



INSTRUMENTS AND OPPORTUNITIES UNDER THE NEW EU APPROACH TOWARDS LOCAL GOVERNMENTS

Dialogue and capacity building of
local and regional authorities
in EU partner countries
in the fields of development
and local governance

2015



PLATFORMA

The European voice of **Local** and
Regional authorities for development



**Instruments and opportunities under the new
EU approach towards Local Governments**

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1. OBJECTIVES AND PRINCIPLES OF EU DEVELOPMENT COOPERATION

The primary and overarching objective of EU development cooperation¹ is the **eradication of poverty** in the context of sustainable development and the Millennium Development Goals (MDGs)². A reduction of poverty will help meet other challenges, such as HIV/AIDS, conflict, migration and sustainable development.

Through its aid cooperation, the EU is also promoting **democratic values**, which are considered essential to the success of development policies i.e. respect for human rights, democracy, fundamental freedoms and the rule of law, good governance, gender equality, solidarity and social justice.

In line with the Paris declaration³, the EU is putting more stress on **ownership** of development programmes i.e. partner countries are mainly responsible for their own development. They must therefore define themselves the priorities and measures, which they consider important for their future and ensure that there is coherence and consistency between proposed development measures. EU aid must be based on these national strategies and complement domestic resources. Furthermore, the EU must make sure that its support is well coordinated with the initiatives from other donors so that their efforts complement each other within a single framework agreed with the partner country.

Partnership is another key principle of EU aid cooperation: development strategies are not only agreed between the partner country and the EU but all segments of society should be consulted to ensure that needs are well understood, solutions proposed are feasible and supported by all. In this context, the EU has emphasised⁴ the importance of **local governments as key actors in development policies** and proposed to strengthen their participation in the design and implementation of European development policy⁵.

In its recent communication the '*Agenda for Change*'⁶, the EU has spelled out a more strategic approach to its development policy to adapt it to the changing balance of global economic power: a number of partner countries are making rapid progress in reaching their development goals while others remain trapped into poverty. It is necessary therefore to recalibrate EU assistance taking better account of the level of development and the context of each partner country. The Agenda for change calls for a more **differentiated approach** to partnerships and aid allocation and a **concentration** of resources on key sectors of development: assistance should be allocated on the basis of country needs, capacities, commitments, performance and potential EU impact and resources concentrated on a maximum of three sectors. The *Agenda* also stresses the importance of local governments in development policies.⁷

The mix and level of aid will depend on the country's situation, including its ability to conduct reforms. Priority will be given to countries that are in the greatest need of external support and where aid can have a high impact. Countries with higher level of development will no longer receive bilateral grant aid but will instead be offered new forms of partnerships corresponding to their needs⁸.

Human rights, democracy, and good governance are considered to be critical for achieving social and economic development and will be given greater prominence in future EU funding. Economic growth is also considered to be crucial to long-term poverty reduction. However, growth should benefit people with more and better jobs and should not compromise the environment and natural resources. EU aid will therefore be directed to reforms promoting **inclusive and sustainable growth**.

¹ The European Consensus On Development (2006/C 46/01), Joint Statement by the European Council, the European Parliament and the European Commission.

² The eight MDGs are to: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce the mortality rate of children; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability and develop a global partnership for development. Each objective includes specific targets to be reached by 2015.

³ The Paris Declaration was signed in 2005 among major donors in order to increase the effectiveness of international aid. The declaration enounced five core principles that should be at the heart of aid cooperation: ownership, alignment, harmonisation, results and mutual accountability.

⁴ COM(2008) 626 final Communication from the Commission Local authorities: actors for development. A new version is under preparation. See below section 3.3.

⁵ In particular through the thematic programme Civil Society Organisations and Local Authorities (CSO-LA), see below.

⁶ COM(2011) 637 final Communication from the Commission, Increasing the impact of EU Development Policy: an Agenda for Change.

⁷ "The EU should strengthen its links with [...] Local Authorities, through regular dialogue and use of best practices. [...] The EU should consider ways of mobilizing local authorities' expertise, e.g. through networks of excellence or twinning exercises". Agenda for Change, page 6.

⁸ Under the new Partnership Instrument, see below section 1.2.2.



This will include a focus on social protection, health and education policies, the promotion of a stronger business environment and deeper regional integration and the development of sustainable agriculture and energy.

As the deadline for new MDGs comes closer⁹, there is a growing awareness that the challenges of **poverty eradication and sustainable development** are inter-related and need to be addressed together by all countries. The EU has recently articulated its vision for a post-2015 agenda advocating for the incorporation of the three dimensions of sustainable development: social, economic and environmental¹⁰. The new global development agenda to be agreed under the auspices of the UN will undoubtedly shape future EU development cooperation.

