usually argued that cooperation is part of foreign policy, beyond any doubt it has been a question of a policy that has served as a source of internal or domestic legitimation of autonomous governments. In the context of crisis, this policy—whose ultimate beneficiaries are not voters and are generally located thousands of kilometers away—becomes harder to explain and an opportunity opens up to make it appear not to have a strategic interest.

This rapid doctrinal regression is produced, among other things, by the scant reflection and the evident instrumentalization with which this public policy of cooperation has been treated by many political leaders

### *Third option: Liquidation of the public policy of cooperation*

One group of autonomous communities has opted directly to forswear cooperation policy. This group is composed, to date, of: Murcia, Castile-La Mancha and the Canary Islands. This option is basically characterized by the announcement of the suppression of the budgetary allocation directed toward ODA and, in some cases, of the administrative structures and policies responsible for its management. The essential elements that describe this option are the following:

- Elimination of the budgetary allocations destined for ODA in the autonomous communities. Even though, with the latest data available, corresponding to 2011, some items defined as ODA can still be observed (table 1), the deep reductions cannot be interpreted as cutbacks of adaptation to the fiscal adjustment, but rather, the surpluses, when they exist, can only be attributed to the maintenance of provisional operations awaiting finalization or of interest from the viewpoint of their exploitation. What is more, the public declarations and discourses employed leave no room for doubt about the intention to liquidate.
- Suppression of political and administrative structures responsible for the management of public policy in autonomous communities in such a way that in some cases access to political administrators is not even possible. Though in some cases the institutional structures have not been entirely eliminated, which would be compatible with the idea of a potentially instrumental character for cooperation, the fact is that in addition to the disappearance of political administrators and of technical support for administrative management, existing secure spaces for dialogue with civil society have also been suppressed. The normative and institutional apparatus that had traditionally been presented as an objective advance in the construction of the policy has been reduced to its minimum expression, when not entirely eliminated.
- The promotion of a discourse that delegitimizes public policies as a generator of alternatives to the crisis and, therefore, as ideal for the promotion of development. Against the evolution and consolidation of ODA as a collective commitment with multilevel responsibilities for different administrations, the new discourse argues for the abandonment of said responsibilities, introducing the issue into the dispute over competencies between autonomic administrations and the general administration of the State. This not only obviates the model of a decentral-

ized State as it has been constructed in Spain, but goes beyond this to question the very pertinence of public policies. The discourse is particularly aggressive not only with the supposed inefficiency of public management—which particularly in the case of the ONGs is crystallized in the launching of suspicions about an alleged lack of transparency—but also with the ridiculing of the public role itself—, which in the case of cooperation is materialized in a radical questioning of the usefulness of the subventions. The framework for this entire narrative is a general devaluation of social agents as interlocutors by trying to delegitimize their existence. This is a case of an ultraconservative view of society in which the representation of citizen interests by means of organized collectives is denigrated along with, in consequence, the responsibility of the State to guarantee and favor the consolidation and access to such spaces.

To sum up, it can be stated that this third option is characterized by the liquidation of the political and institutional apparatus created in the preceding decades, as well as the disappearance of ODA from the autonomic budgets and by the appearance of an aggressive discourse against public responsibility and social agents. This discourse is also against the former system, for it opposes its promotion of redistributive measures and the generation of spaces for political and social dialogue in order to guarantee citizen participation in the design and execution of public policies.

### **Reflections for a general overview**

The analysis of the different options taken up by the autonomous communities in relation to cooperation policies allows for the posing of some reflections of a general nature, which, in greater or lesser measure, and justified more or less openly and explicitly, constitute the current situation of autonomic cooperation policy:

#### ***A breakdown in the consensus around autonomic cooperation policies***

An important questioning is taking place of the pertinence of maintaining cooperation policies in the autonomic sphere, undermining the consensus built over a couple of decades in different autonomous communities. This consensus was based on broad political backing and on citizen support for a politics of cooperation.

#### ***The weakening of cooperation policies is a political option***

In contrast with the idea that is being transmitted regarding the need to reduce cooperation policies in order to direct more resources to other priorities, explained in terms of domestic policy, this option in fact represents a decision of a fundamentally political nature framed in the contest of general cutbacks in a large gamut of public policies. The political options that the various autonomous communities have adopted represent a range that extends from a political option to carry out a fiscal adjustment aimed at the reduction of expenses, which translates



into an option to shrinking the State as a way to solve the crisis, to a political option characterized by the reduction and abandonment of the global responsibilities of the administrations. The context of economic crisis facilitates the adoption of this political option, whose discourse penetrates the citizenry under the shelter of a false image of "autonomic emergency". Proposals favoring the maintenance of cooperation policies exist reflect the existence of alternatives to this political option.

### ***Loss of instrumental value of autonomic cooperation policies***

One of the keys to understanding how this weakening of cooperation policy is being produced is the loss of instrumental value cooperation has undergone in terms of domestic policy. Though cooperation is usually seen as a policy that favors international projection, in recent years decentralized cooperation has also fulfilled a function of internal legitimation. Currently, in a context of economic crisis, the reversal of public policies and the increase in the poverty levels of several autonomous communities it has become very complex to explain the benefits of cooperation policies to the greater citizenry to the extent that they do not benefit them in the short term, and this can even lead to political backlash in electoral terms. It thus becomes evident that part of the political backing for decentralized cooperation was more the result of its instrumental character in terms of domestic policy than of a full conviction on the part of all the administrations of their responsibility in the promotion of global development and the management of global public resources.

### ***Co-responsibility of public administrations and social agents (agents of cooperation) in the weakening of policies***

There is co-responsibility in the weakening and, in some cases, dismantling of cooperation policies. It is true that in almost every case a growth in this kind of policy has come about without the requisite institutional basis, which could lead us to identify public administrations as having the primary responsibility. Nevertheless, social organizations, fundamentally Development NGOs, but also such other agents of cooperation as universities and labor unions, share a good portion of responsibility. In the first place because of the type of participation in this kind of policy, and, in the second place, because of the weak response they have offered. In truth, both questions are closely related: the weakness of the responses that the NGOs have offered following the cutbacks may be motivated by the nature of the way they evolved in the period of construction of cooperation policy, such an overemphasis on an ill-understood professionalization that edged NGOs toward organizations realities increasingly focused on management and, as a result, increasingly distant from their grass roots. It would turn out to be very difficult for them to offer politically robust responses if they had neglected this facet of their growth in favor of the technical and administrative facet (Platform "2015 and more", 2011). It is worth emphasizing, in this sense, that this weakness also derives to a large extent from the image which has been transmitted to the citizenry regarding cooperation, particularly on the part of the public administration: more as an aid activity than as a tool of the transformation of the North and the South, in pursuit of justice, the exercise of rights, the maintenance of democracy, peace, and human rights, and

The political options are promoting the dismantling of cooperation policy as it had been constructed over decades

the co-responsibility for global society in this new model of international relations. To put in another way, in recent years an idea of cooperation has been fostered that comes closer to a generous volunteerism than to an indisputable responsibility. In this sense, the practices of education for development and communication for development have not been successful in constituting the model of relationship with society that they intended. It must be noted that this failure finds some justification in a model that is not very efficient and is ineffective, with an excessive emphasis on management, insufficient reflection and discussion, and little communication to the population of the political character of problems and their solutions, as well as a public communication, through the media, that is decontextualized, depoliticized, and, therefore, more in keeping with anecdotal information than with information construction on the principles and rigor that ought to have been developed. In any case, the responsibility of social agents and their conformity with a model that favored organizational viability even as it inhibited their potential cannot be ignored.

### *Notes on the dismantling of cooperation policy*

The second and third political options, which we have called, respectively, the weakening and the liquidation of cooperation policy, overlap to the extent that both are promoting the dismantling of cooperation policy as it had been constructed over decades. It is probable that they differ in the speed and the style in which the arguments relative to fiscal adjustments are employed to justify cutbacks in cooperation, even though they are turning out to be useful in both cases, turning the crisis into a sort of window of opportunity for this dismantling. To put it another way, the weakening described in the second option can be leading cooperation policy to a point of no return, whether this is happening intentionally or not. In some cases, on analysis of decisions, discourses and declarations, a deliberate intention to dismantle both public policy and the social tissue that requires and participates in it can be detected. In other cases, it is possible that what is at play is an attempt to adapt to fiscal restrictions in the hope of *weathering the storm* and waiting for better times, by adopting an attitude that is ignorant or dismissive of the consequences that such an attitude can have for the future of cooperation policy, in terms both of quality and of the level of social participation. What seems undeniable is that there is an ongoing process of dismantling of one model of cooperation policy without a clear idea as to what model public administrations will use in the future to confront their global responsibilities. There do not seem to be any happy options in this regard, as they all seem to fall somewhere between contempt for public cooperation policy and the capitalization of it.

### **Recognizing the deficiencies of the model in order to transform the autonomic cooperation policy**

The doctrinal dispute, as well as the political options with regard to development cooperation, reflects the existence of a discourse that attempts to explain, or to understand, the cutbacks and doctrinal regressions as an inescapable consequence of the crisis, as if this were the only

reason that explains them. To counter these arguments, it is necessary to understand the brusque and accelerated weakening of cooperation policy has been facilitated by the deficiencies of the very model on which the autonomic cooperation policies were constructed.

The following epigraph attempts to set out a review of the principal features on which cooperation policy has been constructed, characterizing a model from which, despite its notable weaknesses, basic learning processes can be derived to orient current political action. A political action that should be centered more on the defense of a new politics of cooperation/cooperation policy than on maintaining a model that shows important deficiencies.

### **Normative and planning frameworks: Limitations and opportunities for the question of harmonization**

In recent years there has been an increase in the frameworks for general, geographical and sectorial planning on the part of the different actors in Spanish cooperation. As, in the autonomic and local areas, the generation of such planning has been copious, the autonomous communities and the local entities have been endowed with a solid doctrinal framework and growing criteria for the strategic organization of their cooperation policies<sup>9</sup>.

This effort towards planning, nevertheless, has had no impact, at least not so far as might have been expected, on a greater collective rationality of the whole body of cooperation policies. For this reason, and in compliance with the commitment that the diverse actors have assumed in the area of harmonization, it would be pertinent to advance an exercise of planning that, far from undermining the autonomy of the diverse actors, will favor synergies and complementarity among the different frames for planning.

In many cases a considerable disconnection can be perceived between what is planned and what is actually executed. In a certain sense, it has been a question of an excess of “planification fiction” that has been lacking in real ties with the practices on which management has been based. These practices, leaving aside criteria aimed at the effectiveness of the aid, have been designed as mere systems for the channeling of funds, emphasizing the logic of the project and the distribution of aid, which noticeably increased the bureaucratization of the relationship between the public administration and the Development NGOs. In this way the appreciable planning and doctrinal corpus has not found a way to provide a strategic guide for the political functionality. Policy has thus persistently revealed bottlenecks in scarcity and the insufficient qualification of the technical sector of the public administrations, often overwhelmed by bureaucratic requirements and by the dispersion of demand. Thus, the strategic character of the action has barely made it beyond the documents, while the practice and policy management has been discretionary, lacking in predictability, and capitalized on, often in terms of visibility. Consequently, it seems pertinent to review not only the planning frameworks but also the management model, paying particular attention to achieving a realistic and coherent relationship between these two policy levels (IIDL, 2011: 23-29).

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9. As this question is analyzed in depth in several studies, it will not be dealt with extensively at this time. For a more extensive analysis, v. Martínez and Sanahuja (2009) and Martínez (2012).

The adoption of these discourses does not appear to have been able to modify in any appreciable way the rigidities and stasis that are characteristic of the model in which policy has been coming into shape

Just as there has been a profusion of planning documents, in the past decade a doctrinal, normative, and institutional renewal of decentralized cooperation has been produced. Nevertheless, the management model by which a good portion of this cooperation is executed has hardly even been modified, demonstrating incapacity to offer a response to doctrinal, normative and institutional advances and to a great extent weighing down the potentialities of decentralized cooperation. In most cases, the normative frameworks have taken on a rhetorical function, for all practical purposes, and have shown a great scarcity of operative programmatic content. It would appear that they had been elaborated, in general, attending more to internationally accepted doctrine than to a need on the part of public administrations to carry out an exercise in integration and assumption of cooperation policy as a part of their public policy, adapted to their real capacities and their own vision of development. The practice of delegating management as a device has been more the product of the limited appropriation of the policy on the part of the public administrations than a reasonable option. Nor does it seem reasonable to assume a contrary model based exclusively on the direct management of policy by the public administration, which indicates a need to do an in-depth review of the relationship between public administrations and other cooperation actors (Martínez and Sanahuja, 2012).

Despite the years that have transpired, and the budgetary expansion, the model has been flawed and has not managed to generate substantial change or advancement in most of the autonomous communities with regard to the disconnection between the normative frameworks and policy management.

### **International development agenda: Adoption of the discourse without appropriation**

In general terms, an updated knowledge on the part of the autonomous communities of the evolution manifested by the international development agenda, differentiated into the Millennium Development Goals (MDGs) as a basic consensus<sup>10</sup> and in the process of the Agenda for Aid Effectiveness as the evolution of a set of principles that ought to guide the practices of cooperation policy. There also exists a general assumption, expressed in practically all the documents of general planning of the various autonomous communities, that both of these agendas are useful in the orientation of autonomic cooperation.

But the adoption of these discourses does not appear to have been able to modify in any appreciable way the rigidities and stasis that are characteristic of the model in which policy has been coming into shape, as is demonstrated by the extremely scarce advances that can be tallied in the areas of alignment, harmonization, specialization, coordination, complementarity and appropriation in the great majority of the policies of autonomic cooperation.

Taking into account that the international evolution of the Aid Effectiveness Agenda itself demonstrates that what started out as an eminently technical objective has ended up posing serious questions for the very architecture of international aid, what seems most worthy of

10. Quite another issue is whether there has been an active follow-up on the evolution that the MDO have undergone after their formulation, the knowledge of which has been rather scanty on the part of the autonomous communities. This has almost always been considered a static reference, when in truth the proposal has been evolving, with regard not only to the incorporation of new goals and indicators, but also to the possibilities of their multilevel application. In the same sense, it must be said that precious few proposals or cases of active participation seem to have been elaborated within the current framework of international discussion as defined in the so-called post-2015 agenda, or in the latest evolution of the Aid Effectiveness Agenda following the Busan Summit, which deeply modified the framework of departure for the process itself.

stress is the incapacity of autonomous communities to take ownership of a set of principles that could have oriented in a significant way the modifications that the model required, in light of its evident deficiencies. A critical, sincere, and courageous approach to the Aid Effectiveness Agenda would serve to reorient many facets of the model in a better direction.

At present, in line with the economic crisis, two separate discourses can be visualized with regard to this International Agenda. There are those who, in an attempt to turn the crisis into an opportunity to return to the application of the principles, consider it exigent to undertake actions that, based on the principles of improvement in the quality of aid, will shape the new reality of the policy. In addition, there exists a discourse that exploits said principles, calling what in reality is a *tabula rasa* cutback a consolidation that is, maintaining the weaknesses mentioned earlier within the logic of equal distribution, but now with fewer resources. Only in this way can it be explained that in the reductions the mechanisms of coordination do not receive special attention, or that the possibilities of complementarity and alignment are not explored.

### **Limitations on the issue of coordination**

In light of the profusion of actors from the public administrations who make up the body of decentralized cooperation, questions relative to their coordination have traditionally been indicated as one of the main challenges that must be faced in order to achieve a notable improvement in the system. To facilitate analysis, we approach the principal limitations that autonomous communities have found, distinguishing between two areas of coordination: with other entities within autonomous territory and with other autonomous communities within the State.

There seems to be a constant in the recognition of the meager coordination that has been achieved within the territorial limits of all the autonomous communities, both with regard to the space of interterritorial coordination (with other public administrations devoted to cooperation in the territory, mainly, that is, local entities and provincial councils and with that of interdepartmental coordination (among the different areas or departments of the autonomic government itself). In general, it is recognized that both these areas of coordination have been less successful than those that were generated for coordination with other different actors within the public administration.

All in all, it would appear that the line of reason that has prevailed calls for the replication of bodies with scant operative capacity as regards coordination, and which have been less than functional. In most of these cases they have been created by political mandate rather than out of strategic consideration related to the potential coordination among actors. This has led to the construction of tools of a more political nature that have been detrimental to the technical work that could have advanced the possibilities of operative coordination. Especially grave are the scant advances in the matter of coordination among the autonomous communities, local entities and provincial councils, as in practice it appears relatively simple to reach operative agreements in key aspects, such as fiscal accountability, joint evaluations, accountability, and public

information, whenever the political will to do so prevail. Similarly, this space appears to be ideal for the harmonization of procedures, and even for joint planning of certain strategic interventions.

The limitations shown in this matter of coordination are a clear indication that the instrumental aspect of cooperation policy has been prioritized, since the main obstacles to advancement have emerged from the unwillingness to relinquish institutional visibility and the electoral or party dividends that go along with it. The relevance of reinforcing these spaces of coordination in the interterritorial arena brooks no discussion, taking into account the limited capacity of certain less substantial actors and the incentive that the assumption of shared territorial strategies in questions of responsibility for global affairs would represent for all.

As for interdepartmental coordination, the panorama is distressing, as not only is it clear that in general terms cooperation policy has remained isolated from the bulk of government action, but indeed this lack of coordination has, in fact, acted as an obstacle to the integration of development principles into the design of other policies. Not even with the rest of social policies, with the rare exceptions of coordination of certain actions, in the area of education, of a markedly practical nature, such as the provision of spaces or contacts for educational actions for development in the area of formal education. Hence the Coordination of Policies with Development (CPD) in the autonomies appears as a practically untouched process. In combination with minimal interdepartmental coordination, other aspects may account for the manifest absence in autonomous communities of a focus on CPD and development policies, such as the lack of vision and knowledge about the CPD focus and what it supposes for the entirety of government activity, as well as the scant background in development issues of autonomic staff in general.

In addition, coordination on the state level, that is, coordination among the various autonomic forms of cooperation, a high consensus on the need to increase the spaces of coordination is clearly recognized. Similarly, weaknesses have been detected that nowadays can only be overcome with difficulty, such as differences among the models of the autonomous communities, their historical trajectories, and, at present, their budgetary difficulties. In this regard it would be desirable for the Spanish Ministry of Foreign Affairs to take a more active role and act as a facilitator, though this should not prevent the launching of concrete proposals for interautonomic coordination, deepening the accords reached in the framework of the meetings among autonomous communities and materializing the commitments reached on those occasions.

### **The limitations of a model centered exclusively on the project**

The misuse of the project-based model in the construction of cooperation policy, taking the project not only as a methodology for action, but also converting it into a basis for financing, has led to the conversion of the project (and its financing) into the central element of the dialogue among cooperation actors and, in consequence, converting the rules on time periods, forms of justification, and other procedural issues into the *ceiling* of the dialogue, preventing (or devaluing) dialogues of a more political and strategic nature.



The methodology based on the Logical Framework Approach (LFA), used practically without exception in all the autonomous communities, crystallizes in the project as a type of action that will facilitate execution, monitoring, and evaluation of such actions. However, when the project becomes the vehicle of financing *par excellence*, a distortion has been introduced into the basic elements of policy, which in the case of the evolution of cooperation policies offers a satisfactory explanation of its limitations.

- Instrumentalization of the relationships between partners centered on the transfer of resources, limiting the possibilities of democratic appropriation in the strategic definition of activities.
- Enablement of the dispersal of scant resources, which has limited the aggregate impact of decentralized cooperation.
- Orientation of the participation of civil society organizations toward areas of management, with the consequent reduction (or devaluation) of the ability to participate in processes of decision-making and global governance, as well as in the accompaniment of development processes, thus limiting the possibilities of appropriation in some cases and of alignment in others.
- Generation of high transaction costs and the increase in administrative management charges for local partners, hindering possibilities of harmonization.

To sum up, it can be affirmed that the project thus progressively becomes both the point of departure and the final outcome of cooperation practices, even when it is observed that a great number of reflections go no farther than to try to improve technical aspects of management rather than seeking the transformation of a model with well-known bottlenecks in the extrapolation of the project as the vehicle of financing and the center of dialogue. As for the crisis, this type of perspective centered on the revision of management practices is prevalent, and those that pose a transformation of its limitations are barely perceptible. In consequence, budgetary reductions are treated as a problem of scale and of number of projects instead of as an opportunity for in-depth reform of the model itself. In this regard, there have even been explicit refusals to try to improve the quality of policies through the revision of the model, given the context of growing demand on the part of the actors of autonomous cooperation in a scenario of cutbacks.

Paradoxically, it is precisely in such a restrictive scenario as is now being confronted that it becomes more necessary, if this is possible, to revise the model of cooperation in order to overcome existing bottlenecks.

In general, those reflections that express the intention to revise certain aspects of the model tend to limit themselves to the need to balance the proportion of cooperation under the direct management of the autonomous communities vis-à-vis that which is managed through NGOs and other actors such as universities. Traditionally, indirect cooperation—especially when channeled through NGOs—has been much greater with regard to the volume of ODA than direct cooperation, and it can be seen that the strengthening of direct management could improve policy in the light of the principles of efficiency of the aid, while offering spaces for the implication of other areas of government in cooperation activities, creating a bond in this way with those sectors in which an autonomous community might have relevant development experience, such as fishing,

What is more, the tension between direct and indirect cooperation has often been presented, in a presumably erroneous way, as a questioning of the participation of NGOs in cooperation policy

management of public services, rural development, or the application of information and communication technologies. These would seem to be substantial reasons to encourage this purpose of increasing the importance of direct management in the cooperation process. But obstacles to such a transition have also been detected, spanning from the limited capacity of the structures devoted to cooperation management in the autonomous communities, to the weak and already-mentioned background in development issues of the human resources, to the foreseeable opposition from the NGO sector, highly dependent on public resources, insofar as it would contribute to a relative drop in indirect management through NGOs.

In any case, these reflections and proposals for review would appear to overlook the central element to explain the limitations of the model, given that the central role of the project has had an equal effect upon both direct and indirect cooperation. What is more, the tension between direct and indirect cooperation has often been presented, in a presumably erroneous way, as a questioning of the participation of NGOs in cooperation policy. This approach to the debate can presuppose a sort of simplification of reality. In the first place because indirect cooperation and its tremendous influence in the management of cooperation policy, while offering an image of broad participation, has frequently supposed a loss of quality in the type of participation of civic organizations, forced to put too much effort into responding to management challenges, which distanced them from the spaces of participation in decision-making and monitoring of cooperation policies (Platform 2015 and, even more, 2011). In the second place, because from a broad perspective on participation, social organization, and specifically NGOs, ought to play an important role in the cooperation process, independently of whether it is articulated through direct or indirect cooperation modes. The idea of local development associations (IIDL, 2011: 22-29, 41), based on a political and strategic dialogue between Northern and Southern actors, requires the participation of the diverse range of social actors, as a result of which the participation of NGOs, whether they be the resource managers and action designers or not, is fundamental to the articulation of the political dialogue and the actual incorporation into such dialogue of the Southern social organizations.

### **Hypertrophy and atomization of the “projectorate”<sup>11</sup>: Limitations on political dialogue among actors**

The model that has emerged from the practice of a project-centered policy, which can be called the “projectorate”, has given rise to an evident hypertrophy of the decentralized cooperation system (Martínez and Sanahuja, 2009: 76, 123-124). The excessive development of the project methodology has taken up almost all the policy areas, blocking the balanced growth of the entire system, and exposing the fact that essential elements, such as political dialogue and the differential contribution that decentralized cooperation can offer have been severely hampered. At the same time, in combination with this hypertrophy, it is clear that, from the point of view of the aggregate, the system shows a worrisome atomization for the efficacy of the policy. To the eyes of the bulk of actors, the most evident and characteristic problematic are hypertrophy and atomization.

11. The “projectorate” concept proceeds from the work of Rodríguez-Carmona (2008).



It seems paradoxical that a policy that, still and all, has notably availed itself of a growing activity in issues of strategic planning, could nevertheless have drifted into a greater atomization. An explanation can be found in the centrality of the project, which has overridden strategic and political considerations when the time has come to set guidelines for the daily practices of both actions and relationships among actors. [9] Another explanation for the insufficient efficacy of planning instruments derives from in the maintenance of a model with high degrees of discretionality and unpredictability, reluctant to commit to mid- to long-term processes, both flaws that have a negative effect not only on the efficacy and quality of the development actions, but also on the possibilities of democratic appropriation, thus conditioning dialogue and political debate and limiting the capacity for criticism and control of civil society vis-à-vis the public powers.

The centrality of the project has overridden strategic and political considerations when the time has come to set guidelines for the daily practices of both actions and relationships among actors

With regard to relationships among the diverse actors, there is general recognition on the part of the autonomous communities that there is no political dialogue with their partners, an issue which, with very few exceptions, is not usually considered a problematic aspect for the communities themselves, as they consider it a responsibility of the NGOs, as the latter are the actors that manage most of the resources of the autonomous ODA. These kinds of visions are clearly attributable to a self-perception on the part of the political heads of cooperation as being more responsible for the administration of resources than for the generation of dynamic policies, which is compatible with a model that has made the concerns derived from the administration of projects its center of attention, in detriment of those of a policy nature.

In relation to the political dialogue of the autonomous communities with the NGOs and universities, the determining factor seems to be the evident heterogeneity of the social actors regarding their understanding of political dialogue. In fact, an evolution, which all the actors seem to agree upon, has been identified, that moves from the onset of the public policy based on a politically-motivated citizen mobilization expressing a demand for such a policy, to the current moment in which the NGOs have been distancing themselves from the demands for transformation to center their activity in a framework of interlocution defined to a great extent by funding management. In this regard, it can be considered a challenge to insert into the definition of the cooperation policy those organizations that most clearly advocate for a transformative profile based on the construction of policy. The transformation of the relationships between autonomous communities and NGOs, as briefly described above, indicates that the question has evolved toward an instrumentalization of the dialogue that has become the basis of behavior for both the NGOs and the autonomous communities. This is without a doubt a challenge that directly concerns both actors and the NGOs perhaps most particularly, as their involvement can be the determining factor to free the current model of its excessive bureaucratization and the inefficient management that flows from the atomization and hypertrophy of decentralized cooperation in general and autonomous cooperation in particular.

Another issue of great importance today to cooperation policy, and not only in the area of decentralization, is the relationship between business and the private sector and the realm of cooperation actors. There is no common position in this regard and the issue even appears

to be absent with regard to political dialogue with this kind of actor. Discussion seems to be centered essentially on two different but related issues: to what extent should businesses be considered agents of cooperation, recognizing its right to have an influence on policy design, and should businesses be able to have access to public funds from the cooperation budgets in order to carry out actions. In the autonomous communities diverging positions can be seen on these issues, ranging from the refusal to consider businesses as cooperation actors –the only community that poses it this clearly is Euskadi– to promoting their participation in policy without opting for public financing, to considering their incorporation into policy design and execution through public financing to be a priority.

### **Proposals for the future: three steps to the transformation of autonomic cooperation policies**

Taking off from the present analysis both of the evolution of the doctrinal corpus and of the model generally adopted by decentralized cooperation, a few main objectives are set down below that may contribute to the transformation of the autonomic cooperation policy, with an emphasis on overcoming the observed flaws both in the current cooperation model, as laid out in the previous section, and in the very conception and evolution of cooperation policies. This evolution has taken place in a system that is at once hypertrophied and atomized so much so that these distortions are perhaps becoming a justification for the delegitimization and dismantling of public policy, as well as its main actors. The proposals made here do not obviate the fact that perceptions in the different autonomous communities regarding their own cooperation policies vary, though in general they are rather uncritical, nor do they preclude the fact that most of the critical reflections, when problems are recognized, tend to center only on technical and administrative revisions of the current system, as we have already indicated. In contrast, these proposals arise from the recognition that there exist very useful foundations and experience in the autonomous communities, such as dialogue among actors, basic consensus on policy, and some acceptable results, which ought to serve as a platform to take on the development of these proposals. There are also notable differences of appreciation with regard to the opportunity to take on the transformation of certain essential aspects of the model in the current times of contraction derived from the crisis. In some cases they can be carried out with a greater degree of consensus and clarity, while in others there seems to be only a limited disposition to realize gradual procedural improvements. Be that as it may, the general nature of the proposals outlined below does not allow for their application to each of the particular cases in every autonomous community, but they should serve as an orientation for those actors who are in a position to carry out such an exercise within the framework of the transformation processes they are already applying.

