VI World Forum on Local Economic Development

JUST TRANSITION, DEVELOPMENT FINANCING AND TERRITORIAL SOLUTIONS

Seville, Spain – 1–4 April 2025

Final Declaration

The VI World Forum on Local Economic Development (VI WFLED) was held in Seville, Spain, from 1 to 4 April 2025, four years after the 5th WFLED, which took place virtually during the COVID-19 pandemic. The Forum returns to Andalusia, fourteen years after the first Forum was held there, to renew and strengthen the process that originated at the territorial level, with the aim of promoting territorial policies for local economic development worldwide, within the framework of multi-stakeholder and multi-level partnerships.

The VI WFLED brought together more than 2,500 stakeholders from over 100 countries involved in local economic development, including representatives of and associations of national, regional and local governments; civil society organizations and networks; social and solidarity economy and finance (SSEF) entities; agencies and programmes of the United Nations system, including the United Nations Development Programme (UNDP) and the International Labour Organization (ILO); development agencies; the private sector; the knowledge sector; and multi-stakeholder partnerships, among others, under the theme *Just Transition, Development Financing and Territorial Solutions*.

In a context of polarization, multiple crises, intersectional discrimination and local and international conflicts, the VI WFLED once again highlights the transformative impact of local economic development in achieving the Sustainable Development Goals.

The Forum's convergence with the 4th International Conference on Financing for Development (FfD4), to be held from 30 June to 3 July 2025, provides an opportunity to demonstrate and once again call for recognition of the role of territories and their stakeholders in addressing the planet's global challenges.

The VI Forum builds on numerous previous spaces for collective development and regional forums. It is the outcome of a process shaped by thousands of stakeholders working in territorial development and subnational local economic development policies.

Discussions addressed thematic areas such as infrastructure investment, food security and sovereignty, care, procurement practices, tax incentives, the energy transition, ecotourism, the circular economy, decent work, public-community and public-private partnerships, as well as micro, small and medium-sized enterprises (MSMEs), banking and credit, remittances, peacebuilding and digital transformation.

Discussions also focused on the needs and challenges of specific population groups, including women, young people, persons with disabilities and Indigenous Peoples, as well as rural areas and specific territories such as border regions, Small Island Developing States (SIDS) and intermediate cities.

Held during the International Year of Cooperatives, the Forum recognizes the positive impact of cooperatives in building sustainable, inclusive and resilient local economies, in line with this year's theme: "Cooperatives Build a Better World".

At the proposal of the International Committee, the delegations attending the VI WFLED recognize and agree upon the following declaration:

1. We recognize the World Forum on Local Economic Development as a key platform for advancing concrete measures to address the challenges posed by the ecological, digital and social transitions. These transformations create opportunities but also give rise to precarious working conditions and unequal impacts, particularly in feminized and informal sectors and among vulnerable groups.

    1.1. We recognize the Forum's role in supporting the transition towards the formal economy, ensuring that workers have access to labour rights and social protection. We emphasize the importance of addressing crises caused by conflicts and disasters through social and civil dialogue, and by ensuring that all stakeholders are included in decision-making processes. We reaffirm the urgent need to strengthen local and regional public policies aimed at

promoting decent work, innovation, sustainability, universal access to public services, and economic and climate resilience at the territorial level.

1.2. We call for the promotion of social justice, gender equality and inclusion — through an intersectional approach that recognizes the multiple dimensions of inequality and ensures the active participation of women — as essential conditions for truly transformative development.

1.3. We also encourage the promotion of key economic sectors that contribute to a triple transition that is just and sustainable, including the social and solidarity economy, the green and blue economies, procurement practices, the night-time economy and the care economy, as well as the interconnections between them.

1.4. We call on development cooperation actors to provide firm support to local and regional governments, their mandates and their funding, as a key element in implementing the Sustainable Development Goals. We are convinced that only through decentralization and strict adherence to the principle of subsidiarity can the 2030 Agenda be achieved.

2. We reaffirm the value of the Forum as a space for cooperation between local and regional governments, civil society, the private sector, private investors, public development banks and international organizations, aimed at building solutions tailored to each territory. We advocate for a fair, decentralized and progressive financial architecture for localizing finance, ensuring sufficient resources for local economic development and the provision of public services to all populations. This strategy must be based on subsidiarity, shared responsibility and tax justice, enabling the implementation of policies that promote well-being, reduce structural inequalities and strengthen local production systems through a long-term vision.