2. FINANCING MECHANISMS OF EU DEVELOPMENT COOPERATION

The European Union is the world's largest development aid donor. In 2013, the total amount of assistance¹¹ amounted to EUR 55.2 billion or 55 % of the total development aid worldwide. In spite of recent economic difficulties, the EU remains committed to increasing its official development assistance to the UN target of 0.7 per cent of its gross national income (GNI) by 2015¹².

The EU aid budget consists of several **financial instruments** which provide the legal basis for implementing **geographical programmes** i.e. targeting a specific region or country and **thematic programmes** i.e. centred on specific issues.

Each financial instrument is endowed with a specific budget covering a period of seven years corresponding to the duration of the EU budget, the so-called **financial perspectives**¹³.

Geographical programmes are centred on the needs of specific countries/regions. They are implemented on the basis of multi-annual country or regional strategies, which detail the priorities of development. These strategies (and the programmes to implement them with national and EU funding) are developed by partner countries in cooperation with the EU. Local governments and civil society are invited to contribute to their design and implementation in line with the principle of partnership.

Thematic programmes are focusing on specific issues of common interest to the EU and its partners across the world. They are opened to EU member states and EU partner countries worldwide and are implemented on the basis of multi-annual thematic strategies defining objectives and priorities eligible for funding.

Both geographical and thematic programmes are implemented through different modalities that can be complementary: single project, sector programme, budget support, grant schemes, etc. Thematic programmes are often implemented by means of grant schemes to which local governments are eligible (see section 4 below).

The following paragraphs provide an overview of EU financial instruments/programmes relevant for Asia-Pacific countries.

⁹ The United Nations is in the process of defining a post-2015 development agenda. This agenda will be launched at a Summit in September 2015, which is the target date for realizing the MDGs.

¹⁰ EC Communication, February 2015: "A Global Partnership for Poverty Eradication and Sustainable Development after 2015".

¹¹ EU and its member states.

¹² It stood only at 0.43% in 2013.

¹³ The ongoing financial perspectives cover the period 2014-2020.

2.1 Instruments funding geographical programmes

1. *European Development Fund* (EDF) is the instrument for implementing the Cotonou Agreement¹⁴ covering 79 ACP countries¹⁵.

– 15 Asia-Pacific countries are involved in EDF national/regional programmes.

2. *Development Cooperation Instrument* (DCI) supports the efforts of 47 low and middle-income countries in Latin America, Asia¹⁶, Central Asia, Middle East and South Africa in reducing poverty and enhancing sustainable development and social progress towards faster integration into the world economy.

– In line with the differentiation principle, 16 middle-income countries are slated to graduate from bilateral assistance¹⁷. Those countries however, while remaining eligible for regional cooperation & thematic programmes under DCI (see section 4 below), and will be offered new forms of partnerships.

2.2 Instruments funding thematic programmes¹⁸

1. *Instrument for Stability* (IfS) is strengthening security in partner countries to cope with actual or emerging crisis and to prepare for future crises and global and trans-regional threats.

2. *European Instrument for Democracy & Human Rights* (EIDHR) is contributing to the development and consolidation of human rights and fundamental freedoms, democracy and the rule of law worldwide.

3. *Instrument for Nuclear Safety Cooperation* (INSC) is supporting the promotion of a high level of nuclear safety, radiation protection and the application of efficient and effective safeguards of nuclear material in third countries

4. *Global Public Goods*¹⁹ and Challenges supports actions in areas such as the environment and climate change, sustainable energy, human development, food security and sustainable agriculture, and migration and asylum.

5. *Civil Society Organisations and Local Authority* (CSO-LA) finances initiatives in the area of development by or for civil society organisations and local governments originating from partner countries, the Union, candidate countries and potential candidates.

– All Asia-Pacific countries are entitled to take part in thematic programmes. However, participation may be restricted for specific budgetary year e.g. the CSO-LA calls for proposals to be launched under the 2014 allocation targets only 29 of the 47 DCI countries.

– The EC adopts a strategy for each programme which details its objectives, priorities, implementation modalities and partners involved. When calls for proposals are organised, guidelines for applicants specify the organisations that can apply. In practice, local governments are not always given access to funding opportunities²⁰.

¹⁴ The Cotonou Agreement is the most comprehensive partnership agreement signed in 2000 between the ACP countries and the EU. The fight against poverty remains one of its prominent objectives. However, the emphasis is also put on greater integration of ACP countries into an increasingly globalised economy. The importance of local governments as actors of development is recognised for the first time and their participation in all aspects of cooperation is greatly encouraged.

¹⁵ The EDF is not funded out of the EU budget but is made up of voluntary contributions from member states.

¹⁶ Afghanistan, Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Lao, Malaysia, Maldives, Mongolia, Myanmar.

¹⁷ Of which among Asian countries are China, India, Indonesia, Malaysia, Maldives and Thailand.

¹⁸ The last two thematic programmes are funded under the DCI.

