

## INFLUENCING THE FUTURE PROGRAMMING GUIDELINES FROM AN LRG PERSPECTIVE HOW CAN IT BE DONE?

### Background

1. Since the early 2000s, EU aid is “programmed” to ensure a more strategic and coherent allocation of the support provided. In the initial years, highly centralized approaches to programming prevailed exclusively focused on national authorities. Over time, programming processes opened up for civil society and gradually also to the private sector. Though the EU made formal commitments to also include LRGs, effective participation so far has been very limited.
2. For the past two years, the EU has been preparing its **new budget or “Multi-Financial Framework” (MFF) for the period 2021-2027**. A major (potential) novelty is the simplification of the overall architecture of financing instruments for external action, as illustrated by the proposed “single” regulation for using the new budget, the so-called “*Neighbourhood, Development and International Cooperation Instrument*” (NDICI). The worrying element is that the draft NDICI regulation is very vague on the role and place of LRGs in the new architecture for spending EU aid.
3. It may be **too late to change the NDICI regulation** -even if the planned schedule for moving ahead with the new EU budget (MFF) is likely to be fundamentally shaken up by the COVID crisis<sup>1</sup>. Hence the idea to **rather seek to influence the “programming guidelines”** that the EU still needs to produce and disseminate in the coming months<sup>2</sup>. **This note complements the 2019 “Memorandum”<sup>3</sup>**, elaborated by leading LRG Associations, which called for a deepened and mutually beneficial political partnership with the EU. It makes **concrete operational proposals** to ensure a full-fledged integration of LRGs in the upcoming programming process.

### The starting point: the nature and format of EU programming guidelines

4. Programme guidelines are instructions provided by HQ (i.e. the European External Action Service and the various Directorate Generals of the EC involved) to EU Delegations (EUDs) on how to carry out the more detailed programming exercise<sup>4</sup> at country and regional levels, in principle before the end of 2020 (as the purpose is to start using the funds of the new MFF by January 2021).
5. In order to influence the elaboration of the next generation of EU programming guidelines, it is important to carefully look at the format used to provide these instructions to EUDs. This can help to ensure that the operational proposals of the LRGs are “*fit for purpose*” and can be integrated in the overall structure and text of the EU programming guidelines.
6. When examining the format of the EU programming guidelines of the past cycle (2014-2020), **three main “entry points”** clearly appear which could be used by the LRGs for exercising influence. They relate respectively to the sections in the future guidelines dealing with:
  - **The global context and the overarching EU policies and strategies** that will underpin the future programming. EU guidelines generally start with a listing of these core policy documents that EUDs should use to **focus** the support provided to partner countries / regions in line with their priorities as well as the EU’s own interests.
  - **The guiding principles** which EUDs should apply in programming. EU guidelines explicitly define a limited set of principles to be applied across the board. They give instructions on **how to cooperate** in practice.
  - The **institutional set-up** for carrying out the programming **in terms of process and actors** to be consulted.

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<sup>1</sup> Voices can be heard that the whole MFF exercise may be postponed to early 2021.

<sup>2</sup> The COVID crisis is most likely to delay the process of formulating these guidelines as well as the programming process itself.

<sup>3</sup> See Memorandum by AIMF, CEMR/PLATFORMA, CLGF, UCLG, UCLG-AFRICA on: “*Time for a more ambitious political partnership between the EU and cities/local and regional governments in the external action of the Union*”. December 2019

<sup>4</sup> A novelty in EU programming is that all EUDs were asked this time to start the whole process with a reflection on core political priorities for a given partner country / region. The resulting “Concept Note” (max. 5 pages) should then guide the more detailed programming process and related negotiations with partner countries/regions on priority sectors, actors targeted, modalities, etc.

7. Hence, the task at hand is to examine what concrete LRG proposals could be made related to each of these three entry points which will most likely structure the future guidelines.

### Operational proposals for the new programming guidelines from an LGR perspective

8. The **first set of LRG proposals relate to the global context and key EU policy documents which will orient future programming**. To a large extent, the list of overarching EU policies to be included in the guidelines, can be anticipated. There will be extensive references to the EU Lisbon Treaty, the EU Global Strategy, the universal 2030 Agenda, the various (updated) regional strategies of the EU (Cotonou Agreement, Neighbourhood, Enlargement, Asia, etc.) as well as to the 2017 Consensus on Development. All these policy frameworks are highly relevant yet they tend to contain **only generic references to the role of LRGs** and to territorial development objectives. The risk involved is that the concerns of LRGs will again not feature prominently in the guidelines.
9. Against this background, LGRs should insist that at **least four existing EU policy commitments are explicitly mentioned and spelled out** in the future programming guidelines:
  - (i) The EU Lisbon Treaty section which recognizes the **principle of subsidiarity and the Union's own Cohesion Policies** -as this would open the door to also promote territorial development in EU external action.
  - (ii) The **Communication of 2013 on Local Authorities** and related EU commitment to "empower" LRGs as development actors and catalysts of territorial development. This would provide a clear mandate to EUDs to engage strategically with LRGs<sup>5</sup>.
  - (iii) The Agenda 2030 components that stress the need to "**localize**" the **SDGs** (as condition for effective implementation) and on the "5 Ps" including "**partnerships**" (i.e. SDG 17 on multi-actor approaches). This is probably the major "**change maker**" when it comes to convincing the EUDs to invest more at local level and engage with LRGs.
  - (iv) The **Paris Agreement and the EU Green Deal**. Considering the central place of climate related issues in future programming, it will be key to ensure a clear link to the role of LRGs<sup>6</sup>.
10. A **second set of operational proposals** that could be made relates to the **guiding principles** that will inform future programming choices<sup>7</sup>. This is probably the most important entry point to be optimally exploited by the LRGs in order to foster innovative approaches to programming. Experience has demonstrated that EUDs take these instructions seriously as they know their programming documents will have to be validated by HQ. **Three guiding principles could thus be proposed** for incorporation in the future guidelines:
  - (i) The **integration of the spatial dimension in EU support to national/sectoral priorities of partner countries** (i.e. "la territorialisation des politiques publiques") to overcome ineffective vertical and silo-based approaches to public policy-making<sup>8</sup>.
  - (ii) The **effective mainstreaming of LRG participation** in all relevant EU (sector) support programmes<sup>9</sup> and instruments (including blending). This would be in line with the 2013 Communication which recognizes the distinct role and added value of LRGs in the development process and with the imperative of "**localizing**" the SDGs for achieving a wide range of targets.
  - (iii) The **promotion of territorial approaches to local development** (TALD) as a self-standing EU policy objective so as to unleash the development potential of territories through LRGs acting as facilitator of effective partnerships between local actors.

