

TIME FOR A MORE AMBITIOUS POLITICAL PARTNERSHIP BETWEEN THE EUROPEAN UNION AND CITIES / LOCAL AND REGIONAL GOVERNMENTS IN THE EXTERNAL ACTION OF THE UNION

Memorandum submitted by leading international/regional associations of local authorities
(AIMF, CEMR/PLATFORMA, CLGF, UCLG, UCLG-AFRICA)

The context

A new EU leadership and Parliament will start working. The incoming European Commission wants the Union to achieve impact in addressing core concerns of its citizens and acting as an effective global player in an increasingly unsettled world. 2020 is also a critical year in the external sphere as Europe will have to conclude the Post-Cotonou negotiations, develop a comprehensive partnership with Africa and agree on the EU's overall budget (Multiannual Financial Framework (MFF) for the 2021-2027 period.

Our core message:

At this critical juncture, we want to send out a clear message to the EU institutions and Member States:

2020 is a transformational year for the EU and requires new ways of working

If the Union wants to realize its ambitions, both at home and abroad, it should engage much more at the local level and develop a mutually beneficial political partnership with cities and local/regional governments (LRGs). As state actors with a general and democratic mandate to promote the welfare of their population, subnational authorities are the “natural allies” of the EU in tackling the core global challenges of our time, such as growing inequalities, the climate crisis, the regression of democracy and migration. For this partnership to yield the expected results, the EU should take bold steps in 2020 to integrate cities, LRGs and their associations in all relevant aspects of its External Action. This includes empowering them to effectively play their role in the 2030 transformative agenda

Below we elaborate this core message in five points justifying WHY the EU should do a major qualitative jump forward in its relations with cities and LRGs -as a critical nod in effective multi-level governance systems. We conclude with 10 recommendations on HOW to build a deeper and mutually beneficial political partnership.

As a next step, we will be submitting more detailed operational suggestions on how LRGs and their associations can be more effectively integrated into EU external action, including with respect to the new Multiannual Financial Framework (MFF, 2021-2027), notably at country and regional levels. We hope that this, and accompanying innovations such as the Local Authority Roadmaps, will actively inform and help to upgrade future EU engagement with cities, LRGs and their associations.

WHY SHOULD THE EU BUILD A STRONGER POLITICAL ALLIANCE WITH LRGs?

1

In the years to come, the European Union is expected to deliver on pressing global challenges both abroad and at home

- Internally, the European integration process is facing difficult times. In addition to Brexit, it is confronted with increasing territorial inequalities, waning economic growth, deepening political divides, rising populism as well as the disenchantment of citizens -especially by those who feel “left out”.
- Externally, the EU’s political, economic and societal vision is increasingly challenged by competing models -based on other values, authoritarian governance systems and hostile approaches to multilateralism.
- While Europe remains in many aspects a point of reference, geopolitical realities have reduced the Union’s overall (soft) power and leverage.
- Whether the EU can rebuild trust and regain legitimacy, credibility and political support will depend on its capacity to listen to its constituents and act decisively on core expectations and concerns of its citizens.
- The universal 2030 Agenda and related international deals (e.g. the Paris Agreement) captures well the global priorities in which the EU needs to invest in the coming years, both within the Union and in the wider world. They include challenges such as peace and security, stability, migration, inclusive and sustainable_development, job creation, democratic governance, rights and freedoms, urbanization and related spatial inequalities.
- The growing Climate Emergency adds additional urgency.
- There is a wide consensus that alternative models and approaches will need to be “invented” to effectively respond to these multi-faceted challenges.

