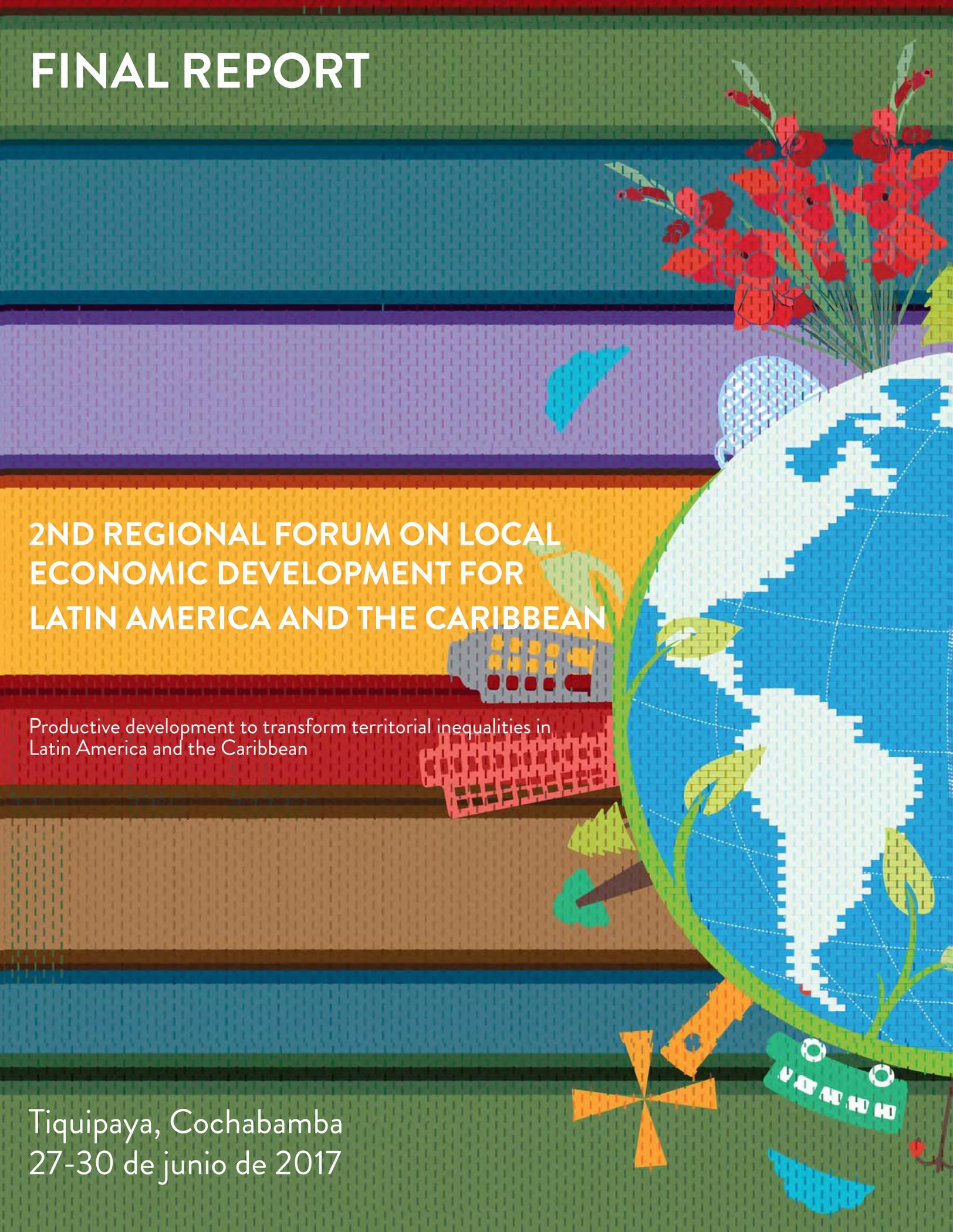


FINAL REPORT

2ND REGIONAL FORUM ON LOCAL ECONOMIC DEVELOPMENT FOR LATIN AMERICA AND THE CARIBBEAN

Productive development to transform territorial inequalities in
Latin America and the Caribbean

Tiquipaya, Cochabamba
27-30 de junio de 2017



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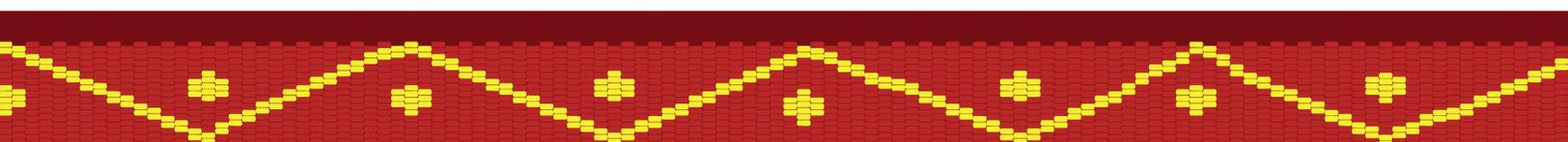
National Committee



Interational Committee



Colaborators



2ND REGIONAL FORUM ON LOCAL ECONOMIC DEVELOPMENT FOR LATIN AMERICA AND THE CARIBBEAN
Productive development to transform territorial inequalities in Latin America and the Caribbean

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The views expressed in this report do not necessarily reflect the official policy or position of the United Nations, UNDP or UMSS.

Cochabamba, October 2017.

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territorial inequalities in Latin America and the
Caribbean

FINAL REPORT

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June 27-30, 2017



CONTENTS

Executive Summary	1
Introduction	2
Session Types	3
Forum Agenda	4
Axis 1	6
Governance and role of subnational governments in the processes of territorial productive development	
Axis 2	8
Innovative public policies for competitiveness and the transformation of territorial inequalities	
Axis 3	10
Urban development, metropolitan regions in the dynamics of development and territorial cohesion	
Tiquipaya in the path of the Forums on Local Economic Development	12
Final declaration	14



The 2nd Regional Forum on Local Economic Development for Latin America and the Caribbean, “Productive development to transform territorial inequalities in Latin America and the Caribbean,” was held in the municipality of Tiquipaya, Bolivia, from the 27th to the 30th of June, 2017. It was scheduled as a regional event in preparation for the 4th World Forum of Local Economic Development that will be held in Praia, Cape Verde, in October 2017. Its implementation contributes to a process of convergence and articulation of national, regional and local governments, social organizations, and economic and academic agents to promote cooperation and dialogue in relation to Local Economic Development.

