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**South-South technical cooperation as a negotiation alternative for the
Provincial Government of Azuay**

Graduation work prior to obtaining a Bachelor's degree in
International Studies Bilingual mention in Foreign Trade

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DEDICATION

I want to dedicate this work to all internationalists who day after day seek alternatives of cooperation at all levels in order to improve the quality of life and create new forms of development for their fellow citizens. And a very special dedication to the authorities of the Prefecture of Azuay: Eng. Paúl Carrasco and Dr. María Cecilia Alvarado who motivated me through the exercise of their government to deepen this topic.

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I want to thank my parents, for being the pillar of my personal education and the main motivation in my academic studies. Thank you for your effort and the love of which I have been a beneficiary in every moment of my life.

ABSTRACT

The present research work shows a brief analysis about the conditions and possibilities of the Prefecture of Azuay to have funds from the South - South Cooperation, for the financing of investment projects, destined mainly to support the development and improvement of the conditions of life of the inhabitants of the province. The analysis was made based on qualitative information, obtained, on the one hand, through interviews conducted with various actors involved in the subject and, on the other, through information provided by the Technical Secretariat of International Cooperation. The research work includes, first, a general view on the context, importance, regulatory framework and management model around International Cooperation in Ecuador and, above all, in Azuay, to subsequently show its current evolution and the perspectives that are posed in the future, in the midst of two relevant problems: one of structural type, characterized by high financial dependence on external resources, and another of a conjunctural type, framed in the crisis derived, among other factors, by the fall in oil price.

Keywords: Prefecture of Azuay; International cooperation; cooperation funds; Projects; investment; development.

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INTRODUCTION

This research work shows the global analysis of the evolution and perspectives of International Cooperation such as South-South Cooperation in Ecuador and the province of Azuay, in order to determine the current conditions and the possibilities that the Prefecture of the Azuay to count, in the future, with funds from this organization, for investment projects, focused mainly on supporting development and improving the quality of life of the sugar industry.

The first chapter focuses on the analysis of information through interviews directed to the actors involved in the subject, as well as the information provided by the Technical Secretariat for International Cooperation (SETECI).

Through the use of a deductive methodology, in the second chapter, presents a vision about the context, the importance, the regulatory framework and the management model of International Cooperation in Ecuador and the province of Azuay.

While, in the last chapter, the analysis of South - South Cooperation and the management model and perspectives of the Provincial Government are needed, in the light of the relevant tourism problems: one of structural type, characterized by the high financial connection of the Ecuadorian prefectures to external resources, and another of a conjunctural type, framed in the crisis derived, among other factors, from the fall in oil prices.

Finally, and based on the results of the analysis, you can synthesize some conclusions and specific recommendations, so that the Provincial Government of Azuay can improve its management and access the funds of South-South Cooperation with greater probabilities of success.

CHAPTER I

1. International Cooperation or Cooperation for Development.

1.1. Introduction.

In this initial chapter a detailed analysis is made of what it means for Ecuador, and more specifically for the Prefecture of Azuay and the International Cooperation or Development Cooperation. The analysis is made in light of two fundamental problems that in financial terms affect, in general form to the Ecuadorian government at all levels (secretaries, ministries, municipalities, prefectures and parish boards). Specifically the decentralized autonomous governments. On one hand, a substantial segment of their budgets are financed through transfers from the central government (approximately 70% in the budget execution of the Prefecture of Azuay) (Prefecture of Azuay, 2014) and in the current moment of financial crisis resulting from the reduction of oil price, it is expected that in the coming years these transfers will be reduced (Correa, 2015), and on the other, they will have limited institutional capacities, both human resources and institutional strengthening, to adequately manage programs and projects that impose their constitutional powers, and specifically their annual and multi-year development plans.

The chapter begins with a brief review of the historical context in which international cooperation emerged, continues with a conceptual theoretical discussion on the meaning of international cooperation, with a description of what could be called a baseline or state of the art and concludes with an analysis of the prospects for cooperation in the context of the global and national situation, the need for international cooperation in local governments and, finally, the formulation of conclusions that subsume the findings obtained in the previous sections of the chapter.

In this chapter, Cooperation for Development is reviewed in global terms, as explained in the deductive methodology followed throughout the study, in the following chapters the specific analysis of South-South Cooperation, and the management and perspectives of the Autonomous Decentralized Government of the Prefecture of Azuay.

1.2. Historic context

"Any power if it is not based on union, is weak."

Jean de la Fontaine

Since the beginning of time, human beings have seen the need to develop tools or mechanisms to ensure their survival, in addition to overcoming the various obstacles that have been presented as constants of human evolution. Perhaps the most effective tool to face natural threats and threats caused by the same man has been cooperation.

Faced with this fact, a misunderstood interpretation of Darwin's theory has left the image of a nature as a great battlefield for survival and individual reproduction at the expense, often, of the success of others. But if you look closely at nature and within it the behavior of animals and even plant species, it is seen that beyond territorial disputes, Darwinian survival is based on cooperative behaviors that complement and strengthen competition.

These behaviors are observed in everyday scenes as is the case of ants that despite being so small and weak to the naked eye, for example have shown that their work in terms of cooperation has given them great advantage against unthinkable situations of technique and force, thus generating amazing results where it can be seen that the competition of the strongest species is overshadowed by altruism and different ways of cooperating.

Transferring this idea to the whole of human society, one can start from the definition that Borja presents about the concept of society:

It is the group of people within which the human being unfolds his life with the help of others. Whether by instinct or necessity, the truth is that the man was always found in a group and subjected to the complex system of interrelations that he entails. The isolated man does not exist. Never existed (Encyclopedia of Politics, s.f.).

And it is the intrinsic value of society, "under which the human being unfolds his life with the help of others", where cooperation is included in general and, specifically, attention to the topic of this research, international cooperation.

According to the RAE (Dictionary of the Royal Academy of the Spanish Language), etymologically, the word cooperation comes from the Latin cooperate, which means to act together. This action, finally, has been the one that has given man enough power to ensure his dominance over other species. Cooperation has been subject to dizzying changes over the centuries, thus adapting to different social realities at all times, regenerating itself in anthropological processes that vary from culture to culture and which, nevertheless, is immersed in many of the same. Cooperation goes beyond the philosophies that have managed to divide societies.

At present, it is complex to give an exact concept of cooperation in terms of development. The origin of what has been later called International Cooperation or Cooperation for the Economic and Social Development of the countries, is found in the United Nations Charter - UN, approved and signed in 1945, within a summit conference, 50 of the original 51 members of the Organization, including Ecuador (UN, 1945).

In fact, in this document there are five articles relevant to the subject, as transcribed below:

Article 55: In order to create the conditions of stability and well-being necessary for peaceful and friendly relations between nations, based on respect for the principle of equal rights and the principle of self-determination of peoples, the Organization shall promote: Higher levels of life, permanent work for all, and conditions of progress and economic and social development;

The solution of international problems of an economic, social and health nature, and other related problems; and international cooperation in the cultural and educational order; and universal respect for human rights and the fundamental freedoms of all, without distinction based on race, sex, language or religion, and the effectiveness of such rights and freedoms.

Article 56: All Members undertake to take measures jointly or separately, in cooperation with the Organization, for the realization of the purposes set forth in Article 55.

Article 57: The various specialized agencies established by intergovernmental agreements, which have broad international powers defined in their statutes, and relating to economic, social, cultural, educational, health, and other related matters, will be linked to the Organization in accordance with the provisions of the Article 63.

Such specialized agencies thus linked to the Organization will be referred to hereafter as the specialized agencies.

Article 58: The Organization will make recommendations in order to coordinate the rules of action and the activities of the specialized agencies.

Article 59: The Organization shall initiate, when necessary, negotiations between the States concerned to create the new specialized agencies that may be necessary for the realization of the purposes set forth in Article 55.

From the 50s, after the end of the Second World War, before the crisis that followed the conflict, especially in the countries of the so-called third world, it was necessary to support the greater economic growth of the poor countries and the need arose to create cooperation programs and institutions to achieve this goal. The first of these was the World Bank, designed for cooperation from the North to the South. Ecuador is a member of this organization and thus begins to get involved in attracting foreign resources to leverage its economic and social development.

Subsequently, with similar objectives, regional banks and cooperation agencies from developed countries appeared, such as ADB (African Development Bank), IDB (Inter-American Development Bank), FADES (Arab Fund for Economic Development). , CAF (initially the Andean Development Corporation, now the Development Bank of Latin America, or the AECI, the Spanish Agency for International Cooperation, and USAID, the United States Agency for International Development).

Of the above organizations, two are of special importance for Ecuador, especially because in their area of influence the country is located and because they already work in Ecuador with international cooperation programs and projects, these

are the Inter-American Development Bank and the Development Bank from Latin America.

The objective of the Inter-American Development Bank - IDB, according to its website, states the following textually:

We work to improve the quality of life in Latin America and the Caribbean. We help improve health, education and infrastructure through financial and technical support to countries that work to reduce poverty and inequality. Our goal is to achieve development in a sustainable and respectful way with the climate. With a history that goes back to 1959, today we are the main source of financing for development in Latin America and the Caribbean. We offer loans, donations and technical assistance; and we do extensive research. We maintain a firm commitment to achieving measurable results and the highest standards of integrity, transparency and accountability (IDB).

The Development Bank of Latin America - CAF, for its part, defines its mission or objective as follows: "It promotes a sustainable development model, through credit operations, non-reimbursable resources and support in the technical and financial structuring of projects of the public and private sectors of Latin America."(Development Bank of Latin America)

Subsequent to the creation of these multilateral cooperation agencies, a group of countries with low income levels, called non-aligned countries, were organized to fight for the problems of international trade to be treated under the perspective of economic development, and created UNCTAD (United Nations Conference on Trade and Development).

This greater relevance of the countries of the so-called third world has given rise to what is now known as South-South Cooperation, that is, cooperation between countries with a similar level of development that differ from the so-called North, First World or developed countries.

Recently, integration groups have emerged from Latin American countries that jointly seek to improve their development standards and the wellbeing of the

peoples, the first ones that involved Ecuador were ALADI and the Andean Group, today the Andean Community of Nations - CAN, to reach recently groups such as UNASUR and ALBA, in all these organizations international cooperation is present as a central point in their objectives and in their work agendas.

Finally, we can point out the figures such as bilateral international cooperation between two countries of the South, triangular cooperation that includes several countries, both developed and developing, and cooperation between local government entities, without the participation of the central states.

1.3. International Cooperation or Cooperation for Development.

The term cooperation is intimately linked to the concept of development. One cannot be conceived without the other. Any form of union, association, society, league, alliance, coalition, confederation, etc., is generated based on one or several purposes such as alleviating suffering, creating wealth, resolving conflicts, raising political and economic alternatives, overcoming dilemmas social, face disasters of all kinds, among others. Understanding what we are talking about when we mention the term cooperation implies, for purposes of this research, that the expressions International Cooperation or Development Cooperation are understood as the contribution of resources that a donor entity makes to a receiving entity in order to support it in the achievement of certain objectives pursued by the latter. (UN)

International cooperation can come from donors of different nature: from central governments or local governments of friendly countries, or from their cooperation agencies (Sandoval), (for example from Germany, from the department of Aubé in France, from the municipality of Tunja in Colombia or the AECID - the Spanish Agency of International Cooperation of the government of Spain, called bilateral public cooperation), of cooperation organizations made up of several countries (such as the UN or the European Union, known as multilateral public cooperation), of the multilateral banking (for example IDB or CAF) or civil society organizations (NGOs such as the Friedrich-Ebert-Stiftung Foundation of Germany).

For the purposes of this research, only the central government or the decentralized autonomous governments of Ecuador, as well as its companies and other entities of the public sector, are considered as receiving entities.

