Vertical and Horizontal Collaborations for Implementation of RE & EE Policies: Concepts and Platforms

Within the framework of international training course on:
Inter-regional Energy Efficiency and Renewable Energy Projects and Policies
February 2015

Yossi Offer - InterLoc Development
PoB 15138, Beit - Zayit 90815, ISRAEL
Mobile +972 50 7499 675 | Skype yossi.offer
Email yossio@interlocdev.com | bikta@013.net
Development is eventually a local matter.

- Global issues ➔ Local actions
  - Earth Summit Rio 1991 – think globally act locally
  - MDGs – localizing the MDGs
  - Poverty reduction – local economic development
  - Climate change – local strategies
  - Etc.
Development is eventually a local matter.

- Same with national policies – cannot be implemented without local actions.

National level: policies, legal frameworks, resources, infrastructure.

Local level: strategies, tools, actions, projects.
Development is eventually a local matter....

- Policies needs to be “pined” to
  - A place
  - People
  - Materials and resources
  - Organizational and management frameworks
- Otherwise they’re not implemented.....
Mega Trends

- Global, sustained and macro forces of development
- Impact business, economy, society, technology, cultures and personal lives
- Affecting our future
- Require polices and strategies
Mega Trends - examples

Urbanization

Globalization

Aging

Decentralization
Decentralized, multi-actors local arena
Cooperation

Vertical and horizontal
Cooperation for development  
Horizontal

- **Who?**
  - Between actors operating in the same territory
  - Between sectors (crosscutting)

- **Why?**
  - “Built-in” - any issue related to sustainable development (Enviro./Socio./Econ.) or other crosscutting issues
  - Implementation of local plans and strategies – agreed upon activities, sharing responsibilities
Cooperation for development

Vertical

Who?

- Between different tiers (Central – local)

How?

- “Top-down” – traditional authority based cooperation: imposing strategies, controlling through budgets and legal frameworks etc.
- “Bottom-up” – higher tiers are “tempted” into collaboration (based on political links, opportunity to be part of a success story etc.)
- **Dialogue based** - multi-level governance where authority plays a limited role:
  - Circulation of ideas
  - Enabling and supporting environment
  - Each tier/partner brings its strengths to the table and contributes to the implementation of policies.
Cooperating (its complicated...) for tangible development

- To implement and ensure results
- What kind of results?
  - How much we invested in RE
  - Was the project delivered on time and managed efficiently
  - How much emission saved
  - How many new job and income opportunities we’ve generated for the poor/women/SMEs etc.
Cooperating for tangible results

- So the question is not just what are the benefits but also who benefits

- RE & EE projects are designed to generate impact on:
  - Global climate and natural resources
  - National economies
  - Communities and households
    - Reduce costs of living
    - Socioeconomic development – notably job and income opportunities and improved health
Role of central government

- Set policies, and implement through
  - Providing resources
  - Ensure benefits to target audiences
  - Creating an enabling and supportive ecosystem
    - Legal frameworks
    - Incentives
    - Building professional and institutional capacities
Role of central government

- Local actors are natural partners to implement national policies but,
  - In too many cases local partners are weak and lack capacities
  - Thus, they are bypassed → therefore disempowered → therefore will be bypassed next time as well... (vicious cycle)
  - It is a key interest of central actors to empower local partners as this increase their capacity to fulfill their role in implementing national policies
  - But as mentioned earlier – this requires a dialogue....
Understanding local level

Two concepts and to “dialogue platforms” for collaboration
Understanding local economy

The “Leaky Bucket” concept
The Leaky Bucket Concept

How money and resources enter a particular local economy – FDI, governments, donors....

How money and resources are currently leaking out of that local economy – external owners take money to place of origin, employees commuting from other localities, inputs purchased externally, revenues invested outside...
The Leaky Bucket Concept: how do we plug the leaks?

Highway crossing the city

Road with businesses along
The Leaky Bucket Concept
how do we plug the leaks?

