CLGF EU PAPER 2025

EU AND LOCAL GOVERNMENT: ENGAGEMENT UNDER NDICI/TEAM EUROPE AND GLOBAL GATEWAY PROGRAMMES

clgf

The author

Dr Carl Wright is Secretary-General Emeritus of the Commonwealth Local Government Forum which he led 1994-2016; he previously served as Assistant Director at the Commonwealth Secretariat and has held senior Commonwealth, UN and EU positions including as Commonwealth Election Observer. He has written on the role of local government, sustainable development and climate change; he chairs the Canterbury Climate Action Partnership and was an official delegate at the 2021 COP27. He is the author of 'Global Citizen: Grass Roots Activism and High Diplomacy (Hansib Publications 2022)'

Acknowledgements

The author is grateful for the valuable feedback obtained from MALGA (Malawi), ULGA (Uganda), ALGA (Jamaica) FSLGA (Sri Lanka) and the East African County and Local Government Association (EACLGA) for the case studies selected. He also acknowledges the advice and data references provided by CLGF and other partners notably ECDPM and PLATFORMA.

Commonwealth Local Government Forum
Golden Cross House
8 Duncannon street
WC2N 4JF
London
United Kingdom

© Commonwealth Local Government Forum 2024 All rights reserved

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or otherwise without the permission of the publisher. The publication has been produced by CLGF with the assistance of the European Union. The views expressed in the papers are those of the authors and do not necessarily reflect views of CLGF or the European Union. Whilst every care has been taken in compiling this publication, CLGF does not accept any responsibility for inaccuracies.

Published by the Commonwealth Local Government Forum

TABLE OF CONTENTS

ACRONYMS 2
CORE RECOMMENDATIONS 3
Global Gateway Structured Dialogue 3
Global Gateway Implementation / Financial Arrangements 4
INTRODUCTION 6
GLOBAL RECOGNITION OF LOCAL GOVERNMENT'S ROLE 7
EU - LOCAL GOVERNMENT ENGAGEMENT 10
Structured Dialogue and Financial Support to Local Government 10
NDICI-Global Europe and the Global Gateway 12
A 'New Economic Foreign Policy': Implications for Local Government 15
CASE STUDIES 18
Malawi 18
Uganda 20
Zimbabwe 22
Jamaica 25
Sri Lanka 26
East Africa 28
CONCLUSIONS AND RECOMMENDATIONS 30
Conclusions from CLGF Case Studies 30
The Way Forward 32
Recommendations 34
APPENDIX 1 37
Examples of Global Gateway Projects Related to Urban Development 37
APPENDIX 2 38
CLGF Case Studies Questionnaire/Interview Questions 38
Interviews held 39

ACRONYMS

ACP	African, Caribbean and Pacific states
AIMF	Association Internationale des Maires Francophones
ALGA	Association of Local Government Authorities (of Jamaica)
CALGA	Caribbean Association of Local Government Authorities
CEMR	Council of European Municipalities and Regions (UCLG)
CLGF	Commonwealth Local Government Forum
COP	Conference of the Parties (UN)
CSO	Civil Society Organisation
EACLGA	East African County and Local Government Association
ECDPM	European Centre for Development Policy Management
EFSD+	European Fund for Sustainable Development Plus (EU)
EIB	European Investment Bank (EU)
EU	European Union
FPA	Framework Policy Agreement (EU)
FSLGA	Federation of Sri Lanka Local Government Authorities
INTPA	Directorate General for International Partnerships (EU)
IPCC	Intergovernmental Panel on Climate Change (UN)
LGMA	Local Governments and Municipal Authorities constituency (at the UN)
MALGA	Malawi Association of Local Government Authorities
MFF	Multiannual Financial Framework (EU)
MIP	Multiannual Indicative Programme (EU)
NDC	Nationally Determined Contribution (on climate change action)
NDICI	Neighbourhood, Development and International Cooperation Instrument (EU)
OACP	Organisation of African, Caribbean and Pacific states
ODA	Overseas Development Assistance
OECD	Organisation for Economic Cooperation and Development
PFD	Policy Forum for Development (EU)
PFM	Public Finance Management
SDG	Sustainable Development Goal
TALD	Territorial Approach to Local Development
TEI	Team Europe Initiative (EU)
ULGA	Uganda Local Government Association
UCLG	United Cities and Local Governments
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNFCCC	United Nations Framework Convention on Climate Change

CORE RECOMMENDATIONS

Global Gateway Structured Dialogue

1. In line with the European Commission's MFF commitment to *'plan for each country with key reforms and investments designed and implemented in partnership with national, regional and local authorities'* each EUD should commit to a structured dialogue with the respective local LGA/LRGs in the drawing up of Global Gateway priority areas (digital transition, climate and energy, transport, health and education and research) under the respective MIPs 2028-2034 to identify Global Gateway Flagship and other projects relating to LRG.