¹⁹ Public goods are defined (WHO) as goods and services that are “non-rival” and “non-excludable”. In other words, no one can be excluded from their benefits and their consumption by one person does not diminish consumption by another. They range from street signs to a clean environment and they are provided by non-market mechanisms, such as the state or, sometimes, voluntary organizations.

²⁰ For example, in the previous financial perspective 2007-2013, the programmes European Instrument for Democracy & Human Rights, Environment and natural resources and Migration and asylum were not opened to local governments.



3. LOCAL GOVERNMENTS AND EU DEVELOPMENT COOPERATIONS

3.1 EU policy on Local Authorities in development policy²¹: current situation and prospects

Local governments are important actors for development. They deliver services essential to the well-being of citizens and the reduction of poverty (urbanisation, water and sanitation, assistance to vulnerable groups and poor populations in remote areas, etc.). Their proximity to the people they represent and serve and their understanding of local needs mean that they are well placed to provide responses to poverty and development issues in their communities. This is even truer in the context of decentralisation processes engaged in many countries to bring decision-making and governance closer to the people. On the other hand, local governments' connections to the central government remain crucial to mobilise the resources of the state in favour of local needs. Local governments can therefore improve the relevance of development policies and be instrumental in generating collaborative approaches for attaining common development goals through cooperation projects. They can also fulfil an important communication function by increasing public awareness and rallying additional support for development.

Aware of this, the EU has devised its own strategy to promote the involvement of local governments in development since 2008. The first EC Communication "*Local authorities: actors for development*" called for the first time for a holistic approach to local governments as actors of development at global, European and national level. The Communication identified the main challenges related to decentralised cooperation: *how to exploit the potential of local governments to implement development policies and reach MDG goals? How can local governments contribute to a more effective implementation of aid in line with the Paris declaration? How to ensure greater cooperation between local governments from the EU and partner countries?*

Some of the solutions advocated in the communication have been put into effect including instruments such as the *Portal of decentralised cooperation*²² to map activities and best practice, and enable information exchange in order to match skills and capacities with needs, and the *Assises of Decentralised cooperation for political dialogue*.

In its **Communication on Local Authorities** adopted in May 2013²³ the EU emphasises the **role of local governments** in the new (post-2015) Development Agenda²⁴ and seek to unlock their development potential. Local governments are considered essential partners to implement the objectives and reach the targets agreed at global level. Given their proximity and territorial presence, they can make decisive contributions to poverty reduction and sustainable development, acting as catalysts for change and mobilising local populations. For example, by developing social infrastructure for deprived communities, local governments can raise health and education levels; by providing a conducive business environment, they can spur growth and create jobs and by putting in place a sound management of water resources, they can improve the quality of life and preserve the environment. In this context, the EU advocates the use of the territorial approach considered as the most effective way to tackle development issues.

The EU puts the emphasis on local governments and their associations as partners in development (rather than beneficiaries) and welcomes their role in shaping the international development agenda. The EU also promotes enhanced political, administrative and fiscal autonomy through decentralisation reforms and budget support. It calls for a more conducive environment at national and local levels and efforts to reinforce the capacities of local government to enable transparent and accountable policy-making and service delivery at the local level.

²¹ In the EU's vocabulary, the term "local authorities" is defined very widely – it includes all kinds of sub-national governments, from the powerful law-making regions (German Länder, or Spanish regions) to small towns and municipalities.

²² <http://lra4dev.cor.europa.eu/portal/en/Pages/welcome.aspx>

²³ COM (2013) 280 final "Empowering Local Authorities in partner countries for enhanced governance and more effective development outcomes".

²⁴ See section 1.

In this context, the EU identifies four main areas, which will guide its action towards local governments:

1. **Decentralisation processes:** the EU will support demand-driven and long-term decentralisation reforms in partner countries creating the conditions for local governments to fulfil their mandate effectively²⁵.
2. **Capacity development of Local Authorities:** the EU will put the emphasis on the reinforcement of capacities for local good governance, in particular with regard to inclusive service delivery but also to enable the effective involvement of local governments in development policies
3. **Sustainable urbanisation:** the EU will support efforts of local governments to address the challenges of rapid urbanisation, in particular through better land access and the adoption of city policies for slum upgrading
4. **Association of Local Authorities:** the EU will help reinforce the role of associations of local governments in advocacy and lobbying, coordination and knowledge sharing, quality supervision and promotion of participative local development plans. In this context, the EU is also encouraging further partnerships between associations of local governments in EU and partner countries.

In terms of implementation of assistance, the EU is envisaging innovative funding modalities facilitating flexible, transparent and cost-effective access to resources at local level such as:

* Performance-based grant for local service delivery: the EU will provide support for delivering quality services to citizens based on the results of annual assessment of local governments' institutional performance.

* *Direct grants for associations of local governments:*

- in case there is a single national association representing the interests of its members with sufficient legitimacy, the EU may provide a grant without calls for proposals (i.e. "direct grant") to that association to strengthen its capacities and develop its activities on the basis of a partnership agreement/memorandum of understanding with the EU. The EU Delegation will be in the driving seat to conclude and monitor direct grants to national associations of local governments.
- The same applies to regional and global associations. However, direct grants will be awarded directly from the EU HQ.

