Using decentralised cooperation processes to strengthen local democracy

Policy Note 5
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Jean Bossuyt

Section 1:   Introduction

1. This Policy Note analyzes the **contribution that the specific instrument of decentralized cooperation could make to consolidate or revitalize local democracy** -in an international climate characterized by democratic regression at global level (including in the EU), rise of authoritarian and populist rule, protracted situations of conflict and fragility as well as growing polarization within societies.

2. A similar methodological approach as applied for the previous policy notes produced by the Coordination Facility will be used. This means a **combination of conceptual analysis** on the subject matter (based on existing literature, evaluations) and a **stocktaking of experiences gained by the 57 projects** involved EU-funded program on Partnerships for Sustainable Cities in terms of fostering local democracy[1]. A specific focus on using DC in situations of fragility is included.

3. The Policy Note is structured as follows: after this introduction the concept of '*local democracy*' is briefly examined in order to set the overall political and institutional scene in which decentralized cooperation processes unfold and may contribute to strengthening a democratic culture at local level (section 2). Then the Note zooms in on key factors that help to explain why democratization processes at local level either take root or end up having only limited impact (section 3). Then the experiences of the various city-to-city partnerships (C2Cs) are examined to see to what extent they have been able to impact positively on these key drivers and/or bottlenecks in different contexts (section 4). The note ends with some pointers for EU policymakers and practitioners regarding the use of decentralized cooperation as an instrument to foster local democracy (section 5).

Section 2: The uphill struggle to anchor 'deep' local democracy

4. In the 1990s, a **democratization wave** swept across the globe following the end of the Cold War. This opened up space at local level for the voice of citizens and fostered decentralization reforms aimed at putting in place (elected) local authorities (LAs). A key objective of the reforms was to anchor local democracy, amongst others by bringing the state closer to the citizen and fostering a culture of local governance (based on participation, transparency, accountability).

5. Over the past decades, **substantial progress** was achieved in many places in terms of local development and related processes of anchoring local democracy and fostering local governance. In the early days of the new decentralization wave, LAs in the Global South faced major challenges

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[1] During the lifetime of the program, two performance reviews were carried out with the collaboration of participating cities. They provide a wealth of data on how the C2Cs sought to work on different dimensions of local democracy.

to emerge as legitimate and capable structures able to deliver public goods and services. Yet over time, many of them could find their place as political representatives of a local community - endowed with a specific mandate to foster inclusive development. Local elections have generated promising dynamics in several countries, bringing new generations of local (female) political leaders which sought to change the way of exercising power and acted as catalysts for territorial development. The local level has in many circumstances proven to be a **conducive space for collective action between local state and society** as well as for **testing out democratic governance practices** (such as participatory budgeting) and **cultivating citizenship**. In fragile and/or 'failed' states, the local level is generally seen as the best entry point to restore trust between citizens and public authorities or to reconstruct a more legitimate state "from below".[2] There is abundant evidence of addressing local conflicts (e.g. around land or water) or security issues through multi-actor dialogues involving actors with antagonistic interests. Local authorities that are endowed with basic legitimacy can play a catalyst role in terms of ensuring both inclusive processes and inclusive development outcomes.[3]

6. However, **despite these progresses on many fronts, local democracy remains in many places a '*site*' whose foundations need to be consolidated or which is to be largely (re-)built**. Experiences across the globe show the challenges involved in institutionalizing a democratic culture at local level. Not surprisingly, overall political conditions at national level largely determine the scope for legitimate and democratically governance to take root locally. Poor governance practices by central authorities, including high levels of corruption, tend to pervade local systems as well. Citizens lose faith in central and local state agencies when the "democratic dividends" remain limited or distributed in a hugely unequal manner.

7. Furthermore, in the past decade, the **overall health of democracy has declined across the globe**, as exemplified in numerous international reports and barometer surveys. The democratic regression is reflected by the growing number of autocracies, the recentralization of power and resources or the shrinking of civic space. All this has a major impact on democratization processes at local level, as illustrated by the **case of Tunisia** (among many others). The Jasmin revolution of 2011 started in a marginalized secondary city / region by an act of despair of a citizen protesting against prevailing life conditions. The dictatorship was toppled and the country experimented for a decade with a democratic transition. For a variety of reasons, the process was interrupted in 2022, resulting in the recentralization of powers by the incumbent president. Soon later, the autocratic ruler issued a decree to disband the first generation of elected local authorities.