2

If the EU wants to have impact as a global player in today’s volatile world, new ways of thinking and engaging are key... such as:

- A more strategic and coherent action aligned to new global realities. This is acknowledged by the incoming President-elect Ursula von Leyen, who seeks to put in place a “Geopolitical Commission” in order to “better align the internal and external aspects of our work”. Other ambitions include developing “a new comprehensive strategy towards Africa” and to foster “partnerships of equals” with regions and countries aimed at strengthening the role of the EU as a regional actor in world governance (see Mission letters to new Commissioners).
- A more integrated approach. In today’s world, the EU “must address internal and external challenges in an integrated manner” (European Council, A new strategic agenda 2019-2024, p.7). Implementing the universal 2030 Agenda is a responsibility of all EU institutions and Commission services. In the external sphere, the task at hand is to further ensure linkages between foreign, security, development and economic policy while not losing sight of the values agenda.
- A more inclusive approach. Experience has shown the limits of top-down, technocratic approaches. Ensuring relevance and impact requires more inclusive bottom-up approaches

that mobilize the full potential of all relevant actors, such as businesses, cities and LRGs, organized civil society, social and environmental movements, etc.

- *A more cooperative / interactive approach between spheres of governance (according to the principle of subsidiarity).* The scale of the challenges at stake means they cannot be addressed by a single sphere of government. Effective action requires co-design, and co-production and building synergies between all spheres of government (global, regional, national, local) to ensure coherence and impact. This also aligns to the partnership principles of SDG 17.
- *A more diversified approach to funding.* The resources required to address global challenges exceeds available public spending in both developed and developing countries. While efforts are done to leverage private sector funding, the potential to mobilize additional resources at sub-national level to promote the ownership of the local developmental agenda, is still to be largely tapped.

3

Cities and LRGs are essential allies of the EU in fostering inclusive and sustainable development

If the EU is serious about addressing global challenges (message 1) and committed to think and act differently along the lines suggested above (message 2), cities and LRGs are natural and unavoidable allies for the following (inter-related) reasons:

- *All development is ultimately “local”.* The local level is the place where the global challenges of today’s world (e.g. growing inequalities, job creation, the climate crisis, migration) affect the populations and become real. It is the level where centrally defined policies have to *land* and be implemented, public services have to be delivered and context-specific opportunities for sustainable development and local resource mobilization have to be identified and exploited.
- *Cities and LRGs are the frontline actors in “localizing” the SDGs.* Most SDG targets are closely related to the daily mandate of cities and LRGs. Their achievement will largely depend on credible national policies, notably on decentralization, as well as on the existence of empowered LRGs that can “own” the SDGs and translate them in local public policies and outcomes that are relevant for their local populations.
- *LRGs are also the frontline actors in dealing with migration,* be it in the country of origin, transit or destination (providing them basic services and local opportunities).
- *The battle against climate change will be won or lost at the local level.* The urgent transition to zero carbon is most effectively addressed by cities and LRGs -working in partnership with central government, business and other stakeholders.
- *Democracy needs strong local foundations.* As the closest level of government to people, cities, LRGs and their associations can provide an adequate institutional space for a continued engagement of citizens in shaping local public policies, co-producing public goods and services or demanding accountability, therefore promoting inclusive governance. This is especially critical at a time of disenchantment with politics and the siren calls of populism.
- *Creating additional wealth by supporting territorial development using LRGs as catalysts.* In Europe there is a longstanding tradition to unlock the potential of (deprived) territories by encouraging integrated approaches, spearheaded by cities and LRGs and complemented by national and EU funding as shown by the EU’s Cohesion Policies and, more recently, the Pact

of Amsterdam, dealing with integrated urban policies. This approach merits to be followed in EU external action as well, considering its potential to reduce inequalities, foster social cohesion and mobilize additional resources.

- *Engaging with LRGs as drivers of socio-economic development, innovation, culture.* In many places, cities and LRGs are initiating the transition to a new paradigm of development, exploring solutions to global problems of inclusivity, job creation, green economies, etc. They are embracing innovative models to engage with citizens, develop mutually beneficial public-private partnerships or test out (digital) ways to ensure high quality and resource-efficient public services. It is in the interest of the EU to pro-actively support these local “laboratories”, foster an upscaling of good practices and encourage effective partnerships with national states. To this end, it should also help to ensure that cities and LRGs have a seat in policy-making processes that affect them directly.

