



## 2º FORO REGIONAL DE DESARROLLO ECONÓMICO LOCAL PARA AMÉRICA LATINA Y EL CARIBE

TIQUIPAYA, COCHABAMBA - BOLIVIA - 27 -30 JUNIO 2017

### **Context**

The 2nd Regional Forum of Local Economic Development (LED) for Latin America and the Caribbean is part of an ongoing process that combines dialogue and reflection on policies, and the search and implementation of concrete responses and initiatives in the framework of an alliance between a wide variety of actors coming from international, regional, national and local organizations, social, public and private sector and academia, around LED as an approach and instrument to promote sustainable human development in the search for better living conditions and well-being.

During the last decades, modernization and regional and global economic integration have brought substantive progress in terms of economic growth and poverty reduction in Latin America and the Caribbean. By adopting innovative social policies and inclusive economic growth, more than 72 million people have overcome poverty and about 94 million have become part of the middle class since 2002. The proportion of regional population living under income poverty conditions decreased from 42% to a little over 24% one decade later, in 2013. These changes were followed by an important reduction of income inequality and equally significant social progress, not depending only on economic growth.

However, despite of these advances, Latin America and the Caribbean remains one of the regions with the highest levels of inequality and internal imbalances in the world, which shows that the current growth trajectory has not sufficiently improved the well-being of the majority of people or reduced the socio-economic vulnerability of large segments of the population as they overcome poverty.

It has been observed that economic growth in the region is not sufficient to sustain the achievements of the last decades or to accelerate the eradication of poverty in its multiple dimensions. This is particularly noticeable considering the current economic cycle change: the slowdown in economic growth and its returns in the social sphere, combined with an “unfinished transformation” and partial results in the inclusion of equality in development and citizenship, resulted in internal productivity gaps and growing socio-economic and territorial inequalities.

It is therefore important to reduce and overcome these gaps by promoting a path of *structural change with equality*, combining growth with inclusion and promoting a balanced development within and between the territories of the region.

The Latin American and Caribbean region has been and remains a major player in the formulation and implementation of the new global development paradigm associated with the 2030 Agenda for sustainable development. The 2030 Agenda introduces a people-centered, universal and



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transformative, multidimensional, integrated, participatory and transparent vision, based on human rights and the eradication of poverty in all its forms and dimensions ensuring that no one is left behind.

In order to further develop its potential and be more effective, the new Agenda should serve as reference, articulating and aligning itself with national and sub-national policies and plans, and in particular with the development vision based on the idea of “Living Well” and the search for environmental equilibrium, paradigm emerged from the Indigenous People of Latin America and the Caribbean and countries of the region, with related mechanisms, planning cycles and budget.

The 2030 Agenda and the implementation and localization of the Sustainable Development Goals (SDGs) constitute the reference framework to face and integrate the challenges of structural change in the Latin American and Caribbean region, in an international context of instability, uncertainty, and large productive and social imbalances between countries and territories, generated by economic and financial globalization.

Hence, it is necessary to boost and promote, through the 2030 Agenda for Sustainable Development and its translation into national and sub-national policies and plans, the construction of wellbeing, the promotion of decent work, the change in production and consumption patterns and the diversification of production towards a vision of sustainable growth and structural change based on equality and (as a condition for) learning and social and technological innovation.

On the basis of these principles and the current context, **the Regional Forum recognizes and values more than ever the potential of local economic development in driving a balanced model for sustainable growth, protection and defense of the rights of the Mother Earth, balanced and inclusive with greater equality and social cohesion, from and between the territories, in coherence and as a facilitating framework for the implementation and localization of the SDGs.**



## Declaration of Tiquipaya – Cochabamba

Two years after its first edition, the **delegates congratulate the realization of the 2<sup>nd</sup> Regional Forum of Local Economic Development for Latin America and the Caribbean** in the city of Tiquipaya of the Department of Cochabamba, Plurinational State of Bolivia, from the 27<sup>th</sup> to the 30<sup>th</sup> of June 2017, paving the way towards the celebration of the 4<sup>th</sup> World Forum of LED in Cabo Verde in October 2017, **and consider the following key messages and arguments:**

1. Local Economic Development (LED) allows and comes from a new model of decentralized, horizontal, integral and intercultural public management that articulates the sectoral dimension to the reality of the territories in their complexity, promoting an inclusive and consensual strategic vision and a common framework for action to expand development opportunities through dialogue and coordination of local actors (public bodies, private sector, civil society and academia).
2. Territorial governance for LED must promote and allow the widest representation and participation of different groups, including those traditionally marginalized and excluded (youth, women, indigenous peoples, Afros, minorities, migrants, elderly, people with disabilities). It is necessary to expand the “social base” of governance into productive processes to strengthen social cohesion, management capacity, conflict management and cultural interaction for societies that are so ethnically and culturally diverse as the ones from Latin America and the Caribbean region, as well as other complex dynamics such as migration and the sustainable management of natural resources, while at the same time promoting the potential for innovation and supply chains, increasing competitiveness and productivity.
3. Local and regional governments have a crucial strategic leadership role in articulating the processes of territorial governance for a productive and sustainable human development within the framework of localizing the Sustainable Development Objectives (SDGs). By working closest to the people and communities, Local and Regional Governments (LRGs) have a better understanding of their potential and needs. Therefore, they are the most appropriate agents to articulate key actors from the local economy of a pluralistic nature for cultural, social and economic diversities, and promote the development



and implementation of shared strategies, recognizing and promoting cooperation with other local leaders.