* *Sector budget support with involvement of local governments:*

- Budget support operations might be used, particularly Sector Reform Contracts, to support improved service delivery. These could be decentralised in order to better reach the target population or institutions, for example in health, education, water, sanitation, agriculture, or the process of decentralisation itself²⁶.

The EU will also continue to use grant schemes (see section 4.5) in order to promote good governance and development at the local level, including through decentralised cooperation. In this context, local governments in EU and partner countries are being encouraged to address together the issues highlighted in the new Communication through **concrete projects, partnerships, networking, capacity building and exchange of experience and best practice.**

²⁵ The EU considers fiscal decentralisation as a strategic entry point to progressively build an accountability culture.

²⁶ However, the EU will not intervene into the decentralisation debate at country level. It will be up to each national authorities to decide whether or not to involve local governments in sector policies. Associations should therefore play an active role in ensuring that budget support can be channelled to the local level through effective mechanisms of devolution or decentralisation.



3.2 What are the opportunities for local governments in EU development cooperation?

All geographical programmes encourage the involvement of non-state sectors and local governments in the dialogue with state governments on development strategies and sectoral policies, as well as in the preparation, implementation and monitoring of development projects and programmes.

With the help of their associations, local governments can, therefore, influence the objectives of assistance and the design of programmes/projects in order to ensure that the needs of their populations are properly addressed. They can also take part in implementing projects, ensuring that activities are realistic and feasible, and that they take into account local circumstances. This requires local governments, however, to be sufficiently empowered to perform these roles and to be recognized by the state governments as reliable interlocutors and partners.

However, local governments cannot participate effectively unless there is a common understanding about the process of development cooperation and adequate capacity for taking part in it. Local Government Associations should take the lead in increasing understanding of development cooperation among local governments, preparing them for an active and fruitful participation and giving more clout and visibility to their contributions. They should also lobby so that local governments are given a wider access to EU thematic programmes. This in return will increase their legitimacy and facilitate cooperation with their members on other activities.

Local governments also have plenty opportunities to take part in development cooperation under the EU thematic programmes. The most relevant programme is of course the Civil Society Organisations & Local Authorities programme (see sections 4) which is specifically targeting the needs of local governments in development. However, there is scope for local governments' involvement in other thematic programmes. Moreover, most thematic programmes are implemented according to the same principles and rules (see section 4.5).

3.3 How can local governments benefit from opportunities under EU development cooperation?

Local governments should target opportunities under both the geographical and thematic programmes.

Regarding geographical programmes, local governments should get familiar with the Country Strategy Paper (CSP) and National Indicative Programme (NIP), which their country developed with the EU to access EU funding. They should also be aware of opportunities under regional or multi-country programmes funded by the EU to foster regional integration or tackle issues of common interest (such environment, energy, education, etc.) to countries of the same region. The EuropeAid website gives access to all official documents²⁷. The CSP presents the current political, social, economic and environmental situation, identifies medium-term development needs and proposes a strategy for the next years. The NIP explains how the country intends to implement the CSP with resources available from the EU. It therefore describes the eligible areas of support together with the breakdown of the country's EU allocation and the delivery mechanisms envisaged e.g. grant, investment facility or general budget support. These documents, therefore, give a good overview of EU funding opportunities in the coming years. In practice, however, CSP rarely include programmes focusing on local governments and the enhancement of their institutional and operational capacities. There were more opportunities under regional and multi-country programmes²⁸.

²⁷ https://ec.europa.eu/europeaid/countries-territories-and-regions-where-we-are-active_en

²⁸ For example, local governments were eligible under the calls for proposals organised under the ACP-EU Energy Facility and the ACP-EU Water Facility. Many calls for proposals under the NSA-LA thematic programmes were not opened to local governments.

Local governments should establish contact through their associations with the governments in charge of development cooperation in their country²⁹. Local governments and their associations should take a pro-active stance and try to get involved in the programming process, in particular to influence the objectives of cooperation and to include specific support at local level.

Local governments can be involved in the implementation of geographical programmes as beneficiaries of a project e.g. rehabilitation of a road as part of a transport project. Their role is then to facilitate the implementation of activities. Local governments can also develop and implement a project themselves in the framework of a call for proposals for which they are eligible. Some NIPs may also specifically include support for local governance, which can lead to concrete projects to build the capacity of local governments through a number of activities e.g. training, technical assistance, grant schemes, etc. Local Government Associations can help their members remain abreast of upcoming opportunities and understand what they need to do in order to access them.

In addition to the programme specifically dedicated to local governments (see next section), there are opportunities for local governments in all thematic programmes (see above section 2.2).

