



4TH WORLD FORUM OF
LOCAL
ECONOMIC
DEVELOPMENT

PRAIA, CABO VERDE - 17-20 OCTOBER 2017

*Local Economic Development as a Comprehensive
Framework to Localize the Sustainable Development Goals.
Addressing Rising Inequalities*



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Framework to Localize the Sustainable Development Goals.
Addressing Rising Inequalities*

OBJETIVO GLOBAL # 8

Trabalho Decente e Crescimento Econômico

Promover o crescimento econômico sustentado, inclusivo e sustentável, emprego pleno e produtivo e trabalho decente para todos





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PARTNERS



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ASOCIATES



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1. INTRODUCTION

The **4th World Forum of Local Economic Development (4th WFLED)** was celebrated in the City of Praia, Cabo Verde, from 17 to 20 October 2107. The IV Forum was a continuation of a productive, long-standing, and inclusive global process and exchange of ideas aimed at enhancing policy dialogue and building a transversal alliance on Local Economic Development (LED) as a strategic and operational framework for sustainable development. The 4th Forum, promoted by the Government of Cabo Verde in collaboration with the Forum's organizing partners, advanced the emerging global dialogue to achieve the Sustainable Development Goals (SDGs), as enshrined in the 2030 Agenda, through a new development paradigm that is more people-centered and place-based.

The Praia Forum, the first WFLED to be held on the African continent, brought together high level government officials and policy makers, international development partners, non-governmental organizations, civil society associations, academic researchers and policy experts, student activists, private sector leaders and business groups, community leaders, local and regional government representatives from 88 countries from all regions of the world, including 10 island states. During the four days of the Praia Forum, nearly 2,800 participants exchanged ideas, vigorously debated the great issues facing our communities and planet, shared best practices, built new partnerships and strengthened existing collaborations. The 34 interactive panels, 8 high level policy dialogues, 7 learning agendas, 4 plenary sessions, 6 special focus panels on the special and differentiated conditions of the Small Island Developing States (SIDS), and numerous presentations and open discussions by local governance policymakers in the Speakers Corner, not only continued and deepened the global dialogue begun in the First Forum in 2011, but it strengthened knowledge sharing and generated fresh ideas about how Local Economic Development can be an effective instrument in our collective efforts to construct more just, peaceful, resilient, prosperous and inclusive societies.

The 4th World Forum of Local Economic Development (henceforth, the Praia Forum) was promoted by the Government of Cabo Verde, and jointly organized and supported by the Government of Cabo Verde, the Global Network of United Cities and Local Governments (UCLG), and its committee on LED through the Andalusian Fund of Municipalities for

International Solidarity (FAMSI), the Organization of United Regions (ORU FOGAR), the Municipality and Province of Turin, the Brazilian Service of Support for Micro and Small Enterprises (SEBRAE), the International Labor Organization (ILO), and the United Nations Development Program (UNDP). The Praia Forum's rich debates and discussions were further enhanced by the high level official representations that participated, including the President and Prime Minister of the Republic of Cabo Verde, the Under Secretary General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, dozens of ministerial level representatives, mayors, presidents of regions from around the world, as well as high ranking officials from the International Labor Organization (ILO) and the United Nations Development Program (UNDP).

Confronted by the rising inequalities within and across territories, unsustainable patterns of production and consumption, injustice, extremism and divisive politics of the current global economic development model, the Praia Forum firmly asserted the relevance and urgency of Local Economic Development as a solid foundation for:

- Building integrated and cohesive territories;
- Enabling people and leaders to construct resilient and peaceful societies, especially in situations of fragility;
- Growing sustainable and inclusive economies;
- Drawing greater attention to special development challenges and climate changes threats faced by the SIDS, and supporting their efforts to foster sustainable growth with equitable human development.

The Praia Forum, like its antecedents, was premised on a shared assessment that the failings and inadequacies of our current development model and policy practice – models and practices that patently deepens the global climate change crisis – make it imperative that we embrace a new paradigm that corrects these failings and charts a new course toward a more just, inclusive, sustainable and peaceful world. The landmark **2030 Agenda for Sustainable Development**, adopted by world leaders in 2015, provides a comprehensive reference for a people-centered, transformative vision and action on achieving sustainable development through the establishment of inclusive, cohesive, peaceful, and resilient societies.

The purpose of this Report is to collect and document, in summary form, the proceedings, debates, discussions, recommendations, and key initiatives from the four days of the Praia Forum. A vital component of the LED process is knowledge sharing and the exchange of good practices in LED implementation. As such, the aim of this Report is to facilitate the global dialogue, dissemination of best practices, and provide a documentary basis for the planning of succeeding Forums as well as the preparation of the upcoming joint assessment of the World LED process. This Report is based on the rapporteur meetings notes from all 54 sessions of the Praia Forum as well as inputs from the Speakers Corner and the B2B activities. The Report conforms to the 4th WFLED Concept Note. It borrows extensively from the Concept Note and other Forum background materials.

1.1 Thematic Focus and Organization of the 4th Forum

The 54 different sessions and over 300 speakers at the Praia Forum were organized along four distinct but interrelated thematic lines: LED as a foundation for i) Integrated and Cohesive Territories; ii) Resilient and Peaceful Societies in Fragile Context; iii) Sustainable and Inclusive Economies; and iv) the Special Focus on Small Island Developing States. The special focus on SIDS was apropos given the 4th Forum's location in Cabo Verde, one of the world's SIDS with an impressive record on human development, democratic governance, decentralization, and social peace, but confronted by major challenges in terms of sustainable growth, greater inclusion and opportunities for all, and the perils of global climate change that the island country, like all other SIDS, face today.

The Praia Forum consisted of a rich mixture of interactive panels, high level policy dialogues, plenary sessions, a dynamic set of learning workshops, an open Speakers Corner, a rich and diverse exhibition venue for artisans, businesses, local governments, and service providers, a Business-to-Business (B2B) platform, a cultural agenda of shows, dance and musical performances, and guided tours of local communities.

The primary platforms for structured debates and discussions consisted of 34 interactive panels, 8 policy dialogues, 7 learning agendas, 4 plenary sessions, and the open Speakers Corner where on a daily basis over a dozen different presentations were made

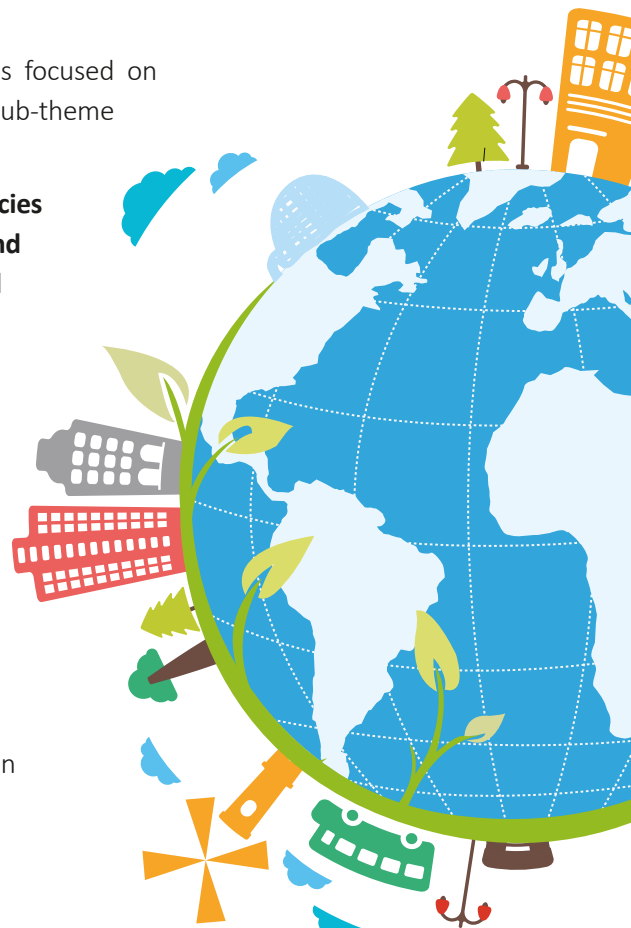
"We need to build bridges, not walls"

*Secretary of State **Fernando Garcia Casas**, Spain, Praia Forum*

by municipal governments, local associations, community groups, and social entrepreneurs.

Fifteen panels and high level policy dialogues focused on **Integrated and Cohesive Territories**, with sub-theme focus on two areas.

The first sub-theme addressed **enabling policies and frameworks for socio-economic and territorial cohesion**. This sub-theme explored territorial mechanisms that coordinate among actors across society, and which facilitate the incorporation of their specific knowledge and practical know-how in policymaking and planning. In pursuing the objective of sustainable and inclusive growth trajectories, and therefore more balanced and equitable development, increasing attention must be given to the notion of cohesion, in its two complementary dimensions as socio-economic and territorial cohesion. The focus on the territorial cohesion





aspect of sustainable development brings into focus not only the spatial dimension to equitable and sustainable growth but also the social and cultural dimensions as well since both are critical to the establishment of cohesive societies. This broader conception of territorial cohesion thus guides policy actions, institutional frameworks, and practices that enhance the wellbeing of citizens where they live, work, and play, and empower them to build resilience to social tensions and conflict.


"We need a new vision, with clear local roots"

Praia Forum Participant, Opening Ceremonies

The second sub-theme addressed the dynamic of **integrated rural development as a means for regional competitiveness and territorial equality**. Our current development paradigm conceives of urban and rural spaces as separate. Moreover, its urban bias further aggravates territorial imbalance. This misconception informs planning and public investments at all levels of government. Yet the urban and the rural are intimately interdependent. The sustainability of one is impossible without the sustainability of the other. Territories are interdependent. Whether in terms of food security, consumption markets or labor force, cities depend on healthy and prospering rural areas, and vice versa. Indeed, as many speakers at the Praia Forum pointed out, cities have a vested interested

in promoting balanced regional growth and thriving rural areas because these become effective instruments to stem rural exodus and the urban plight often associated with uncontrolled internal migration and urbanization. Rural exodus is bad for rural areas as much as it is bad for urban areas. Uncontrolled and unsustainable urban sprawl, along with poorly integrated planning and public investment in infrastructure and services that bias urban areas, harm rural areas and further weaken their capacity to play a positive role in national development. The drivers of rural development and rural-urban integration were examined, keeping in mind connectivity, participation, environmental sustainability and integrated local production and consumption systems. In addition, regional integration was examined through the lens of related LED policies and practices. The role of territorial cooperation in scaling-up LED processes and promoting cohesion was also considered from a global perspective.

For the **second thematic line, Resilient and Peaceful Societies**, an additional 15 sessions and panels, among them two high level policy dialogues and a plenary session, debated LED strategies and conditions to create **Resilient and Peaceful Societies**. Two sub-themes inspired passion and calls to action: **building peace in conflict and post-conflict situations, and the second sub-theme on enabling policies and the role of the Local and Regional Governments (LRG) in building integrative and cohesive societies through LED**. Within fragile contexts and post-conflict scenarios, the forum focused on peacebuilding. It sought to renew a 'social contract' through dialogue and participation, and empower disrupted communities through the LED dynamics of employment and income generation. It explored methods to restore institutional and economic infrastructure.



"There is a need to move away from representative democracy to a participatory democracy"

Praia Forum Panelist

The forum also explored enabling policies and the role of LRGs in building integrative and cohesive societies through LED. It reviewed inclusive service provision strategies. It considered LED and migrations within and across territories, while also assessing environmental sustainability criteria and natural resources management.

In the third thematic line drew attention to the LED as a foundation for building **Sustainable and Inclusive Economies**. Fifteen panels and high level discussions debated the foundations for Sustainable and Inclusive Economies. The forum examined enabling frameworks for Social and **Solidarity Economy (SSE)** and other alternative economic paradigms. It explored the potential of SSE as a localized circuit, leveraging the economic potential of territories and reinvesting value for local wellbeing. In doing so, the forum aims to break the barriers of sectorial approaches by examining the value, 'efficiency of proximity' and the specific potential of alternative/complementary paradigms.



Inclusive and sustainable urbanization patterns were also explored during the Praia Forum, focusing on new paradigms for private sector engagement. The forum sought to promote the gradual regularization of the urban informal economy, and it aimed to strengthen access in the transition phases. Other policies and instruments were explored, such as sustainable investment and service delivery in urban contexts. The forum also considered the role of SMEs and their networks: Entrepreneurship and decent employment creation; the challenge of cooperation and new forms of partnership with local authorities; social responsibility and the territorial impact of enterprises; investment and services' financing models and tools.

The discussion around the **Forum's Special Focus on the Small Island Developing States (SIDS)** was both apropos and timely. The host of the 4th Forum, Cabo Verde, has emerged as an internationally visible small island state. It was joined at the Praia Forum by 10 other island states. It is among the world's SIDS with a comparatively successful socioeconomic and political performance. Yet, like all SIDS, Cabo Verde's is confronted by the many challenges and risks that island states face because of their small size, insularity, external vulnerability, narrow productive base, their ecological fragility and extreme liability to global climate changes and natural disasters. The Praia Forum gave the SIDS an opportunity to draw additional attention on integrated development issues that define the economic, social and environmental vulnerability of the small states, with special emphasis on the challenges and potentials, territorial articulation and integration, tourism and local development, environmental management and risk mitigation and specially partnership for financing development both at local and national level. Much of the discussion focused on sub-themes such as **development financing** and **climate change risk mitigation**.

As reinforced in the 1994 Barbados Program of Action, the 2005 Mauritius Strategy of Implementation, and the SAMOA Pathway adopted by the United Nations in 2014, SIDS, in addition to common difficulties faced by all developing countries, and in the pursuit of a sustainable development, have an additional series of severe and complex challenges to cope with that requires special assistance from the international community. The unique characteristics and vulnerabilities that SIDSs face are varied, and a challenge to their development processes. The SAMOA declaration recognized the need to support and invest in SIDS so that they can achieve sustainable development by investing in education and training of SIDS people. The promotion of training and education for sustainable development is especially crucial for SIDS that are under direct threat from climate change, since it will increase skills and empower communities to make informed decisions for sustainable living.

1.2 An Ongoing Global Dialogue and Call to Action – Rationale and Objectives of the 4th Forum

“All development is local; all development is human,” asserted Cape Verde’s Prime Minister, Ulisses Correia e Silva, in his welcoming remarks to open the Forum. The World Forum of Local Economic Development is an on-going process of dialogue, knowledge-sharing, and partnerships that seeks to promote Local Economic Development (LED) as an alternative paradigm for a more sustainable and inclusive socioeconomic development and human wellbeing. As an on-going global process aimed at enhancing policy dialogue, encouraging creative thinking and disseminating sharing innovations and best practices, the Praia Forum and its antecedents promote LED as a strategic and operational framework to implement and achieve the Sustainable Development Goals of the 2030 Agenda at the local level. As such, the Praia Forum, like the previous forums, was dedicated to deepening the analysis of LED as a vehicle to implement the SDGs at the local level, towards more sustainable, inclusive and equal societies, with a special emphasis on its potential to address rising inequalities.

The World Forum of Local Economic Development is based on the simple, but radical, premise that all development is local and lived by real people. As Amartya Sen reminds us, development is a meaningful concept only if it entails the expansion of human freedoms, capabilities, wellbeing, and opportunities for all individuals. The LED is a much broader vision and operational framework of development. It sees development as a people-centered, place-based process. Human development and wellbeing is lived in, embedded in, the place where people live, work, worship, learn, love and play. It is at the local level where we find the most intense and intimate nexus of citizens, institutions, authority, and society. As such, the LED perspective allows us to reconsider policies and actions that create an enabling political and institutional environment that allows and empowers citizens, local communities, local stakeholders and authorities to build prospering, inclusive, resilient, peaceful and just societies from the bottom-up.

As expressed repeatedly during the discussions of the Praia Forum, the on-going process of the World Forum of Local Economic Development is also premised on the fact that, despite enormous achievements, the current global development model has failed to deliver prosperity for all. More still, the current model has engendered or exacerbated global problems such as environmental unsustainability and indiscriminate pressure on natural resources, resource conflicts, socio-political instability stemming from poverty and exclusion, extremism, and a growing list of countries experiencing increasing urbanization, intense migration flows and internal violent conflicts and fragility nearly four decades after the end of the Cold War. Above all, the Praia Forum displayed a common view that the current global development agenda cannot, and may be incapable of, addressing local human development problems in all territories and for all populations. As Mozambique’s Vice Minister of Labor, Employment and Social Security, Oswaldo Petersburgo, asked: is the global agenda truly interested in contributing to local development or simply profiting from certain local opportunities? Are the global actors and decision makers conscientious of the difficulties of local agendas?



"The Praia Forum is more than this event; more than a moment. It is a commitment"

Ulisses Correia e Silva, Prime Minister of Cabo Verde, Praia Forum, Closing Ceremonies

The Praia Forum was not just an event or a one-time gathering. Rather, it was part of an ongoing global process of dialogue and exchange that began years ago, which has been building and cementing a global alliance among a wide array of engaged actors. As with the previous forums, the Praia Forum was embedded in a much broader, on-going set of local, regional, and global events and initiatives. This continuing, open and inclusive process brings together local and international actors on a regular basis, allowing for the involvement of a diverse range of development actors, and it turns the global dialogue into concrete opportunities at local level. As with the past forums, the nature of the process thus strengthens the credibility of the Praia Forum. It enhances the quality of its results and recommendations, and their subsequent use in the formulation and implementation of LED policies, strategies and activities.

