



# **Towards an EU approach to democratic local governance, decentralisation and territorial development**

*Response of the Council of European Municipalities and Regions (CEMR) to the European Commission's issues paper*

June 2008

## **Introduction**

1. The Council of European Municipalities and Regions (CEMR / CCRE) welcomes in principle the proposal of the European Commission to draw up a Communication on democratic local governance, and is supportive of the main approach set out in the current Issues Paper (and in more detail in the background paper).
2. CEMR brings together the national associations of local and regional government in 37 countries. Currently presided by Michael Häupl, Mayor and Governor of Vienna, CEMR has always worked, since our founding in 1951, to promote a united Europe based on local and regional self-government and democracy. We have worked closely, over recent decades, and in each phase, with the national associations from countries due or wishing to join the EU; we are convinced that strengthening the role and capacity of the local and regional levels of government in such countries has been an extremely important element for success in the enlargement process.
3. In recent years, and reflecting the processes of globalisation which affect local and regional as well as national governments, our members - and their members - have played a growing role in international partnerships and co-operation, and more specifically in north-south co-operation. We set up our north-south cooperation working group (of experts and practitioners from our national associations) in 2002 to meet this new demand from our members, and this group has co-operated with the Commission and Parliament in relation to international development issues, including the creation of the new thematic programme for non-state actors and local authorities.
4. We are also the European section of United Cities and Local Governments (UCLG / CGLU) since its foundation in 2004, and before that of the International Union of Local Authorities (IULA). One of the three main objectives of our annual work programme is to strengthen the contribution of Europe's local and regional governments in the international arena, for democracy, development, peace and

understanding. We have worked closely with the Millennium Campaign to promote awareness of and support for the MDGs amongst Europe's local and regional governments, via conferences, seminars and publications etc.

5. In mid-2007, CEMR and a wide range of partners decided to set up a new 'Platform' to provide a more united voice towards the European institutions, including in relation to the new Thematic Programme for non-state actors and local authorities. The platform brings together - in addition to CEMR - the main European networks of regional authorities, as well as the international association of francophone mayors (AIMF) as well as UCLG. The ACP Local Government Forum has been involved since the start. In addition, we now have a wide range of national associations and organisations, and a number of cities, as partners in the platform. (A submission for co-financing under objective 3 of the NSA-LA programme was submitted in April).

6. We hope that the above brief account will demonstrate the degree of interest and experience which exists within the European community of local and regional government, which we hope can be better co-ordinated and resourced in future. For until now, much local government co-operation work has been financed or co-financed by national governments or (sometimes) international institutions, whereas the role of the European Union, in relation to partnerships for local government and governance, has been very limited.

### **The MDGs**

7. We mentioned above that CEMR has worked in recent years to highlight the importance of the Millennium Development Goals, as well as the key role that local governments - north and south - can play in achieving the MDGs. In general terms, most of the MDGs can only be achieved if all of the different levels of government work together. The most obvious example of the role of local governments in relation to the MDGs is that of improving the lives of at least 100 million slum-dwellers. Only city governments can really tackle slum upgrading etc., but to do so they need effective national policies, financial frameworks and - normally - financial support. But improving the lives of slum-dwellers also, at the same time, can help to meet the targets in relation to water, sanitation, and aspects of health. In short, we are convinced that support for good local governance is essential if we are to get nearer to attaining the MDGs and their targets.

### **Local Democratic Governance and Decentralisation**

8. The concepts of 'governance' and 'good governance' as attached to public authorities are notoriously elusive ones to define in a clear and consensual way. We note that there are several partial definitions set out in page 6 of the Issues Paper which we believe need to be put together to get a more complete concept. These are, in brief:

- Local Governance is about power and authority and how a region, municipality or community manages its affairs
- Local governance is about citizens and institutions, and their relationships with the state at the regional, municipal and community level

- Local democratic governance is a process of inclusive decision-making on matters of local / municipal / decentralised development and a participatory approach towards the preparation, implementation and management of development plans.