3. We advocate for economic models based on territorial development, with policies that strengthen local production, social cohesion, environmental balance and urban-rural balance. There is an urgent need to strengthen infrastructure, public services and institutional frameworks that guarantee equitable opportunities, with intermediate cities playing a key role. People's well-being, nature and the planet must be at the heart of economic development, bringing together sustainability, gender equality and fair access to resources. The care economy is an integral part of this comprehensive approach and constitutes one of the pillars for building

equitable and sustainable territories. We recognize the positive contribution of the social and solidarity economy to the development of the care economy.

For these reasons, we consider the following:

A) Multiple transitions offer opportunities while also generating challenges that must be addressed in relation to decent work and territories. Addressing these challenges through the principles of social justice, cohesion, balance and care is essential to the future of our territories and our planet. The acceleration of transitions, particularly the digital and climate transitions, is affecting territories, in some cases making jobs more precarious and in others transforming them. In this regard:

1. We recognize the potential of territories as spaces for multi-stakeholder and multi-level policy approaches to address the consequences of climate change and its impact on sustainable economic development. The implementation of clean energy solutions, with the involvement of territorial stakeholders, creates opportunities for local economies. New economies (blue, orange, green, etc.), as well as the circular economy at the local level, must be promoted through public initiatives and public-private and public-social partnerships. We call for the promotion of quality basic public services that incorporate these perspectives and enable the creation of decent, high-quality employment within territories.

2. Cooperation, including triangular, cross-border and South-South cooperation, is a key instrument for collaboration between territories and at the subnational level. Building partnerships for territorial economic development becomes even more relevant in contexts of crisis and protectionism. Subnational and territorial stakeholders can build bridges to advance common strategies and address shared challenges, placing people at the center while promoting economic and trade dynamics. Accordingly, cooperation agencies must incorporate economic development, employment and just transition as key priorities, strengthening the financing of programmes and strategies in these areas at the local level, with a view to promoting subnational policies, instruments and capacities.

3. Strengthen the capacities of territories and their stakeholders, while aligning the knowledge and innovation sectors with territorial priorities, based on fair and sustainable local economic development that promotes economies that care for people and the planet. Develop and support talent and locally based employment training through partnerships between the business sector and the public sector, paying particular attention to young people and fostering social inclusion and cohesion.

4. The digital transition, including artificial intelligence, also offers opportunities for territories. Its development must incorporate a social and human perspective, promoting policies that contribute to a well-managed transition in terms of education, training, skills development and adaptation to new, higher-quality jobs, while preventing the social and employment inequalities that may affect older people and those at risk of social exclusion.

B) Localizing development finance requires taking territories and their stakeholders into account, particularly local and regional governments, in any future proposal, and involving them in the development of solutions based on territories that are fairer, more balanced, cohesive, sustainable, caring and future-oriented. Policies and strategies that ensure adequate financing for local economic development will contribute to achieving this objective. In this regard:

1. Local and regional governments must drive policies to promote local economic development. To this end, coordination with national governments, the decentralization of responsibilities (particularly in the field of local economic development), the transfer of resources and the expansion of own-source financing are essential. Financing local economic development requires multi-stakeholder agreement and the participation of the levels of government closest to the territory. Strengthening public economic development and employment promotion instruments, as well as territorial agreements and coordination with the private sector — particularly the social and solidarity economy and businesses that are connected to and committed to their territories — must be key areas of action. This should include promoting systems for reinvesting corporate profits within territories to support territorial development and finance local economic development.

2. Along the same lines, tax incentive systems should be developed to facilitate and promote investment and quality employment at the local and rural levels, strengthen financing

ecosystems for green jobs, and establish alternative financing systems in which the social and solidarity economy plays a leading role. Initiatives such as the Integrated National Financing Frameworks (INFFs) proposed by the United Nations Development Programme (UNDP) can be adapted to the local level through Local or Territorial Integrated Financing Frameworks (ILFFs), which can play a key role in localizing the Sustainable Development Goals (SDGs).