The debates were organized in three axes:

1. Governance and role of subnational governments in territorial productive development processes (organized by the Vice Ministry of Autonomies of Bolivia).
2. Innovative public policies for competitiveness and transformation of territorial inequalities (organized by the United Nations Development Program, UNDP).
3. Urban development, metropolitan regions in the dynamics of development and territorial cohesion (organized by the United Cities and Local Governments network, UCLG).

The discussions stressed the relevance of Local Economic Development as an inclusive and participatory management model capable of contributing to the process of localizing the Sustainable Development Goals established in 2015 in the new Global Development Agenda 2030.

With regard to management in the territories, the need for local and regional governments to have clarity in their responsibilities and authorities and sufficient resources to meet them was highlighted, as well as the actors of Local Economic Development recognize their leadership. Development strategies should be based on commitments from all stakeholders, including economic agents, the development cooperation community, social organizations and academia.

As for the coordination and the links of the territories with other areas, importance was given to the role of intermediary cities. The multilevel polycentric governance approach was promoted as a way to move towards balance and territorial cohesion. Throughout the sessions, relevance was given to the inclusion of all local actors, especially women, youth and indigenous nations and peoples. In the intention that no one should be left behind, according to Agenda 2030, the links between Local Economic Development and the Sustainable Development Goals were specified.

Introduction

The 2nd Regional Forum on Local Economic Development for Latin America and the Caribbean was held in the Bolivian municipality of Tiquipaya in June 2017. It was attended by more than 1,500 participants (officials from different levels of government, social activists, members of the development cooperation community, multilateral agencies, the private sector, academia and civil society) from 38 different countries, who were able to talk for four days and share experiences and reflections on the great challenges facing the region. A total of 30 sessions were held between plenary sessions, panels, workshops, learning agendas and opening and closing ceremonies. The main goal of the forum was to generate a common vision on the methodological practices of Local Economic Development to promote alliances, and to continue the South-South and triangular cooperation, for a greater impact in the development program of Latin America and the Caribbean. The event is part of a global network process that began in 2011, in Seville, Spain, with the celebration of the 1st World Forum on Local Economic Development; followed by a second world edition in the city of Foz do Iguaçu in Brazil in 2013. The regional predecessor edition took place in Quito, Ecuador, in 2015; the discussions moved that same year to Turin, Italy, with the celebration of the 3rd World Forum.

SUSTAINABLE DEVELOPMENT GOALS



The 2nd Regional Forum, under the name “Productive Development to Transform Territorial Inequalities in Latin America and the Caribbean”, examined the persistence of very different living conditions in different parts of the region, in spite of advances in decentralization and the incipient diffusion of a new model of public management centered on the territories, as well as of the aggregated results in battling poverty. It was shown that the inequality manifests itself between neighborhoods of the same city or between rural and urban territories of the same country. Differences in the structure and productive capacity, the geographical transfer of income from the peripheries to the main metropolitan centers, and the processes of selective migration, are some of the aspects that generally contribute to aggravate the periphery’s lag, reinforcing a dynamic of polarization. Although the capacity to face these challenges is different in each country, territorial inequality is a problem that occupies the agenda of public policies in the region.

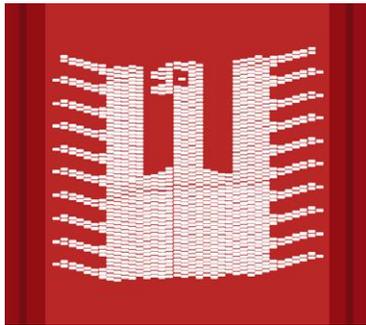
The Agenda 2030 and its 17 Sustainable Development Goals, SDGs, which are deeply intertwined with each other, address these challenges by requiring “integrated solutions” in which multidisciplinary, multi-level and multisectoral efforts end the traditional compartmentalized approach of the development sector and generate a horizontal coherence of policies, integration and alliances that involve not only national levels of government but also subnational and local levels. The event allowed the participants to analyze the continuities and ruptures in relation to previous forums and provided a platform for evaluating and promoting the Local Economic Development approach as an operational and strategic tool to implement the SDGs at the local level in articulation with the regional, national and global development agenda. The vision and common regional position, built on key subjects, reflected in the Tiquipaya Declaration, will be transmitted during the 4th World Forum of Local Economic Development to be held in Praia, Cape Verde.

- **Governance of productive processes**
- Multilevel governance
- Territorial cohesion
- Multi-stakeholder participation
- Autonomy of indigenous peoples
- **Equitable productive development**
- Municipal association
- Interinstitutional coordination
- Promotion of economic activities
- Gender Equality
- **Territorial development policies**
- Strengthening of agricultural activity
- Urban-rural integration
- **Territorial competitiveness with equality**
- Productive networks
- Economic plurality
- **Social inclusion and the right to the city**
- Inclusive Habitat
- Public policies, growth, distributive equity and environmental sustainability
- **Intermediate cities**
- Urban development and local responsibility
- Efficient territorial planning



Session Types

There were four session types: *plenary sessions*, *panels*, *workshops* and the *learning agendas*. Below are the characteristics of each one of them.

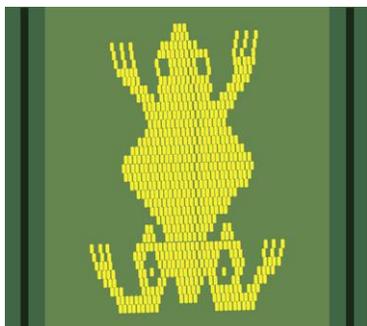
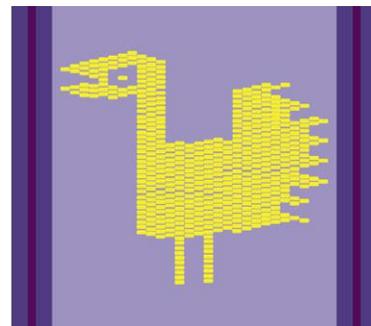


PLENARIES

During plenary sessions, mayors, governments, ministers, representatives of intergovernmental organizations, civil society, academia, and the private sector come together to discuss and share their vision of how the Local Economic Development approach can transform territorial inequalities in Latin America and the Caribbean.