9. We agree with the point made that 'whether local and decentralised bodies are effective or not ... is the single most important factor that determines whether or not successful development takes place' - and we likewise fully agree that to achieve democratic local governance, local governments must be capable, accountable and responsive to the needs and rights of citizens. Responsiveness and accountability are essential attributes for a local authority which is able to engage successfully with citizens and partners. But development strategies in support of democratic local governance need to address the issues of capability and capacity, which itself has two aspects:

- The competences and powers available in law and practice to the local government (i.e. the issue of decentralisation)
- The human resource capacity and skill-base (capability) for good government, management and administration, amongst both elected members and officials.

The issue of capability and capacity is in fact fundamental, since a local authority committed to participatory methods, but lacking internal capacity, cannot deliver the necessary results.

10. CEMR and its members are committed to promoting democratic local government in all parts of the world, and support the general tenor of the statement that 'there is no efficient local governance without democratic governance at national level'. However, there are many cases where - even in countries whose national governance is imperfect - real progress can be made in working with local governments that are committed to serving their local people's interests.

11. We would wish to place particular emphasis, in terms of accountability and representation, to the role and needs of women. We believe that a balanced representation of women and men in local decision-making is an essential component of good local governance - and indeed, some developing countries have much to teach all of us in this regard. The importance of ensuring that women are consulted and involved in the local democratic process cannot be over-emphasized.

12. In terms of how democratic politics can improve local governance, we would underline the importance of assessing whether - in practice as well as in law - citizens and residents (who may not all be citizens) can freely participate in local development issues.

13. In terms of supporting capacity-building within local government, we would urge that a wider use of local government peer to peer actions be enabled, e.g. through exchanges and twinning partnerships. At present, a lot of money for capacity-building is paid to consultants who do not have a strong track record in local government.

14. In particular, we would recommend that more support is given to enhancing the role of national associations of local governments. If we recall that Europe alone has some 100,000 communes, local authorities and regions, you can see the scale of the issue in (of??) helping to develop the capacity of local governments across the world. Even taking the larger ones, there are still tens of thousands. So helping to 'train the trainers", and gain a multiplier effect, is very important if we are to achieve a scaling up. And many of Europe's national associations of local and regional government are ready to play a fuller part in this role, in which several already have a solid experience.

### **Territorial development**

15. We support the inclusion of the concept of territorial development, which we have equally supported in the context of EU policies (i.e. territorial cohesion). Of course, the term 'territory" can apply to almost any size, but carries with it the idea of a sufficiently large area and population to make it necessary and appropriate to create a development strategy - a socio-political area, which may be a province, (subnational) region, or city / metropolitan area. In many cases, it requires a territorial governance structure that brings together different municipalities into a co-operative framework, or a province and its local authorities working together.

16. In general terms, we see the role of the smaller or medium-sized local authority as being linked to service delivery and community development and participation, whilst provinces/regions, and larger towns and cities have the scale to promote wider strategies for economic and social development. At present, the Cities Alliance (which works closely with UCLG) plays an important role in promoting the development of holistic city development strategies, and this mechanism could be further supported by the EU.

17. The question of territorial development therefore also brings into focus the issue of subsidiarity, i.e. what mandates should be best undertaken at what level. It follows from the above that - in general terms - the local authority should deal with local services and local community development, whilst the province/region/metropolitan area (however constructed in politico-administrative terms) should have the task of broad regional sustainable development. Good local governance needs to take account of both.

### **Innovative modalities**

18. Although decentralised co-operation (DC) has for quite a long time been integrated in EC support to local development processes, this has not been via a major involvement of local authorities themselves. CEMR therefore believes it is urgent and essential to find new ways of promoting and supporting DC between, or including, local authorities.

19. The issues paper refers to Local Institutional Twinning, which is perhaps a rather ugly, if accurate, description of what is perhaps better known as international twinning, sister city links, or twinning partnerships. The enormous volume of city to city co-operation, and municipal international co-operation, can be seen in part as being an expression of Local Institutional Twinning, though the term 'twinning"

implies a longer term relationship than a simple short-term co-operation project. We also believe that province to province, as well as local to local co-operation can be beneficial.