3. Human mobility is a historical phenomenon inherent to human beings, which contributes knowledge and enriches diversity in its broadest sense. It is also essential to local economic development, connecting employment opportunities and people. The links between remittances, migration and alternative financial systems provide opportunities to promote development and financing in countries and territories of origin.

4. Subnational administrations have a responsibility for determining how public resources are allocated and, consequently, for managing their procurement processes. Ethical public procurement and the inclusion of social clauses have proven to be effective ways of strengthening local businesses with a social focus and a commitment to local reinvestment, as well as creating quality local employment opportunities for groups facing greater barriers to labour market integration, particularly women. Promoting the wider adoption and inclusion of these practices contributes to financing local economic development within territories.

5. Financing care must be a priority for all levels of government and must also be a responsibility of subnational governments. Its impact in cities and rural areas, together with the social and solidarity economy, helps generate quality employment, particularly for women, while recognizing the traditionally undervalued and unpaid care work they have performed.

6. Financing local economic development also requires development promotion instruments with the capacity to operate autonomously and with sufficient resources to achieve their objectives. Agencies and other instruments, both public and public-private, play a key role at the local and rural levels. Support must therefore be provided, and pathways facilitated, to ensure their financing and sustainability.

7. Ethical finance has become an alternative to traditional financial systems. Its strong territorial focus and links to the social and solidarity economy facilitate fair access to finance at the local and community levels, particularly for small and medium-sized initiatives. Promoting and supporting ethical finance institutionally, and developing territorial ecosystems to strengthen it, are key to local economic development. Access to finance on fair terms must be promoted by all levels of government, while also facilitating public financing and banking initiatives, or similar mechanisms, that can operate alongside the traditional financial system. Ethical responsibility towards territories and their sustainable development must be clearly established, particularly in a financial system characterized by substantial corporate profits, and must be supported by mechanisms through which public administrations can ensure accountability.

C) We advocate for policies and economic models that care for people and the planet and place them at the center of their actions, while promoting cohesive territories. Therefore:

1. Rural areas are becoming spaces of sustainability for the future of the planet. The provision of quality services, the strengthening of public water systems as a human right, sustainable agriculture that generates employment and engages younger generations, and rural development strategies based on economic and employment diversification, environmental sustainability and territorial distinctiveness must all be strengthened and agreed upon with the full range of territorial stakeholders. Policies that encourage people to settle and remain in their territories and prevent depopulation will help reduce pressure on major cities. In this context, intermediate cities of different sizes play a fundamental role in structuring territories and fostering diversified, caring local economies.

2. Local economic development is essential in territories affected by crises. Making economic reconstruction a priority through international commitment must be a key objective for cooperation agencies and a means of conflict prevention. Working in border territories also makes it possible to strengthen synergies and generate economic dynamics that build communities and territories.

3. A paradigm shift in local economic development is imperative. It requires a reorientation that places people and the planet at the center of our priorities. This means moving beyond purely economic perspectives and embracing a holistic approach that recognizes the

interdependence of all living beings across all territories, while taking into account the fragility of our ecosystem.

a. The care perspective is already transforming the way we understand economic development, moving us away from models focused exclusively on growth towards an approach that prioritizes comprehensive well-being.

b. Care, in its broadest sense, becomes the guiding principle of this transformation, encompassing everything from environmental protection to the promotion of social justice and human well-being. This means not only caring for people in the narrowest sense, but also caring for spaces, recognizing the economic value of care work, addressing it as a means of reducing social, gender and territorial inequalities, and investing in quality public services.

c. We advocate for this paradigm shift from a perspective of shared responsibility, in which the State, local governments, businesses, the knowledge sector and civil society work together to guarantee the well-being of all people everywhere, without compromising the planet's resources.

4. We need to continue promoting and strengthening policies that advance women's economic empowerment as the foundation for inclusive and sustainable local economic development.

5. We need to deepen our focus on and prioritization of young people in order to guarantee a future for new generations that includes opportunities for education, training and employment, with potential linked to emerging economies, innovation and the digital transition.

The VI WFLED has enabled fruitful debate and the exchange of knowledge and best practices among a broad range of stakeholders from different countries and territories, representing a variety of roles and responsibilities.