2. Structured dialogue should involve local LGAs/LRG, and done in coordination with national government, but separate from dialogue undertaken with CSOs; where requested, CLGF and global local government FPA partners should attend to provide advice, drawing on international experience; a key aim of this dialogue should also be to establish where and how LRG can contribute to the necessary business environment and investment climate for Global Gateway projects.

3. EUDs should designate an officer responsible for ongoing local government liaison on Global Gateway Flagship and other projects and ensure that EUD officers have the required TALD know-how/training.

4. EUDs responsible for regional coordination should put in place similar dialogue and administrative arrangements to deal with regional LGAs such as EACLGA and CALGA/CLGF-Caribbean which can assist in coordinating local LGAs/LRG able to contribute to supporting regional Global Gateway projects which cover more than one country.

5. In the lead up to the new MIP programming for 2028-2034, as well as ongoing liaison, LGAs should ensure regular contact with the local EUD and keep their own LRG membership informed on Global Gateway Flagship investments and other EU programmes.

6. CLGF/FPA partners should continue close links with the European Commission and EUDs on the Global Gateway strategy and keep their members/partners up to date about key EU policy developments and opportunities.

7. Where possible, CLGF/FPA partners should draw on the expertise of thinktanks, academia other interested parties.

8. At EU level, the Policy Forum for Development and Global Gateway CSO-LA Advisory Platform should be given greater competence, in the case of the latter providing advance access to planned Global Gateway investment and related data.

9. Undertaking Global Gateway projects is difficult in fragile, politically unstable states, including post-conflict countries, where the investment climate is uncertain; here EU humanitarian aid, support for delivery of local basic services, and for decentralisation and consolidation of local democratic structures aimed at political reconciliation and national reconstruction, should be done through local government and civil society, laying the foundations for future Global Gateway programmes.

Global Gateway Implementation / Financial Arrangements

1. Where a clear LRG component has been identified, the EUD should contract implementation of all or parts of such Global Gateway projects (such as infrastructure investments in cities) in a partnership approach with the LRGs/cities concerned. Where these LRGs/cities have the required capacity, technical and financial management expertise and track record to implement (including the necessary financial credit ratings and prior experience of partnership with the private sector) they should be contracted directly.

2. The MIP and individual Global Gateway projects should, as an integral component, contain provisions for LGA/LRG capacity building, and facilitate that local LRGs, especially secondary cities, as well as LGAs gain expertise with regard to ensuring the local business environment, investment climate and governance structures required for successful Global Gateway projects.

3. EUDs should give first preference to contracting FPA local government partners as implementing agencies for LGA/LRG capacity-building, providing they meet the required qualifying criteria, rather than contracting non-local government external agencies from Member States, the UN or elsewhere.

4. Where the LGAs have the required implementation capacity and know-how, to undertake capacity-building independently, EUD funding support should be directly channelled to LGAs for the duration of the MIP.

5. Similar financial arrangements for capacity-building could apply to regional LGAs, where these have the necessary implementation capacity and formal relations with the relevant regional intergovernmental body (as is the case in East Africa).

6. Global FPA partners should receive a further FPA allocation for 2028-2034, increased from the current €50m, to provide capacity building especially for supporting LGAs/LRG in planning and implementation of relevant LRG-related Global Gateway projects; this could involve funds to establish and operate a pool of local government and financial management experts.

7. EU financial instruments should be used flexibly (such as TAIEX) to support peer to peer partnerships between local governments; this could potentially include a separate central EU budget allocation to support decentralised cooperation projects

8. The next MFF 2028-2034 should increase the target allocation for LRGs from the current €500 million, and to be spent directly through LRGs.

