

European Charter of Local Authorities

for Public-Private Cooperation in Development and Job Creation

Premise

Governments and governmental agencies are major protagonists of economic development cooperation. Nevertheless they sometimes lack sufficient attention towards the informal sector, mostly relevant in these issues, and often act with top-down approaches that may even result detrimental to the vocations and delicate social, economic and environmental balances of local territories and communities.

We believe that local authorities can do much to raise awareness on UN Sustainable Development Goals, boost public-private cooperation in economic development and job creation, at the same time assuring a high level of democratic participation and control in decision-making processes.

We further firmly believe that the exchange of best practices in PPC among European and non-European LAs is a key feature for enhancing the general level of democratic awareness and participation, and the capacity of economic growth to produce a long-lasting impact on job-creation, even as concerns international cooperation for development.

In order to guarantee this, local authorities need to match some requirements when approaching PPC. The following is a tentative list of requisites that should guide LAs in PPC. The Charter was adopted in Rome in February 2017 by representative of both private and public actors, committed to the implementation of international cooperation and sustainable development goals.

1. Increasing transparency in decision-making

Collective decision-making is the key of LAs actions. LAs are required to increase the level of participation of all stakeholders in decision-making and make it a transparent and accountable process.

2. Horizontal and vertical coordination

The coordination of different layers of government is a crucial asset in making effective choices. Coordination must be assured both in horizontal and vertical terms, encouraging the adoption of “tables” of discussion and decision among all actors involved.

3. A stricter monitoring on blending

Blending is becoming a popular means to promote PPC in development. It nevertheless bears some risks, mainly linked to favour private marketing over effective and long-lasting development. LAs are encouraged to: a) monitor the extent and quality of blending, sharing with companies a common strategy of marketing; and b) adopt ethical charters for companies in blending.

4. Opportunities, more than limits

LAs are required to commit to a careful and wide-ranging campaign in order to underline opportunities, more than limits, in the pursue of SDGs, thus positively impacting also on the general trust of local communities as concerns both firms and citizens.

5. Trust

Private investments crucially depend on expectations, concerning political priorities, prospective effective demand, etc. Referring to private investors' willingness to invest in SDG sectors, an effective promotion and the provision of information by LAs, including details on political priorities and on the regulatory framework accompanied by feasibility studies, is particularly important, as companies face great difficulty in assessing potential risks and returns of such investments, due to a lack of historical data and investment benchmarks to make meaningful comparisons of performance.

5. Social responsibility

Business is usually associated with profit-maximization, irrespective of the social impact of company strategies. In the reality, we often testify of a great sensitivity of firms towards the quality of the social fabric in which they operate. LAs should improve the link with local firms and encourage the adoption of a specific charter on social responsibilities.

6. A sound juridical framework

LAs are not monopolist of laws; but they produce a huge amount of regulations impacting on the quality of the social and economic environment where citizens and firms operate. It is in the interest of everybody to have LAs committed in achieving an increasing level of access to opportunities through the simplification of their regulating activity. Of course, simplification does not mean deregulation, especially in sensitive sectors such as healthcare and education, where a strong public sector responsibility exists. Greater private sector involvement in these sectors must indeed be accompanied by appropriate regulation and government oversight (that in turn needs capable institution and technical competencies), to safeguard quality and inclusiveness of public services. LAs should then set appropriate standards concerning the content, quality, inclusiveness and reliability of the services and commit to monitor their compliance.

7. Stimulate the development of human resources and skills

LAs should contribute to improving the quality of local skills in SDG sectors through training and education. This is crucial not only to facilitate private investments, but also to maximize long-term benefits of investments for local economies.

8. Encourage knowledge sharing between firms

LAs should promote contacts between firms at local, national and international level to facilitate technical knowledge sharing. This is key to simplify the possibility to trace sustainable growth paths.