8. These (diverse) and often alarming evolutions regarding (local) democracy call upon the EU to rethink its overall approach to promoting this crucial policy. It also invites the EU to differentiate its response strategies according to different contexts (e.g. scenarios in which '*deepening*' democracy is the key issue, others in which the challenge is to '*reconstruct the state from below*').

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[2] See for instance: International Crisis Group. 2021. A course correction for the Sahel Stabilisation Strategy. Report 299/Africa. 1 February 2021.

[3] In fragile / failed stated the concept of inclusive governance is particularly important for conflict resolution and peacebuilding. For an overview of the literature and the application of inclusive governance approaches see: Bossuyt, J. et al. 2021. *Position Paper on Inclusive Governance*. ECDPM and Knowledge Platform for Security and the Rule of Law (KP-SROL).

In this context, the EU will need to look at its *toolbox* as well to identify most suitable instruments, including at the role and impact of decentralized cooperation.
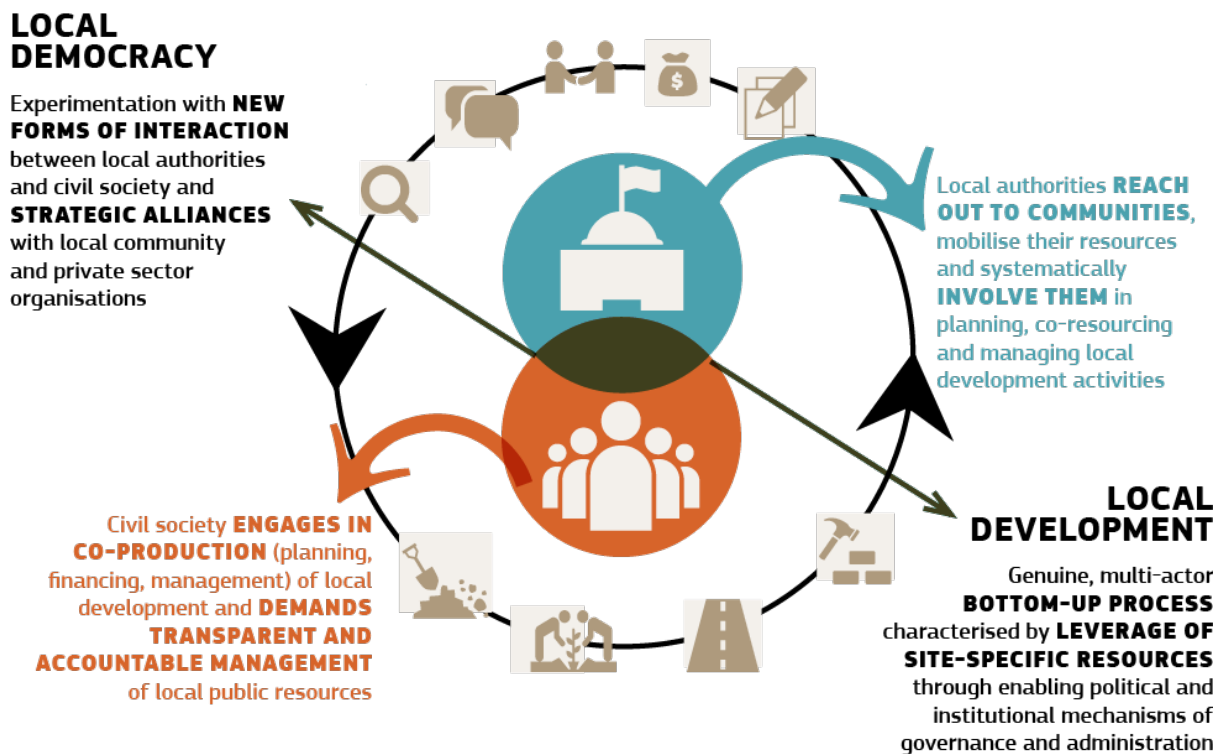
SECTION 3:   KEY DRIVERS AND BOTLLENECKS IN LOCAL DEMOCRACY

9. Experiences across the globe and available literature point to a number of recurrent challenges to anchoring/deepening local democracy. For this Policy Note, five such generic factors seem particularly relevant:

    (1) *For local democracy to thrive, local institutions require sufficient levels of **power and autonomy***. Without this, elected LAs will most likely fail to act in the interest of the population, acquire trust and ensure legitimacy. Citizens also are not interested in electing or holding accountable local authorities that do not have powers (executive, legislative or judicial) worth holding them accountable for. Most decentralization reforms in the Global South have not redistributed actual power and control over resources and provided the required autonomy to LAs to transform themselves into legitimate and accountable institutions. In such countries, accountability mechanisms are oriented '*upwards'* rather than '*downward'* (i.e. to citizens), reinforcing the grip of central authorities on local level dynamics while reducing the legitimacy and capabilities of local institutions.