3.4 Conclusions of the PLATFORMA Seminar for Dialogue and Capacity Building of Local and Regional Authorities in the fields of Development and Local Governance (Manilla, 29-30 April 2015)

Active since 2008, PLATFORMA is a network of European local and regional authorities, which seeks to enhance the role of local governments in development policies. Thanks to PLATFORMA, local governments and their associations have been maintaining a fruitful dialogue with the European Commission on development policies and decentralised cooperation. In particular, PLATFORMA and its members actively contributed to the consultation process which informed the new EU Communication on local governments³⁰.

As part of its activities, PLATFORMA regularly organises regional seminars to facilitate networking and exchange of knowledge and information among local governments and associations of local governments from the EU and partner countries. The seminar was held for the first time in the Asia-Pacific region on 29 and 30 April 2015. The city of Makati (Manila, Philippines) hosted the event, which gathered x participants from X countries and was attended by representatives from the European Commission. During the seminar, the opportunities and challenges of the new EU Communication were presented and discussed. Participants shared their experience of development initiatives implemented by local governments to respond to social, economic and environmental challenges in their communities. Despite institutional and financial constraints, these examples illustrated that local governments can make a difference whenever they show leadership and are able to mobilise and coordinate local stakeholders around priority issues. However, many local governments are still ill-equipped to actively pursue development policies and rarely envisage going beyond their traditional regulatory and enforcement functions to become true drivers of development.

Regarding the support which the EU can provide to help local governments in this context, the following points were made on the PLATFORM seminar:

- The EU is keen to turn the principles of its new Communication on Local Authorities into reality through its aid programme, including through the new Thematic Programme CSO-LA (see section 4). For the first time, allocations are specifically earmarked for local authorities.
- Associations of Local Governments should promote a stronger participation of local governments into future calls for proposals, in particular through the implementation of capacity building measures in favour of their members to help them develop and implement high-quality projects according to EU rules.

²⁹ The National Authorising Officer (NAO) for the partner country and the EU Delegation for the EU.

³⁰ PLATFORMA response to the EC issue paper on « Local Authorities».



- However, since the bulk of EU aid is channelled through geographical programmes (see section 2.2), it is crucial that Country Strategy Papers and National Indicative Programmes (see section 3.3) addresses issues of relevance to local governments and secures funding for pursuing national reforms, which are necessary for improving local governance (decentralisation, fiscal decentralisation, local finances, strategic municipal planning, intergovernmental relations, interregional cooperation, etc.).
- Associations of Local Governments have a key role to play to organise and stimulate the debate with national authorities on these issues, in particular during the programming process of EU development cooperation (see section 3.3).
- The Strategic Partnerships recently signed between the European Commission and five major umbrella organisations (see section 4.6) offer new opportunities for strengthening the voice of local governments, in particular through their associations and enhancing their contributions to development policies at all levels.

4. EU THEMATIC PROGRAMME CIVIL SOCIETY ORGANISATION – LOCAL AUTHORITIES (CSO-LA)

4.1 Context and history (2007–2013)

Many obstacles face local governments face in taking on a greater role in development policies. They are often short of the necessary human and financial resources and lack the technical and management expertise required for planning and carrying out effective responses to local development issues. Moreover, their access to sources of information is limited and they miss the contacts at national and international levels to develop partnerships with more experienced organisations or networks which could help them overcome weaknesses and gain knowledge and expertise required on the ground.

In order to remedy this situation and to promote the effective participation of local governments into development policy, the EU launched the **Non-State Actors-Local Authorities (NSA-LA)** programme in 2007 to promote the participation of civil society organisations and local governments in the design and implementation of development policies. The idea was to reinforce the capacities of participating organisations through networking, exchange of information and joint cooperation on specific issues agreed among all the participating countries.

The NSA-LA programme provided about 35 million euros a year in the period 2007-2013 to support local and regional governments' development activities, which is around 15% of the total. However, many local governments complained about the complexity and length of the application process, the limited funding and number of measures specifically targeting local governments and the difficulty to develop and manage multi-country partnerships.

These criticisms partly reflect the lack of experience of local governments both in development cooperation and project management. Before the NSA-LA programme, local governments have had few opportunities to apply directly for EU funding in contrast to civil society organisations. As a result, their involvement in the NSA-LA programme remained modest compared to non-state actors. They are also facing regulatory and financial constraints. However, there are examples of worthwhile projects funded under the programme, which are encouraging signs of the growing interest among local governments for building their capacity and taking a pro-active role in development policies



4.2 Objectives and priorities of the thematic programme CSO-LA (2014–2020)

The EU launched a new thematic programme Civil Society Organisations-Local Authorities (CSO-LA) for the period 2014–2020 endowed with a total budget of €1.9 billion. The programme draws on the experience gained under the NSA-LA and reflects the new EU policy orientations towards civil society organisations and local authorities.

The overall objective of the programme is to improve the **governance** and **accountability** of civil society organisations and local authorities and to enable them to promote **sustainable** and **cohesive growth** so as to contribute to the prosperity and well-being of populations in partner countries.