This ongoing global dialogue began with the 1st World Forum of Local Economic Development, held in Seville, Spain, in October 2011. The 2nd World Forum of Local Economic Development, under the emblem of “Dialogue between territories: Other Views of Local Economic Development,” took place in Latin America, in the city of Foz do Iguacu, Brazil, in 2013. Bathed in the splendor and wonder of the Iguacu Falls, the Foz do Iguacu Forum was followed in mid-October 2015 by the 3rd World Forum of Local Economic Development, held in the beautiful City of Turin, Italy. Leading up to the Praia Forum, a series of events and initiatives were organized in preparation of the 4th Forum. The 2nd Regional Forum of Local Economic Development for Latin America and the Caribbean was held in the city of Tiquipaya-Cochabamba, Bolivia, in June 2017, with over 1,000 participants from 25 countries. The Final Declaration of the 2nd Regional Forum recognized, among other issues, the region-specific challenges facing Latin America and the Caribbean. Other

"Act locally, think globally"

Chiara Appendino, Mayor of Turin, Italy, Praia Forum, Opening Ceremonies

national events took place all over the world. The city of Tacuarembó, Uruguay, for instance, was host to the Local Economic Development Forum in October 2017. In May 2017, the beautiful Atlantic seaport city of Mindelo, Cabo Verde hosted the Conference on the Blue Economy and Local Economic Development, organized by the Food and Agriculture Organization (FAO) of the United Nations and the Government of Cabo Verde. The Conference promoted the sharing of experiences and successes in the blue economy and blue growth from around the world. In July 2017, the Island of Sal in Cabo Verde was the site for the International Summit on Local Power and Sustainable Development, while the city of Praia hosted the International Seminar on the Role of the Social and Solidarity Economy in the LED Process and the Implementation of the SDGs.

The Local Economic Development process is grounded in the firm belief in the relevance and effectiveness of LED, as a strategy and integrated operational framework, for implementing and achieving the SDGs. There are strong theoretical and practical grounds to embrace LED as a vehicle for not only economic growth, but a growth that is sustainable, equitable, and inclusive. The current conventional model, based on the many questionable neoliberal claims and assumptions that emerged in the 1980s, has proven incapable of delivering growth with sustainability, equity, inclusion, and resilient communities. Integrated LED systems are effective means for localizing the SDGs, for strong, prosperous and inclusive communities and regions are the building blocks of resilient, thriving and just societies.

The Praia Forum involved a rich discussion and exchange of knowledge and best practices among a broad range of actors from different countries, territories, and with different roles and functions. This brought substantive advances in the reflection and the potential for joint action for the implementation of the 2030 Agenda. In September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development, defining 17 Sustainable Development Goals and 169 targets to be reached in 15 years.



Out of the ongoing debate on ways to implement the SDGs, Local Economic Development (LED) stands out for the prospect it represents as a strategic and operational approach to localize the SDGs. With a large body of practical experiences and tools, applied in numerous countries, LED can play an important role in making the global goals a reality – by tackling poverty, generating employment and decent work, fostering entrepreneurship and creating multi-stakeholder partnerships. LED is understood as a strategically planned, inclusive and locally driven approach focused on generating sustainable local economic opportunities and quality of life gains through improved economic governance.

Unlike conventional economic development, LED strategies reflect upon the need to articulate responses adapted to the global context, yet their primary aim is geared towards local, human, inclusive and sustainable development. This view of development indicates a territorial core: it is based on the area's endogenous resources, while observing environmental sustainability criteria. Furthermore, it prioritizes local social and cultural realities. Therefore, LED is a comprehensive framework of territorial planning. It constitutes today a consolidated set of diverse and widely applied practices and tools, directed at enlarging equal opportunities for income and decent work. Sustainable LED strategies enable local people to build upon local resources and make use of their advantages and specific knowledge endemic to their territory. These strategies manage consumption and production patterns, in a way that is supportable for the region.

In this manner, **LED addresses rising inequalities**. It allows for a more geographically dispersed economic development and generates sustainable economic opportunities for all people, including women, indigenous people, youth, ethnic minorities and vulnerable groups.

"The territorial level ensures maximum development impact' "

Patrick Keuleers, UNDP, Praia Forum

The 2030 Agenda specifically recognizes that in an increasingly global economy, cities and regions come to the fore and are important channels for the transformation at play. The pursuit of LED has now changed from a low-priority function of local governments to a central concern that encompasses the interests of all actors at the local level. It is now regarded as central to the public policy in local, regional and national government agendas.

Thus, LED has the potential to ground global partnerships and strategies at the local level, wherein all local stakeholders work together to define priorities, and plan and implement development strategies. This outcome must be constructed through public participation. Participatory territorial planning requires the sharing of experiences, tools and strategies for the application of a territorial focus. The Praia Forum deepened the analysis of LED as a vehicle to implement the SDGs at the local level, towards more sustainable, inclusive and equal societies.







2. PARTICIPANTS IN THE PRAIA FORUM

During the four days of the Praia Forum, nearly 2,800 participants from 88 countries exchanged ideas, vigorously debated the great issues facing our planet and human development, shared best practices in local development, built new partnerships and strengthened existing collaborations. The 34 interactive panels, 8 high level policy dialogues, 7 learning agendas, 4 plenary sessions, 6 special focus panels on the special and differentiated conditions of the Small Island Developing States (SIDS), in addition to numerous presentations and open discussions by local and municipal officials in the Speakers Corner as well as Business-to-Business (B2B) networking platform, not only continued and deepened the global dialogue begun in the First Forum in 2011, but it strengthened knowledge sharing and generated fresh ideas about how Local Economic Development can be an effective instrument in our collective efforts to construct more just, peaceful, resilient, prosperous and inclusive societies. The Praia Forum deepened our understanding and knowledge sharing of best practices and policy innovations of LED as a vehicle to implement the SDGs at the local level, towards more sustainable, inclusive and equal societies.

Key Recommendation and Commitment of the Praia Forum Delegates

- *To continue democratic dialogue, joint advocacy and partnership building efforts to promote LED as a means for inclusive, equitable and sustainable development in the framework of the 2030 Agenda and its implementation at the local level.*

After nearly two years of preparation, commitment and hard work by a dedicated group of individuals from several countries, the organization of the Praia Forum consisted in 54 different sessions, involving over 300 speakers, in sessions organized along four distinct but interrelated thematic lines: Integrated and Cohesive Territories, Resilient and Peaceful Societies in Fragile Context; Sustainable and Inclusive Economies; and the Special Focus on Small Island Developing States. The Forum was held in the meeting rooms and facilities of the National Stadium. A testament to the compelling and inclusive nature of the discussions during the Praia Forum, the level of participation and session attendance remained at full capacity throughout the four days. The 2,800 participants included over 2,200 nationals

- *To establish and/or strengthen dedicated networking mechanisms as means to promote agendas for regional cooperation through LED.*
- *Facilitate agreements and promote international financing instruments for joint initiatives to support LED processes in territories as well as between territories, including decentralized, South-south and triangular cooperation networks, platforms, and other institutional coordination mechanisms.*

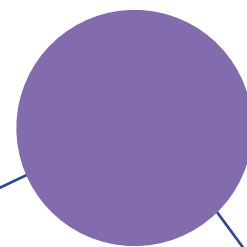
and 600 visitors from other countries. The Praia Forum was the largest such gathering ever hosted in Cabo Verde, and benefitted from the participation of over 600 collaborators such as local business, volunteers, public institutions, civic organizations, and interpreters.

The Praia Forum was inaugurated with a high-level, standing room only opening ceremony. Formally initiating the proceedings of the four day gathering, the opening ceremony was graced with the presence and contributions of dignitaries from all the partner institutions, high representation from national municipal authorities, the Prime Minister of Cabo Verde, and the Hon. President Jorge Carlos Fonseca, President of the Republic of Cabo Verde. A high level plenary session, co-organized by the governments

of Cabo Verde and Spain, quickly followed the opening ceremony. Closing the first day's activities was a welcoming reception and cultural activities offered by the Government of Cabo Verde.

The first day's high-level plenary session was one of four plenary sessions during the Praia Forum. The heavily-attended plenary sessions brought together high ranking officials, development policy experts, and practitioners. The plenary discussions united international, national, regional and local officials and development actors to address the concept and framework of the LED, and its potential role as a means to implement the Agenda 2030 and localize the SDGs. Among the many high-level interventions included contributions from the United Nations Under-Secretary General, other high level officials from the United Nations system, the Foreign Minister and Minister of Agriculture of Cabo Verde, ministers from several other countries, including the Foreign Minister of the Maldives, the President of the UCLG, the President of ORU Fogar, the President of FAMSI, a Deputy Minister from Bolivia, mayors from nearly all regions of the world, and numerous other officials, scholars and practitioners.

Participants in the Praia Forum heralded from all regions of the world, representing a broad cross-section of actors, stakeholders, and experience.



- *To facilitate agreements and promote international financing instruments for joint initiatives to support LED processes in territories as well as between territories, including decentralized, South-South and triangular cooperation networks, platforms, and other institutional coordination mechanisms.”*
- *To encourage further reflection and initiative on the potential of LED in Small Island Developing States (SIDS).”*


2.1 The Host City: Praia

The capital of the Republic, the Municipality of Praia was the gracious host of the 4th World Forum on Local Economic Development. Located on the country's largest island, Santiago, Praia is both the political and the economic epicenter of Cabo Verde. The ever sprawling city of over 130,000 inhabitants has become a melting pot of nationals from all the other islands as well as foreigners and other immigrants who have made Cabo Verde their new home. It is a city of modern high rises, traffic congestion, and fibre optics, but the symbols, vestiges, and architecture of its colonial past are visible, especially in its historic center of Plateau.

In more ways than one, the host city is a microcosm of many of the socioeconomic and territorial challenges that the LED seeks to address. Praia itself is a case study for the many panels on the challenges of territorial integration and cohesion, urban-rural divide and rural exodus, socioeconomic inclusion, the need to build up the resources and capacity of local and regional governments, the dynamics of informality, regional disparity, imbalanced growth, and so on.

As in nearly every other developing world, and universal as a historical pattern, Praia has become a magnet city where population, economic activity, resources, markets, infrastructure, and investments are increasingly concentrated. Regional imbalance and uneven distribution of economic activity and opportunities have emerged as a critical issue in Cabo Verde. In summary, economic activity and opportunity are concentrated on four islands, including the two tourism-dominated islands, and the other five inhabited islands find themselves increasingly marginalized and falling behind. As a magnet city, Praia is the single largest destination of internal migration in the country. This is unsurprising giving the concentration of the economy and employment opportunities in the capital city. Praia accounts for nearly a quarter of the country's population; over half of the population on Santiago Island lives in Praia, a visible testament to rural exodus on one island alone. Nearly half, an estimated 43%, of the country's GDP is concentrated in Praia, although the figure is likely higher because to the extent of the informal economy in the city. It is in this development context that the LED framework and policy strategy can be most relevant, and invite reflection and initiatives on how the LED can promote sustainable growth, inclusion and territorial cohesion specifically in Small Island Developing States like Cabo Verde.





3. THEMATIC LINE 1: LED AS A FOUNDATION FOR INTEGRATED AND COHESIVE TERRITORIES

“Putting the territories and their population at the heart of development”

The Praia Forum put a spotlight on the enabling policies and institutional frameworks necessary for a socioeconomic and territorial cohesion. In addition, the Praia Forum involved wide ranging discussions on integrated rural development as a means for regional competitiveness and territorial equality. These two sub-themes were explored through numerous interactive panels, learning agendas and high level discussions.

Socioeconomic and territorial cohesion are fundamental to building resilient and prosperous societies by enhancing the wellbeing and inclusion of all citizens. In most parts of the world, the current development model has coexisted with major deficits in socioeconomic and territorial cohesion. Rising inequality, social and cultural exclusion, unbalanced growth, regional disparities in access to income, opportunities and public services within and across countries, rural exodus combined with unsustainable urban sprawl, uncontrolled urbanization and economic concentration in mega cities, and ineffective territorial governance systems have proven to be major obstacles to real human development and sustainable growth. As numerous studies indicate, and the New Urban Agenda emphasizes, a major global challenge today is the sustainability of current urbanization patterns. As over half of the world’s population move to urban areas, and the world’s mega cities continue to grow, the social and environmental impact grow unabated.

The current development model has exacerbated imbalance in growth and prosperity across territories, at all levels, both inside and across countries. It is a model that does not incorporate integrated territorial development as a framework, thus neglecting the interdependence of territories within and across states. As such, the current model risks generating growth and development in a territory at the expense of another, thus affecting the sustainability of both in the long run.



The 4th Forum's host country, Cabo Verde, is an illustrative case of the major challenges of territorial cohesion. Developing countries, especially the SIDS, are characterized by unbalanced regional growth, poor internal physical and economic integration, regional disparity in income and employment opportunities, and lack of access to infrastructure and services for parts of the population. Despite good progress in overall socioeconomic performance and good governance, Cabo Verde's geographic fragmentation as an archipelago and its lack of a unified domestic market are chronic development handicaps. They create major challenges in terms of public services delivery, public administration, equitable distribution of economic activity and opportunities, and integrated planning. Regional socioeconomic disparity and territorial fragmentation, in both its physical and social-cultural dimensions, are major public policy issues in Cabo Verde today. The over concentration of economic activity, opportunities, internal migration and population settlement toward the magnet city of Praia has resulted, unwittingly but inexorably, in the marginalization of some islands. This pattern of unbalanced growth is engendered by both natural market forces as well as development policy deficits. As in many countries, including developed countries facing rural flight, a negative cycle sets in motion: as economic activities, public investments and opportunities become concentrated, other islands and regions become marginalized, thus forcing more of their population and

skilled human capital to flee, further marginalizing and impoverishing the territory. This vicious cycle puts into crisper view the broader significance of LED. Without dynamic local economies and adequate social services for people, municipalities and regions will suffer population loss and brain drain, slowing national growth and worsening social deficits.

The concept of territorial cohesion can serve as a comprehensive conceptual and policy framework for implementing and localizing the SDGs, as it allows: i) i) reducing inequality between territories and states within a multi-level governance perspective; ii) introducing an integrated territorial planning framework for inclusive and sustainable growth; iii) rethinking rural-urban relations through a comprehensive framework that promotes their integration and interdependence; and empowering citizens and communities to use all their potential and creative energy to improve their wellbeing and the welfare of their communities. This requires specific enabling policy and institutional frameworks, including effective territorial and multilevel governance systems, multi-actor coordination and integrated planning that allows full citizen engagement and inclusion in their own human development as basis for both the effective localization and implementation of the SDGs at the local level. Regions, as intermediate territorial units between the central and the local powers, offer the most suitable dimension to define efficient and smart strategies for a balanced, inclusive and sustainable development.



"Leave no-one behind, but also leave no place behind"

Praia Forum participant

If territorial cohesion is critical to sustainable development, and LED constitutes an effective means to localize and implement the SDGs, a crucial aspect that must be addressed is the urban/rural, center/periphery dynamic. The Praia Forum gave specific attention to integrated rural development as a means for regional competitiveness and territorial cohesion. Numerous sessions were devoted to rural dynamics, rural development and urban-rural integration, rural exodus, decent employment opportunities in rural areas, in addition to the broader focus on territorial cohesion and territorial development.

The focus on the urban-rural dynamic is based on the inescapable, but often overlooked, truth of the inseparable nature of cities with their surroundings. In an increasingly globalized and interconnected world, the discussion on urbanization fully reaches and integrates the non-urban domains. In this context, intermediate cities emerge as a pivotal force in enhancing territorial balance and cohesion. The discussion during the Forum confirmed the importance of intermediate cities in countering the rural exodus and, in general, in articulating territories within multi-level governance frameworks. As such, this points to the need for strengthening coordination and synergies between intermediate cities as well as regional governments through for instance dedicated an effective development platforms.

Beyond cities, the key role of regions in the implementation of the New Urban Agenda was emphasized, as basis to turn urbanization into a driver of a balanced and sustainable development across all territories.

Cities depend unquestionably on a territorial system in terms of food, infrastructures, waste management, connectivity, supply chains, etc. which goes beyond their territory strictly. Overcoming the rural-urban divide entails integrating public policies in relation to services for rural production (consumption, storage, transformation, export, etc), as well as in making the production zones accessible and connected for urban consumption, transformation and export. From the standpoint of public policy, the key is to 'ruralize' urban policies, and 'urbanize' rural policies to allow a better integration and the enhancement of economic exchanges across the two environments.

Best practices from the speakers corner

CITIES ALLIANCE PROGRAM

Ensuring balanced and equitable provision and access to public services, including infrastructure, is the primary focus on the Cities Alliance project, funded by the United Kingdom's aid agency, DFID and several other international partners. Active in Uganda, Bangladesh and Ghana, the program focuses on improving the provision and access to public services in intermediary cities, with a primary aim of enhancing women empowerment and promoting gender-responsive services delivery and access at the local level. Cities Alliance is firmly grounded in the belief that a direct link exists between equitable provision of public services, women empowerment, and equitable economic growth. Ensuring adequate, gender responsive provision and access to infrastructure and other public goods and services, especially in secondary cities, not only enhances territorial cohesion but also has a direct impact on productivity and improved living standards.