    (2) *Local democracy needs democrats.* This means **well-informed citizens and civil society/private sector organizations willing and empowered to participate** in public life, contribute to the provision of public services, exercise the role of watchdog and demand accountability. This is the whole 'demand-side' of local democracy/governance. The notion of **'active citizenship'** that pushes local actors -including women, youth and vulnerable groups- to engage in public life is not an evident thing in many contexts of the Global South. This is linked to historical factors as well as political, cultural and social norms which are hard to change -even when genuine democratic spaces exist.

    (3) Inclusive governance processes. The quality of local democratic processes requires more than regular elections. It also hinges on the existence of a set of **local institutions for participatory policymaking, planning and budgeting** and mechanisms to exercise horizontal and vertical **accountability**. In practice, we often see that such local processes and systems exist *formally* yet they often are dominated by ruling elites and other interests. This phenomenon, often referred to as "local state capture", tends to turn participatory processes into a formal ritual which does not provide a genuine voice to citizens and an influence on local public policy-*making.*

    *(4) Co-creation and co-management. *This is a critical feature of local democracy as it seeks to ensure the link with development. It refers to the ability of the different local actors to effectively '***co-create'** and **'co-produce'** local/territorial development. Experience suggests that this requires empowered LAs that can act as a catalyst of bottom-up territorial development processes. It also implies mobilizing the existing social capital at local level by leveraging resources. Figure 1 below visualizes these possible positive interactions between local/territorial development processes and local democratization processes.

(5) *Impact in terms of inclusive development outcomes.* In many countries, democratic systems (in all their variations) have failed to deliver development to the benefit of citizens - particularly vulnerable people. This helps to explain why democratic experiments are often halted or why military coups are popular again (e.g. Sahel region) and points to the need to ensuring not only inclusive processes but also an effective and equitable distribution of resources and public services.

Figure 1:   Linking local democracy and local development[4]

LOCAL DEMOCRACY

Experimentation with **NEW FORMS OF INTERACTION** between local authorities and civil society and **STRATEGIC ALLIANCES** with local community and private sector organisations

Local authorities **REACH OUT TO COMMUNITIES**, mobilise their resources and systematically **INVOLVE THEM** in planning, co-resourcing and managing local development activities

Civil society **ENGAGES IN CO-PRODUCTION** (planning, financing, management) of local development and **DEMANDS TRANSPARENT AND ACCOUNTABLE MANAGEMENT** of local public resources

LOCAL DEVELOPMENT

Genuine, multi-actor **BOTTOM-UP PROCESS** characterised by **LEVERAGE OF SITE-SPECIFIC RESOURCES** through enabling political and institutional mechanisms of governance and administration

SECTION 4:   HOW HAVE THE C2Cs PARTNERSHIPS CONTRIBUTED TO LOCAL DEMOCRACY ?

10. Time now to apply the five lenses above (i.e. on key drivers and bottlenecks) to the decentralized cooperation practices observed in the program "Partnerships for Sustainable Development. To what extent did the 57 projects tried to engage on these various key drivers/bottlenecks in terms of anchoring/deepening local democracy? What entry points did they use? How did they proceed and with what effects?

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[4] Source: European Commission. 2016. EU guidance on Decentralisation, local governance and local development through a territorial approach.

11. Consolidating local democracy was not an explicit core objective of the EU-funded program. However, it was encompassed in the overall objective of enhancing urban governance, particularly in terms of ensuring genuine participation of all relevant local actors in the rolling out of the C2C partnership and related concrete projects.

12. The two performance reports produced by the Coordination facility team clearly show that participatory processes that encourage citizen engagement have been widely promoted and implemented by the C2Cs involved, utilizing a variety of approaches and tools. During the two global events (respectively organized in 2023 and 2024), participating cities also provided ample evidence on their systematic attempts to actively engage citizens in DC processes. Enabling them to have a say in local decision-making was generally seen by the municipalities as an essential condition to: (i) create policies and initiatives that are more responsive to the actual needs and priorities of the population; (ii) build trust and strengthen the social contract between the local state and the communities; (iii) ensure better and more sustainable outcomes; and (iv) enhance transparency and accountability.