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<sup>5</sup> To explicitly include a reference to the 2013 Communication will not be an easy battle as EU programming guidelines concentrate on a limited set of core policy documents and generally do not list individual Communications.

<sup>6</sup> Several EU programmes already fully engage with LRGs on climate issues (see the Covenant of Mayors). Furthermore, the draft NDICI regulation recognizes that for a wide range of global challenges, particularly climate, it will be key to ensure "**engagement with local authorities**" (NDICI, Article 3, 2 point (b))

<sup>7</sup> Examples of "guiding principles" of the past cycle include: "**ownership**"; "**a concentration on maximum 3 sectors**"; "**more for more**" or "**flexibility in delivery**". The guidelines of DG NEAR included an explicit guiding principle related to the inclusion of civil society (inspired by the context of the Arab Spring revolts).

<sup>8</sup> Several EUDs are already applying this principle by actively supporting regionalization dynamics in partner countries (e.g. Morocco).

<sup>9</sup> Available evidence shows that a growing number of EUDs now understand they cannot ignore the role of LRGs when they provide sector (budget) support to national authorities as this may not be consistent with the prevailing decentralization laws in a country and may hamper the empowerment of LRGs.

11. The inclusion of these three guiding principles would pave the way for an effective operationalization of the core recommendations of the LRG Memorandum of November 2019. Furthermore, **each of these principles would confirm existing EU funding practices related to LRGs**. Indeed, at this stage, EUDs already have three major choices to reach out to LRGs by supporting:
- National policy reforms (such as decentralization) which affect LRGs;
  - Sector (budget) programmes (e.g. on rural development or energy) which integrate LRGs; and
  - Territorial approaches to local development (TALD) which empower LRGs to play a catalyst role in the process.
12. By enshrining the corresponding principles mentioned above (par 10) in the programming guidelines, the EUDs could be further encouraged to allocate resources to one of these three avenues for supporting LRGs.
13. The **third set of operational proposals** should seek to influence the institutional set-up of the programming process, including the **modalities for effective consultations and methods of cooperation**.
14. The **EU has already committed itself in the past to consulting LRGs in programming processes** in treaties (e.g. Cotonou Agreement), regional strategies (e.g. the European Neighbourhood Policy) or in programming guidelines (2012). The draft NDICI Regulation reiterates this engagement by stressing that *“the Union shall also consult other donors and actors, including local authorities, representatives of civil society and, where relevant, the private sector, in order to facilitate their respective contributions, as appropriate, and to ensure they play a meaningful role in programming”* (NDICI, Article 10, 2, point c).
15. This provision will most likely be integrated in the future programming guidelines. Yet that does **not** guarantee at all that this time LRGs will be more effectively and meaningfully concerned. Experience has shown **the problem does not lie in the EU guidelines** as these tend to be very clear on the inclusive nature of programming since more than a decade. The real obstacles lie in (i) resistance from central governments: (ii) the structural capacity constraints of LRGs and their associations to effectively engage in programming processes and (iii) lack of tradition and know how at the level of the EUDs on how to dialogue with LRGs.
16. Hence, the LRG response in this area should not consist in advocating for the inclusion of *“more text”* in the future programming guidelines. The task at hand is to **empower national/regional associations** to be more pro-active, demand effective participation in the next programming cycle and above all, be able to defend the need for territorializing public policies, mainstreaming LGR in sector operations and promoting territorial approaches to local development. Another option is to **produce concrete guidance for EUDs on how to consult effectively with LRGs** (yet that falls outside the scope of the programming guidelines).
17. The **“methods of cooperation”** are a standard component of EU programming guidelines. They relate to the modalities for accessing funds. The draft NDICI regulation mentions the possibility for LRGs to benefit from *“decentralized cooperation”* schemes through partnerships between cities and LAs from Member States and partner countries (Article 22, 7, point c). As there is (at this stage) no longer a dedicated budget line for LRGs, **funding will need to be accessed through the geographical programmes**.
18. The draft NDICI regulation lists the different forms of EU funding and related procedures (e.g. grants, procurement contracts for services, supplies or works, budgetary support, trust funds, blending operations, etc.). The challenge at hand will be to **“carve out” a space for direct support for LGRs within these various types of funding**. However, this is not something that can be regulated in detail in programming guidelines ! It is a *“battle”* primarily to be conducted during the identification and formulation of a specific EU support programmes in a given country. However, the above mentioned *“guiding principles”* for programming (par. 10) can help to open up space for direct LGR support by insisting on territorialisation of public policies, mainstreaming and TALD.

