





EU-EaP Local Leaders Seminar: Strengthening Local Government Capacities for EU Engagement in the EaP Region



Conclusions

Local government associations (LGAs), EU institutions, think tanks, NGOs and senior national representatives (including Moldova's EU Ambassador and the Deputy Head of Ukraine's Mission to the EU) gathered in Brussels on 28 November 2024 for a seminar on engagement of local governments in EU integration. In focus were Georgia, Moldova and Ukraine as (with candidate status for the former and the opening of accession negotiations in the latter two) these countries move from the EU's 'Neighbourhood' to the 'Enlargement' zone. Representatives from other candidate countries in the Western Balkans were also on hand to share their experience, and perhaps draw some inspiration themselves.

Main findings from the seminar discussions

One key conclusion is that the EU needs a **renewed vision for engagement with local and regional governments in candidate and neighbourhood countries.** Back in 2013, the EU Commission highlighted strategic engagement with local government as a way to pursue development goals, yet the recent evaluation of external financing found that support to local and regional governments 'has been de facto deprioritised.' In candidate countries, the case for strategic engagement is even stronger. The EU prioritises enlargement to promote stability, democracy and economic integration in its neighbourhood. More active involvement of local and regional governments would help candidates to align with EU standards (for example on human rights, rule of law and anti-corruption) and to enhance the impact and visibility of EU integration.

A new vision should recognise that local and regional governments are more than just another stakeholder or a complement to central government. As the Committee of the Regions (CoR) has long emphasised, they are responsible for implementing 70 per cent or more of the EU acquis. Or to look at it another way, around half the items on the average local council agenda in member states are EU-related. If local governments lack the capacity

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to deliver higher standards or to manage EU projects, the risk is that this will lead to de facto recentralisation of certain functions, with reduced local democratic oversight. Participants noted worrying signs of this, for example with reforms in core areas of local competence such as water and waste management.

The seminar highlighted many ways to engage the local level in the accession process: consultation on adaptation of legislation to the EU acquis; inclusion in high-level dialogue and working groups on key chapters of the negotiations; capacity-building efforts; and involvement in the programming and monitoring of EU funds. Participation in the CoR Working Groups and Joint Consultative Committees and exchange of experience through the Council of European Municipalities and Regions (CEMR) and the Network of Associations of Local Authorities of South-East Europe (NALAS) is another valuable way to bring local representatives into the European sphere long before accession.

¹ <u>Communication</u> from the Commission, Empowering Local Authorities in partner countries for enhanced governance and more effective development outcomes, COM(2013) 280 final, and European Commission, Evaluation of the European Union's External Financing Instruments 2014–20 and 2021–27, Volume I: Synthesis Report, March 2024.

However, the degree of local engagement varies greatly between countries. Some local representatives are invited to screening meetings in Brussels, others are invited to submit written questions at short notice, some are not asked at all. In one country, local representatives take part in 11 negotiating working groups, in others they are told this will only complicate matters. Participants heard how local involvement often comes about fortuitously, through a chance meeting over lunch or at the whim of a particular minister or civil servant. In contrast to the partnership principle for EU cohesion and pre-accession funds, there has been no clear expectation from the EU that national governments should include local and regional governments in the accession process.

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The seminar also highlighted the critical role of LGAs in promoting engagement and in helping their members to prepare for accession. Experience from previous accessions tells us that, by default, central government will not go out of its way to involve the local level, while individual mayors are liable to 'wake up too late' to commitments made on their behalf. Among

LGA initiatives for avoiding that scenario: networks of EU focal points in municipalities and regions, impact analyses of key chapters of the acquis, funding mechanisms to help with prefinancing and co-financing, training on the EU acquis, and mentoring with funding applications and project management. Such activities are resource-intensive, and worthy of support. Synergies between EU-funded and other donor projects should be explored.

Turning to the future, participants took stock of major developments in the enlargement process over the past year, in particular the new Growth Plans for the Western Balkans and Moldova and the Ukraine facility. Deep functional integration and a substantial increase in financial support, conditional on progress with reforms, bring opportunities for local as well as central governments, even if (with anti-enlargement parties in or close to power in several member states) full accession remains an uncertain prospect. The Ukraine facility is a beacon in this regard, with explicit support for decentralisation and a minimum of 20 per cent of budget support reserved for sub-national governments.

While the Growth Plans have been developed in record time, participants also expressed concern over the **lack of local consultation on reform agendas and priority projects**. Experience suggests that ministries sometimes favour 'white elephants' over projects that may be less prestigious but could better meet objective needs. Local and regional governments are well advised to focus on getting their projects into the pipeline, and on building capacity to absorb EU funds efficiently.

The new EU Commissioner for Enlargement, Marta Kos, has indicated the Commission's intention 'to comprehensively revamp our external action financing, making it more impactful, targeted, and aligned with EU strategic interests'. Further, 'the link between financing and reforms by our partners as in the Reform and Growth Facility for the Western Balkans, the

proposed Moldova Facility, and the Ukraine Facility, should be considered for future financing for pre-accession and Eastern neighbourhood together with other financing modalities.'²

In her parliamentary hearing, Ms Kos reiterated the importance of merit-based enlargement and the EU's commitment to helping countries meet the accession criteria. She emphasised the need to make EU funding more visible, and to engage citizens and communicate the benefits of EU membership.

While pledging strong support for civil society and 'zero tolerance' for actions against human rights defenders, journalists and NGOs, Ms Kos did not, however, mention local and regional governments.