13. Table 1 below seeks to provide a panoramic view of contributions made by the various C2Cs regarding the five critical factors for anchoring local democracy.

Key drivers and bottlenecks in local democracy processes	Evidence collected on C2C engagement strategies and contributions
1) Levels of power and autonomy enjoyed by LAs to exercise their general mandate in the interests of the citizens	✓ A majority of C2Cs partnerships are rolled out in countries that have weak if not 'frozen' decentralization processes, resulting in limited effective powers and resources for LAs to act in an autonomous and accountable manner ✓ Despite difficult environments in terms of decentralization and other challenges, several C2C have managed to navigate these contextual constraints and deliver concrete results over time (e.g. Ouagadougou-Lyon or Pemba-Reggio Emilia), including with the recent EU-funding ✓ Possible response strategies used by C2Cs to mitigate the impact of these structural limitations include: (i) engaging in dialogue with national authorities[5]; (ii) linking up with the local government associations to amplify voice and advocacy or (iii) fostering the scaling up of innovative local experiences at national level[6] ✓ Mature C2C partnerships are in a better position to engage with central authorities as they tend to have concrete / tested urban development approaches / solutions to offer and are likely to dispose of broader networks and alliances (with other LAs, associations of LAs, donor agencies, etc.)

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[5] In a survey, a majority of C2Cs (2/3 of respondents) confirmed there were some channels of dialogue with relevant national authorities, also on obstacles encountered due to incomplete decentralization reforms and possible solutions. However, often the dialogue is of an ad hoc nature and more focused on project issues than policy matters.
[6] The second performance review shows that a considerable number of C2Cs managed to scale up their tested innovations (in terms policy and/or operational approaches) at national level -thus contributing to (system) changes in laws and regulations.

2)	Active citizenship	• All C2Cs have applied participatory approaches -with varying levels of scope and depth- with a view to both enhance project outcomes and generate local ownership for DC processes • A wide range of participatory tools have been used, particularly public hearings and multi-actor policy dialogues • E-governance is fostered by many C2Cs, including online platforms and spaces to provide accessible channels for feedback and collaboration • Ensuring meaningful citizen engagement requires continuous communication and collaborative decision-making • Several C2Cs fostered behavioural changes at the level of citizens (e.g. in terms of accepting new norms on waste collection, mobility, local taxes) so as to strengthen the social contract. Methods used include awareness raising activities and training on key urban issues (e.g. climate change, territorial planning)
3)	Inclusive governance	• The large majority of C2Cs are investing in the Institutional development of municipalities -as this is seen as a precondition to ensure inclusive, transparent and accountable governance trusted by citizens. The peer-to-peer exchanges are a key asset of DC processes as they allow for fruitful interactions and institutional learning processes between actors sharing similar challenges • Important contributions of C2Cs could be observed in terms of local policy-making. According to data collected in the second performance review, 157 new urban governance policies/legislative initiatives supported, 195 existing urban governance policies reviewed and 335 Pilot urban governance initiatives /(micro)projects were launched. • Multiple urban policies were reviewed with civil society inputs • Participatory budgeting processes were introduced by several C2Cs with varying levels of effectiveness. In some cases, the municipality proved reluctant to meaningfully consider the outcomes of such an an exercise, reflecting deep-seated (top-down) ways of managing local affairs • Some areas proved more challenging to ensure deep changes, such as in the representation of women, youth and vulnerable groups or in the domain of transparency and downward accountability
4)	Co-creation and co-management of local/territorial development (including leveraging social capital and resources)	• An important number of C2Cs embraced multi-actor approaches to territorial planning and related infrastructure investments Data suggest no less than 412 initiatives aiming at involving different categories of actors have been launched to co-create a co-produce territorial approaches to local development • Almost 50% of projects leveraged resources and social capital from the territory, mainly from civil society (e.g. in the form of co-financing, university investments, community engagement, knowledge sharing, volunteer work, etc.) • C2Cs facilitated the establishment of 142 public-private partnerships (PPP) which helped to mobilise additional resources • C2Cs partnerships experience challenges to mobilize local private sector resources as well as to connect to major investment schemes (such as the EU's Global Gateway)
5)	Inclusive development outcomes	• The two performance reviews (2023, 2024) provide a wide range of examples of concrete development outcomes achieved by C2Cs in