As a common point of departure, the enormous potential of decentralized cooperation must be recognized despite the difficulties detected and analyzed for the purpose of bringing it to fruition. In this regard, the following proposals seek to guide the transformation of those practices that have given rise to the current model of cooperation policy.

### **First step: Recognition of the strategic value of decentralized actors in the overcoming of doctrinal disputes**

Autonomic governments offer specific characteristics that show a potential strategic value for the strengthening of essential aspects of cooperation policy and, therefore, for the promotion of integrated and coherent development policies. At least two dimensions that set these actors apart should be taken into account:

- The global nature of the decentralized actors places them in a privileged and strategic position for the promotion of global governance (Martínez and Sanahuja, 2012b: 12). Accustomed to dealing with the most territorialized challenges and demands in their own localities, they dispose of sufficient mechanisms to be able to appreciate the advantages of establishing spaces of collective action with other entities in different matters. If clear-cut expression of the interdependencies between the local and the global can be found in any political space, it is indeed in that of the autonomous territories, which, owing to their relative size and population have notable experiences with regard to the possibilities of coordinated collective action for the resolution of local problems.
- The specific value of the autonomous government in development processes can similarly come to be a privileged platform from which to promote such processes in other realities. Given that in our State model it is these governments which take on direct competencies in matters as closely related to development as education, health, social services, public services, social dialogue, or the articulation of mechanisms for effective citizen participation in development issues, it would be unthinkable for these capacities and experiences not to form the differential basis for a policy of cooperation centered precisely on the promotion of these issues. Similarly, the recognition of this specific value, which is strategic for cooperation, is the basic argument to explain its necessary responsibility in terms of its budgetary contribution to the general Spanish ODA.

The elements adduced could indeed close the discussion regarding the subsidiarity or responsibility of cooperation policies. As global actors, affected by and influencing global dynamics, decentralized governments bear part of the responsibility for multilevel governance, which means that global issues demand their attention, just as the specific domestic policies within their competencies are determined by global logics and dynamics. From this perspective, to ignore global issues would presuppose ignoring local issues as well.

### **Second step: Advancement toward a model based on political dialogue and strategic alliances, social participation, and harmonization**

In the first place, as the above analysis shows, a major part of the explanation for the weakening of public policies has to do not only with the measures taken in reaction to the context of the crisis but also to the internal deficiencies of the model that have inhibited the potential for cooperation of the autonomous governments. The main defects of this model, which takes on the form of a “projectorate”, can be found in

Autonomic governments offer specific characteristics that show a potential strategic value for the strengthening of essential aspects of cooperation policy and, therefore, for the promotion of integrated and coherent development policies

its geographical and sectorial dispersion, in the absence of political dialogue with outside partners and of strategic dialogue with the agents of cooperation within the autonomous community.

Therefore, surmounting of the “protectorate” model is of immediate concern—whether it comes about through direct or indirect means—in order to advance toward the construction of local development associations (IIDL, 2011: 22-29, 41; Martínez and Sanahuja, 2012a: 122-123), which implies the launching of different processes: a review of the spaces of cooperation of the cooperation agents and the strengthening of their capacities for political dialogue, which necessarily implies the geographical and sectorial concentration toward the main areas of added value for each sector.

Secondly, one of the main potentials of decentralized cooperation resides in its contribution to the local governability processes. Concretely, it can contribute by following the strengthening and dynamization of the network of associations in order for them to participate in the decision-making processes related with public policies.

The participation of NGOs and other civil society organization in decentralized cooperation—currently concentrated on management and execution—does not necessarily guarantee either high levels of participation or quality participation, as it does not imply their presence in the designing or decision-making in the sphere of cooperation policy.

For this reason, and paradoxically in the so-called “governments of proximity”, democratic appropriation continues to be one of the main challenges in the realization of the potential that the participation of civil society supposes for decentralized cooperation. Thus, the better use of a good portion of the potential of decentralized cooperation depends on the promotion of the role of civil society in the definition and follow-up of decentralized cooperation policies for development, to the extent that both in their nature and in their objectives, civil society will be central to this policy.

As a result, it is important to underscore how opportune and necessary it is to open up the models of participation toward spaces of more political dialogues and, as a result, to generate mechanisms that will guarantee the participation of social actors with a profile directed more to political analysis and, hence, to social transformation. A growing number of organizations are manifesting novel links between their local actions and their capacity for analysis and comprehension of global politics. These are organizations linked with concrete actions in the local arena, which, nevertheless, are already showing noteworthy articulations in transnational spaces. Concretely in the spaces articulated through social movements, transnational network of civil society organization, local participation experiences in the economic and social space, such as responsible consumption cooperatives, organizations of sustainable producers of agro-ecology, and networks of social economy and fair commerce, among others.

In the third place, the lack of coordination in decentralized cooperation is one of its most well-diagnosed elements from which one of its main weaknesses is derived (Hombrado, 2008; Hombrado and Hernández,

2010). All proposals in this area should take into account the recognition of political will as a necessary condition for the launching of initiatives aimed at harmonization. From this basic proposition the many existing proposals, aimed at the area of planification, administration, and execution of cooperation policies, could have the needed impetus to reach their goals. It is, however, significant that the profusion of proposals in recent years, both from the academic world and from civil society and the institutional sphere, for a greater harmonization of cooperation policies has barely managed to exercise a positive transformation of practices toward this end<sup>12</sup>.

### **Third step: From cooperation policies to development policies in the decentralized sphere**

It seems more and more pertinent to pose clear mechanisms for moving from a policy of cooperation, no matter how improved in terms of quality, efficiency and internal coherence for its objectives it can be, to a true development policy. Remarkable contradictions can often be observed between the values, principles and policies that are the object of cooperation policy and the visions and policies that the rest of the autonomic government applies toward development within its territory. Contradictions with regard to models broadly based locally in unharnessed urbanization, or in unsustainable agrarian exploitations, or centered on a patronage concept of citizen participation, all of which, nevertheless, is no obstacle to the promotion abroad of equitable development based on rights and environmentally sustainable, through cooperation policy. It seems pertinent, even more so in a context of weak cooperation policy and of a certain doctrinal lack of definition with regard to how to strengthen it, to aim for the progressive integration of the principles and values of development into the general plan of public policy in all its governmental actions. Other relevant aspects for the generation of development policy are education and communication for development.

#### *i) Advancing in the area of consistency in development policies (CDP)*

The very limited experiences in the question of interdepartmental coordination on the part of the autonomous communities have already been analyzed, and in some cases have allowed for the description of the situation as the segregation of cooperation policy with regard to all other governmental action. The citizenry is not unaware of this inconsistency in the orientation and principles that guide policy, though often the pretext of considering domestic politics to be real policy, and hence, cooperation policy to be ideal policy. Nevertheless, this perception is compatible with another, just as common, regarding the fact that citizens' demands of their governments are not essentially different within their respective territories and without: quality public services, free universal education, social systems of social protection, fiscal devices for the redistribution of tax revenue, or an efficient anti-corruption structure are just a few. In this regard, it is the unavoidable responsibility of the administrations to launch programs and mechanisms for the analysis and advancement in matters of political consistency which, with an eye to a longer timeline

It is the unavoidable responsibility of the administrations to launch programs and mechanisms for the analysis and advancement in matters of political consistency

12. Some of these proposal can be found in Hombrado (2008), Hombrado and Hernández (2010), Martínez and Sanahuja (2009), Martínez (2012), *Coordinadora de ONGD-España* (2008), MAEC (2009). Particularly significant is the agreement reached between all the autonomous communities, expressed in the document *Propuesta de Plan de Trabajo del V encuentro de comunidades autónomas para la coordinación y complementariedad de la cooperación española y la mejora de la eficacia y la calidad de la ayuda* (Proposal for a Working Plan of the V Encounter of autonomous communities for the coordination and complementarity of Spanish cooperation and the improvement in the efficacy and quality of aid), approved on March 6, 2012.

than the immediate electoral or legislative period, as development processes demand, can contribute effectively and jointly to the improvement of the quality of life of the citizens of the territory as well as of those outside the territory, in addition to guaranteeing in this way that the coming generations will also be able to enjoy these improvements.

There are at least two differentiated models for promoting CDP in the bulk of governmental action. One of them consists of generating a structure close to the maximum political representation in charge of development and cooperation issues, and able to analyze its long-term effects and its impact abroad in each and every governmental public policy; the other proposes to influence progressively in each policy area by generating a network structure with a presence in each of the governmental areas that holds a political mandate and the technical capacity to promote modulations and modifications in policy design. There are reasons to believe that each autonomous community could present particular characteristics that would make one or the other form of promoting CDP more appropriate, or even a combination of aspects from both models. What seems undeniable is that the benefits of advancing in this approach to CDP with a clear agenda and a strong political mandate would be very great, for both present and future populations, both in the corresponding territory and for the rest of the citizens.

#### *ii) Promotion of education for development (Efd)*

Traditionally decentralized administrations have devoted greater resources to EfD than the general State Administration, thus taking advantage of the comparative advantage held by governments that are closer and have greater spaces for citizen participation. The work of NGOs in the promotion of EfD in decentralized governments has been particularly important, in the sense that they have injected greater dynamism into the local network of associations and promoted education for development in both formal and informal arenas, working to generate changes in attitude for the creation of a citizenry that will be informed about development issues, as well as critical and committed.

It is useful to point out that there is a broad consensus in the EfD work undertaken by the autonomous communities and NGOs on the definition of education for development as set out in the Education for Development Strategy of the Spanish Ministry of Foreign Affairs and Cooperation.

#### *iii) Political responsibility in Communication for Development (Cfd)*

If the first section of this chapter made reference to shared responsibility in the weakening of cooperation policy and pointed, among other elements, to flawed communication regarding cooperation objectives, it is worth stressing, in this section of proposals, the need to adopt a genuine communication for development. In this regard, it is important for the whole gamut of actors to acknowledge that communication is a tool with a great potential for transformation. Nevertheless, in order for this potential for transformation to become a reality, communication, from

both autonomous governments and Development NGOs, must put forth an image of cooperation as a public policy with responsibilities in the global processes of redistribution, justice, and equity, which, therefore, affect the whole of the global citizenry, no matter where they reside. In this sense, communication for development—in addition to eschewing a decontextualized, aid-based vision of its mission that obviates the complexity of development issues—would contribute to the consolidation of a cosmopolitan vision in which cooperation policy is integrated into the entire fabric of public policies aimed at raising the level of well-being, social cohesion, and equity.





CHAPTER 2  
CATALAN CIVIL SOCIETY  
ORGANIZATIONS OF DEVELOPMENT  
COOPERATION

*Xavier Martí González*



**Xavier Martí González**

*Consultant in Development Cooperation*

## Introduction

Among the Spanish Autonomous Governments, Catalonia is a case of special relevance. The present chapter will be thus taking Catalonia as a case study, and will identify collective recommendations and lines of action that will allow for the important challenges faced by Civil Society Organizations of Development Cooperation to be met in the newly emerging scenario that, in general terms, is being determined by a variety of factors.

On the one hand, what cannot be overlooked is the crisis in the models of the Welfare State in Europe and the shrinking of public structures –with the consequent reduction of the budgets for Official Development Aid (ODA)– and the rise in poverty and inequality in many countries of the North. On the other hand appear the changes in the composition of donor countries that are not members of the DAC (Development Assistance Committee), the emergence of new actors (particularly from the private entrepreneurial sector) and the impetus of public-private partnerships in the architecture of aid. To these processes of a global nature must be added the depth of reforms and cutbacks in some public policies (especially in the arena of development cooperation), both on the level of Catalonia and of Spain.

This chapter analyzes the current situation of civil society organizations, a category that includes NGOs, labor union organizations<sup>1</sup>, and university agents. In this regard, the chapter is completed with the other three chapters which include the rest of the actors in the Catalan and Spanish systems of development cooperation<sup>2</sup>: respectively, the State and the autonomous communities, local entities, and the entrepreneurial sector<sup>3</sup>.

In a word, from the standpoint of the analysis of the sector in Catalonia, as a case study, a view of the state of decentralized cooperation in Spain is projected within the present context of crisis and redefinition of the map of actors and relationships in the area of development cooperation.

1. For the purposes of this chapter, agrarian/farmers' associations and professional societies (e.g., bar associations, fellowships of architects, et al.) are included in the category of labor union organizations.
2. In this same sense, this chapter adopts a broad reading of the term development cooperation, to include as well the activities of education for development and of humanitarian actions, though we are aware of the conceptual differences between these dimensions.
3. Said diagnostics have been carried out by a separate group of consultants.

## Methodology

To begin with, this chapter takes into account the conceptual flaws that can be derived from the existing categorization regarding civil society organizations: NGOs, labor organizations, and university agents. On the one hand, public universities form part of the corpus of public administrations and hence should not be included in this group. On the other, private enterprises and business organizations can indeed be included, but owing to their specificity both as donor agents and as beneficiaries of development cooperation, they have been considered separately. And finally, labor organizations could also be included in the analysis taking place within the entrepreneurial arena. In any case, for practical reasons the sponsors of this chapter have opted to distribute the actors among the four above-mentioned categories and the division established in the framework of this chapter observe this logic.

In order to analyze the impact of these dynamics on the actors of development cooperation who are the subject of this chapter the methodology followed has combined interviews with representatives of these organizations and the other implicated actors (such as certain research centers and experts in the field), with the consultation of bibliographical sources, including articles, reports, as well as manifestoes and communiqués issued by the organizations.

The realization of an exhaustive analysis in the time available was hindered by the heterogeneity of the agents covered in this part of the research and the significant atomization (particularly in the case of the NGOs) they are subject to. In consequence, the study acknowledges this limitation and must be conceived as an approach to the current situation of the organizations under study, from which indicative inferences can be made as to the general reality of the sector of Catalan cooperation with regard to the segment of civil society.

To put it another way, what this chapter seeks to do is to reflect the emerging dynamics in the arena of these organizations, identifying the principal elements on which reflection should focus, and what it does not seek to do is to offer a perfect snapshot of the current situation. For this reason the text does not attempt to provide conclusive data on the entire sector, but rather to report on trends.

Hence, the procedure has been to organize the interviews into three groups, which correspond to the typology of the actors involved. In the case of the NGOs, there has been an effort to reflect the great diversity in the rich map of Catalan organizations. This diversity exists in relation to the size and capacity of the organizations, along with the budget handled, the degree of dependency on public funding, the principal area of interest (development, education for development, humanitarian activity), or the location of the decision-making levels of the organization.

In total, interviews have been carried out with thirteen persons representing different Catalan Development NGOs. In addition, accompanying the concrete analysis of these entities and in order to obtain a more global view of the dynamics of the sector, conversations have taken place with representatives of the main Catalan federations: The Catalan

Federation of Development NGOs (FCONGD), the Catalan Federation of Peace NGOs, the Catalan Federation of Human Rights NGOs, the Coordinating Council of NGOs of Solidarity from the counties of Girona, and the Coordinating Council of the Development NGOs and Solidarity Movements of Lleida.

Similarly, and for the purpose of offering context and comparison of the dynamics that can be observed in Catalonia vis-à-vis those of the rest of Spain, the diagnostic relative to the NGOs has also taken into account the vision of the Spanish Development NGOs' Coordinating Council (CONGDE) and of the Andalusian Development NGOs Coordinating Council, owing to their evident representative role. In this way a certain perspective can be attained on the reality of the Catalan Development NGOs that will be helpful in placing their possible particularities, or, conversely, their parallels in relation to the situation of such organizations in the rest of Spain.

With regard to **labor organizations**, the second block under study, the study opted to interview those that are associated with the two majority unions –the Peace and Solidarity Foundation (CCOO-Comisiones Obreras/Workers' Committees) and the Josep Comaposada Foundation (UGT-Unión General de Trabajadores/General Union of Workers)–, while bearing in mind that there are other Catalan labor and professional organizations (such as Pagesos Solidaris/Farmers in Solidarity) that have been active in the area of Catalan development cooperation in recent years.

A similar logic has been applied in the case of the Catalan **university agents**. Despite their growing implication in this field, the scope of the diagnostic has only allowed for the incorporation of a sampling of the university agents –the Center for Development cooperation of the Universitat Pompeu Fabra and the Solidarity Foundation of the University of Barcelona– and of one network of universities – the Catalan Association of Public Universities (ACUP).

Finally, as has previously been mentioned, and so as to try and project a long view that will take a bit more distance from the dynamics that occur at the heart of the organizations, the study has made use of the analysis of several experts widely recognized in the area of development cooperation in Catalonia, as well as with representatives of some of the most substantial research centers devoted to this question in the Spain.

## Context of development cooperation in Catalonia

Catalan society, in response to a historical internationalist vocation, has always shown a great commitment to assuming co-responsibility for the phenomena that occur beyond its borders. This will to express commitment and solidarity has manifested itself in support for innumerable initiatives of development cooperation that have arisen from civil society and active municipal organizations and have later been accompanied by the Government of the Generalitat (Catalan Government).

This desire to be an active presence in the international scenario takes on even greater relevance in the context of globalization. In fact, the dynam-

Catalonia has created a public policy of development cooperation built on a two-pronged approach of responsibility and opportunity and based on the values that decentralized governments can bring to the system of development cooperation

ics of the globalization process that have occurred in recent decades have configured a worldwide system characterized by the existence of multiple interdependencies and growing external actions of a transnational nature, which blur the political borders of the nation-states and expose territories, economies and societies to processes of a global nature.

Phenomena such as environmental deterioration, economic and financial instability, migratory tensions and such others as the spread of infectious diseases, armed conflicts, and recurring humanitarian crises, or the growing inequalities of all kinds that emerge not only between countries but at the core of societies themselves, all demand new models of governance to combat them. This all points in the direction of a new, more active and representative, multilateralism that should be accompanied by a normative and institutional framework suitable for the management of global public assets, given that the phenomena affect the entire international community and also exceeds the capacities of national states.

The collusion of all these elements (the inclination toward solidarity and internationalism of the Catalan citizenry, the dynamic nature of their organized civil society, the emergence of a new multilateralism and, of course, the political will) has given rise in Catalonia to the configuration of a public policy of development cooperation built on a two-pronged approach of responsibility and opportunity. A policy whose discourse is and based on the values that decentralized governments can bring to the system of development cooperation: their proximity to the citizens; a greater capacity to build alliances with the diverse actors; a supposedly lesser attachment to geostrategic interests; and a greater horizontality in their relationships with partners.

Though it is not the intention of this chapter to analyze the path of this policy throughout recent years, we do consider it necessary to go over some of the main elements that characterize it in order to try to explain the momentum that currently defines the sector of development cooperation in Catalonia.

On the one hand, it is important to note the impressive normative, institutional and, in relative terms, budgetary development that Catalan cooperation has undergone since 2001, starting with the approval of the Catalan Law of Development cooperation (Law 26/2001, December 31). This law, whose elaboration enjoyed the active participation and broad consensus of all the Catalan agents of cooperation, allowed for a basis to be set down for an authentic public policy and the establishment of mechanisms of regulation of governmental action (and in a sense of all the Catalan actors) in this area.

Hence, some of the elements that have decisively infused both the orientation and the carrying out of this policy can be gleaned from the text of this law. On one hand, it is made explicit that its mission is to foster sustainable human development, eradicate poverty and reduce inequality by acting upon the structural causes that generate them. On the other, it is conceived as a participatory policy, articulated around the principle of joint action among all the cooperation actors. Moreover, it shows its commitment to the objective of reaching 0,7%, through the liberality of the ODA and by creating the conditions to move toward consistency of policy practices.

In this way, a policy has been taking shape thanks to the execution by the Generalitat of Catalonia of a range of planning instruments, such as master plans, yearly plans, and geographic and sectorial strategic documents. As a result, it has been conceived to have a strategic character and not to be a simple instrument for the distribution of funding. In this regard, financing mechanisms have been articulated for the different agents (though unequally, according the actor under consideration) in order to foster their participation in the unfolding of this policy. In addition, the budgets for ODA have increased significantly (in the case of the Generalitat a high point of close to 63 million Euros was reached in 2008), though always at a distance from the commitment to 0.7%. In fact, some 60% of the ODA of the Catalan Government from 1986 to 2010 corresponds to the 2006-2010 period<sup>4</sup>.

Lastly, normative and budgetary development has been accompanied by the construction of an institutional framework that, in principle, was meant to contribute to the consolidate of the devices for this emerging policy, guaranteeing its foothold in the system of governmental public policies and, ultimately, fostering the coordination and active participation of the range of Catalan cooperation actors in its definition and execution. In this regard, the creation of the Catalan Development Cooperation Agency (CDCA), the Council on Development cooperation of the Generalitat of Catalonia, coordinating commissions with other departments of the Government and with local entities, or the Catalan Committee for Humanitarian and Emergency Aid<sup>5</sup> must be highlighted. To this point, the Catalan Council for the Promotion of Peace, created under the wing of the 2003 Catalan Law for the Promotion Peace (Law 21/2003, July 4th), may also be adduced, for its strong ties to and complementarity with the Law on Development cooperation. In any case, the functioning of these mechanisms of participation and coordination has not always been able to fulfill the objectives for which they were created, mainly owing to a lack of will of the different parties.

With regard to the civil society entities that are the object of this chapter, their degree of protagonism in the development of this policy has varied depending on whether we are referring the Development NGOs, labor organizations or university agents.

Thus, Development NGOs have always played a central role among the actors of development cooperation in Catalonia, because of their capacity to generate discourse and mobilization, but also because they are the main executors of policy in this area and take a leading role in all the spaces of coordination and definition of the abovementioned policies. As for the volume of funds under their management, their growth in global terms has been exponential over the past decade to the point of reaching, in the case of those proceeding from the Generalitat, close to 31 million Euros executed in 2010 (which comes to nearly 55% of the total ODA of the Generalitat in that year), the last fiscal period for which firm data are available<sup>6</sup>. According to data from the FCONGD, the median annual grant received by NGOs during the 2006-2012 period came to nearly 60% of the CDCA resources, excluding operational expenses. It should be recalled that direct subventions to Southern NGOs are also included here<sup>7</sup>.

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Catalonia

4. FCONGD (2012) *La Cooperació Internacional Catalana 2006-2012. Balanç d'una política pública imprescindible*: <http://www.fcongdon.org/fcongdon/> (Catalan International Cooperation 2006-2012. Balance of an Essential Public Policy.)
5. For more information, see the CDCA website: <http://www20.gencat.cat/portal/site/cooperaciocatalana/menuitem.3264435f176a8ddf28323e10b0c0e1a0/?vgnnextoid=1fe8375afa205210VgnVCM1000000b0c1e0aRCRD&vgnnextchannel=1fe8375afa205210VgnVCM1000000b0c1e0aRCRD&vgnnextfmt=default>
6. See the ACCD website: <http://www20.gencat.cat/portal/site/cooperaciocatalana/menuitem.dd34c9fffb3e6ddf28323e10b0c0e1a0/?vgnnextoid=6f82c340ecab5210VgnVCM1000008d0c1e0aRCRD&vgnnextchannel=6f82c340ecab5210VgnVCM1000008d0c1e0aRCRD&vgnnextfmt=default>
7. FCONGD (2012): *Ibidem*.

The participation of labor organizations in the development of a public policy of development cooperation has grown in accordance with their recognition as cooperation actors

At this stage, two points must be made. On the one hand, though growth has been very significant in global terms, in relative terms there has been a drop, since in the period prior to the creation of the CDCA in 2003, the few funds destined for cooperation by the Government of Catalonia were managed almost entirely by the NGOs. In contrast, with the evolution of policy and the consolidation of the CDCA, a stake has also been made for direct, multilateral cooperation, which has redirected resources from those traditionally destined for these organizations. On the other, in line with the budgetary curve that ODA presents for this period, from 2008 on a fall in the total funds directed to the NGOs can be observed. The drastic reduction in the Generalitat budget for development cooperation in the 2011 and 2012 fiscal years supposes a reconfiguration of the entire program design in light of the dimensions of the reduction.

Finally, with regard to the NGOs, two last reflections can be established. In one sense, they have played a leading role for the rest of the Catalan public funders, with certain nuances, perhaps, in the case of the Barcelona City Hall, the Barcelona Provincial Council (Diputació), and some other Catalan municipal governments that have developed lines of direct cooperation, as well as the Catalan Fund for Development Cooperation (Fons Català de Cooperació al Desenvolupament), one of whose main partners has been the local entities themselves. In another sense, there has been a clear concentration of the funds managed by NGOs the hand of those with headquarters in the province of Barcelona as against those located in the rest of the Catalan territory.

With regard to labor organizations (including professional associations), their participation in the development of a public policy of development cooperation has grown in accordance with their recognition as cooperation actors, as can be gleaned from the master plans of the Generalitat of Catalonia approved till the present and from their presence on the main organs of decision-making and coordination on these policies. As a result, in 2010 a ceiling of 2.1 million Euros was reached, which supposed 3.86% of the total ODA executed by the Generalitat, basically contributed by the CDCA<sup>8</sup>. According the FCONGD data, the volume of funds managed by this actor oscillated around 3.15% annually during the 2006-2010 period<sup>9</sup>.

In this sense, certain precisions should also be brought to bear. First, the instruments created *ad hoc* to support the actions of these organizations, which consisted of a series of Requests for Proposals (RFPs) for projects and programs of development cooperation and education for development, have not always kept to a regular calendar and RFPs have not necessarily appeared on an annual basis. Secondly, a significant concentration of the grants has been allocated to entities with ties to the two majority unions (Peace and Solidarity Foundation-CCOO and Josep Comaposada Foundation-UGT, respectively) and, to a lesser degree, to the Farmers in Solidarity Foundation.

Finally, with regard to university agents, a path similar to that of labor organizations can be described. Hence, these agents have also experienced a growing role in the execution of public policy and they are represented in the Council on Development cooperation of the Generalitat of Catalonia. In addition, they, too, have suffered the

8. See the CDCA website:  
<http://www20.gencat.cat/portal/site/cooperaciocatalana/menueitem.dd34c9fffb3e6ddf28323e10b0c0e1a0?vgnextoid=6f82c340ecab5210VgnVCM1000008d0c1e0aRCRD&vgnextchannel=6f82c340ecab5210VgnVCM1000008d0c1e0aRCRD&vgnextfmt=default>
9. FCONGD (2012): *Ibidem*.



irregularity in the calendar of RFPs, and their mean access to CDCA funds has been placed at 3.74% annually for the 2006-2010 period<sup>10</sup>. Lastly, a greater dispersion of resources can be observed among the different applying Catalan universities, if we do not take into account the distortion introduced into this tendency of the regular support of the Generalitat (especially the CDCA) for the School of Peace Culture of the UAB (Autonomous University of Barcelona) to maintain its structure and part of its activities.

Finally it can be stated that, in contrast with the NGOs, labor organization and university agents have not been relevant actors for the totality of public donors in the territory, as a result of which, on the ODA map of Catalonia, a clear concentration of the funds proceeding from the Generalitat is present. In any case, and particularly in regard to university agents, they have opted significantly to seek other sources of financing, in particular the AECID (Spanish Agency for International Development Cooperation).