3.1 Measure and Policies to Reduce Regional Inequalities and Build Territorial Cohesion


The Praia Forum promoted healthy debate and productive exchange of ideas on measures and policies to reduce regional inequalities and strengthen territorial cohesion.

The policy dialogue on "The Drivers of Rural Development and Center-Periphery/Urban-Rural Integration," framed the key issues appropriately: First, what are the tools and policies for sustainable local development that can be applied in the rural sectors? Second, what strategies should be implemented enhancing connectivity and achieve a more balanced development between urban and rural areas?

Decentralization, active social inclusion policies and fostering local economic development – that is, improving living conditions where people live – were cited as vital to achieving social and territorial cohesion. Creating adequate living conditions, including the provision of basic services, infrastructure and income-generating opportunities are the only effective means to stem rural exodus.

Experience from Cabo Verde's peripheral islands, such as Santo Antão, Fogo, Maio and Brava, show that the lack of employment opportunities is the primary reason for not only rural exodus but the high rates of internal and international migration.

Building sustainable cities, ones that offer both decent work, equitable services and inclusion for all, is the major challenge of the 21st Century, as the last plenary session emphasized. In this sense, the New Urban Agenda, and the urgent need to adapt urbanization patterns in more sustainable and socially inclusive ways, is intimately tied to territorial cohesion and the rural political economy.



"Rebuilding a relationship of trust is challenging in post-conflict situations. The local community lost trust in the central government"

Participant from Colombia, Praia Forum

A number of presentations focused - and a large consensus emerged – on the key role of intermediate cities in enabling territorial cohesion as a basis for balanced and sustainable development. A key part of fixing our current urban problems is to fix the rural economy which, among other benefits, helps stem rural exodus into metropolitan areas, as Patricia Arce from Bolivia noted in a plenary session. The rate of growth of intermediary cities is growing. In Africa and elsewhere, the policy and development challenge is to manage this growth in ways that minimize the social and environmental costs of previous urbanization patterns, leveraging at the same time the potential of more sustainable and integrated ones.

The potential role of intermediate cities is not so much their physical size but their dynamic positioning straddling the urban and rural spaces, with a high degree of flow and transaction back and forth; that is, they are the crossroads that most closely fuses the two spaces. Moreover, intermediate cities stand out on the social-cultural and affective aspects, since their manageable size allows for a much closer identification, inclusion and sense of belonging for their inhabitants than in big cities. More still, intermediate cities become the effective backbone for decentralization. The panel on “Intermediary Cities as Key Players in South-South Cooperation” assessed their role in channeling territorial development, evolving economic production and consumption trends as well as South-South cooperation dynamics. Yet, unlike the mega, or global, cities that fuel the global economy, as René Peter Hohmann noted, intermediary cities face a more challenging situation when it comes to resources, investments, and access to financing.

Planners at all levels have been unable to stem rural exodus and its resultant unplanned urban settlement, asserted Diego Monsalve, Deputy Mayor of Atay, Ecuador in his panel presentation, because they have not been able to comprehend the synergy and

symbiotic relationship between rural and urban areas. For intermediate urban centers to play their role in territorial cohesion and balanced growth, they must be endowed with adequate resources and institutional capacity that permits better planning as a basis for sustainable growth. If these intermediate cities have the proper resources and capacity, they then become critical factors in stemming the flow of rural exodus and uncontrolled internal migration.

Best practices from the speakers corner

MUNICIPALITY OF SÃO LOURENÇO DOS ORGÃOS, CABO VERDE – CENTRO DE CAPACITAÇÃO E FORMAÇÃO PROFISSIONAL DOS ORGÃOS (CCFPO)

The rural municipality of São Lourenço dos Orgãos faces many challenges, such as high rates of poverty, rural exodus, limited economic activity and productive base, mountainous terrain, and inadequate infrastructure for its widely dispersed population. Subsistence agriculture remains the primary source of economic activity and household income. To combat poverty and foster entrepreneurial activity, the CCFPO training center provides workforce training and vocational skills development for young people. It offers programs in IT, business management, and hospitality and tourism. The emphasis on entrepreneurship includes on-job training, learning-by-practice, and self-employment skills. The rural community has potential eco-tourism and agri-business. Developing entrepreneurial skills, especially for its young population, is an investment in local economic development. The center receives support from local and national governments, local universities as well as international partners such as Luxembourg Development and the Embassy of the United States.

Attention to the social-cultural specificity of territories was also a prominent theme in the panels. Bolivia has been pioneering efforts to establish local and regional governing structures that reflect the ethnic-cultural makeup of the region. India's democratic governance embraced this principle early on since independence in 1947, creating a federal states system that takes into consideration the cultural-linguistic makeup of the territory. Policies for territorial cohesion and LED should prioritize a gender agenda, namely the inclusion and empowerment of women as agents of economic and social transformation. Growth and prosperity are impossible in a society if half of the population is excluded or marginalized in national life. Research shows a positive correlation between higher levels of female participation in the economy and growth. Gender equality and empowerment are major issues especially in developing countries, where significant portions of women are confined to the informal economy, suffer higher incidence of poverty, and face many more barriers such as access to public services, credit, business supports, and social protections.

Specific measures and policy interventions to promote human development in the rural areas are necessary. Improving living conditions and opening opportunities for rural residents are the only effective means to stem rural exodus. During the policy dialogue on the drivers of rural

development and urban-rural integration, Mehmet Acikgoz, Vice President of the Regional Development Agency in Anatolia, Turkey, discussed Turkey's local development program which envelope more than nine cities and covers nearly 90% of the national territory. The master plan for multisector development emphasizes investment and interventions in five pillars: economic development; social development; urban planning; infrastructure development; and institutional capacity building. Other LED initiatives include initiatives to promote organic agriculture and renewable energy. Turkey has a long history of local development promotion, dating to the 1970s. Earlier LED programs targeted sustainable agriculture, with a major focus on technical training. Aside from sustainability as a guiding principle for the LED programs, reducing socioeconomic disparities was another criteria and goal of Turkey's programs, especially in rural areas. Entrepreneurship training programs were implemented in rural areas. Social programs, such as decent housing, community centers, and community tourism projects, targeted vulnerable groups and women. Recent LED programs have been implemented in regions bordering Syria, with the explicit aim of mitigating the impact of the cross-border spillovers and socioeconomic ramification of the Syrian conflict on frontline states like Turkey.

Current Mayor and Co-President of UCLG/FAMSI LED Committee, Francisco Toajas, noted during a plenary session that urban areas have a vested interest in the health and prosperity of rural areas, since rural exodus can provoke or augment urban unemployment and thus slowdown economic growth. As such, Spain implements targeted strategies in rural and urban areas that seek to provide citizens in both areas with the same quality services and benefits. Toajas cited numerous programs in Spain that seek to address territorial cohesion and social inclusion. He and other speakers endorsed programs that positively discriminated in favor of rural areas and women, such creating entrepreneurship training and support programs for women. In Morocco, specific programs for rural areas were created, promoting artisanal and cultural arts industry, agro-business, and other income-generating activities. A major focus of the central government has been investing in building adequate basic infrastructure to reach rural areas, such as potable water, roads, and energy. The Kingdom of Morocco also established a special Fund for Rural Development which, in conjunction with a different Solidarity Fund, supports income-generating initiatives in rural areas.

A common idea that emerged during the discussions was the possibility of transforming the agricultural sector into a more commercially-oriented



endeavor that can both stimulate greater economic activity in the rural areas but also retain rural youth and getting them to view agricultural activity as a means for social advancement. To reduce rural flight, the small rural city of Winkler in Canada adopted measures such as purchasing unused farmland and re-selling them to local residents at below-market prices to foster agribusinesses; it also offered business supports to new SMEs started by local residents; and directing other investments in the community to spark small-scale economic activity. Rural tourism development was also cited by a number of speakers as a potential factor in generating rural economic activity, that mostly benefit the local community and especially women.

The issue of territorial cooperation, within and across states, was discussed as a potential instrument for LED implementation and territorial cohesion. Much discussion focused on South-South cooperation to advance the LED and SDG agendas. Giovanni Camilleri, Senior Consultant of the UNDP, proposed in a policy dialogue he moderated the creation of a special fund for cooperation in local and national agendas to support knowledge sharing and territorial cooperation. He noted that the Praia Forum was a microcosm of the potential benefits of such cooperation by allowing local actors and municipal governments to share experiences and discover new tools to promote local socioeconomic development. One observer cited the need to construct cooperative partnerships that incorporate a diversity of actors, of partners with different profiles, know-how, and from public, private and non-profit sectors. To promote both improved territorial cohesion and LED, inter-city and inter-regional cooperation and joint initiatives have proven to be effective instruments. For example, several municipalities may engage in joint ventures to solve common water, public health, infrastructure, or other basic services. For example, a group of municipalities in Manitoba, Canada solved their common water problem by supporting the creation of a water cooperative. Jose Roman Lora of the European Union (EU), in his panel on “Models of Territorial Articulation and Integration,” introduced the concept of ‘decentralized cooperation’ which the EU has been promoting to foster direct local level cooperation internationally.

A number of panelists in this thematic line pointed to the important role of universities as partners in both LED implementation and fostering local economy dynamism. Comparative experience, including experience from advanced industrial countries, attest to the important role of universities in spurring local economic activity, local innovation systems, knowledge creation, applied research with commercial applications, and human capital formation.

Neither local nor national economic development is possible without a vibrant private sector. During the Praia Forum, strategies fostering the creation and growth of Small and Medium Enterprises (SMEs) became a major topic of conversation. SMEs are vital for SDG localization. Globally, SMEs are vital for growth, employment and innovation. Governments at all levels should align their SME policies with the SDGs and the promotion of the social and solidarity economy. SMEs are crucial to LED, and their engagement in



the implementation of the SDGs can provide important new growth and investment opportunities, especially in services and products that serve the poor and most vulnerable. For SMEs to play their vital role, a favorable business environment must be created in terms of fiscal policy, incentives, regulatory framework, public administration, access to credit, and economic infrastructure. The need to devise special business financing mechanism for SMEs and workforce training were two major policy instruments cited. Fostering the creation of markets for local products was discussed as another area that can bridge both SME promotion and LED implementation. Finally, Santiago Gallo of the National Federation of Municipalities in Brazil noted that policy attention should also be directed at the informal sector which, in countries like Brazil, employs significant portions of the active population.

3.2 Integrated Planning Frameworks

Among the key messages and take-aways of the Praia Forum was the emphasis placed on the need for governing authorities, at all levels, to adopt an integrated territorial planning perspective. Numerous speakers during the Praia Forum underlined the critical need for local, regional, and national governments to work in a coordinated manner in the definition and implementation of a common set of programs and objectives. Any effective implementation of LED strategies, and thus achievement of the SDGs, is not possible without this multi-level harmonization and collaboration.

An important point made during the discussions is that local and regional governments must incorporate the SDGs in their planning. Valérie Dumontet, Vice President of the Department of Aude in France, observed that not all municipalities include the SDGs in their local policy agenda and planning.

For the Mayor of the City of Praia, Mr. Oscar Santos, city planners and national officials should be equally interested in promoting rural development and addressing rural poverty as a means to promote sustainable cities while achieving food security. Collectively, presenters at the Praia Forum stressed the need for municipalities and their regions to articulate and coordinate their policy actions and planning to ensure that basic services, infrastructure, health care systems, and opportunities are adequate and equitably distributed throughout their region. This ensures a win-win situation for all by creating territorial balance. Adequate transportation networks and other infrastructure, moreover, can help stem rural exodus and spur rural economic activity by making it easier and less costly to move people and goods between rural and urban spaces.

Among the innovative proposals to emerge was the call for joint policy action and planning between intermediate cities and regional governments as a strategy to address both the need for balanced regional development as well as promote a healthier symbiosis between rural and urban territories. Cities and local authorities are better positioned to attend to quality of life issues and to devise effective strategies to generate decent employment opportunities for their populations. Another speaker noted the productive collaboration among local, regional and national governments in the Basque region, involving a multi-level joint focus on unemployment, climate change mitigation, private sector development. This multi-level approach not only strengthens regional balance and territorial cohesion, but it also contributes to reinforce the national economy of Spain.

A number of speakers argued in favor of approaching public policy making from the bottom-up: essential to the LED approach is that policy makers also analyze and understand the specific conditions and necessities of local people, include their voices in policy deliberations, incorporate their preferences and needs in formulating policies.

Diego Monsalve, from Cuenca, Ecuador, emphasized that orderly planning is much more possible in intermediate cities than in large metropolises.

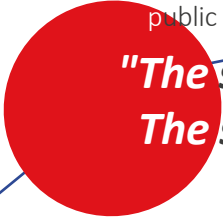
Whenever we talk of planning, the question of resources arises. Several speakers underscored the vital importance of financing, including development financing as a

cross-cutting issue for the three thematic areas of the Praia Forum. Integrated planning at the local and regional levels requires that investment resources and spending priorities are geared to support these ends. A number of speakers drew attention to the need to rethink the link between international development financing and LED. Donors and international development agencies, it was argued, must adapt and readjust their practices so that they are more in tune with, and can directly support, LED initiatives at the local and regional levels.

3.3 Governance Systems

“There is no Local Economic Development without local actors and protagonists,” argued the Hon. Jorge Carlos Fonseca, President of the Republic of Cabo Verde, in his keynote address to open the 4th Forum. As such, argued President Fonseca, “we need to rethink the role of the state,” and we need to devise “other forms of governance.” Empowered local actors and authorities are essential to LED.

The question of decentralization and empowering local actors turned on the potential role of intermediate cities as catalysts for territorial cohesion, balanced growth, and bridging the rural-urban divide. For such cities to play this role, they need to be endowed with the authority, resources and planning capacity necessary. Local and regional governance structures are better positioned to diagnose and promote the SDGs and the overall wellbeing of their citizens, through effective delivery of and wider access to essential public and social services. The case of Andalusia, Spain is illustrative.



"The state can never be an obstacle to development. The state must facilitate, it must allow local actors full expression"

Jorge Carlos Fonseca, President of the Republic of Cabo Verde, Praia Forum Opening Ceremonies

Decentralizing and deconcentrating authority and resources are challenging, complex matters. Striking the right balance is not easy. Even in countries that have long practice in regional autonomy and decentralization, such as Spain, the fair and equitable distribution of resources or local fiscal collection capacity are major issues. There is often also a lack of confidence in local governments. An interesting solution to the credibility and public confidence issue came from the example of the city of Dakar – which is building public and international confidence in municipal management by implementing a fully transparent online budgeting and public finances system that citizens and others can consult.

On the other hand, examples from a number of countries, such as Burkina Faso, report that despite strong push toward decentralization that many problems and gaps remain. Even in cases where decentralization is embryonic or difficult, other strategies are possible that permit greater voice and participation of local citizens and communities in public affairs. In Mozambique, for example, the central government introduced local consultative councils that allow local citizens to voice their views and preferences directly to policy makers.



Unanimous agreement emerged during the Praia Forum that, for realizing LED and localizing the SDGs, more resources must be transferred to local and regional governments. Among innovative measures some countries have adopted are special funds generated through national fiscal measures but which are reserved for redistribution to municipal governments. In Cabo Verde, the Tourism Bed Tax and the Ecological Tax funds are pools of additional resources reserved for municipalities.

The lack of adequate resources to effectively implement decentralization emerged during the Praia Forum as a major constraint for representatives of local and regional governments from various parts of the world. This problem is universal. In too many instances, authority and functions, especially responsibilities for local economic development and jobs creation, are devolved to the local level but there is no corresponding devolution of financial instruments. Speaker Khady Dia Sarr, in a panel on LED financing, presented the case of Dakar where numerous functions were delegated by the central government to lower tiers but without the necessary financial resources. Addressing this issue remains pivotal to the effective implementation of LED and localization of the SDGs.

Nestor Fernández of the Andalucía Agency for International Cooperation added an important corrective regarding local governance and its financing. He noted that there are different models of local government and, thus, close attention must be paid to

which model is chosen and the financing for the model in a way that maximizes resources available to it. Decentralization is not a one-size-fits-all solution, alerted Claúdio Sule from Chile. Given differences and inequalities among territories, decentralization must be customized and asymmetric according to the specificities of each territory.

LED and related governance structures presuppose active citizen participation and effective social inclusion. During debate in a policy dialogue, Lucia Hornes of the Agency for International Cooperation in Uruguay, summed up this point by stating that decentralization implies substantive changes in forms of governance. Political and economic decentralization must be approached in ways consistent with full citizen participation. Incorporating citizen participation in planning and decision making is a useful mechanism to inform and guide public investment decisions in providing or improving basic services, decent housing and infrastructure. The pursuit of citizen participation must take special consideration of the gender dimension, involving measures that empower women and enable them to speak out and participate at all levels. Other practical instruments devised to increase citizen participation, Uruguay took measures to train citizens in project elaboration, involving labor representatives in policy decision making, and organizing monthly town-hall meetings between local communities and government officials. Citizen participation, finally, can take many forms. A number of speakers appealed to the need to involve and mobilize volunteers in achieving the SDGs, especially among the youth. Promoting a culture of volunteerism among the youth is good for the broader community but it is also beneficial for the youth as they develop certain skill sets that will help them in the future.