PANELS

The panels discuss and analyze specific topics, directly related to the three thematic axes of the Forum. The panels also aim to build a shared vision to help generate commitments to strengthen the Local Economic Development approach in Latin America and the Caribbean and to establish the necessary steps to implement and follow up on the Forum process.

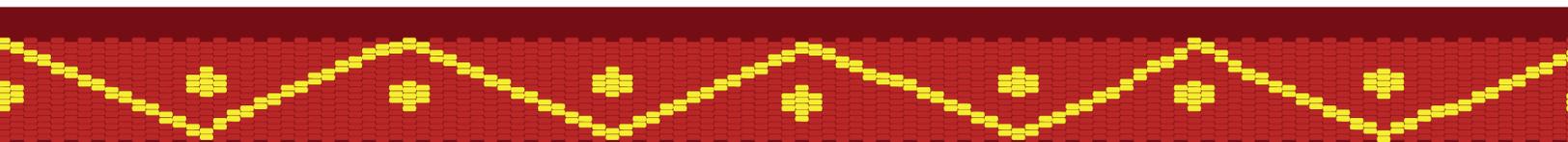
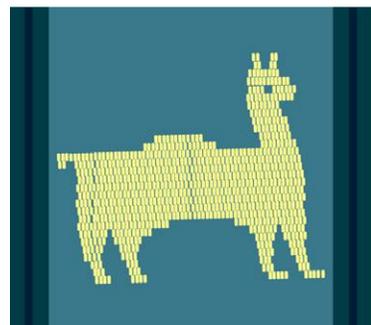


WORKSHOPS

The workshops are aimed at examining examples, case studies and good practices on specific topics, providing participants with a unique opportunity to discuss and build innovative solutions that contributes to the Forum process. In addition, the workshops allow the construction of synergies and alliances among interested participants.

LEARNING AGENDAS

The Learning Agendas aim to facilitate the exchange of knowledge and good practices through discussions and work sessions. The session presents the scenario, in order to provide a general understanding of the theme. It then promotes an exchange of ideas, knowledge and experiences of group work to outline the work agenda that will follow after the conclusion of the Forum.



Forum Agenda

Axis 1, axis 2, axis 3

TUESDAY, JUNE 27TH

17:00-18:30

Opening Ceremony

WEDNESDAY, JUNE 28TH

09:00 -10:30



Plenary 1. Governance and role of subnational governments in the processes of territorial productive development

11:15- 12:45



Workshop 5. Presentation and exchange of experiences. Urban agriculture

11:15- 12:45



Workshop2. Community model based on the Social and Solidarity Economy and the dialogue of knowledge

11:30 -13:00



Panel 1. Capabilities and planning and management tools for territorial development

11:30 -13:00



Panel 16. Subnational strategies on decent work

11:30 -13:00



Panel 10. Agenda and regional integration schemes in LAC

14:15- 15:45



Panel 5. Public investment and coordination between levels of government and political, administrative and fiscal decentralization

14:15- 15:45



Panel 7. Frameworks and processes for indigenous self-government and peace building

14:15 -15:45



Workshop 3. Presentation and exchange of experiences. Incorporation of the various forms of economic organization- public purchases | differentiated markets

14:15 -15:45



Workshop 1. Presentation and exchange of experiences. Territorial governance and multilevel articulation for regional and local development

16:15- 17:45



Panel 3 . Territorial governance and multilevel articulation for regional and local development

16:15- 17:45



Panel 4. Policies (local and multilevel) for social responsibility and the territorial impact of companies

16:15- 17:45



Workshop 12. Alternative economic models (circular economy, collaborative consumption, etc.) for productive development with equality, social and environmental sustainability

16:15- 17:45



Learning Agenda 2. A supranational perspective: agenda and regional integration schemes in Latin America and the Caribbean

THURSDAY, JUNE 29TH

09:00 -10:30		Plenary 2. Innovative public policies for competitiveness and the transformation of territorial inequalities
11:00- 12:30		Workshop 6. Presentation and exchange of experiences, models and successful practices. Business environment, policies and measures for the transformation-diversification of the productive structure from the territorial scope
11:00 -12:30		Book launch: <i>El proceso de diálogo rumba al pacto fiscal en Bolivia</i> and <i>Las autonomías indígena originario campesinas en el Estado plurinacional boliviano. Territorialidad y Autogobierno</i>
11:30- 13:00		Panel 12. Endogenous systems and capabilities for learning and innovation as a basis for productive development
11:30 -13:00		Panel 9. Areas of integration and complementarity with regional/ national policy frameworks and strategies
14:15 -15:45		Panel 8. Means to promote structural change for territorial equality in countries from the local
14:15 -15:45		Panel 13. The role of the MSMEs, their networks in promoting structural change and the informal
14:15 -15:45		Panel 11. Business environment, policies and diversification of the productive structure from the territorial scope
14:15 -15:45		Taller 7. Presentation of experiences and good practices. Plural economy (community, private, mixed, cooperative)
14:15- 17:45		Learning Agenda 3. Local Economic Development as a paradigm for locating SDGs in an integral and multidimensional logic. The role of local and regional governments in the implementation of the 2030 sustainable development agenda
16:15- 17:45		Panel 14. Acceleration mechanisms to remove existing barriers to women's economic autonomy, access to economic assets and decent work in territorial economic development
16:15 -17:45		Panel 15. Social and solidarity economy and its contribution to the Sustainable Development Goals
16:15- 17:45		Workshop 9. Presentation of experiences. Migration between rural and urban spaces. Rupture or new spaces and cohesion dynamics for an integrated and balanced development
16:15 -17:45		Panel 6. Organization and participation of diversity as a basis for public policies for inclusion and territorial cohesion
16:15-17:45		Workshop 9. Presentation of experiences. Migration between rural and urban spaces. Rupture or new spaces and cohesion dynamics for an integrated and balanced development

