

DECENTRALISED DEVELOPMENT COOPERATION IN SPAIN

Every year, public institutions in Spain generate a large volume of aid. However, we have to define how these development cooperation structures are integrated into Spanish aid strategies and recipient countries' strategies. There is a long-standing tradition of criticising the atomisation of Decentralised aid, though some Spanish Decentralised development cooperation organisations have begun to analyse its advantages, its specific utility, and field of application. Furthermore, a variety of institutional solutions are being developed at the Autonomous Community level, such as regional funds, development cooperation agencies within each specific Autonomous Community, and the transfer of project management to professional organisations.

What is Decentralised cooperation?

The terms 'Decentralised aid' and 'Decentralised development cooperation' are often used synonymously with the term 'aid managed by local administrations', though their definitions tend to be much broader. For example, in some European Union (EU) institutions, the term 'Decentralised aid' also includes aid originating from Non-Governmental Organisations (NGOs) and other players within civil society, while in other member states, including Spain, the term refers only to that aid managed by governmental departments other than those within the central administration. The term 'Decentralised development cooperation', as used within this background document, refers exclusively to aid managed by public institutions other than the central administration, that is, the Autonomous Communities, provincial and regional governments, town halls, the federation of municipalities, and island councils.

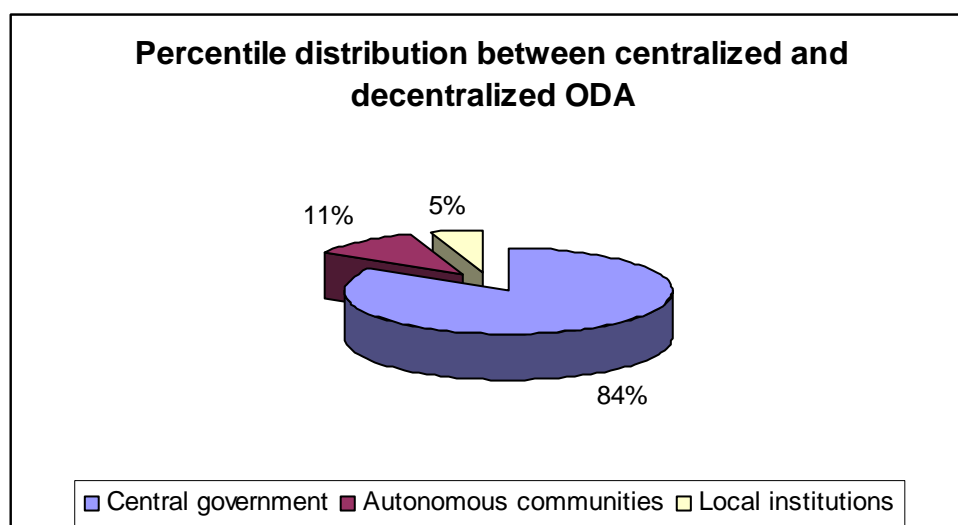
Spanish Decentralised Development Cooperation

Decentralised aid is one of the characteristic traits of development cooperation in Spain, a trait shared with only a few other Development Assistance Committee (DAC) countries within the Organization for Economic Cooperation and Development (OECD), including Germany, Belgium, and France.¹ Spain created the legal framework for Decentralised development cooperation² more than twenty years ago and, in this time, the aid managed by local administrations has increased from an initial 2 percent to a more important contribution, especially as of 1995 when, due to the popular social movements in favour of dedicating 0.7 percent of the Gross Domestic Product (GDP) to international development cooperation, many local institutions committed themselves to using 0.7 percent of their own budgets to this end. Quantitatively, this commitment currently implies that the funds dedicated by non-central government organisations to development cooperation and awareness campaigns accounts for 16 percent of total Official Development

¹ See OECD 2005, 'Aid Extended by Local and State Governments', *DAC Journal*, 6:4, 2005, Part I. www.oecd.org/dataoecd/47/62/35935258.pdf

² The Law Regulating the Bases for Local Regimes 7/1985, dated 2 April, 1985 declares in Article 2.1 the autonomy of local entities to intervene 'in those affairs which directly affect their circle of interests, granting them the required competencies depending on the characteristics of the public activity in question and the management capacity of the Local Entity in accordance with the principles of decentralisation and maximum proximity in the administrative management of citizens.' [author's translation].