According to the Mexican Agency for International Development Cooperation, "International Cooperation for Development (CID) refers to the transfer, reception and exchange of resources, goods, knowledge and educational, cultural, technical, scientific, economic and financial experiences among governments. As well as with international organizations, with the purpose of promoting sustainable human development. "(AMEXCID)

According to the Code of Planning and Public Finances of the Ecuadorian State, International Cooperation is understood as

... the mechanism by which Ecuador grants, receives, transfers or exchanges resources, goods, services, capital, knowledge and / or technology, in order to contribute or complement national initiatives for the achievement of the objectives of the planning and it is included in that which is not reimbursable in its nature, thus excluding, explicitly, the credits reimbursable since this it is recorded as part of the public debt of the State (Ministry of Finance of Ecuador).

According to this definition, from now on, the analysis of international cooperation is accepted and, unless expressly referred to by way of exception, is limited exclusively to non-reimbursable cooperation.

According to Carlos Sandoval, Director of Revenue Management of the Prefecture of Azuay interviewed on March 14, 2015, the modalities or forms of international cooperation are very varied, not only refer to the provision of financing for projects, as is commonly considers, but includes a wide range of forms, such as the delivery of financial resources, the granting of scholarships, training and technical assistance, humanitarian aid, assistance in cases of emergency or disasters, cultural or sports cooperation, among other.

The types of cooperation are also very varied, the most common and most developed is that through which resources are transferred from countries or organizations with an advanced level of development to developing countries, but modernly speaking of other modalities, citing again to the Director of Revenue Management of the Prefecture of Azuay, these are the most important:

South-South Cooperation: Refers to the transfer of resources, unidirectional or through the exchange of knowledge and successful experiences that can be implemented between countries of the South, with similar levels of development.

Triangular Cooperation: Constitutes a combination of traditional cooperation between developed countries and developing countries, (one or more as cooperation providers and another, or others, as beneficiaries) or cooperation agencies of the so-called developed world, such as the Bank World or the Spanish Agency for International Cooperation plus those that generally finance and give technical support to horizontal cooperation between the former.

Some organizations, such as the European Union and the United Nations, differentiate centralized cooperation from decentralized cooperation, whose action is characterized by the promotion of development from the territories and their decentralized government entities, as actors with the capacity to make proposals for cooperation in order to implement them.

1.4. International cooperation at national and provincial level.

To know the current status of international cooperation received by Ecuador, you can go to the Interactive Map of Cooperation produced by the Technical Secretariat of International Cooperation (SETECI), which records quantitative information of the amounts received by the country, detailed by division geographical area, country of origin, type of aid worker and intervention sector. The figures of SETECI include the values for the full years during the period 2007 - 2016, and partial information for the year 2017.

For purposes of the analysis of the state of the art in this thesis, we only work with those corresponding to the years 2007 to 2016. As it is incomplete information, that corresponding to the year 2017 is not taken into consideration.

In global terms, the international cooperation received by Ecuador during the 7 years indicated, has been as follows:

Table 1. *Total value of international cooperation received by Ecuador in the period 2007 – 2016.*

Year	Value	% Anual
2007	\$257.758.744,60	9.15%
2008	\$353.692.285,39	12.55%
2009	\$336.663.881,76	11.95%
2010	\$352.222.318,41	12.50%
2011	\$395.590.320,94	14.04%
2012	\$351.444.193,46	12.47%
2013	\$342.884.546,97	12.17%
2014	\$213.093.740,77	7.56%
2015	\$171.601.113,12	6.09%
2016	\$42.484.472,27	1.51%
TOTAL	\$2.817.435.617,69	100%

Source: (SETECI, 2017).

Elaborated by: The autor.

In detail you can see the data of SETECI about the amount of international cooperation received by the country, by each country or organization, in Annex No. 1.

The Province of Azuay has participated in this international cooperation, with the values indicated below:

Table 2. *Total value of international cooperation received by Azuay during the period 2007 – 2016.*

Year	Value	% Annual
2007	\$31.794.591,00	8.11%
2008	\$41.914.710,88	10.69%
2009	\$41.397.172,98	10.56%
2010	\$54.789.946,07	13.98%
2011	\$57.032.753,07	14.55%
2012	\$50.934.886,07	12.99%
2013	\$46.053.616,93	11.75%
2014	\$41.780.115,50	10.66%
2015	\$21.603.406,14	5.51%
2016	\$4.708.007,51	1.20%
TOTAL	\$392.009.206,15	100%

Source: (SETECI, 2014).

Elaborated by: The author.

Data on the value of international cooperation received by the Province of Azuay, by each country or donor organization, are presented in Annex No. 2.

A comparative analysis of the previous figures allows us to visualize the current state of international cooperation, both nationally and in the specific case of the Province of Azuay:

First, at the national level (Table No. 1) shows that, as of 2012, the total value of the cooperation received by Ecuador presents a constant reduction, with annual decreases of 9.6% in the mentioned year (from \$ 391.5 million to \$ 353.8 million),

and of 1.51% in 2016 (from \$ 353.8 million to \$ 42,484,472.27 million). This means that the amount of cooperation received in the last year, brings to light a collapse in reference to what was achieved two years earlier.

At the level of the Province of Azuay the situation is more critical, the fall of the cooperation received, caused by the aforementioned problems, has been greater. As in the national case, the reduction of the cooperation received by Azuay began in 2012, with annual decreases of 15.6% in the mentioned year (from \$ 49.3 million to \$ 41.6 million), and of 1.20% in 2016 (from \$ 41.6 million to \$ 4,708,007.51 million), to finally reach that in the last year analyzed the value received reaches only 75.6% of what was achieved in the 2011.

Comparing the total values received by international cooperation in Azuay with the national total, it appeared that the analyzed period of 9 years, the province has obtained an average participation of 12%. Until 2010 Azuay obtained a growing share, up to 13.1% in that year. As of 2011 this value has been reduced steadily to stand at 1.5% in 2016. In this way, it is concluded that the problem of reducing the cooperation received by Ecuador is much more acute in the province that is the object of this investigation.

By breaking down the level of analysis of the state of the art in the province of Azuay according to countries or organizations (see Annexes No. 1 and 2). At the national level, only 5 of them have a 5% participation in the total. Of these, in 3 cases it is observed that the participation of the Azuay is less than the national, so it is that while the United States, the largest donor nationwide, has an 18.6% participation in Ecuador, in the Azuay only arrives to 8.6%, a similar situation is observed for the case of the European Union, with 13.7% of participation at national level, and with 4.4% in Azuay, and for Germany, respectively with 7.1 % in Ecuador and with a reduced 1% in Azuay.

According to the results presented in the tables that follow, the case of the other two major donors at the national level is reversed. It is important to point that Spain is the second largest provider of international cooperation, and it has a 15.2% share at the national level, and 16.3% in Azuay; finally, the United Nations, which contributes 9.6% of the national total in Azuay reach 17.4%.

The following tables also highlight the participation of two more countries in Azuay, Great Britain, which barely participates with 3.9% nationwide, reaches 27.7% in Azuay, and Austria, with the 1% in Ecuador, reaches 7.4% in the province.

According to the beneficiary sector of the International Cooperation that Ecuador has received during the 2007-2016 period, it is distributed as follows:

Tabla 3. Value of international cooperation received by Ecuador in the period 2007 - 2016, by sector

Sector	No. Projects	Value	%
Promotion of Production	823	\$491.272.692,85	19.74%
Multisectorial	202	\$156.445.401,22	6.29%
Strategic Sectors	877	\$495.561.443,93	19.91%
Security	103	\$58.493.048,52	2.35%
Social	1510	\$947.044.655,68	38.05%
Human Talent	496	\$340.146.169,18	13.67
TOTAL	4011	\$2.488.963.411,38	100%

Source: (SETECI, 2014).

Elaborated by: The author.

In the Province of Azuay, this international cooperation according to beneficiary sectors was distributed as follows.

Table 4. *Value of the international cooperation received by Azuay during the period 2007 - 2016, by sector.*

Sector	No. Proyectos	Value	%
Promotion of the Production	71	\$80.816.963,20	18.72%
Multisectorial	17	\$28.769.133,96	6.66%
Stratégicos Sectors	57	\$47.999.819,64	11.12%
Security	3	\$2.050.107,84	0.47%
Social	139	\$237.953.501,45	55.11%
Human Talent	43	\$34.218.854,90	7.92%
TOTAL	330	\$431.808.380,99	100%

Source: (SETECI, 2017).

Elaborated by: The author.

The main conclusion derived from these last two tables is the greater importance that Azuay has given to social projects, which accounted for 55.5% of all cooperation funds, compared to 38.5% that was reached at the national level. This higher percentage value was achieved at the expense of the Sectors Promotion of Production, 19.74% in the province compared to 11.12% at the national level, and Strategic Sectors, respectively 19.91% in Azuay and 21.3% in Ecuador.

Finally, according to the SETECI and according to the type of support received, International Cooperation can be classified into the following categories:

Money cooperation: Includes budget support and financial cooperation.

Cooperation in kind: The one that includes technical support, humanitarian aid, scholarships and provision of experts.

In the 9-year period considered, 84.6% of all cooperation received by Ecuador, (\$ 2,817,435,617.69 million), was constituted by cooperation in money and the rest, 15.4% (\$ 370, 5 million), was constituted by cooperation in kind.

1.5. The regulations and the current management model of the International Cooperation in Ecuador.

To understand the current management model of international cooperation in Ecuador, and specifically to do it in the case of management and development possibilities of international cooperation in the Prefecture of Azuay, the object of this investigation, it is necessary to know previously the existing regulations in the country, both in terms of the powers of the provincial governments, as well as the objectives and functions that international cooperation in the country must fulfill.

Without pretending to make a political analysis of the *Plan Nacional del Buen Vivir* 2013 - 2017, which is not the subject of this thesis, from a legal point of view some concepts of this document are important for the subsequent analysis. According to this Plan, International Cooperation is a mechanism of foreign policy that is conceived as a way to build ties that allows Ecuador to transmit resources and endogenous knowledge abroad with the Latin American region being the main objective for international relations. (National Plan for Good Living).

International Cooperation in Ecuador must be aligned with the country's legal system, as well as with the major international development objectives that the country has signed, with those of the National Plan for Good Living 2013 - 2017 and, for the specific case of the thematic scope of this thesis; with which the Multi-Year Development Plan 2014 - 2019 of the Prefecture of Azuay.

The international development goals that Ecuador has ratified can be summed up in the so-called Sustainable Development Goals, formerly known as the Millennium Development Goals, defined by the United Nations Organization in 2015, with the participation of 191 countries, including Ecuador. On this occasion it was defined and the signatory countries committed themselves to implement a global action plan to reach, until 2030, 169 goals in the fight against poverty.

In order to analyze what the 2030 Agenda for Sustainable Development is, which is relevant for research on international cooperation at the level of local governments, we must know what these objectives are 17:

- **Objective 1:** End poverty in all its forms throughout the world.
- **Objective 2:** End hunger, achieve food security and improve nutrition and promote sustainable agriculture.
- **Objective 3:** Guarantee a healthy life and promote well-being in all ages.
- **Objective 4:** Guarantee an inclusive, equitable and quality education and promote lifelong learning opportunities for all.
- **Objective 5:** Achieve gender equality and empower all women and girls.
- **Objective 6:** Guarantee the availability of water and its sustainable management and sanitation for all.
- **Objective 7:** Guarantee access to affordable, safe, sustainable and modern energy for all.
- **Objective 8:** Promote sustained, inclusive and sustained economic growth, full and productive employment and decent work for all.
- **Objective 9:** Build resilient infrastructures, promote inclusive and sustainable industrialization and encourage innovation.
- **Objective 10:** Reduce inequality in and between countries.
- **Objective 11:** Make cities and human settlements inclusive, safe, resilient and sustainable.
- **Objective 12:** Ensure sustainable consumption and production patterns.
- **Objective 13:** Adopt urgent measures to combat climate change and its effects.
- **Objective 14:** Conserve and sustainably use oceans, seas and marine resources for sustainable development.
- **Objective 15:** Protect, restore and promote the sustainable use of terrestrial ecosystems, manage forests sustainably, combat desertification, stop and reverse land degradation and curb the loss of biodiversity.