FRIDAY, JUNE 30TH

09:00-10:30		Panel 17. Multigovernance and municipal management of intermediary cities
09:00-10:30		Workshop4. Presentation and exchange of experiences: New public-private articulation frameworks, Joint ventures, etc.
09:00-10:30		Learning Agenda 1. Frameworks and processes for indigenous self-government and peacebuilding
11:00-12:30		Plenary 3. Urban development, metropolitan regions in the dynamics of development and territorial cohesion
12:30-13:30		Closing Ceremony

Axis 1

Governance and role of subnational governments in the processes of territorial productive development

The governance of productive processes

In Latin America and the Caribbean, there are a variety of governance arrangements for production processes, and the economy in general, at a local scale. While there is convergence on a multi-level governance approach, issues related to local economic development such as the localizing of SDGs and territorial cohesion are addressed in different ways in each territory. Despite this diversity, one of the most notable elements of these discussions was the finding that there is similarity in the problems of local development in countries with historical trajectories, economic vocations and different institutional designs: imbalances between territories, differences in quality of life between the urban area and the rural area, the exodus from the countryside to the cities and the difficulties that local governments face in order to assume their responsibilities and promote economic development. In some cases, these are efforts that are articulated in the participation of actors of different origins (economic agents, social organizations, public institutions, and academia) and above all at different levels: local, regional, national and international. Social participation appears as a condition of success of the public policies of territorial development.

It is local governments that play a leading role, not only as facilitators of economic activities but as leaders of local development strategies to underpin territorial cohesion and as the central point of decision-making on economic development. Multi-level and multi-actor governance — from decentralization processes and recognition of the importance of economic agents, international cooperation and civil society in decision-making related to local economic development — provides a fruitful perspective for both the review of the successes and failures of the experiences and for the formulation of proposals. Innovative practices being developed at local and regional levels in Latin America and the Caribbean indicate that there is an awareness that cooperation, the exercise of concurrent allocations between various levels and coordination are useful for improving the living conditions of populations and also improve local institutions themselves.

Intergovernmental agreements are necessary because local governments generally lack sufficient resources to effectively cover all their powers. Municipal associations are shown as effective ways to overcome the constraints of small municipalities, to reduce gaps and contribute to territorial cohesion. Although limited in scope, experiences in Spain, the Caribbean and Latin America exemplify the relevance of joining efforts in the light of common interests. Local development agencies in some countries are experiences that contribute to local institutional strengthening and coordination between public institutions and private agents. Municipal associativism, the link with national and international organizations of representatives and local governments, provides the opportunity to share good practices and expand the supply of innovations in local economic development policies.



Arrangements between public institutions and private economic agents are multiple in number. They express, in general, the idea that the market and the State should not be dissociated in the pursuit of local economic development. To the convergence between local governments that try to boost the productive capacities of their territories and private investment, international cooperation is added, and in many cases, the articulation with policies of other levels translates into multilevel public investment. The promotion of economic activities through the construction of infrastructure, favorable regulatory frameworks, exceptions and specific policies is accompanied by the establishment of public enterprises and joint ventures. On the companies' side, there are experiences of social responsibility with the local population and also of large companies with micro and small enterprises.

Among the most severe problems is the need to ensure decent work. There are policies to promote decent work and eradicate slave labor, persistent in some regions. In general, it is assumed that *development not based on the expansion of decent work is not development*. In fact, there is no economic development apart from the exercise of human rights. The current challenge lies in the exercise of economic, social and cultural rights. Some experiences show the option of mainstreaming decent work at the local level, based on the commitment between the State, employers and workers. In others, the articulation of policies is observed at all levels of the State.

Dialogue and social representation for productive development with equality

Successful experiences of local economic development suggest that it is not possible to propose a local economic development based solely on economic activities, the likely productive vocations of the territories or from the boost, or multiplier effects, that can be provided by business activity. These experiences are the result of more or less overt commitments between the State, economic agents and civil society organizations. Four success criteria of the initiatives are: *the leadership of*

local governments, while ensuring an integrated approach to territorial cohesion, *coordination between policies at different levels of state structures, adaptation to the environmental conditions of the territory and active participation of social organizations*. Some of these experiences are based on the perspective of adaptive territorial management, combining physical, economic, environmental, cultural and institutional elements.

The effectiveness and continuity of the initiatives depends on the effective inclusion of all the sectors involved and progress in the achievement of the interests of each. Civil society coalitions and its participation can contribute to transparency and accountability. They provide legitimacy and allow active social support necessary for any development strategy. This participation does not only refer to an insertion in the plans of the local governments but can start from the initiative of the economic agents or civil society organizations. Without having emerged from public institutions, those initiatives can take shape in the formulation of the plans and in the modification of the normative frameworks. This is particularly important in the case of women's social and economic organizations, youth entrepreneurship, the informal sector, Afro-descendants and indigenous peoples.



Women still face difficulties in their establishment as economic actors. Progress with equal pay for equal work is limited. The recognition of care work as an economic activity is incipient. In the case of young people, it is about their access to decent work and also the promotion



of their own economic initiatives. In some countries, the population structure is changing and the importance of young people is greater. In relation to the informal sector, it is a vital part of local economies in several countries and development policies must take this into account.

States have historical debts with Afro-descendants and indigenous peoples. In some cases, initiatives related to these peoples aim to broaden the potential of cultural wealth to underpin improvements in quality of life. A condition of success of the experiences of indigenous peoples is to have some form of official recognition by the state bodies. The obstacles are greater when there are conflicting relations with States. This recognition should give rise to economic redistribution. In some cases progress is made in the redistribution of state power through the establishment of autonomies, indigenous territories and special jurisdictions that are consolidating in some countries and demanding in others. The inclusion of all sectors is also part of alternative development proposals such as *Living Well*, adopted as the basis of national public policies in some countries.