	several domains (e.g. economic growth, job creation, local private sector development, social inclusion, infrastructure works, etc.)
	• To achieve such outcomes, two assets of DC processes have proven critical, i.e. the focus on solving concrete problems experiences by citizens as well as the use of participatory approaches to identify the most suitable approaches to addressing them -with the help of experiences and expertise from partner cities
	• Comprehensive data are not readily available on the degree of inclusion of different (vulnerable) societal groups in sharing these development outcomes yet women and youth were systematically targeted as key beneficiaries

14. The performance reviews point to a number of ingredients for effective participatory processes that are exemplified in good practices of participating cities (see Box 1 below)

Box 1:   Key Ingredients and Success Factors for Successful Participatory Initiatives

1. *Inclusive Stakeholder Engagement*: Successful initiatives actively involve a wide range of stakeholders from different sectors and levels, fostering a sense of ownership and collective responsibility.
Example: The "FLEURIR - Favoriser L'Écosystème Urbain" project in Rosso, Mauritania, demonstrated the importance of integrating diverse stakeholders, including municipal councillors, technical teams, and civil society members. This inclusive approach ensured broad-based support and active citizen involvement in governance processes.

2. *Effective Communication and Collaboration*: Open and continuous communication between stakeholders, coupled with collaborative decision-making processes, enhances mutual understanding and cooperation, leading to more effective outcomes.
Example: The "Grand Forum Citoyen Agenda 21 Local de Douala 1er" in Cameroon engaged local communities through 104 forums, involving 22 villages, 4 neighbourhoods, and 26 traditional chiefs, enhancing dialogue between various community groups and local authorities.

3. *The value of Educational and Capacity-Building Programs*: Investing in education and capacity-building initiatives equips community members with the knowledge and skills necessary to actively participate in and contribute to sustainable development efforts.
Example: The "Fomento del desarrollo urbano, integrado, inclusivo, resiliente y ecológico" project in Villa María, Argentina, implemented the Formación de Formadores program, educating participants on environmental sustainability and empowering them to become community educators.

4. Leveraging Local Knowledge and Expertise: Successful participatory initiatives recognize and leverage local knowledge, ensuring that development plans are contextually relevant and effectively address the specific needs and priorities of the community.
Example: The "GenerACTOR - Community Gardens for Good Governance" project in Barranquilla, Colombia utilised the Urban Local Group (ULG) methodology to harness local expertise in co-producing city strategies and action plans.

5. *Transparent and Accountable Processes*: Transparency and accountability in decision-making processes build trust among stakeholders, ensuring greater acceptance and support for the initiatives.
Example: The "Program on Integrated Local Finances for Sustainable Urban Development In the Greater Kampala Metropolitan Area" emphasised transparency in the selection of beneficiaries for basic services through a survey with predefined criteria, ensuring community trust and buy-in.

6. Focus on Sustainability and Long-Term Impact: Prioritising sustainability ensures that the benefits of participatory initiatives are long-lasting and contribute to the broader goals of environmental and social resilience.
Example: The "CRIC - Climate Resilient and Inclusive Cities" project in Indonesia organised 210 dialogue events to develop climate mitigation and adaptation plans, emphasising long-term environmental sustainability.

7. *Utilisation of Technology and Innovation*: Incorporating technology and innovative solutions can enhance the efficiency and effectiveness of participatory initiatives, making it easier for citizens to engage and for processes to be more streamlined.
Example: The "El Centro Histórico de La Habana" project in Cuba, integrated digital tools to streamline urban processes and enhance public services, also focusing on digital literacy among citizens.

8. *Cultural and Social Relevance*: Tailoring initiatives to align with local cultural and social contexts increases community engagement and ensures that the initiatives are well-received and supported by the local population.
Example: The "Respira Córdoba" project in Argentina engaged local communities through culturally relevant themes such as historical and environmental preservation, drawing significant participation and fostering a sense of community.