4. It is necessary that LGRs have a clear and defined mandate and role, as well as adequate human and financial resources to fulfill their LED responsibilities. It is equally crucial, in a context of increasing interconnection of economic development at the local, regional, national and global level, for LGRs' actions to be articulated within a multilevel governance framework, in order to achieve coherence and the harmonization of policies and programs for a territorial productive development.
5. LED implies the establishment of appropriate institutional frameworks and capacities for the coordination between actors and sectors, the development of integrated strategies and plans, mobilization, orientation and coordinated management of resources and partnerships for territorial productive development, which also guarantees security and food sovereignty for the population. These elements further assess the relevance and relationship between LED and the process to localize the SDGs.
6. To face the challenges of regional and global economic integration, it is necessary to redefine the competitiveness of local economies through productive development and business policies focused on local small and medium-sized enterprises, the link between local production and global value chains, and the use of networks of local institutions to channel innovation and technological development, allowing an equilibrium of opportunities between rural and urban areas.
7. Productivity and competitiveness of enterprises are to a large extent determined by the environment conditions in which they operate and their capacity to generate and incorporate innovations. Therefore, it is crucial to promote a systemic approach that integrates legal and regulatory frameworks, research and development for innovation, training for qualified human resources and the offer of infrastructure, equipment and services to support productive activity.
8. To achieve a structural change that contributes to the diversification of the economy within the framework of the plural economy, it is necessary to increase productivity and reduce production and technological gaps. This will help to enhance competitiveness, job creation and income distribution of economies. In this regard, it is crucial to assess and reinforce the role of the private sector - and



- in particular of the SMEs and their networks - by associating them as agents and protagonists of territorial development strategies and processes in dialogue and partnership with other actors, including the discussion regarding the social responsibility and territorial impact of enterprises.
9. It is also necessary to recognize – considering a perspective that aims a gradual transition towards the formalization - the role and potential of informal economy and its contribution to the local economy by reducing barriers and access costs to productive activity opportunities for the most vulnerable segments of the population.
  10. Alternative economic models - such as social and solidarity economy, plural economy, circular and collaborative economy, etc. - have a great potential to integrate territorial productive development strategies, combining social inclusion, creation of decent work at the local level, environmental sustainability, and assessing social links as well as productive and purchasing capacity of local communities; it is therefore essential to define an appropriate and coherent regulatory framework as the basis for the implementation of integrated policies and a financial system and services dedicated to the promotion of SSE and other alternative economic models and practices.
  11. It is important to protect and encourage local productive systems of indigenous people to create the necessary conditions to strengthen their community economy, respecting their knowledge and own forms to access the land and the access and sustainable use of their natural environment biodiversity resources, under community organization forms that arise from the search of wellbeing.
  12. Economic empowerment and access to decent work for women and young people is another fundamental pillar for the creation of territorial systems that combine competitiveness and economic efficiency, promoting inclusion and social cohesion. In particular, it is important to remove barriers to women's economic autonomy, ensuring gender equality in the access to economic assets, as well as equal access to decision-making and employment opportunities, and the recognition of domestic work and the care economy as fundamental contributors to the local economy.
  13. At the same time, when reinforcing territorial sustainable competitiveness, it is also necessary to compensate inequalities by reducing or eliminating territorial and



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social gaps, which depend both on the differences in the way of adopting competitive factors in the different territories and their social conglomerates, and the relations established between them within a center-periphery dynamic. For this reason, it is fundamental that policies are aimed at promoting balanced development by seeking synergies and complementarities between more advanced and peripheral territories, where cities and metropolitan areas can be the driving force behind a development model that includes equality and territorial cohesion.

14. Finally, it is important to highlight the great potential of addressing territorial inequalities by promoting a supranational integration agenda around a common vision for structural change through the implementation of the SDGs and LED. In the evolving global context, international cooperation and multilateralism linked to governance and regional integration processes are essential elements to achieve sustainable development trajectories. Within this framework, territorial, south-south and triangular cooperation can be the central element for the articulating and harmonizing of territorial dynamics with regional cooperation and governance processes, establishing a shared vision and strategies through the exchange of practices, knowledge and innovation.



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The delegates of the 2<sup>nd</sup> Regional Forum **stated that:**

The 2<sup>nd</sup> Regional Forum has allowed a wide exchange of knowledge and best practices among a broad range of interested actors from a wide variety of levels, functions and territories, translating into important advances in the reflection and potential for joint action.

To ensure a proper follow-up of the results and conclusions of the Forum and to translate them into concrete actions and initiatives at the different levels, delegates express their renewed commitment to continue working together to advance in the construction of a shared vision and a roadmap for local, human, solidary, inclusive and sustainable economic development in the territories of Latin America and the Caribbean and as a basis for their integration into a framework of regional and global dialogue, and in particular:

- Continue and advance democratic dialogues and building partnerships among the different actors to promote LED as a means for inclusive, sustainable and fair development in the framework of the 2030 Agenda.
- Promote an agenda and governance framework for regional cooperation and integration, exploring the opportunities to establish a permanent network and convergence mechanism with existing agencies and mechanisms such as the Forum of Latin American and Caribbean Countries on sustainable development.
- Facilitate agreements for joint initiatives to support processes in the territories as well between the territories, including decentralized, south-south and triangular cooperation networks, platforms, and other institutional coordination mechanisms to localize the SDGs, retaking and boosting potential dialogue and synergy among actors participating in the Forum.
- Promote and support shared systematized initiatives and the dissemination of knowledge about LED and its role in the framework of the localization of the SDGs, to raise awareness and strengthen the capacities of key actors and institutions at different levels.