Funnels and umbrellas
Administrative/legal frameworks – what schools may or may not do,
The structure of tenders
And more

Local procurement “sustainable local economy”

National Tender “efficiency”
The Leaky Bucket Concept
how do we plug the leaks?

Local employment
Local procurement

<table>
<thead>
<tr>
<th>Enters</th>
<th>Stay</th>
<th>Enters</th>
<th>Stay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>800</td>
<td>1000</td>
<td>200</td>
</tr>
<tr>
<td>800</td>
<td>640</td>
<td>1000</td>
<td>40</td>
</tr>
<tr>
<td>640</td>
<td>512</td>
<td>40</td>
<td>8</td>
</tr>
<tr>
<td>512</td>
<td>409.6</td>
<td>8</td>
<td>1.6</td>
</tr>
<tr>
<td>410</td>
<td>328</td>
<td>1.6</td>
<td>0.32</td>
</tr>
<tr>
<td>328</td>
<td>262.4</td>
<td>8</td>
<td>1.6</td>
</tr>
<tr>
<td>262</td>
<td>209.6</td>
<td>168</td>
<td>8</td>
</tr>
<tr>
<td>210</td>
<td>168</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

......

Total | 3330  | Total | 249.9
The leaky Bucket Concept: key messages

• **Who** benefits is a key consideration in any development initiative

• Local communities and institutions should put efforts first in plugging the leaks and increase the benefits from resources already exists in the community

• This requires identification and harnessing of local assets
Identifying and leveraging local assets and opportunities for LED

The ABCD approach to development
Assets Based Community Development, John L. McKnight John P. Kretzman
So, here is the dilemma . . .

People and Communities have deficiencies & needs

Individuals and Communities have skills and talents

Source: McKnight and Kretzman
• Every community or locality holds a rich reservoir of assets, but in most cases they’re hidden

• Starting with assets does not mean that needs are ignored

Source: McKnight and Kretzman
Features of Asset-Mapping

- **Asset-Based**: Uncovers talents/skills found in the community right now

- **Internally Focused**: Relies on community’s assets, not on those found outside of it

- **Relationship Driven**: Seeks to build linkages among local people, institutions and organizations, as well as attracting external resources through partnerships (opportunities)

Source: McKnight and Kretzman
Physical and natural resources

- Parks
- Streams and water bodies
- Forests
- Lake front buildings
- Public facilities
- Roads

Institutional assets

- Universities
- Hospitals
- Cultural instit. Local authority

Social and municipal services

- NGOs, CBOs
- PTAs
- Networks
- Connection
- Volunteers
- Church groups

Civil society

- Clubs
- Personal assets
- Capacities
- Traditional knowledge
- Time
- Hobbies
- Skills
- Talents
- Experience

Technologies

- Businesses

Source: McKnight and Kretzman
Harnessing local assets

Personal assets inventory
• Personal skills
• Community Skills
• Enterprising Interests and experiences
• Personal Information

Formal institutions
• agenda/interest
• capacities
• links

Civil Society
• agenda/interest
• capacities
• links

Physical assets
• natural
• Buildings/infrastructure
• waste
• land

Specific links
Internal focus – what can be achieved through utilizing community resources for community development

• Improve local services response to local needs
• Small scale economic activities
• Volunteers
• Community involvement in environmental activities
• Buy local // barter
• ...

...
Assets as **leverages** for development

- External resources are required in most cases and local assets are used to attract these resources and to distribute the benefits locally
  - Industries with decent employment and SMEs opportunities
  - Upgraded infrastructure for the benefit of locals and visitors
  - Solar energy for job and income generating activities
  - ...