15. Many more examples could be provided of positive contributions by the 57 C2C projects in terms of fostering a culture of local democracy/governance. However, a lesson learnt across the board is that the promising dynamics generated by these DC initiatives at local level **need time to be consolidated and lead to transformational changes**. By nature, the change processes involved are not linear and can be interrupted (e.g. because of a change in local leadership or evolving political economy conditions in the countries). The C2Cs partnerships in Tunisia provide an example of this. The disbandment of elected LAs following the return to autocratic rule also meant the cities involved could no longer be the driving force behind the initiated processes of urban governance and local democracy. By contrast, the military takeover in Burkina did for the moment not affect the continuation of the longstanding and successful DC processes around the metropolitan area "Grand Ouaga" in Burkina Faso.

16. In assessing results, it is important to **distinguish formal changes** (e.g. in laws, institutional structures, consultation modalities or accountability mechanisms) **and more fundamental evolutions in 'deep democracy'** (related to changes in power relations, institutional culture, behaviour or mindsets from both the perspective of local state officials and citizens). This is illustrated by the experience of the C2C partnership between Praia (Cabo Verde) and Madrid (Spain) that sought to foster local integrated urban development planning through multi-actor and multi-level governance approaches -with a particular focus on water and sanitation in the poorest areas (barrios). This included raising awareness among citizens on what it means to deliver a public service like water and sanitation, including behavioural changes on their side. Four major lessons were learnt: (i) planning systems cannot be transposed from a Norther city to a hugely different local context with different views on what participation means (individual versus community approach); (ii) the need to engage meaningfully with the citizens in the targeted neighbourhoods;[7] (iii) the critical importance of institutionalizing over time a structured and

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[7] By using trained local youth community facilitators to better understand (informal) local power and citizens' dynamics as well as ambiguities towards public service delivery (e.g. the widespread illegal sourcing of water).

result-oriented dialogue between LAs and citizens; (iv) the time it takes to have behavioural changes at the level of all actors involved (municipality, water agency, citizens/beneficiaries).

17. The C2Cs have addressed **various dimensions of fragility** (environmental, economic downturns, infrastructure failures). A few have also tried to operate in fragile / conflict-ridden states and to optimally use the decentralised cooperation instrument to restore trust, dialogue and collaboration at local level (from a perspective of 'reconstructing the state from below'). A case in point is the Rebuild project in Libya (see Box 2 below).

Box 2 : Using the decentralised cooperation approach to build local resilience in Libya

The REBUILD project exemplifies an innovative approach to resilience-building through peer-to-peer exchanges in fragile environments, particularly in Libya, where the political landscape is complex and volatile.

REBUILD's unique partnership approach to resilience
REBUILD is not a typical project focused on short-term outputs; instead, it is a process-driven partnership designed to build mindsets and systems across ten Libyan municipalities. The project emphasizes the importance of partnership-building, systemic change, and continuous support. Key to this approach is the transversality of the project, which serves all partner municipalities regardless of political divisions. This feature has fostered trust among partners, consolidated relationships, and laid the groundwork for territorial resilience and solidarity during challenging times. The presence of a Liaison Manager in Europe, who speaks Arabic and understands the political sensitivities, along with a Project Coordinator in Libya, has been crucial in navigating the complex political landscape and ensuring the project's adaptability to changing circumstances. For example, when the Government of National Unity was established in Libya, unifying the eastern and western ministries, REBUILD adapted by involving the Ministry of Local Government, facilitating dialogue and minimizing potential conflicts over the concept of decentralized partnership.

Capacity building and training
Capacity building and training are central pillars of the REBUILD project, recognized as essential for empowering local administrations to lead development processes. The project has successfully conducted training at the local level through ten Libyan universities, strengthening the relationship between municipalities and academic institutions. One particularly impactful initiative was the two one-week summer schools organized abroad, which combined theoretical training with practical case studies from European contexts. These study visits and guided discussions have led to tangible outcomes, such as the establishment of a recycling tires facility in Benghazi, which began as a direct result of insights gained during the summer school in Trento. The REBUILD project has also transformed local mindsets regarding the value of training. Initially, there was scepticism among mayors and municipal officers about the relevance of capacity building. However, as demonstrated by the Mayor of Tobruk, who became a strong advocate of training after witnessing improvements in municipal performance, the project has successfully changed perceptions and attitudes towards the importance of continuous learning.

