



LOCAL ECONOMIC DEVELOPMENT:
STRENGTHENING URBAN RURAL LINKAGES FOR ECONOMIC GROWTH
AND SUSTAINABLE DEVELOPMENT

A side event of the
World Urban Forum (WUF7)
Urban Equity in Development – Cities for Life

April 11th, 2014
Medellin, Colombia

SIDE EVENT – SUMMARY AND CONCLUSIONS

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CONTEXT

Urban and rural have traditionally been seen as separate, disconnected spatial domains. Cities function as service centers for their rural hinterlands, offering outlets for rural products, public and commercial services, and employment opportunities and rural areas provide raw and processed materials, labor and demand for urban goods and services. However, today both cities and rural areas include urban and rural elements. The economic, social and environmental interdependence between urban and rural areas and the need for a balanced and mutually supportive approach to development of the two areas is widely recognized. An important issue to design effective policies is to understand how these interdependences matters locally, and how they may be mobilized for local economic development efforts. Today's urban geography comprises cities of different sizes, economic structure, and socio demographic characteristics. However, both metropolitan cities as well as smaller urban centers do usually play an important role as drivers for economic growth for a wider territory. An integrated urban and rural Local Economic Development (LED) approach can promote policy coherence between urban and rural areas and strengthen existing urban rural linkages for economic growth and higher quality of life.

While definitions of LED vary broadly, reflecting an evolution of the concept over decades of practice, today it is commonly understood as a strategically planned, locally driven partnership approach aimed at generating sustainable local economic opportunities and quality of life gains through improved economic governance. This approach to LED has shown to be effective as a way to respond to the needs of the urban-rural population by promoting urban rural partnerships and thereby fostering the development of the overall territory.

The side event is part of an ongoing reflection process on LED and its related policies and instruments, aimed at harmonizing and aligning LED policies and interventions between a number of UN organizations as well as international associations of local governments. This process includes a number of related events such as the World Forums for Local Economic Development (3rd WF to be held in Turin, 2015).

OVERVIEW OF SPEECHES/ PRESENTATIONS

The opening session of the side event convened in the One UN Pavilion on Friday, April 11th, with speeches and presentations organized around the theme ***“LED, Strengthening urban rural linkages for economic growth and sustainable development”***. The session was moderated by **Ms. Ines Brill, Regional Coordinator, Knowledge, Innovation and Capacity Group, Latin America and the Caribbean,**

UNDP Regional Service Center in Panama, who introduced and guided the intervention of the panelists, and summarized the key messages of the discussion.

In the keynote address by **Ms. Inka Mattila, Deputy Country Director of UNDP Colombia**, the stress on urban-rural linkages for sustainable development in both types of areas was recognized. She underlined that LED is a successful approach to foster development in the economic, political, social and environmental areas. Ms. Mattila emphasized that the LED approach asserts itself as an essential base for establishing new models of competitiveness focused on creating innovative local environments that foster new relations of proximity and cooperation between actors, networks and production services. The central focus is the territory, which becomes an essential actor capable of generating strategic resources, and achieving them through territorial development policies that integrate the urban and rural focus and strengthen public-private partnerships. Ms. Mattila highlighted the need to empower and involve marginalized groups such as youngsters and women in the discussions for development, and to promote equity policies that help transform inequality and reduce gender gaps. Taking the example of Colombia, she highlighted the close link between decentralization, LED, governance and sustainable development, as well as the relevance of such interaction for peace building with a territorial approach. Ms. Matilla mentioned the framing of the new UNDP strategic plan and the opportunity for finding national and international partners to discuss innovative and successful experiences and LED models that can be replicated in other regions.

Kicking off the panelist speeches, **Mr. Kodjo E. Mensah-Abrampa, Policy Advisor- Local Governance, Democratic Governance Group, Bureau for Development Policy, UNDP**, highlighted the importance of the partnerships and multilevel governance connecting different actors and institutions in order to promote LED. He presented UNDP's vision and idea of sustainable development arisen from the territories and the strong linkages between the urban and the rural dimensions. These linkages allow for a comprehensive development including economic, social, and environmental aspects, an approach that ought to inform the post-2015 development agenda.

Speaking next, **Ms. Levina Owusu, Chief Director, Ministry of Local Government and Rural Development, Republic of Ghana**, brought to the table the need of decentralization for a successful LED. She showcased Ghana's decentralization experience, in which LED became a pillar and essential part of the decentralization process. Thanks to this process, there was a shift towards less dependency from the central government and more capacity building of local authorities. She underlined the need to reinforce local authorities, given their proximity to the territory and the population, and especially since they are the key element for an effective development impact.

The local and regional perspectives and experiences were strongly present in the side event, with representatives of local and regional governments, networks and associations. **Mr. Alvaro Obando, Manager, ADEL Nariño, member of the Colombian Network of LEDAs – ADELCO**, presented the experience of the Department of Nariño, in which the promotion of social participation and inclusiveness has created a conducive environment for new business and social initiatives. He stressed the importance of decentralization, and the inclusivity of such process, involving marginalized groups of the territory in participatory development processes. Furthermore, he mentioned the relevance of the

interdependency of urban and rural areas and of private-public partnerships not only in the development agenda, but also to promote the governability of the territories and peace building initiatives.