A number of speakers also alerted to the need for capacity building for local governance and actors. Yet as Moderator Victor Borges reminded the audience in his panel, there is a need to move away from the narrative of the lack of institutional capacity for the implementation of public policy and projects. However, he noted, the problem of capacity building is crucial to LED. Municipal and regional governments are created, but institutional capacity is often neglected. In many cases decentralization faces a crisis as a result of poor capacity, as Valérie Dumontet, Vice President of the Department of Aude in France, emphasized during a high level panel debate. Building up and reinforcing local capacity is not to take away from or undermine central authority, but to implement national agendas through combined top-down and bottom-up processes as part of an integrated multilevel platform perspective that the SDGs offer the opportunity to adopt. Universally applicable to all countries, the SDGs also provide a common platform for enhanced cooperation between territories, within and across countries.



OBJETIVO GLOBAL # 16

Paiz, Justica e Instituicoes Eficazes

Promover sociedades pacificas e inclusivas, acesso a justica para todos e instituicoes eficientes, responsaveis e inclusivas.



OBJETIVO GLOBAL # 14

Vida Aquatica

Conservar e usar sustentavelmente os oceanos, mares e recursos marinhos para desenvolver a economia azul.



OBJETIVO GLOBAL # 13

Acao Climatica

Tomar medidas urgentes para combater a mudanca climatica e seus impactos.



OBJETIVO GLOBAL # 4

Educao de Qualidade

Garantir a educacao de qualidade para todos e promover a aprendizagem ao longo da vida.





4. THEMATIC LINE 2: LED AS A FOUNDATION TO BUILD RESILIENT AND PEACEFUL SOCIETIES

Resilience was a central concept during the Praia Forum. Given the situation in nearly every part of the world, the focus on building resilient and peaceful societies was both timely and urgent. The sense of urgency was palpable during the four days of the Forum. What emerged was a renewed conviction that the Local Economic Development, as strategic policy framework and implementation approach, can be a solid foundation upon which to bolster resilience in all territories but also to rebuild resilience and social peace in fragile and post-conflict societies. SDG 16 calls for peace justice and strong institutions. Building peace and sustaining peace are complex phenomena, yet, at the end of the day, they are lived and experienced at the local level by real people in real communities. While we witness improvement in peacefulness of many societies, the year 2016 alone, for example, brought us deterioration in over 40% of the world's countries.

The post-Cold War international system has been scarred by increasing incidence and scale of fragility. No region has been spared. Even previously stable countries with strong state institutions have succumbed to fragility and breakdown. More alarming has been the fragility trap that so many societies find themselves, undergoing recurring bouts of conflict and social collapse. Cases of internal armed violence like Syria are outliers, as most cases of internal conflicts over the last few decades have been the same countries. These same countries have perennially occupied the bottom rungs of the least peaceful and most fragile societies. Numerous quantitative studies have shown a deteriorating situation in the world over the last decade in terms of resilience and stability. While traditional large scale armed conflict between states has declined in frequency since the end of the Cold War, the alarming trend has been a proliferation in the frequency and destructiveness of internal armed conflicts and non-traditional sources of violence. One aspect of the resulting human tragedy has been the depressingly growing numbers of refugees and internally displaced peoples (IDP).

As the depressing frequency of internal wars and political violence seem to be deteriorating, so too the overall condition of states experiencing some measure of fragility. In the post-Cold War era, the phrase 'fragile states' has become part of our everyday lexicon and

the international development discussion. Over half of the 178 countries measured in 2017, a full 60% of countries in the world, are characterized by elevated fragility warning to very high fragility alert. As in the case of peacefulness, the notable recurring pattern is the persistence of the same group of countries populating the lower ranks of these comparative measures of fragility. While we in the international community should compare countries longitudinally, and not cross-nationally, to assess how well individual countries are performing against themselves over time, there is a visible “trap” of conflict, instability and fragility that so many societies find themselves in.

Best practices from the speakers corner

MUNICIPALITY OF SANTA CRUZ, CABO VERDE – PROJECT “CASA MANUELA IRGHER”

A key building block for peaceful, resilient and prospering societies is the inclusion of disadvantaged groups and individuals, ensuring their access to opportunities, and improving their capacities. The Casa Manuela Irgher works exclusively with poor single mothers and their children. Supported by the local government and international NGOs, the program provides training and services to single mothers, with a strong emphasis on social capital formation, team work and solidarity, and financial autonomy. The center also operates a hostel, providing an additional source of financial sustainability.

The 2030 Agenda for Sustainable Development affirms that development goes in parallel with peace and security and the Security Council resolution 2282 on sustaining peace (2016) stresses the need to focus on prevention as a major peacebuilding factor. The sustaining peace agenda is nowadays directly interlinked with sustainable development in a continuum between humanitarian and development initiatives. Embedded in the LED approach, and reaffirmed in a number of recent international summits and joint declarations, is an affirmation that local actors from civil society to local authorities have a fundamental role to play in building and strengthening resilience in their countries. National and local actors are the ones who experience the specific challenges of conflict and fragile situations and they need to play a primary, protagonist role in

strengthening resilience in their countries. This is especially true in post-conflict situations, where peacebuilding and reconciliation are paramount components in any socioeconomic development agenda. A key goal is to strengthen the capacity of local actors, and to affirm their role in crisis aftermath and maintaining it in the long term. For preventing crisis, it is therefore paramount to enhance capacities of national and local institutions also in socio-economic sectors.

The LED approach is of particular relevance in such contexts as it stimulates both the demand and supply side of conflict affected markets. In the short run, it boosts a local economic recovery that aims at gradually reducing the dependency from external aid through the creation of temporary jobs opportunities and income generation. In the long run, LED can create the endogenous conditions for the local economy to reactivate and create sustainable jobs opportunities and therefore contribute to the peaceful society. A number of international development agencies, such as the International

Labor Organization (ILO) and the United Nations Development Program (UNDP) have embraced the LED approach to peace and resilience building with very promising results from different parts of the world. For example, the ILO's Transition from War to Peace initiative makes recommendations that emphasize the need to focus on local authorities, institutions and stakeholders to promote socio-economic recovery and development in conflict and disaster affected countries and areas. Another innovative ILO program, the Jobs for Peace and Resilience (JPR), aims at bridging humanitarian and development support for an enhanced local economic recovery that translates into jobs through employment intensive investment strategies, restores pathways to a sustainable labor market recovery and facilitates transition to formality.

4.1 Sub-themes and Discussion Topics During the Praia Forum

Local economic development, as a policy strategy and governance methodology, is a powerful means to build resilience for a more peaceful and prosperous society, especially in fragile and post-conflict situations. As Patrick Keuleers, Director of the UNDP, put it during a plenary session, socioeconomic recovery is essential to peace and resilience in situations of fragility. Put broadly, a change in approach and thinking is required on the part of the international development community – to move away from stop-gap, crisis-mode interventions and relief aid to directing that aid and interventions in ways that promote recovery and long term socioeconomic development. As Anita Amorin of the ILO stated, conflict resolution and peacebuilding involve more than humanitarian relief for people. They must be guided by the objective of strengthening people's "defenses" and capacity to confront future conflicts.

With speakers and representatives from a broad array of countries, including conflict-torn societies, the discussion and exchange of innovative ideas were rich and extensive during the Praia Forum. A number of sessions were both emotionally taxing as well as full of messages of hope, as a number of participants from local communities experiencing conflict, or working in such situations, provided first hand testimony.

In societies emerging from conflict or characterized by complex emergencies and fragility, the LED approach is central for directly involving local stakeholders from the early stages of the socio-economic recovery process. Public and private local actors should become both players and beneficiaries of the recovery. As such, they can take advantage of the peace dividends and international aid by participating actively and directly in the prioritization and implementation of recovery operations – for instance through local dialogue, joint assessment, planning and by maximizing the local procurement of goods and services and goods to the benefit of the crisis affected population.

In areas specifically affected by crises, local stakeholder from public, private and civil society have (and/or should be given) a great opportunity to directly promote socio-economic recovery. If resources are invested in local capacity development, local populations become invested in the future of their family and community. There will be greater chances to build stronger foundations for a more transparent, resilient and peaceful society where

decisions about LED are shared and jointly prioritized at local and central level. Crisis aftermath may also offer better understanding of decentralization challenges, needs and opportunities in fragile settings where guidance and practical and legal advice can be provided to the national and local institutions.

As in the other thematic lines, cooperation became a key concept during the debate. The guiding philosophy is that fragile states may have much more to learn from and contribute to one another. Fragile countries face similar challenges and as they develop solutions to cope with current difficulties; the potential for South-South Cooperation or fragile to fragile cooperation increases taking into account the sharing and adaptation of these solutions into analogous contexts. Through peer sharing and lessons learned, their successes and failures inform a new and better understanding of their own conditions and necessary steps for transition.

Local communities and their citizens are the key to building resilient, cohesive, and thus prospering societies. These values cannot come from outside or from above in any lasting fashion. And it these very same local communities and citizens that must empowered to defend and rebuild these values. As noted above, it is local actors who experience fragility and political violence, either as victims or as perpetrators. Rebuilding or strengthening resilience and cohesion, just as with socioeconomic recovery, is durable only when local stakeholders are firmly vested in, and own, the process. To do so, however, requires an investment in their individual, communal, and local institutional capacity. Regional and local governments play a key role in the construction of cohesive societies. Social cohesion policies aim to reduce economic and social inequalities.

In this sense, it is especially necessary to reflect and identify inclusive models for managing diversity in social contexts where the cultural differences of diverse groups and social actors threat the capacity to coexist and lead to growing concerns and potential conflicts to which it is important to provide adequate answers. In this process, regional and local governments play a significant role in developing mechanisms to facilitate participation, transparency, co-management and the assumption of shared responsibilities. Social cohesion policies must also aim to eradicate all sorts of discrimination based on gender, age, geographical origin, faith or other, through the action of the public authorities. Therefore, designing and implementing social cohesion policies implies to admit that there are inequalities among the citizens of a territory. This reflection is key as it highlights the need to strengthen the work and competencies of regional and local governments so that they implement inclusive policies aimed to guarantee equality and social cohesion in the territory where these policies are implemented. Social cohesion requires local governments to adequately manage the diversity that exists in every community. Social cohesion is not possible in fragmented or uncertain social contexts. Therefore, it is a function of local governments, among other political entities, to generate processes and provide inclusive services based on the participation and the co-responsibility of the different actors that coexist in a territory.

The sessions in this Thematic Line tended to focus the debate around four main issue areas:

- Early involvement of local actors and stakeholders in fragile situations
- Local economic recovery in conflict aftermath as an opportunity for local stakeholders to invest aid resources for longer term stabilization
- Fragile-to-fragile cooperation as a means to promote sharing knowledge and experiences in fragile situations
- The role of local and regional governments (LRG) in building cohesive and integrated societies

The common thread running through all four topic areas was the need to build up the capacity of local actors and authorities.

4.1.1 Early Involvement of Local Stakeholders in Fragile Situations

As noted above, significant portions of the world's population continue to live, suffer and die in fragile situations. Fragile and armed conflict situations have a cascading effect, not just tearing social fabric but also collapsing economies and reversing human development gains. Anytime individuals, families and communities are uprooted en masse there are broader economic and non-economic costs to the country and the international system.

The guiding principle of LED approach is the need to localize the SDGs, even in situations of fragility. In practical terms, localizing the SDGs is considered an opportunity to involve local stakeholders in all phases of SDGs implementation process; involving local actors in the design, implementation and monitoring of SDGs measures. Community buy-in and participation, in coordination with all levels of governance, is thus essential to achieving the SDGs.

Fragile situations range in types and complexity. While armed conflicts and the broad range of non-traditional threats to human and national security, such as terrorism and the illicit drug trade, draw the most attention, other forms can be equally devastating to individuals and communities. The moderator of the interactive panel on inclusive and participatory approaches to sensitive conflict situations, Donato Passigli of the ILO, identified several types of fragility scenarios: epidemics, such as the Ebola crisis, natural disasters, armed conflicts, political and social breakdown, migrations, economic and financial crises, socioeconomic inequality, and governance crisis. Patrick Keuleers of the UNDP observed, however, that violent conflict accounts for the majority of fragility cases, adding that at times the violent conflict is preceded or triggered by natural disasters and climate changes. Indeed, more and more in the global context of climate change, we must pay close attention to the interrelationship between conflict, natural disasters, climate change, and governance to understand fragility and devise measures to mitigate it and foster long term recovery.



An inclusive approach, especially in post-conflict and fragile situations, is determining for longer term socioeconomic recovery. However, as moderator Carlos Reis observed in a plenary session, an inclusive approach, rooted in effective local economic development, is vital to longer term stability, peacebuilding and conflict prevention. The inclusive approach, he emphasized, is a way to make individuals feel invested; to feel they have an alternative to conflict and flight; to empower and foster prosperity so that communities always feel they have something to lose.

What is the role of the private sector in post-conflict situations and building long term resilience? Achieving growth, improved living standards, and giving individuals a sense they have something to lose are not possible without a private sector-led vibrant economy. From reconstruction to long term stable growth, increasing focus is being paid to devising strategies that support public-private cooperation, entrepreneurship, private initiative and community-based cooperative ventures. Local area agencies that support economic development have been prominent in many parts of the world. These sub-national agencies fund private entrepreneurial initiatives at the local and regional levels.

For the private sector to play its part, however, the doing business environment has to be favorable. A first step is the provision of adequate infrastructure and transportation systems. A number of speakers in different panels underlined the importance of workforce training. Local actors in many countries have set up programs and agencies to foster

entrepreneurship in local communities, especially by supporting people who wish to create a new micro, small, or medium-sized enterprise (MSME). Local authorities and actors assist with such matters as feasibility studies, market surveys, business plans, licensing, and access to capital. Not-for-profit business incubation, and other forms of early stage business support, have also proven to be effective all over the world. When adequately resourced with physical facilities and access to professional counsellors, business incubators are also an effective way to promote economic development and diversification in the community. These are especially useful in assisting young entrepreneurs and others in the community who face barriers to starting a successful MSME.

Harnessing the human assets of local communities is an essential first step in building peace and resilience in post-conflict situations. One participant in the Praia Forum from Somalia observed that it is necessary to identify and work with individuals considered or respected as community leaders, village elders, cultural and traditional figures. Such individual become the natural bridges for both peacebuilding and reconstruction. In addition, providing technical and workforce training to individuals should be an essential part of longer term recovery and resilience strategies, especially in post-conflict and natural disaster situations. The physical and economic destruction from such episodes of fragility can be turned into opportunities to train local citizens in civil construction, industrial repair, electrical systems, and so on; these are skills that will be essential in recovery but also long term growth.

Involving local stakeholders and adopting an inclusive approach to recovery and resilience can be applied even in cases of migrations and internally displaced people. Too many frontline states face these kinds of situations. In the case of Turkey – host country of over 2.5 million Syrian refugees – the Turkish government has given special workers permits to allow refugees to find employment and sustain their families.

The three common themes that emerged in the discussion of fragile and post-conflict situations were: first, the importance of equal treatment and involvement of local stakeholders; second, the importance of stimulating local economic activity and, third, supporting capacity building of local actors.

4.1.2 Opportunities for Local Stakeholders to Invest Aid Resources for Longer Term Recovery and Resilience

For some speakers at the Praia Forum, poverty is the primary source of fragility and violence. As such, combating poverty by fostering local economic development and widening opportunities for all citizens, enables both enduring growth and resilience. In situations of conflict or natural disaster generated fragility, for example, there is a need for immediate humanitarian relief. This, however, should be conceived within a broader plan with a view toward long term recovery and building up the resilience capacity of local communities. As one mayor from Mauritania put it, in post-conflict situations the most important immediate step is to build or restore basic public services for communities.

Recovery and reconstruction resources and planning, however, can be conceived in ways that not only attend to the immediate basic needs of a community but also with an eye toward stimulating future growth and socioeconomic dynamism. A presenter from Tunisia, for example, noted that authorities built paved roads in one remote village, and involved local labor, so that the roads not only served the basic function of connecting the population but could also permit easier commercialization of rural products. In this case, for example, a mapping of how local products circulate, that is, the supply and logistics chain of rural products, helped to guide the road building investment.

"Do no harm...development aid must not create dependencies"

Panelist, Praia Forum

As one presenter from Colombia pointed out, oftentimes fragility situations emerge from, or are aggravated by, the rural-urban divide, primarily the economic-political marginalization and isolation of rural territories. Stimulating economic activity in rural areas, and mitigating the physical and cultural-political barriers to rural participation in national life, are critical steps to combating fragility and building resiliency. In the Cabo Verde case, while not a situation of extreme fragility, regional disparity and socioeconomic inequality are major concerns, especially the high concentration of marginality and poverty in rural areas. An area of discussion in the Cabo Verde case turned to the potential of tourism, namely rural or eco-tourism, to foster local economic development in rural communities. As Miguel Rosa, Mayor of the Island of Maio, Cabo Verde, emphasized, fostering local economic development in rural and peripheral areas through tourism requires investment in agriculture and fisheries, economic mainstays of rural populations. As in Cabo Verde and elsewhere, access was the common emphasis. That is, the necessity of building infrastructure and transportation systems to allow people and goods to move freely, and providing rural populations with needed social services.

In fostering longer term recovery and resilience through local economic development strategies that invests in and empowers local actors, some presenters at the Forum cited the green and blue economies as holding potential, especially for SIDS and marginalized territories. Promoting the blue and green economy, especially if locally-owned, achieves two vital goals. First, it fosters income-generating local economic activity and advances socioeconomic progress. Second, and especially critical for SIDS but is universally relevant, the blue and green economy becomes a tool for environmental protection and climate change risk mitigation. Poor communities and SIDS tend to be characterized by high levels of vulnerability to natural disasters and climate change. The blue and green economy can build local community resilience.