As was indicated in the diagnostics presented here, the panorama that appears in the development cooperation sector in Catalonia from 2011 on places the civil society organizations in a difficult situation, which threatens not only their capacity for action but even their survival, at least in the conditions that have existed thus far.

Though indeed the strong decline in ODA budgets on the part of Generalitat begins to manifest itself in 2009, it is truly in 2011 that it takes on great proportions, and appears as the principal explanatory factor in this context. As firm data are not yet available, the volume of funds granted to NGOs during the different RFPs of the CDCA in 2011 did not reach 5.5 million Euros<sup>11</sup>, which moreover have not yet been disbursed. As for 2012 RFPs, they have recently been annulled. In the case of labor organizations and university agents, specific RFPs have not been issued over the past two fiscal years.

What is more, though, other processes and dynamics must be added to help orient us at this juncture. On the one hand, the questioning of some of the areas of consensus on which public policy for development cooperation in Catalonia has rested in recent years. These areas of consensus have to do with such fundamental aspects as the mission, the weight of entrepreneurial agents, the importance of education for development, geographic prioritization or the strategic nature of certain processes (coherence of policies or gender equality, for example).

On the other hand, the inertias that can now be inferred in the case of Catalonia, and which, to a greater or lesser extent are being replicated in the whole of Spain, are connected with others of a systemic nature that have to do with the change in fundamental elements of the working model for development cooperation that have held sway thus far, as was suggested in the introduction.

Finally, the fears of a recentralization of some competencies on the part of the State in the current context of economic and financial crisis contribute to placing a check on the decentralized cooperation model that had been unfolding in recent years and, in consequence, its effect upon the actors implicated.

In contrast with the NGOs, labor organization and university agents have not been relevant actors for the totality of public donors in the territory. They have opted significantly to seek other sources of financing, in particular the AECID

10. *Ibidem*.

11. See CDCA website:  
<http://www20.gencat.cat/portal/site/cooperaciocatalana/menuitem.29002bae960a7ddf28323e10b0c0e1a0/?vgnextoid=a1ec214c7c422310VgnVCM2000009b0c1e0aRCRD&vgnnextchannel=a1ec214c7c422310VgnVCM2000009b0c1e0aRCRD&vgnnextfmt=default>

## Main Conclusions

### A) Current panorama of the situation of civil society organizations

Recentralization of some competencies on the part of the State in the current context of economic and financial crisis contribute to placing a check on the decentralized cooperation model that had been unfolding in recent years and, in consequence, its effect upon the actors implicated

1. Bearing in mind the central role that the CDCA has taken on in the last ten years as the principal financier of the majority of Catalan organizations, the severe cutbacks in cooperation budgets of the past two years have placed the financial capacity of many of the entities at their limits, if indeed the budgetary reductions had begun as early as 2009.
2. In this regard, the financial situation of the Catalan NGOs has not only been affected by the reduction in ODA budgets, but to this must be added the serious problems of liquidity derived from the non-execution of payments for subventions already granted. In this way, for many organization the gravity of the crisis is manifesting itself with particular virulence in 2012, since outstanding CDCA payments corresponding to 2011 have been carried over, to which must be added the recent announcement of the suspension of the RFP for 2012 projects for the NGOs.
3. In consequence, it is clear that most of the entities find themselves in a state of shock, which is making it difficult for them to carry out more long-term strategic positioning. On the contrary, in general their efforts are aimed at the immediate present in an attempt to secure their own survival and their core of short-term engagements. In a word, the predominant response has been more reactive than proactive.
4. Although the effects of the economic and financial crisis on public budgets for cooperation did not begin to be felt until 2009, in general the Catalan NGOs do not appear to have achieved a proper reading of the approaching dynamic or to have adopted decisions on the structure, sources of financing, and volume of projects in keeping with the evolution of the context. In contrast, our interviews do not lead to the conclusion that there is a significant stagnation of the entities that threatens to aggravate further their battered financial situation.
5. In order to try to overcome the current situation and assure their survival, the main measures being taken by the entities are:
  - Mobilizations to demand of the institutions (the CDCA in particular) payment of the already-committed grants, as well as to protest over the budgetary cutbacks applied to development cooperation and in favor of the continuation of public policy in this area. In this sense, in addition to the numerous communiqués and policy documents of the range of Catalan federations and coordinating committees<sup>12</sup> produced for this purpose, mention must be made of the protest that took place in late June of 2012 in which several representatives of Catalan Development NGOs occupied the headquarters of the CDCA to protest the institution's non-payment.
  - Severe staff reductions, by means of Employment Regulation Orders (EROs). In some cases, these EROs consist of reductions in salaries and furloughs, are temporary in nature, and are usually negotiated with the affected personnel to try and guarantee, insofar as it is possible, the best conditions with regard to unemployment payments. In other cases, they are aimed directly at reducing the workforce.

12. V., for example, the communiqués in this regard from the Confederation of Catalan NGOs for Peace, Human Rights and Development of 11/07/2011, of 07/14/2011, or of 06/29/2011, which other platforms of organizations not involved in the area of development cooperation signed on to (<http://www.fcognd.org/fcongnd/>), or, similarly, of the Confederation of NGOs of Spain (<http://www.congde.org/>).

- In relation to the above, reconsideration of the volunteer nature of part of the staff to carry out some of the organization's activities. In this regard, it should be mentioned that many of the NGOs for peace, and above all for human rights, which are usually small, generally share these characteristics. The same thing occurs with the Development NGOs located outside the province of Barcelona.
- Application of other measures to reduce current expenses such as, for example, the renegotiation of the rental price of their space, or a move to another, less expensive, space. In other cases, the organizations have opted to share their space as well as certain office services (messenger, stationery, etc.).
- Postponement of already planned investments, in reference above all to the acquisition of equipment and even of real estate.
- Reworking of their map of activities in order to concentrate on those they consider most strategic or more in keeping with their mission. In many cases, this has led to the closing of territorial delegations or to the option of maintaining regional offices instead of offices in each country.
- Trend toward fusion of entities. Despite a number of experiments in this regard, though with no particular relevance in Catalonia, there is great doubt as to the appropriateness and effectiveness of this type of measure. The general opinion is that these processes require maturation and strategic dialogue in order to achieve a good fit between structures, working methods, discourse and focus, in order not to produce opportunistic fusions that only reflect a mere logic of cost reduction and that in time prove to be inefficient. What is appearing as an alternative is the establishment of alliances and consortia for joint actions. In any case, the challenge is to ascertain whether this alternative, for which many prior experiences exist, will be able to offer an efficient response to the issue at hand: the economic viability of the entities.
- Diversification of financing sources. As has already been stated, the process of creation and consolidation of the CDCA over the last decade has given this organization a central role, both politically and economically, among Catalan cooperation actors. Thus, in general terms, over these years the CDCA has become the main financier of the map of Catalan Development NGOs. This is at the core of the magnitude of the effect that the drastic cutbacks in its budget have had on these organizations. In consequence, it has become even more necessary to make a commitment to the diversification of financing sources and hence to the reduction in the degree of dependency on particular donors heretofore considered sure and solvent. In fact, the reductions in funding that other traditional partners of the Catalan NGOs –such as the AECID, other autonomous communities, the Provincial Government of Barcelona, the Catalan Fund for Development Cooperation (*Fons Català de Cooperació al Desenvolupament-FCCD* and, to a much lesser extent the City Government of Barcelona) –have also experienced compels the entities to study other potential financing sources that had only been explored until now by particular organizations. We are referring basically to the European Commission (a possibility that runs into the obstacle of the unfamiliarity of the instruments and the lack of capacity to gain access to them, according to the entities themselves) and the private entrepreneurial sector (a question that will be developed in a later section).

The Catalan NGOs do not appear to have achieved a proper reading of the approaching dynamic or to have adopted decisions on the structure, sources of financing, and volume of projects in keeping with the evolution of the context

6. In any case, in contrast with the general profile of the Development NGOs whose headquarters are located in Barcelona, those that are sited in the rest of the Catalan territory tend to be smaller in size, with a largely volunteer staff, a broad prevalence in the areas of awareness-raising and participation, which favors their insertion and impact on the territory. Moreover, their principal ties to public administration are with the municipality. As a result, they are relatively less dependent on the CDCA (but, in contrast, more dependent on the coordinating organization in Girona and Lleida provinces, respectively). Therefore, the fall in ODA budgets has a less traumatic effect on the performance of these entities, whose actions are usually more directed toward citizen mobilization and to small projects with less costly financial demands.
7. The difficulties these organizations face and the enormous uncertainty of the near future is having consequences for the working structures and dynamics of the federations and coordinating organizations of the NGOs. On the one hand, the financing of their structural and staffing expenses had come to be mainly financed through grants from the Generalitat (above all from the CDCA) by means of specific MoUs. These have also been affected by cutbacks to the ODA budgets, which is contributing to their institutional weakening (including the loss of staff) and their performance, both within (coordination, promotion of synergies, mentoring, analysis) and without (political influence, consciousness-raising, mobilization). In addition, the context of cutbacks and uncertainty in the sector can also lead to tensions at the core of some organizations (particularly in the case of the FCONGD), as they favor individual behaviors of the entities (linked to survival strategies) and place obstacles in the way of joint positions in several areas: reports, mobilizations, dialogue with administrations, etc. If indeed these tensions have not yet arisen explicitly, they are alluded to when the organizations are consulted as individuals.
8. With regard to labor organizations, they generally share many of the processes that are affecting the NGOs, but they also offer a series of peculiarities that sketch out a somewhat different situation. The organizations with ties to the two largest labor unions (CCOO/Workers' Commissions and UGT/General Workers' Union), which have the greatest weight in this segment of the development cooperation system in Catalonia (and which have been included in the current chapter), have also had to reduce part of their staff and reconsider some of the cooperation projects on the ground. The peculiarities stem from the fact that they are less dependent on public funds with regard to structural expenses, as these are in part covered by the membership (0.7% of their dues) and the offices are located in the headquarters of their respective unions. In contrast, their cooperation activities have been affected more by the reduction in public subventions, on which they depend to a greater degree. In any case, the specialization of their area of activity in the institutional strengthening of labor unions and the promotion of workers' rights in the countries of the South facilitates the reorientation of their projects toward less costly interventions aimed at strengthening processes, taking advantage of both the international networks and movements of which they form a part as labor unions.

9. Something similar occurs with the cooperation agents at Catalan universities. In this regard, the commitment to devote 0.7% of their budgets to development cooperation activities has carved out a significant space for universities in the map of cooperation actors (in both Catalonia and the rest of the State) over the past few years. This has translated into the creation of cooperation structures at the heart of the universities and in their support for projects with university agents in the Southern zone. As regards structure, these are usually small, with limited, though very dynamic staff and they are mainly financed by the universities themselves, as occurs with the maintenance costs of the office (located in on-campus installations). In contrast, the financing of cooperation activities shows a greater dependence on public subvention, though the proportion varies according to the university. In any case, as regards the origin of the funds, the main donor has not traditionally been the CDCA (which has barely issued two RFPs specifically aimed at university agents since its creation in 2003), but rather the AECID, through their Programs for Inter-university Cooperation (PCI). Moreover, other financing sources to which the Catalan universities commonly turn are the private entrepreneurial sector, the European Commission and, in some cases, a few Catalan municipalities for concrete engagements. In a word, the effects of the drastic reduction in budgets for cooperation on the part of the Catalan Administration are not as great as they are in the case of the NGOs or, to a lesser extent, the labor organizations. It remains to be seen, in any case, what effect the announced reduction in resources proceeding from the AECID will have in the future.

When the time comes to explain the origin of the current situation, there is for all intents and purposes a consensus in attributing it to the economic and financial crisis affecting the public administrations and their decision to apply drastic cutbacks to the ODA budgets

## **B) Explanatory elements of the current situation of the Catalan entities**

10. When the time comes to explain the origin of the current situation affecting the development cooperation sector in Catalonia, manifested in the weakening of the capacity for action of the organizations dealt with in this chapter, there is for all intents and purposes a consensus in attributing it to the economic and financial crisis affecting the public administrations and their decision to apply drastic cutbacks to the ODA budgets. As a result, in the diagnostic they apply there is a combination of conjunctural factors –the economic crisis– and ideological factors –the resizing/downsizing of the public sector and prioritization of the political on the part of the government in office.
11. But beyond this explanation, which would identify elements external to the action of the entities themselves, other structural factors crop up, linked to attitudes, habits, and customs in the sector that should also be taken into account and which, with a greater or lesser capacity for self-criticism, are recognized by the majority of the organizations interviewed. Among these factors should be noted:
- Distancing from society. The growth of public sector budgets for development cooperation in recent years has been accompanied by a general swelling of the structure and the volume of projects being managed and, in general, by a greater complexity in the management of the cooperation system. Deriving from this process, a number of the phenomena that have entered into play have

contributed to detaching the activity of these organizations from the citizenry and from the social movements themselves. Among them should be stressed: the professionalization of its structures and even the appropriation of entrepreneurial models alien to the movement's origins, and an excessive emphasis on the question of the financing instead of on the essential elements that define and motivate its mission. In fact, the accounting practices of these organizations with regard to the projects carried out has been tied more to the justification of their subventions before the Administration than to the explanation of the impact of their actions in the social realm. Two more factors have contributed decisively to this pattern. On the one hand, the assumption on the part of the majority of organization of the *undeniable* legitimacy they enjoy merely because they are devoted to development cooperation (which has come to be known as *buenismo*, the "do-goodery" of the sector), which would exempt them from the need to be accountable. On the other, the growing bureaucratization, fostered by the administrations (the CDCA in particular), of the management of the subventions, which has in turn fostered the technocratization of the entities and, of course, a certain depoliticization of their actions.

In a word, this distancing from society and from social movements can be illustrated by the lack of general resistance of the citizenry to the cutbacks being applied to the ODA budgets and to the dismantling of development cooperation policies. Along the same line, it can also be seen in the ever more recurring discourse, broadly adopted in certain social spheres and in part of the political class, which holds that efforts must be centered above all on the persons *at home* who are being battered by the crisis. Leaving aside the demagoguery of many of these arguments, the situation partially reflects the elastic nature of development cooperation in the face of the dynamics of income (both national and personal) and, consequently, also the relative inefficacy of the strategies of education for development that have been rolled out by these actors over a period of years.

- Individualism and corporatism of the organizations. In line with what was stated in the previous section, the growth of the ODA budgets has also generated a greater atomization of the entities, without a true commitment to the construction of platforms. Though there are interesting experiences along these lines<sup>13</sup>, the fact is that they have often consisted of consortia constructed *ad hoc* for concrete projects rather than stable platforms for political action capable of launching mobilizations and efficient political influence, with the possible exception of the labor organization that have, indeed, managed to construct this kind of alliance. The counterpoint of this supposed individualism within the development cooperation sector is certain corporatism with regard to the organizations and initiatives located beyond the sector. Thus, the consideration that development cooperation is the exclusive terrain of NGOs and other development agents has been an impediment to the establishment of alliances with other kinds of associations and social movements, with deep roots in the territory and a proven capacity for social and political dynamization. To sum up, this distancing from society and from social movements is illustrated by

13. For example, the Palestinian Platform in the Heart or, on a different level, the Catalan Table for Peace and Human Rights in Colombia (a round table negotiation between institutions and civil society).



the scarce resistance generally manifested by the citizenry before the decisions regarding cutbacks in ODA budgets and the dismantling of development cooperation policies.

- Inability to reduce their dependency on financing from the public administration (the CDCA in particular) and diversify their sources of income. Along the same lines, the growth of the ODA budgets in the past decade has allowed an important volume of public resources to be channeled toward the realization of development cooperation projects. Access to these sources of financing has, on the one hand, allowed, and on the other, been a disincentive for the diversification on the part of the entities of their sources of income beyond public subventions, which they considered a feasible formula for the financing of their activities. In this regard, the following considerations must be put forward:
  - As occurs in the rest of Spain (and in many neighboring countries) development cooperation has ordinarily been conceived as a public policy that, in turn, should be financed principally from public funds through the political commitment to the 0.7%. Though indeed, in global terms, this percentage has always been far from reach, still it has led to the provision by most public administration of resources for development cooperation, the main recipients of which have been NGOs and, to a much lesser extent, labor organizations and university agents.
  - As stated earlier, ever since its creation in 2003, the CDCA has been taking on a central role in the configuration of development cooperation policy in Catalonia, achieving overwhelming consolidation as the principal financer of the cluster of Catalan cooperation organizations (except in the case of the university agents, for whom the AECID has played this role). As a result, the drastic fall in funding from this institution in recent years takes on a special relevance when the time comes to explain the financial situation of the majority of these entities.
  - There is a very common perception among the entities about the great complexity of gaining access to subventions from the European Commission. They allege a lack of capacity (to lobby the community institutions and to find properly trained staff for the task) and lack of knowledge of the existing mechanisms and instruments. All of this has been an additional disincentive to exploring this source of funding for their operations. Similarly, they have little experience in joint actions with organizations from other European countries that could help overcome these supposed difficulties and facilitate access to this type of funding.
  - Though the foregoing can be said to denote a general rule, the fact is that the reality is more heterogeneous. With regard to the degree of dependency on public funding, in the case of some entities the percentage is not so significant vis-à-vis other sources of income: contributions from associates, resources proceeding from the private sector, funds derived from sponsorships, etc. Regarding subventions from the CDCA, the RFPs aimed at labor organizations and above all to university agents have been less significant than in the case of the Development NGOs. In addition, the access to such funds for NGOs with headquarters outside Barcelona has not been very significant; etc. Finally, the capacity to respond to European RFPs has also been uneven, as some NGOs and universities agents have a long history of familiarity with the instruments of the European Commission.

### C) Relationship with the private business sector

12. In recent years there has been a growing presence of the private business sector in the system of development cooperation. It is not the purview of this paper to review this trajectory, but cases of projects brought about by private foundations are numerous and well known. As are the strategies of organisms such as the World Bank, the UNDP, or bilateral donors to favor the implication of this sector in the field of development cooperation. In this regard, the Fourth High Level Forum on Aid Effectiveness held in Busan in 2011 concluded with a call for a Global Partnership for the Efficacy of Development Cooperation, in which the key role of business as an agent of cooperation to foster development processes is explicitly recognized. In the case of Catalonia, public policy in this area has always considered business organizations to be one more agent of development cooperation destined to contribute added value, above all in the area of technical cooperation. The nuance to be considered in the framework of this study is the greater significance that this actor is taking on in the eyes of the public administration, particularly from the CDCA. As a financing entity<sup>14</sup> and because it can interpellate business directly, beyond the non-profit business organizations, which some sectors perceive as an attempt to “privatize” ODA.
13. The position of civil society organizations regarding this growing role of business is diverse and complex. In April 2012 the FCONGD published a position paper on entrepreneurial cooperation<sup>15</sup> in which it warns of what it considers to be a strategy of substitution of private financing for the ODA and of the consequences for the political focus on this area of giving a more central role to business as an actor in development cooperation. Concretely, the report decries the potential effects upon the linked character of the aid, the reduction of development to a question of economic growth, a distancing from the focus on rights in a transformative cooperation, or policy incoherence. To sum up, if indeed the role of private enterprise as an agent of development is acknowledged, it is denied insofar as it would become an agent of development cooperation. In any case, the following points should be made with regard to the NGOs:
- There is a diversity of positions. Hence, in general three attitudes with respect to the establishment of collaborative relationships with private enterprise can be identified:
  - Those that have a more ideological discourse and refuse on principle to collaborate with businesses that do not proceed from the social economy of solidarity, the smallest group, according to our consultations.
  - Those that are less reluctant to receive financing from other kinds of businesses and financial entities, so long as this does not affect their autonomy.
  - Those that have a long history of relationships with private enterprise, including multinational corporations, with which they collaborate in a more or less stable way within their strategy of Corporate Social Responsibility (CSR from here on in). In this category, in general, can be placed the large NGOs with greater capabilities.
  - In a word, there is a certain contradiction between the unyielding positioning of the FCONGD toward the role of the private enterprise sector in development cooperation and the predisposition of the majority of the NGOs to establishing some type of relationship

14. In this regard, it is important to stress the “Cooperes” initiative presented in early June 2012 by the ACCD and the Council of Catalan Chambers of Commerce, which seeks to create new paths to financing for development cooperation actors from the business sector: [http://premsa.gencat.cat/pres\\_fs/vp/AppJava/notapremsavw/detall.do?id=154399&idioma=0&departament=13&canal=14](http://premsa.gencat.cat/pres_fs/vp/AppJava/notapremsavw/detall.do?id=154399&idioma=0&departament=13&canal=14)

15. V. <http://www.fcongdl.org/fcondg/>



with businesses to carry out actions in this area, as long as they are consulted individually.

- In general, utilitarian positions predominate in this regard, consigning these relationships to a simple question of financing. In our consultations, rarely have more essentialist positions arisen regarding the role of businesses as agents of development and/or of development cooperation. Surely the financing difficulties experienced by the majority of the organizations influence this attitude, causing reflections to revolve more around the conjuncture than around more strategic and even ideological projections.
  - In any case, there have been some successful experiments in which the sponsoring organizations have sought (and achieved) a more active implication on the part of the private partner for the support of given campaigns, in which in addition to financing a sensitivity to a given issue has been sought<sup>16</sup>.
  - In the case of the NGOs that demonstrate a predisposition to receive financing from business firms, an in-depth reflection upon the parameters that should serve as a framework for such a relationship has not been observed. In general, in a somewhat vague and rhetorical way, principles such as Corporate Social Responsibility (CSR) or respect for human rights or the environment are asserted, but without going much farther. In fact, the majority of these entities declare the lack of a Decalogue or similar document in which such principles or parameters might be set down, partially owing to not having constituted thus far an axis of action to which they might have had recourse.
  - Similarly, the same entities that show a will to explore these lines of financing are aware that they do not have sufficient knowledge and skill to carry it out such a project, which has been an obstacle thus far to its realization.
14. In the case of labor organizations, the predisposition toward receiving financing from the private business sector is broad, insofar as they consider that to some extent they, too, are defined in a business context. The two actors consulted (representing the two majority labor unions), coincide in considering respect for labor rights on the part of the business as the indispensable condition for posing any kind of relationship in the area of cooperation. The main difference resides in the way of achieving this relationship. Hence, the Solidarity and Peace Foundation –Workers’ Commissions (Fundació Solidaritat i Pau-CCOO) proposes an approach through the union section within the business itself, which suggests that the collaborative relationship could only obtain in large businesses in which union structures already existed. In contrast, the Josep Comaposada Foundation-UGT (Fundació Josep Comaposada-General Workers’ Union) does not apply this pre-condition, instead showing a preference for limiting the role of the business to that of financing agent.
15. With respect to university agents, they seem very open to consolidating this type of relationship within a rationale of building public-private partnerships. In general, they feel that it replicates a formula that is fully present in the general dynamic of the university institution in the area of development cooperation. And, in effect, for years public universities have been seeking the participation and sponsorship of the private business sector for partial financing of their research structures and projects. In this regard, it seems natural to them that this relationship should be extended to the field of

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<sup>16</sup>. In this regard, the campaign Restaurants against Hunger, sponsored by the Foundation Action against Hunger and the Spanish Hostelry Association, can be cited.

The funds proceeding from the private business sector are not yet perceived by most civil society actors as a path to alternative financing that can compensate in the short-to mid-term the reductions in ODA budgets

development cooperation. In fact, numerous projects sponsored by university agents have already enjoyed the support of private enterprise. In any case, they are also considering the pertinence of elaborating some kind of code of conduct that will allow for criteria and parameters to be defined for the typology of relationships with the private business sector.

16. Beyond the diverse range of positions of the civil society cooperation actors with regard to the relationship with entrepreneurial agents, in general there is a broad consensus with regard to the following questions:
  - The eventual growth in the role of the private business sector in the system of development cooperation cannot take place in detriment to the public character of development cooperation policy. This implies, therefore that the administrations should continue to guarantee public financing for this policy. In a word, for these actors private financing should be, in any event, a complementary source, not a substitute, for ODA.
  - The current context of economic and financial crisis is also having severe effects upon the financial situation of the Catalan and Spanish business network, with foreseeable repercussions on their ability to provide funds for development cooperation. In this regard, the funds proceeding from the private business sector are not yet perceived by most civil society actors as a path to alternative financing that can compensate in the short-to mid-term the reductions in ODA budgets.
  - Along the same line, these actors also predict that it is precisely the harsh effects that the crisis is having on the Catalan population in terms of the increase in poverty and social inequalities, and of reduction in the access to public services that will lead to many of the contributions made by businesses and foundations to support development cooperation projects in Southern countries being redirected toward social assistance in Catalonia.

#### **D) International agenda for development cooperation**

17. If indeed debates on the effectiveness and quality of aid have been inflecting the international agenda on development cooperation since the last decade (together with the growing complexity of the architecture and financing mechanisms of this aid), there has apparently not been a significant follow-up in this regard on the part of the Catalan civil society organization. In general, this is perceived as a peripheral question, at a distance from their working dynamics and with hardly any impact on their way of working and relating to other actors.
18. In this regard, the following should be noted:
  - With very few exceptions, knowledge of the agenda and the principles that articulate it is rhetorical and often vague. In response to the argument just presented, the lack of capacity of many organizations to carry out such a follow-up and to be able to adapt eventually to its requirements is asserted.
  - All of this has an effect upon the fact that, in general, what exists is a fairly acritical position with regard to this agenda on the part of the organizations. In contrast, with regard to the entities that prove to have a more in-depth knowledge of the material, two contrast-

ing positions are note. On the one hand, there are those who align themselves in great measure with the Paris agenda (above all as regards appropriation, results-oriented management, and accountability), recognizing that they have always taken those principles as their way of focusing their cooperation actions. On the other, there are those that dispute it for being an agenda formulated by and for the State, too technocratic, not allowing for sufficient consideration of fundamental aspects such as coherence among policies, the focus on rights or gender equality, among other things. To sum up, they defend the need to turn toward a thinking of efficacy in development and not aid. Therefore, in this case, their non-adhesion to the agenda is intentional.

- For NGOs with a humanitarian mission, though in general they claim to have a broad knowledge of development agendas (Millennium Development Goals-MDGs) and of development cooperation (aid effectiveness), their condition as humanitarian agents means that their actions are guided principally, and above all, by internationally recognized humanitarian principles<sup>17</sup>.
  - On the other hand, in the case of Catalan entities that act as delegations of the central organization, normally located in Madrid, these declare that, in their case, the follow-up on these topics is carried out by the central headquarters, which has an effect as well on the meager capacity for reflection manifested from Catalonia regarding aid effectiveness on the international agenda.
  - In the case of Development NGOs, it has traditionally been the federations and coordinating platforms that have carried out a greater task of reflection and analysis on the evolution of these agendas and, especially in the case of the FCONGD, have shares in the spaces created at the core of the CONGDE, which have served to feed, in their case, the positions of BetterAid or CONCORD. In this sense, the discourse of the FCONGD regarding the international agenda on aid efficiency can be situated among the most critical readings.
19. The scant attention that the sector of civil society organization generally pays to this question takes us farther into a previously mentioned aspect, regarding their scarce implication in the international networks (particularly NGOs), and, in consequence, in the discussions that are taking place in international forums. This is in contrast with the intense reflection and influence on the linking of international development and cooperation agendas to the development of thinking on decentralized governments carried out in recent years by Catalan institutions (above all the CDCA and the Provincial Government of Barcelona). This work has led to the elaboration of several different position papers as well as in the active participation in international networks and meetings on the issue principally in the areas of the United Nations, the DAC, or the European Union.