The programme consists of several priorities and strategic objectives defined for the entire period 2014-2020³¹. Priorities, objectives and allocations are further detailed in Multi-Annual or Annual Action Programmes, which are the basis for launching calls for proposals or awarding direct grants and service contracts under each budgetary year³² (see section below section 4.4).

The table overleaf shows CSO-LA priorities/specific objectives, which are relevant for local governments:

Priority 1 Enhancing CSOs' and LAs' contribution to development and governance processes	
1.2. Enhancing LAs' contribution to development and governance processes as	
a. Actors of enhanced local governance	Local governments can receive support at the country level to strengthen their leadership and institutional capacities to fulfil their mandated roles and enhance their accountability both towards their own citizens and towards other levels of government.
b. Welfare providers (public basic services, according to their institutional mandate) and promoters of inclusive and sustainable growth at the local level	Support is available at the country level to help local governments effectively ensure the provision of public services and goods and to promote inclusive and sustainable growth within their framework of competence. Particular attention will be paid to the issue of rapid urbanisation and the improvement of coordination between national and local levels . Under this objective, capacity-building measures can also target national associations of local governments to help them provide their members with assistance, advice and sharing of knowledge in relation to policy dialogue and service provision to local communities.
1.3. A territorial approach to promote local development and social cohesion	
Under this objective, funding is available for piloting multi-actors processes for achieving inclusive growth in specific territories . This should be done through the establishment of local multi-actor partnerships (Local Authorities, Civil Society Organisations and productive sectors - e.g. enterprises, cooperatives, fair trade) and the implementation of specific strategies to generate incomes and well-being of populations living in the given territory.	
Priority 2 Reinforcing regional and global CSO and LAs networks	
The priority promotes transnational alliances and as well as initiatives for dialogue, exchange, networking and dissemination of good practices at regional, EU and global level with a view to enhancing CSOs' and local governments' contributions to policy development and thinking. It offers opportunities for local government associations to strengthen their capacities, engage with decision-makers and political leaders in partner countries and the EU itself, learn from other network members and participate in dialogues, especially in relation to the definition of the post-2015 Development Agenda and its implementation. Moreover, the priority supports associations of local governments in ensuring the execution of their functions vis-à-vis their members and facilitating the role that they play in raising awareness about decentralisation reform, local and urban development as well as in shaping the international/regional development agenda with a focus on the interests of local communities	
Priority 3. Development Education and Awareness Raising (DEAR) initiatives fostering citizens' awareness and mobilization for development issues.	
The priority seeks to raise awareness of citizens on development issues and support their active engagement with global efforts to eradicate poverty and promote justice, human rights and democracy, social responsibility, gender equality, and sustainable development strategies in partner countries. Support can take the form of public awareness campaigns, education and training, capacity building and exchange of experiences and best practices among the population and relevant stakeholders. Local governments can participate, alongside civil society organisations, in designing and implementing such initiatives, in particular to promote citizens' mobilisation and engagement in public life at local level.	

³¹ Multiannual Indicative Programme for the Thematic Programme "Civil Society Organisations and Local Authorities" for the period 2014-2020.

³² The Annual Action Programme for 2014 and 2015 (I) was adopted on 28.10.14. A Multi-Annual Action Programme covering the years 2015, 2016 and 2017 is under preparation.



4.3 Allocations for local governments under CSO-LA 2014–2017

The CSO-LA Thematic Programme has been allocated €1.907 billion for the period 2014–2014. An envelope of around €950 million has been earmarked for the period of 2014–2017 out of which €248.8 from the 2014 budget line are already in implementation.

The table below shows the relative size of allocations per programme priority as well as allocations already agreed for 2014.

Priorities	Allocation	2014 (CSO)	2014 (LA)
1. Enhancing CSOs' and LAs' contribution to development and governance processes	65-75%	€152 m	€14.5 m
2. Reinforcing regional and global CSO and LAs networks	5-10%	€24 m	€22.2 m
3. DEAR initiatives	10-15%	€30 m	€6 m
Support measures and unallocated reserves	2-5%	€7.4 m	

4.4 Implementation modalities

In terms of implementation, the new CSO-LA introduces a number of innovations in contrast to the past:

1. The assistance is more strategic since it is based on priorities and allocations defined in Annual or Multi-Annual Action Programmes.
2. A mix of funding modalities will be applied consisting of:
 - Call for Proposals organised at country level (e.g. under priority 1) i.e. launched in one specific DCI partner country
 - Call for Proposals organised at global/regional level (e.g. under priority 2) i.e. launched for all or for a group of DCI partner countries
 - Grant awarded without calls for proposals ("direct grant")
 - Service contracts awarded through a tender procedure (e.g. support measures)
3. In order to reach the widest possible range of actors, re-granting, ring-fencing and performance-based follow-up grants, will also be made available, along with technical assistance, and where relevant, pooling of funds with other donors.