4

Despite promising policy frameworks and initiatives, cities and LRGs remain largely marginalized in EU external action

Over the last decade, **the EU and Member States have shown a growing interest in working with cities and LRGs.** This is reflected in:

- The EU Lisbon Treaty which recognizes the principle of subsidiarity and the Union’s own Cohesion Policies
- The 2019 EU Council decisions which emphasize that implementing the 2030 Agenda represents a shared responsibility and partnership involving the EU and its Member States, local and regional authorities and other stakeholders.
- An increasingly sophisticated set of policy frameworks (e.g. recognition of LRG as “state actor” under the Cotonou Agreement, which was further strengthened in the landmark Communication of 2013 on Empowering Local Authorities or the European Consensus on Development) acknowledge the distinct role and added value of cities, LRGs and their associations. A wide range of EU Council Conclusions also call on engaging strategically with LRGs to address pressing challenges (e.g. stability in the Sahel or migration).
- A growing number of EU initiatives and successful programmes (such as the Covenant of Mayors) targeting the local level or seeking to capacitate cities and LRGs (using various financing instruments).
- Several EU Delegations are engaging in more integrated territorial approaches to local development (TALD).
- New opportunities for structured dialogue between the EU and cities/LRGs and their associations at various levels.
- The conclusion of a first generation of “Framework Partnership Agreements” (FPAs) between EU and leading international and regional Associations of local authorities.
- Growing interest of the EU to support partnerships between cities/LRGs from Europe and from partner countries across developing regions.

Yet there is still **a major gap between EU policy commitments and actual implementation:**

- The local level is generally not seen as a strategic level of intervention (in line with the principles of subsidiarity and multi-level governance). Centralized and top-down sectoral

approaches continue to dominate.

- The role of cities and LRGs remains largely confined to “*implementing agencies*” or passive recipients of goals, policies and programmes conceived elsewhere. There is limited recognition of their “*general mandate*” to develop their own local public policies to unlock the potential of their territories. Few capacity programmes have a transformative agenda aimed at empowering LRGs.
- The participation of cities and LRGs and their associations in political dialogue with partner countries or in EU programming is still limited.
- As a result, EU interventions are seldom integrated in a strategic coherent vision on the place and role of cities and LRGs in the overall development process (as reflected in the limited LRG participation in sector budget support programmes).
- Direct access to smart funding for the own plans of cities and LRGs is problematic. Even if growing funds are dedicated to the local level, they generally are controlled by central level or managed by (external) implementing agencies.
- The potential role of Associations of LGRs -which was explicitly recognized in the EU’s 2013 Communication, in terms of capacity building, advocacy or strategic interlocutor of the EU-remains under-utilized.

5

The year 2020 is the right moment to build a deeper and mutually beneficial political partnership between the EU and cities / LRGs

There is a convergence of key processes and dynamics in 2020 which provide a **unique window of opportunity to upgrade the overall EU engagement approach towards cities and LRGs:**

- *Promoting effective implementation of the 2030 Agenda:* The 2017 European Consensus on Development underlines the EU’s commitment to the 2030 Agenda and gives recognition to the role of LRG and cities in its implementation. Likewise, LRGs throughout the EU and in partner countries are actively engaged in the localization of the SDGs and collaborating with central governments, civil society and other stakeholders towards this end.
- *The negotiation of a Post Cotonou Agreement:* the current treaty has a number of provisions on cities and LRGs. Yet they are limited in scope, lack an underlying political vision on the role of local level actors (in a multi-level governance system) and have not facilitated the effective participation of LGRs. The future agreement post 2020 should align to and incorporate the political orientations of the EU 2013 Communication regarding LRGs.
- *Towards a new comprehensive partnership with Africa.* This is formal commitment of the incoming Commission. It offers a strategic opportunity to revitalize the global vision of the 2007 Joint Africa-Europe Strategy (JAES) and put in place a truly balanced political partnership which includes all relevant actors and levels of governance. This could also help to accelerate the full-fledged participation of LRGs as key actors of the African development agenda and integration process.
- *The Multi-Financial Framework of the EU for the period 2021-2027.* The current MFF included a (small) dedicated budget line for local authorities. The proposed new architecture of financing instruments does not foresee a continuation of this thematic line but opts for partnering with LRGs through the various geographic windows. While the latter mobilize very substantial funding and needs to be pursued, access for LGRs can be problematic due to