Assistance (ODA).³ This percentage makes Spain the country with the greatest proportion of Decentralised aid over total ODA in comparison to other DAC member countries.



Source: The authors, based on the 2005 Follow-up to the Annual International Cooperation Plan (PACI in Spanish)

Some Instruments of Decentralised Development Cooperation in Spain

Decentralised development cooperation comprehends aid offered at the Autonomous Community level and local institutions, and includes diverse instruments and mechanisms, some of which, such as cooperation funds, have a long history. Over the last few years, new structures have been developed to try and improve the effectiveness of fund management and reduce transaction costs. Also, several pioneering Autonomous Communities have been more active in the field of Decentralised development cooperation, and even have their own development cooperation agencies.

Below is a summary of some of the most important instruments within Decentralised development cooperation in Spain. This list is not meant to be exhaustive, and the criteria used to select the following examples only aim to reflect the most innovative mechanisms, as well as to include the most consolidated.

Autonomous Community Development Cooperation Agencies

Currently, ten autonomous communities have passed specific laws regarding development cooperation and others are in the process of doing so.⁴ These laws define the principles, priorities, instruments, and players within Autonomous Community aid programmes, standardising their development cooperation policies and succeeding in these going beyond simple joint decisions. At the same time,

³ Follow up on the Annual International Cooperation Plan (PACI) 2005

<http://www.maec.es/es/MenuPpal/Cooperacion+Internacional/Publicaciones+y+documentaci%C3B3n/>

⁴ For example, see Law 26/100 on development cooperation for Catalonia, dated 31 December, 2001. In its preamble, it expresses the local parliament's will to recognise and support the 'positive and fructiferous presence of Catalanian civil society, an ample selection of NGOs, and institutions working within cooperation and international solidarity movements' and echoing the spirit of the legal framework, 'capable of fomenting, managing, and coordinating Catalanian cooperation in favor of developing countries and people.' [author's translation].

they have established planning mechanisms, such as Director Plans, Annual Plans, and sectoral strategies, which will allow them to define objectives, acquire specific commitments, and establish the criteria for aid management.

In order to consolidate this administrative apparatus, some Autonomous Communities have created their own autonomous development cooperation agencies, such as Valencia and Catalonia, both created in 2003. The efforts carried out by some Autonomous Communities to systematise and standardise the calculation of their aid, adapting the system used to classify projects to international norms as established by DAC, are very relevant, and this is a process that all Autonomous Communities should work towards.⁵ It is worth highlighting that some publish reports, which helps improve development cooperation accountability in Spain while, at the same time, centralised development cooperation has attempted to document the labour of Decentralised development cooperation within its Annual International Cooperation Plans (PACI) and its Country Strategy Documents (DEP, in Spanish) with the aim of harmonising objectives and actions by both centralised and Decentralised development cooperation.

Regional Development Cooperation Funds

These Development Cooperation Funds are non-profit organisations, which bring together and coordinate town halls, provincial governments, and other public and private institutions, with the aim of creating an economic fund to contribute to the development of poor countries, and carry out campaigns to raise awareness about the causes of poverty and inequality. These funds are generally created as associations, though sometimes as consortiums, while their territorial ambit tends to be limited to the specific Autonomous Community, except in the case of the Balearic Islands, where each island has its own fund.

The first regional fund in Spain was created in Catalonia, in 1986. It was soon followed by the Basque Country's *Euskal Fondoa* in 1988, and successively by funds in: Valencia, Balearic Islands, Galicia, Andalusia, Castile-La Mancha, and Extremadura, amongst others. The more recent funds were created based on different constitutional issues, but generally following the basic outlines established in the first funds created.