9. CLGF should coordinate with PLATFORMA/CEMR, and other FPA partners to engage the European Commission, European Parliament, EU Committee of the Regions, Member States and interested parties to secure support for the recommendations contained in this study.

INTRODUCTION

Under paragraph 42 of the 2021 EU Regulation establishing the EU's Neighbourhood, Development and International Cooperation Instrument NDICI/Global Europe**,** it is stipulated that regarding its mid-term evaluation, *'The Commission shall, to an appropriate extent, associate all relevant stakeholders, including beneficiaries, civil society actors and local authorities in the evaluation process of the Union's funding provided under the Instrument'.*

This study is designed to contribute to taking forward the outcomes of the 2024 mid-term review of the NDICI/Global Europe programmes and being enacted through the EU's Global Gateway strategy. It is hoped that the recommendations made will, where feasible, be deployed by the EU and its country delegations, the EUDs, in the implementation of the remainder of 2021-2027 NDICI/Global Europe programmes. Importantly, they are further meant as a contribution to the 2025 consultation under the Multiannual Financial Framework, MFF, seeking to generate new ideas to facilitate a better engagement and involvement of local government in the 360-degree strategy of the Global Gateway in 2028-2034.

This study focusses on how the EU and local government have to date engaged in developing partner countries with respect of EU development policies. In doing so, it takes as its framework the EU policy pledges on subsidiarity and decentralisation including the Territorial Approach to Local Development, TALD. The study seeks to identify both challenges and opportunities for the realisation of enhanced EU-local government engagement and provides a series of specific policy recommendations.

The methodology adopted involved consulting relevant EU data, existing studies, policy papers and acknowledged experts, as well as reviewing the EU's stated country and regional programmes for six selected case studies (Malawi, Uganda, Zimbabwe, Sri Lanka, Jamaica and East Africa). This was followed by online interviews with senior local government representatives; however, the TOR of the study did not provide for additional consultation with EUD representatives which may have provided additional information.

The study pays special attention to the EU's Global Gateway strategy seeking to mobilise €300 billion investments 2021-2027 through large-scale flagship projects in collaboration with the private sector and financial institutions in the core areas of digital transition, climate and energy, transport, health, education and research. It recognised that this strategy represents a *'new economic foreign policy'* by the EU at a time of global geopolitical, climate and other challenges and recent cutbacks in ODA. Drawing on past papers by CLGF, ECDPM and PLATFORMA and the case studies examined, the challenges and opportunities presented to EU-local government cooperation through the Global Gateway are set out and a series of practical policy recommendations are made.

GLOBAL RECOGNITION OF LOCAL GOVERNMENT'S ROLE

In November 2024, just after the election of President Trump with his pledge to formally quit the UN climate negotiations, 350 US mayors issued an unequivocal declaration on their own continued adherence to the Paris climate goals. This action underscored not only the mayors' political commitment, but also the practical responsibilities which local and regional governments (LRG) have for combatting climate change.

At the ensuing 2024 UN Conference of the Parties, COP29 in Baku, 500 mayors and local government representatives took part in global discussions on climate adaption, mitigation and financing. Under the umbrella of Local Government and Municipal Authorities (LGMA), organisations like PLATFORMA, United Cities and Local Governments (UCLG) and the Commonwealth Local Government Forum (CLGF), which have Framework Partnership Agreements (FPAs) with the European Commission, addressed such vital issues as facilitating low carbon transportation, enforcing sustainable building standards and channelling green funds for major urban infrastructure.

Cities, with their high concentration of population, dwellings, industry and infrastructure consume two thirds of the world's energy and account for 70% of global CO2 emissions.[i] Buildings alone account for a third of global energy consumption and the International Panel on Climate Change, IPCC is current undertaking a major report on cities and climate change, a reflection of the key role cities and local government have in ensuring climate adaptation and mitigation.

Already in 2021, COP27 endorsed the concept of *'multi-level'* government climate action, embracing local and regional government's role. There have further been growing efforts to include local and regional climate commitments in the UNFCCC's Global Stocktake of Nationally Determined Contributions (NDCs or national climate action plans to cut emissions or adapt to climate change). Likewise, the new Loss and Damage Fund, agreed at COP 28 to provide climate disaster relief under the auspices of the World Bank, specifically allows for disbursement of funds to the sub-national level, although details remain to be worked out.