The regional perspective was echoed by **Mr. Paul Carrasco, Prefect of the Azuay province, Ecuador, and President of ORU-FOGAR and Vice-president of United Cities and Local Governments (UCLG)**, who underscored that citizens must be part of participatory processes not only at an electoral level, but also in the decision-making processes. He underlined the need to foresee development programs and projects in which citizens of both urban and rural areas can take part, given their first-hand knowledge and experience of the local reality. Citizens' inputs are critical to generate solutions, ideas and more effectiveness of the development agenda. Mr. Carrasco highlighted that governments should develop spaces and tools to harmonize the efforts of various, building linkages to further the social, economical and environmental dimensions of development.

The session also benefited from experts on planning and city development such as **Mr. Carlos de Freitas, Head of Programmes, Global Fund For Cities Development, FMDV**. Mr. de Freitas called for an institutional articulation that promotes and enhances the linkages between the urban and rural worlds. In his opinion, there is a need to reinforce linkages between cities and rural areas, and also communities and their resources. Through capacity building of communities, monitoring tools and a bottom-up approach, better policy planning and regional development can be achieved, also with the engagement of private entities.

The city approach was brought by **Mr. Henk P.M. Kool, Deputy Mayor, Social Affairs, Employment and Economy of the Municipality of The Hague**, who underscored the key role of cities for sustainable development and their responsibility to tackle local issues. He highlighted the importance of education and innovation of the population, academia, civil society and small and medium enterprises to create good practices for development. He also stressed that all development processes should involve and take into account the participation of local vulnerable groups. In his words, local authorities should always draft effective policies that fulfil the needs of the community and provide the required social services.

Finally, the closing remarks by **Mr. Jacques Carrière, Programme Director, Federation of Canadian Municipalities (FCM), United Cities and Local Governments (CGLU)-Working Group on LED**, recalled the main ideas mentioned by the panelists and also emphasized the relevance of the social capital. Mr. Carrière asked for a further development of social contexts and participatory discussions at local level to gather up the values of the citizens and inhabitants of both rural and urban areas.

CONCLUSIONS

Local Economic Development - Strengthening urban rural linkages for economic growth and sustainable development

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Medellin, 11th April 2014

The seventh edition of the World Urban Forum convened by the United Nations Human Settlements Programme (UN-Habitat) gathered representatives from national, regional and local governments, CSOs, academia, the private sector, foundations, and United Nations organizations to examine the most pressing issues facing the world today in the area of human settlements, including rapid urbanization and its impact on cities, communities, economies, climate change and policies. This side event provided an opportunity to discuss successful national and territorial LED policies that have promoting urban-rural linkages as the basis for strengthened territorial development, as well as to present specific instruments and experiences for the implementation of integrated urban-rural LED strategies. The co-host of the event were the United Nations Development Programme (UNDP), the International Labor Organization (ILO), Regions United/FOGAR and United Cities and Local Governments (UCLG).

Participants acknowledged LED as an effective approach to tackling many of the development concerns addressed by the MDGs, and therefore the important role that LED may play in advancing the future global development commitments, particularly in the context of the implementation of the post 2015 agenda at local level.

Key messages

- Urban and rural areas are increasingly integrated. Alongside an ever growing urbanization, more and more rural population lives close to cities. Current and common challenges such as efficient use of natural resources (water, land), equal access to public services or demographic changes, just to name a few, can be tackled more easily if cooperation exists between urban, peri-urban and rural areas. ***To make this cooperation mutually benefiting, the urban-rural partnerships for socio-economic development (ex. labour markets, natural resources, spatial strategies) need to be included in national, regional and local policies and functionally managed.***
- Urban and rural areas enjoy different and often complementary assets, and better integration between them is important for socio-economic performance. ***Policy recommendations need to be developed to help national, regional and local policy makers to build effective and sustainable rural-urban partnerships for better economic development.***
- Integrated policy approaches at the regional scale can create positive results by considering and addressing the various dynamics of urban-rural relationships. ***Sustainable regional development***

approaches which take proper and balanced accounts of both rural and urban areas need to become integral part of national development strategies and plans.

- Urban and rural development are both elements of a complex national development process and must be grounded in a multi-level governance process. ***Development planning at all levels, urban, rural, regional as well as national need to be closely linked and informing each other.***
- Integrated urban-rural approaches need to be framed within an overall conducive environment for local governance and local development. ***Drivers of local governance and local development such as decentralization, empowered local authorities with adequate competences and resources, civil society participation, should be fostered.***
- ***A bottom-up approach and inclusive dialogue allowing citizens participation, particularly of traditionally marginalized groups, in decision-making and planning*** are key elements for the success in setting-up and running of urban-rural partnerships and effective LED strategies.
- Integrated LED strategies embracing both urban and rural dimensions, democratic governance policies and inclusive territorial development encourage positive social and economic dynamics at the local level that prove useful in strengthening peace-building processes and fostering reconciliation.
- A shift from project based funding to ***programs supporting integrated territorial development comprising urban and rural partners should be promoted.***