4.1.3. The Role of Local and Regional Governments in Promoting Resilience and Cohesion

Comparative and historical experience teaches us that social exclusion and political disenfranchisement are not successful ingredients in building either durable social peace or prospering societies. Greater citizen involvement in public affairs decision making, and having governing structures and processes that are closer to the citizens, ensures both greater social cohesion and local economic development. More and more research is reaching this conclusion. An important element to reach these goals requires a fundamental change in both the decentralization of authority but also in existing governance, or administrative, culture and mentality. The historical record, rationale, and practical benefits of local and regional governance structures are manifest from the standpoint of LED and the promotion of cohesive, resilient, prosperous and peaceful societies. It is universally applicable. Yet creating durable local and regional governance structures may be even more pressing and beneficial in countries where central governance structures are fragile, overburdened or unable to have an effective presence and delivery systems in certain regions and localities of the national territory.

There can be neither resilience nor local economic development without capable and endowed local and regional governments. Local governments need both authority and resources to implement LED policies. Local and regional governments are essential to social cohesion and combating socioeconomic inequality – a topic explored at length in one plenary session. There are several mechanisms that can enable the social transformation processes towards higher levels of equality and social cohesion, including the opening of the local policy arena to different social, cultural, economic, ethnic or any other groups, the shared implementation of policies and the assumption of responsibilities and commitment by every actor of the community. Local and regional governments are critical pegs in the LED approach. Local economic development is a necessary complement to efforts at the national scale and that local and regional governments are ideally situated to ensure active participation in development by all stakeholders in their communities, including from the private sector, to tackle the problems and barriers specific to their local economies, and to foster integrated development.

Local and regional governments, closer to citizens and communities, play a fundamental role in building (or undermining) resilience and promoting (or hampering) social inclusion. As one panelist from Peru noted, for example, major advances in social inclusion and women empowerment occurred only after a change in the political leadership of the local government. Such local governments who prioritize social inclusion, he added, also become major drivers of local economic development. Local and regional governments are equally pivotal in situations of refugees settlements and accommodating internally displaced people. They play an equally vital role in situations of refugees and IDPs returning to their home communities or resettling elsewhere in their country of origin.

As the panels on participatory and inclusive approaches to conflict situations emphasized, fostering LED and building resilience ground-up by building up the capacity of local actors, among other things, requires also strong and capable local governments and non-governmental actors. Decentralization, and the process of endowing local and regional authorities as well as citizen groups and civil society associations with more authority

Best practices from the speakers corner

MUNICIPALITY OF PRAIA – PROJECT “ATL MUNICIPAL - CIDADÃO MIRIM”

With a focus on children from vulnerable families, Praia’s “ATL Municipal” (Activities for Free Time) program benefits over 200 children from the city’s poorest neighborhoods. The aim is to keep these children occupied, productive and socially involved, especially during school breaks and vacations. Children benefit from a broad range of activities and training, including music, dance, painting, arts and crafts, cooking, citizenship classes, nutrition and health, oral hygiene, and field trips. The long running program fills a critical need in a city a poor neighborhoods, limited access and provision of public parks and recreational spaces, and rising youth delinquency. The program, therefore, is premised not only on social inclusion of children from disadvantaged backgrounds and combating delinquency. Its activities and training programs aim to form skilled, productive, socially responsible future citizens.

and responsibilities, become critical ingredients to both fostering local economic development and building resilience.

One interactive panel looked at the issue inclusion strategies for vulnerable populations. Working with and involving youth, women, and other local community members in income-generating endeavors, such as cooperatives and skills training, has proven a successful method to transform local communities as the principal defenders of resilience, the local environment and natural resources, and their cultural rights. In Cabo Verde, one interesting case of income-generating activities that has social inclusion as its primary goal elicits projects from local communities, which prioritize and identify projects they want. A special focus of the income-generating activities carried out by national and international NGOs is the empowerment and inclusion of women. Without gender equality, and especially equality of opportunities for women, there can be no real social inclusion. As noted in a number of panels, much of the social inclusion work involves changing attitudes. As Canada’s Ambassador to Senegal, Lise Filiatrault reminded the audience in one session, it is necessary to do this work of

empowering women and changing attitudes while taking into consideration local wishes, customs and cultural traditions. Thus making that much more important working closely with local communities and local authorities.

Another aspect of these social inclusion programs is that they move away from handout approach, instead requiring beneficiaries to repay or contribute some portion in return over time – which is then recycled to finance new projects for other community members. A similar approach has been adopted in Peru, which previously used a “map of poverty”

to identify communities for assistance and direct state interventions. Today, it adopts a different approach that seeks to identify and mobilize local assets and resources, supporting locals to engage in income-generating activities and exploiting the value chains of local products. In Cabo Verde and elsewhere, experience points to the effectiveness of microcredit institutions and other mechanisms to provide small scale loans to individuals to engage in income-generating activities, especially targeting women, other disadvantaged populations and rural communities.

Inclusive decision making, in the form of participatory budgets and other forms, was also discussed at length. First made popular by municipalities in Brazil, participatory budgeting and its variants have become a widespread and meaningful way to include and empower citizens. Recent trends in many parts of the world point to a crisis of confidence that citizens are feeling toward governing institutions and public officials. As one speaker from Spain observed, participatory budget is, at root, a change from representative to participatory democracy. It empowers people. It recognizes that true sovereignty of a country rests with its people. It is also the most transparent form of managing public finances and affairs. Inter-municipal cooperation ensures that best practices in democratic innovations are disseminated, thus bolstering these inclusive practices, but it also allows communities to learn from the errors of others. Participatory decision making, however, cannot be an unstructured process. Without proper institutions, political will, citizen buy-in, and rigorous strategic planning, the risks are many. It requires a clear methodology. One another speaker observed, participatory budgeting bolstered gender equality and women empowerment. Research has shown that women participate much more in participatory budgets, thus breaking the pattern of male dominated public affairs.

For Pedro Pires, former President of the Republic of Cabo Verde and 2011 winner of the Mo Ibrahim Prize for Achievement in African Leadership, the interaction between governance, LED, resilience and peace extends beyond questions of endowing local and regional governments with more resources and authority or the need for all levels of governments to cooperate. For Pires, the question of peace and resilience is fundamentally a question of **good governance** at all levels of government. Good governance must entail, ultimately, giving citizens more confidence and trust in institutions, especially judicial and rule of law institutions, as well as giving citizens greater participation and responsibilities in governing. An important aspect of this process is ensuring human security and social stability. For Pires, there is an intimate link between peace, stability, socioeconomic development and good governance. The UNDP's Patrick Keuleers likewise emphasized the importance of democratic governance and sustaining the peace agenda to accompany socioeconomic progress. The sources and risk factors for fragility are multiple and multidimensional, requiring careful analysis to devise intervention and prevention strategies. Nevertheless, a determinant is the impact of these factors on relations between government and society, and in relations inside the local community. Summing up the plenary session interventions, both Pires and Keuleers underscore that DEL is impossible without good governance, justice, and credible institutions.



5. THEMATIC LINE 3: LED AS A FOUNDATION TO BUILD SUSTAINABLE AND INCLUSIVE ECONOMIES

5.1 Introduction

The current age of globalization has brought unprecedented growth and wealth generation to many parts of the world. During this period of growth, we have also witnessed the gradual but profound shift in the epicenter of global production and wealth. In this sense, the biggest international story since 1945 has been the emergence of East Asia. It is not only Japan and the so-called “East Asian Tigers” of the earlier period that have experienced specular growth and transformation into technologically sophisticated industrial societies. By the closing of the Cold War period, high speed growth and globalized economies has spread to emerging market economies in Latin America, Europe, Central and South Asia, Africa, and other parts of East Asia. The term “BRICS” became a regular part of our lexicon and destinations of global investment. In recent times no single case of economic transformation and high speed growth has drawn more attention and visibility than the rise of mainland China.

***"In Cabo Verde, we are small. We are poor.
We do not have the luxury to be unstable"***

Former President Pedro Verona Pires, Praia Forum

The globalization induced growth we have seen has had a positive impact on overall global poverty rates. A number of studies point to improving overall numbers of global poverty rates in terms of extreme poverty and general poverty. However, much of this improvement in overall global poverty rates has been due to China’s unprecedented growth and its effects on living hundreds of millions of its citizens out of poverty. Moreover, the overall numbers on global poverty rates also hide regional differences and the persistence of high rates of poverty inside many countries.

From the standpoint of Local Economic Development and the primacy of social inclusion, the growth of our recent globalization phase has been accompanied by a much more distressing trend inside and among countries. Namely, growth has come with high levels of socioeconomic inequality. More still, the high rates of growth and economic transformation we have seen has had other profound non-economic costs: environmental degradation and the acceleration of global climate change. More still, the current global pattern of growth has also proven to be unsustainable on economic grounds considering its high propensity for instability and crises, such as the 2008 global financial crisis. The 2008 crisis brought financial and social devastation to millions of families all around the world. Recent crises have highlighted the growing inequalities and rising unemployment rates in many countries, forcing us to rethink our current development paradigm, and to search for more inclusive and sustainable practices/models and public policies to enable them.

Local economic development strategies cannot be exclusively geared towards economic growth, as an impact of peoples' life also depends on an equitable distribution of economic benefits as well as on environmentally sustainable development paths, as stated by the New Urban Agenda and the Sustainable Development Goals. Environmental sustainability and social equity require to consider, on the one hand, the relation and impact of every current or projected economic activity on the environment.

The work to address and correct that failings and costs of our current development model is complex, multidimensional and long term. There are no quick fixes. In rethinking our current model of global economic development, and exploring ways that the LED can be a more effective approach to both growth, sustainability and inclusion, creative thinking is necessary in terms of identifying specific LED policy strategies that address specific issues.

5.2 Sub-Themes and Key Issues in Discussion

Two sub-themes were explored during the discussions. The first sub-theme examined the potential of the social and solidarity economy (SSE), and other income-generating alternatives, to foster growth, decent work, and social inclusion. The other sub-theme considered the issue of inclusive and sustainable urbanization and the role of the private sector.

Among the solutions emerging from the local level in a variety of countries worldwide, particularly on the issues of decent jobs and access to essential services, the social and solidarity economy (SSE) arises as a viable way forward, for inclusive and sustainable growth. The SSE approach is as an umbrella concept, referring to the production and exchange of goods and services by a broad range of organizations and enterprises that pursue explicit social, and often environmental objectives. These enterprises and organizations are guided by the principles and practices of cooperation, solidarity, ethics and democratic self-management. They can take the form of cooperatives, mutual benefit societies, associations, foundations, social enterprises, among others.

A noteworthy common point in all the SSE discussion that emerged during the Praia Forum was that women, by far, are the biggest beneficiaries in the SSE. The promotion and

active support of SSE enterprises, from training to microfinancing, fosters local economic development but also inclusion and the empowerment of women.

[Best practices from the speakers corner](#)

**SOCIEDADE DE PRODUÇÃO DE GABIÕES
E REDES (SPGR), LDA., CABO VERDE**

**SOCIAL SOLIDARITY ECONOMY IN
ACTION**

The decades old Social Enterprise for the Production of Gabions and Fences (SPGR) in Cabo Verde has been a successful model of the SSE. The enterprise is 70% owned by workers, with 10 partners, four of whom are women. This SSE venture has benefitted from the construction boom and large scale public investment projects. Supplying fencing, gabions and other metal works for civil construction projects of all kinds all over the country, the venture has grown rapidly as has its social capital. Ministries, local governments, and even livestock producers have been major clients. As with many SSE enterprises, the SPGR faces some challenges in terms of modernizing production, diversifying its products, building up its technical and accounting capacity, and improving price and quality competitiveness. The continued construction boom in the country offers a growth opportunity.

The Praia Forum explored the potential of SSE as a localized, territorially-based circuit, leveraging the economic potential of territories and reinvesting value for local wellbeing. SSE organizations and enterprises have deep local roots, thus they epitomize the LED approach to inclusive growth. In doing so, the forum looked beyond the barriers of sectorial approaches by examining the value, ‘efficiency of proximity’ and the specific potential of alternative/complementary paradigms, such as fair trade, sharing economy, circular economy, etc. In several countries from diverse parts of the world, the SSE has proven an effective approach to creating decent jobs, stimulating knock-on income generating activities. Academic research shows that SSE organizations and enterprises play a crucial role in local economic development strategies, making a significant contribution to the use of local resources and the inherent potential of each territory. Social enterprises, among other SSE enterprises, play a crucial role in promoting and implementing inclusive and sustainable development strategies. Embedded in the communities they serve, they are centered on people, rather than

the maximization of profit, employ democratic and participatory models of governance, and prioritize equitable profit redistribution among stakeholders.

The Praia Forum drew attention to inclusive and sustainable urbanization patterns, exploring new paradigms for private sector engagement. The forum sought to promote the gradual regularization of the urban informal economy, and to strengthen access in the transition phases. Other policies and instruments were explored, such as sustainable investment and service delivery in urban contexts. The forum also deliberated the role of SMEs and their networks: Entrepreneurship and decent employment creation; the challenge of cooperation and new forms of partnership with local authorities; social responsibility and the territorial impact of enterprises; investment and services’ financing models and tools.

Rapid urbanization is one of the world's most burning issue. Over the next 20 to 30 years, some 1.4 billion new urban dwellers will need access to safe drinking water, sanitation, housing, waste collection, transportation, electricity. Already, about one billion slum dwellers do not have access or have limited access to basic services. Rapid urbanization, notably migration to cities by rural residents, has been coupled with slow growth, volatility, or decline in the formal economies of many countries, while the sector where a large number of people hold jobs in many countries continue to be the Informal Economy related to services.

"LED is critical, but not sufficient. LED has to be part of this broader initiative...we need to look at state building, governance, and justice"

Patrick Keuleers, UNDP, Praia Forum

This rapid changing context implies that local actors need to find innovative solutions in the economic development of their communities and in the flourishing and stimulation of entrepreneurial activities. As important stakeholders to enable local economic development, local authorities work with the people of their communities to develop strategic visions for the future of their cities, towns, and villages, and implement a wide variety of policies and measures to bring these visions to life.

To build a sustainable and inclusive urbanization, that ensures well-being and creates wealth and jobs at the most local scale, it is essential to move towards and ensure a secure and stable environment in which economic development can take place. Local and regional governments, together with their partners and communities, provide physical infrastructure – roads, water supply, waste management, information and communication technologies – they promote public health, education, and environmental sustainability, - and manage administrative procedure such as business licenses and taxes as well protect common goods related to sustainable resource management and ensure minimum standards and rights for decent work. Sustainable and inclusive urbanization and new forms of engagements also requires us to find new ways to provide leadership and coordination in workforce development programs that bring together local authorities, employers, trainers, mentors, and social service providers with residents of their communities who are seeking employment, aiming to connect employers in need of workers with groups in the community who face specific barriers to employment: women, youth, indigenous people, ethnic minorities, or people with disabilities.

Co-creating the city and the local economy puts local authorities in a new role for dealing and facilitating the engagement of multiple stakeholders around development visions. This key role of strategic planning for local governments is crucial for transparent and visionary allocation of scarce public resources. To strengthen and keep this process transparent, regional and National government join the tables, that include local stakeholders spanning from business to academia and all relevant actors.



Among the key questions and topics discussed under this Thematic Line were:

- Enabling frameworks for SSE (local policies; public-private/SSE partnerships; public procurement; citizens' participation and engagement);
- The potential of SSE as a localized circuit to leverage the economic potential of territories and reinvest value for local wellbeing;
- The value and 'efficiency of proximity' and the specific potential of alternative/complementary paradigms to break the barriers of sectorial approaches, e.g. fair trade, sharing economy, circular economy, forms of social and collaborative economy, recycling and sustainable consumption.
- What is the role of local and regional governments (LRG) in promoting entrepreneurship, decent work creation, and inclusive growth?
- What are effective strategies to support people and enterprises in the informal economy, and to support their transition from the informal to the formal sector?

Enabling frameworks for SSE (local policies; public-private/SSE partnerships; public procurement; citizens' participation and engagement)

The plenary session on the SSE addressed the significance of the SSE as a timely approach considering the current global crisis and changing philosophy on the role of the state. The SSE suggests paying attention to civil society, and encourages a much greater role of civil society actors in policy decision making. As Roberto di Meglio of the ILO reminded us, the SSE is rooted locally and is best positioned to offer decent work opportunities to permit citizens to have better access to basic needs such as education, health, and social security.

The SSE is one LED strategy that can mitigate against the current development model's harm in terms of socioeconomic inequality and marginalization. The SSE, while emphasizing wellbeing and inclusion, does not lose sight of profit making and competition. Yet unlike traditional enterprises, the SSE is much more preoccupied with what to do with the profits made and how to reinvest them in workers and the community. The SSE promotes local production and local consumption.

An important first step is for governments to support, with technical and financial resources, the creation and operation of civil society groups who, in turn, support social initiatives in the area of the SSE. In Cabo Verde, as the plenary session reported, the national government has had a positive track record supporting NGOs and other organizations that promote the SSE in local communities. The President of CitiHabitat in Cabo Verde, Jacinto Santos, commented on the innovative policy of the government of Cabo Verde entering in partnership with the commercial banks and microfinance institutions whereby the government would support part of the interests on loans issued to SSE.