Considering the leadership of local governments, the inclusion of an actor of development involves their recognition by local institutions. In many cases, there are limitations because the democratization of access to financing mechanisms and the optimization of procedures for the registration of formal economic enterprises are still pending. In fact, young entrepreneurs, women and peasants face barriers to being considered as creditors. On the other hand, it is necessary to streamline the procedures that are required to establish and register companies so that at the same time, security is provided to the economic units and a culture of taxation is secured.

Axis 2

Innovative public policies for competitiveness and the transformation of territorial inequalities

New agendas and territorial development policies

The determining mechanisms of territorial inequality in Latin America and the Caribbean lie in the differential allocation of competitiveness factors (political-institutional capacity, social capital, cooperation and learning), the different territories within a country or between different countries, the dynamics and the center-periphery relations and in the traditional exclusion of certain population sectors (women, young people, indigenous peoples, Afro-descendants, peasants, small producers, small entrepreneurs...). All of them are generators of social, environmental and economic vulnerability and prevent the attainment of an integral and sustainable quality of life.

New agendas and territorial development policies show some key issues for the transformation of territorial inequalities (health, education, and infrastructure), in which significant progress has been made in Latin America and the Caribbean in the last decade, thanks to decentralization processes. However, they have not had sufficient reforms in national and regional policies, lacking coherent and articulated agendas. Similarly, despite the existence of some interesting examples of binational cooperation approaches to promote cross-border development, the issue of territorial inequalities has not yet sufficiently permeated the supranational agenda of integration and cooperation between countries. These tensions between an emerging model (territorial development) and traditional structures generate innovations (productive, technological, managerial, insti-



tutional, social, cultural...) that suppose a greater added value of knowledge and encourages the debate and the formulation of proposals in the region.

While it is true that territorial initiatives in Latin America and the Caribbean have so far presented weak methods of scaling up and policy guidelines with few instruments in the territories, being limited in time and space have generated a large collection of good practices and lessons learned on which to promote and strengthen development. These include: articulation and multi-level complementarity (local, regional, national) and sectoral between various territorial actors (civil society, government, private sector, academy...), rural-urban integration, biodiversity conservation, investments in “intangibles”

such as education (both formal and non-formal, attending the dialogue of knowledge), research, training and development; the construction of governance from below (inclusive with ostracized groups and dialoguing with groups and sectors of power); participatory models and social pacts to deal with the legitimate conflicts of diverse interests that exist in the territories; the commitment to quality and differentiation, cooperation and the ability to “network” to address inequalities.

Agenda 2030 assumes the idea of leaving no one behind, explicitly highlighting gender equality as the goal and condition of development, going through the gender perspective’s 17 goals. There is certainty that territorial development will not be possible if some group is excluded and without rural develop-





ment (most of the food in Latin America comes from small family producers, to whom governments do not give due importance). Linking SDGs in a complementary way with social, environmental and economic agendas, as well as their articulation with the university, and science, technology and innovation, is key to reach global solutions in the region with territorial landings.

Local productive systems and territorial competitiveness with equality

The processes of globalization have led to a restructuring of the world economy, creating a greater exposure of local economies to external markets. In Latin America and the Caribbean, this has highlighted the different capacities of local productive systems generating internal productivity gaps and increasing regional inequalities. It is therefore necessary, on the one hand, to face the risk of marginalization of territories and population groups, and, on the other, to take advantage of the opportunity of access and integration with global markets.

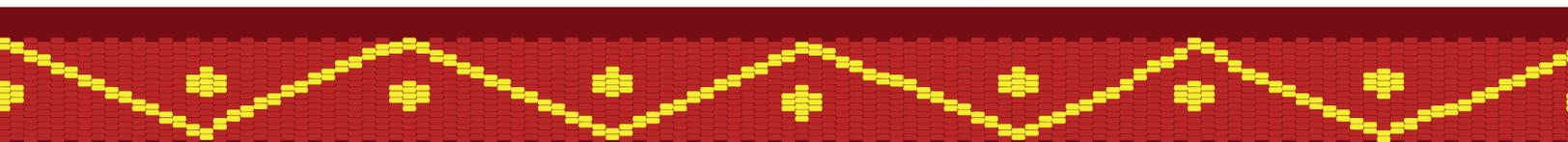
After a relatively favorable economic situation in the last decade, Latin American countries face a more complex scenario in which the decline in external demand reveals the limits of the current growth structure based on the export of primary resources and the scarce incorporation of added value. These structural weaknesses therefore prevent more sustained and inclusive economic growth. It is therefore necessary in terms of territorial competitiveness, not only to promote economic efficiency but also to

achieve equality, territorial cohesion and coherent institutional frameworks, since without the combination of these factors sustainable competitiveness cannot be achieved. The territorial strategy must articulate the current actions and incorporate the tangible and intangible elements into a social and political pact in which the main subjects of the territory are incorporated.

In Latin America, there is no single economic model, but plural economies (home economics, popular and solidarity economy, micro and small enterprises, transnational enterprises...) that are part of the development of a territory and mark and accompany sociocultural tendencies. Micro and small enterprises constitute the vast majority of the productive fabric and jobs in the region; however, its contribution to GDP is relatively low (about a quarter of the total) because of its low productivity. Managing this economic plurality requires a dialogue that allows the construction of consensus, permanent consultation with the interests and needs of the different productive actors, and understanding of these types of businesses and the markets in which they operate. Coordination of forms of joint work that in turn generate positive social and en-



vironmental transformations in the region is among the greatest challenges today. The Agenda 2030, where the economic, ecological and social converge, undoubtedly contributes to addressing these challenges.



Axis 3

Urban development, metropolitan regions in the dynamics of development and territorial cohesion

Urban-rural articulation and intermediary cities within a framework of Interdependence and territorial cohesion

Intermediary cities play a fundamental role in shifting perspectives towards territorial development and territorial cohesion in Latin America and the Caribbean. They are seen as articulators of the urban network with rurality (rural cities), integrators of the urban system within a country (middle cities) and are linked to the network of global cities (border cities, regional or metropolitan cities). Characterized by responding to a phenomenon of demographic transition due to the change in migratory flows and relocation in certain urban spaces, the intermediary cities can become privileged areas for localizing the SDGs. Indeed, because of their nature as a node between major cities and rural areas, they can orient their influence towards the cohesion that is a condition for the implementation of SDGs.