The existence of these funds is based on the need to coordinate activities carried out by different governments with different responsibilities and activities with respect to Decentralised aid, a principle recognised by the Spanish International Development Cooperation Act:

The large number of institutions and entities participating in cooperation policy has led to the development of a disconcerted and Decentralised aid programme... adequate collaboration, complementariness, and coordination between the different Public Administrations and the different cooperation players is needed, capable of ensuring and guaranteeing greater effectiveness and coherence within its own aid programme.⁶

Nevertheless, the Development Cooperation Funds still do not have considerable weight within the total volume of Official Development Assistance (ODA),

⁵ Medicus Mundi, Prosalus, Médicos del Mundo, '*La salud en la cooperación al desarrollo y la acción humanitaria*', 2005 Report. [Health in development cooperation and humanitarian action].

⁶ (Presentation of Motives for the International Development Cooperation Act 23/1998, dates 7 July, 1998).

representing less than 5 percent of total Decentralised aid.⁷ On the other hand, they do offer an opportunity for encounters and mutual support for all those local entities with reduced capacities and a sensitive population, which demands that their local administration be committed to ODA.

Development Cooperation Councils

Development Cooperation councils are another instrument to coordinate development cooperation policies carried out at the municipal, Autonomous Community, or central government levels.⁸ Currently, these councils exist in ten Autonomous Communities, and are being developed in three others. The social agents implied in, or sensitive to, international development cooperation participate in these councils alongside the team responsible for development cooperation policy in the technical and political areas. Oftentimes, these councils boast of their critical spirit with regard to policies that they agree on internally. The councils, as instruments for citizen participation, are especially interesting at the municipal level, since it is thus that democracy can be strengthened by means of civil society's involvement in preparing budgets and by defining, among other things, the bases used to determine which player is charged with carrying out each specific project, the general line of the policies to be carried out, determining the geographical and sectoral priorities, and the follow-up and evaluation of approved programmes. For all of this, in many towns, the development cooperation council represents one of the first experiences in participatory democracy for the social agents involved.⁹

Challenges and Limits of Centralised and Decentralised Development Cooperation

The most common criticism of centralised development cooperation alludes to its supposed bias, and to the fact that it is not always guided by the principles of development cooperation and humanitarian action. This criticism and, in contrast, the most important virtues of Decentralised aid, are centred on two arguments, analysed below.¹⁰

Firstly, aid carried out by centralised development cooperation does not give sufficient priority to basic human needs, such as: food, housing, health, or education. Calculations on the percentage of Spain's ODA aimed at meeting these basic social priorities does not exceed 15 percent, which, although representative of a significant step forward, is still far from the level established within the Director Plan 2001-2004.¹¹ In this sense, NGOs recommend that this percentage be

⁷ NGDO Coordinating Agency – Spain (CONGDE, in Spanish), *AOD Hoy: discurso y realidad*, 2006. [ODA Today: discourse and reality].

⁸ The creation of cooperation councils is in line with the spirit of Article 2.1 of the Law Regulating the Bases for Local Regimes 7/1985, dated 2 April, 1985, which establishes the autonomy of local entities to intervene 'in those affairs which directly affect their circle of interests, granting them the required competencies depending on the characteristics of the public activity in question and the management capacity of the Local Entity in accordance with the principles of decentralization and maximum proximity in the administrative management of citizens.' [author's translation]

⁹ See Confederación de Fondos de Cooperación y Solidaridad, *Municipalismo y solidaridad. Guía Sobre La Cooperación Descentralizada*. Colección: Cooperación Municipal al Desarrollo nº 5, 2001 [Development Cooperation Funds and Solidarity Confederation, 'Municipalism and solidarity'. Municipal Development Cooperation Collection]. http://www.confederaciondefondos.org/documentacio/Llibre_5_cast.pdf

¹⁰ Ibid.

¹¹ Intermón Oxfam, *La Realidad de la Ayuda 2004-2005*, p. 34. ['The Reality of Assistance'].

increased to at least 20 percent of total bilateral ODA before 2008,¹² in accordance with the 20/20 consensus established within the United Nations Development Programme (UNDP), which requires donor countries to dedicate that percentage of its budgets to that end, so that receptor countries can invest in basic services.¹³ In contrast, it is estimated that approximately 30 percent of Decentralised aid in Spain is dedicated to this sector.