## E) Future panorama of the civil society organizations

20. From the consultations carried out for the elaboration of this diagnostic, a certain disconcertedness and lack of definition can be perceived when it comes to outlining the future panorama of civil society organization for development cooperation in Catalonia. In part this fact reveals the difficulty on the part of the entities themselves to find their place in a new scenario (described in the introduction)

<sup>17</sup>. In this regard, the principles enunciated in the Statutes of the International Movement of the Red Cross and on the Humanitarian Charter of the ESPERA Project must be stressed.

that indeed overwhelms them, whose dimensions they do not quite grasp, or that they simply do not take into consideration. In this regard, it could be inferred the vision these groups are developing about their future situation and, therefore, about their strategy for short-term action depends to a great extent upon their reading of the actual advent of a change of paradigm.

21. In general, the following dynamics can be identified, some of which have already been in effect for many years, but which indeed may appear to be exacerbated by the current context:

- Concentration of the bulk of the reduced public subventions on a small number of organizations, particularly those that have greater resources and which, in turn, offer a less markedly political profile. Within this group can also be included those organizations that have a very specialized area of action, offering a specifically sectorial added value.
- In consequence, many entities will disappear from the map of public financing. Two separate processes will derive from this contingency. On the one hand, it is foreseeable that many of these organizations will decide to dissolve, or not to continue performing development cooperation actions (even as they maintain the name), giving rise to a much less atomized sector<sup>18</sup>. On the other, a more or less broad group of entities could opt out of management of projects in the South and concentrate their action on the mobilization, consciousness-raising, and political influence in the North, transitioning toward structuring functions that are not institutionalized.
- As a result, and along the lines of the shift of development policies toward neoliberal and market-based focuses, what can be foreseen with regard to the orientation of ODA is a displacement of cooperation actions conceived to have a transformative character, towards a growing weight of actions with an aid-based, humanitarian, or, in general, aimed at the base of the pyramid, which are more aseptic from the political point of view. In the same sense, education actions for development that will eventually have public support may also replicate this dynamic, giving priority to those that respond to this same characterization and lowering the dimensions of mobilization and political influence that challenge the dominant model.
- It is foreseeable that this same pattern will be reproduced with even greater intensity with regard to the direction of funds proceeding from the private business sector and in their relationship with civil society actors, in particular NGOs. In this respect, as can be derived from our consultations, organizations with greater resources (in terms of knowledge, projection, staff, etc.) are the ones that, in general, have the capacity to accede to this type of funds in a significant way. In any case, at the time it is impossible to conceive of a scenario in Catalonia in which private financing for development cooperation might reach significant proportions in the short- to mid-term, at least so as to compensate partially for the drastic fall in ODA funds. Both structural and conjunctural elements contribute to this. Among the former are the extended assumption of the public nature of this policy, the profile of the business network of the country (made up in their majority by small to mid-size businesses with little capacity to energize funds for development cooperation) and, in general, the scant interest

18. Within the CDCA alone some 520 entities are registered as Development NGOs.

that larger corporations have shown for this area. Among the latter what should be stressed is the foreseeable reorientation of CSR business strategies toward social aid within the Catalan population, very battered by the economic crisis and cutbacks in public policies (V. point 16).

- Even so, it cannot be ruled out that, in order to survive, some organizations that until now have had an (occasionally vehement) discourse in favor of a transformative cooperation model might not now forgo it partially or entirely in order to adapt to the needs and priorities set by donors (public and private), and that have been outlined in the previous point. Also in obedience to the logic of survival, some entities are considering conversion to consulting businesses in order to offer their services to administration or other agents in those areas in which they show a certain specialization or skill.
- Other possible measures. As was outlined in point 5, the financial weakness to which many of the organizations will be subjected (in the case of the NGOs above all) could lead to support for fusion or union processes for the entities. Although some experiences of this kind are already taking place, certainly not very significant in the case of Catalonia, it does not seem to be perceived by the sector as a feasible, or even desirable, strategy, for survival in the short time. Other options are considered more appropriate, such as pooling services or sharing running costs (rent, stationery, administrative support, etc.). If anything, they show a preference for the construction of strategic alliances to work on concrete areas or projects, with organizations both inside and outside the development cooperation sector (an aspect that will be dealt with in the next chapter). In any case, it remains to be seen whether such formulas, which indeed can be effective from the point of view of the impact of activities, would also be effective for the maintenance of the existing structures for the organizations.
- As a fruit of what has gone before, a growing polarization of the NGO sector is foreseeable. On the one hand, the large organizations, which attract a large part of public financing and will generally orient their projects in the Southern countries toward an agenda of poverty reduction and toward the base of the pyramid. On the other, the organizations that, following the abovementioned line of reasoning and outside of public subventions, will center their action on consciousness-raising, citizen mobilization, and political influence. This polarization can give rise to tensions within the sector, especially visible in spaces already created like those federations or coordination platforms, thus undermining their capacity for political action and accompaniment (V. point 7).
- In general, the problem is not posed in the same way for NGOs as for labor organizations and university agents. In both cases, their action in the field of cooperation is tightly linked to their essence, which, in turn, constitutes their main added value. In the case of labor organizations, the defense of workers' rights and the strengthening of unionism and its structures. In the case of university agents, the creation and diffusion of knowledge and technology, in addition to research and the institutional reinforcement of Southern universities. As a result, their specific and well-defined area of performance, their lesser dependency on ODA (especially in Catalonia), their greater capacity to diversify their sources of financing,

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and their weight and recognition on the part of society allow them to look forward to a lesser exposition to the dynamics described above with regard to NGOs. Even so, a generalized restriction of their interventions in the area of development cooperation is expected.

- There is a tendency toward a recovery of volunteer work in the staffing structures of the entities, contrasting with calls for the growing professionalization of the sector (in the sense of the existence of a salary relationship) that have been made in recent years on the part of public administration and the organizations themselves. This situation, already quite widespread among NGOs beyond the province of Barcelona or those that work in the areas of peace or human rights, it is not expected to have the same effect on labor organizations and university agents since they employ very small functioning structures, normally paid for with their own funds.
- Deterioration in the quality of the relationship with membership organizations in the Southern countries. In many cases, this type of alliance has been constructed and sustained on the basis of projects that were mainly granted by administrations. To the extent that financing is reduced and said projects will not be implemented, the ability to maintain the dialogue and establish other kinds of synergies beyond the action itself runs the risk of weakening. In that case, these synergies can be revitalized through participation in networks and in the area of mobilization and influence over international agendas, which suggests a more horizontal relationship in which the concept of “counterpart” would disappear.
- Consolidation of the disaffection of most organizations with regard to the debates configured by international agendas for development and development cooperation. As was previously outlined, during this period the Catalan organization have not shown much interest in implicating themselves in the spaces for influence of said agendas and, with a few remarkable exceptions, have behaved on the margin of the orientations and principles established in these forums. Among the main arguments adduced is the subsidiary nature of these issues and the lack of capacity to do a proper follow-up. As a result, the difficult financial situation these organizations will be confronting in the immediate future allow us to predict that they will take on an even more peripheral role in the short and mid-term.
- In a word, this distancing from society and from social movements can be illustrated by the lack of general resistance of the citizenry to the cutbacks being applied to the ODA budgets and to the dismantling of development cooperation policies. Along the same line, it can also be seen in the ever more recurring discourse, broadly adopted in certain social spheres and in part of the political class, which holds that efforts must be centered above all on the persons *at home* who are being battered by the crisis. Leaving aside the demagoguery of many of these arguments, the situation partially reflects the elastic nature of development cooperation in the face of the dynamics of income (both national and personal) and, consequently, also the relative inefficacy of the strategies of education for development that have been rolled out by these actors over a period of years.



- Individualism and corporatism of the organizations. In line with the exposition of the previous section, the growth of the ODA budgets has also generated a greater atomization of the entities, without a true commitment to the construction of platforms. Though there are interesting experiences along these lines<sup>19</sup>, the fact is that they have often consisted of consortia constructed *ad hoc* for concrete projects rather than stable platforms for political action capable of launching mobilizations and efficient political influence, with the possible exception of the labor organization that have, indeed, managed to construct this kind of alliance. The counterpoint of this supposed individualism within the development cooperation sector is certain corporatism with regard to the organizations and initiatives located beyond the sector. Thus, the consideration that development cooperation is the exclusive terrain of NGOs and other development agents has been an impediment to the establishment of alliances with other kinds of associations and social movements, with deep roots in the territory and a proven capacity for social and political dynamization.

## Notes toward a reflection on the future of the sector

The point of departure for this paper has been the following initial hypothesis: the dynamics of globalization, the emergence of new economic powers and the consequent change in the map of international relations is recomposing the heretofore dominant model of development cooperation. Thus, this new scenario, which civil society actors will have to confront in the future, is fundamentally characterized by several factors. On the one hand, there will be a shift in the traditional donor-receptor relationship in the face of the increasing weight of the new donors that are not members of the DAC (basically the BRICs). On the other, the rethinking of the welfare systems in Europe and the reduction in the role of the State, a process that has a particular effect on the ODA budgets. This second point converges with the advance of neo-liberal focuses and, to put it simply, of the revitalization of the agenda of economic growth vis-à-vis that of human development. As a consequence, with the implosion of the public-private alliances, a growing role is being granted to the private business sector in the area of cooperation in order to advance the development processes.

To sum up, a trend toward an inclusive capitalism more focused on mitigating the effects of poverty is being identified, which will act upon the bottom of the pyramid rather than focusing on rights. The challenge is to see how the organizations will react to the emergence of this scenario. That is, will they decide to draw near in order to guarantee the survival of their entity, at the expense of abandoning their discourse on the transformative nature of development cooperation, or will they confront it by means of an activity oriented more toward mobilization and political influence, establishing ties with social movements and, in general, reconnecting with society, at the cost of becoming deinstitutionalized and basically renouncing the management of projects in the South.

The reflections suggested here emanate from the diagnostic carried out for a broad gamut of civil society organizations, and can serve as the basis for the identification of recommendations and future lines of action:

**19.** For example, the Palestinian Platform in the Heart or, on a different level, the Catalan Table for Peace and Human Rights in Colombia (a round table negotiation between institutions and civil society).

The new model implies coordinating the eventual measures aimed at guaranteeing the survival of the entity in the short term with an in-depth reconsideration of its place as an organization in this new scenario

22. In the first place, in line with the above comments, and as opposed to the impression some entities continue to harbor with regard to the conjunctural nature of the current situation, it is important to recognize the systemic elements that characterize the new model outlined here. This implies coordinating the eventual measures aimed at guaranteeing the survival of the entity in the short term with an in-depth reconsideration of its place as an organization in this new scenario.
23. Also linked to the previous discussion, there exists an overweening necessity to reconnect with the citizenry and the associative network with an open and cooperative perspective. In this sense, another illusion must be overcome, that is, the assumption that the organizations (above all the NGOs) have an *ex-ante* legitimacy merely by virtue of their dedication to development cooperation. This legitimacy is achieved by broadening the social base, with a commitment to attaining the objectives and projects of the entity, and perfecting the mechanisms for accountability. This requires, on the one hand, opening the entities, and promoting spaces of participation for the citizens. Also reinforcing the dimension of education for development in the North and learning to transmit the complexity and interconnection of the phenomena without simplifying, depoliticizing, or trivializing the discourses<sup>20</sup>. But, in addition, it will be necessary to weave alliances with other agents of civil society (especially from the third sector) and social movements, sharing and transversalizing agendas, from all of which a new militancy with a reinforced, more adherent, and less corporative base may emerge.
24. What can be derived from all of this, is taking a stake in the repoliticization of civil society organizations, more particularly in Development NGOs. As the conclusions to the diagnostic indicate, the sector has become captive to the need for financing (fundamentally from the public sector) and to the bureaucratization of cooperation management. To a great extent many entities have been reconverted into project management agencies, subject to the requirements of the Administration to obtain new resources that allow them in turn to carry out other actions. Without necessarily entering into a discussion of the merits of these actions from a transformative point of view, in the process political perspective has been lost, and there has been a tendency to ignore the dimensions of social mobilization and influence on political agendas. In the present context of discussion regarding social rights and what should be public, this issue takes on, if possible, even greater transcendence. As is evident, such a reflection, if carried out, would apply to those organizations that conceive of their *raison d'être* as being agents of social transformation and not to those that simply aim to attend to situations of vulnerability.
25. It is foreseeable that being this kind of stakeholder means significantly rethinking the actions they take in the Southern countries. The budgetary restrictions and the reorientation of the map of financing that are on the horizon can become a spur for many organization to forgo (totally or partially) the management of projects in the South so as to devote their efforts to education for development and the construction of the platforms for political action that were suggested in point 23. These platforms ought to allow, in turn, for the integration of all the capital that has been building up over the years with Southern partners, facilitating the circulation of agendas, exchange of knowledge and mining of synergies that will assure effectiveness to the construction of influence.

20. MARTÍNEZ OSÉS, P.J. "Redefinition of the role of Development NGOs: Toward a more political view." *Renewing the role of the Development NGOs. Toward social transformation*. Madrid: Ed. 2015 y Más, 2011.



26. This, in turn, implies adapting working structures to this new reality. As has also been commented throughout the text, a generalized swelling of the structures of the civil society organizations has taken place (in the case, above all, of the NGOs) on a parallel with the growth in ODA budgets. This upsizing of the entities is proving non-viable in the current context of crisis and it does not correspond to the shift in action suggested here toward the areas of consciousness-raising, citizen mobilization and political influence. This is why there should be a tendency toward a certain deinstitutionalization of the organization so as to function with more volunteer structures based on commitment and networking. Once again, this option would not be directed so much to the entities that need to maintain given structures, whether for the specificity of their missions (as is the case of humanitarian projects) or because they decide to adapt to this new paradigm to continue sponsoring projects in the South, though it is foreseeable that they will be subject to many funding tensions.
27. What has predominated recently with regard to this patronage-based relationship with the Administration is precisely this distancing that can help rework the parameters within which the future dialogue with said Administration can take place. Demand still exists for a public policy of development cooperation and such a policy requires recovery of the spaces of participation and coordination with the Administration in order to have an influence on their definition and deployment. Concretely, the role these actors play in the Council for Development Cooperation of the Generalitat, the Administrative Council of the CDCA (in the case of Development NGOs and labor unions) or in such others as the Municipal Council for International Development Cooperation of the Barcelona City Hall, to attempt to revitalize both the spirit and the fundamental elements that can be derived from the Catalan Law of development cooperation, particularly with reference to its transformative and strategic character.
28. All this also presupposes rethinking the terms of the debate to go beyond the question of financing, which has often been the focus of the demands of the sector in this matter. Without ceasing to recognize the symbolic nature of the commitment to the 0.7%, efforts must increasingly be directed toward qualitative aspects that truly question the system and reinforce the transformative dimension of development cooperation: policy coherence, the public essence of the policy, the focus on rights or, in general, the structural cause provoked by poverty, inequality or underdevelopment. To place the main focus on financing, on occasion in a reductivist and also corporatist way, favors the emergence of demagogical or simplistic discourses outside the sector. For example, the proposal for a formula of communicating vessels between public funds and private financing, the preference for attending first to local needs before those of people abroad, or even the real legitimacy of these organizations for the management of public funds. The effectiveness of the demand for funding will depend on the ties established between these funds, the real impact on the development processes, the communication of it all to the citizenry, and the ability to explain the multilateral and interconnected nature of the phenomena and their manifestations both within our society and without. As a result, once again the importance of consciousness-raising and education for development makes an appearance.

Civil society organizations must adapt working structures to this new reality; recover the spaces of participation and coordination with the Administration in order to have an influence on their definition and deployment; rethink the terms of the debate to go beyond the question of financing

Civil society organizations must diversificate the income sources, in keeping with the mission and objectives adopted by the entity; establish alliances with the private sector within the framework of their CSR strategies, or in the area of social economy; and increase the social base of the organizations

29. The absolute need for the organizations to move forward on these in-depth processes, which will require time and effort, and which will certainly be traumatic for many of them, is no obstacle for the parallel adoption of other, more instrumental, strategies that may help cushion the transition:

- Staking a claim for a sectorial specialization of their actions. This specialization should not be read through a technocratic and mercantilist prism that would dilute the multidimensional nature of development. The identification of the particular added value, the concentration of efforts and the use of networking can contribute to making proposed interventions more efficient. In this sense, labor organizations and university agents acquire a particular relevance, as they have a particular skill set, which potentially favors a concentration in such areas.
- Diversification of income sources, in keeping with the mission and objectives adopted by the entity. Though the basic demand, as we already said, should still be the defense of the public nature of cooperation policy, the viability of the organizations depends on a reduction in the dependency on public subvention. Moreover, in the case of Catalonia, this dependency is concentrated among a very small group of donors (basically in the CDCA). The diversification of income must be accompanied by a reduction in expenses, in line with what was already stated throughout this text; concretely, the resizing of the structures, volunteer workers for certain tasks, as well as the sharing of services and current expenses. With regard to income, we propose:
  - To establish alliances with the private sector within the framework of their CSR strategies, or in the area of social economy. The parameters of this relationship should be marked by the impact they will have on the values that guide the mission of the entity, by the ability to influence the action of the businesses with which they associate, and, in general, by the degree of confluence of their interest in and motivations for development cooperation. In this regard, it is worth mentioning that the forthcoming Sponsorship Law (*Ley de Mecenazgo*) planned by the Spanish government for the near future will be an incentive for donations proceeding from private capital in the field of social action, as the margin of deductions in the income tax (for individual persons) and on the Estate Tax (in the case of businesses) will be considerably amplified<sup>21</sup>.
  - To increase the social base of the organizations, so as to stimulate greater contributions from their associates, at a sufficient rate to guarantee structural costs whenever possible.
  - As a supplement, to explore new financing tools such as crowd funding or seed funding, among others. This in addition to other already existing mechanisms at the core of many entities, such as the support to sporadic campaigns on diverse topics for the purpose of bringing in funds.
  - To broaden the map of public donors beyond the immediate environment, particularly to the European Commission. Despite the difficulties that many entities adduce regarding their lack of skills, this fact should not be an excuse not to make the effort to understand the lines and instruments of European funding at the disposal of civil society organizations that will allow them access to these resources.

21. See *Expansión* (28/03/2012); <http://www.expansion.com/>

30. This final point is closely linked to one of the elements manifested in the diagnostic, which it proposes to turn around, and this is the scarce degree of internationalization of the Catalan entities (in particular the Development NGOs), in the sense of their lack of presence in international networks. An active participation in these spaces would help establish a tie between the debates that take place here with those that fill the world development and development cooperation agendas. What is more, these networks behave as conduits for the establishment of synergies and platforms of joint work (which could in the long run turn into consortia for concrete projects), while increasing the capacity for influence. This opportunity takes on more relevance in the face of the foreseeable scenario of reduction of projects carried out in the South, which threatens to weaken the relationship with the partner organizations of these countries. This is why it is worth exploring other mechanisms for interaction that will continue to breathe life into these alliances.
31. Similarly, another of the conclusions that emerge from the present diagnostic is the scarce capacity for research, knowledge and innovation supported by the sector. The growing bureaucratization and a certain alienation with regard to the procedures relative to the management of the grants on the part of the entities has practically wiped out reflection and strategic analysis. As a result, what is proposed is to reinforce the role of research centers, which to date have not been very dynamic in Catalonia, so that they can contribute to generate and systematizing this reflection, producing knowledge and accompanying the rest of the agents in the transition toward all the aforementioned processes (the construction of platforms for political action, ties to international development and development cooperation agendas, etc.). In this same direction, it is considered necessary to strengthen the universities' areas of knowledge on development, advocating for the reviews and publication in the area, and rethinking ways to offer training on field-related issues. This offer should be more integral to the curriculum, avoiding duplications as it is incorporated into other areas of study, such as public policy analysis.

There are new financing tools such as crowd funding or seed funding, and they can broaden the map of public donors beyond the immediate environment, particularly to the European Commission

As an alternative (or on a parallel, depending on your point of view), we propose to recover an old idea already put forward in the past consisting of the creation of an Observatory on Catalan Development Cooperation. This would be located in the university sphere and its main task would be to promote analysis, capitalizing on the knowledge generated in the sector, informing public policy, taking part in the discussions, and proposing innovative mechanisms for financing and accountability, among other things.

32. The depth of this entire process, which is going to have traumatic consequences for all the Catalan development cooperation actors, requires a temporary accompaniment on the part of the Administration. In this regard, the need to design collectively a shared plan that will facilitate the translation toward this new scenario, including measures such as the favoring of information and training over other sources of financing, the habilitation of public spaces for the location of the entities' headquarters, and other measures that would allow for savings in the current expenses, or the accompaniment of organizations in their process of internationalization.

The depth of this entire process requires a temporary accompaniment on the part of the Administration

To sum up, Catalonia possesses a rich network of civil society organizations devoted to development cooperation that have played a central role in the construction and later evolution of public policy in this area. The current economic and financial crisis, in conjunction with other systemic dynamics that have been explored in this chapter, question the viability of the model that prevails to date and warn of the possible disappearance of this important social capital.

These entities constitute expressions of civil society most of which arise spontaneously in a spirit of solidarity, be it with the will to transform reality or simply to help the vulnerable population of the Southern countries. This fact should attenuate the impetus to apply criteria of economic rationality to reduce the excessive atomization in the sector, as if it were merely a question of efficiency or natural selection. The situation demands more global solutions, which attend to the potential impact that would have a generalized dismantling of the organizations of the sector, not only in terms of a Catalan social policy, but also for the vertebration of the social tissue of the country.

# CHAPTER 3 LOCAL GOVERNMENTS' COOPERATION POLICIES

*Andrea Costafreda*



**Andrea Costafreda**

*Consultant in Development Cooperation*

### Objective and methodology

In a context inflected by change, reflection among actors in Catalan decentralized cooperation is needed upon the main challenges and opportunities. In effect, the decrease in public resources devoted to development cooperation, together with the innovations and challenges proceeding from the evolution of the doctrine on development cooperation, requires a reflection and joint analysis regarding what the topics of debate will be in the area of decentralized cooperation, in the light of the agenda of aid effectiveness and the post-2015 world.

At this juncture of change several factors associated with a notable capacity to transform the system, the institutions and the actors, and the agenda for decentralized cooperation are in play. The purpose of this chapter is to identify what these factors of change are and in what sense they are modifying the system and the agendas of the actors in the area of decentralized cooperation of local governments.

With this purpose in mind, the chapter is structured in two large sections. The first section reviews, in the light of the elements that characterize the current situation of decentralized cooperation in the local arena, what the principle factors of change influencing local development cooperation are, and what the main scenarios for the mid-term horizon might be. The second section refers to opportunities and challenges that the new context imposes on local actors and in what sense they can revert to a model related positively or negatively with the agenda of development effectiveness. This second section concludes with a proposal for a possible agenda to advance toward a model of development cooperation in the local arena that will be capable of contributing and going into greater depth in the agenda for development effectiveness.

For two fundamental reasons: , the scope of this exercise does not allow for the extraction of conclusions that would be representative of the complex and heterogeneous reality of the local sphere, In the first place, because the field work is sustained upon a limited number of in-depth

*For the elaboration of this chapter, in the gathering and systematization of best practices in development cooperation of local governments in Spain, we have enjoyed the collaboration of Teresa Godoy and INCIDE.*

interviews that does not allow us to speak of a representative sampling. In the second place because the most recent quantitative analysis of the situation of decentralized cooperation in the local sphere offer data that go as far as 2008 in the case of the study of the Catalan Fund for Development Cooperation – FCCD (*Fons Català de Cooperació al Desenvolupament-FCCD*), and data for 2010 in the case of the study of the Spanish Federation of Municipalities-SFM (*Federació Espanyola de Municipios-FEMP*), while the most important changes in quantitative terms are produced precisely from the time of the 2010 fiscal year. As a result, the reflections and tendencies set down in this chapter ought to be interpreted as general considerations that necessarily reflect a slant of overrepresentation of the views of local governments with a consolidated history of development cooperation and which are larger in dimension.

Hence, far from representing an exhaustive diagnostic, the present analysis should be understood as an exercise in “taking the pulse” that should allow for the laying of a foundation for a collective reflection aimed at identifying some explanatory keys and a possible shared agenda that will allow for a positive confrontation of the challenges and, also, the opportunities characterized in the current context.

It is worth noting that the analytic focus of this chapter is the reality of decentralized cooperation of the local entities of Catalonia in the framework of the system of state cooperation. This explains the fact that a good portion of the inputs refer to the Catalan reality though some references to the system of Spanish decentralized cooperation system have also been incorporated in order to offer a context for the Catalan reality. Moreover, the fact of analyzing the local entities implies broadening the view beyond municipal government to include both supramunicipal actors and associations of municipalities.

Having indicated the methodological limitations of the chapter, the reflections offered here are based on three exercises: first, the analysis of the available literature and documentation on the reality of local development cooperation; second, the perceptions that can be extracted from the realization of 21 in-depth interviews; third, the inputs gathered in the seminar “Decentralized Cooperation under Discussion: Aid Effectiveness and the Post-2015 World” which took place in CIDOB’s headquarters in September 2012.

### **Cyclical change and mid-term scenarios**

The emergence of subnational governments as new actors on the international scene has been an undeniable reality in recent decades (FCCD, 2010; Comago, 2010; Martínez and Sanahuja, 2010). Two large groups of transformations are identified as triggering factors of this reality: globalization and transnationalization processes, on the one hand, together with decentralization processes and democratic deepening, on the other.

Many, therefore, would argue that the globalization and transnationalization processes have created a window of opportunity for subnational governments since they have brought about a reconfiguration of the spaces of power (Heid *et al.* 2002; Beck, 2004) or



a process of diffusion of power (Martínez and Sanahuja, 2012) that results in decision-making no longer taking place exclusively around the structures of state power. In this context, local governments emerge as full-fledged actors on the international scene and begin to establish relationships with their Southern counterparts, to create networks (with examples as noteworthy as UCLG –United Cities and Local Governments– or Plataforma “2015 & more”<sup>1</sup>) and to participate in international forums for debate.

Complementarily, the challenges for the development agenda that derive from the process of globalization itself transcend the borders of state action and come to be characterized by their global nature. Financial stability, migrations, environmental deterioration, humanitarian crises, the preservation of peace and security, the extension of infectious diseases or the different manifestations of exclusion and inequality have become global challenges. But, moreover, these global challenges have a clear impact on the territory, and local governments become the public actor of reference to offer a response to them. Hence, in a more and more interdependent context, the provision of global public goods requires a coordinated and effective collective action that will include all the development agents, but these public goods additionally have a clear local expression and the local governments are the first to be interpellated when the time comes to confront them.

In the same sense, the agenda of democratic deepening of the regimes that are emerging from the third wave of democratization, particularly in the Latin American region, has brought with it an agenda of administrative, political and, on some occasions, even fiscal decentralization, increasing the role of local governments as providers of public goods. To the political legitimacy derived from the ballot box has been conjoined the *de facto* legitimacy derived from performance, since, relating to the level of government that is closest to the people, the local governments have proven to be better prepared to give an effective response to the demands and concerns of their populations, and to do so in close collaboration with civil society (UCLG, 2009).

The progressive recognition of local governments as development actors and, at the same time, as development cooperation actors and new actors on the international scene (EC, 2008) has seen a very clear expression in the governance of aid at a global level and in the transformation of the state system of development cooperation, in particular. Hence, the strong growth in the past decade in the state decentralized Official Development Aid (ODA), which is calculated to have multiplied by three in absolute terms (Martínez and Sanahuja, 2012). This reality in quantitative terms has also had a correlate in the institution and normative unfolding of decentralized cooperation in recent years, which has been endowed with its own budgetary line, specific structures for aid management and even instruments of planification. It could be affirmed, therefore, that over these past years decentralized cooperation has taken on the character of public policy.

In the face of the elements that have characterized this recent past, some voices have warned that this second decade of 2000 could suppose a change in cycle for local development cooperation (Spanish Federation of Municipalities and Provinces-FEMP, 2010). According to

1. <http://www.2015ymas.org/>

Local decentralized cooperation would have transitioned from an impulse stage in the decade of the eighties, to a growth phase in the decade of the nineties, to consolidation in the last decade, and now we would be witnessing a change in cycle

this hypothesis, local decentralized cooperation would have transitioned from an impulse stage in the decade of the eighties, to a growth phase in the decade of the nineties, to consolidation in the last decade, and now we would be observing a change in cycle. Let us go on to see to what extent this hypothesis can be sustained in the specific case of local government cooperation in Catalonia.