Since the 80s, territorial restructuring in Latin America and the Caribbean through state reforms has established new patterns of urbanization, strengthening intermediary cities, based mainly on *decentralization*, as a support for the autonomy of local municipal powers, *privatization*, which had a strong impact both on the urban system and its relationship with the rural sector, and the *economic opening* of States, with free trade agreements, which established competition between cities and not between States. Smaller settlements than the big capitals represent advantageous spaces to develop modalities of urban-rural articulation, as spaces characterized by productive development, incorporating new actors, generating new urban-rural links, renewing approaches and instruments associated with sustainable territorial management. Settlements of lower hierarchy, that for the big capitals represent advantageous spaces to develop modalities of urban-rural articulation, as spaces characterized by productive development, incorporating new actors, generating new urban-rural links, renewing approaches and instruments associated with sustainable territorial management.

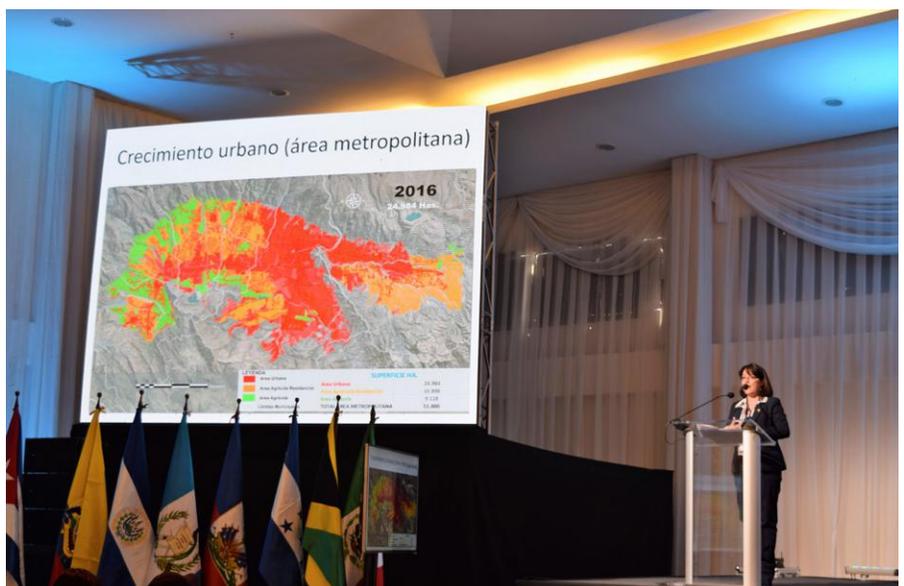
Urban development, as the responsibility of local governments, needs to deploy the potential of cities to achieve better living conditions, plan urban growth and reform the administration so as to contribute to the reduction of poverty, illiteracy and gender discrimination.

As recognized territorial entities in the processes of urbanization and sustainable regional development, intermediary cities are facilitators of job creation and social dialogue at the local level. Internally, they form a system of cities with larger cities and link rural and urban areas as an alternative to get out of poverty in the countryside. Externally, they generate a vital link between the local and the global, contrib-



uting in SDG 11, regarding the achievement of inclusive, safe, resilient and sustainable urban settlements. Intermediary cities, as responsible for urban development, have a population of less than 1 million inhabitants, with multilocal governance, focused on integrating rural communities and markets into the network of cities. Its challenges include underpinning social dialogue for the generation of multilocal integration policies of actors and actions, where public investment is assumed as a replication strategy for local development initiatives and priority is given to the construction of territories that are poverty-free, eco-friendly, with gender diversity and cultural identity.

It is necessary to establish general policies that consolidate intermediate cities, through various modes of integration and connectivity, with physical and technological roads. It must be recognized that intermediate cities are fundamental in the search for territorial cohesion and the overcoming of imbalances. They are nodes in the urban-rural rela-





tionship and ensure that the sectors that experienced an upward social mobility in the last decades in Latin America and the Caribbean do not fall into poverty.

Territorial socioeconomic cohesion and urban-rural integration require the management of specific political and institutional frameworks within flexible, multilevel governance processes based on networking beyond administrative boundaries. Polycentric territorial development represents one of the main factors to establish the importance of each urban center, reducing dependence on the big city, using its own potentialities, enabling from local economic development the conditions to improve the quality of life in terms of sustainable development and environmental sustainability.

In order to establish efficient and lasting conditions within planning, this process of multilevel administration also requires innovative policies between institutional agents and citizens, consensually establishing physical and social interventions, territorial cooperation, and the balance of investments that allows sustainable management of the resources.

The construction of urban communities between productive fabric and social inclusion from the right to the city

Guaranteeing the right to the city is one of the main challenges of public institutions in the region. Socioeconomic processes are taking place in the opposite direction: insecurity, privatization of public spaces, and persistence of inequality. These are phenomena that hinder the full exercise of citizens' rights in cities, especially by women, indige-

nous peoples and rural migrants. The construction of an inclusive, sustainable and equitable habitat is pending; since the mechanisms for exercising the right to the city and democratic management from the local level have not yet been consolidated. Urban communities are both a means and an end to the inclusion and overcoming of inequalities.

The challenge is greater considering that historically the State was the main inducer of structural asymmetries in the territories of Latin America and the Caribbean, in both urban and rural areas, adversely affecting development processes. In rural areas, its manifestation is evidenced in a heterogeneous distribution of natural and social capital, establishing logical patterns of inequality. In urban areas, the State, as the first differential investor of goods or public infrastructure, generated a diverse and asymmetric regional development. This situation is the product of a series of public policies that accentuated the urban population concentration visible basically in metropolitan areas, in response to industrialization processes, creating polarized models and structural barriers to development.

Given this panorama, the territory, as a unit of intervention of public policies, demands territorial cohesion from the State based on dynamics that promote equitable development. A balance between growth, distributional equity and environmental sustainability is required. The right to the city (or right to the territory) involves the inclusion of everybody and the establishment of relations of belonging in relation to the territories, the use of their own capacities from their territorial endowments, productive economic networks and value chains which grow in the economic space and can generate endogenous development. This development differs from the processes undergone by Latin American and Caribbean societies that made cities part of the periphery of the global economy. The external territorial dynamics used to integrate the territory in a subsidiary way and turned it into a peripheral part of another territory of greater scale or a dynamic pole.