- **Objective 16:** Promote peaceful and inclusive societies for sustainable development, facilitate access to justice for all and create effective, responsible and inclusive institutions at all levels.
- **Objective 17:** Strengthen the means of execution and revitalize the World Alliance for Sustainable Development. (UN)

From the review of these definitions and with regard to the competences that the provincial governments have in Ecuador, (see below the transcription of Article 263 of the Constitution), it is verified that the management of the international cooperation of the Prefecture of Azuay only requires Align with Objectives 1, 3 and 7 of Sustainable Development.

In the National Plan of Good Living 2013 - 2017 the 12 objectives are defined, in a similar way, in order to determine which of them are relevant for the research object of this thesis, they were reviewed in their entirety as follows:

- **Objective 1:** To consolidate the democratic State and the construction of popular power.
- **Objective 2:** Sponsor equality, cohesion, inclusion and social and territorial equity in diversity.
- **Objective 3:** Improve the quality of life of the population.
- **Objective 4:** Strengthen the capacities and potential of citizens.
- **Objective 5:** To build common meeting spaces and strengthen national identity, diverse identities, plurinationality and interculturality.
- **Objective 6:** Consolidate the transformation of justice and strengthen integral security, in strict respect of human rights.
- **Objective 7:** Guarantee the rights of nature and promote territorial and global environmental sustainability.
- **Objective 8:** Consolidate the social and solidarity economic system in a sustainable manner
- **Objective 9:** Guarantee decent work in all its forms.
- **Objective 10:** Promote the transformation of the productive matrix.
- **Objective 11:** Ensure the sovereignty and efficiency of strategic sectors for industrial and technological transformation.

- **Objective 12:** Guarantee sovereignty and peace, deepen strategic insertion in the world and Latin American integration.

From a cross-analysis between the objectives of the Development Plan and the powers of the provincial governments, it is concluded that the action of the Prefecture of Azuay must be aligned with all of them, except those marked with numbers 6 and 12.

Finally, in this review of objectives, the Pluriannual Development Plan 2014 - 2019 of the Prefecture of Azuay, as strategic components of its model of radical democracy, indicates the following:

- **Objective 1. Participation:** To seek the participation of the population permanently in decision-making and therefore in the construction of public policy. The objective is to generate citizen participation to find spaces of relationship with the state, and can define and propose their demands, prioritize them for the achievement of their implementation.
- **Objective 2. Rights and Freedoms:** Respect unrestricted civil and political liberties, strengthen organizations that become spaces for citizen expression and opinion on their realities, on their positions and daily and strategic situations.
- **Objective 3. Social:** Build social organization, strengthen and promote social organization in all created and created citizen spaces. Social organization allows citizen mobilization for the achievement of common objectives as well as the possibility of organizing the intervention of the well been with its public policies.
- **Objective 4. Social Model of Production:** Participatory construction of our model of transition towards economic development to achieve Good Living, which allows us to develop public investment, generate models of self-sustainability of this investment based on the socialization of production. It involves the formation of an associative network of support between the large company, medium and small business and the state, based on the implementation of business models.

- **Objective 5. Eco-Democracy:** Democracy in relation to nature, seeks to guarantee respect for their established constitutional rights, the sustainable use of renewable and non-renewable resources, responsibly to the generations that follow; making the benefits reach a greater number of people, mainly the communities where natural resources are obtained. (Prefecture of Azuay)

In reference to the powers of the provincial governments, the basis for determining the scope that, in reference to the management of international cooperation, the Prefecture of Azuay may have, the base mandate of the Ecuadorian legislation, the Constitution, was revised. It was found that Article 263 defines them, as follows:

The provincial governments will have the following exclusive competences, without prejudice to the others determined by law:

- 1) Plan the provincial development to formulate the corresponding plans of territorial ordering, in a way articulated with the national, regional, cantonal and parochial planning.
- 2) Plan, build and maintain the provincial road system, which does not include urban areas.
- 3) Execute, in coordination with the regional government, works in basins and micro basins.
- 4) Provincial environmental management.
- 5) Plan, build, operate and maintain irrigation systems.
- 6) Promote agricultural activity.
- 7) Promote provincial productive activities.
- 8) Manage international cooperation for the fulfillment of their competences.

Within the scope of their competences and territory, and in use of their faculties, they will issue provincial ordinances.

From this article it is derived that it is the competence of the provincial government entities to manage international cooperation and that it can issue ordinances for its better management.

The governing body of international cooperation at the national level is the Technical Secretariat for International Cooperation - SETECI. To deepen the analysis of the subject matter of this thesis and especially from the point of view of a local government that must necessarily interact with it to process any project that involves cooperation funds, it is considered necessary to know its structure and functions since, of agreement with the Director of Revenue Management of the Prefecture of Azuay, in relation to this Secretariat are the biggest obstacles that restrict a better management of cooperation resources to finance local government projects.

SETECI was born as the Ecuadorian Agency for International Cooperation (AGECI) through Executive Decree No. 699 of October 30, 2007. Subsequently, through Executive Decree No. 429, on July 15, 2010, published in the Official Gazette 246 of July 29, 2010; it changes its name to the Technical Secretariat of International Cooperation and its management bodies are defined.

Currently the SETECI is a public entity attached to the Ministry of Foreign Affairs, Trade and Integration. It has its own technical, administrative and financial management. (Rosero)

The aforementioned Executive Decree constituted, as the maximum body of the SETECI, an International Cooperation Committee - COCI, which must be composed of the following authorities:

- The Secretary of SENPLADES or his delegate, who presides over it and has the deciding vote.
- The Minister of International Relations or his delegate.
- The Minister of Finance or his delegate.
- The Coordinating Minister of Social Development or his delegate.
- A Representative of the Association of Municipalities - AME, or its delegate.
- A Representative of the Consortium of Provincial Governments - CONGOPE, or its delegate

- A Representative of the Consortium of Rural Parochial Governments - CONAGOPARE, or its delegate
- The Technical Secretary of International Cooperation, who acts as Secretary, with voice but without vote.

The Decree states that the COCI must meet every two months, or at the request of the Technical Secretary for International Cooperation.

As administrative entities, SETECI has a Technical Secretary for International Cooperation, with 5 Directorates, Financial Administration, Human Talent, Legal, Planning and Social Communication. It also has a General Technical Coordination of International Cooperation, with 5 addresses, as follows:

- Directorate of Strategic Articulation of International Cooperation
- Management Directorate for Bi-Multilateral Cooperation
- Directorate of Horizontal Cooperation Management
- Information Management Directorate
- Directorate of Monitoring and Evaluation of International Cooperation

According to the website of the SETECI, this entity "coordinates and articulates the work of international cooperation to national and territorial needs. In its management it consolidates the alignment and complementarity of international cooperation, national priorities in the territory, aiming at the development of human talent, science, technology and change of productive matrix, works in a multi-actor and multilevel approach, oriented to strengthening the capacities of the Decentralized Autonomous Governments.

The functions of the SETECI are the following:

- Approach and implementation of management policies and regulations of international cooperation.
- Implementation of general international cooperation strategies.
- Development and application of the management instruments of the Ecuadorian System of International Cooperation (SECI).
- Negotiation with the International Non reimbursable Cooperation.
- Subscription of international agreements for non-reimbursable international cooperation.
- Accountability on the management of International Cooperation in Ecuador.
- Registration of international cooperation programs and projects.
- Monitoring and evaluation of the non-reimbursable international cooperation and implementation of the corresponding information system.
- Subscription of basic operating agreements and registration of NGOs (SETECI)

Finally, in reference to the management model of international cooperation in the country and for the specific case of the Prefecture of Azuay, it is important to highlight the importance of CONGOPE, the Consortium of Provincial Governments of Ecuador, which has a Directorate of International Cooperation that seeks to formulate joint projects among several provinces of Ecuador to present them to potential donors, and provides technical support and training courses in order to strengthen the institutional capacities of the provincial governments.

1.6. Perspectives of the International Cooperation in light of the current world and national conjuncture.

The current perspectives and the immediate future, in terms of the feasibility or viability of increasing the current flows of international cooperation resources for Ecuador, cannot be separated from the current situation and the perspectives of evolution in the short and medium terms, of the economies of the countries that contribute the most cooperation resources to the country. Nor are they separated

from the considerations and priorities that, in the concert of nations that on the planet demand funds.

From a conjuncture analysis it can be seen that, with the sole exception of the United States, the performance of the economies of the industrialized countries, as well as those of the emerging countries, is slowing down and their growth projections are being revised downwards. According to the 2016 annual report of ECLAC, for the next few years it is expected that economic growth will be maintained around 1% (ECLAC), a fact that has already been pointed out in this research work as one of the main components of the problem in the face of international cooperation that can be achieved in the future.

The European economic crisis, as well as the contradictions that have arisen within that continent (such as the struggle between Ireland and the new Greek government with Germany and other European Union partners, or the growth of alternative movements such as Podemos in Spain); according to the vision of the author of this thesis, corroborated by the Director of Revenue Management of the Prefecture, the increasing international conflicts (for example the Russian - Ukrainian or those of the near east and the north of Africa with the warlike appearance of fundamentalist movements), the strong revaluation of the dollar against other currencies (the Euro went from trading at \$ 1.24 to \$ 1.09 in 4 months) and the collapse of oil prices (close to 50% in 6 months, on average more than from \$ 100 / barrel to about \$ 50 / barrel), are the factors that most explain the current crisis in the developed world, (with the exception already indicated in the United States), and the meager perspectives that are glimpsed for the next years.

In this context and under the premise that one of the main cuts made by developed countries in times of crisis is to make budgetary adjustments in the area of development cooperation, (which is already evident, for example in the amount of the resources destined for this purpose in 2015 by Spain and Germany) corroborate the negative view that is held about the future of international cooperation.

Another point that should be highlighted is that of the priority loss or priority of Ecuador as a destination country for international cooperation funds, by the agencies that provide such funds.

In recent years, as a result of high oil prices and sound economic management in the country, Ecuador has experienced rapid growth of its economic indicators. Both their growth rates in the economy, their per capita income and their indicators of social development (levels of poverty or unsatisfied basic needs, among others) show that the country has experienced a significant improvement, especially in the last decade. This situation, although positive in terms of the well-being of its population, is contradictory for the attainment of international cooperation resources.

According to the Director of Revenue Management of the Prefecture of Azuay, for most of the cooperation agencies (for example for the World Bank or the German Cooperation), Ecuador having moved from the category of low-income nation per capita to middle-income nation), has lost points in terms of its priority to receive non-reimbursable resources since these are mainly channeled to relatively less developed countries, (such as those of Central Africa, some of Southeast Asia, or Bolivia and Haiti in America, areas that still maintain very low levels of per capita income).

To reinforce this assessment, we can mention Samer Srouji, economist, International consultant, master's degree in Development and International Political Economy of the Institute of Social Studies in The Hague, who affirms that, "Since 2000, the tendency is to allocate more ODA to sub-Saharan African countries and areas of conflict, and less to middle-income countries." (Srouji).

So far, the analysis refers in general to the perspectives of International Cooperation and fundamentally focuses on North-South cooperation; however, not everything is seen as negative in the perspectives of cooperation for development in Ecuador. The growing development of South-South cooperation worldwide and, for the specific case of the Provincial Government of Azuay, the growing importance given to the area of international relations within the management model of the Prefecture in the Development Plan of the new administration that was inaugurated in 2014, are positive elements that make us think of a promising future in this matter. In detail these two factors are analyzed, as an additional contribution of this research, in the following chapters of this thesis.