The city of Araraquara in the interior of São Paulo state, Brazil, has pioneered a number of policy instruments to support the SSE as a local and regional economic development strategy. Aside from active promotion of town hall meetings and open public discussion in the definition of multi-year investment budgets, it also embraced participatory annual budgeting. The city's Plurennial Plan and its Municipal Plan for the Solidarity Economy incorporate a number of support mechanisms to foster the commercialization of the products of the SSE enterprises. In addition, the city has taken a leadership role in inter-municipal cooperation in structuring regular dialogue between several municipal governments and a national association promoting the SSE.

Governments alone cannot be expected to shoulder the burden of SSE promotion. The promotion of the SSE, as with other LED strategies that promote growth, inclusion, and decent opportunities, must also come from below. That is, civil society must also act as a pressure point to demand policy attention from local, regional and national governments. The plenary session on the SSE underscored the importance of bottom-up action and pressure. The ILO's Director in Dakar, Senegal, Francois Murangira, gave the example of women who produce the tradition tannage. With the assistance of the ILO, they were able to organize and to lobby for their cause, thus pressuring the municipal government to pay attention to their situation and needs.



Two critical areas emerged during the discussion of strategies to promote the SSE. The first is the issue of capacity building and training. The second is the critical need to devise creative credit and financing mechanisms that SSE, including informal enterprises in transition to formality, can access with ease and at lower cost. Microfinance organizations and other special financing programs have proven effective. An important aspect of most microfinance programs – such as Amorabi (Cape Verdean Association for Women Empowerment) in Cabo Verde or the Fund to Promote Local Economic Development of the Mutual Savings and Credit Corporation in Senegal – is that the hands-on support and monitoring they offer their clients, from elaborating their business plan to market insertion. The ADAJA Center in Burkina Faso provides business training to women entrepreneurs as part of their financing.

Financing LED necessarily emerged as a major topic in the Praia Forum. Indeed, no substantive debate on development is possible without a discussion of the scope and mechanisms of development financing in the international system. As an alternative approach, the LED framework calls for new thinking on financing, one that considers local communities and authorities direct partners in human development and achieving the SDGs. Comparative experience, as shared during the Praia Forum, has shown that direct local financing can yield positive results. The special fund of the United Nations, the United Nations Capital Development Fund (UNCDF) signals an important change in the practices and approach of international development agencies. The Global Fund for City Development (FMDV) is one such creative approach to direct local financing. Local governments typically lack sufficient resources, and rarely have direct access to development financing. Promoting public-private partnerships in local development has been a major emphasis of the direct local financing partners. This not only enables private sector participation in LED but also helps mitigate the technical and managerial limitations that local authorities may face in carrying out projects. In addition, Carlos Freitas of the FMDV argued in favor of financing smaller scale projects.

For development partners, a major hurdle is having clear understanding of the development needs of localities that require financing. Another hurdle mentioned is that local authorities often lack technical and management capacity. Building local capacity – for example, to design, implement, and monitor programs – has to be a key part of the LED agenda. Finally, another clear message that emerged in panel discussions on the topic was the need for LRGs to be audacious and entrepreneurial, especially when it comes to finding development financing. For example, Khady Dia Sarr from Dakar gave example of how the local government was able to secure financing from the stock exchange, local banks as well as international development agencies and foundations to finance a number of LED programs such as infrastructure and public lighting.

The potential of SSE as a localized circuit to leverage the economic potential of territories and reinvest value for local wellbeing

The SSE must be an integral part of local and regional development strategies. The SSE, because of its strong local roots, has the added benefit of territorial development. States and national governments have a vested interest in territorial development, because poorly governed spaces and poverty-stricken regions become sources of insecurity and illicit activities.

The SSE, and specific endeavors such as cooperatives, can induce local economic development. To do so, however, governments at all levels must examine their legal and regulatory frameworks, including business licensing and fiscal policies, so that SSE enterprises are not unduly harmed. The need for governments to create enabling legal and regulatory frameworks consistent with SSE promotion was a point repeated by a number of speakers in various panels.

Given the extent of the informal economy in Africa, in addition to the urgent need to foster growth and combat poverty, LED and the SSE specifically are viewed as holding a lot of potential in the continent. In some African countries, such as Equatorial Guinea, the SSE constitutes a substantial portion of the national economy. The panel of the “SSE – An opportunity to Support LED in Africa,” offered rich examples of best practices and successful cases of SSEs and SSE support mechanisms from various African countries.

Agriculture and the rural economy are major focal point of the SSE. The vast portion of the world’s population still depends on the rural economy for its livelihood. Effective practice of rural-based SSE achieves not only growth but also inclusion and sustainability. Women are among the SSE’s biggest beneficiaries given the scale and importance of their role in the rural economy. As Gaurav Sharma pointed out in the panel on “Alternative and Complementary Paradigms,” however, training and technological innovation are critical needs in the rural economy, especially in agriculture, in order to unlock its full potential. Training and organizing local producers are major challenges. Enlisting a representative sample of local producers, involving local authorities, and organizing people were cited as major hurdles in the SSE. Universities were again cited as major contributors to the innovation process and transforming SSE into highly productive enterprises. An illustrative example of the role of universities in fostering productive rural economies and SSE came from Nicaragua. Claudia Mendoza from the National Autonomous University of Nicaragua discussed the open courses on agricultural techniques that the University offers students. The courses are held on weekends, and students are encouraged to pass on their knowledge to their parents. The entrepreneurial element in the course is that students are encouraged to develop a business plan for a project they will implement upon graduation.

Despite its emphasis on decent work and decent pay, the SSE still must follow basic market principles. Gabriel Suarez from RED DETE observed that the SSE needs greater rationalization that ensures both minimum productivity and decent wages. Achieving durable productivity has been a challenge for SSEs. Similarly, constructing SSE and other



forms of social enterprises are not necessarily easy. These kinds of SSE are fundamentally based on cooperation and trust. Locals must be willing and capable of organizing and collaborating on a common endeavor. As panelist Amilcar Aristides Monteiro put it in his panel, in Cabo Verde there are numerous small scale producers of certain fruits and vegetables, but they are not organized. Better cooperation and collective approach in a network or cooperative may allow local producers to supply the major tourism hotels with local produce.

The interactive panel on “Innovative Ecosystems for the SSE,” put heavy emphasis on the need for greater innovation in SSE. An enabling ecosystem involves a number of elements and participants. As Ilcheong Yi of UNRISD noted, however, an ecosystem must be conceived as multi-layered, with each layer supporting the other. That is, an SSE enabling ecosystem includes the local, regional and national levels. Working on only one level is pointless. Other panelists added that South-South and triangular cooperation are also important elements in an SSE enabling ecosystem.



The value and ‘efficiency of proximity’ and the specific potential of alternative/complementary paradigms to break the barriers of sectorial approaches, e.g. fair trade, sharing economy, circular economy, forms of social and collaborative economy, recycling and sustainable consumption.

The circular economy holds potential for many localities to unlock economic activities in the territory, especially in rural areas, providing households much needed income. The economic and non-economic benefits and spin-offs of the circular economy are many. A key emphasis of the circular economy is reutilization and recycling, thus allowing local communities to foster jobs and income but also protect the environment. The circular economy requires a pro-active and entrepreneurial local government, endowed with technical and political resources but also an open mind willing to experiment.

The concept and practice of “fair trade” has achieved much traction over the years. It has gradually expanded, and increasing number of global corporations have embraced it. Fair trade can be a major boost for the SSE. Panelist Judith Hitchman of URGENCI noted that in many sectors, product prices of the SSE may be high, given the priority given to providing decent work and wages. Yet the SSE rejects the current model that emphasizes low prices for mass consumption but comes at the expense of immiserating workers, especially farm workers. Fair trade holds promise both from an economic as well as social and environmental standpoint.

What is the role of local and regional governments (LRG) in promoting entrepreneurship, decent work creation, and inclusive growth?

South-South cooperation in entrepreneurship promotion and MSME development strategies holds much potential. A number of countries in the South can benefit from the best practices and know-how of their peer countries that have been experiencing success in entrepreneurship promotion. For example, in 2007 Cabo Verde launched a national business incubation support program, and a number of incubators were created by a number of institutions to support both social enterprises as well as for-profit business start-ups. The Cabo Verde program received extensive support from a number of successful business incubation programs and agencies in Brazil. This South-South cooperation – in the form of knowledge transfer, training, study tours, continued technical cooperation and institutional coaching – proved valuable to Cabo Verde’s nascent program. In similar fashion, a number of countries in the South have had positive experience with the SSE that others can learn from.

South-South cooperation can also be an effective tool in promoting SSE. Latin America has been pioneering South-South cooperation in SSE, an examples from Brazil and Uruguay show.

What are effective strategies to support people and enterprises in the informal economy, and to support their transition from the informal to the formal sector?

The informal sector is mistakenly viewed, and treated by policy, as an aberration. For billions of human beings, the informal sector is main source of livelihood. Above all, the informal sector is a strategy for self-employment. In many cases, the informal sector reflects – or is a response to – the failings of the formal sector and the many market failures in an economy.

To be sure, the informal economy does not provide a path out of poverty for the millions of people who must make their livelihood in it. The vast majority of occupations in the informal economy offer meagre and unstable incomes in highly competitive sectors with very low productivity. Moreover, informal enterprises face numerous obstacles, such as the inability to access the credit market or benefit from public programs that support MSMEs.

The first response might be an attempt to drive out informal enterprises or force them into the formal sector, but experience has shown that it is better in many instances to tolerate the existence of the informal economy and find ways to support its enterprises, protect its workers, and engage with its entrepreneurs to enhance their productivity and incomes, with a view to integrating them gradually into the formal economy as more productive enterprises providing decent livelihoods. A number of countries, such as Brazil, work directly with informal enterprises and entrepreneurs to support their eventual transition to the formal economy, utilizing a variety of mechanisms such as business incubation and workforce training.



Rather than ignore or exclude the informal sector, governments at all levels must find ways to support and strengthen enterprises in the informal economy. Whether it is from the standpoint of broadening the tax collection base or from the standpoint of job creation, local governments have a vested interest in working with the informal sector.

The first step is to open dialogue with the informal sector, as Edmundo Werma of the ILO noted. The best method for determining which interventions will be most effective is to ask the informal economy participants themselves. This can be done most effectively by including its representatives in LED planning processes. Local actors and partners can extend technical services to informal enterprises, developing their skills, upgrading their technology, and assisting them to connect with other enterprises as upstream suppliers or downstream distributors, retailers, or waste processors. They can also provide direct support to workers in the informal economy through health and education services and by upgrading the physical infrastructure – roads, markets and other public spaces, water supply, sanitation – that facilitates informal enterprises.

The transition from informal to formal is not easy. From a policy standpoint, it requires resources, sustained attention and follow-through, and delicate work. First, the informal operators must be identified. Second, resources must be mobilized to support their capacity building and facilitating access to credit. Third, in many instances there is the practical issue of where to locate the business, since oftentimes the informal operation is either in the streets or ambulatory.

Panelist and business development expert Amilcar Aristides Monteiro of Cabo Verde alerted the audience that any strategy to assist the transition from the informal to the formal sector must include training and capacity building. This also applies to workers. Otherwise, informal enterprises and entrepreneurs will simply fail in the formal sector. The typical socioeconomic profile of individuals in the informal sector is one of low levels of formal education, marginalized or disadvantaged groups, women, and migrants. Moreover, informal businesses are unlikely to have the kinds of managerial and accounting system necessary for success in the formal sector, let alone knowledge of marketing, inventory or quality control processes.



Locais, Ações Locais, Agendas

4^º FÓRUM MUNDIAL DE

DESENVOLVIMENTO

ECONÓMICO



6. SPECIAL FOCUS ON SIDS

6.1 Introduction

The Small Island Developing States (SIDS), while a heterogeneous mix of countries and territories in different stages of development, face common challenges and opportunities in the present international system. The Praia Forum, being located in one of the world's emerging SIDS, rightfully devoted special attention to the SIDS in the new development agenda. As evident in the discussions, the LED framework is especially applicable to SIDS. From the standpoint of growth, territorial cohesion, climate change and the like, the LED perspective may be uniquely applicable to the SIDS. The SIDS, through their high level delegations, were visible and vocal throughout the Praia Forum.

Not all SIDS are alike. Cabo Verde's Permanent Representative to the United Nations, José Luís Rocha, reminded participants in his panel that the SIDS ought to be categorized by their different levels of development, as each category will face unique issues. Countries like Cabo Verde, the Comoros and the Maldives represent, in microcosm, the many challenges and opportunities of SIDS in the current world economy. First, the SIDS pay a high cost for their insularity and isolation. The high cost of transportation, for example, filters through their economy to affect all prices for all goods and services. SIDS also pay a cost for their small or micro sizes. Their reduced or limited size, such as the limited size of their domestic markets, create natural market failures and inhibit the kinds of economies of scale necessary for sustained, large scale economic activity. The small size of SIDS also translates into a limited productive base for their economy. SIDS likewise have limited or no exploitable natural or mineral resources. As exemplified by Cabo Verde, many SIDS are utterly import depend, including in foodstuffs. The basics of food security and self-sufficiency elude many SIDS. Their insularity, small size, lack of productive base mean that SIDS are structurally vulnerable in the world economy. As moderator and former foreign minister of Cabo Verde, Victor Borges, put it, the SIDS face numerous natural barriers to sustainable development.

All SIDS are vulnerable to price and other economic shocks in the world economy. Especially for geographically fragmented island states and archipelagos like Cabo Verde, SIDS face high costs for energy, infrastructure, transportation, communication and services; they have low resilience and location make them heavily affected to natural disasters; high



volatility of economic growth; low skills base; limited opportunities for the private sector and a proportionately large reliance of their economies on their public sector. To make matters worse for the SIDS, the worsening global climate change being produced by today's development model now represents an existential threat. SIDS are vulnerable to natural shocks, from drought to natural disasters such as a cyclones. Yet now their very survival is in the balance as climate change reaches tipping point. From the standpoint of both growth and development financing, the problem is now worse for SIDS. Not only must they find resources to foster growth and human development, they must simultaneously do so while attempting to mitigate the risks they face from global climate change.

The Praia Forum gave the SIDS an opportunity to draw additional attention on integrated development issues that define the economic, social and environmental vulnerability of the small states, with special emphasis on the challenges and potentials, territorial articulation and integration, tourism and local development, environmental management and risk mitigation and specially partnership for financing development both at local and national level.

"Sustainability is critical for SIDS. It is not an abstraction"

Mohamed Assim, Foreign Minister, The Maldives, Praia Forum

As reinforced in the 1994 Barbados Program of Action, the 2005 Mauritius Strategy of Implementation, and the SAMOA Pathway adopted by the United Nations in 2014, SIDS, in addition to common difficulties faced by all developing countries, and in the pursuit of a sustainable development, have an additional series of severe and complex challenges to cope with that requires special assistance from the international community. The unique characteristics and vulnerabilities that SIDSs face are varied, and a challenge to their development processes. The SAMOA declaration recognized the need to support and invest in SIDS so that they can achieve sustainable development by investing in education and training of SIDS people. The promotion of training and education for sustainable development is especially crucial for SIDS that are under direct threat from climate change, since it will increase skills and empower communities to make informed decisions for sustainable living.

6.2 A Special Focus on the SIDS

The Praia Forum's focus on the SIDS centered in four topic areas:

- Devising new partnerships for development financing for SIDS
- Patterns of territorial articulation and integration
- Tourism and local development strategies
- Environmental management and risk mitigation



6.2.1 New Financing Partnerships for SIDS

As an organized bloc, the SIDS have been consistently demanding special and differentiated treatment in terms of international development financing. The needs of SIDS are unique; so too is their constraint and capacity. The SIDS have been demanding special financial mechanisms that can address their unique development challenges. This theme was reinforced in the Praia Forum discussions. The Maldives Foreign Minister, Mohamed Assim, forcefully made these points in his plenary presentation. International development financing for SIDS was the central topic of the plenary session devoted to “Partnerships for Financing Development.” The panel provided numerous examples of creative financing for SIDS and shared new financing mechanisms available.

SIDS are extremely mixed when it comes to domestic and international financial flows. Some SIDS rely heavily on domestic and international capital markets to meet fiscal deficits and fund development while others are heavily aid dependent. Despite these differences, most share a number of key challenges when it comes to financing for development. These include limited capacities to mobilize domestic resources, high per capita costs when it comes to essential service provision and vulnerability to environmental and economic shocks. Climate adaptation costs are also among the highest in the world for SIDS when measured as a proportion of national output. Special financing mechanisms for climate change risk mitigation and resilience is a specific area of financing and international assistance that SIDS are drawing attention to.

Given their small size, fragility of their national economies and other unique characteristics, most SIDS turn to international capital markets and foreign direct investment (FDI) to finance development. Yet for SIDS like Cabo Verde and the Maldives, who no longer qualify for special treatment terms in international financing because of their status as a Middle-Income Country, the inevitable result has been increasing external indebtedness. Indeed, for graduated SIDS like them, development aid has diminished precipitously while private foreign investment, remittances, and private lending have become the major sources of external financing for their economies. For Cabo Verde, its external debt level has surpassed sustainability. There is a constant struggle to maintain debt sustainability since many SIDS continue to experience severe structural constraints in their efforts to mobilize more domestic resources for development. This is in part the consequence of graduation in which countries have not developed sufficiently to continue to progress independently, while at the same time no longer qualify for various forms of economic assistance previously available. As such middle income countries are caught in the paradox of the “middle income trap”. Mindful of the particular vulnerabilities of SIDS, there is a need to think about financing in a longer term framework and invest in building resilience to natural disasters, as well as social and economic, shocks and crises that threaten to roll back development gains.