Surrounding opportunities: Available/accessible external resources, budgets, programmes, technologies, initiatives, knowledge, experience... linked to the local assets

- Physical and natural resources
  - Parks
  - Streams and water bodies
  - Forests
  - Lakes
  - Buildings
  - Public facilities
  - Roads

- Institutional assets
  - Universities
  - Hospitals
  - Cultural institutions
  - Local authority

- Businesses
  - NGOs
  - CBOs
  - PTAs
  - Volunteers
  - Local authority

- Civil society
  - Clubs
  - Local authority

- Personal assets
  - Capabilities
  - Skills
  - Experience
  - Hobbies
  - Networks/connections

Source: McKnight and Kretzman
ABCD for LED: key messages

• Local assets need to be “discovered” and can be translated into community job and income opportunities through collaboration

• They can also attract external resources

• With a “Plugging the Leaks” approach, benefits can stay local

• This can be also translated into increased municipal income and partnerships – this requires local mechanisms
Organizational platforms for vertical and horizontal collaboration

Municipal development corporations
The “Triple Helix” concept for innovation and economic development
SMEs support systems
Organizational/management framework
Organizational/management framework
Solar panels on Jerusalem school's roof
Municipal Development Corporation (MDC)

• A corporation owned by the local authority designed to leverage assets and opportunities for income generation and social benefits

• Can also be a partnership with central government agencies
Rationale

• All local authorities have assets that through entrepreneurship, can generate municipal income – that can be used for development.

• **The local authority, as a public entity geared towards service delivery, “don’t know” how to do business.**

• The municipal development corporation is “located” **between** the business sphere in which profits and efficiency considerations dominate; and the public sphere in which public interest consideration dominate.

• This way, the corporation can leverage assets and development processes for development benefiting communities and businesses.
Structure

- An independent legal entity Ltd. – like any other private corporation
- Owned by the municipality – all or most shares solely or in partnership with government or private sector
- Has a board
- Small staff + outsourcing
Operation

- Can work with private, public and philanthropic money
  - Public and philanthropy – as a contractor developing infrastructure, facilities etc.
  - Private – through PPP
- The corporation operates for profit within a clearly defined mandate
- Can operate as:
  - **An entrepreneur** – development and management of municipal assets development ventures – waterfront tourism, techno park etc. through partnerships, development and renting out facilities, BOT etc.
  - **A municipal contractor** (entrepreneurial profits stay in municipality) – development of residential infrastructures, public facilities etc.
  - Providing **management and supervision services**
What for?

• The corporation generates
  • Direct income for the municipality (as dividends or development funds) and indirect (increased tax base)
  • Upgraded municipal infrastructures – waterfront promenade, cafes, markets, schools, roads etc.
  • Social benefits – job and income opportunities, leisure activities etc.
• There’s a tension between municipal income generation and social benefits

*Tax issues
Examples

Leveraging waterfront
Leveraging waste
Leveraging financial resources
City center revitalization
Social benefits
Introduction of a technology through MDC

Organizational framework (MDC)

Technical and business trainings

Showcasing technologies and inputs

Practical R&D

“Market intelligence”

Access to market

Access to funding

Introducing value chain activities (later stage)
Triple Helix Concept

University  Government  Industry
How does it work

New technologies and business models

Academia & Research

Industry

Funding, legal frameworks, support systems, physical conditions

Government

Funding, legal frameworks, international agreements

Innovation & development
LED benefits

New products
Investments attraction

Industry

Academia & Research

Government

Better education opportunities
New jobs
More students – local businesses, housing market etc.

Jobs
Taxes
Improved public space
Local multiplier

Innovation & development
Beer Sheva Cyber Park:
What about government innovation?
Need to add another layer – the interface with local community

- Municipal capacity and institutional development
- Technological education
- Supporting entrepreneurship and SMEs
- Improved quality of living
- Spatial policy
- Local procurement
- Economic clusters
- Knowledge transfer platforms
- Incentives for FDI

Tech. incubators and accelerators
- Techno Parks
- Knowledge transfer platforms
- Economic clusters
- Incentives for FDI
- Etc.
Local support systems

One stop shop for LED
“MATI”

- Screening of initiatives
- Preparation of business plan
- Coaching and mentorship
- Access to funding
- Access to markets
- Access to knowledge
- Networking with other businesses
- Incubating/accelerating
- ........
Thank you for listening!