1.7. The Need for Decentralized Cooperation for GADs.

The need to obtain resources for international cooperation from the Decentralized Autonomous Governments is a corollary of the perspectives already mentioned in the previous section of this study.

Additionally, the crisis that the central government's finances go through, (among other factors caused by the collapse of the price of oil and the strengthening of the dollar and the consequent loss of competitiveness of the national production compared to the rest of the world, without monetary policy tools are available to counteract it), means that the resources transferred from the General State Budget to the sectional governments have been reduced (and this trend is expected to continue in the future), which implies lower values available to finance the programs and projects that local entities implement in their territories.

The first week of January 2015, the Minister of Finance publicly announced that, due to the permanent reduction in the price of oil, the Government decided to reduce the General State Budget by 1,420 million dollars. (The Universe) By May of the same year, this figure reached a value close to 4 billion. (The universe)

In general terms in Ecuador, the budgets of the provincial governments are highly dependent on transfers from the central government, a situation that does not exclude the Provincial Government of Azuay. In 2013, the total budget of the Prefecture was \$ 35.5 million, of which 61.7%, \$ 21.9 million, were financed with transfers and donations from the central government. In 2014, the total budget reached \$ 62.6 million, of which \$ 43.7 million, almost 70%, came from the central government with an increase of 75'700,134 for 2017 (Prefectura del Azuay Financial Office).

Other sources, such as the generation of own resources through self-management, to finance the budgets of the prefectures, in Ecuador are very limited. On the one hand, the legislation does not contemplate the existence of provincial taxes (there are only national and municipal taxes).

An alternative to obtain resources is through the development of economic activities, such as the provision of services or the sale of goods. The Prefecture of Azuay has 3 companies that generate their own income, Agro Azuay, Lact Jubones

and Asfaltar, however their possibilities of development are limited, compared to the needs of the Prefecture, and on the other their income has a specific destination, (in its order, develop agricultural production, improve and increase milk production and pave the second and third order roads in the province), which prevents it from obtaining resources for other purposes or other local government activities that require financing.

Faced with this reality, on the one hand financial crisis and budget cuts by the central government and on the other a high dependence on transfers to finance the management of the Prefecture in its territory and the limited possibilities of obtaining financing from own resources, is urgently seek external sources of resources. And, in this area, international cooperation emerges as the best alternative.

1.8. Conclusions.

The analysis made in the previous paragraphs of this chapter, as well as the field observations made by the author of the study, allow us to reach the following conclusions:

- 1) The state of the art shows a decrease in the resources of international cooperation perceived by Ecuador. In the last two years for which complete information is available (between 2011 and 2016), these have been reduced by 353 million, which is equivalent to 10.99%.
- 2) In the province of Azuay, the reduction in cooperation for development has been greater. In the last two years of the period analyzed, the decrease was close to 13.5%, in 2016, this is \$ 4 million over the \$ 57 million reached in 2011.
- 3) At the national level, five countries or organizations, the United States, the European Union, Germany, Spain and the United Nations, concentrate about 65% of the donation resources that the country receives, the remaining 35% is distributed in more than 40 countries or organisms. In the Azuay the cooperation of Great Britain stands out, with more than 27% of the total in the period, the 5 largest donors concentrate more than 77% of the total resources captured, while the remaining 23% is distributed among 19 additional donors.

- 4) The Social sector is the largest provider of international cooperation resources, almost 35% of the total nationally and nearly 48% in the province. The Promotion of Production and the Strategic Sectors, with something more than 21% each at a national level and respectively with 15% and 17% in Azuay, continue in importance. The other sectors, Multisectorial, Security and Human Talent, present lower values of collection, together 22% of the total in Ecuador and 20% in the province.
- 5) Financial cooperation has been predominant during the 9 years analyzed, at an aggregate level almost 85% constitutes this type of support, while in Azuay this figure reached more than 87%. Correspondingly, cooperation in kind has been a minority.
- 6) The management model of International Cooperation in Ecuador has been developed through the constitution, laws and successive executive decrees. The need for cooperation to align with the great objectives that the country has at the international and national levels, which are clearly defined in the United Nations Sustainable Development Goals and in the Good Development Plan, is clear. Live in force. In the case of the Province of Azuay, cooperation must conform to the competencies that the Constitution defines for those local government entities and to the objectives of the Multi-Year Development Plan that the Prefecture has defined.
- 7) The Technical Secretariat for International Cooperation - SETECI is the governing body and coordinator of international cooperation at the central government level. This Secretariat has well defined its functions and its management structure. It has a governing body, the International Cooperation Committee, a Technical Secretariat, five General Directorates and a General Technical Coordination of International Cooperation, which in turn has five Directorates.
- 8) The International Cooperation Committee of SETECI is constituted by the Secretary of SENPLADES, 3 Ministers of State and the representatives of the 3 organisms grouped at the levels of decentralized government, AME, CONGOPE and CONAGOPARE.
- 9) The perspectives of international cooperation for Ecuador are not good, on the one hand the economic situation of the developed world and on the other the loss of priority of the country, compared to those nations of less relative

development, make that in the future the approval of projects and obtaining external funds to co-finance the projects of the prefecture, become more difficult than in the past.

- 10) The dependence on transfers from the General State Budget in the financing of the budget of the provincial governments and the income restrictions facing the central state, creates additional challenges for the Prefecture of Azuay to undertake new actions in the search for resources from sources alternatives, including international cooperation, mainly South-South Cooperation, as indicated in detail in the following chapters of this research.

CHAPTER II

2. South-South Cooperation.

2.1. What is South-South Cooperation?

According to the United Nations, South-South Cooperation must be understood as the common international cooperation enterprise of the people and countries of the South, arising from shared experiences and affinities, based on common objectives and solidarity, and guided, among other things, by the principles of respect for national sovereignty and involvement, free of any conditionality. (UN)

The United Nations, in the aforementioned Resolution, adds that South-South cooperation should not be considered official development assistance, but rather that it is a collaborative partnership between equals based on solidarity.

The South-South Technical Cooperation is an innovative approach in the framework of international relations through which we want to promote a model of cooperation through direct and horizontal relationships between countries or regions that face common problems and that have the purpose of overcoming, from joint efforts, the challenges of development.

South-South Cooperation promotes the full development of the countries involved, through mechanisms such as commercial exchange, the exchange of successful experiences, and inclusion. Consequently, projects in this area are characterized by their basic principles of solidarity, complementarity, equality, non-conditionality and respect for sovereignty.

In 1978, the United Nations created a South-South Cooperation Unit, with the objective of promoting trade among the countries of the South and cooperation among its development agencies.

In the early 2000s, the Africa - South America - ASA Association was created to promote cooperation between these two geographical areas, clearly belonging to the South. To date, two ASA summit conferences have been held. The first was held in 2006 in Abuja - Nigeria, with the attendance of 53 representatives from Africa and 12 from South America. The second meeting took place in September 2009 on the island Margarita - Venezuela, with the participation of 49 African delegates and 12 South American delegates.

Some authors include Triangular Cooperation as part of South-South Cooperation, for others it is a third type of international cooperation, differentiated from North-South Cooperation and from that which exclusively involves southern countries. In this thesis the vision of the first group of authors is taken and some considerations about Triangular Cooperation are included.

To complement this theoretical analysis on the conceptual meaning of South-South Cooperation, the following are some definitions of the main cooperation agencies that have faced the problem.

According to the Latin American and Caribbean Economic System - SELA

... South-South Cooperation (CSS) is based on direct and horizontal relationships between countries that face common problems and that aim to overcome, through joint efforts, the challenges of development ..." Finally, it indicates that the projects implemented in this area should be characterized by their basic principles of solidarity, complementarity, equality, non-conditionality and respect for sovereignty.

According to the Special South-South Cooperation Unit of the United Nations Development Program - UNDP, South-South Cooperation "... is a broad framework of collaboration among countries of the South in the political, economic, social, cultural, environmental and technological fields that involves two or more developing countries and that can take the form of bilateral, regional, sub regional or interregional cooperation" (SELA).

According to this Special Unit,

Developing countries share knowledge, skills, expertise and resources to achieve their development goals through concerted efforts. The recent evolution of South-South Cooperation has led to an increase in South-South trade, an increase in foreign direct investment flows among countries of the South, promotion of regional integration, transfer of technology and other forms of exchange (UNOSSC).

ECLAC, in a pronouncement of its General Secretariat called International Cooperation in the New Global Context: reflections from Latin America and the

Caribbean, defines South-South cooperation, "... like the exchange of collaborations in the technical, political and economic field among developing countries, it has been consolidating for several decades as an alternative modality of international cooperation that operates in parallel to the traditional mechanisms of official assistance for development".

For the Agency for International Cooperation of Chile (AGCIDChile) "South-South Cooperation includes all types of development cooperation relations between countries geographically located in the South...; the relations can be political, cultural, social and economic, between state authors, companies and civil society".

According to the Information Center on International Cooperation Latin America and the Caribbean, South-South Cooperation "... is conceived as the interaction that takes place between two or more developing countries, in order to achieve their individual or collective objectives, through the exchange of knowledge, skills, resources and technical knowledge".

The Organization for Economic Cooperation and Development - OECD, which brings together more than 60 countries, mostly developed but currently in the process of incorporating developing countries, has created a South-South Cooperation Task Force. According to this Group, South-South Cooperation "... refers to the exchange of knowledge and resources among, generally, middle-income countries, in order to identify effective practices ...; today, the South-South Cooperation Task Force, in the midst of the changing alternative of cooperation for development, sees South-South cooperation as a very dynamic alternative".

To conclude with this review about the conception of South-South Cooperation by the main organizations that are working on it, it is indicated what formulates the International Cooperation Agency of Japan - JICA. For them, South-South Cooperation is defined as "mutual cooperation aimed at fostering self-sustainable development, which implies the deepening of relations between developing countries, and which in turn has technical and economic cooperation among nations".

From this conceptual examination of secondary sources can be drawn common elements that are very useful to understand the concept and then formulate

useful proposals for the purposes of research. Among these common elements, the following stand out:

- 1) South-South Cooperation involves two or more countries of the so-called South, which share similar problems and levels of development.
- 2) Through South-South Cooperation, countries seek to join forces to achieve common objectives and overcome their low levels or means of progress or growth.
- 3) South-South Cooperation implies the exchange among countries of knowledge, successful experiences and resources of various kinds, under the premise of horizontal cooperation.
- 4) South-South Cooperation is governed by principles and values of solidarity, equality and mutual respect.
- 5) South-South Cooperation is a broad mechanism that can include initiatives in many areas, among the main ones economic, social, political and cultural.

There are also elements that are not common, the main one is found in the definition of SELA, which includes trade between countries as a form of South-South Cooperation. For purposes of this thesis and as previously defined, this element is not included in the investigation.

2.2. The current situation in the countries of the South and their possibilities for International Cooperation.

The current situation in the countries of the South is more positive than that which refers to the developed world. In contrast to the recessive perspectives that characterize the economies of the countries of the so-called first world, (see section 1.6 - Perspectives of International Cooperation in light of the current world and national situation, in the first chapter of this thesis), The scenario for the southern countries is more encouraging, which underpins the hypothesis of this research, in the sense of the good prospects for the development of South-South Cooperation in the future. Thus, for example, the World Bank in its publication "The Motors of Prosperity in Latin America and the Caribbean in the Last Decade" points out that:

"In the last decade, Latin America and the Caribbean was at the forefront of the developing world in terms of shared prosperity achievements, witnessing a surprising success in terms of poverty reduction, driven by growth, labor income and networks of effective social protection" (World Bank).