	<p>resistance of central governments and ineffective procedures. Innovative approaches to ensuring continued direct and enhanced LRG access to EU funds -without antagonizing central governments- are therefore required.</p> <ul style="list-style-type: none"> ➤ <u><i>New forms of development finance.</i></u> The growing focus on leveraging private sector funding and investments (e.g. through the European External Investment Plan) is another opportunity not to be missed in terms of associating cities and LRGs. Many of them are keen to develop their territories by connecting to national, regional and global markets and attracting investments. ➤ <u><i>Responding to the EU's own interests.</i></u> The new geopolitics of the European agenda will further blur the lines between internal and external priorities and policies. The task at hand will be to explore how cities and LRGs can contribute to addressing these legitimate European concerns (e.g. on migration) while upholding values, integrating the development dimensions and keeping a long-term perspective. ➤ <u><i>Growing evidence that stronger collaboration between the EU and cities/LRGs delivers results.</i></u> Despite multiple constraints, EU actors have been experimenting innovative forms of support to cities/LRGs. Initial lessons learnt from these pilots shows an important “return on investment”.
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<h2 style="color: red;">TEN RECOMMENDATIONS</h2> <h3 style="color: red;">TO BUILD A DEEPER POLITICAL PARTNERSHIP BETWEEN THE EU AND LRGs</h3>	
<h1 style="color: blue;">1</h1>	<p>Recognize the “local level” as a key democratic and strategic level of intervention. <i>This will help to create space for innovative bottom-up processes of territorial development and inclusive governance. It will facilitate closer and more constructive relations between the national, regional and local levels of government based on the principle of active subsidiarity. It will ensure a better integration of the spatial dimension in all EU support programmes (particularly sector operations) and increase the overall coherence and effectiveness of EU interventions in a given context.</i></p>
<h1 style="color: blue;">2</h1>	<p><i>Within that local sphere, recognize the unique position of LRGs as state actors and autonomous political entities with a general and democratic mandate to develop local public policies in the interest of their local communities (and therefore not to be confused with the role of ‘non-state actors’). This gives them the political legitimacy to act as catalysts of territorial approaches to local development (TALD). The vision of LRGs as self-governing entities is consistent with the European Charter of Local Self-Government adopted by the Council of Europe in 1985 and a number of other international and African instruments (such as the 2014 African Charter on the Values and Principles of Decentralisation, Local Governance and Local Development).</i></p>
<h1 style="color: blue;">3</h1>	<p><i>Promote an effective application of the 2013 Communication on empowering LRGs and their associations as autonomous and accountable developmental actors. This clearly applies to all LRGs, not only cities. The EU vision on the role of LRGs in this document is state-of-the-art. Now is the time to provide the necessary incentives to translate this vision into practice both at the level of EU Delegations and in Headquarters. To this end, the top management of the Commission and EEAS (European External Action Service) should provide clear political and operational guidelines</i></p>