So, although the importance of local engagement in EU integration may be self-evident for participants in this seminar, there is no harm in amplifying the message. And greater clarity on the local and regional role in the accession process would be welcome. In particular:

- ➤ If enlargement is to be increasingly merit-based and conditional on progress with reforms, what is the role of sub-national governments in the reform agenda?
- ➤ If EU funding is increasingly channelled through national budget support and investment frameworks (likely to favour 'bankable' infrastructure projects, also coordinated nationally), could this have the unintended effect of making local governments more dependent on central government?
- ➤ If we recognise that local and regional governments are an important and direct link with citizens, could a local channel for pre-accession assistance help to improve the visibility of EU funding? Here, participants underlined the urgent need to combat disinformation, as recent events in the eastern neighbourhood have shown all too clearly.

² European Parliament, Questionnaire to the Commissioner-designate Marta Kos, October 2024.

Recommendations

The seminar yielded several **recommendations** for how EU engagement with local governments in candidate countries could be strengthened:

- Institute a 'partnership principle' for the accession process. As with EU funding, make clear that the EU expects local and regional representatives to be engaged in preparations at national level. This could be included in a revised enlargement methodology and assessed briefly as part of the annual enlargement package country reports, which already address issues such as local public administration reform and fiscal decentralisation.
- ➤ Reach out from the EU institutions to LGAs in candidate countries on the specific needs of local governments in key areas such as environment and public procurement.
- ➤ Involve local and regional representatives in national preparations, including consultation on adaptation of legislation and national plans for adopting the acquis, working groups and other structures preparing the accession negotiations, and capacity-building efforts as well as programming and monitoring of EU funds.
- Consult local and regional governments on the drafting of reform agendas and priority lists of projects to be funded through investment frameworks (Western Balkans Investment Framework, Ukraine Investment Framework, Neighbourhood Investment Platform).

Turning specifically to funding, to better integrate local and regional governments into EU enlargement budget planning, participants called for:

- ➤ Early involvement: create advisory bodies within each country's EU representation to integrate local and regional priorities into funding strategies. These bodies should collaborate with the CoR and CEMR to represent local interests at the EU level.
- ➤ Enhanced funding accessibility: develop a platform for local and regional governments to access EU project funding opportunities. Simplify application processes, increase transparency, and offer technical assistance to support smaller local governments, particularly in disadvantaged areas. Consider higher EU co-financing rates for locally led projects to encourage citizen engagement.
- ➤ Capacity building: Provide funding for technical assistance, training, and capacity-building programmes to help local and regional governments in candidate countries meet EU standards. Encourage decentralised cooperation through knowledge exchange, mentoring, and peer reviews.
- > Special funds for Ukraine: Continue allocating dedicated reconstruction funds for Ukraine to rebuild critical infrastructure, healthcare, and education systems, ensuring local and regional involvement to support a stable post-conflict transition.

As legislation for the EU's post-2027 external instruments takes shape, **LGAs will need to keep pressing the case for local engagement**. Among the suggestions they could put forward:

- ➤ Make partnership with local and regional governments mandatory for pre-accession and neighbourhood funding instruments, as under cohesion policy.³
- Dedicate a share of resources to projects involving local governments. Firm commitments in the legislation are needed, since indicative commitments in the preamble have proven insufficient.⁴
- Reserve a share of national budget support for sub-national governments. As under the Ukraine facility, local and regional governments in Moldova and the Western Balkans should benefit from budget support conditional on progress with reforms. LGAs will naturally have to advocate for a fair share, but recognition from the EU of the local role in implementing reform agendas would help.

- ➤ Recognise the role of local governments in creating an enabling environment for flagship investments. As EU external assistance shifts towards large-scale investments through guarantees and blended financing (see also the Global Gateway), it is important not to forget capacity building to ensure the identification, management and oversight of investments. Local governments have a central role in this effort.
- Explore scope for pooling investment framework funds to enable smaller investments at local level. LGAs could play a role in facilitating such mechanisms in areas such as renovation of public buildings or energyefficient street-lighting.
- Reinstate a dedicated budget line or window for local projects that can help with visibility and citizen engagement. Support for local environmental action plans, networks of EU focal points, small grant funds for rural municipalities, and communication with citizens actions such as these may not fit neatly into reform and growth facilities but could be equally important in ensuring that EU integration benefits all and is seen to do so.

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³ In the IPA III and NDICI regulations, involvement of local and regional governments is 'as appropriate' and 'where appropriate'; in the Common Provisions Regulation for the European Structural and Investment (ESI) funds, each country 'shall in accordance with its institutional and legal framework organise a partnership with the competent local and regional governments'. The Code of Conduct on Partnership further specifies that this includes 'regional governments, national representatives of local governments and local governments representing the largest cities and urban areas, whose competences are related to the planned use of the ESI Funds'.

⁴ As the recent evaluation of external financing found, although the preamble to the NDICI Regulation called for at least € 500m within geographical programmes to support local governments, local governments do not appear in most of these programmes.

About us

CEMR is a long-standing supporter of the work of the European Institutions, collaborating on many different topics. Our work covers the following areas: governance, democracy and citizenship; economic, social and territorial cohesion; gender equality; migration and inclusion; environment, climate and energy; local and regional public services; and international engagement and cooperation. Together with CEMR's flagship programme on decentralised cooperation, **PLATFORMA**, we delved into critical themes for Europe's future exploring issues of democracy, sustainable development, and the EU enlargement process.

SALAR International, part of the Swedish Association of Local Authorities and Regions, is an active member of CEMR-PLATFORMA and is engaged in numerous projects worldwide in support of decentralisation and local governance, including in Georgia, Moldova, Ukraine and several other EU candidate countries. A common theme is support for engagement of the local level in the accession process and preparation for the major opportunities and responsibilities that this brings for local government.

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