In terms of growth, the economic situation of the countries of the South also looks more favorable. The economic crisis that the planet is going through in general is less acute in the less developed countries, especially in the countries of Latin America and the Caribbean. According to ECLAC, "the growth of Latin America and the Caribbean will expand by 1.2% in 2017 and will increase to 2.2% in 2018" (ECLAC), which contrasts with the rates of around 1% expected in Europe and other developed economies (European Commission).

In the countries of Asia, a good performance of their economies is also expected, the Beijing government announced at the beginning of the year that it had reduced its growth target of 2017 to 7%, a reduction of 10% or more, to which the Chinese economy was growing, however, this expected value is one of the highest expected worldwide (The Economist).

The United Nations has established September 12 as the day of the United Nations for South-South Cooperation. In 2014, Ban Ki-Moon, former Secretary General of this Organization gave the third world an optimistic message that, due to its importance, is considered necessary to transcribe here in its most relevant parts:

This year, the United Nations Day for South-South Cooperation is being held at a time when the international community is poised to transition to a post-2015 development agenda that will focus on shared prosperity and sustainable development for the environment.

Although significant progress has been made in meeting the Millennium Development Goals, progress in the South has been uneven. Extreme poverty persists, the unrestrained increase in inequality, malnutrition and vulnerability to disturbances related to climate and weather phenomena, events that have varied in minimal proportions until 2017.

Faced with this harsh reality, South-South cooperation and triangular cooperation offer a way to achieve a balance between growth and equity in the context of a new Global Partnership for Sustainable Development.

On this United Nations Day for South-South Cooperation we reaffirm our commitment to be the first to apply South-South approaches that ensure shared prosperity, sustainable development and a dignified life for all (UN).

Traditionally, the focus of international cooperation, especially the one directed from the north towards the relatively less developed countries, has been to promote economic growth as a means of combating poverty. In the case of South-South Cooperation this vision must be overcome, development is not only growth of economic indicators, among countries with a similar level of development, cooperation must be based on solidarity and the exchange of knowledge among equals and in respect for the sovereignty of each participant, as Paul Streeten points out, "poverty and its eradication are political and power problems that are much more than economic or technical."

According to the Technical Secretariat of SETECI,

The relevance that South-South cooperation has acquired, mainly for middle - income countries in recent years, is not only due to the contribution of financial resources channeled through this modality, but rather because it implies a horizontal effort between partners, the mutual exchange of experiences, knowledge and appreciation of the human talent of our countries.

In recent years, the CSS has seen a renewed boom, it has diversified (in instruments and actors); it became a benchmark to consider in international forums on.

Development Cooperation; and began to articulate an agenda for debate focused on how to achieve more and better cooperation. Latin America printed its stamp on the evolution of South-South cooperation, encouraged debate on this modality and actively

participated in the main international cooperation forums. In addition, it promoted its expansion under different modalities, among which the horizontal cooperation (bilateral and regional) as well as the triangular cooperation stood out.

This renewed boom, accompanied by an active participation in the development processes, has opened the door to new challenges for the CSS and the countries that have decided to believe it, as a tool for development (SETECI, 2011).

This vision of the governing body of international cooperation in Ecuador is very important, on the one hand it shows that SETECI has been tuned to the new modalities that make their way into the world of international cooperation, and on the other it constitutes an opportunity to the national entities that look for foreign resources, among them the Prefecture of Azuay, when finding a positive attitude of the Technical Secretariat, before proposals and projects that are presented, focused on South-South Cooperation.

This relatively new form of cooperation already finds practical applications in Ecuador, including as a contributing country of South-South Cooperation. For this case, it is worth mentioning some examples:

- In the face of a high number of cases of hemorrhagic dengue, Bolivia declared public health emergency and asked for international assistance and, according to information published on its website by the Secretariat of Risk Management, Ecuador, a country that in previous years in a similar emergency, he had developed technical skills to face this epidemic. Within the framework of international cooperation, he sent a mission of 10 experts who obtained very positive results (Risk Management Secretary).
- In the face of almost total destruction of Haiti's basic infrastructure in the aftermath of an earthquake, according to information from the Joint Command of the Armed Forces, Ecuador sent road machinery and a mission from the Army Corps of Engineers, which rebuilt some roads, built bridges and recovered some houses in that country (The Universe 2010).

- Within the framework of the 2014-2017 South-South Cooperation Agreement between Ecuador and Chile, the Sustainable Industrial Development and Implementation of a Cleaner Production Center project is currently being developed, which began in Quito on April 22, with training, transfer of knowledge and technical assistance by experts from Chilean companies to 15 Ecuadorian food and beverage manufacturers (SETECI).

Not only Ecuador has understood the growing importance and possibilities generated by cooperation among less developed countries. There are several examples in Latin America that highlight the current boom in this type of relationship between countries (SETECI, 2011). Below are two referred to the largest countries in the region.

Farani (2011), Director of the Brazilian Cooperation Agency, the agency responsible for the international cooperation of one of the nations with the strongest and healthiest economy in Latin America and with a high degree of technological development of its own, pointed out the following:

Within the context of South-South cooperation, Brazil is assuming a growing role. We have a Technical Cooperation Agency (ABC) with a budget for technical cooperation, there is the political will of the Brazilian Government to make that an instrument, a way of doing external policy.... The Brazilian institutions, the ministries, are all excited to participate in the cooperation.... This is always carried out in a field of solidarity, friendship, and with a sense of responsibility to be able to share and support brotherly countries in their struggle for development. Cooperation in South America requires an increasingly important character, because through our cooperation in networks with institutions in other countries, it helps us to get to know each other better.

Brazil invests an average of more than \$ 1,000 million annually in international cooperation (higher value than several of the developed countries), its development aid is focused on assistance and increase of technical skills and knowledge transfer (Farani, 2011).

Mexico, on the other hand, and in reference to the triangular cooperation seen as a form of South-South Cooperation, according to Tripp (2011):

... visualizes the triangular scheme as a mechanism that enriches cooperation and complements its bilateral actions; also allowing more horizontal and larger interaction exercises in a plural scheme. From the perspective of a dual aid worker, this type of collaboration allows Mexico to strengthen its national capacities, to enhance its participation in the field of international cooperation for development and to have a more relevant impact on the central needs of the recipients countries...

Finally, to reinforce the optimistic vision about the possibilities of the South-South International Cooperation, it is good to remember that the United Nations has set September 12 of each year as the day of the South-South Cooperation, in commemoration of the day in which the Buenos Aires Plan of Action was approved to promote and carry out technical cooperation among developing countries.

On September 12, 2011, as part of the commemoration of South-South Cooperation Day, the General Assembly of the United Nations invited all the organizations of its system (UNESCO, UNDP, ILO, WFP, UN Women, among others) and multilateral cooperation agencies, to strengthen their efforts to effectively incorporate the use of South-South cooperation in the design, formulation and implementation of their regular programs, as well as to channel greater financial resources, human resources and technicians, to programs and projects of South-South cooperation.

2.3. Evolution and perspectives of South-South Cooperation in Ecuador.

Although, as indicated in the previous sections, the future possibilities of South-South Cooperation are flattering, to date their evolution in Ecuador is limited. In summary, in the period 2007-2016 for which SETECI has figures that allow quantifying its evolution, its participation in the total cooperation resources obtained by the country barely reaches 4.8% and the number of projects during said period represents the 6.2% of the total of initiatives financed with cooperation resources, as analyzed in detail in the following contents of this thesis.

From the records of the Interactive Map of Cooperation of the SETECI, it is possible to disaggregate the amounts of cooperation that Ecuador has received, in the period 2007 - 2016, according to donor countries. To determine the relative importance that in the total value of the cooperation captured by Ecuador, it has that coming from the south, the records were separated from countries or organizations from the North and those originating from countries or organizations from the south, (including the countries of the BRIC and the agencies whose address is located in the south), the values were added to have the figures of the total cooperation and a table was constructed as detailed below.

Table 5. *Value of international cooperation North - South, South-South, and Total received by Ecuador in the period 2007-2016*

Year	North-South Cooperation		South-South Cooperation			Total	
	Projects	Value	Projeqs	Value	Projects	Value	
2007	690	\$192.588.830,18	10	\$368.119,00	700	\$192.956.949,18	
2008	1041	\$214.086.779,49	53	\$1.391.218,45	1094	\$215.477.997,94	
2009	997	\$227.299.174,57	39	\$1.044.204,03	1036	\$228.343.378,60	
2010	1152	\$239.217.250,44	49	\$1.134.562,36	1201	\$240.351.812,80	
2011	1065	\$270.735.627,79	69	\$2.626.405,98	1134	\$273.362.033,77	
2012	827	\$240.323.617,00	66	\$1.209.077,86	893	\$241.532.694,86	
2013	680	\$253.697.704,00	17	\$446.926,70	697	\$254.144.630,70	
2014	572	\$154.730.080,76	36	\$426.925,83	608	\$155.157.006,59	
2015	432	\$129.461.379,16	36	\$426.925,83	468	\$129.888.304,99	
2016	306	\$33.016.002,82	12	\$235.676,75	318	\$33.251.679,57	
Total	7762	\$1.955.156.446,21	387	\$9.310.042,79	8149	\$1.964.466.489,00	

Source: (SETECI, 2017).

Elaborated by: The author.

The above figures allow us to obtain very interesting conclusions. In the first place it is observed that the reduction of the total cooperation in 2012, corroborating the conclusions of the first chapter of this thesis that was already mentioned in section 1.4 of Chapter I, State of the Art, does not occur in the collection of resources of South-South Cooperation. Thus, while the North-South cooperation in that year fell by 12.5%, that from the South increased by 3 million dollars, to reach the decrease in the total cooperation of 9.6% already indicated in numeral 1.4.

In the last year for which SETECI has complete records, in 2015, both the catchment of the north and that of the south fell, but in smaller percentages, the reduction of that coming from the developed countries was 7.7% while that contributed for the south it is low in similar figures reaching the global reduction of 8% already indicated in the State of the Art.

In reference to the number of projects, according to the figures collected and presented in this thesis, there are similar figures for both North and South cooperation. Up to 2011, the number of ongoing initiatives maintained a high trend, (although there was a slight decrease in the projects supported by developed countries), in the last two years, 2014 and 2015, there has been a significant collapse, in its order almost 40% for the north between the peak year.

The above is explained by the factors already indicated in chapter I of this thesis.

Another analysis that can be done with the previous figures, in order to analyze the differences in the dynamics of development of the two cooperation modalities, is to see the evolution that South-South Cooperation has had, in comparison to the evolution of cooperation in general. For this, from the data of SETECI, an indicator of participation of the southern cooperation was constructed, in the total cooperation, dividing year by year during the whole period for which SETECI has data, both the number of projects and the values obtained from the countries of least relative development, on the total of projects and values obtained by the country.

South-South cooperation has achieved greater dynamics in Ecuador in recent years. It is very significant to see that while until 2010, the number of dollars obtained from the South did not exceed 3.2% of the total amount obtained from

cooperation by Ecuador, in the following two years this indicator almost doubled, reaching 6.3 % in 2011, to 9.3% in 2012 and to 9% in 2013. In 2016, for which SETECI has partial data, until March a total amount of \$ 33,251,679.57 was recorded only \$ 235,676.75 came from countries in the South, representing a share of less than 1%.

In reference to the number of projects in progress each year, the data presented in this thesis also shows a greater dynamism of the cooperation of the South, in relation to total cooperation. Until 2010 the participation of the South never exceeded 6.4% (achieved in 2008), while in 2011 and 2012, these percentages reached, in order, 8.6% and 9%. Although in 2013 there was a decline, standing at 4.9% in 2014, the data up to March show a recovery, out of a total of 549 projects in progress, 39 corresponded to cooperation initiatives from the South, which it represents a 7.1% share with a reduction until 2016 that represents 1%.