Fostering collaboration and trust
REBUILD has played a significant role in fostering collaboration and trust among local stakeholders, including municipalities, civil society, and the private sector. The project emphasizes the Territorial Approach to Local Development (TALD), which involves structured partnerships with local stakeholders and encourages multi-actor synergies. A notable example of this collaborative approach is the pilot project on fishery sector development. In Zliten, the Mayor brought together fishery entrepreneurs from multiple municipalities to establish a coordination mechanism aimed at optimizing efforts for the achievement of the Eurocode for Libyan fish exports to the EU. Similarly, in Tobruk, the municipality worked with various fishermen's associations to systematize data and reduce negative competition, highlighting the project's success in promoting joint efforts and fostering sustainable development.

Overcoming challenges
Implementing the REBUILD project in a fragile environment like Libya has not been without its challenges. Financial transfers from Europe to Libyan bank accounts were initially hindered by international controls and embargoes. The project overcame this obstacle by partnering with a financial intermediary and relying on the strong solidarity and

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proactive approach of its local partners. Another challenge was managing the relationship with central government institutions, which were not accustomed to municipalities taking a leadership role in international cooperation projects. The Liaison Manager and Project Coordinator played a crucial role in mediating these relationships, but most of all the strong commitment of mayors and municipal officers has ensured that the project remained aligned with local priorities while navigating the complexities of decentralization. The fast-changing context of Libya also required a high degree of flexibility and adaptability. For instance, the shift in focus from waste management to water quality monitoring was necessary to ensure the project's relevance to the local context. This ability to adapt to changing circumstances has been key to the project's continued success.

Lessons learned
The REBUILD project offers several key lessons that can be applied to similar contexts elsewhere:
1. Transversality and Multilevel Dialogue: Maintaining a multilevel dialogue with both local municipalities and national authorities is essential for keeping the project relevant and alive, even in politically sensitive environments.

2. Presence, Patience, and Flexibility: In conflict-affected settings, it is crucial to remain flexible and patient, adapting plans as needed while maintaining continuous engagement with local partners.

3. Community of Practice: Establishing a community of practice minimizes isolation, fosters a sense of belonging, and strengthens the commitment to public interest among participants.

4. Field Visits: These reinforce the sense of proximity and value among local partners, boosting motivation and ownership of the project.

5. Continuity and Communication: Minimizing turnover among both international partners and project focal points as well as ensuring effective communication across linguistic and cultural barriers are critical for building trust and ensuring the sustainability of the partnership

SECTION 5: POINTERS FOR THE EUROPEAN UNION

18. Three main conclusions can be drawn from the C2C experiences in terms of fostering a democratic culture at local level for future EU policies and practices regarding its involvement in the promotion of democracy:

   ✓ *The local level as the foundation of democracy.* International cooperation and related delivery modes tends to be centralised and focused on national actors and processes. The same holds true for aid flows. Over the past two decades, the importance of local level dynamics has been increasingly recognised in policy discourse -helped by the SDG agenda and pressure to localize the achievement of targets. However, in practice, the local level still often remains the (passive) recipient of policies and programs conceived elsewhere -including in the field of democracy promotion. The challenge will be to reverse these approaches and unlock the local potential for providing strong foundations to democratization processes. To move in this direction, it will be important to: (i) better understand local level dynamics, actors and factors; (ii) support multi-actor dialogue on what this local democracy agenda entails in a particular context; and (iii) ensure that all donor interventions (e.g. in sectors) consistently incorporate the local dimension (including the role of local authorities as elected democratic bodies).

   ✓ *Making an optimal use of the decentralized cooperation modality.* The evidence collected in reviewing the performance of the 57 projects shows that the specific instrument of decentralized cooperation has a real added value to strengthen -directly or indirectly- the various building blocks of a democratic culture at local level through a multi-actor approach, i.e. trust, dialogue, inclusive planning, co-creation and co-management of development, transparency and accountability. DC processes logically also encounter several key challenges to achieve effective and sustainable outcomes, yet this also applies to other aid modalities. If

the EU is concerned about fostering democracy in the current volatile and polarized times, it has a major interest to better integrate DC in its overall toolbox.

- ✓ *Encourage systematic cooperation between different levels of governance.* As mentioned before (see first key driver/bottleneck for local democracy, par. 9), the success of DC processes also depends on progress made in the reform of national framework conditions. Local authorities cannot be expected to become trusted and legitimate institutions if they lack basic levels of autonomy, staff and reliable funding (fiscal resources) nor can they be expected to deliver social accountability to citizens. A coherent multi-level approach by the EU is key to ensure transformative change in local governance, including the effective use of political/policy dialogue.