4.5 Calls for proposals – the default award mechanism for thematic programmes

By default, thematic programmes – and some components of geographical programmes – are implemented by means of **grant schemes** which finance projects developed by applicants in line with the programme’s objectives. Grant schemes are implemented in several stages as shown in the figure below. The EC launches **calls for proposals** at regular intervals. The EU Delegation or EC Headquarters is responsible for launching calls for proposals.

The rules for applying, the total budget available for projects and the selection criteria are defined in the Guidelines for Applicants published on the EuropeAid website. Applicants usually have around two months to develop a project and submit an Application Form. During this period, they should attend information and training sessions organised by the EC to get the necessary guidance and advice on how to apply (where available).

The evaluation is often conducted in two stages: a first stage to select project ideas (“concept notes”) and a second stage to select fully developed proposals. Only those successful in the first stage are invited to take part in the second stage. Fully developed proposals are scored on the basis of selection criteria by independent assessors appointed by the EC. The EC evaluation committee selects the projects with the highest ranking and awards contracts until exhaustion of available funds.

Grant beneficiaries should implement project activities in line with their proposal and in compliance with the contract and EC rules. During its implementation, the project is monitored and controlled by the EC which makes payments to the beneficiary in line with the contract.

4.6 Strategic partnerships with associations of local governments

Early 2015, the European Commission signed strategic partnerships with five main global and regional associations of local authorities, to achieve common objectives in matters of good governance and sustainable development at the local level. The EU will also provide these associations with financial support of €20.3 million for the period 2015–2017³³. The funds will be used to enhance the associations’ structures, capacity and relations with their members to improve their capacity to contribute to national, regional and global policy-making. These partnerships will also look at ways to improve the coordination among the targeted associations operating at different levels (national, regional and global) as well as to promote policy dialogue among different development actors.

The five associations are:

- United Cities and Local Governments (UCLG)
- Association Internationale Maires Francophones (AIMF)
- Commonwealth Local Government Forum (CLGF)
- United Cities and Local Governments of Africa (UCLG-A)
- Council of European Municipalities and Regions/PLATFORMA (CEMR/PLATFORMA)

³³ Under Priority 2 of the CSO-LA programme (see section 4.2).



4.7 How local governments can prepare themselves for thematic programmes?

Local governments should familiarize themselves with the thematic programmes and the application procedure. A good starting point is the EuropeAid website, which has a page dedicated to thematic programmes³⁴. The page gives access to EC thematic strategies which explain the rationale, the objectives and the priorities of the programme.

As a second step, local governments should define a basic project idea in line with the objectives of the programme they wish to target. It is good to start thinking about a project long before the call for proposals is opened. In order to be well-prepared, a minimum experience in project design and management is required. The principles and tools of project management cycle (PCM) are well explained in the EU PCM Guidelines³⁵. Local governments should not miss any PCM training opportunity organised by their associations or any other relevant stakeholder.

Reading Guidelines for Applicants from previous calls is also useful to understand the procedures since most of them are similar from one call to another. Local governments should also familiarise themselves with the standard EC Application Form, which can also be downloaded on the EuropeAid website³⁶. It is also useful to register in the EC database PADOR³⁷ and to check opportunities for future calls for proposals regularly³⁸. The EuropeAid website provides information on calls for proposals planned for the upcoming year.

Local governments should contact any organization which can provide guidance, advice and support e.g. associations of local governments, civil society organisations, the EU Delegation, development agencies or project partners (if already identified) or dedicated projects/networks such as PLATFORMA, the ARIAL Programme, etc.

It is important to set up a strong partnership with organizations that are more experienced and can provide the know-how needed to develop capacities. To be successful, project partners must agree on clear objectives, target groups, activities and implementation arrangements for the project.

Once the call is launched, the main reference document is the guidelines for applicants. They will give precise information about the priorities of the call, the organizations eligible to apply, the activities which can be financed out of the grant, the minimum and maximum duration of the project, the minimum and maximum amount you can request from the European Union and all other relevant rules for the call.

A good and successful project is a project, which shows a clear understanding of issues at stake and gives a detailed description of activities foreseen with a realistic implementation plan and clearly assigned responsibilities. The Application Form should demonstrate in a clear, concise and convincing language that the project is relevant to the priorities of the call and to the needs of the identified target groups. Filling in the application form is time-consuming. The template itself has more than 20 pages without annexes. It is therefore important to share the responsibility of drafting the proposal among partners.