The previous analysis about the evolution and prospects of South-South Cooperation in the country shows that for Ecuador this type of cooperation is emerging as a valid option within international cooperation. It is possible to obtain resources and knowledge that, within the framework of horizontal cooperation, respect and solidarity, allow to achieve, collectively with other nations of similar development, economic growth and sustainable development. Finally, it must be seen that the promotion of South-South Cooperation will not replace North-South cooperation but will complement it.

2.4. Evolution and perspectives of South-South Cooperation in the province of Azuay.

In a similar way to the one carried out for the global case of Ecuador, this section analyzes the evolution and perspectives of South-South Cooperation in the province of Azuay, based on the data recorded by the SETECI for the period 2007-2016.

From the records of the Interactive Map of Cooperation of the SETECI, the data corresponding to the amounts of cooperation received by the Province in the 9 years of the 2007-2016 period, coming from northern, southern and total countries, were separated results that are presented in the following table.

Tabla 6. *Value of international cooperation North - South, South-South and total received by the province of Azuay in the period 2007-2016*

Year	North–South Cooperation		South–South Cooperation		Total	
	Projects	Value	Projects	Value	Projects	Value
2007	62	\$30.134.875,58	4	\$43.575,00	66	\$30.178.450,58
2008	90	\$37.725.141,84	3	\$104.225,66	93	\$37.829.367,50
2009	94	\$37.622.045,24	3	\$45.975,00	97	\$37.668.020,24
2010	91	\$51.775.209,35	11	\$179.300,71	102	\$51.954.510,06
2011	78	\$38.101.436,89	17	\$268.366,10	95	\$38.369.802,99
2012	73	\$32.659.041,23	14	\$187.462,36	87	\$32.846.503,59
2013	61	\$27.680.673,01	1	\$12.898,53	62	\$27.693.571,54
2014	41	\$25.144.633,32	1	\$35.400,00	42	\$25.180.033,32
2015	25	\$19.482.585,81	2	\$160.398,53	27	\$19.642.984,34
2016	16	\$1.118.766,49	1	\$179.300,71	47	\$1.298.067,20
Total	631	\$301.444.408,76	57	\$1.216.902,60	688	\$302.661.311,36

Source: (SETECI, 2017).

Elaborated by: The author.

Also in this provincial analysis, the previous table allows to reach interesting conclusions. In the first place it is highlighted that if there is a growth in the resources captured from the South of 2010, this is not very significant. With the exception of 2011, when the million dollars were exceeded in an atypical peak in the series, fundraising between 2010 and 2015 fluctuates between 20 million. Combining these two results, the decrease in the value captured from the South-South Cooperation with less dynamism in the number of initiatives, from the figures analyzed in this thesis, it can be concluded that the average size of each of them is necessarily drastically lower.

In summary, these data show that in Azuay the evolution of the cooperation received from the south is lower and, although slightly positive, shows signs of stagnation. This statement can be supported with more elements by observing the following table, also in a way to have been presented for the macro analysis of the country, reviewing the participation of the southern cooperation, in the total cooperation, once again, dividing, year by year the number of projects and the values captured by Azuay from the countries of least relative development, on the total of projects and values obtained from external cooperation. The results are presented in the following table.

The previous analysis of the evolution and prospects of South-South Cooperation in Azuay indicates that the province must make a greater effort from this cooperation modality, although the evolution of this financing has been slow, the prospects are optimistic and it is considered viable to increase it in the future in the immediate future, in the next chapter of this thesis, and in specific reference to the Prefecture of Azuay, the arguments that support this affirmation are reinforced.

2.5. Conclusions.

As a synthesis of the research carried out in this chapter, the following conclusions were reached:

- 1) Many countries and international cooperation entities are increasingly including South-South Cooperation within their work plans.
- 2) Within the conceptual vision of South-South Cooperation, the majority of cooperation theorists and organizations come together to find common elements, among which are: 1. The participation of two or more countries, which present problems and levels of similar development. 2. The purpose of joining forces to reach common objectives and overcome their levels of growth and development. 3. The exchange of knowledge, knowledge, successful experiences and resources of various kinds, under a horizontal cooperation scheme. 4. The importance of principles and values of solidarity, equality and mutual respect. 5. The breadth of mechanism, which allows to develop in a wide range of areas, such as economic, social, political and cultural.

- 3) The current economic situation in the countries of the South is more positive than that which refers to the developed world. In contrast to the recessive perspectives that characterize the developed economies, the scenario in the countries of the South is better, which reinforces the vision about the good perspectives that South-South Cooperation has in the future.
- 4) Among the most notorious facts that support the positive vision of the future of South-South Cooperation, is the fact that the United Nations has established September 12 as the day of the United Nations for South-South Cooperation and the optimistic message that his Secretary General gave to the world in 2014.
- 5) The governing body of international cooperation at the national level, SETECI, has understood and has taken concrete actions to include South-South Cooperation in its activities, which is seen as another positive factor in exploiting this form of cooperation.
- 6) South-South Cooperation already has specific applications in Ecuador. Some examples are highlighted, such as the support given to Bolivia in health matters, the reconstruction of part of Haiti's infrastructure after an earthquake and the recent training actions of Ecuadorian human resources, within the framework of a South-South Cooperation agreement signed between Ecuador and Chile in 2014.
- 7) Not only Ecuador find these practical applications of South-South Cooperation, in Latin America several similar examples of this cooperation modality were detected.
- 8) In Ecuador, the evolution of South-South Cooperation is limited. According to the SETECI records, on average, between 2007 and 2013 the participation of this cooperation modality in the total cooperation resources obtained by the country reaches only 4.8% and the number of projects during said period it represents only 6.2%.
- 9) In Azuay, the collection of resources from South-South Cooperation shows signs of stagnation, although there is an increase in resources captured from the South as of 2011, it is practically nil.

CHAPTER III

3. The Provincial Government of Azuay and South-South Cooperation.

3.1. Introduction.

This third chapter, following the deductive methodology adopted by the research, descends from the aggregate review about the international cooperation that was presented in the two previous chapters, to the specific study of the institution object of the thesis. An analysis is made of the viability of South-South Cooperation as a valid alternative to obtain resources that institutionally strengthen and co - fund the programs and projects of the Provincial Government of Azuay, and a discussion is presented about the management model adopted by the Prefecture for the management of cooperation for development.

3.2. South-South Cooperation as an alternative for the Provincial Government of Azuay.

In chapter II of this investigation, the possibilities of South-South Cooperation were already seen as a valid alternative for Ecuador. At this time it does not turn on the subject but will focus on the specific case of the prefecture of Azuay.

According to information provided by the Directorate of Revenue Management of the Prefecture of Azuay, since 2007 the Prefecture has developed efforts to obtain resources from international cooperation, so that since that year and until May 2017, 19 projects have been executed for a total value of \$ 3,240,694, of which \$ 2,311,398, 71.3% were financed with external resources.

Of these projects, only 2 were the result of South-South Cooperation, one financed by the CAF and the other by the Embassy of Mexico. In summary, according to unpublished documents from the Prefecture's Directorate of Revenue Management, the international cooperation that the Prefecture of Azuay has obtained in the 9 years analyzed is shown in the following table.

Tabla 7. *Projects of the Prefecture of Azuay co-financed with funds of International Cooperation in the period 2007-2017*

Type	Number	Total Investment	Value financed by International Cooperation
Norte – Sur	17	\$2.958.031,00	2.053.737,00
Sur – Sur	2	\$283.663.,00	257.660,00
TOTAL	19	\$3.240.694,00	2.311.398,00

Source: (Prefectura del Azuay, s/f).

Elaborated by: The author.

The previous table shows that the 2 projects carried out within the framework of South-South Cooperation represent only 8.7% of the total investment in projects co - financed with external resources, and the capture of the South constitutes 11.1% of the total collection obtained from International Cooperation.

In general it is estimated that the resources of international cooperation obtained to date by the Prefecture are scarce. Under the new management model of the Prefecture, which includes a comprehensive readjustment of the area of international relations, as detailed in the next section of this chapter, the generation of projects for international cooperation has experienced a very significant growth, so that to date, the Prefecture has prepared and presented to thirteen donors of resources, thirteen projects, for an amount of \$ 141,573,796.00.

A project presented in the framework of South-South Cooperation to the government of Taiwan stands out among these initiatives, for the reactivation of¹ the agricultural production in 4 cantons of the province, which is in its approval phase, which has an investment budget of \$ 2,769,200, of which the Provincial Government of Azuay will contribute \$ 880,000, the beneficiary community \$ 136,000 and the

¹ Conceptualization of the project Promotion of the Associativity and Strengthening of Horticultural and Andean Grain Production and Marketing Capacities of the Rural Population of three towns in Azuay, project presented by the Prefecture of Azuay to the Commercial Office of the Republic of China, December, 2014.

balance, \$ 1,753,200, will be financed by the government of Taipei (Prefecture of Azuay).

The Directorate of International Cooperation of the Prefecture has undertaken an important effort in order to get new cooperation projects for the benefit of the province of Azuay, among these new proposals, currently in process, we can mention the following:

- 1) Project for the Trust Fund against Violence against Women in Azuay.
- 2) Project Economic Rights of Women in Azuay.
- 3) Project for the promotion of the Associativity and Strengthening of the Capacities of Horticultural Production and Marketing of Andean Grains of the Rural Population in Azuay.
- 4) Project of Collective Design of Sustainable Development Solutions based on the Reforestation, Use and Transformation of a Regional Public Good, the Bamboo.
- 5) Project of a virtual platform for access to markets of small artisan producers.
- 6) International Climate Initiative Project 2015.
- 7) National Forest Restoration Program - Forest Partner.

According to information provided by the Director of Revenue Management of the Prefecture until March 2015, Carlos Sandoval, several are the causes that explain these low results, among the main stand out the following:

- Prior to the approval of the New Multi-Year Development Plan of the Prefecture of Azuay and the adoption of the new management model for international cooperation, the GAD had not been able to define its priorities within the framework of its powers and functions to manage the Cooperation. International.
- Within the actions developed by the Prefecture, no programs and projects that could be managed with international cooperation had been identified.
- There was no prioritization of programs and projects to focus the management of international cooperation units.

- There was not sufficient human resources or institutional experience to formulate projects, in accordance with the demands of possible funding sources.
- The Prefecture had not developed sufficient negotiation capacities to successfully carry out the technical discussion, adjustment and approval of the projects presented.
- There were several difficulties in articulating with national instances, especially with SETECI, a problem that still exists today.
- Not enough importance has been given to obtaining technical cooperation (exchange of experiences, training, scholarships, internships, volunteers and experts), concentrating almost exclusively on obtaining financial resources.
- No possibilities of union with other local government entities have been explored, in order to present joint proposals, with greater scope and possibilities of attracting cooperation resources.

The analysis of the possibilities of South-South Cooperation as an alternative for the Prefecture of Azuay cannot leave aside its relationship with the governing body of cooperation at the national level, that is, with the Technical Secretariat for International Cooperation, SETECI.

The SETECI not only collects and provides information on amounts of international cooperation received by Ecuador, in addition this Secretariat provides support in training human resources and institutional strengthening, through actions in the following areas:

- Humanitarian aid
- Granting of Scholarships
- Sending experts and volunteers
- Social responsibility
- Training
- Technical assistance

It is estimated that the SETECI plays a contradictory role, in the face of the support it must provide to the Prefecture for the management of the Cooperation. The statements and positive actions that the Secretariat has made recently have already been mentioned in favor of strengthening the decentralized management of cooperation resources and specifically to give priority to the management of cooperation from the South, within the previous sections of this research. Within this framework, the Secretariat has established a program for the strengthening of local capacities in the area of international cooperation. This program is primarily aimed at authorities and officials of the GAD at its three levels, (provincial, cantonal and parochial), civil society, academia and the general public and includes 6 components:

- 1) Technical Assistance, Training and training for the decentralized management of International Cooperation in Territories. It includes technical assistance and support for the decentralized management of International Cooperation in territories, with the purpose of accompanying the Decentralized Autonomous Governments in everything related to the rector, planning, regulation, control and management of cooperation in the territories.
- 2) Accompaniment to the GADs, in processes of strategic territorial articulation in cooperation processes. It offers support and technical assistance in the structuring of the Territorial Priority Frameworks for the management of International Cooperation, in everything that concerns the rector, planning, regulation, control and management of cooperation.
- 3) Accompaniment and technical assistance in the structuring of the Territorial Priorities Frameworks for the management of International Cooperation. It includes facilitation and accompaniment in the process of structuring Territorial Priority Frameworks for the management of the Cooperation.
- 4) Work Division Studies of Cooperation and Measurement of the Effectiveness of Cooperation at the Local Level. It generates an annual report on the Division of Labor at the local level and the Biennial National Study on the Effectiveness of Development Cooperation at the

local level, with the purpose of improving the effectiveness of aid at the local level through specific studies that allow the identification of the different competences of the cooperators in the territories and regulate their activities accordingly to prevent duplication of efforts.