Secondly, the choice of receptor countries is primarily based on criteria regarding strategic convenience or commercial interests. In fact, the most serious defect of Spanish ODA is the high proportion of conditioned aid, that is, assistance granted on the condition that money be spent to acquire goods and services from Spanish business. This is the case with the Development Aid Funds (FAD, in Spanish), which are often seen as a compendium of all of centralised development cooperation's faults: aid for governments (versus base or local organisations), aid in the form of credit (versus non-refundable aid, thereby increasing receptor country debt), aid not focused on basic needs (these credits are generally aimed at financing large infrastructural projects), and aid tied to commercial interests. DAC peer reviews repeatedly mention the need to reduce the percentage of Spanish conditioned aid (especially FAD funds), since this type of aid is not an appropriate instrument for development, and call for making special efforts to adapt the conditions of these conditioned credits when they are aimed at the poorest countries, or at specific social sectors.¹⁴

However, Decentralised aid has its own limitations, such as dispersion and atomisation; that is, the multiplicity of small actors' actions and efforts, which may become dispersed in both time and space. The proliferation of these small and often fragmented projects, in geographically disperse areas, and discontinuous over time, are not the best road for development cooperation to aspire to consolidate itself, and to be constantly evaluated and improved on. Another risk is taking on responsibilities beyond the donors' abilities and necessary human resources. Efficient and professional international development cooperation requires specialised technical personnel, able to evaluate and select projects, and willing to continuously research and reflect on the cooperation tasks to be carried out at the local level.

Lastly, the political and decentralisation process initiated in Spain at the end of the 1970s is worth highlighting. This process has led to these Decentralised entities reaffirming their autonomy, aspiring to action abroad and, as such, aspiring to putting their own activities in terms of international development cooperation into practice. As a result, Decentralised development cooperation at times corresponds, to a large extent, to the will of having and managing its own foreign policy, promoting the image of the Autonomous Community beyond its own borders. In this sense, the words of Artur Mas – former Head Advisor within the Catalan regional government (the *Generalitat*) – are revealing:

The Generalitat has always considered development cooperation as a projection and reinforcement of the universal values which define Catalan identity: peace, respect, and the protection of human rights and democracy, the right of all peoples to defend and protect their culture, language, and their identity, economic and

¹² Intermón Oxfam, *El reto de la AOD española: cumplir los compromisos*, Estudios Intermón Oxfam nº 13, octubre 2004. [The challenge of Spanish ODA: delivering on agreements].
http://www.intermonoxfam.org/UnidadesInformacion/anexos/2987/0_2987_261004_realidad_ayuda.pdf

¹³ See <http://dicc.hegoa.efaber.net/listar/mostrar128>

¹⁴ Development Assistance Committee (OECD), *Development co-operation review of Spain 1998*. DAC Development Co-operation Review Series No. 27, Paris
http://www.oecd.org/document/2/0,2340,en_2649_201185_2087362_1_1_1_1,00.html

*social rights and cohesion, an enterprising spirit, respect for pluralism and diversity, the rule of Law, decentralisation, and democratic participation(...) We consider development cooperation to be a new dimension within the internationalisation of Catalonia.*¹⁵

Advantages of Decentralised Development Cooperation

Decentralised aid arose from the conviction that development cooperation is not the exclusive prerogative of the country's general administration, but rather, that civil society and the Autonomous Community and municipal institutions can and should be agents of solidarity for less developed countries, based on their own commitment to their citizens and the freedom to define their own criteria.¹⁶

Decentralised development cooperation is essentially different from that promoted by governments or, by large international NGOs, basically because they arise from a local community's initiative, independent of large-scale economic and political interests. Decentralised development cooperation also differs from, and complements, aid offered by conventional NGOs, since it represents the plurality of initiatives arising from diverse local groups, and involves local public institutions (town halls, counties, federation of municipalities etc.) in the management of international development aid. These institutions, the closest political administrations to the citizen, are the institutions that allow for the greatest degree of collective participation.¹⁷