A fundamental aspect in the exercise of the right to the city lies in the establishment of the economic autonomy of women as a strategy for inclusion, based on proactive work methodologies, formation of research-action units as a right to paid work from innovative activities, the right of participation in the power and management thereof, and fight against the violence, as representative elements of the Local Economic Development agenda.

Tiquipaya in the path of the Forums on Local Economic Development

The Regional Forum on Local Development is part of a path that includes three World Forums, held in Seville (2011), Foz do Iguaçu (2013) and Turin (2015), and a Regional Forum for Latin America and the Caribbean, carried out in Quito (2015). It continued the concerns that inspired the convening of the first Forum in 2011 and also outlined some possible ways to address them in the context of the changes that are perceived on a global scale. The two Regional Forums highlighted some particularities of current problems and debates on development in Latin America and the Caribbean, which may be important in an international debate: sustainability, imbalances between rural and urban areas, participation of indigenous peoples, alternative development paradigms such as *Living Well*, problems arising from the colonization process and the subaltern position of the region in the global context.

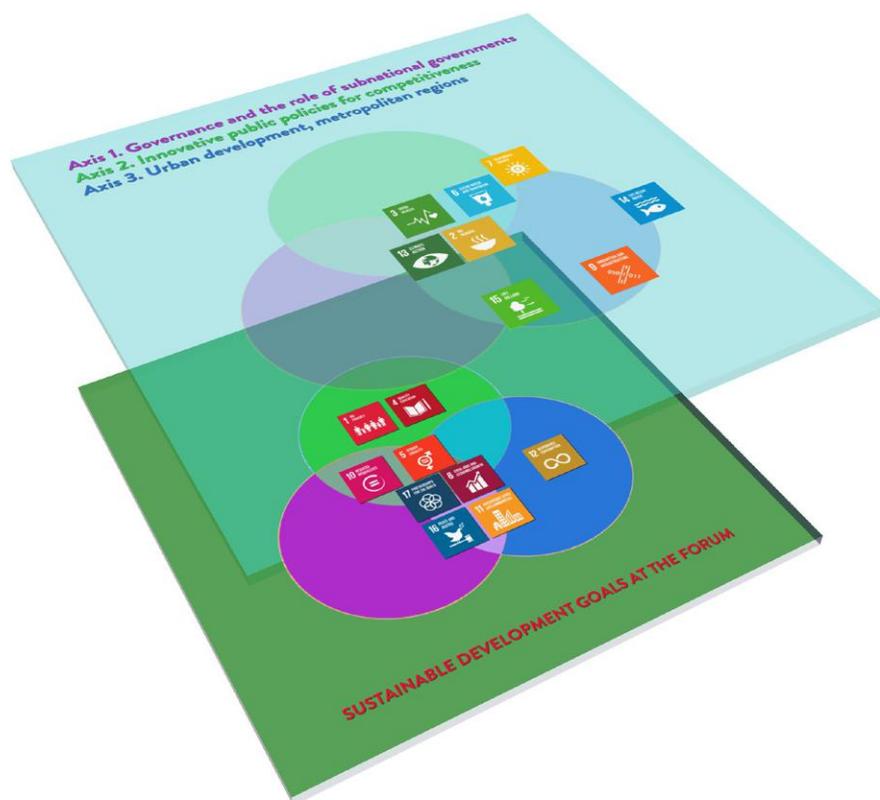
In the itinerary covered by the Forums, a global community was formed that integrates local and national governments, multilateral bodies, civil society organizations, academic centers and economic agents committed to Local Economic Development with a territorial approach in response to problems such as inequality, unemployment and unsustainability. Although they are manifested locally, their local treatment is insufficient, as they derive from other problems of national or global scale generated in other regions of the planet.

Continuity of the collective effort to promote Local Economic Development

The Seville Forum confirms the awareness that the challenges facing the territories are opportunities that must be taken and built collectively in inclusive processes that are not restricted to specific projects with few multiplier effects. The participants express a proposal for convergence between the market and state action, and articulation between public institutions and private initiative without excluding civil society organizations. Sharing experiences, in the formulation and execution of development policies or in productive or social participation initiatives, is a fundamental part of the work of this community. The first Forum was convened in the context of a global economic crisis. The current situation is different and local problems are explained and addressed in different ways depending on the location of the region on the international scene.

The actors of development

The Forum of Tiquipaya gave a special treatment, with reflections, proposals and experiences, to the problems of development, inequality and exclusion in Latin America and the Caribbean. With regard to the actors of these initiatives, it was agreed to promote the articulation of actions, collaboration from different fields: public institutions, private initiative, and civil society. Here we establish continuity with the previous Forums, especially by the inclusion of all the sectors involved in the problems of development. Special emphasis was given to women, youth and indigenous peoples (in the latter case, with experiences and proposals for autonomy and self-government). The premise of Do Not leave anyone behind included in the Agenda 2030 is welcomed, recognizing all actors in their capacity for action and contribution to development, without considering them only as recipients or beneficiaries of policies. In coordination and multiactor articulation, in Tiquipaya the emphasis was placed on the leadership of local governments in the processes as guarantors of the territorial approach and inclusion. It is understood that local governments should not only facilitate private initiative or provide infrastructure or regulatory frameworks. In their role of guiding and orienting development, it is necessary to coordinate with other levels of government, in various forms of partnership and coordination, since in general they lack the necessary resources to respond to all the needs and demands of the population.



FORUMS ON LOCAL ECONOMIC DEVELOPMENT



The scales of action

In relation to the scales of action, there was also continuity in the idea of adding efforts to act both locally and globally, since the understanding of problems, formulation of solutions and their implementation is not restricted to the limits of territories. In Tiquipaya, emphasis was placed on multilevel governance, not only because of integration processes among the countries of the region, but also because of decentralization in each country and the recognition that problems require multilevel treatment. The importance of decentralization – manifested as a demand for national governments and located in the field of the possible in the Forum of Seville – appears in Tiquipaya as a necessary condition or as a progress already achieved (albeit unevenly across the continent) on which multi-level arrangements have to be built with public, private, and civil society actors.