- 5) Certification and control of Ecuadorian international non-reimbursable cooperation. It generates information on the process of decentralization of the management of cooperation and aid for the development of bimonthly and annual reports of the follow-up to the decentralization of the competence of the management of international cooperation.
- 6) Technical Advice on the Management of International Nonreimbursable Cooperation (Negotiation, Implementation and others). It offers technical advice to all queries and demands received by SETECI, provides information and, where appropriate, redirects the necessary support to other entities (SETECI).

It was stated in one of the preceding paragraphs that the role of the SETECI is contradictory because although on the one hand the Technical Secretariat has opened this program, which is considered useful for the GAD, and specifically for the Prefecture of Azuay, on the other hand, the central government has created an obstacle that not only faces the Prefecture but all those who work in the preparation of projects for the attainment of international cooperation resources. These are the controls and restrictions generated under the premise that international cooperation entering Ecuador must not be discretionary but should be aligned with the political position and with the major development objectives defined by the country.

The central government, through the SETECI, has created a series of obstacles that limit the approval of projects and initiatives that they present, especially the decentralized government agencies that, within the approval process, require the approval of SENPLADES and / or of SETECI, (among these cases there may be several projects of GADs denied for no apparent reason, as well as the prohibition to receive contributions from Taiwan and the restrictions recently put by the Ecuadorian government to German cooperation).

According to the Director of Revenue Management of the Prefecture of Azuay, the Committee of International Cooperation - COCI of the SETECI, although its mandate is to meet bimonthly, has not done so for at least the last two years. This fact, given that this is the only agency of the Secretariat where local governments have a stake, has caused that the SETECI action has been divorced from the needs and expectations of the decentralized governments, prioritizing almost exclusively that projects of national interest, which constitutes another limitation that the Prefecture of Azuay must face in its work of obtaining cooperation funds.

The current situation of the SETECI has meant that mechanisms of rapprochement with the GADs have not been generated to know their territorial priorities, in order to be able to include them during the negotiations of cooperation agreements with the different actors of the international system.

In the framework of the calls for international cooperation, the selection of projects is carried out by SETECI; however, the technical mechanisms on which a qualification or prioritization of projects presented by local governments and other national agencies are not clear. .

All of the above shows that, in view of the positive prospects offered by the South-South Cooperation for Ecuador, the positive actions that, especially directed to the decentralized governments, deploy in this area the SETECI and the new dynamics that the GAD of Azuay has given the management of development cooperation, despite the obstacles that have already been pointed out, it is considered that the Prefecture has an opportunity and can successfully face the challenge of capturing a greater volume of resources, financial, human and of knowledge, coming from South-South Cooperation.

3.3. The management model of the Provincial Government of Azuay facing the challenge of South-South Cooperation.

Since the inauguration of the current administration of the Prefecture of Azuay, at the beginning of 2014, together with the promulgation of the 2015-2019 Multi-Year Development Plan, the GAD adopted a new management model that reached all areas of work of the institution, including the management of the international cooperation.

The old management scheme, in which under the prefecture and vice prefecture there was a whole vertical system composed of Area Coordinators, Chiefs Department.

Heads of Department and Project Managers, was replaced by a horizontal model in which, there are only the Prefecture and the Vice prefecture, with its team of advisors and project managers. Within this scheme, the area of International Relations includes three project directions, without any differentiation between the management of cooperation from the south and the north, as follows:

- Relationship Management with Multilateral, Regional and International Organizations.
- Revenue Management Office.
- Management, Formulation and Project Financing Directorate.

According to information provided by the cooperation area itself, the legal framework under which the Management Model of the International Cooperation of the Prefecture was defined, based on the Organic Code of Territorial Organization, Autonomy and Decentralization (COOTAD), is the following:

- Art. 42 of exclusive competences of the Provincial Autonomous Decentralized Government (GAD). In subsection "g" it establishes "to manage international cooperation for the fulfillment of its competences".
- Article 131 of the Management of International Cooperation determines that the GADs may manage the obtaining of international cooperation resources and technical assistance for the fulfillment of their own competences within the framework of the national objectives, their development plans and the principles of equity, solidarity, interculturality, subsidiarity, timeliness and relevance. A record will be maintained in the national system of international cooperation.
- Art. 293 of the Twinning states that the GAD will promote the twinning status with decentralized governments of other countries of the world,

within the framework of international cooperation; they will be able to celebrate twinning agreements in order to make viable planning processes, aimed at promoting the integral, social, economic, cultural, environmental and security development of the territories and peoples (Prefecture of Azuay).

According to the Organic Code of Territorial Organization, Autonomy and Decentralization (COOTAD), the powers of the provincial governments are the following:

Table 8. Competencies of the Provincial Governments in Ecuador.

Area	Competencies
Roads	Authority to plan, build and maintain the provincial road system, which does not include urban areas.
Watershed management	They will execute the infrastructure works set in the framework of the corresponding national and territorial planning, and of the policies and regulations issued by the water authority alone.
Irrigation competence	Plan, build, operate and maintain irrigation systems in accordance with the policies of rural territorial development and productive, agricultural and aquaculture promotion established by the governing body of this matter and the guidelines of the national irrigation plan and development plan of the respective decentralized autonomous government, in coordination with the sole authority of water, the community organizations involved in the management and use of water resources and the rural parochial governments.
Promotion of productive and agricultural activities	Define participatory strategies to support production; the strengthening of productive chains with an equity approach; the generation and democratization of technical and financial services to production; the transfer of technology, knowledge development and preservation of ancestral knowledge oriented to production; the aggregation of value for which scientific and technological research will be promoted; the construction of infrastructure to support production; the promotion of economic organizations of producers and the promotion of economic enterprises and community enterprises; the generation of marketing networks; and, citizen participation in the control of the execution and results of productive strategies.

Environmental management	<p>Governing, directing, ordering, arranging, or organizing environmental management, defending the environment and nature, within the scope of its territory; These actions will be carried out within the framework of the decentralized national environmental management system and in accordance with the policies issued by the national environmental authority.</p>
Preserve, maintain and disseminate the heritage	<p>They can make social and productive use of the cultural resources of their territory, in order to fulfill their tourism competence within the framework of productive development. When the patrimony to intervene surpasses the cantonal territorial circumscription, the exercise of the competition will be carried out concurrently, and if necessary in commonwealth or consortium with the regional or provincial decentralized autonomous governments</p>
Comprehensive protection for children and adolescents	<p>The GADs will exercise the competences to ensure the rights of children and adolescents that are attributed to them by the Constitution, this Code and the National Competency Council in coordination with the law that regulates the decentralized national system of integral protection of childhood and adolescence. For this purpose, the scope of action determined in this Code for each level of government will be strictly observed and the organization and protagonist participation of children, adolescents, fathers, mothers and their families as the holders of these rights will be guaranteed.</p>
Promotion of productive and agricultural activities	<p>Will be carried out in a coordinated and shared manner, observing the policies issued by the governing entities in productive and agricultural matters, and will be adjusted to territorial productive characteristics and vocations; define participatory strategies to support production; the strengthening of productive chains with an equity approach; the generation and democratization of technical and financial services to production; the transfer of technology, knowledge development and preservation of ancestral knowledge oriented to production; the aggregation of value for which scientific and technological research will be promoted; the construction of infrastructure to support production; the promotion of economic organizations of producers and the promotion of economic enterprises and community enterprises; the generation of marketing networks; and, citizen participation in the control of the execution and results of productive strategies.</p> <p>(will develop specific policies to eradicate inequality and discrimination against women producers)</p>

Source: (Prefectura del Azuay) (MCPGAD, 2011).

Elaborated by: The author.

According to Caludia Pinheiro, director of the Project of Relationship with Multilateral Governments of the Prefecture of Azuay: the mission of the area of International Cooperation of the GPA is defined as:

Promote relations, alliances and / or cooperation agreements, financing and / or technical assistance with governmental and international non-governmental entities, in accordance with the competencies of the GAD Provincial del Azuay, aimed at promoting integral, social, economic, cultural development, environmental so as to contribute to the full exercise of the rights of the inhabitants of the province.

The principles of the management of International Cooperation are: equity, solidarity, interculturality, subsidiarity, timeliness, relevance, sovereignty and territorial integrity.

The lines of work of the three directions of the cooperation area are:

- International Relations.
- Technical assistance.
- Financing.
- Generation of proposals and projects in coordination with the different instances of the GAD Provincial del Azuay.

Finally, according to information provided by Claudia Pinheiro, the responsibilities that, within the new management model of International Cooperation must assume each of the three directions, is shown in the following table.

Table 9. *Competences of the Directorates of the International Relations area of the Prefecture of Azuay.*

Relationship Management with Multilateral, Regional and International Organization	Directorate of Income Management	Direction of Management, Formulation and Financing of Projects
<p>Management of the Prefecture's agenda in international events</p> <p>Monitoring of international networks, agreements and alliances</p>	<p>Generation of a constant offer of projects according to the lines of financing and technical assistance of international cooperation, within the framework of the competencies of:</p> <ul style="list-style-type: none"> • Food Safety • Participatory Democracy • Productive development 	<ul style="list-style-type: none"> • Generation of a constant offer of projects according to the lines of financing and technical assistance of international cooperation, within the framework of the competencies of: <ul style="list-style-type: none"> • Environment • Roads • Water and irrigation

Source: (Prefectura del Azuay).

Elaborated by: The author.

3.4. Conclusions.

The results obtained from the research carried out in this chapter allow us to reach the following conclusions:

- 1) Since 2007 the Prefecture of Azuay has developed efforts to obtain resources from international cooperation, as a result, since that year until today, 19 projects have been implemented for a total value of \$ 3,240,694, of which 71, 3% were financed with external resources.
- 2) Of these projects, only 2 were the result of South-South Cooperation, which represent 8.7% of the total investment in projects co-financed with external resources, and 11.1% of the total collection obtained from external cooperation.
- 3) Among the causes that explain these low results, we highlight the fact that the Prefecture had not been able to define its priorities or identified programs and projects that could be managed with international cooperation, did not have sufficient human resources or institutional experience. In order to formulate and negotiate projects, there are difficulties in relations with

national entities, especially with SETECI, and no alliances have been created with other local government entities, in order to prepare joint proposals, with greater possibilities of attracting cooperation resources.