International development financing must be adjusted to the needs and characteristics of SIDS. Their small size demands it. Cabo Verde’s Permanent Representative to the United Nations, José Luís Rocha, noted that a major financing problem for SIDS is their small size, or rather, the small size of their development projects. The small markets and limited resources of SIDS discourage private external investors. Special financing partnerships must be constructed that are consistent with the needs of SIDS. However, noted Rocha, the reality of the current global situation is that SIDS like the Maldives and Cabo Verde, who have graduated to middle income status and are not eligible for special financing terms, they must increasingly rely on domestic sources of development financing. External development financing can only be regarded as supplementary. Massimiliano Riva of the UNDP, in the plenary session on “Partnerships for Financing Development” emphasized the need for SIDS to be smarter and more efficient in their resource use. When it comes to financing and its use, he argued, SIDS must: avoid future expenditures when possible by taking more preventive and sustainable measures; deliver services better and more efficiently; realign expenditures; and mobilize new sources of revenues.

6.2.2 Patterns of Territorial Articulation and Integration

An archipelago, Cabo Verde is a microcosm of the development bottleneck created by the country’s geography and natural endowment. Territorial fragmentation – and all the development consequences that stem from it – represent the biggest development challenge to SIDS like Cabo Verde. Fragmentation does not only have the serious economic impact of depriving SIDS of a unified domestic market. It represents huge challenges – and financial costs – in terms of governance, infrastructure, social cohesion, and

territorial development. Fragmented into 9 inhabited islands, Cabo Verde must replicate infrastructure, bureaucratic structures and public services, for example, nine times and in reduced scale that may otherwise be financial unsustainable but vital from a social and human development standpoint. One consequence is that in cases like Cabo Verde, the public sector becomes a huge financial burden on the economy and big consumer of resources. The costs of fragmentation, and its hindrance to growth and development, are most visible in the enormous problem of transportation. If international transportation is costly, domestic transportation is a huge hurdle for SIDS like Cabo Verde who face enormous problems in moving people and goods from one island to the next.

Territorial articulation and integration, including balanced territorial development, are major challenges in Cabo Verde, therefore. The LED approach holds promise for SIDS like Cabo Verde and the Maldives, who were well represented in the Praia Forum. The interaction between the Central and Local Development on the same territory should have an harmonized framework and tools for the management of territory, calling upon all actors, stakeholders and citizens therefore involving all levels of governance for LED. Territorial articulation would be conducive to integration where the space is understood as a platform for local stakeholders and communities to interact and produce social, economic and environmental dynamics, the linkages between which are so important in SIDS.

As in other panels in all thematic lines, a consistent theme in this topical area was the need to reinforce the institutional capacity of local and regional governments in such a way that they can play their proper role in territorial articulation and integration. In the absence of such capacity, local governments will be unable to carry out the new mandates or deliver the same quality service expected all over the territory. The panel on “Models of Territorial Articulation and Integration” offered ample discussion and exchange of ideas on the subject. Territorial articulation requires close collaboration between different levels of government.

In addition, also critical are robust institutional and regulatory frameworks, as well as planning tools that facilitate regional collaboration and cross-sectoral and regional cooperation. An inclusive planning framework is also important to give voice to all segments of society, especially disadvantaged and marginalized populations. With vast experience in the European Union region, decentralized cooperation is a tool to promote territorial articulation and Integration, regional and local development. Empowering Local and Regional Authorities, can represent the modality of cooperation that is the closest and most effective to promote and implement a territorial articulation and integration approach to local development. This can be achieved through activities at the territorial level, involvement of stakeholders from the territories and the possibility to work at multiple levels, relying on associations of local authorities and government departments. An interesting example of territorial integration comes from the Maldives. To achieve balanced territorial growth, alleviate urbanization, and spur economic activities, the authorities invested in building new urban settlements in previously uninhabited islands.

The new urban spaces, with their modern infrastructure, technology and public services targeted the young population.

6.2.3 Tourism and Local Economic Development in SIDS

The SIDS may lack size and mineral resources to compete in the world economy. However, most SIDS are well endowed for tourism. Indeed, for the majority of SIDS, international tourism has emerged as their leading economic sector. Given its nature as a multi-sectoral and labor-intensive activity, tourism holds a lot of promise as a development tool for SIDS. When properly planned and managed, tourism can act as an economic engine; as a catalyst that can trigger growth in other sector through its backward and forward linkages. At the same time, tourism can be a dual edged sword, increasing external vulnerability as well as worsening environmental sustainability.

To what extent can tourism be a viable, sustainable LED option for SIDS? This question was explored at length in the panel “Tourism and Local Development in the SIDS” in the last day of the Praia Forum.

Most SIDS are characterized by a high degree of dependence on the tourism sector in terms of exports, jobs, revenues and, more broadly, of their GDP growth both directly and indirectly. In Cabo Verde, for example, tourism is estimated to account for over quarter of the country’s GDP, with estimates of over 40% in terms of its total direct and indirect contribution. As the world demand for tourism continues to rise and an increasing number of visitors are attracted by the SIDS special geographical situation and unique natural and cultural heritage richness, it is most likely that the importance of tourism for the SIDS economy will continue to growth.

This can create significant opportunities for SIDS for further economic diversification and inclusive growth. However, because of their very nature, SIDS remain confronted with a numbers of known challenges and vulnerabilities-be it economic, social or environmental-and their overall sustainability can be further strained by a significant expansion of the tourism sector. This is especially the case for those SIDS experiencing a tourism model that focuses on all-inclusive packages and mass tourism. There was strong agreement among panelists in the tourism panel that mass tourism does not bring much benefit to local communities.

Tourism, moreover, requires investment by national authorities, as a governor from the Comoros reminded participants. To develop its tourism sector, the Comoros has had to invest heavily in building infrastructure. Another point made during the debate on tourism was the need to train and equip local actors and authorities with capacity to manage and plan tourism at the local level. A lot of focus was also given to the need to foster the local economy, such that locally produced goods and services can supply the tourism industry and thus maximize the economic benefits derived from the industry. As Carlos Costa argued, more attention has to be paid to the supply side of tourism, that is, to what the local and national economy can supply tourists.



Diversification of their tourism product is a common challenge for all tourism-dependent SIDS. This is not easy, but it is necessary if tourism is to become a vehicle for local economic development. Encouraging a niche tourism model that is more localized, smaller scale and integrated into the local realities would help improve overall SIDS sustainability through a better tourism diversification and territorialization of the offers that small island countries can provide with emphasis on local content, local jobs and environment preservation. However, the implementation of coherent public policies based on the complementarities between the center and the local dimension, and the potential and economic vocation of the different local realities (often in terms of different islands in the case of SIDS) requires

a number of conditions to take place. As such there is a need to develop a comprehensive and multilevel governance and put in place a planning system capable of achieving a balanced and sustainable local development dynamic.

For those SIDS lacking an intermediate level of articulation (and planning), combined with the insular nature of the state (especially for archipelago SIDS) a vision and an integrated strategic framework for economic development is required. Community engagement and involvement in the decision making process from planning to implementation is also critical in pursuing a tourism model more integrated at local level.

Similarly important is the articulation between public and private actors through an expansion in the space and mechanisms for dialogue, coordination and concertation. This is also required because often decentralized institutions are not so much involved in productive development like tourism and integrated territorial strategic plan. If policies and measures / tools to promote business development more broadly are not fully embedded in a dynamic of dialogue and synergy among the public, private and associative actors, this will affect both a general function of animation and promotion of local economies, including tourism development, as well as support and business services.

In sum, to pursue a tourism model (and indeed other economic sectors) that is more territorially integrated, inclusive and sustainable there is a need to strengthen the articulation between different levels and aspects- central-local, public-private, local-local, intersectorial, social-economic, formal-informal. This would allow a greater integration of the different functions (planning, investment, business support, services for employment and vocational training, financial services) and the consequent enhancement of the capacity to exploit the potential presented by an expansion of sustainable tourism. Achieving this goal, however, is inseparable from the work of empowering local actors and building up their capacity to localize this more inclusive, locally owned tourism.

6.2.4 Environmental Management and Climate Change Risk Mitigation

Soon after the Praia Forum, a series of natural disasters swept across the Caribbean islands, with devastating social and economic toll of the tiny island countries and territories. These natural disasters, which seem to grow with intensity year after year, provided unwelcomed reminders of the extreme vulnerability SIDS have to natural shocks. Panelist Vera Alfama reminded participants in the panel on “Community-based Environmental Management and Risk Mitigation” that SIDS are uniquely vulnerable to natural disasters and have a greater propensity for ecological fragility. Only recently has the international community been paying greater attention to the grave crisis faced by SIDS in relation to global climate change. The SIDS face the greatest immediate danger. The Global Environmental Fund (GEF) has been an important source of financing for SIDS as they mitigate risks and build resilience in the face of global climate change.

More so than territorial large states, the SIDS have always had to be much more sensitive to achieving balance between growth and ecological sustainability. This point was reinforced

by the Foreign Minister Assim of the Maldives. SIDS like the Maldives may have extensive marine resources, such as fisheries, but their size and ecological fragility mean that they must exploit such economic resources in a sustainable manner. At the same time, the population and local communities in many SIDS may be especially vulnerable to natural disasters and ecological deterioration. Thus, risk mitigation has to look to both aspects of the problem, not only minimizing potential damage from natural disasters but also helping local communities build resilience.

SIDS, due to their special nature (small land size, high species diversity and richness, location in areas prone to natural disasters, weak institutional capacity to cope with the new and growing environmental hazards and menaces, inter alia.), should receive a special attention by the international community, a fact that has been agreed upon in practically all International Conferences and Summits. Despite all the partnerships and cooperation that have been made, many more are necessary so that developing countries, in general and small island developing states, in particular, can reach a sustainable development. And, in this context, the international cooperation, including south-south cooperation is vital.

However, what has been done does not reflect that understanding. Contrary to their small land size, SIDS are “Large Ocean States” whose seas and oceans play important global functions in terms of international security, food security, reserve of rich and diverse biological resources, carbon sequestration, inter alia. However, due to their lack of scientific knowledge as well as technical, technological and financial resources, they are unable to take most benefit from them.

There are many success cases and good practices in our countries and around the world, in several areas of interest, which can be shared among us. Moreover, the SIDS may achieve growth and sustainability by exploring a number of areas where they have natural comparative advantage and ample resources. Tourism development, especially sustainable tourism models, can be consistent with the goal of risk mitigation and environmental protection. The blue and green economies are areas that hold potential. SIDS are uniquely positioned to drive growth through a low-carbon economy by using their natural endowments in sun, wind, and water and thus rely much more on renewable energy sources. The blue economy, likewise, is very much consistent with the SDGs and sustainable growth, as emphasized in the “Blue Economy: Exchange of Experience Among SIDS.” The blue and green economies allow both meeting basic needs, such as food and decent work, as well as ecological sustainability. Maximizing growth and employment opportunities in both – while maintaining sustainability – is not easy. First, exploiting opportunities in the blue and green economies require public investments, for example in new infrastructure and transportation systems such as modern fishing fleet. It also requires investing in human capital and new technologies. Second, more growth in these sectors, such as the blue economy, may act counter to sustainability requirements.



7. CONCLUSION

The Praia Forum resolutely affirmed the Local Economic Development (LED) as a means to achieve equality, equity and cohesion within the Sustainable Development Goals localization framework.

As the IV World Forum of Local Economic Development, the Praia Forum continued the on-going and open working process, started in 2011, which promotes an international dialogue and shares experiences on Local Economic Development (LED). The Praia Forum provided additional opportunities and momentum to transform a global alliance of engaged actors into concrete partnerships at the country and local level. The Praia Forum was high-energy, inclusive, well attended gathering for dialogue on key issues such as poverty eradication, employment and decent work, sustainable entrepreneurship, multi-stakeholder partnerships, including the involvement of civil society, workers' and employers' organizations.

With participants from over 80 countries and more than 300 presenters, the Praia Forum advanced the global LED agenda. It established firm ground for the succeeding V Forum. The Praia Forum impact and contribution to the global process stemmed from the large number of diverse leaders and practitioners from national and subnational governments, the private sector, academia, civil society and others. They work together to stimulate policies for sustainable local development – to achieve their ultimate implementation on the ground.

The Praia Forum debated and drew attention to the question of how the LED approach offers an operational and strategic approach to localize the 2030 Agenda for Sustainable Development and its Sustainable Development Goals. The LED is a territorially-based, people-centered paradigm. Thus, LED has the potential to land global partnerships and strategies at the local level, wherein all-local stakeholders work together to define priorities, and plan and implement development strategies. This outcome must be constructed through public participation. Addressing rising inequalities, promoting integration and inclusion, cohesion, creating opportunities and access for decent work, and building resilience were central thematic common threads during the four days of discussion.



The Praia Forum deepened the discussion and understanding of:

- how the LED approach can be a **foundation for integrated and cohesive territories**. Sustainable LED strategies enable local people to build upon local resources and make use of their advantages and specific knowledge endemic to their territory. These strategies manage consumption and production patterns, in a way that is supportable for the region. LED is a comprehensive framework of territorial planning. Participatory territorial planning requires the sharing of experiences, tools and strategies for the application of a territorial focus. It allows for a more geographically dispersed economic development and generates sustainable economic opportunities and **decent work** for all people, including women, indigenous people, youth, ethnic minorities and vulnerable groups. This localized, territorially-focus approach, moreover, offers important contributions to the urgent need to address global climate change and environmental degradation. The Praia Forum drew attention to the multiple economic and social-cultural dimension of **territorial cohesion**. It also drew attention to the need for **integrated rural development** and challenge of **rural exodus**.
- LED as a means to build **resilient and peaceful societies, especially in fragile and post-conflict contexts**. In the wake of the growing numbers of fragile, war-torn societies, staggering numbers of war refugees and internally displaced persons not seen since World War II, one of the major challenges facing the world today is building the resilience of societies to face climate change, economic fragility, political turmoil and armed violence. As we have been witnessing internationally, fragility has become the source of threats to global peace, extremism, and human insecurity, further aggravating the problems of poverty, inequality, and underdevelopment. **Peacebuilding in conflict and post-conflict scenarios** has emerged as a leading and critical global agenda. Building peace and resilience, just as in the case of fostering territorial cohesion, underscores the prominent, vital role of **local and regional governments (LRG)**, and their partners, in promoting and enabling LED. This, in turn, requires inclusive and transparent local governance systems, ones that also have the authority and capacity necessary to implement LED.

- LED as a foundation for **sustainable and inclusive economies**, providing a powerful instrument to address rising global inequalities. The Praia Forum debated the utility and best practices of the **Social and Solidarity Economy (SSE)** and other alternative economic and income-generating alternatives. In addition, **inclusive and sustainable urbanism**, and exploring new paradigms for **private sector involvement** in LED implementation, were discussed.
- LED as a framework to enable the world's **Small Island States (SIDS)** to address the many economic, territorial, and ecological challenges they all face in common. With representatives from over 10 island states, the Praia Forum provided an essential platform for SIDS to draw attention to their **common challenges and potential**, especially in the areas of: **development financing**; the need to develop robust mechanism and frameworks for **territorial articulation and integration**; promoting a pro-growth and sustainable **tourism**; and the urgent and vital need to devise means and muster resources for **environmental management and risk mitigation** in the face of accelerating global climate change. For SIDS, the threat of global climate change is not abstract. The most vulnerable and exposed, the SIDS are on the frontlines. Yet their size, insularity, narrow economies, and limited development options make urgent the need for international attention and support.

The 4th World Forum of LED, celebrated in Praia, Cabo Verde, was part of a long-standing process aimed at enhancing policy dialogue and a transversal alliance on Local Economic Development (LED) as a strategic and operational framework for sustainable development. The Praia Forum reaffirmed the need to devise a new development paradigm that universal yet locally-driven and people-centered. It reaffirmed the call to embrace the LED approach in the implementation of the Sustainable Development Goals (SDGs). The Praia Forum also reminded us to reflect on the failings and inadequacies of the current global development paradigm, which has proven incapable of addressing or ameliorating critical global problems such as rising inequality and the erosion of resilience across countries.

Importantly, the Praia Forum strengthened and advanced the on-going work to build an inclusive global alliance and movement, involving supranational and international organizations, global networks and associations, national and subnational governments, the scientific community, the private sector and foundations to advocate and join forces to promote and enable the localization and implementation of the SDGs. The Praia Forum brought together an increasingly diverse and broad array of people, institutions, and networks to renew and orient the commitment of the international community to work together and contribute to the implementation of the SDGs and to advance the LED approach. By the conclusion of the four day gathering in Cabo Verde, a consensus had emerged during the Praia Forum that the comprehensive, integrated, inclusive, and participatory nature of LED makes it a suitable approach for not only the implementation of the SDGs but also the construction of cohesive, equitable, prospering, inclusive and resilient societies.