### **Perceptions regarding the current context and triggering factors for change**

The perceptions that arise from the fieldwork carried out in the framework of the present chapter are based on the realization that the element that best defines the current conjuncture of decentralized cooperation in the local sphere is uncertainty. The various actors interviewed coincide in pointing out that this second decade of 2000 is characterized by not only budgetary, but also institutional uncertainty. Thus, if starting in late 2010 and 2011 the attacks of the economic and financial crisis on the budgetary allotment of local governments begins to arise, it is not until the 2012 fiscal year that this reality becomes more evident. What is more, the changes produce in the town halls after the 2011 elections have contributed to the perception that 2012 was a year of involution for decentralized cooperation in the local sphere.

The perception is that budgetary uncertainty is a decisive element in the configuration of the new scenario of decentralized cooperation in the local sphere and that this element will persist into the middle term. With regard to the politico-institutional configuration resulting from the elections, 2012 was perceived as a decisive year to advance in the definition of the development cooperation models of the local governments, their anchoring in the cooperation of the Generalitat (Government) of Catalonia and their very anchoring in the Spanish cooperation system.

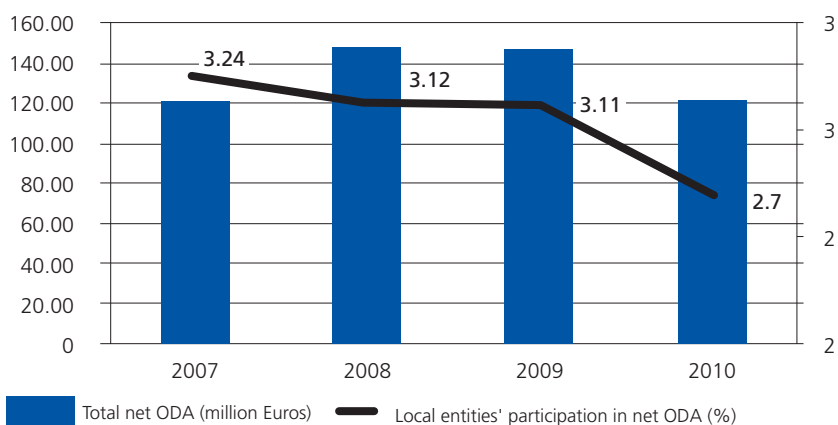
Therefore, it can be avowed that we find ourselves in the midst of a process of change. In this context it becomes especially relevant to identify which factors of transformation will be the principal guides for the intensity and meaning of this process of change so as to be able to contribute to the identification of a more or less shared agenda that will help to orient this change toward a more effective development agenda from the local sphere.

To sum up, three grand vectors of transformation are proposed, one of a more quantitative nature and two of a more qualitative one, which are unfolded below:

#### **i) In the first place: the economic factor**

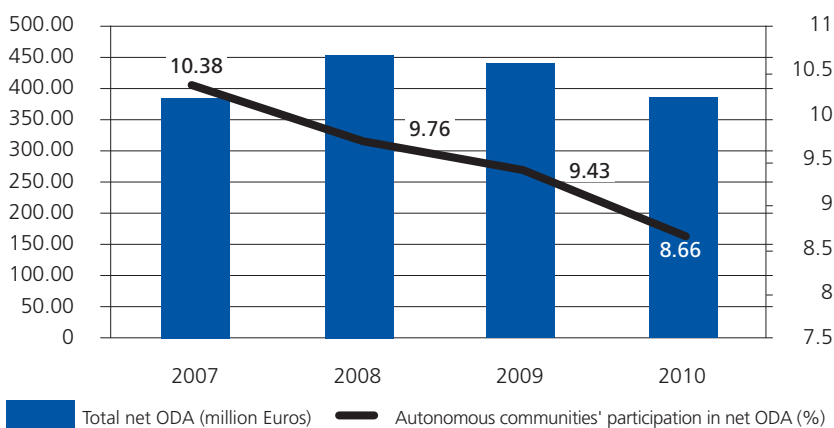
In quantitative terms an important setback of the policies of development cooperation in the local sphere has been registered. This is a reality that fits into a general tendency of the Spanish system of development cooperation without this being a generalized tendency at a more global level. In fact, the OECD data from 2010 indicate that Spain is the only member of the DAC-7 –the seven main donors that have remained in this group between 2006 and 2007– that reduced its ODA this year, by 5.9% (Olivié, 2011).

**Table 1. Evolution of local government ODA (2007-2010)**



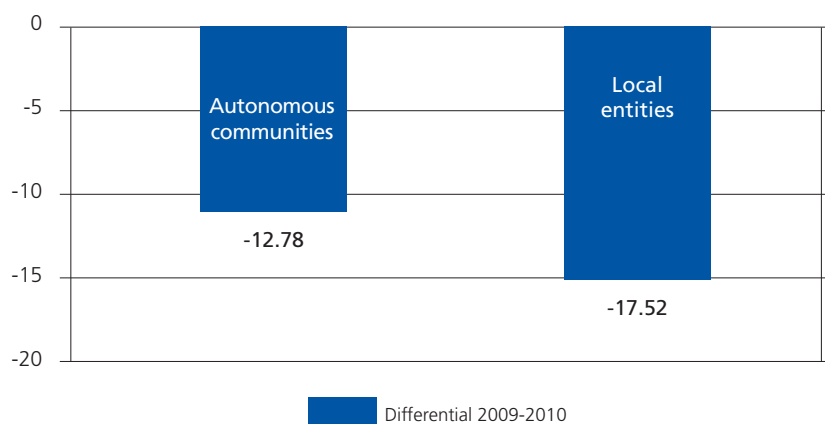
Source: In-house analysis based on SGCID\* data  
 \*(Secretaría General de Cooperación Internacional al Desarrollo, MAEC) .

**Table 2. Evolution of ODA of the autonomous communities (2007-2010)**



Source: In-house analysis based on SGCID data.

**Table 3. Differential (%) of decentralized ODA (2009-2010)**



Source: In-house analysis based on SGCID data.

In quantitative terms an important setback of the policies of development cooperation in the local sphere has been registered

For the 2010 fiscal year the fall in decentralized ODA has been greater, in relative terms

It is additionally worth indicating that for the 2010 fiscal year the fall in decentralized ODA has been greater, in relative terms, than the fall in ODA from the central government. According to the data from the latest report on Reality of Aid (Intermón Oxfam, 2012), the fall in gross ODA of the autonomous communities and local entities reached 14% –in contrast with the 5% fall in cooperation from the center. In 2010 the ODA of decentralized cooperation was 510.42 million Euros (121.4 corresponding to local governments), some 82.8 million less than in 2009 and similar to the 2007 figures.

In the concrete case of local governmental cooperation, the reduction of the municipalities' own income and, in consequence, of the budget lines devoted to development cooperation has been the dominant trend from 2010 on. Though data for the 2011 fiscal year are not yet available at the time of writing, the 2010 figures already clearly indicated this trend.

As can be seen in Tables 1 and 2, though a tendency toward reduction in decentralized cooperation in both absolute and relative terms can be sensed from 2009 on, it is starting in 2010 that this trend begins to express itself most clearly. From the tables themselves can be extracted a shared tendency among the autonomous communities and the local governments. The ODA of the autonomous communities drops from representing 10.38% of the total volume of Spanish ODA in 2007 to 8.6% in 2010. In the case of the local entities, the fall in relative volume is not so noticeable in the 2007-2010 period, though it can be observed that the main fall in absolute and relative terms takes place in the transition to the last fiscal year (2009-2010).

The concrete translation of these figures for the case of development cooperation of the Catalan local governments is uneven. Hence, on the basis of the information gathered in our interviews, the policy of development cooperation in the local sphere shows very diverse realities that coexist with a generalized tendency to decrease.

This diverse reality has optimistic expressions in those local government in which development cooperation policy enjoys good health, in which they have been able to maintain 1% of their own ODA income, or maintain the budget from previous fiscal years in absolute terms, with noteworthy examples such as the City Government of Sant Boi de Llobregat in the first case, or the Barcelona City Hall, in the second. Next to these more optimistic realities there are examples such as the city governments of Castelldefels or Badalona in which we could speak of the virtual disappearance of a policy of development cooperation, or the City Hall of Lleida which, having maintained a very notable trajectory in quantitative terms –v. the indicators in Reality of Aid with regard to the ODA effort per inhabitant (Intermón Oxfam, 2012)–, the year 2012 closed with cuts in the cooperation budget that situated the development financing effort at levels close to 0.3% of their own income.

In general, the decreasing trend becomes evident in the 2012 fiscal year. In the sample from the city governments interviewed, which it must be recalled form part of the group of city halls that carry out regular and consolidated development cooperation activity, it can be observed that the governments that had maintained an effort close to 1% decrease to 0.7% of their own income, and those that fell around the 0.7% now

are located closer to 0.5%. This tendency, moreover, exists alongside the perception that in the immediate future this decreasing tendency in the ODA budgets of the local governments will be maintained, if not accelerated.

ii) In the second place: **the social factor.**

There is a general perception that the application of large cutbacks to the development cooperation budgets has taken place without great resistance on the part of the citizens. Warning voices have been heard to the effect that the development cooperation policy is undergoing a sort of loss of legitimacy or, to put it another way, a loss in its social base.

In the absence of objective indicators that might allow us to measure the degree of support for development cooperation policy for the local Catalan reality, some interesting findings can still be extracted from the latest special report of the Euro barometer on European perceptions regarding development cooperation (CE, 2012). Thus, 85% of the Europeans surveyed consider it important to aid people in developing countries. Even in the current situation of crisis, more than 60% are of the opinion that cooperation budgets should be increased. Nevertheless, there exist a small group of countries in which this tendency is inverted vis-à-vis the 2011 data, in such a way as that the percentage of those who consider that the budgets should be reduced has increased, and the percentage diminishes of those who consider that it should increase or remain the same. Spain is included in this smaller group of countries.

Therefore, we would appear to be observing a phenomenon that cannot be extended to the whole range of European Union countries, but indeed is affecting our immediate reality. The factors that can explain this reality are diverse. Below we will indicate two of the ones that have cropped up most insistently in the course of our fieldwork: the effect of the discourse on the conflict of interests and the distancing of the NGOs from the citizenry.

With regard to the first factor, many observers point to the fact that in the dramatic present-day context of economic crisis and cutback in basic public services, the citizenry finds itself in the presence of discourses that confront the interests of the poor people of the North with those of the poor people of the South. This situation is particularly distressing in municipalities like those of the greater Barcelona metropolitan area, strongly affected by pressures such as the high index of unemployed and with high percentages of immigrant population –which reaches, in some cases, as high as 30% of the total population of the municipality. In these local realities the discourse of the conflict of interest has had a strong effect.

With regard to the second factor, those who relate this phenomenon to a certain distancing of the NGOs from the bulk of the citizens, or as some consider it, with a loss of capacity for social mobilization of the NGOs. This hypothesis goes along with the more critical readings that have been done of the relationship that is established between decentralized cooperation and Northern civil society. Such readings warn of the

There is a general perception that the application of large cutbacks to the development cooperation budgets has taken place without great resistance on the part of the citizens

risk that the progressive incorporation of the NGOs in the management of cooperation projects has managed to inhibit their capacity to promote another type of initiative more related to political influence and social mobilization (Martínez and Sanahuja, 2009). Some voices point out, in the same sense, that the progressive professionalization of the NGOs in the sphere of management of cooperation and development may have been detrimental to its capacity for citizen mobilization and articulation.

Nevertheless, with the exception of the tendency indicated by the latest results of the Euro barometer, the truth is that no objective indicators are available that would allow us to affirm that this is a public policy that has lost its social base. In fact, the increase in volunteerism together with the maintenance of important expressions of individual and collective solidarity that take place on the fringe of public subventions would suggest that there is not enough evidence to sustain the hypothesis of the lack of a social base for the support for international solidarity policies.

### III) In the third place: **the institutional factor**

This factor for change introduces the hypothesis that a possible review of the institutional framework for decentralized cooperation in the sphere of social governments. A product of the debt crisis and the consequent adjustment plan and rationalization of public expenditure led by the central Spanish government has generated an important debate at the heart of the Spanish government regarding the need to rationalize the State structures, with particular attention going to the decentralized governments.

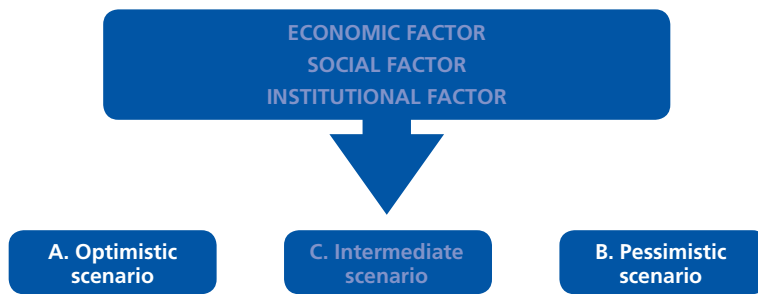
A product of this discussion, in June 2012 the Council of Ministers approved the Law of Reform of Local Administration that is expected to be approved by Congress in the course of the 2012 fiscal year. This Law would modify the current Basic Law of Local Regimes to limit the competences of city governments in service of efficiency and administrative rationalization.

It is feared that this revision of the competency framework of local governments may lead to the consideration that all those volunteer policies that do not form part of the competency nucleus of the city governments could be considered improper. This reform is hanging like the sword of Damocles over development cooperation policy in the local sphere and signifies a genuine threat to the formal institutionality on which it rests.

### **Possible scenarios**

The three factors of change indicated above and their combined effect can lead to a variety of scenarios in the mid-term for development cooperation in the sphere of local governments. To go forward with this analysis three theoretical scenarios are proposed to help situate perceptions regarding which future scenario is the most plausible and, in consequence, design strategies to manage it in the most satisfactory way. Figure 1 sums up this proposal

Figure 1. Proposal for mid-term scenarios



### *A. Optimistic scenario*

The optimistic scenario could be defined as a conjunctural crisis of financial resources for public cooperation policy in the local sphere. The main interpretative key in this scenario relates to quantitative terms. In this scenario the main factor for change would be economic and, therefore, the crisis would be circumscribed to the persistence of the budgetary adjustments. This would thus suppose that in the mid- to long-term, once the crisis in the public treasury were resolved along with the budgetary situation of the local governments, a position similar to that of 2009 could be recovered. The optimistic scenario, therefore, would not suppose a change in cycle for the political of development cooperation of the local governments.

### *B. Pessimistic scenario*

The pessimistic scenario is one that could be defined as a structural crisis in public policy for development cooperation in the local sphere. This scenario would suppose that in the mid- term a situation from which it would be difficult to return would be produced, characterized by a sharp decrease in the budget items, the dismantling of the cooperation structures and the progressive emptying out of development cooperation policies. This scenario would mean more than a shift in cycle, a sort of “end of history” for the greater portion of development cooperation on the part of local governments.

In the designing of this scenario three already-mentioned factors of change converge and feed into each other in such a way that they combined effect is greater. Under this supposition, the quantitative factor can act as a stimulus but this is not the best way to explain the risk of an elimination of this public policy. The most important risk derives from the eventual revision of the framework of competences of the local governments and, hence, of an institutional reform that could leave cooperation beyond the scope of local development cooperation. To the institutional factor would be added the progressive loss of the social base of the policy that in turn would have a negative effect on the political and institutional leadership required for the maintenance of such a policy.

The backdrop of this pessimistic scenario is the idea whereby development cooperation policies, though they are an act of political responsibility, would continue to be on a volunteer and discretionary basis.



The great majority of the persons interviewed believe in the maintenance of the development cooperation policies from their respective local realities, but they identify great challenges regarding the viability of the present model and, therefore, they would endorse the hypothesis of the “crisis of the model “

### *C. Intermediate scenario*

There exists, nevertheless, between the two extremes, an intermediate scenario characterized by a situation in which public policy for development cooperation would be maintained, but with substantive changes, which can allow for the transformation of the development cooperation model in the local sphere. This scenario would correspond to those who defend the idea that the current crisis is not an economic crisis, but a crisis of the model.

In this scenario the factors of economic, social and institutional change converge, but with an intensity that allow for the redirection of the policy through the revision of the model. This scenario, therefore, would allow us to speak of a change of cycle on the basis of the reorientation of strategies, agendas and functions of the various agents implicated.

The majority of the perceptions gathered in the fieldwork for this chapter point to scenario C, the intermediate scenario, as the one that best describes the current situation and that of the near future. The great majority of the persons interviewed believe in the maintenance of the development cooperation policies from their respective local realities, but they identify great challenges regarding the viability of the present model and, therefore, they would endorse the hypothesis of the “crisis of the model “.

With regard to the other two scenarios, there are no voices that understand the present context and that of the near future in the key of a conjunctural crisis of resources, thereby situating themselves in the first of the three scenarios. On the contrary, some of the interviewees expressed a sense that the level of economic and institutional uncertainty is such that the transition from the intermediate scenario to the pessimistic scenario could occur within the next two years. It is worth noting, on this point, that the vision gathered here coincides with the reality of the local governments interviewed, characterized by the achievement of a certain level of institutionalization of the public policy for development cooperation. This would suggest that if the sample were to be broadened to include the heterogeneous reality of the local Catalan governments the perception could be very different.

In any case, the dominant tendency registered has an objective correlate in the levels of institutionalization of this public policy for an important part of the Catalan local governments, which are the ones that have maintained a regular performance in the area of development cooperation in recent years. According to the latest report of the Catalan Fund for Development Cooperation (FCCD, 2011) taken from the 2008 data base: 69% of the 164 municipalities that participated in the survey and claim to practice cooperation had a specific line item for cooperation; 37% had a specific or shared councilperson, and 64 municipalities (40%) had created a council on cooperation. Eleven of the city governments that maintained regular actions in cooperation matters had even developed strategic planning instruments in this sphere.

There exists, therefore, an important level of institutionalization of development cooperation policy in the area of local government. This reality obliges us to think about the mid-term future more in terms of how to



confront a “crisis of the model” than in terms of an “end of history” scenario. Let us examine, below, what might be the point of departure to confront this crisis of the model and the possible directions that the model of decentralized cooperation in the local sphere could take, in light of the opportunities and challenges that emerge following the 4th High-Level Forum of Busan and in the framework of the post-2015 Agenda.

## Strategies for the future

Any future strategy for development cooperation in the local sphere has as its backdrop the framework of opportunities and challenges supposed by the evolution of the agenda of development effectiveness and the agenda of development itself. In this regard, obligatory reference must be made to the commitments that derive from the 4th High-Level Forum on Aid Effectiveness in Busan, those of the UN Conference Rio+20 on Sustainable Development, as well as the agenda tied to the process of consultations led by the United Nations to define a program of development for the post-2015 world.

The declarations that result from these international forums recognize without vacillation the privileged role that is played by local governments in the efficient application of an agenda for sustainable human development for the coming years: be it in the deepening of principles such as democratic appropriation or mutual accountability; in the provision of public goods in the local sphere and their contribution in turn to global public goods; in the creation of sustainable and cohesive cities in the context of accelerated processes of urbanization; in the ability to articulate territorial development strategies that would involve different public and private development agents, etc.

### **Analysis of strengths, weaknesses, opportunities and threats in the framework of the agenda for aid effectiveness and the post-2015 world**

The transition from a model of development cooperation in the local sphere should help to confront in a positive way the new framework of challenges and opportunities that derives from the international development agenda. What are the principal strengths and weaknesses of the local governments to confront this transition in light of the changes in the local, national and international context? The most outstanding elements that emerge from questioning the actors themselves are set down systematically in a SWOT scheme below.

With regard to **strengths**, the following have been identified:

1. As has already been broached in earlier sections, the noteworthy level of institutionalization of development cooperation in local governments stands out, especially for those that have maintained regular activity in cooperation throughout recent years. This level of institutionalization translates into the existence of cooperation councils, dedicated budgetary lines, consolidated structures and instruments for strategic planning.

The declarations that result from these international forums recognize without vacillation the privileged role that is played by local governments in the efficient application of an agenda for sustainable human development for the coming years

2. The larger city halls, and this is the specific case of the Barcelona City Hall, have a very important presence in international networks of cities and a high degree of internationalization. This fact leads them to adopt a policy of development cooperation and to assume the corresponding responsibility to offer a response to the demands for cooperation proceeding from other cities in the world.
3. There exists a very well-articulated social network in the local sphere that applies pressure to maintain development cooperation policies on the local level. As is registered in the latest Catalan Fund for Development Cooperation report, as many as 42 municipalities have coordinating platforms for entities (FCCD, 2011). The vitality of this social network and its persistence, even in such adverse contexts as the present, acts as a spur to cooperation policy in the sphere of local governments.
4. There is a very well-consolidated working trajectory in the area of education for development (EfD) in the local decentralized cooperation sector, more and more frequently inserted into the dynamic of the municipality. As is reflected in the latest report on Reality of Aid (Intermón Oxfam, 2011), the EfD actions supported by decentralized cooperation represent more than 70% of the total state ODA (54% of which corresponds to activities of the autonomous communities and 17% to activities of the local entities).
5. The importance of local governments and of decentralized cooperation in the Spanish system of cooperation, in comparison with the rest of the bilateral donors, has signified that multilateral programs, networks and initiatives have based their headquarters or focal points in Barcelona. This is the case of international networks of cities such as UCLG (United Cities and Local Governments), or the UNPD-Art initiative, or more recently the office of UN-Habitat in Barcelona. This fact acts as a prime asset for the articulation of ties on an international scale and the sharing of efforts with the rest of the actors of the international donor community.
6. The work of accompaniment carried out by the FCCD or the Barcelona Provincial Government (Diputació de Barcelona) in the methodological arena for the generation of discourse or the connection with the International Development Agenda is decisive for the creation of capacities for the local governments.

With regard to **weaknesses**, the following have been identified:

1. There is a fairly broad consensus that, far from applying the relative advantages attributed to decentralized cooperation that are derived from the normative models, the practice of development cooperation on the part of local governments rests to a great extent on the traditional paradigm of aid. Certainly, in the face of the beginnings of local development cooperation in the decade of the eighties, more anchored in the formula of sister cities, from the nineties on local cooperation takes on the traditional aid formulas in which the Government acts as a donor and takes on a role that is limited, in many cases, to management of the transfer of resources (FCCD, 2010).

The practice of local cooperation is basically articulated around grants, which leads some authors to speak of a demand-based model (Martínez and Sanahuja, 2009) and, hence, very conditioned by the initiatives of

civil society. Without considering that necessarily to be a negative element, this practice does have a pernicious effect if in addition it lacks a strategic focus and is not sufficiently based on the added value of local government. Even more to the point, this is a model that enters into crisis as soon as the funding available for subventions falls short.

2. The predominant model for the transfer of resources and strongly induced by demand lead to unambitious actions, fragmented and short-term, resting exclusively on a project-based model. These elements have clear effects in terms of the geographic and sectorial fragmentation of cooperation carried out by local governments and, hence, a negative impact in terms of the effectiveness of the aid. What is more the practice of local development cooperation has tended to bundle geographic and sectorial priorities, not so much because of the cost of the opportunity of withdrawing from countries or sectors in an unplanned way, but rather as an inertia that is hard to combat.
3. There does not exist, except in rare exceptions, a tie between a policy of development cooperation and the rest of the municipal policies. This separation arises even with the international relations strategies of those city halls that have such relationships. It is a question, therefore, of insufficiently transversalized policies in the panorama of municipal action, which does not take advantage of the sectorial expertise of the range of municipal departments in areas with direct links to development, such as environmental sustainability, gender equity social cohesion or education.
4. The developing of instruments for strategic planning –which must be limited to the group of city halls that enjoy a longer trajectory and more resources– has not been accompanied by the follow-up and evaluation instruments that would allow for the feedback of this cycle of public policy and improve its impact and quality. Though the FCCD has played a very important role in the exercises of follow-up and evaluation of many municipalities, the decentralized cooperation of local governments is lacking in appropriate instruments to assure the accountability before the citizens of both the North and the South.

As regards **opportunities**, the following have been identified:

1. The evolution of international doctrine on development cooperation explicitly recognizes the important work of local governments in development processes. In a word, the agenda of development effectiveness that emerges following the 5th High-Level Forum of Busan supposes a broadening of the agenda for aid efficiency through, among other things, a new conception of “association” that will be incorporated into the range of development cooperation actors, among which should be mentioned the decentralized actors. The same agenda highlights the specific contribution of those actors in the promotion of democratic ownership and responsibility, and the accountability of development policies.  
In the same direction, the declaration that resulted from the Rio+20 Conference on Sustainable Development offers an extensive display of the contribution of different levels of subnational government in the sector that refers to the institutional framework for sustainable development.

The possibility that the revision of the framework of competences might leave outside the norm the practice of decentralized cooperation is being experienced as one of the main threats, with more irreversible effects, for this public policy

2. The political configuration resulting from the latest autonomic and municipal elections has derived toward a reality characterized by a greater overlapping of the same political parties at the different levels of public Administration in Catalonia. This fact, together with a reality marked by a drastic decrease in public resources, creates a true window of opportunity to advance in the necessary coordination efforts.
3. The difficult conjuncture marked by the financial crisis and the dramatic fall in public resourced available for development cooperation can also be read in the key of opportunity as it obliges a rethinking of the model based on the traditional aid paradigm parading. In fact, the model anchored in a donor-recipient relationship becomes unviable in a context characterized by the absence of resources, a fact which allow us to advance toward other development cooperation models that consume fewer resources and are more based in knowledge sharing.
4. The evolution of the official international doctrine of development cooperation toward a doctrine more and more based in development opens important opportunities to broaden action agendas and the space of the alliances for development cooperation of local governments. In this regard, the progressive recognition of the importance of attending to the whole range of policies that have an impact on development and, in turn, incorporate into the range of social agents with a role in development, stretching the performance margins of local governments toward a policy coherence, social corporate responsibility and a policy of alliances to incorporate non-traditional cooperation actors.
6. Local Spanish governments distinguish themselves from their British or Nordic counterparts in having the capacity to mobilize their own resources to get behind development cooperation programs. This particularity allows them to opt in for co-financing funds such as those that the European Union places at your disposal through specific programs aimed at subnational actors.

Finally, with regard to the **threats**, the following have been identified:

1. Closely tied to the institutional factor referred to earlier, many voices perceive as a real threat the process of recentralization that is being supported by the central Government under the requirements of budgetary adjustments and an agenda of rationalization of the State administration. The possibility that the revision of the framework of competences might leave outside the norm the practice of decentralized cooperation is being experienced as one of the main threats, with more irreversible effects, for this public policy.
2. The current economic crisis has very dramatic expressions in all areas, and the local sphere is no exception. In the face of this situation, pressures that seek to prioritize the interests of the agents and citizens of the North in the definition of the priorities of development cooperation policies are growing every greater.
3. The strength and persistence of the economic crisis leads many to perceive that an increased gravity of the situation in the near future could make the maintenance of minimal budgetary line items for development cooperation policies in the local sphere unsustainable.
4. A sort of decapitalization is being produced, fruit of the restructuring, reduction or disappearance of many entities in the area of development cooperation and this affects the entire range of actors implicated: the public institutions, the NGOs, etc. Even the process of returning home

of many immigrant collectives is decapitalizing the incipient organizations implicated in the work of co-development.