- 4) In contrast to the previous, under the new management model of the Prefecture, which includes a comprehensive readjustment of the area of international relations, the generation of projects for international cooperation has experienced a very significant growth.
- 5) The analysis of the possibilities of South-South Cooperation as an alternative for the Prefecture of Azuay cannot ignore its relationship with SETECI. The role that this entity has developed, in general against the GAD and particularly with the Prefecture of Azuay, is contradictory, on the one hand it has promoted programs of institutional strengthening and training of human resources aimed at local governments, but on the other hand generated a series of obstacles that limit the approval of projects.
- 6) Under the new management model of the Prefecture, the area of International Relations includes 3 project directions, without any differentiation between the management of cooperation from the south and the north.
- 7) The legal framework under which the model of management of international cooperation of the Prefecture was defined is clear and precise and has been taken into account for the design of the new scheme.
- 8) The mission, the principles of management, the lines of work and the responsibilities of the 3 directorates of the area of International Cooperation of the Prefecture of Azuay are clearly defined.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

In each of the chapters of this thesis, specific conclusions were formulated for the subject that deals with each of them, so there is little to add here. Only and before presenting the recommendations that emerged during the process of preparing the investigation, some additional general notes are made.

At the aggregate level, in the first chapter of this thesis, the conclusions were not very encouraging. In summary, it was diagnosed that the crisis derived from the revaluation of the dollar and the reduction in the price of oil and the consequent budgetary restrictions that the country faces at the moment, made it foresee a difficult scenario to obtain the financing of the investment programs and projects that the country has.

Under this situation, the General State Budget for 2015 has necessarily had to be reduced and that for the coming years it should be calculated on a lower basis of the price of oil, (for 2015 in the income section of the General Budget of the State a referential price of \$ 79 / barrel was estimated and at the moment of elaborating this thesis the market value of Ecuadorian crude is lower than \$ 60 / barrel). This fact, given the high dependence of the transfers that the sectional governments have, makes that, for the Prefecture of Azuay the problem is critical because the amounts that will receive as transfers will be smaller, thus affecting its internal budget.

Faced with this reality, the alternative that the GADs have, including that of Azuay, to be able to meet the goals set out in their development plans, is to obtain resources from other sources, self-management to generate own resources, (rates, lease or sale of goods, profits of own companies, etc.) or via international cooperation.

Under the current crisis situation in the country, (the result of the slowdown in the growth rate, among other factors also caused by the revaluation of the dollar that makes the country less competitive in the concert of nations with which it markets its products), the possibilities of obtaining own resources additional to those already received by the GAD, is quite limited, which is why international financial cooperation is seen as the most viable source to face the problem.

As another conclusion of the investigation, it is pointed out that also at the level of cooperation coming from the north there are problems, on the one hand there is the reduction of the resources coming from the developed countries for external cooperation, fruit of the economic crisis that affects them. Additionally, there is the loss of Ecuador's priority as a destination country for cooperation funds, as it is considered a middle-income country and the contradictory role played by SETECI, as the rector of international cooperation, as opposed to decentralized governments.

With these elements of analysis it is concluded that, in the face of current difficulties, the current situation should be considered as an opportunity and as a challenge to explore new sources and forms of financing, and among them, specifically for the Prefecture of Azuay and with the greatest possibilities of obtaining positive results, South-South Cooperation is located.

Recommendations

As recommendations derived from this research, and focusing on South-South Cooperation, the following can be cited:

At the level of the central government and the SETECI, in order to efficiently carry out its role as the governing body and coordinator of South-South Cooperation, it is essential that it values and supports the self-management capacities of intermediate and local governments efficiently and impartially, eliminating the obstacles and obstacles that currently, especially from the SETECI, are observed.

The SETECI must ensure that, under the leadership of local authorities, the capacities of territorial-based actors are fostered and that a more participatory development scheme is fostered.

A meeting of the SETECI International Cooperation Committee (which has not met in 2 years) should be convened immediately in order to analyze the current problems of the Secretariat, recover the influence of local governments in the decisions and in the daily management of the organization, and thus overcome the obstacles and barriers that currently hinder the approval of projects, in general to the entities of sectional government, and specifically to the Prefecture of Azuay.

Additionally, in the SETECI it is necessary to work on the definition of a policy for the distribution of the resources of international cooperation, both the North and the South, at least according to the following considerations:

- Cooperation modalities.
- Type of GAD.
- Size of territories.
- Level of unsatisfied basic needs.
- Level of skills and evaluation of the results obtained in the management of the applicant institutions.

Both the central government (SETECI) and the GAD, and for this thesis, the Prefecture of Azuay, when preparing projects for South-South Cooperation, must overcome the conceptions of cooperation as "aid", which is based on vertical relationships, "donors" and "beneficiaries", by a vision of "partners for development", based on more horizontal relationships, where the exchange of experiences, solidarity, reciprocity and mutual respect are the guiding values of the initiatives that are undertaken (as already seen, characteristics that prevail in South-South Cooperation). The addition of value to the activities, their specificity of the areas of competence and the exploitation of the experience of local governments, are valuable elements that must also be taken into account.

Although the central government and other national entities offer support to provincial GADs in the area of human resources training, for example through the programs previously mentioned that have been implemented by SETECI, or the postgraduate programs of the Institute of High National Studies - IAEN, the offer is limited to the needs of the Prefecture of Azuay and consequently it is necessary to know that it's not only looking for financial resources of international cooperation but also opt for available training opportunities, among them the provision of volunteers and experts, short and long courses of training and / or masters, technical assistance and exchange of successful experiences, the latter being preferred in South-South Cooperation, among countries with a similar level of development.

In order to increase its availability of financial resources and to strengthen its management capacities, the Provincial Government of Azuay must carry out the

gathering of strategic information on new ways of cooperating, especially those from the countries of the South with the purpose of making available to the institution new work tools that strengthen it institutionally and extend the spectrum of potential donors.

At the level of the International Cooperation area of the Prefecture of Azuay, the following is recommended:

Mapping and promoting the projects developed with cooperation in the different instances of the Prefecture (state and possible allies).

Develop new projects by provincial GAD instances as well as in their companies.

Identify the offer of accessible international cooperation for the Prefecture.

Prioritize the offer of South-South Cooperation, seeing it not as a substitute but as a valuable complement, and in the current situation of easier access, in the face of North-South cooperation.

Identify possible joint projects with other local GADs (municipalities, parish councils, provincial GADs, etc.).

Design and implement a training plan aimed at the directors and technicians of the Prefecture, in order to strengthen them on issues related to international cooperation. Special mention in this point is made to the formulation, negotiation, and implementation and monitoring of projects.

Identify possible partnerships with universities for the development of proposals for international cooperation (in the framework of research and intervention).

Identify local NGOs, their missions, visions, lines of work, existing proposals, and available information on the territory and possibilities of alliances.

Identify, in accordance with the other project addresses of the Prefecture, the main shortcomings of the organization, especially in terms of the preparation of its human resources, in order to seek support from international cooperation to improve their training and strengthen institutionally.

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ANNEXES

Annex No. 1

International cooperation received by Ecuador, by country or organization, in the period 2007 - 2016:

#	COUNTRY OR ORGANIZATION	N° PROJECTS	QUANTITIES (USD)	%
1	UNITED STATES OF AMERICA	937	525,528,322.25	18.65%
2	SPAIN	679	399,882,546.33	14.19%
3	EUROPEAN UNION	202	364,904,796.80	12.95%
4	UNITED NATIONS	466	292,480,894.48	10.38%
5	GERMANY	243	218,588,024.29	7.76%
6	GREAT BRITAIN	93	115,065,160.79	4.08%
7	JAPAN	258	114,046,421.98	4.05%
8	BELGICA	147	96,960,668.15	3.44%
9	ITALY	256	85,558,239.82	3.04%
10	INTERAMERICAN BANCK FOR DEVELOPMENT	120	70,266,089.22	2.49%
11	CANADA	84	60,708,647.52	2.15%
12	SWITZERLAND	100	58,070,198.18	2.06%
13	SOUTH KOREA	26	53,063,974.02	1.88%
14	CHINA	12	51,490,123.23	1.83%
15	THE GLOBAL FUND - GFATM	9	44,566,464.70	1.58%
16	AUSTRIA	5	43,217,750.35	1.53%
17	PAISES BAJOS	93	34,941,768.50	1.24%
18	AUSTRALIA	35	29,778,167.83	1.06%
19	GLOBAL ENVIRONMENTAL FUND – GEF	17	27,716,030.77	0.98%
20	WORLD BANK	36	21,877,936.12	0.78%
21	NORWAY	73	19,678,464.46	0.70%
22	ANDEAN CORPORATION FOR DEVELOPMENT- CAF	111	15,752,696.44	0.56%
23	FINLAND	24	11,291,782.55	0.40%
24	AMDEAN COMUNITY OF NATIONS – CAN	3	11,122,630.50	0.39%
25	HONG KONG	7	9,497,788.55	0.34%
26	TAIWAN	7	7,271,174.62	0.26%
27	FRANCE	29	7,219,812.98	0.26%
28	LUXEMBURGO	3	5,727,953.91	0.20%
29	PANAMA	169	4,994,901.88	0.18%
30	SWEDEN	37	2,878,498.27	0.10%

31	DENMARK	28	2,528,734.81	0.09%
32	ORGANIZATION OF AMERICAN STATES – OEA	28	2,437,137.89	0.09%
33	BRASIL	11	1,851,434.64	0.07%
34	NEW ZELAND	3	1,851,077.33	0.07%
35	MEXICO	16	1,212,499.09	0.04%
36	ORGANIZATION OF IBEROAMERICAN STATES - OEI	26	770,998.49	0.03%
37	COLOMBIA	16	747,255.93	0.03%
38	INTERNATIONAL ORGANISM OF ATOMIC ENERGY - OIEA	1	705,000.00	0.03%
39	INTERNACIONAL FOND OF AGRARIAN DEVELOPMENT - FIDA	6	548,596.31	0.02%
40	PERU	16	167,054.00	0.01%
41	ISRAEL	1	53,814.50	0.00%
42	CHILE	9	51,174.63	0.00%
43	LATIN UNION	1	44,400.00	0.00%
44	IBEROAMERICAN GENERAL SECRETAIRE- SEGIB	1	42,050.90	0.00%
45	SINGAPUR	2	26,400.00	0.00%
46	OPEP	1	15,000.00	0.00%
TOTAL:		4,447	2,817,200,558.00	100.00%

Source: Interactive Map of Cooperation - Technical Secretariat of International
Cooperation - SETECI, 2014

Annex No. 2

Total value of international cooperation received by Azuay, by country or organization, in the period 2007 - 2016:

#	COUNTRY OR ORGANIZATION	N° PROJECTS	QUANTITIES (USD)	%
1	GREAT BRITIN	19	99,589,487.00	28.58%
2	UNITED NATIONS	37	80,901,605.35	23.21%
3	SPAIN	64	49,497,666.57	14.20%
4	UNITED STATES OF AMERICA	35	45,857,154.11	13.16%
5	SWITZERLAND	14	15,976,121.49	4.58%
6	EUROPEAN UNION	17	15,912,475.11	4.57%
7	BELGIC	18	12,511,552.43	3.59%
8	JAPAN	9	4,840,850.34	1.39%
9	GLOBAL ENVIRONMENTAL FUND – GEF	1	4,365,405.77	1.25%
10	GERMANY	17	3,262,057.46	0.94%
11	ITALY	8	3,158,489.64	0.91%
12	ANDINAN CORPORATION FOR DEVELOPMENT – CAF	9	2,676,089.00	0.77%
13	NETHERLANDS	10	2,128,471.44	0.61%
14	FRANCE	5	2,120,861.57	0.61%
15	CANADA	1	1,649,940.00	0.47%
16	INTERAMERICAN BANK FOR DEVELOPMENT – BID	5	1,543,133.44	0.44%
17	NORWAY	7	1,279,405.05	0.37%
18	PANAMA	31	841,803.37	0.24%
19	WORLD BANK	2	181,360.47	0.05%
20	SWEDEN	2	149,921.31	0.04%
21	SOUTH KORA	2	40,645.88	0.01%
22	ORGANIZATION OF IBEROAMERICAN STATES	2	20,000.00	0.01%
TOTAL:		315	348,504,496.80	100.00%

Source: Interactive Map of Cooperation - Technical Secretariat of International Cooperation - SETECI, 2014