20. CEMR has for over 50 years flown the flag for European twinning and is recognized as a key partner in the field by DG Education and Culture. We would be very willing to share our experience and discuss its possible applicability to a wider international context, especially with local governments in developing countries. European twinning is very much focused on citizen exchanges - indeed this is an essential element for the twinning grant support under the Europe for Citizens programme. We are keen to support international twinings which involve citizens from both authorities, but as is implied by the term 'institutional' there is also usually a need for a main focus on capacity-building.

21. We strongly believe that there is a role for the Commission to financially support this type of partnership, but this needs to be done in co-operation with the European, international and national associations. We believe that this is an excellent way to test innovative methodologies for mutual learning. Moreover, the experience of URB-AL and Asia-URBS, whilst not perfect, demonstrates the value of networking between a group of local partners. We also again urge consideration of support for institutional twinings between local government associations, as part of a wider strategy to promote good local governance and to develop capacity.

22. CEMR has been actively involved in the consultation processes for the development of a charter on local governance and decentralised co-operation. We believe this initiative has value in clearly and briefly setting out the key requirements of a successful strategy for democratic local governance.

23. We would urge that this initiative also takes into account the excellent - and quite brief - Guidelines on strengthening local authorities which was endorsed last year by UN Habitat's Governing Council. These Guidelines draw upon the European Charter of Local Self-Government in some key respects, whilst taking into account the experience and needs of local government in the wider world. It is geared towards good local governance, not just good local government, with sections that deal with participatory as well as formal local democracy. These Guidelines could and should indeed play a more central role in EU local governance policies.

24. As regards the 'clearing house' idea, this is an idea which we are already taking forward very keenly. In our 2008 work programme, we already had included the development of a new European twinning website with a partner search facility, and this is in the process of development. We had intended to widen this to include international twinning partnerships at some point, but in consultation with DG Development, and taking into account the focus of Development Days 2008, we have acted to bring this forward. As with all websites, there are issues of initial development, but also how to maintain the site and ensure its effectiveness for the future. We would wish to discuss this further with DG Development. We will ensure that the site can be used by regions as well as local authorities where they are seeking a partner, though the number of regions is far more finite than is the case with local authorities. The success of the site will depend to a major extent on publicity and support.

## **Aid effectiveness at local level**

25. We believe that local government and governance initiatives can be extremely effective, not least in getting strong local ownership. There are however some difficult issues - given the range of local authority areas needing support, how to choose? Moreover, the idea of twinning partnerships or local to local co-operation implies a decentralised approach in which the actors may choose each other rather than arise from a more scientific analysis. We believe that this very decentralised approach has real advantages, and can produce more long-lasting and 'organic' relationships.

26. Once again, we would like to mention the role of national associations in developing countries, especially in partnership with their northern counterparts, as a way of enhancing aid effectiveness at local level, since the associations are there to support their members across the country.

27. Moreover, there are already examples - which could be increased - of a more targeted approach for local to local co-operation by European local authorities in a specific region or area, working in a more coordinated way with a group of partners from a specific region in a developing country.

## **Conclusion**

28. CEMR very much welcomes the Commission's wish to focus on local governance. We hope that this will take place more consistently through national programmes, but also through a range of modalities that enable partnership working between Europe's local authorities and their associations with partners in developing countries.

29. It is important to note that some European regional authorities - and some larger cities - do act as a form of donor. However, most cities and local authorities in Europe are not able, by law or due to limited resources, to act in any significant way as pure 'donors'. On the other hand, they are a potentially invaluable resource for sharing knowledge and expertise and in strengthening local government and local governance. The European and international associations of local and regional government are also keen to play a fuller role in future, in closer liaison with the Commission, and also with CONCORD as the representative of NGOs in relation to local governance. We urge the European institutions to help turn this enormous potential into reality on the ground.