For the follow-up to the Forum, we consider the following actions essential:

i. Continue driving the WFLED process forward, strengthening its role in the global agenda and its contribution to current multilateral processes. This effort must be accompanied by stronger governance and the consolidation of a robust and diverse multi-stakeholder partnership, as key elements in positioning local economic development at the center of global solutions.

ii. Ensure the establishment of a stable and permanent WFLED Global Secretariat to guarantee continuity of the process, facilitate coordination among stakeholders, support the implementation of commitments made at the different Forums, and fully benefit from the contributions of its partners.

iii. Strengthen the links between the WFLED and national and regional forums on local economic development, as well as other strategic international platforms, including the Second World Summit for Social Development, among others, in order to foster dialogue and the convergence of agendas from the local to the global level and vice versa.

iv. Reinforce and expand inter-Forum collaboration within the WFLED by promoting spaces for exchange, cooperation and co-creation among stakeholders and organizations working in local economic development. As an outcome of the VI WFLED, efforts will be made to establish a global collaborative platform bringing together agencies, organizations and other instruments that promote local economic development. Operating under the WFLED brand, this platform will connect existing networks, agencies and instruments and facilitate dialogue, exchange, mapping, training and technical cooperation.

v. Initiate the process towards the VII WFLED by opening the call for expressions of interest to host the next Forum and defining a roadmap that ensures its continuity, inclusiveness and impact.

vi. Raise awareness of the potential of local economic development, which emerges in specific places as an endogenous response to unique opportunities and challenges, driven by committed stakeholders and communities that take risks and establish connections with one another. To counteract the concentration of capital and bring about a paradigm shift, the economy and its financing must be localized, starting at the local level and serving as a model

for global action. In this regard, cooperation initiatives can not only provide support and strengthen capacities but also raise the visibility of the diversity of solutions.

Finally, we specifically submit the conclusions and declaration of the VI WFLED to FfD4 and other multilateral platforms, together with the following specific proposals for development financing:

a. Explicitly recognize the strategic role of local and regional governments as key partners and primary allies of national governments in mobilizing additional financing to complement national resources and in driving the practical implementation of sustainable and inclusive local economic development.

b. Establish, through the FfD process, a formal intergovernmental space for follow-up and exchange on the localization of finance, in order to promote progress and inspire and scale up action.

c. Guarantee fiscal autonomy and decentralization to mobilize local wealth and generate leverage for financing the sustainable and resilient investments required to secure the future of communities, particularly in relation to financing territorial adaptation.

d. Promote the integration of cities and regions into the global financing architecture through the creation of "Country Platforms for the Localization of Finance", which may take different forms and be integrated into the Local Integrated Financing Frameworks (ILFFs) proposed by UNDP.

e. Strengthen the institutional and structural capacities of National and Subnational Public Development Banks (Territorial Banks), positioning them as genuine systemic infrastructure and the backbone of local financial intermediation.

f. Establish and develop public financial engineering capacities through a new generation of territorial financial engineers, tasked with supporting local and regional governments in identifying, structuring and preparing viable projects that can be financed by public and private financial institutions.

g. Systematically implement de-risking mechanisms for subnational investments in order to increase their attractiveness and accelerate their financing.

h. Foster horizontal exchanges of experiences and innovative solutions, as well as the integration and scaling-up of social and solidarity finance instruments within existing financing schemes.

i. Promote gender-transformative solutions centered on care and solidarity networks throughout the development financing agenda, advancing progressive and sustainable financing models and prioritizing public investment in the implementation of care policies and systems as central components of local economic development. In this regard, expand and contribute to the work of the Global Alliance for Care as a global multi-stakeholder platform, promoting a transformation of the global financial architecture based on a Care Society, in which well-being, the sustainability of life and social justice are at the heart of development.

The members and partner organizations of the International Executive Committee of the World Forum on Local Economic Development, recognizing the complexity and challenges associated with organizing the VI WFLED in the current context, express their gratitude to all the institutions and individuals serving on the National Committee for their commitment and efforts, as well as to the people of Andalusia and Seville for their hospitality, which made this event possible.

Returning to the city where the first Forum was born is a source of inspiration and renewed momentum for the open, collaborative and territorial WFLED process: a unique and essential space.

Seville, Andalusia (Spain), 3 April 2025