ANNEX



PRAIA FORUM FINAL DECLARATION

The **4th World Forum of LED** was celebrated in Praia, Cabo Verde, from 17 to 20 October 2107 as part of a long-standing process aimed at enhancing policy dialogue and a transversal alliance on Local Economic Development (LED) as a strategic and operational framework for sustainable development. The **2030 Agenda for sustainable development** provides a comprehensive reference for a people-centred, transformative vision and action on achieving sustainable development through the establishment of inclusive, cohesive, peaceful, and resilient societies. In this context, an **enhanced reflection and commitment to Local Economic Development is of outmost relevance**, on grounds of and with particular relation to:

(i) The challenge of establishing solid and well tested frameworks for enabling **a universal yet locally-driven implementation of the Sustainable Development Goals (SDGs)**, ‘landing’ global partnerships through dialogue and synergies with and between territorial actors, and in the respect of social, cultural, economic and environmental human rights.

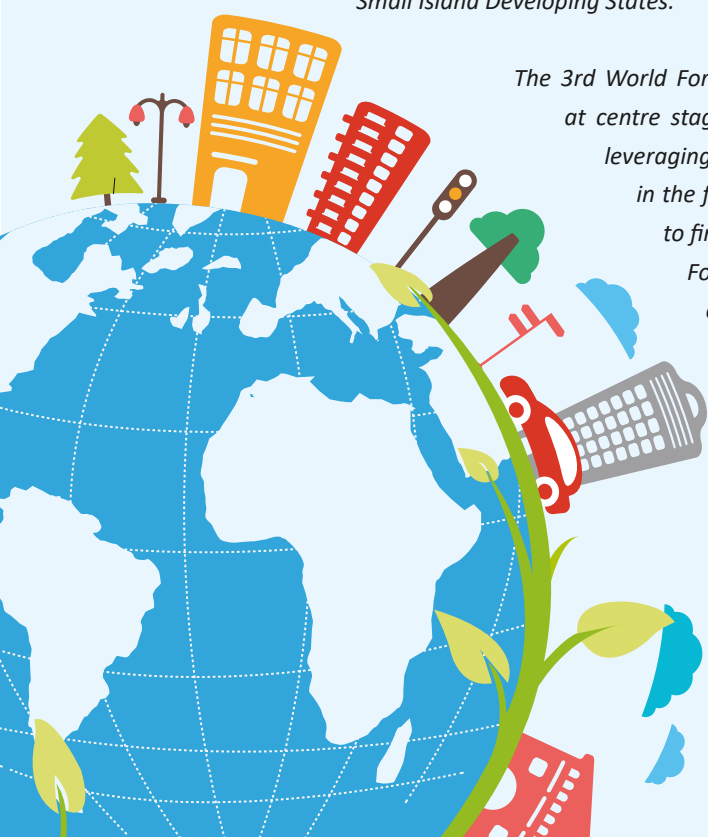
(ii) The imperative to **rethink our current development paradigm** in front of a reinforcing path of uneven growth, marked by rising inequalities between people and territories, social exclusion and discontent for the inadequate supply of decent and secure jobs, and often indiscriminate pressure on natural resources.

(iii) The urgent need for **integrated models for resilience** to deal with growing uncertainty, widespread fragility and threats to security and stability across global and local levels, alongside the complex consequences of increasing urbanization, rural exodus, and migration flows.

(iv) The growing interconnection of local, national and regional economies that calls for **patterns of economic integration** and cooperation between territories and regions to balance the effects of uneven competition, including reference to specific geographical contexts and dynamics like those of Small Island Developing States.

The 3rd World Forum of LED had placed the potential of LED at centre stage as ‘a framework for localizing the SDGs, leveraging and materializing the new global partnership in the form of organized communities joining forces to find local solutions for global challenges...’.

Following thorough debates, and considering current global scenarios and trends, **the delegates of the 4th World Forum reaffirm the distinct role of LED in turning global dialogue into concrete development opportunities at the local level, driving an alternative - more equitable, inclusive and sustainable economic development model from and through territories as means to achieving universal goals.**



The delegates recognize and agree to promote:

1. *The relevance of **integrated LED systems as means for localising the SDGs** – through policy coherence, accountable institutions, effective social dialogue, inclusive governance and integrated planning, effective services' delivery, transparent management and monitoring.*
2. *The potential of **LED as a vector of socio-economic and territorial cohesion**, enabling synergies and reducing disparities through territorial cooperation and partnerships, and taking special advantage of the alternative dynamic of South-South and Triangular Cooperation (SSTC).*
3. ***The key leading role of local and regional governments and their associations**, and city-to city dialogue for mutual learning, in enabling effective and inclusive LED processes, in articulation with national governments and policies; and in particular, the crucial role of intermediate cities in fostering urban-rural linkages and integration through sustainable production and consumption patterns.*
4. ***The key transformative role of the private sector – and specifically SMEs and their networks** – in enabling partnerships and synergies for the implementation of the SDGs at the territorial level, through the creation of decent jobs, shared and inclusive innovation practices.*
5. ***The need for stronger coalitions with civil society actors and associations** to enable fully participatory governance processes and co-responsibility in the elaboration of public policies for sustainable local development. This includes the recognition and promotion of volunteerism as an expression of civic engagement, and of the individuals' choice to be involved in their community and leverage its knowledge and resources.*
6. ***The potential of LED in conveying an integrated, developmental perspective in growingly complex crisis situations**, bridging prevention, peacebuilding and sustainable development through stronger inclusive institutions and a renewed social contract between local actors.*
7. ***The potential of integrated LED and Social and Solidarity Economy and Finance (SSEF) models and strategies** and the value of other emerging practices such as collaborative, community and circular economies, in promoting more fair, sustainable and inclusive economic activities whilst empowering communities to engage and enhance the value of their assets¹.*
8. ***The key value of research and accessible, evidence-based knowledge systems** to channel innovation and foster and display the contribution of LED to the 2030 Agenda for sustainable development.*
9. ***The pivotal role of LED in shaping local resilience against climate change**, and renewed patterns for the sustainable use of local resources and provision of services, especially in areas that are primarily exposed to global environmental challenges like Small Islands Development States.*
10. ***The potential of LED in further unlocking and 'localizing' the development potential of Small Island Developing States**, whilst furthering their access to finance and integration within global and regional economic areas.*
11. ***The need for better designed and adapted international financing strategies**, including innovative instruments to leverage domestic finance in support to the capacities of local and regional governments as drivers of sustainable LED.*
12. ***The urgent need to include and mainstream a gender perspective in policies and strategies, as a key means to empower and realize the economic potential of women and girls** as basis of inclusive and sustainable local economic development.*

The IV WFLED has allowed a rich discussion and the exchange of knowledge and best practices among a broad range of actors from different countries, territories, and with different roles and functions. This brought **substantive advances in the reflection and the potential for joint action**.

To ensure a proper follow-up of the results and conclusions of the Forum, the delegates express their **renewed commitment to continue working together for advancing in the construction of a shared perspective and a roadmap for enhanced cooperation**, and in particular:

- Continue democratic **dialogue, joint advocacy and partnership building** efforts to promote LED as means for inclusive, equitable and sustainable development in the framework of the 2030 Agenda and its implementation at the local level.
- Establish and/or strengthen **dedicated networking mechanisms** as means to promote agendas for regional cooperation through LED.
- Facilitate agreements and promote international financing instruments **for joint initiatives to support LED processes in territories as well as between territories**, including decentralized, South-south and triangular cooperation networks, platforms, and other institutional coordination mechanisms.
- Promote and support shared initiatives for further **systematization and dissemination of knowledge** about LED as means for the localization of the SDGs, to raise awareness and strengthen capacities of key actors and institutions at different levels.
- Encourage **further reflection and initiative on the potential of LED in Small Island Development States**.
- Conduct **a joint assessment of the World Forum process** some ten years after its inception, to draw lessons on what has been achieved and agree on a strategy for its evolution and consolidation.

The members and Associates of the International Executive Committee of the World Forum of LED, recognizing the complexity and the challenges associated to the organization of the Forum, wish to express their deepest gratitude to the government and all the people and territories of Cabo Verde, as well as to all the partners involved in the organization, for their commitment and dedication in hosting the first African edition of the Forum and making it a fruitful and successful undertaking.

Praia, 20 October 2017

PRAIA MANIFESTO

In Favour of Inclusive, Resilient, Low Carbon,
Sustainable Local Economic Development:

.....
***Let's Implement Social and Solidarity Economy
and Finance (SSEF) Now!***
.....

20th of October 2017 - Executive Summary



We gathered in Praia, Cabo Verde, from 17th - 20th October, for the 4th World Forum of Local Economic Development (LED).

Our organisations represent Social & Solidarity Economy and Social & Solidarity Finance (SSEF).

► We rejoice and take good note of the recognition and historical development of legal and institutional frameworks for SSEF:

- These measures, laws and policies have enabled the organisation of scaling up and paradigm change to a "macro-SSEF" that is able to propose a genuine systemic metamorphosis of our societies through differentiated approaches (cultures, structures, institutional systems, subsidiarity, shared governance). This is because they are always based on local endogenous resources, knowledge and dialogue between local actors, in territories where solidarity has been reinstated and enhanced.

They aim to **relocalise** the economy, energy and food systems, etc. to build sustainable territories where urban and rural areas are linked so that they can develop and cooperate in harmony, fight the competitive, divisive logic, and create sustainable employment that will enable people to remain in their territories, to innovate and build a new kind of society.

The creation of participatory multi-actor institutional spaces for consultation and joint actions dedicated to SSEF, and the many recent recognitions by actors in institutional fields that did not traditionally engage with SSEF provides a historical opportunity that should be seized to make a major paradigm shift through SSEF to orientations and ways of implementing resilient, low carbon, inclusive sustainable development as it has been called for by the international community in all international agreements adopted since the 2015-2016 cycle of negotiations.

These outcomes are the fruit of mobilisation, advocacy and partnership with allies over several decades by the historical, or more recent, international networks of SSEF such as: the International Mutual Society Association (AIM), ESS Forum International (ESS FI), the European Federation of Ethical and Alternative banks (FEBEA), the Global Fund for Cities Development (FMDV), the Global Alliance for Banking on Values (GABV), the Global Social Economy Forum (GSEF), the International Cooperative Alliance (ICA), the International Association of Investors in Social Economy (INAISE), and the Intercontinental Network for the Promotion of Social and Solidarity Economy (RIPESS).

Jointly and separately, they have relays in many different countries and key sectors, and are thus in a position to propose methodologies and tools that are specific to SSEF, as well as engaging in and implementing actions to support national or local strategies of sustainable, responsible Local Economic Development in partnership with their allies and local actors.

► **Let us restate the key role of SSEF and its potential for change in the global and local agenda of sustainable local economic development:**

- **The work of the UNTFSSSE² and the positions of the SSE Leading Group³ have shown that the SDGs can not be fully realised without the effective mobilisation of the SSEF actors and their expertise; this expertise has been designed from their response to local issues, in all the fields covered by the SDGs. Achieving 65 of the 179 SDGs targets at least partially implies SSEF.**

The principles and key means of action of SSEF are anchored in the values that are defined in the text of Agenda 2030. It is a recognised vector for localising it as well as for implementation at all scales of action. It is intrinsically cross-cutting, and can ensure the interconnections between the different SDGs.

- **Sustainable LED provides an opportunity to scale up and out SSEF practice in a way that connects the actors and includes them on organised economic sectors and institutions that are part of the regulatory framework, and the ecosystems of actors and technical support programmes, incubators and technological innovation; as well as providing access to existing funding.**

Responsible LED can therefore have the effect of multiplying impacts and contribute to strengthening the systemic, integrated dimension of SSEF in a sustainable, resilient, inclusive model of LED, where the wealth that is locally created remains within the territory, and benefits the whole local community.

Sustainable LED and SSEF are therefore vectors of stabilisation and strengthening of the natural, social, and human capital at local level, as well as providing territorial cohesion and resilience to the cycles of the global economy.

► **In conclusion, we commit to build an approach in partnership with the UNTFSSSE, the International SSE Leading Group, the *Advisory Group of International SSEF Organisations to the UNTFSSSE*⁴ that was created in 2017, the major international networks and themes of the local and regional governments, bi- and multilateral development banks, and all other voluntary organisations representing the economic actors and civil society, to:**

At local, national and regional levels:

Strengthen the organisational approaches of SSEF by mobilising our networks of experts, actors and partners at various levels of actions; organising a system for transferring knowledge and skills, partially through the *Knowledge Hub* organised by UNTFSSSE, and supported by the *Advisory Group* as well as by systemic implementation of regional and national cooperation and expertise Hubs of SSEF and sustainable LED, e.g. through peer-to-peer networks such as CITIES⁵. This expertise will be implemented in agreement with central, local and regional governments, UN Agencies, and all interested organisations and actors.

At international level:

Explore in a more detailed manner the links between SSEF and responsible, sustainable LED by building an alliance of shared interests of the key actors of LED. This would liberate the potentialities of territories, and strengthen the links between SSEF and LED from a conceptual, political, strategic and operational point of view and implement a joint programme of actions and partnerships that would aim to:

- **Organise joint mobilisation before the High Level Political Forum of 2018** and propose a holistic approach to the implementation of SDGs, specifically 6, 7, 11, 12, 15 and 17 to be reviewed by the HLPF in 2018. And on the basis of the solutions provided by responsible sustainable LED and SSEF.
- **Jointly organise the Global Forum of Social Economy (GSEF)**, on “SSE and cities, values, competitiveness for inclusive, sustainable, local development” planned to take place from 1-3 October 2018, in Bilbao, Spain, and invite all the partners of the LED World Forum **to discuss strategic alliances between these two fields of localisation of the major international agreements** for sustainable development of our communities and territories.
- **Constitute a working group composed of interested parties in order to actively contribute to the preparation of the 5th World Forum on LED in 2019**, and strengthen the presence of the experiences and expertise of SSEF in other thematic axes of the Forum. This would **enable improved linkages between logics and strategies of SSEF and LED** that would respect the strategies and implementation of the SDGs, the New Urban Agenda and the Paris Agreement.
- **Fully commit to the joint organisation of the Conference on Financing for SSE** planned by the Leading Group for late 2018 or early 2019. This conference plans **to facilitate the introduction of financial systems that support the development of SSE and are adapted to the specificities of each country**. They will both **enhance what SSE can bring to financing for development, and also diversify finance for SSE** through traditional sources of funding as well as innovations, and improved awareness of SSEF needs, and development of appropriate tools.

In the framework of the 4th World Forum on LED, we wish to reaffirm our support for the approaches and inspiring progress achieved in Cabo Verde and the African continent by the SSEF networks and their partners, and commit to:

Dialogue and cooperate with the Cabo Verde government, SSEF organisations, and economic and financial actors to promote their experience at our international meetings and strengthen their cooperation platforms, such as:

- **The LED platform for implementing the SDGs** launched by several municipalities on the islands of Santiago, Fogo, Santo Antao and coordinated by the national association of municipalities in Cabo Verde and UNDP, and funded by Luxembourg.

- **The special low-interest loan for refinancing the microfinance institutions in Cabo Verde**, of 100 million \$ECV (907 k€), on the basis of a partnership agreement between the State, SSEF organisations and the 5 biggest commercial banks of the country. This aims to promote financial inclusion, and increase peoples' access to microfinance products, with special emphasis on women and youth.
- **The signature of a framework agreement for cooperation between the State and the Platform of civil society organisation** in Cabo Verde, where the Platform will support, among others, the transition from informal economy, the capacity strengthening of SSEF organisations, the promotion and integration of SSEF in local economic development, and the localisation of the SDGs.

At a macro level, the government intends to strengthen decentralisation, and make LED and the localisation of the SDGs play a central role.

Cabo Verde is clearly showing its leadership in bringing together the conditions to “scale up” and develop LED pilot projects based on SSEF, by planning to include SSEF programmes in most of the municipalities and islands. This is seen as a necessary condition to accelerate the process of localising the SDGs.

Support political, strategic and technical projects to which the African Network for Social and Solidarity Economy (Réseau Africain de l'Économie Sociale et Solidaire - RAESS) has jointly committed together with its national and local institutional partners by promoting:

- **Advocacy at the level of the African Union and sub-regional bodies** – ECOWAS-UDEAC-SADC...) to include SSEF in their programme as well as developing partnerships with SSEF networks;
- **Build joint legal and political frameworks for SSEF** at national and local level;
- **Institutionalise an annual meeting on the role of SSEF and how to use it in the implementation of the SDGs;**
- **Continue political dialogue with public authorities and local governments, and cooperation and development agencies.**

NOTES

1. The international SSEF organizations gathered during the Forum, in dialogue and cooperation with Cabo Verdean Networks, issued a 'Praia Manifesto' on the implementation of SSEF for Sustainable LED.
2. http://unfssse.org/?page_id=499
3. www.essfi.coop/wp-content/uploads/2017/07/ENG-D%C3%A9claration-ILGSSE-AGNU_280915.pdf
4. Members of the Advisory Group are: FMDV, GSEF, ICA, RIPESS and SSE FI. Its purpose is to make its members act collectively to enhance the work of the UNFSSSE as set out when it was created in 2013, and to ensure that the orientation of the TFSSE remains aligned with the Taskforce definition.
5. CITIES is an International Centre for sharing knowledge and Innovation on SSE. It was created in September 2016, in Montreal, by GSEF and four founding cities: Seoul, Montreal, Bilbao and Barcelona.

FINAL REPORT

4TH WORLD FORUM OF
LOCAL
ECONOMIC
DEVELOPMENT

PRAIA, CABO VERDE - 17-20 OCTOBER 2017