Intermediary cities were also recognized in the forum as one of the most important areas for local economic development and the search for territorial cohesion and the overcoming of imbalances and inequality, especially between rural and urban areas.

Thematic emphasis and focus

With the certainty that it is necessary to contribute collectively to the major development agendas, the Millennium Development Goals, MDGs, and the SDGs were considered as fundamental orientations in previous forums on Local Economic Development (the MDGs, in Seville and Foz do Iguacu; the SDGs were formulated in 2015, shortly before the holding of the Quito and Turin forums). In Tiquipaya there was active appropriation of the SDGs and were discussed the ways in which the territorial approach can contribute to its fulfillment. Sustainability and sustainable human development were addressed through the subject of SDGs localization process and the ways in which the benefits of development can effectively reach everyone. In the first two Forums, these two issues had been considered more explicitly. One aspect discussed in a special way was the territorial cohesion. Its importance was highlighted by the fact that rural areas are depopulating and deserve attention both the problems caused by the rural exodus and the problems that are found and generated in cities. This emphasis differs from the emphasis territorial economic development had in the Quito Forum, seen then as a potential for economic transformation at the national level.

Final declaration

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.

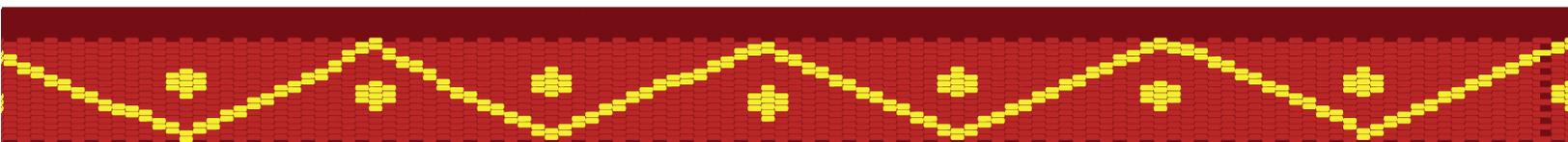
The Latin American and Caribbean region has been and remains a major player in the formulation and implementation of the new global development paradigm associated with the 2030 Agenda for sustainable development. The 2030 Agenda introduces a people-centered, universal and transformative, multidimensional,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

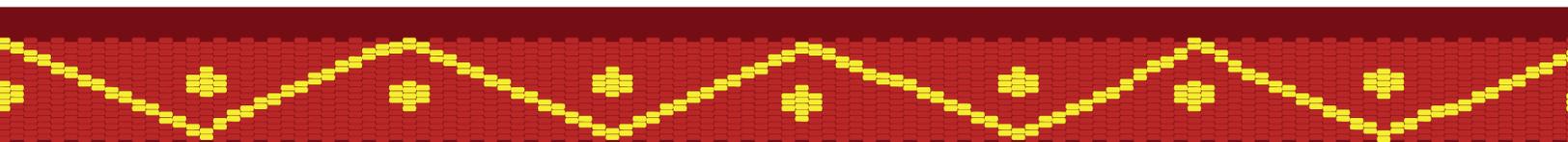
On the basis of these principles and the current context, **the Regional Forum recognizes and values more than ever the potential of local economic development in driving a balanced model for sustainable growth, protection and defense of the rights of the Mother Earth, balanced and inclusive with greater 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 2nd 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 27th to the 30th of June 2017, paving the way towards the celebration of the 4th 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 imple-



mentation 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 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 coop-

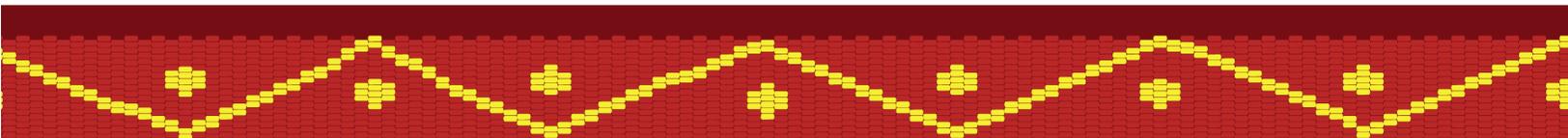
eration can be the central element for the articulating and harmonizing of territorial dynamics with regional cooperation and governance processes, establishing a shared vision and strategies through the exchange of practices, knowledge and innovation.

The delegates of the 2nd Regional Forum **stated that**:

The 2nd 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.



Photographs

Page 1. Delegate of Uru Chipaya peoples, Bolivia, besides the banner of the Forum. Photograph Gabriel Peredo.

Page 7. *Above.* Hugo Siles, Vice-Minister of Autonomies, Bolivia, during his presentation in Plenary 1, “Governance and role of sub-national governments in the processes of territorial productive development”. *Below.* Jorge Guamán, Governor of Cotopaxi, Ecuador, in Panel 7, “Frameworks and processes for indigenous self-government and peace building”. Photographs Rosa Oliva.

Page 8. A participant shares her experiences in Learning agenda 2, “A supranational perspective: agenda and regional integration schemes in Latin America and the Caribbean”. Photograph Rosa Oliva.

Page 9. *Above.* Gemma Aguado, from UNDP ART, Brussels, during Learning agenda 3, “Local Economic Development as a paradigm for locating SDGs in an integral and multidimensional logic. The role of local and regional governments in the implementation of the 2030 sustainable development agenda”. *Below.* Audience asks during Panel 9, “Areas of integration and complementarity with regional/ national policy frameworks and strategies”. Photographs Rosa Oliva.

Page 10. Rocío Molina, Councilor of the municipality of Cochabamba and Vice-President of Association of Municipalities of Bolivia, AMB, Bolivia, during her presentation in Plenary 3, “Urban development, metropolitan regions in the dynamics of development and territorial cohesion”. Photograph Rosa Oliva.

Page 11. Speakers at Workshop 9, “Presentation of experiences. Migration between rural and urban spaces. Rupture or new spaces and cohesion dynamics for an integrated and balanced development”. Photograph Rosa Oliva