As such, the most definitive trait of Decentralised development cooperation and the one that has represented a strong point for its growth, is the fundamental role that civil society has in demanding, defining, and even managing this cooperation, due to its proximity to these local administrations. Proof of this, is the fact that nearly 80 percent of Autonomous Community and local institution ODA is being managed by NGOs. Nevertheless, many of these organisations have begun to stop, or even reverse this trend, over the last few years, due to accusations that Decentralised administrations have become NGO financiers. Many Autonomous Communities, and some local entities have begun to carry out development cooperation projects and programmes directly, for which, in some cases, they have opened their own offices directly in the field. At the same time, some co-financing initiatives are also carried out by Autonomous Communities, in order to have a wider reach. In this sense, the Director Plan for Catalonian Cooperation 2002-2006, foresees the possibility of Catalonian development cooperation co-financing projects with other national and public institutions (such as the Spanish Agency for International Development Cooperation, AECI) or international or multilateral organisations, thereby multiplying the effects of Catalonian development cooperation.

Other entities, particularly town halls and provincial governments, have fewer technical or financial capacities and have opted to join the so-called Development Cooperation Funds. These were initially created in 1986, to channel the contributions made by different institutions (town halls, provincial governments, county offices, and even Autonomous Community administrations) within a single territory in a coordinated manner, offering these institutions support and technical management while reducing transaction costs. Among other mechanisms, the aim of these funds is to respond to the aforementioned limitations of Decentralised development. Reflection and analysis of the diverse experiences of local

¹⁵ Memòria de la Cooperació Catalana 2001-2002. (Memory of Catalonian Development Cooperation 2001-2002)

¹⁶ Confederación de Fondos de Cooperación y Solidaridad, *op. cit.*, 2001. (see footnote 9 for author's translation.)

¹⁷ See the conclusions of the first meeting between cooperation funds held in Barcelona on the 15th of January, 1994.

development cooperation carried out in Spain as of the 1980s, have demonstrated to municipal governments the need to create bodies to facilitate supra-municipal coordination, and optimise the work carried out by the different local administrations.¹⁸ As a result, spaces for coordination between different local entities have arisen, in order to try and avoid adopting contradictory cooperation models, thereby facilitating the work of local administrations in terms of international aid, without having to create their own international development cooperation models and avoiding duplications, management expenses, and differing and often incoherent development models. At the same time, these funds also ensure project continuity, guaranteeing that their financing does not depend on sudden changes, both at the local political level or due to a sudden emergency situation in receptor countries.

The expectations regarding Decentralised development cooperation are still pending on the latter successfully overcoming the deficiencies existent since creation, and on its expansion of potential comparative advantages. Among these deficiencies are: the instability and dispersion of funds, the heterogeneity of instruments and processes, and a lack of skilled personnel. All of these have been attributed to the inexperience of the Funds, as well as to the variety and lack of coordination between the diverse types of entities that make up Decentralised development cooperation. These limitations contrast with the decentralised model's proximity to Spanish civil society and, potentially, the latter in receptor countries. Decentralised development cooperation in Spain is faced with the challenge of correctly reconciling its civil proximity with efficiency, thus avoiding the dispersion and duplication of its low-intensity efforts.

Foroaod – Spanish Development Aid

FRIDE organised the project "Spanish Development Aid - Mid-term Review and a Proposal for a Participative Consultation" between June 2006 and April 2007. This project aims to develop a consultation process about the current Spanish government's development cooperation policy. We have created a forum for participation and debate, in order to assess the Spanish development cooperation reform agenda and to identify the main achievements and shortcomings in operationalising the initiatives based on the principle of "More Aid, Better Aid". A set of recommendation guidelines were developed, through participative methods, with the objective of putting into practice the aspirations of the Spanish development cooperation policy.

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¹⁸ Confederación de Fondos de Cooperación y Solidaridad, *op. cit.*, 2001. (see footnote 9 for author's translation.).