The role of cities and local governments is not confined to climate action. The adoption of the 2030 Agenda on Sustainable Development and the Sustainable Development Goals (SDGs) in 2015 gave recognition of the role of cities and LRG in global development in implementation and in 'localising' the SDGs at the community level. Specifically, SDG 11- making cities and human settlements inclusive, safe, resilient and sustainable, has targets such as *'by 2030 enhance inclusive and sustainable urbanisation and capacities for participatory, integrated and sustainable human settlement planning and management in all countries*.'

Localisation of the SDGs involves applying them within cities and at sub-national level. Such subsidiarity serves to encourage local awareness, participation

and ownership of sustainable development. It engages local stakeholders such as mayors and councillors, city administrators and professionals, community groups and CSOs as well as business and academia. The OECD estimates that at least 100 of the 167 specific targets under the 17 SDGs need to be implemented at local, not national, level. Given that so many of the SDGs involve local government competencies, whether combatting homelessness and poverty, providing primary health care and basic education, promoting local economic development and enforcing local employment standards, providing urban infrastructure, ensuring public transport or addressing climate change, this sub-national focus is not surprising.

The 2030 Agenda is complemented by a range of other important international agreements, including the Sendai Framework for Disaster Risk Reduction; the Addis Ababa Action Agenda on Financing for Development; the Paris Agreement on climate change; and the New Urban Agenda, agreed at Habitat III in 2016. These agreements provide more detailed targets. The Addis Ababa Action Agenda, significantly, has a substantive section dealing with sub-national financing and enhancing LRG capacity (pa. 34).

Since 2015, many cities and sub-national governments have localised the SDGs by aligning them to their own local corporate plans and priorities and implemented them at community level. Cities are also producing voluntary reviews of SDG implementation in their local districts and engaging citizens on sustainable practices such as recycling waste and avoiding single use plastics. This is taking place in EU partner countries in Africa, Asia and Latin America and elsewhere as much as it is within EU member states.

The importance of international development based on localising the SDGs and engaging sub-national governments, has been given increasing global recognition. Cities, their mayors and many diverse global local government organisations such as CLGF are actively engaged in numerous international forums, including the G7, the G20 and many UN and other agencies such as UN Habitat and the United Nations Development Programme, UNDP. The OECD, too, has taken a growing involvement in local government and urban issues and has developed, among other instruments, a toolkit on decentralised cooperation and city-to-city global partnerships.

An example of such recognition is provided by the African Charter on the Values and Principles of Decentralisation, Local Governance and Local Development (2014). The Charter sets out detailed principles in respect of local governance, subsidiarity, resource mobilisation and local economic development; diversity and differentiation; inclusion; equity and equality; participation; representation; transparency, accountability and ethical behaviour, mainstreaming gender, youth and disability; capacity and much else. It also supports the association and cooperation of local government at local, national and continental levels.[ii]

Likewise, the Commonwealth has addressed issues around sustainable urbanisation. The leaders of the 56 Commonwealth countries, meeting in Kigali in 2022, adopted the Declaration on Sustainable Urbanisation which states *'that urban areas are a key contributor to rising greenhouse gas emissions and that cities are also where many of the solutions*

to climate change will be realised'. It further agreed to *'support cities, municipalities, and other urban authorities to mobilise resources to develop comprehensive, scalable programmes to address key challenges of sustainable urbanisation and build climate resilience to reduce risk and vulnerability'.* Similar recognition was given at the 2024 Commonwealth Apia summit which reiterated the importance of sustainable urbanisation and sustainable cities.

EU - LOCAL GOVERNMENT ENGAGEMENT

Structured Dialogue and Financial Support to Local Government

There has been growing engagement of local government within the EU, where most Member States have highly decentralised or federal systems of governance and where there is close cooperation at EU level, including through the European Committee of the Regions[iii].

The last 10-15 years have accordingly seen enhanced cooperation between the EU and local governments also in respect of European developmental policies. This builds on the earlier recognition which local government had received under the previous EU-ACP Cotonou Agreement. The latter had recognised local and regional governments (LRGs) as *'State actors'* - distinct from CSOs- and had acknowledged their *complementary role and their potential contributions* in ACP-EU cooperation. It was complemented by a range of other EU development cooperation instruments, notably the Civil Society Organisations/Local Authorities (CSO-LA) budget lines providing financial support, supported by a dedicated CSO-LA unit in the European Commission[iv].