5. Some voices are warning of the threat to development cooperation in the local Catalan sphere stemming from a lack of institutional leadership in the Catalan national key. A discourse that will take off from respect for the principle of municipal autonomy and agglutinate and give coherence to the range of actors from the local sphere is seen to be necessary. In this regard, the need to join a common project and seek paths of cooperation by means of platforms, round tables, etc., would be threatened by a hypothetical loss of weight relative to development cooperation on the part of the Government of Catalonia.

### **The transformation of the model**

Having reviewed both the real and potential capacities, and the principal weaknesses in the local governments in the light of the framework of opportunities and threats that derives from the new context, it can be concluded that sufficient elements exist for a positive transformation that would bring the practice of development cooperation of the local governments closer to the normative model of decentralized cooperation whose attributes have a positive relationship to the agenda for development effectiveness. However, the existence of elements that could precipitate a shift that would deepen or aggravate the practices that have a negative relationship to the agenda for development effectiveness can also be extracted from the analysis.

Both possibilities are reviewed below through the contrasting of two opposing theoretical models according to their ties with the agenda for development effectiveness. Reality, of course, is much more complex and hybrid than these two models allow. But, posing the question thus turns out to be useful for the reflection we are engaged in.

#### ***A. Transformation towards a positive model for development effectiveness***

To simplify the analysis, we propose to use the concept of the vertical and horizontal cooperation models employed by Martínez and Sanahuja (2009) for their explanatory capacity in terms of contribution to the agenda for development effectiveness. In this way, to sum up, the authors understand a vertical cooperation model to be one that is articulated according to a donor-recipient logic and in which exchange is limited to a transfer of resources. A model of horizontal cooperation, in contrast, is understood by the authors to refer to a model of cooperation in which an egalitarian relationship is established among partners, guided by mutual interest.

From a perspective of effectiveness of development cooperation, the model that contains greater potential for application to the principles derived from the Paris Declaration is the horizontal model, as it is more in keeping with the idea of the relationship of association among equals. In a word, the horizontal cooperation model is one that will allow for the development of principles such as democratic ownership, alignment of policies, strategies and procedures of the partners, or the mutual

It is to be expected that the intermediate scenario of transformation of the model will signify a transition from a model of vertical cooperation, based on the transfer of resources between the donor and the recipient country to a model of horizontal cooperation, of knowledge transfer between partners

accountability between the diverse development actors in the North and South.

Returning to our analysis, it is to be expected, therefore, that the intermediate scenario of transformation of the model will signify a transition from a model of vertical cooperation, based on the transfer of resources between the donor and the recipient country to a model of horizontal cooperation, of knowledge transfer between partners. The perceptions gathered in the fieldwork suggested that there are a number of diverse factors that come together in favor of this tendency toward transformation of the model.

There would be a shift toward a model more centered on the municipalist nature of the cooperation of local governments. The change would suppose a transition from a model greatly induced by demand, very dependent on the agenda of the NGOs, toward a model more based on the offer of a municipal cooperation, and more anchored in the expertise of the municipal government: the promotion of local governance, advisement on the provision of municipal services, strengthening of local democracy through local institutions and civil society, etc.

This shift is related with the search for added value of municipal cooperation, a cooperation that is eminently technical and with a lesser tendency to consume resources. In this model, the direct municipal cooperation would take on a more central role and the municipality would seek to mobilize the different resources of which the city government disposes –municipal technicians in the environment, urban planning, etc.– in order to integrate the action of development cooperation into the core of municipal action.

City government with more resources and a greater tradition of direct cooperation –the City Hall of Barcelona, for example– are already considering adaptation of this model to the new international context, marked by the emergence of new donors, by means of the application of formulas of triangular cooperation that will allow for three-way relationships of knowledge sharing.

In this model, work in the sphere of citizen consciousness-raising and of education for development could take on a greater protagonism both because this is an area in which local cooperation has a comparative advantage, and because it could offer a response to the alleged loss of a social base for this public policy. In effect, there is a great deal of literature and evidence to sustain the notion of the privileged place occupied by local governments in strategies of citizen consciousness, advocacy, and education for development. This advantage rests on the fact of being the level of administration that is closest to the citizenry and, at the same time, on the tradition of joint work with civil society organizations in this area.

### ***B. Transformation toward a model in tension with the development effectiveness***

The most important risks entailed in a shift in the model of cooperation in the current context are those that arise in terms of the instrumentali-



zation of the public policy of development cooperation, the cooptation of civil society and, perhaps less evident, entering into contradiction with the agenda of development cooperation effectiveness.

The maintenance of social cohesion in the local sphere and the reactivation of the economy by means of the promotion of the local productive network are two areas that generate much concern between government officials and citizens and that may overlap with the area of performance of development cooperation. These overlaps can be channeled through the complementarity and coherence of policies or by means of incorporating as the very priorities of development cooperation policy those priorities that pertain to other policies. If this were the case, the interests of the beneficiaries would be subverted to the interests of the contributors. The transformation of the model, therefore, can also be directed toward reinforcing the ties of the policies of development cooperation with the interests of the actors and citizenry of the North. And to seek, in fact, a tangible or intangible return of this public policy for the taxpayer.

This model can include strategies more oriented toward maintaining as a priority the associative network of the city as a guarantee of a “certain social pacification.” Strategies directed toward linking cooperation development policy to the policies of integration of immigrants –or at time, even the voluntary return home of immigrants– would also have a place here. Or strategies aimed at seeking ties between action in the matter of development cooperation and the projection abroad –both economic and political– of the municipality.

Certainly, and once again, reality is much more complex, and the model of horizontal development cooperation incorporates the idea of reciprocity in the relationship of cooperation and exchange, in which both partners share interests. In this sense, an effective development policy can result in an excellent strategy for internationalization of the partners without subverting the original objectives of the former.

It is worth noting, nevertheless, that a shift of this kind entails certain important risks. On the one hand, the risk of taking on objectives and priorities more related to other public policies with which coordination and coherence are sought, but without supplanting objectives. On the other, the risk of maintaining a model of vertical cooperation in which the price of social pacification would be the perpetuation of the role of the NGOs in their task of mere managers of subventions. Finally, there is the risk of taking a distance from the mandate of development effectiveness agenda and, as a result, from a shared agenda that has been reached by consensus with the international development community.

### **Toward the elaboration of a common agenda**

Finally the exercise realized in the framework of this chapter has allowed for the identification of a set of elements that can establish the basis for a shared agenda in the light of the exposition thus far. Among the elements identified for a future agenda can be distinguished two large groups. In the first place, the agenda of the overlaps, or to put it another way, of the elements that generate more consensus, and, as a result,

The most important risks entailed in a shift in the model of cooperation in the current context are those that arise in terms of the instrumentalization of the public policy of development cooperation, the cooptation of civil society and, perhaps less evident, entering into contradiction with the agenda of development cooperation effectiveness

design a working agenda that is viable in the short run. In the second place, challenges that have been identified that must of necessity form part of the agenda but whose viability is more questionable. These are detailed concisely below.

With regard to **shared agendas** some elements that constitute real opportunities for improvement in the quality of this public policy stand out:

1. The overlap in which a sort of momentum for the coordination of strategies and actions, and greater efficiency for spaces and resources is seen to exist. Interinstitutional coordination is seen as necessary and possible. Some city governments think of this in terms of a national contribution to Catalan cooperation and coordination tables are being created around countries like Senegal or Morocco.

In this sense, there is a generalized feeling with regard to the need to recover an institutional leadership on the part of institutions such as the Generalitat Directorate for Development Cooperation, the Barcelona Provincial Government, or the Catalan Fund for Development Cooperation that will allow the challenge of coordination to be met in a positive way.

2. The need to present results in development and development cooperation to municipal partners, the citizenry, and the international community. Evaluation, follow-up units, more graphic reports that will reach the citizens in a more direct way, or novel initiatives such as citizen audits, etc., are beginning to be promoted. In this area, the important role played by institutions like the Catalan Fund for Development Cooperation (FCCD) or the Barcelona Provincial Government in the accompaniment and methodological support takes on a new importance.
- 3 The need to explore more in depth the efforts in the area of Education for Development with the purpose of raising citizen consciousness and recover the supposed loss of social base of this public policy. The great majority of the actors consulted maintain, despite the cutbacks, their strategy of education for development as the hard core of their mandate. Initiatives like that of Sant Boi de Llobregat, with their campaign "Put on your best face for cooperation" have had an important repercussion and can be seen as a good practice in this area.
5. The coincidence of this now being a moment to stake a claim for a more horizontal cooperation model resting on the added value of municipal cooperation. There is a general opinion according to which the present context is establishing the conditions to being the practice of decentralized local cooperation closer to the discourse: the model based on the transfer of resources is no longer viable in the present context and has to be rethought to recover the hallmark of local cooperation.

With regard to **the old and new challenges**, certain elements stand out that could constitute lost opportunities in a context like the present, if not dealt with positively.

1. The realization that, with rare exceptions, the topic of co-financing is not on the table of a good number of the municipalities we inter-



viewed. Though the Catalan Fund for Development Cooperation, the Generalitat Directorate for Development Cooperation, or the Barcelona Provincial Government, all are sending out clear signals in this regard, the city halls do not have the funds to start reflecting in this regard. To apply for European funds or pose public-private partnerships is not among the priorities of the city halls interviewed.

If any concrete initiatives exists in this terrain that could serve as a model for example, that ought to be followed, or at least, explored: the line of subvention of the Barcelona Provincial Government that promotes four-fold partnerships experience with the URBAL<sup>2</sup> programs, or the experience promoted by the City Hall of Lleida that ties private foundations to financing the solidarity entities of the city.

2. The transition from the model of geographic prioritization supposes a new challenge for decentralized cooperation in the local sphere. To the old challenge of geographic concentration must be added the challenge of a change in focus. If, to date, the principal recipients of aid were concentrated in Latin America, at present the guidelines for geographical prioritization point more toward the North of Africa or Sub-Saharan Africa. The new challenge resides in how to make the transition without incurring priorities or changing priorities without having to take on priorities or change priorities without planned exit strategies.
3. The need to rethink the relationship with the NGOs in the framework of a horizontal cooperation model that stakes a claim for modalities of agreement regarding the sectorial and geographic priorities of the local governments. In this new model, the relationship should be less instrumental and the NGOs could play an important role in the promotion of Democratic ownership, mutual accountability, Education for Development, etc.
4. The need to strengthen the connection between local development cooperation and the actors, networks, and debates on the international development agenda. A paradox arises in that at a time when international recognition is being given to the important role carried out by local government as development and development cooperation actors, a good part of the Catalan actors are not participating in the construction of this agenda –with noteworthy exceptions like the Barcelona City Hall or the Barcelona Provincial Government.

The little or non-existent use of international networks with headquarters in Catalonia, like the UCLG, that could intentionally back the practices of institutional strengthening, or city-to-city cooperation, that the local Catalan governments are developing. Along the same line, a very limited use of the multilateral platforms with headquarters in Barcelona has been identified. Except for these experiences with ART-Gold, local governments do not take advantage of these platforms to multiply the effects of their actions or to take on a role in international networks.

5. Finally, the need to stake a claim for knowledge. There are few resources, spaces and institutions devoted to the generation of knowledge on development cooperation from a reading of decentralized cooperation in the local Catalan sphere. The deficiencies in this sphere have multiple forms of expression: from the deficiency in the gathering and systematization of experiences –with notable excep-

2. [http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/urbal/index\\_en.htm](http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/urbal/index_en.htm)

tions such as the work the consultancy AVALUEM<sup>3</sup> carries out– to the lack of spaces for reflection and sharing among the different actors or the inexistence of objective indicators to learn the level of support for this public policy and the opinion of the citizenry in relation to the same. Think tanks like CIDOB can play a fundamental role in this regard.

3. [http://www.avaluem.cat/old/index\\_eng.htm](http://www.avaluem.cat/old/index_eng.htm)

# CHAPTER 4

## THE BUSINESS SECTOR

*Blanca Manresa*

*Maria Prandi*



Blanca Manresa  
Maria Prandi

*Consultants in Development Cooperation*

## Introduction

On the broader issue of emerging decentralized cooperation actors, the pertinence of this chapter becomes evident at a time when the debate on the participation of the private business sector in development topics has become more acute, principally as a result of several processes that have occurred in parallel. In the first place, the economic and financial crisis has allowed for the justification of a significant decrease in public funding devoted to cooperation activities while, at the same time, it is forcing an intensification of internationalization by businesses toward new markets to compensate for a contraction in internal demand.<sup>1</sup> In addition, and despite the economic crisis, more and more businesses, for a variety of reasons, have in the past decade adopted policies of philanthropy and/or of Corporate Social Responsibility (CSR) having a greater or lesser impact on the working sphere of development cooperation. In this context, it is worth pointing out the emergence of new forms of business (social entrepreneurship, business for the common good, etc.) that, under the umbrella of the social economy, are trying to respond to social challenges using the organizational structure of for-profit business.

What is more, in recent decades and on an international scale, the private business sector has acquired a more and more relevant weight in the economy of emerging countries and in development as a result of the liberalization and privatization of basic services and other related sectors, promoted by international financial institutions. Some theoreticians have even affirmed that it is more and more often the governments of impoverished countries that demand a more important role for commerce and less for international aid, adducing that the economic crisis is decreasing the funds devoted to international aid.<sup>2</sup> As a point of reference, it is worth mentioning that direct private investment by OECD countries in developing countries in recent years has amounted to four times the Official Development Aid (ODA) to these same countries. Faced with these data, some experts have doubts about the effect this investment has had with regard to the levels of human and sustainable development in these countries.

In this context some local, national and international actors advocate for a greater role for business as an actor for change and development. In this

The participation of the private business sector in development topics has become more acute

1. Wolcott, S. J. (2011), "Using the Financial Crisis to Reimagine the Private Sector". *IDS Bulletin*, 42: 87–92.
2. Berdal M. y Mousavizadeh, N., "Investing for Peace: The Private Sector and the Challenge of Peacebuilding," *Survival* 52, no. 2 (2010): 37–58

The presence of the business sector in cooperation is nothing new, and already in the past decades it had a particularly relevant role in financial cooperation

sense it is worth mentioning very particularly the role of the United Nations in promoting in recent years and from a variety of agencies, a number of initiatives that foster alliances with the private sector in territories such as development cooperation or human rights. In this way the UN has turned business *de facto* in a new actor in the aid architecture and positioned it as one more actor in questions affecting world governance.

This tendency has also become evident in the recent 4th High-Level Forum on Aid Effectiveness held in Busan in late 2011, organized by the DAC of the OECD, where the importance of public-private alliances as an axis for advancement in development objectives was stressed. Finally, in the local sphere, a variety of administrations have recently issued requests for proposals (RFPs) interpellating the business sector as an actor in development cooperation.

Regarding this change of scenery, some sectors of civil society maintain a radical opposition to this tendency based principally on the lack of legitimacy of business to operate for development objectives. Among their arguments what stands out is the need for businesses to stop equating the definition of development with that of economic growth and to prioritize responsible behavior in accordance with human rights in their activities abroad. It is in this context that an intense, primarily ideological, debate is taking place between the defenders and detractors of establishing certain mechanisms to convert or recognize business as an agent of cooperation, with more or less weight, in centralized and decentralized policies of development cooperation. Indeed, some critical voices consider that this process supposes a “privatization of cooperation” in consonance with the prevailing neoliberal policies of the day.<sup>3</sup>

Nevertheless, the presence of the business sector in cooperation is nothing new, and already in the past decades it had a particularly relevant role in financial cooperation under the leadership of the central government, by means of Development Assistance Financing (FAD) credits<sup>4</sup>. Still, it is now when the debate appears to sharpen in the face of the possibility that business could become a receiver of public funds destined for cooperation, thus competing with such traditional actors as Non-Governmental Organizations (NGOs) for funds that are more and more scarce. To these fears we must add the risk it could suppose if public agencies, traditionally charged with development cooperation policy and the nature practitioners in this area, opt to abandon the technical and financial support they maintained historically, and with it, the leadership role that corresponds to them as promoters and drivers of the public policy of development cooperation.

We thus find ourselves in a moment of great effervescence in which it is necessary to engage in an in-depth analysis of the possible scenarios and actors (and of the relationships of all of these among themselves) through the diverse perceptions, needs and risks they pose. This reflection is crucial in confronting the challenges currently faced by development cooperation at the decentralized, national, and international levels. To evaluate, through a common language, the new contents and a possible multicentric articulation of cooperation also fits perfectly with the discourse of aid effectiveness and the Post-2015 world.

3. V. Romero, M. and Ramiro, P. (2012). *Poverty 2.0, Businesses, States and NGOs and the Privatization of Development Cooperation*, Icaria; López, A. (2006). *Poverty Isn't Profitable, The Millennium Objectives: Come One, Come All, Workers' Commissions* (CCOO), Peace and Solidarity Foundation and a communiqué of the FCONGD from April 2012 <http://www.fcognd.org/fcognd/>. [Romero, M. y Ramiro, P. (2012). *Pobreza 2.0, Empresas, estados y ONGD ante la privatización de la cooperación al desarrollo*, Icaria; López, A. (2006). *La pobreza no es rentable, Los Objetivos del Milenio: pasen y vean*, CC.OO, Fundació Pau i Solidaritat y comunicado de abril de 2012 de la FCONGD <http://www.fcognd.org/fcognd/>.]
4. <http://www.afi.es/AFI/LIBRE/HTMS/SAIE/INSTITUC/FAD.HTM>

## Methodology

To achieve the objective of this chapter, a qualitative methodology has been chosen that combines the corresponding bibliographical review with the realization of in-depth interviews of people who represent business sector organizations, as well as other significant actors such as independent experts, labor representatives, members of the autonomic administration and representatives of local governments, universities, NGOs, research centers, foundations and business sector organizations, among others.

Because of the heterogeneous profile of the interlocutors, a preliminary script of questions was adapted to the particularities of each person interviewed, opting for a certain flexibility in the questioning and issues that would arise. The selection of persons to be interviewed attempted, in any case, to reflect the heterogeneity of their perspectives with regard to the object of study, including a gamut of actors belonging to organizations with a variety of backgrounds, perceptions, sizes and capacities.

The organization, in the framework of the research previous to this publication, of a multi-stakeholder working Seminar “Decentralized Cooperation under Discussion: Aid Effectiveness and the Post-2015 World”, which was held on September 20, 2012 in Barcelona’s CIDOB headquarters, allowed for the incorporation into this document of the comments and observations that emerged in response to the preliminary conclusions presented during the Seminar’s sessions, as well as the inclusion of the ideas and reflections generated by the gamut of participants.<sup>5</sup>

For approximately one decade, the idea that businesses can act as development agents has been getting strong endorsements

## State of the question: descriptive analysis

Owing to the heterogeneity of perspectives and positions with regard to the object of study, it has been considered timely to situate the current context in Catalonia with reference to the state of the question and the initiatives that have arisen in recent years on the international scale. In the following section, therefore, appear the main trends on the topic that could act as a point of reference in Catalonia and, to certain extend, in Spain.

### The Business sector as a development actor

For approximately one decade, the idea that businesses can act as development agents has been getting strong endorsements before the international community, thanks to Coimbatore Krisharao Prahalad and his book *The Fortune at the Bottom of the Pyramid* (2004).<sup>6</sup> Prahalad’s book urges multinational businesses not to lose sight of the more than 4 billion persons who live under the poverty threshold, in what he calls “the bottom of the economic pyramid” (BoP). For Prahalad, these potential entrepreneurs, providers and clients make up a very relevant market that ought to be incorporated into the economic mainstream.

This perspective, later amplified and further detailed by a great number of authors, has received a series of qualifiers such as “business oriented to the bottom of the pyramid,” “inclusive capitalism,” “inclusive busi-

5. V. <http://www.cidob.org/>

6. Prahalad, C.K. 2004. *The Fortune at the Bottom of the Pyramid: Eradicating Poverty Through Profit*, Upper Saddle River, NJ: Wharton School Publishing.

7. Train4Dev, "Prosperity for all: private sector development and pro-poor growth", JLP-PPG Briefing Note 7, Junio de 2010. Overseas Development Institute
8. United Nations, *Millennium Declaration*, A/RES/55/2 September 18, 2000.
9. In July 2003, the then UN Secretary General, Kofi Annan announced its constitution in the following terms: "Our experience has shown that a large part of the work for development is about preparing the ground for sufficient private sector activity to provide the jobs and income needed to build a more equitable and prosperous society. Yet the UN has only sporadically tapped the power that can be drawn from engaging the private sector in the work of development."
10. As a result of this work, the Commission on the Private Sector and Development published the 2004 report *Unleashing Entrepreneurship: Making Business Work for the Poor*, whose intent is to show the paths to notable improvement of private sector capacity to promote development. Later the UNPD published *Businesses and the Challenge of Poverty: Successful Strategies* as part of its GIM initiative: Growing Inclusive Markets. GIM, launched in 2006, confirmed the strong conviction of the UNDP that the private sector has important potential in investment and innovation for the achievement of the Millennium Development Goals
11. *Increasing the impact of EU development policy: Program for Change*, (COM(2011)637 final) November 13, 2011.
12. Ruiz, S., et al. (2011). "La empresa y la cooperación para el desarrollo en un mundo en transición" en *La realidad de la Ayuda 2011*, Intermón Oxfam. "Business and development cooperation in a world in transition," in *Reality of Aid 2011*, Intermón Oxfam.
13. Mataix, C., et al., (2008). *Cooperación para el desarrollo y alianzas publico-privadas, Experiencias internacionales y recomendaciones para el caso español*. Fundación Carolina, CeAICI, Documento de Trabajo nº 20. Madrid. Marzo de 2008. (*Cooperation for development and public-private alliances, International experiences and recommendations for the case of Spain*. Fundación Carolina, CeAICI, Working paper No. 20. Madrid. March 2008.)

nesses,' or "pro-poor strategies" and it appears as the conceptual basis both of the Busan agenda and of the initiatives of a number of United Nations and other intergovernmental organizations, which consider the private sector to be a development agent.<sup>7</sup> Despite UNDP's support for the concept of "human development" in the nineties in its *Human Development Report* (1990), and its position that economic development is necessary but not sufficient to generate development, an idea of development with a strong component of economic growth and a growing role for the private business sector as a key figure in its unfolding seems to be gaining new traction.

As a consequence of these processes a growing presence of the private business sector can be observed in the development agenda of the United Nations and other multilateral organizations such as the ILO, the DAC, the UNCTAD, ECOSOC or the European Union. With regard to the United Nations, for example, the Millennium Development Goals (MDGs), collected in the Millennium Declaration (2000), opened the door to the private sector as an ally in the achievement of its goals.<sup>8</sup> The United Nations considers that the private sector can effectively contribute to the creation of employment and income, the extension of technical and management knowledge, and the introduction of new technologies in developing countries. In the same vein, it is worth stressing the 2003 creation by the United Nations of a Commission on the Private Sector and Development.<sup>9</sup> The Commission, which counts C.K. Prahalad among its members, was constituted at the urging of the then Secretary General, Kofi Annan, for the purpose of identifying and combating the judicial, financial and structural obstacles that hamper the expansion of the national private sector in developing countries.

Nevertheless, with the support of the Structural Adjustment Programs, mainly promoted by the World Bank (WB) and the International Monetary Fund (IMF) in the eighties the so-called "Washington Consensus" turned the business sector into the central axis of a certain view of development. It was then that the various agencies of the World Bank Group (the International Monetary Fund or the Multilateral Investment Guarantee Agency) initiated a series of strategies intended to promote and protect private investment in developing countries.<sup>10</sup>

With regard to Europe, in its 2011 *Program for Change* the European Commission gives a very relevant role to the private business sector in the framework of a model of sustainable growth as a mechanism to improve impact on development policies.<sup>11</sup> As can be gathered from this paper, it is necessary to create a favorable environment for the private sector as a basis for development. Nevertheless, the European Commission does not recognize the business sector as an agent of development cooperation.<sup>12</sup>

In the first decade of the 21st century, another phenomenon relevant to the organizations themselves and to the system of aid seems to emerge. According to some authors, it seems that these organizations are making the transition from a "chain of aid" model to a new pattern based on the "cooperation network." In this type of cooperation it is expected that every actor will share and assume development objectives with other actors and that, at the same time, will interpret how its own specific contribution fits into the broader dynamics of transformation.<sup>13</sup> In



this way, to the capacity of business to act as an agent of development is added the need for this contribution to be done in a coordinated way and by consensus with the whole range of actors. Thus is born the conception that the participation of the business sector should be done hand in hand with specialized organizations and organs in what has come to be called "Public-private Alliances for Development" (PPAD).

The participation of the private sector as an agent of development in the United Nations strategy as well as in other multilateral organizations is mainly based on this model. Its main argument consists of the need to take advantage of the added value (capacity for innovation, knowledge transfer, etc.) that businesses would bring to development activities. From this moment on different UN agencies launch initiatives to make a place for PPADs. Numerous multilateral organisms such as the World Economic Forum,<sup>14</sup> the Inter-American Development Bank,<sup>15</sup> or the World Bank<sup>16</sup> adopt similar strategies. For its part, with the *Green Paper on public-private partnerships and Community law on public contracts and concessions [COM(2004) 327 final]*, among others, the European Union also advocates for closer cooperation between the public and private sectors.

To conclude this first section it is important to note the increasing consolidation of the position of the business sector as a "development actor" on the international agenda. It is not so clear, however, that it is considered to be an "agent of development cooperation." This perspective would require, according to some experts, a capacity to situate aspects such as the fostering of governance and human rights, gender equity, sustainability, etc., as well as certain principles (such as, for example, appropriation, alignment, harmonization, transparency, results-oriented management, among others) beyond their objectives of economic benefit. It is worth stressing, finally, the preeminence of PPAD as a mechanism for their inclusion in the cooperation system of the majority of international working frameworks. The implementation of this conception born in the recent decades does not take into account, however, recently developed theoretical approaches that are currently under discussion in academic circles.<sup>17</sup>

### The role of business in the system of development cooperation

The private business sector is taking on a growing role not only as an agent of development but also as an actor in governmental development cooperation policies in certain contexts. This tendency, which is not only reflected in the Busan agenda but also in the strategies developed by the national cooperation agencies of countries such as the United Kingdom, Germany or the United States, yet has not been exempt from criticism on the part of third sector organizations.

#### a) The Business sector and the Busan agenda

The 4th High-Level Forum on Aid Efficiency in Busan (Busan Forum, from here on) marks a certain tipping point in aid architecture when it definitely includes on the cooperation agenda actors heretofore relegated to a lower echelon, such as emerging donors, decentralized cooperation actors, civil society and private sector (businesses, in particular).

The private business sector is taking on a growing role not only as an agent of development but also as an actor in governmental development cooperation policies in certain contexts

14. World Economic Forum (2005): *Building on the Monterrey Consensus: The Growing Role of Public-Private Partnerships in Mobilizing Resources for Development*, Davos, Switzerland.

15. Austin, J. et al.,(2005). *Alianzas sociales en América Latina, Enseñanzas extraídas de colaboraciones entre el sector privado y organizaciones de la sociedad civil*, Banco Interamericano de Desarrollo.

16. V. <http://www.bpdweb.com/>.

17. V., e.g., the distinction among three generations of partnerships in Bendell, J. (2010). *Evolving Partnerships. A Guide to Working with Business for Greater Social Change*. Greenfield, Sheffield.

Though the tendency toward the progressive inclusion of the private sector in the development agenda is already a decade old, it is at the Busan Forum that a growing participation of business as actor is defined for governance on the topic. Indeed, this tendency, which takes root in the Busan Forum had already begun to become faintly visible in the forums that precede Busan, such as, for example, the International Conference of Financing for Development (Monterrey, 2002), and the Follow-up Conference on the Monterrey Commitments held in Doha (2008), the High-Level Meeting on Aid Effectiveness in relation to Harmonization held in Rome (2003), the First and Second Forums of Cooperation for Development of ECOSOC (2008 and 2010, respectively) or the 3rd High-Level Forum on Aid Effectiveness in Accra (Ghana).