	<i>to staff across the board on how to engage strategically with cities, LRGs and their associations</i>
4	<i>Acknowledge that territorial approaches to local development (TALD), driven by LRGs, need supportive national policies to be successful and sustainable. Taking into account prevailing political conditions, promote development-friendly decentralization reforms that open-up space for cities and LRGs to elaborating their own public policies and creating additional wealth through local development and mobilizing local resources</i>
5	<i>Facilitate the process of “localizing” the SDGs by enabling cities, LRGs and their associations while giving them a bigger role in setting priorities, establishing partnerships with local actors, executing plans or monitoring results at subnational level. In doing so, also recognize the limits of a purely bottom-up approach and promote effective dialogue and collaboration with national governments in pursuing the SDGs. The task at hand is to pursue “cooperative multi-level governance partnerships” with cities and LRGs across the board (e.g. by involving LRGs and their associations in national SDG coordinating mechanisms and reporting to the UN). In this context, the EU’s comprehensive implementation strategy on the 2030 Agenda and mainstreaming the SDGs needs to include the territorial approach for the delivery of the SDGs.</i>
6	<i>Promote a genuine participation and integration of cities and LRGs -and their Associations- in the political dialogue with national governments, regional organizations and related EU programming processes. The opening of such a space for a meaningful and regular political dialogue is a core strategic innovation required for the future Post Cotonou Partnership Framework, the new deal with Africa as well as for other EU policy frameworks up for review. It would give a concrete meaning to the concept of “multi-actor partnerships” or “multi-level governance”. In the same logic, national, regional and global Associations of LRGs (such as the five FPAs) should continue to be supported in their multiple roles (advocacy, capacity development, policy interlocutor). They should be invited to co-design new-style EU engagement approaches and support modalities towards to cities and LRGs.</i>
7	<i>Strive for the systematic inclusion of cities and LRGs in all relevant EU policies and programmes. This is particularly important for EU-supported sector budget operations (e.g. in health, education, water and sanitation), which tend to marginalize / bypass LRGs -despite their formal mandates (enshrined in the Constitution or in laws) to contribute to delivering the services in the sectors concerned. It should equally apply to policies developed by EEAS and other DGs on migration, security, climate change and_situations where LRGs may still be weak or underdeveloped (for example in some small island developing states).</i>
8	<i>Put in place the necessary guarantees and financial / procedural arrangements to ensure that cities, LRGs and their associations can access resources under the geographic and thematic instruments of the future MFF. This implies smart funding approaches, mechanisms and modalities that allow cities and LRGs to obtain and manage EU funds (e.g. in the framework of sector budget support operations and place-based development), direct grants for cities and LRGs to fulfill their general mandate or test out pilot projects. This should also include dedicated funds to support such areas as decentralized cooperation and city-to-city partnerships. In respect of the public nature of cities and LRGs (as state actors with public policies and budgets) the EU should refrain from using the Call for Proposal modality. There is no objective reason to treat LRGs in terms of funding differently than central governments.</i>

<p>9</p>	<p><i>In order to promote more strategic, integrated and coherent EU approaches to engaging with cities and LRGs, incentives should be provided to EUDs to elaborate, together with representatives of cities, LRGs and their associations, a “Local Authorities Roadmap” at country level. This would serve as a political cooperation instrument to mobilise and engage cities and LRGs in formulating and implementing relevant policies and cooperation interventions. EU staff willing to move in this direction should be given technical and operational support including through additional guidance and training on how to promote territorial approaches to local development.</i></p>
<p>10</p>	<p>Organize a new institutionalized political dialogue between EU institutions and relevant Associations of LRGs to jointly explore on how a mutually beneficial partnership could be developed to respond to pressing domestic EU concerns (e.g. migration, climate action, security) while upholding values and integrating critical development dimensions. Such a dialogue would provide a concrete opportunity for cities and LRGs to demonstrate their potential added value. As part of this approach, the current European multi-stakeholder platform on the SDGs, which involves LRGs, should become a permanent advisory body to contribute to the development of the envisaged EU strategy and action plans for Sustainable Europe 2030, to monitor its implementation and the impact of EU policies and tasked to share good practices and knowledge.</p>