³⁴ <https://ec.europa.eu/europeaid/node/1103>

³⁵ Aid delivery method, PCM Guidelines, EuropeAid

³⁶ <http://ec.europa.eu/europeaid/prag/document.do?locale=en>

³⁷ http://ec.europa.eu/europeaid/work/onlineservices/pador/index_en.htm_en

³⁸ <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>

4.8 Examples of successful development cooperation initiatives with local governments

A few best practices are briefly presented below to illustrate the range of initiatives which local governments can launch to promote development and address the needs of their population. They were funded by the EU or in the framework of decentralised cooperation. However, they are all representative of the support which could also be obtained through EU thematic programmes for local governments. The elements related to the objectives of EU policy towards local governments are presented as strengths in the table below since they would be considered very attractive in the context of CSO-LA calls for proposals.

<i>A sustained partnership for sustainable local development</i>	
Partners	Rajkot, India – Leicester, United Kingdom
Result	Improvement of the water supply service in the partner municipality through infrastructure work, know-how transfer and community development.
Themes	Provision of services, decentralisation, urban management, sustainable development, democratic ownership.
Strengths	The initiative is not only about infrastructure but it addresses the issue of water supply in all its aspects, which is one the basic public goods local governments provide to their citizens. The initiative relies on citizens' participation to identify problems and seek solutions (principle of participation and democratic ownership). It also contributes to a better management of natural resources and living conditions (poverty reduction and sustainable development).

<i>León is building according to plan</i>	
Partners	León, Nicaragua – Utrecht, Netherlands
Result	Provision of new housing for the migrant population through urban planning, land management and construction works.
Themes	Housing, urban management, rural migration.
Strengths	The initiative deals with the consequences of rapid urbanisation. Urban development best practices are introduced to help the municipality fulfil one of its key tasks – providing conditions for public housing. The success of the scheme is ensured through an active involvement of the local population and public utilities.

<i>Raising finance, raising effectiveness</i>	
Partners	Bembereke, Savalou, Natitingou, Bohicon, Djidja, Tchaourou, Benin – Arlon, Bouillon, Huy, La Roche-en-Ardenne, Tintigny, Virton, Belgium
Result	Raised municipal revenues through capacity building and exchange of experience among partner municipalities.
Themes	Decentralisation, good governance.
Strengths	The initiative strengthens the decentralisation process. The capacity of partner municipalities to generate income is increased, which enable them to fulfil better their new responsibilities.

<i>Working together for territorial development</i>	
Partners	Atsinanana, Madagascar – Basse Normandie, France
Result	Common vision and cooperation mechanisms for developing the region's assets agreed among the main actors
Themes	Territorial development, decentralisation, sustainable development
Strengths	The initiative takes advantage of the new decentralised environment. It brings together the main stakeholders of the region to build their capacities and coordinate their strategies and actions in the field of rural, agricultural and fisheries development.



<i>The P3 programme – building citizen trust through transparent services</i>	
Partners	Local government associations of South Africa, Namibia and Botswana – Swedish association of local authorities and regions
Result	Enhanced capacity of participating local governments and their associations through peer-to-peer exchanges, tool kits and training.
Themes	Internal capacities of local governments, Association of local governments, good governance, local economic development.
Strengths	The focus is on strengthening the internal capacities of partner local governments related to budget, service delivery and local economic development. There is a wide partnership and a strong multiplier effect thanks to the participation of local government associations, whose role as support umbrella organisation is reinforced.

<i>Supporting and strengthening Local Authority Associations at ACP national and regional levels (ARIAL)</i>	
Partners	VNG International (Netherlands), Commonwealth Local Government Forum (United Kingdom), Partenariat Pour Le Développement Municipal (Benin), Municipal Development Partnership for Eastern and Southern Africa (Zimbabwe & Uganda), The University of the West Indies (St. Augustine, Trinidad and Tobago), Foundation of the Peoples of the South Pacific International Regional Secretariat Trust Board (Fiji)
Result	Local governments from ACP countries are better represented at national, regional and global level thanks to increased capacity of local government associations. In particular, the project contributed to the creation of regional local government associations and helped existing associations obtain funding from the EU thematic programme.
Themes	Association of local governments, internal capacities of local governments
Strengths	Wide partnership of local governments associations committed to improving their services to their members through the adoption of best practices in the field of project management, lobbying and advocacy, information and communication and networking.

Further best practices can be drawn from the PLATFORMA's brochure "*Decentralised development cooperation – European perspectives*"³⁹. The brochure is a useful source of inspiration, presenting more than 15 case studies of development partnerships between local governments in EU and partner countries worldwide. The website of the ARIAL programme⁴⁰ offers a wide range of resources and best practices related to local governments and their associations from ACP countries.

³⁹ <http://www.platforma-dev.eu/files/upload/608/decentralised-development-cooperation--european-perspectives.pdf>

⁴⁰ Information on the ARIAL Programme is available on the VNG website

PLATFORMA coordinates the voice of European local and regional authorities in the field of development cooperation.

Launched in 2008, its main objectives are:

- To present a common message to the European institutions, in particular for the definition and implementation of European development policies
- Facilitate networking of information and sharing experiences
- Strengthen the participation of European local and regional authorities in European development programmes
- Strengthen links with civil society







PLATFORMA

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