For the organizers of the Forum, the businesses have promoted development, innovation and investment in the developing countries and hence are a key actor to take into account. In their conclusions the participation of the private sector as a motor of development and economic growth is posited.<sup>18</sup> Concretely, the key document of the Busan Forum in section 14, titled *“The inclusion of new actors on the basis of shared principles and differential commitments,”* introduces the private sector as one more actor that adds its efforts to civil society, emerging countries, and certain developing countries thus expressing the “complexity of the architecture of cooperation.” In the third part the role of business is also mentioned on the basis of its potential contribution to the promotion of innovation, creation of wealth, jobs creation and mobilization of resources on the domestic level.

The Forum also makes reference to the need for a focus that will move from aid effectiveness to the challenges of development effectiveness and makes explicit mention of the role of the private sector in the terms set down in the following table:

**Table 1: The role of the private sector in the conclusions of the Busan Forum**

32. We recognize the central role of the private sector in advancing innovation, creating wealth, income and jobs, mobilizing domestic resources and in turn contributing to poverty reduction. To this end, we will:
- a) Engage with representative business association, trade unions and others to improve the legal, regulatory and administrative environment for the development of private investment; and also to ensure a sound policy and regulatory environment for private sector development, increased foreign direct investment, public-private partnerships, the strengthening of value chains in an equitable manner and giving particular consideration to national and regional dimensions, and the scaling up of efforts in support of development goals.
  - b) Enable the participation of the private sector in the design and implementation of development policies and strategies to foster sustainable growth and poverty reduction.
  - c) Further develop innovative financial mechanisms to mobilize private finance for shared development goals.
  - d) Promote “aid for trade” as an engine of sustainable development, focusing on outcomes and impact, to build productive capacities, help address market failures, strengthen access to capital markets and to promote approaches that mitigate risk faced by private sector actors.
  - e) Invite representatives of the public and private sectors and related organizations to play an active role in exploring how to advance both development and business.

18. <http://www.oecd.org/dac/aideffectiveness/49650173.pdf>.

Source: Busan Partnership for Effective Cooperation in the Service of Development (2011).

Although the participation of the private sector in the preparatory papers of the Forum was only relatively significant, it was in the course of the conference that the Private Sector Forum (*HLF-4*) took place, as well as a Ministerial Session on Private Sector Engagement of three days' duration.<sup>19</sup> In these forums experiences were shared, there were reflections upon lessons learned and proposals for solutions that would include the participation of the private sector or would take place through public-private alliances.

In the Private Sector Forum there was also an attempt to discuss how to further a political framework that would allow businesses to play this role. In this regard, some of the discussions sought, among other things, to identify the conditions that allow businesses to develop this function as well as the bottlenecks that impede it, how to promote business platforms on the national level, how government can create the conditions that will facilitate this participation, how public-private alliances for economics growth have been promoted, jobs and investment and what the opportunities are for the participation of the private sector on a regional level. The Private Sector Forum also reflected on the innovation capabilities that businesses bring to development issues such as technological innovation, business models, or development of new markets.

In any case, the contribution of the business sector would require an in-depth analysis on how it should be articulated vis-à-vis the principles of aid effectiveness. Some of these questions would touch on aspects such as how better to coordinate aid in which private actors take part? How to incorporate into the business the need for transparency, accountability and associated evaluation mechanisms? Or how can the business respond to appropriation and alignment needs? In synthesis, in a more in-depth analysis it would be necessary to establish the extent to which the participation of the private sector falls in line with the criteria and principles of aid effectiveness enunciated in the Busan Forum such as, for example, democratic appropriation, mutual accountability, harmonization and, above all, transparency.<sup>20</sup>

#### *b) Business in the governmental strategies of development cooperation*

Below are described the principal characteristics of the collaboration strategies with the business sector as developed by governmental agencies for development cooperation in the United States, United Kingdom, Germany and Spain from the point of view of the description of their objectives and instruments by the corresponding agencies.

#### **The United States Agency for International Development (USAID)<sup>21</sup>**

At the turn of the millennium, the United States Agency for International Development (USAID) identified an important new trend with regard to development financing: the private sector represented more than 80% of the investment in the developing world.

In 2001 a USAID team developed the concept of a "Global Development Alliance" (GDA), to refer to public-private associations in this context. At

The contribution of the business sector would require an in-depth analysis on how it should be articulated vis-à-vis the principles of aid effectiveness

19. Private Sector Forum (2011). *Concept Note*.

20. Martínez, I. y Sanahuja, J.A. (2009), *La agenda internacional de eficacia de la ayuda y la cooperación descentralizada*, Documento de Trabajo nº38, Fundación Carolina y CeALCI, Madrid. *The international agenda of aid effectiveness and decentralized cooperation*. Working Paper N°38, Fundación Carolina and CeALCI, Madrid).

21. The information in this section is taken from the following web pages: <http://www.usaid.gov/>; <http://idea.usaid.gov/organization/gp> & <http://idea.usaid.gov/gp/about-gda-model>.

first there was an attempt to tie development to civil society and private for-profit and non-profit institutions. Ten years later, the then Secretary of State, Colin Powell presented a new strategic orientation for USAID that sought, through public-private alliances to increase the impact, efficiency and effectiveness of development actions and align public resources with private capital, its experience and its networks as a way of deepening its impact on development. Through their “Program for Global Development Alliances” (GDA), a welcome mat was spread for business sector partners as full-fledged collaborators in the implementation, design and financing of development projects.

From then on, USAID annually launches an RFP to invite businesses to present proposal for public-private collaboration. In the view of this agency, the private sector comprehends private practices, foundations, social entrepreneurs, financial institutions, investors, philanthropists, and other for-profit and non-profit non-governmental institutions. All these organizations may form part of the public-private associations driven by USAID. In the framework of this program some thousand public-private alliances have been carried out, with more than 3000 partners, and more than 5 million dollars for every 2 million dollars of public aid. In these alliances, the economic contributions of both parties must be equal or equivalent, and normally it is expected that the private sector will make a larger contribution.

At present the Global Partnerships Division (GP), which pertains to the Office of Innovation and Development Alliances (IDEA) fosters those associations that go beyond philanthropic contributions, focusing on actions that link the interests of the private businesses and their goals in Business Social Responsibility with those of development, NGOs and other local partners. According to USAID, the GDA require each partner to contribute to the entire project with its own abilities and resources, in such a way that there exists a co-management and co-design of the project for the purpose of broadening and deepening the impact of the development actions. According to the agency, the risks and achievements of these associations are shared and both parties are responsible for their successes.

From its experience, USAID has detected that the projects inscribed within the intersection between the results of the work of the business and the USAID development objectives are more successful than those that have an exclusively philanthropic component on the part of the business. On its own part, and through these alliances, USAID offers the private sector the change to mitigate the risk of entry into markets and to facilitate access to them; develop new projects and services: increase their efficiency; improve distribution systems; reduce the cost in products and services; broaden access to qualified talent; increase sales and number of clients; increase the market share and brand knowledge; increase productivity and improve cash flow.

### **The Department for International Development of the United Kingdom (DIFID)<sup>22</sup>**

From the Department for International Development of the United Kingdom (DIFID) and according to its specific operational plan for the

22. The information in this section is elaborated from the following web pages: [www.dfid.gov.uk](http://www.dfid.gov.uk); <http://webarchive.nationalarchives.gov.uk/+/>; <http://www.dfid.gov.uk/Documents/publications/Private-Sector-development-strategy.pdf>; <http://www.dfid.gov.uk/Documents/publications1/Private-sector-approach-paper-May2011.pdf>; <http://www.dfid.gov.uk/Documents/publications1/op/priv-sect-dept-2011.pdf>.

private sector 2011-2015, they seek to foster a “new era of development” with the objective, under the direction of their Department for the Private Sector, of creating wealth and mobilizing more private investment toward and within developing countries.

This plan will take shape through a greater impulse for the role of private business in the poorest developing countries. According to the DIFID what is sought through this is to reduce the barriers to growth, helping the poorest countries to establish a level of equality for all the investors, with a more just and open commercial regimen, reducing the barriers to entrance to the market and establishing an opportune regulation to facilitate and accelerate procedures to do business. The work of the DIFID is focused, therefore, on carrying out a policy of international development more centered on fostering wealth creation and economic growth.

To carry out these tasks in January 2011 a specific department devoted to the private sector was created (PSD). It has some 20 specialists with experience in the field of economy and the private sector and is structured in four teams: Infrastructure, Energy and basic services, Finances and Investment, Contracting businesses and policy administration.

It is also worth stressing the existence of an important transversal focus: the objective of the PSD is to help increase the knowledge and capacity of the DFID offices, and other government departments, about how to work with the private sector to generate prosperity and eradicate extreme poverty.

In this sense their mandate includes:

- Generating new business models that will increase the contribution of businesses to development;
- Promoting public-private associations;
- Serve as a catalyst for private investment in businesses, infrastructures and basic services;
- To be the center for DFID contracting with the private sector;
- To generate thought, provide specialized technical knowledge, and be the source of information and good practices.

To reach said objectives, the DFID develops the following lines of work:

1. To collaborate with national and international private businesses to take the fullest advantage of the impact of the private sector on the ODM (Overseas Development Ministry) seeking to maximize the positive impact on the business and minimize the possible negative impacts. This means implicating responsible businesses that operate in a climate propitious to investment, producing not only growth and employment but also innovative solutions to development challenges. The DFID expects the businesses to be responsible with regard to the social, environmental and economic risk they can generate in their business spheres and work with them to achieve this objective. They mention that this aspect is particularly relevant in sectors like mining and construction, where the businesses leave an important social and environmental “footprint.”
2. To collaborate with the governments of the developing countries and the international organisms to create an atmosphere that will support

the growth of private businesses. To give support to reforms that will favor more efficient and equitable labor markets. This line of work seeks market that will be more accessible and competitive and that the poorest segments of the population will be implicated and benefited. With this type of development of inclusive markets they seek to encourage private businesses to invest more, create more jobs and increase access for the poor to markets, goods, and services.

3. Invest in research and knowledge of management to get better measurements of results and inform businesses, governments and international organisms about the work of the DFID.

### **The German Society for International Cooperation (GIZ)<sup>23</sup>**

For the German government and the German Association for international cooperation (*Deutsche Gesellschaft Für Internationale Zusammenarbeit GmbH-GIZ*), cooperation with businesses, associations and chambers of commerce is a key factor in the framework of development cooperation. To promote the participation of the private sector in emerging and developing countries and improve the efficiency, effectiveness and economic development of businesses are objectives of the German government. In this regard, and from the government itself, governments of other countries are being supported in the creation of favorable juridical and economic environments and strategies for sustainable business practices are being developed.

In the projects and activities of this cooperation agency the linking of possible business interests to the objectives of development policies for the purpose of creating a win-win situation for all the actors involved is taken into account. Similarly the GIZ offers advisement to businesses on BSR and broad impact business models, also with regard to the application of environmental and social norms and supports on-site training to apply the principles of the United Nations Global Compact.

Sustainable development is considered by the GIZ to require a commitment from business. By considering the interests of the private sector in development policy the German government seeks to bring greater benefit to developing countries. For this agency, joint action between the public and private sectors means a greater articulation between external commerce and development policy. The businesses create jobs, guarantee income, transmit technical knowledge and introduce innovative technologies. According to the GIZ, the objectives of the development policies of the public sector and the interests of the private sector overlap: when poverty disappears, markets with purchasing power grow; when education and training improve, the number of qualified workers increases; when there is peace, political and economic stability and legal security productive economics exchanges can come about.

From the GIZ a specific program on public-private alliances (*develoPPP*) is being carried out in which the agency acts as a public partner and supports projects executed by private businesses in developing countries, emerging economies, and States in transition, which combine both commercial objectives and development policy objectives. In this kind of alliance, responsibility, costs and risks correspond to all the participants in the project.

**23.** The information in this section is taken from the following links: <http://www.giz.de/en/>; <http://www.giz.de/wirtschaft/de> and <http://www.giz.de/Themen/en/SID-F3448304-CAA29089/905.htm>.



According to the GIZ there exists a series of criteria to take into account in public-private alliances:

- The project has to comply with the development policy principles of the German government and must be manifestly relevant to development and compatible with the environment and society
- The partners' contributions must be complementary so that both parties achieve their respective goals: benefits for development policies and commercial success in a more economical, efficient and rapid way than if the alliance had not been formed.
- The private partner has to bring a majority contribution to the project with regard to financing, human resources, and/or material. Nevertheless, the conditions of the public and private sector contributions are reached for each project specifically. In general the private partner takes on, at least, 50% of the costs of the project.
- The scope of the projects based on public-private alliances must go beyond the limits of a normal commercial activity. Development cooperation only participates in activities that businesses would not take on individually either because it does not form part of their legal obligations or because they are not fundamental to their main activity.

For the development of this strategy, the GI has established a series of eligibility requirements. Thus projects may be presented by German businesses and by other European private sector businesses (including subsidiaries). Moreover, the financial circumstances of the business ought to guarantee the financial viability of the project as well as its sustainability (at least 20 employees and three years in the market, an annual volume of sales of at least 1 million Euros and maintenance of the long-term business commitment in the partner country). For their part, the non-governmental organization, public institutions, foundations, etc., including those of associated countries, may participate but they may not be the sole solicitors, or the principal organ of the association.

From the very beginning of the public-private alliance program a broad spectrum of projects has taken off (from the innovative idea from the owner of a small business to strategic alliances on a grand scale, within the same sector), being implemented in approximately 70 countries. In all of them, the partners plan, finance and implement their initiatives jointly and equitably, sharing opportunities and risks.

The GIZ has reflected upon the *develoPPP* program and on its web page it presents the following considerations in this regard:

- These alliances between the private sector and the State create sustainable development. This has been demonstrated through the nearly 1,500 alliances undertaken with *develoPPP* by commission of the Federal Ministry of Economic Cooperation and Development (BMZ, its German initials) in over 50 developing countries since 1999.
- The Federal Government intends to continue extending this type of development cooperation and concentrate even further on earning the commitment of the greatest possible number of private businesses. This intention is based on the firm conviction that sustainable development is not feasible without sustainable economic development.
- In 2011 a total of 24.1 million euro in public funding was made available for the program, along with a total of 37.5 million Euros in private

funds. Hence, more than 60% of the funds utilized proceeded from the private partners. If the entire effective period for the program is taken into account, the average percentual participation of the private sector comes out at around 62%.

- In many cases when businesses initiate international alliances or alliances for mercantile development, they become active actors in the development sector, training employees, introducing technologies respectful of the environment, or offering greater safety in the workplace.
- There is a growing interest on the part of business in public-private alliances.
- In general, projects that are initiated under the format of a public-private alliance include a strategy so that in a period of three years they will be self-sustaining, which confirms their effectiveness and sustainability. The private sector partners themselves have a great interest in the viability of the project. For their part, the public sector partners are also seeking long-term political results; overcoming poverty and hunger, improving education and health care, preserving the natural resources on which life is based.

In October 2012 Forum Mensherechte, a consortium of 48 German NGOs, proposed the creation of an independent panel of experts to analyze and evaluate possible impacts on human rights caused by the programs and policies of German cooperation. This proposal, which considers itself to be complementary to the pertinent judicial procedures and seeks reparation for victims, seeks to establish responsibilities for cooperation actors, including the impacts produced by the activities of the business sector in the area of cooperation.<sup>24</sup>

24. More information in: [http://www.transinterqueer.org/uploads/ForumMR\\_Proposal\\_HR\\_Complaint\\_Procedure\\_Dev\\_Coop\\_2012.pdf](http://www.transinterqueer.org/uploads/ForumMR_Proposal_HR_Complaint_Procedure_Dev_Coop_2012.pdf)

25. Law 23/1998, from July 7, of International Cooperation for Development, approved by the Spanish legislature (*Cortes Generales/General Courts*) expressly establishes that the State will foster the activities of non-governmental development organizations and their associations to this end, universities, businesses, business organizations, labor unions, and other social agents that perform in this area, in accordance with the current norms and the present Law, attending to the priorities defined in articles 6 and 7. The public Administrations, within the sphere of their respective competences, may grant aids and public subventions and establish stable agreements and other forms of collaboration with the social agents described in article 31 for the execution of development cooperation programs and projects, establishing the applicable conditions and judicial regime that will guarantee, in every case, the non-profit character of the same.

To improve coordination with implicated actors, the GIZ has created a private Sectorial Advisory Board that will offer a platform for permanent dialogue between the private sector and the cooperation organizations. This board is made up of representatives of the businesses and the industrial associations. It meets at least twice a year to identify common fields of activity and possible paths of cooperation. Its objective is to create stronger ties between the private sector and the cooperation organizations.

### **The Spanish Agency for International Development Cooperation (AECID)**

The implication of the business sector in Spanish cooperation is not recent.<sup>25</sup> Its participation in the architecture of development aid has been characterized, in recent year, by financial cooperation mainly through the recently restructured Spanish Development Aid Fund (FAD in Spanish).

Spanish cooperation took its inspiration from the strategy of the United Nations and other multilateral and governmental organisms, to develop its own collaboration strategy with the business sector. Thus it recently created the Unit of Business and Development and gradually rolled out mechanisms and instruments to support the role of business as a strategic ally. This new perspective is reflected in the current Master Plan (2009-2012) that sees businesses as cooperation actors. Financial cooperation, in turn, is currently carried out by the Development Fund



(FONPRODE), the main vehicle for Spanish financial cooperation since October 22, 2010. It is worth noting that, with regard to attached aid, the October draft of the Busan Forum was considering the goal of eliminating this type of aid in 2014. Nevertheless, in the final document the only reference was to a commitment to “accelerate efforts” to detach this type of aid from ODA.

The Master Plan for Spanish Cooperation (2009-2012) clearly marks a change of cycle.<sup>26</sup> In the Master Plan for the previous period (2005-2008) the sectorial priority of “Promotion of the economic and business network” had already been established, with six strategic lines that embraced a broad range of possible actions. The current Master Plan considers it fundamental to integrate the private business sector into the cooperation system “because of its potential as a development actor.” Thus, the private sector ceases to be a service and product provider, as it had been under the FAD system, to become the only development agent with capacities to promote economic growth, employment and the generation of economic opportunities as the Plan itself indicates.

In the current Master Plan the accords for development association or public-private alliances (Specific Objective 5) are expressly reflected as an instrument of Spanish cooperation. In this same Plan the need to elaborate a “Plan of Action for the Promotion of APPDs” is emphasized, so as to establish measures to improve mutual awareness, eligibility requirement of the main private partners and the requirements with which alliances must comply. In turn, the General Direction of Planning and Evaluation of Development Policies (DGPOLDE) also outlined a similar strategy in its document *Economic Growth and Promotion of the Business Network* (2010).<sup>27</sup> This document indicates that it is necessary to “integrate the private sector in a more active and outstanding way in development cooperation actions, placing greater emphasis on its role as a development actor.”

In consonance with this strategy, in 2011 the AECID opened a line of business cooperation in its Open and Permanent Request for Proposals (*Convocatoria Abierta y Permanente*).<sup>28</sup> Its objective is to foster economic growth that will be inclusive, equitable, sustainable and respectful of the environment through support for the economic, business and associative network in the partner countries. With a budget of 3 million Euros, this RFP is directed toward foundations and non-profit entrepreneurial associations that are only authorized to receive 50% of the co-financing of the action, to a maximum value of 20,000 Euros. As the RFP affirms “it has been seen that for the progress of countries the traditional resources and instruments of Official Development Assistance (ODA) utilized thus far are insufficient. (...) This has led to the consideration of the important of economic growth and private capital as key aspects of poverty reduction and the improvement of living conditions for the most disfavored. In this context, the private sector can contribute to the creation of decent employment and the expansion of business opportunities, and hence to an increment in fiscal resources, which could have positive effects on such other social spheres as health or education (...) the potential of businesses is also unquestionable with regard to the transfer of knowledge and technology, favoring the training and strengthening of capacities at the local level, as well as in every aspect of good management practices and the orientation of these toward obtaining results.”

The Master Plan for Spanish Cooperation (2009-2012) clearly marks a change of cycle

26. MAEC (2009), *Plan Director de la Cooperación Española 2009-2012*, February 13, 2009. <http://www.maec.es/es/MenuPpal/CooperacionInternacional/Publicacionesydocumentacion/Documents/Plan%20Director%202009-2012.pdf>

27. [http://www.maec.es/es/MenuPpal/CooperacionInternacional/Publicacionesydocumentacion/Documents/DES\\_CrecimEmpresaDEFINITIVO.PDF](http://www.maec.es/es/MenuPpal/CooperacionInternacional/Publicacionesydocumentacion/Documents/DES_CrecimEmpresaDEFINITIVO.PDF)

28. [http://www.aecid.es/es/convocatorias/subvenciones/CAP/convocatorias/2011-05-12-Convocatoria\\_CAP.html](http://www.aecid.es/es/convocatorias/subvenciones/CAP/convocatorias/2011-05-12-Convocatoria_CAP.html)

Economic aid, therefore, is limited in this area to non-profit entities with ties to the business sphere

In the *Annual Plan for International Cooperation 2012* there is also a provision, with regard to the private business sector and without prejudice to the continuation of the lines of activity previously initiated, for the elaboration of a document on collaboration strategies with the private business sector and the promotion of mutual understanding between the cooperation sector and the private business sector by means of training activities and workshops for information exchange.<sup>29</sup> In any case, everything indicates that the future Master Plan (2013-2016) will follow along the lines of the current one.

In turn, the Coordinator for Spanish Development NGOs (CONGDE), in its document *Contributions of the Coordinator of NGOs to the IV Master Plan 2013-2016*<sup>30</sup>, makes a series of specific recommendations with regard to the role of the business sector, and warns of the risk of prioritizing strategies of economic growth and promotion of this sector given that, in a context of shrinking resources, it may mean overlooking such other priority sectors as the Basic Social Services (BSS) or the Civil Society strengthening programs that should not respond to criteria of financial or productive returns. A series of recommendations regarding how to approach the relationship with the business sector is enumerated below.

There can be no doubt about the expressly recognized space for the private sector in the master documents on development cooperation in the Spanish State and that for Spanish cooperation, the private sector plays a key role as a development actor in the framework of cooperation. It is evident, therefore, that the government has staked a claim to public-private alliances as an instrument of cooperation in the current Master Plan.

### c) The role of local and autonomous governments

The Catalan law of development cooperation<sup>31</sup> does not preclude public administration from establishing agreements with private entities to carry out development cooperation operations, but it does not authorize the administration to grant subventions or public aid to these entities. Economic aid, therefore, is limited in this area to non-profit entities with ties to the business sphere.

In turn, the 2011-2014 Master Plan for Development Cooperation of the Government of the Generalitat of Catalonia<sup>32</sup>, the main planning document for Catalan development cooperation, provides that the government has a mission to promote sustainable human development by means of a quality, transformative policy of development cooperation. Among the three main objectives of Catalan cooperation policy is improvement in the participation of cooperation and development actors in the elaboration and implementation of this policy by means of *ad hoc* mechanisms. In this framework the Plan proposes to earmark resources to explore new development cooperation instruments that can be adapted to changing realities according to the context, and it makes express reference to the instruments of public-private cooperation. The Master Plan identifies as priorities, among other things, promotion of coordination among public and private, bilateral and multilateral actors, both in the north and in the partner countries, establishing alliances in favor of sustainable human development.

29. <http://www.aecid.es/galerias/publicaciones/descargas/PACI/PACI-2012.pdf>

30. <http://www.congde.org/uploads/documentos/77705fe11c815bd2d84c4928c25cd8f6.pdf>

31. Law 26/2001 for development cooperation, of 31 December, establishes as operations of development cooperation those carried out by public administrations or cooperation agents for the purpose of contributing to the construction by certain countries and peoples of the conditions and capacities necessary to their human development and, in particular, to the eradication of poverty.

32. The information that appears below is copied verbatim from the text of the Master Plan whose link appears here: [http://www20.gencat.cat/docs/cooperaciocatalana/Continguts/01ACCD/05pla\\_director/Pla\\_director\\_2011\\_2014.PDF](http://www20.gencat.cat/docs/cooperaciocatalana/Continguts/01ACCD/05pla_director/Pla_director_2011_2014.PDF)

With regard to financial cooperation, the Master Plan makes a commitment to give continuity to the microcredit programs. As for the granting of concessional credits intended by the Law of Cooperation, the Master Plan does not foresee making use of this instrument except in accord with the criteria previously established in the Council of Development Cooperation regarding the appropriateness and manner of doing so.

The same Plan foresees promoting innovation in its reference to the cooperation mechanisms, adapting them to the changing current realities and global context, and poses as an example the channeling of interests from ethical finance toward development cooperation actions. On the other hand, the Plan also foresees the need to promote alliances for action among cooperation actors and quotes in this regard the NGOs, coalitions and funds of local entities, labor organizations, business organizations, universities, research centers and youth associations. From this exhaustive classification of what constitutes for the Master Plan a development cooperation actor it can be deduced that it does not consider businesses to be development cooperation actors. Nevertheless, and complementarily, the Plan makes reference to the promotion of alliances among development actors of a different nature. These alliances are open to public and private actors, from the north and the south, bilateral and multilateral, and their purpose would be the promotion of networks of collective action that will allow for the creation of institutionality beyond the public institutions and make cooperation actions more sustainable and appropriate to the development promoted by the Government.

According to the Master Plan, “The commitment to this type of alliance arises from the realization that in order to achieve the development objectives in a global world and considering the plurality of the present actors, the actions in the sphere cannot be carried out in isolation.” In this regard, the desire is to respond to the need to build inclusive alliances for development that recognize the traditionally excluded actors, always with respect for the autonomy of each of them. In the framework of this objective, and while the Plan is in effect, the intention is, among other things, to have promoted alliances between public and private actors in the actions of the Generalitat in development cooperation in the partner countries.

In practice, to date, the participation of the private sector in Catalan decentralized cooperation is mainly articulated around the initiatives promoted by the Catalan Agency for Development Cooperation (CDCA) (*Agència Catalana de Cooperació al Desenvolupament-ACCD*, according to the Catalan acronym), ACC1Ó (a public agency in support of Catalan business) and some local governments, in a more embryonic state.

In effect, in recent years, the CDCA and ACC1Ó have promoted diverse initiatives that see the private sector as a motor of development. The first, which started out in 2002, and has been functioning since 2012, is a joint RFP by means of which subventions are offered to non-profit business agents interested in the area of development cooperation.<sup>33</sup> It is not a question, therefore, of direct subventions to Catalan businesses, but to non-profit entrepreneurial entities in which priority will be given to projects that cultivate micro-, small and mid-sized businesses in the beneficiary countries. Most of these projects are intended for knowl-

33. <http://www20.gencat.cat/portal/site/cooperaciocatalana/menuitem.0de8d720dd939ddf28323e10b0c0e1a0/?vgnextoid=0e1e8ee48c906210VgnVCM1000008d0c1e0aRCRD&vgnnextchannel=0e1e8ee48c906210VgnVCM1000008d0c1e0aRCRD&vgnnextfmt=default>

From 2009 on, ACC1Ó took a significant step for the purpose of directly incorporating Catalan businesses into the development dynamic

edge transfer (technical cooperation) to local counterpart institutions in the partner country. To date (end of 2012) some 11 million Euros have been allotted to finance close to 100 projects. The RFP for the year 2010 allotted 920,000 Euros for this type of project, which represents approximately half of the financing granted by the CDCA to the third sector. The 2012 RFP comes to 400,000 Euros.<sup>34</sup>

Another CDCA initiative, launched in July 2012, is the program “Cooperes?” (“Do you cooperate?”) that has the support of the Council of Chambers of Commerce of Catalonia. The project is based on mobilizing private capital to supplement the decrease in autonomic funding and its objective is to “seek new, more stable and innovative sources of financing, adapted to the current situation of Catalan cooperation” that will make cooperation a “more efficient and quality” instrument.<sup>35</sup> In this sense, the initiative puts a gamut of programs and cooperation projects, previously evaluated by the CDCA, so that they are eligible to receive private financing.

In turn, ACC1Ó has organized several initiatives for the purpose of facilitating knowledge transfer and technical cooperation from the Agency to counterpart entities or organisms in southern countries. The objective was to replicate the model of this agency in other developing countries and in a second phase establish or reinforce the economic and business ties between the private sector in Catalonia and that of the beneficiary countries. These projects, which have reached 100 million Euros in value to date, have been co-financed by ACC1Ó but on most occasions their main financing has come from other organisms (Inter-American Development Bank, AECID, etc.). As a result of this action more than 100 projects have been executed in 50 different countries.

From 2009 on, ACC1Ó took a significant step for the purpose of directly incorporating Catalan businesses into the development dynamic. For this purpose it has developed the *Bottom of the Pyramid Program* with which it intends to offer its support to Catalan businesses so that they can develop “new products or innovative, sustainable and cooperative services in developing countries. The objective of the program is to generate new business opportunities that will at the same time have a positive impact on the improvement in living conditions.”<sup>36</sup> To date a pilot project has concluded in Mexico that has not yet been able to achieve continuity through new projects owing to budgetary limitations.

Finally, between 2006 and 2012, ACC1Ó has donated 2 million Euros to the World Bank group for the dual purpose of contributing to the task of the struggle against poverty of this organism while simultaneously favoring the access of Catalan consulting firms to restricted RFPs. In this sense, the activities ACC1Ó calculates as ODA are Aid linked to the World Bank Group, technical cooperation, training and consciousness-raising, as well as direct investment abroad and aid to the internationalization of business (market studies, commercial studies, start-up projects, etc.) ACC1Ó prioritizes those countries in which it can carry out its actions among those who are recognized by the CAD as receivers of funding. Some 17 projects have been approved in areas such as the promotion of agricultural exports from Morocco, the construction of a hospital in Mexico, a social and environmental impact study in Egypt, or the promotion of the ITC sector in Peru. The Department of

34. Joint RFP ACC10-ACCD, Emo Resolution/514/2012, January 27, 2012.

35. <http://www20.gencat.cat/portal/site/cooperaciocatalana>.

36. European Commission, *Renewed strategy of the EU for 2011-2014 on the social responsibility of businesses* October 25, 2011, COM(2011) 681, final at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0681:FIN:ES:PDF>.

International Cooperation was remodeled in June of 2012, coming to be called International Public Contracting.

Finally it is worth including the current reflection, at the core of a good number of local governments, on how to articulate a closer collaboration with the private sector. In this regard the Barcelona Provincial Council (*Diputació de Barcelona*) launched in July 2012 an RFP, which, for the first time, requires the articulation of a public-private partnership in order to have access to its funds.<sup>37</sup> Other local governments weigh the possibility of embedding the private sector in their Master Plans and RFPs.

With regard to the Autonomous Communities in the rest of the State, it is worth stressing that most attempt to promote a greater role for business in the cooperation system asserting their capacities in the area of technical assistance and knowledge transfer. Except for a few concrete cases the channels and modalities of this collaboration, have yet to be defined, and in any case it is not considered the first choice, but rather a complement to cooperation policies with the traditional agents. The representatives interviewed declared that until now the role of the business sector has been very small and centered principally on associations with ties to the business sector. When collaborations with the private sector have been established, they have been one-off and always in collaboration with Development NGOs. In any case, intense internal debates are taking place as to whether businesses should receive ODA financing or whether their participation should take place on another plane, in addition to their role as sources of alternative financing. Some communities argue, nevertheless, that certain developing countries require a closer relationship with the business sector. In any case, the majority of the interviewees emphasize the need to elaborate an in-depth and serene reflection with regard to this topic considering the risks and dilemmas it entails.

Finally, the present reflection, at the core of many different local governments, about how to articulate a closer collaboration with the private business sector should be noted. In this regard in July 2012 the Provincial Government of Barcelona (*Diputació de Barcelona*) launched an RFP in which, for the first time, the articulation of a public-private partnership was required in order to accede to funds. Other local governments are considering the possibility of introducing business into their master plans and RFPs but they have not yet defined the channels and instruments for this purpose.

## Conclusions

Fruit of the analysis of different documentary sources and the interviews conducted, some conclusions can be inferred with regard to the perceptions of the business sector and of the rest of the actors involved, principally NGOs and decentralized administrations, with regard to the growing involvement of business in the system of decentralized development cooperation. Attention must be paid in addition to certain recent initiatives on the state level, such as the future National Plan of the CSR announced by the government in response to the Communication of the European Commission (October 2011)<sup>38</sup> or the possible reformulation of a sponsorship law that, though it is mainly oriented toward the

The majority of the interviewees emphasize the need to elaborate an in-depth and serene reflection with regard to the role of the business sector considering the risks and dilemmas it entails

37. <https://bop.diba.cat/scripts/ftpisa.asp?fnew?bop2012&07/022012016015.pdf&1>

38. European Commission, *Renewed EU Strategy 2011-2014 for Corporate Social Responsibility*, October 25, 2011, COM(2011) 681 final en <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0681:FIN:ES:PDF>.



The majority of the interviewees, both from businesses and from NGOs, labor unions and administrations, point to a shift in both model and scenario

cultural sphere, could complement the public sources of financing in the terrain of cooperation as well. Another key instrument in this territory, which, however, is still in an entirely embryonic state, is the Plan for the Implementation of the UN Guiding Principles on Business and Human Rights that would probably create a new performance framework for businesses in their activities abroad. Finally, it is worth emphasizing the influence of the Action Plan for Promotion of APPDs, foreseen in the Master Plan, and of the Strategy for Economic Growth and Promotion of the Business Network sponsored by the DGPOLDE (*Dirección General de Planificación y Evaluación de Políticas de Desarrollo* –Directorate General of Planning and Evaluation of Development Policies).<sup>39</sup>

The majority of the interviewees, both from businesses and from NGOs, labor unions and administrations, point to a shift in both model and scenario without, however, being able to define exactly what its components will be in the near future. They also agree that the role of businesses, as integral parts of civil society, is fundamental for the generation of economic growth, while questioning whether this fact is sufficient to generate development, or whether they can come to be considered cooperation agents. In general terms, it is also affirmed that businesses must not be excluded from development cooperation policies, but it is considered that their role ought to be only complementary to that of the traditional actors and should not, in any case, be confused with a veiled support for their internationalization.

## Characteristics, capacities and perceptions of the business sector

### *In general terms*

- In the first place, in the framework of this chapter, it is essential to stress the enormous sectorial heterogeneity, and atomization of the private sector, in which the prevalence of a network made up of micro, small and medium-sized enterprises (SMEs) is quite outstanding, in combination with the more minority presence of global businesses with strong direct and indirect impact on developing countries.<sup>40</sup> It has been observed that, while the area of development cooperation is practically unknown for SMEs, it is not for certain global businesses that are familiar with a concept of development that is closely tied to the generation of employability and business opportunities and ever more anchored at the core of business in accordance with their CSR or philanthropic missions. It is, therefore, necessary to distinguish, in our analysis, two different approaches to the debate according to the size of the business organization being interviewed.
- It is equally necessary to stress that the business (or the related foundation) can exercise a multifaceted role in the area under analysis as they can take on alternatively or complementarily different roles at the core of one same organization: a) recipient of public cooperation funding (applicable in this case to foundations, since under Catalan legislation this is only permitted to non-profit entities); b) financier of cooperation projects and/or programs; c) designer, implementer of products and services contracted by the administrations and/or NGOs within the framework of cooperation projects and/or programs.

39. [http://www.maec.es/es/MenuPpal/CooperacionInternacional/Publicacionesydocumentacion/Documents/DES\\_CrecimEmpresaDEFINITIVO.PDF.pdf](http://www.maec.es/es/MenuPpal/CooperacionInternacional/Publicacionesydocumentacion/Documents/DES_CrecimEmpresaDEFINITIVO.PDF.pdf).

40. Consejo Superior de Cámaras de Comercio (2006), *La empresa en España*, Servicio de Estudios. (High Council of Chambers of Commerce (2006), *Business in Spain*, Studies Service.

- Business discourse is attempting to contribute to development cooperation through different types of action, and social action<sup>41</sup> or philanthropy on the part of a related foundation is one of the main paths to such a contribution. This consists of devoting, externally, part of their economic or human resources (corporate volunteers) to social projects aimed at improving the poverty index in a given territory, usually through an NGO of global business alliance underwritten by multilateral organizations.<sup>42</sup> According to a study by the Fundación Joan Vives, 30.1% of Spanish businesses are involved in philanthropic activities in Spain. Forty-two per cent made donations in the form of products or services, 71.1% made financial donations without any kind of return. Finally, 16.6% sponsored activities of other entities in exchange for returns in the guise of publicity or image.<sup>43</sup> In any case, businesses that nowadays are considering public-private alliances with development objectives in the system of decentralized cooperation are almost non-existent. In any case, it is important to point out that, to date, most businesses have taken social action in the south to be development cooperation actions, or at very least there exists an evident confusion in the sector in this regard. It must be made clear that social action and development cooperation are two separate spheres, though often interrelated, and hence must be approached in different ways.
- In general terms, the business sector is unaware of the architecture of aid to development, the RFPs by which it is identified, and the actors who take part in centralized or decentralized cooperation. It is also unaware of the multilateral development instruments and the international RFPs addressed to the business sector.
- In addition, in recent decades, the business sector, to a greater extent global businesses, but also micro, small and medium-sized enterprises (PYMEs, in the Spanish acronym), has multiplied its stake in policies that include social objectives under the umbrella of CSR, sustainability or, more recently, the concept of “shared value”.<sup>44</sup> This paradigm shift, which is related to the inclusion of social (linked primarily to human rights and development) or environmental aspects in business strategy, entails the idea of increasing the contribution and involvement of the business to society in a win-win strategy.
- In this context, it is good to point out as well the emergence of new forms of business, such as the area known as “social entrepreneurship” or the “common good business” (*Gemeinwohl-Ökonomie*)<sup>45</sup> within the social economy that attempts to offer a response to social challenges from a business organizational structure. This new concept of business consists of the creation of businesses managed with financial efficiency criteria whose main *raison d’être* is the convergence of economic activity with the solution of social issues characteristic of collectives in a state of vulnerability and exclusion. This model, which advocates for social change, historically has focused part of its activity on alleviating poverty indicators in both developed and developing countries. The fact that they are for-profit precludes their receiving public funds despite the fact that they may include social and development objectives in their mission and values.
- Finally, it should be indicated that businesses are usually more sensitive to humanitarian crises than to development issues and their response to calls from the third sector for aid tend to be less significant.

## Business discourse is attempting to contribute to development cooperation through different types of action

41. This is defined as the commitment of resources (financial, service or products) to projects of socio-economic development that support disfavored persons in the areas of social assistance, health, education, professional training and employment.

42. According to the *2010 Report on Corporate Volunteerism*, 65% of businesses with more than 500 employees declare that they carry out corporate volunteer activities. The sectors that appear to be most active in this 2010 report are those from Banking (13.7% of businesses in the sample), Telecommunications (9.2%), and Food, Drink and Tobacco (9.2%). With regard to the purpose of the volunteer activity, the businesses interviewed prefer intervention volunteerism. For more information, v.: Lemonche, P. (2010), *Corporate Volunteerism. A bridge for collaboration between business and society*. Madrid, Forética.

43. Sajardo, A. y Ribas, M.A. (2011). “Mecenazgo y filantropía empresarial hacia el tercer sector en España” en *Revista de la Responsabilidad Social de la Empresa*, Fundación Luis Vives, nº6, Sep-Dic 2011. (“Sponsorship and business philanthropy toward the third sector in Spain,” in *Review of Corporate Social Responsibility*. *Fundación Lluís Vives*, Nº6, Sept-Dec 2011.)

44. Porter, M. y Kramer, M. (2011). “Creating Shared Value: Redefining Capitalism and the Role of the Corporation in Society” en *Harvard Business Review*, Enero-Febrero 2011.

45. Felber, C. (2010). *Die Gemeinwohl-Ökonomie. Das Wirtschaftsmodell der Zukunft*. Deuticke.

The Catalan business sector does not know or understand what its contribution to development cooperation could be beyond occasional philanthropic actions

### *Regarding SMEs (micro, small and mid-sized enterprises)*

- The Catalan business sector, mainly made up of SMEs, does not know or understand what its contribution to development cooperation could be beyond occasional philanthropic actions primarily related to the humanitarian sphere. It is unaware of the principles, actors and mechanisms of the field and does not participate actively in any of them. Very few SMEs are familiar, for example, with the Millennium Development Goals despite its being one of the international initiatives with greater media presence. Almost none of them are aware of central aspects of the international agenda.
- SMEs do not necessarily expect economic aid from the administration for their participation in the system of cooperation, but they do look kindly on the possibility of taking advantage of the channels and contacts available to the administration in order, in the middle term, to establish commercial relations with counterparts in developing countries and open new markets for their products or services. The will to become a development agent goes hand-in-hand with the need for some type of benefit that will have a repercussion, at least in the mid-term, in an increase in economic returns.
- In the case of the SMEs, the initiation of actions devoted to development cooperation responds to personal initiatives on the part of a given member of the business management or of its owners, just as occurs in other territories such as CSR.

### *Regarding global businesses*

- In broad terms, two differentiated models of participation can be observed in questions of development cooperation: a) businesses that carry out transfers of funds to Development NGOs without modifying their business strategies with regard to the impact of their activities in the development indexes of the developing countries and, b) businesses that incorporate criteria related to development cooperation in their business model identifying how, through their own business activity, they can generate positive tendencies in the indicators of human development and economic growth.
- Prior to the current context, foundations with ties to the sector constituted a relevant source of financing in the whole picture of state aid. Effectively, and with regard to the economic value of aid, an OECD study of Spanish foundations estimated that they channeled 106 million Euros to developing countries in the year 2000, 12.8% more than in 1999. According to the authors, despite the fact that NGOs continue to be the principal private source of Spanish cooperation, foundations also played an important role, as they channeled 38.1% of the total private flow.<sup>46</sup>
- A great majority of global businesses, whether their capital is national or foreign, are familiar with and aware of, and even incorporate some basic aspects of the international agenda for development cooperation into their CSR or philanthropic policies. The persons in charge of articulating development policy are the same ones who develop and implement policies related to reputation and CSR.
- The concept of "shared value" as the principal axis by means of which to articulate their approach to development cooperation seems to be gaining ground, and is more and more tied to the creation of jobs and

46. OCDE (2004). Comité de Ayuda al Desarrollo, *Fundaciones filantrópicas y cooperación al desarrollo*, Extracto del Diario del CAD de 2003, volumen4, nº 3.



business opportunities from the core of the business and the activities of the business. Hence, actions in areas entirely unrelated to the business core are losing ground.

- Global businesses, with CSR policies oriented toward development cooperation, or foundations that dispose of a strong endowment in this area, consider that businesses are already *de facto* a key player in development cooperation, with a strong direct impact on beneficiary populations. Some have been working in the field of development cooperation for more than 15 years and have become key player in cooperation beyond ODA public policies.
- In general terms, businesses are unaware of the impact evaluations carried out by NGOs with which they habitually collaborate and maintain a relationship of trust. Therefore, there is no learning process on the part of the business regarding the actions it has taken and hence no in-depth reflection upon the terms of the development agenda within the business itself.
- Some global businesses have established ties on both the state and international level with business initiatives whose objective is the contribution of enterprise to development by means of Public-Private Alliances for Development (PPAD) (Campaign “2015: A better world for Joana,” WBSCD, *Business Call to Action*, etc.)
- Some businesses have decided to reorient their funds in the short and mid-term toward the objective of palliating the effects of the crisis in Spain to the detriment of projects in developing countries. The increase in poverty indicators and social inequities, as well as cutbacks in the access to basic services on the local scale is forcing businesses to redirect their social action and CSR policies. Nevertheless, in general, they do not foresee a significant decrease in their contributions in absolute terms despite the economic crisis the sector is suffering.
- In some cases global enterprises have acted as dynamizers of development topics within their own business sector by being the spokespersons for international initiatives (e.g., the “2015: A better world for Joana” campaign).

### Perceptions from the sphere of the NGO

- There is no consensus among the NGOs, whether they come from the development or the humanitarian sphere, regarding the role of businesses in the system of development cooperation. Neither is there consensus regarding the concept of the business as an agent of development or development cooperation. There is a great diversity of positions. While one sector of NGOs is richly nurtured by funds from private enterprise, others, alleging ideological questions or independence of criteria with regard to private interests and a lack of legitimacy of the businesses themselves in this area, reject any kind of relationship with the business sector. One of the reasons brandished is that business is at the core of many of the difficulties in development, and inequities in the poor countries. In any case, the internal debate appears to be accelerating in the current circumstances of lack of resources and on becoming aware of the need to form partnerships to be able to participate in certain RFPs sponsored by local governments in a context of decline of public financing.<sup>47</sup>
- Some NGOs that receive private business funds have their own selection methods to identify businesses as strategic partners based on

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There is no consensus among the NGOs regarding the role of businesses in the system of development cooperation

<sup>47</sup>. For a complementary analysis, v. the chapter devoted to the diagnostic of civil society.

From the present diagnostic of the Catalan context, the identification of a series of consents and dissents can be derived

more or less lax criteria regarding economic, social and environmental responsibility of the potential partner. In any case, what predominates is a utilitarian position that appears to be consolidating in the absence of public funding.

- According to some third sector organizations, global businesses are lacking in legitimacy to operate in the terrain of cooperation owing to incoherence between their discourse and their real impact on fundamental rights in the southern countries. Nevertheless, much less reticence exists with regard to the SMEs though these have fewer resources at their disposition.
- In some cases collaboration with for-profit entities is allowed, as long as this collaboration does not represent the perception on the part of the businesses of money proceeding from ODA to carry out the operation and is not a substitute for traditional cooperation actors. Their role is seen as complementary and in no case a substitute for public policy and ODA.
- A consensus exists with regard to considering second-tier non-profit business organizations (employers' organizations, chambers of commerce and industry, business associations, etc.) as development cooperation actors and receivers of public funding. In any case, this rests on a role for social economy organizations despite their for-profit nature.
- To confront this analytic disparity, the Catalan Federation of Development NGOs (*Federació Catalana d'ONG per al Desenvolupament-FCONGD*) issued a communiqué in April 2012 in which it took a stand against what it called a "privatization of Aid to Development," contradicting the position defended by part of the sector.<sup>48</sup> For the FCONGD business "has an unquestionable role in the promotion of development" but it should not be the receiver of qualifying public funds as ODA since it is not a development cooperation agent, given its logic and internal structures. The FCONGD adds that in the event the businesses are not engaged in infringements on human rights and comply with their fiscal obligations, they may collaborate or co-finance projects but in no case should they receive public funding.
- Only a small number of NGOs has pretensions to taking advantage of their business relationship to attempt to improve the CSR policy of the businesses and the impact of their activities in the developing countries. Some, however, do consider the possibility of starting consciousness-raising activities in this regard.
- Relatively few organizations take into account the consequences that an eventual consolidation of the role of the private sector in the development cooperation system might have with regard to a greater deciding power for business vis-à-vis a policy that over the last decade has had a public character, particularly in Catalonia.

## Reflections and recommendations

From the present diagnostic of the Catalan context, the identification of a series of consents and dissents can be derived with regard to a greater participation of business in the system of development cooperation. Grey areas are also identified, along with certain red lines about which it would be appropriate to begin a joint reflection among the parties involved: mainly agents of decentralized cooperation, businesses, NGOs and labor unions, but also actors from the south and representatives of the social economy.

48. <http://www.fcongd.org/fcongdl/>

The insertion of the business sector in the sphere of development cooperation situates the reflection around the concept of governance and the assumption of responsibilities by the businesses beyond the simple search for economic benefits. These dimensions overlap, therefore, with the debates on CSR and the need to improve the consistency of public policies with regard to the internationalization of business. In any case a certain shift in legitimacy can be perceived from the NGOs toward business in a context in which criteria of efficiency, management ability and innovation are prioritized and the agenda of economic growth vis-à-vis that of human development is reborn. In this sense, a debate on the consistency (internal and external) of policies regarding the assumed development objectives should be taking place.

## Recommendations

1. The insertion of business into the system of development cooperation ought to prioritize the ability of the business to generate productive local networks in developing countries on the basis, not only of respect for the international standards of workers' rights, but also of the *ex ante* and *ex post* analysis of the impacts on economic indicators and human development of the community or territory in which it operates. In this regard, international and regional instruments and obligations regarding human and workers' rights should be used as a reference, establishing the valid criteria and indicators regarding the responsible behavior of the business. These standards, together with the principles set down in the development agenda, should constitute the embryo of business performance in the cooperation system.
2. The participation of the business sector, both for-profit and non-profit, in the system of development cooperation should take place solely within the framework of a system of guarantees sufficient to certify that in the bulk of the process, its contents and its relationships, what will prevail as the primordial objective is the contribution to the human and sustainable development of the beneficiary populations, beyond and beside any other business objectives or personal interests. This system of guarantees should be generated through dialogue with all the interested parties, businesses, third sector, beneficiary populations, administrations, etc.
3. In the event the tendency toward inclusion of businesses in the cooperation systems is confirmed, the bodies of decentralized cooperation should facilitate platforms to construct ecosystems for a transparent collaboration, both internally and externally. The border between development cooperation and internationalization of the business should be clearly drawn, and the impact of certain business sectors on developing countries, should be given particular consideration. It would be necessary to establish jointly and under the guidance of traditional cooperation actors, the objectives to be reached as well as the borders between these and the objectives of the business. The drawing up of contracts with specific clauses ought to allow for the preservation of a clear cut between the spheres of cooperation and of business.
5. The potential of the business lies not only in its ability to generate jobs and/or business opportunities in the southern countries, but also in their potential to generate an employability that will bring added value from a local and human rights perspective to the community in which it is acting.

The decentralized administration could be an appropriate platform for aligning the contribution of businesses with the guidelines established by the international agenda

6. It would be good to study mechanisms and incentives so as to induce in the middle term, through the participation of businesses in the cooperation system, an improvement in the implementation of the standards of development and human rights in the rest of the commercial activities in the southern countries. The potential of the so-called “transforming alliances” (*“alianzas transformadoras”*) as well as the development cooperation initiatives can open the business up to a greater knowledge of its impacts, be they positive or negative, in developing countries.
7. It would be desirable to determine, at every level, the necessary mechanisms and instruments to bring the criteria of aid effectiveness closer to the business sector, thus aligning its participation in the system of development cooperation with the objectives of the international agenda. Its possible contributions, the conditions that ought to decide its eligibility and the mid- to long-term evaluation criteria should also take into account the latest advances in the international agenda. In any case, the decentralized administration could be an appropriate platform for aligning the contribution of businesses with the guidelines established by the international agenda in a context in which the development activities of the business sector are operating at a distance from the guiding principles established by traditional cooperation actors.
8. In certain situations of conflict and post-conflict, businesses, together with other actors, should apply the “Do no harm” strategy along with a perspective of “conflict sensitivity” from the start of the conception of the project, and establish connections with the humanitarian actors in cases of humanitarian crisis.
9. With regard to PPADs, no international directives exist as to what elements define public-private alliances for development, in contrast with the situation in the humanitarian sphere. This makes definition of common development norms difficult for this type of initiative. Such directives could help determine where the line falls between cooperation and business and could offer different models of business involvement, from advisement and knowledge transfer to co-execution of projects.
10. It would be necessary to promote an in-depth debate on the question in which all the actors would establish, jointly and under the guidance of the traditional cooperation actors, the possible different degrees and formulas of implication of the private business sector. It is worth stressing that this implication could be different according to the kind of business, its capacities and knowledge of the development sphere. It is equally important to establish the measures to improve mutual knowledge among actors and debate the eligibility requirements for the potential private partners as well as about possible modifications of the cooperation instruments in this new scenario.
11. An independent entity that could rely on recognition on the part of the different actors, or, alternatively, a platform that could represent the different sectors involved could lead this process. For this to happen it would be necessary to base it on reliable and independent sources that posed the key questions to be considered and bring to the table real data based on mid- to long-term evaluations of the impact on the beneficiary populations following the criteria of aid-effectiveness. It would also be necessary for the debate to begin by seeking consensus regarding a common language that will allow for the articulation of minimal and maximal consensus.

12. Unawareness on the part of businesses of the cooperation sphere requires the realization of *ad hoc* pedagogical activities of development on the part of specialized organizations and experts. Pedagogical materials adapted for the business sector would be equally necessary. This training should also identify and show the opportunity cost of non-participation of business. For all these reasons, it is of vital importance to strengthen the teams and capacities both of the businesses and among the traditional cooperation actors through a shared preparation.
13. Any reflection ought to keep in mind the need to rationalize tasks in accordance with the criteria of aid-effectiveness and the attribution to each actor of the competencies that correspond to it, seeking for all cases the complementarity and non-usurpation of roles. Collaboration, coordination and combination of capacities ought to allow for the generation of hybrid projects in which businesses will provide elements differentiated from those of the NGOs.
14. It would be advisable to identify, analyze and evaluate the experiences of certain governmental agencies that have allowed the private sector a partnering role in the cooperation system. Nowadays, there has been sufficient experience to be able to identify lessons learned, risks and opportunities that include different sectors (agro-food, industry, services, etc.) on the basis of real experiences of centralized cooperation and the achievements and critiques of this model. It is difficult, in any case, to apply replicability without adapting each initiative to the development ecosystem that the decentralized cooperation agents are seeking to promote.
15. With regard to the eligibility of businesses on the part of the administration, it should be based on clearly pre-established rules regarding compliance with internationally recognized criteria and standards. The fact that the administration works with the business sector does not signify per se institutional or official support for it, or for its products or services.
16. It would be essential to provide administrations with the necessary resources to carry out an *ex post* evaluation of projects carried out, financed, and supported by decentralized cooperation to date. It is equally essential, in this context, to carry out *ex ante* evaluations in order to consider the possible impacts of the initiatives that can be carried out in the future in this area. The administration should establish the necessary short-to mid-term follow-up mechanisms in order to go about improving the articulation of the business sector in the cooperation system.
17. Taking into account the heterogeneity of the profile of the business network, it would be necessary to carry out pilot actions for the purpose of, first, defining and, later, designing possible public policies directed toward this sphere. This process ought to allow for the identification and mitigation of possible adverse effects both for the business and for the direct and indirect beneficiaries. All initiative should be carried out gradually and on a case-by-case basis, avoiding massive operations. Results-based evaluations should incorporate both the business and the third sector viewpoint.
18. Decentralized administrations (taking this to mean cooperation carried out by subnational administrations such as autonomous governments, provincial authorities or municipalities), particularly on the local level, has not to date completed accompanying or training tasks in the area of development cooperation among the businesses

The eligibility of businesses should be based on clearly pre-established rules regarding compliance with internationally recognized criteria and standards

present in their environment. This accompaniment could, however, favor the interests of the citizenry and social cohesion both internally and with developing countries.

19. Bearing in mind that in most cases, business development initiatives are not carried out through the decentralized cooperation channels but rather by the initiative of the business itself, in the case of municipalities a “municipalist vision” of business strategies for development cooperation that would also be linked to capacity transfer to local counterparts could also be explored. This type of municipalist cooperation could also link northern and southern businesses through the needs identified by the municipalities.
20. It would be necessary for the government to guarantee that the whole range of its policies, from development cooperation to internationalization of business, and any other, should support, or at least not have a negative effect on, advancement toward the development objectives agreed to on an international level, and those recognized and assumed by the state or autonomous government in its legislation and programmatic documentation. That is to say, it should guarantee the internal and external consistency of the policies.

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