The CSO-LA budget line did not require central government approval, and EU contracts were issued directly to local government. They were subject to success in competitive Calls for Proposals at EU (global) level administered by the European Commission; there was also opportunity for local government to take part in local Calls for Proposals organised by EUDs. This mechanism, with its competitive selection process between local governments and an obligatory 10-25% co-funding requirement was however devised for CSOs and is not suitable for public bodies like local governments. It further provided relatively small amounts of support, rarely exceeding €1 million per annum, typically between €249,999 to €3.9m over 2-4 years and therefore insufficient to deal with major local government infrastructure and other investments, economic development promotion or key public service delivery.

An important next step was the adoption of the 2013 ***EU Communication on Empowering Local Authorities*** in partner countries and a new EU focus on *TALD- a territorial approach to local development*[v]. The 2013 EU Communication proposed a strategic engagement with LRG, including Local Government Associations (LGAs) in adherence with the principle of subsidiarity of the EU Lisbon Treaty, according to which public responsibilities, regulatory functions and spending are transferred to the lowest institutional or social level, closest to citizens, that is able to complete them.

As part of this ongoing commitment, formal ***Framework Partnership Agreements, FPAs*** were signed between the European Commission in 2015 and five global and regional local government associations (CLGF, PLATFORMA, United Cities and Local Government, UCLG, UCLG-Africa and the francophone association of mayors, AIMF) for the period 2016-2021 and renewed for 2021-2026. FPA partners each receive direct EU grant funding for agreed priority programmes in areas such as facilitating local government implementation of the SDGs, increasing local government capacity to deliver for citizens, increasing awareness of EU policy

and programming. The FPAs represent a significant advance in partnership collaboration between local government and the EU at global level.

In addition, the EU established the Policy Forum for Development (PFD) in 2013 which meets to allow structured dialogue between the EU and local government and civil society organisations (CSOs) partners. This platform brings together over 79 networks covering associations of local government, NGOs, Cooperative, Trade Unions, Foundations, Professional & Business Associations, Diaspora organisation, women & youth focused organisations. The platform provides for structured continuous dialogue on policy priorities towards: Global Gateway, NDICI-Global Europe, GAP III, youth, enabling environment, SDG implementation, human development, Financing for development.

The 2017 ***European Consensus on Development*** sought to achieve greater EU policy coherence in the implementation of the 2030 Agenda for Sustainable Development, to be *'closely coordinated with that of the Paris Agreement on Climate Change and other international commitments, including the New Urban Agenda'* (pa.7). The Consensus placed emphasis on multi-stakeholder partnerships and support for capacity-building for strong institutions and multi-level governance. It gave clear recognition to sub-national development strategies, partnerships with regional and local authorities, including 'twinning' among modes of aid delivery and *implementing the 2030 Agenda at local, regional and national levels*'. [vi]

The European Commission's focus on cities and urban development is set out in the Consensus: *'The EU and its Member States will seek to boost the potential of cities as hubs for sustainable and inclusive growth and innovation, taking account of their wider rural communities and of balanced regional development. They will promote inclusive sustainable urban development to address urban inequality focusing on those most in need, including those living in informal settlements and slums.'* This was followed by a special 2018 Calls for Proposals on ***Partnerships for Sustainable Cities*** with a budget of €164.7 million, the objectives of which included *'improving the resilience and greening of cities*'.

By 2020 negotiations were concluding on the successor agreement to Cotonou. The ensuing ***Partnership Agreement with the Organisation of African, Caribbean and Pacific states (OACP)*** acknowledged *'the role and contribution of local authorities in enhancing democratic accountability and complementing governmental action* (Actors; Article 5.1). It also agrees *'that engagement with …local authorities…is integral to well-informed decision making and to furthering the objectives of this Partnership* (Engagement with Stakeholders, Article 95.1). [vii]

NDICI-Global Europe and the Global Gateway

Since 2021 EU support to partner countries has been provided under the ***Neighbourhood, NDICI/Global Europe*** instrument which extends beyond the OACP**.** This has an allocation of €79.5 billion 2021-2027, the bulk of which (€60.38 billion) is devoted to geographic programmes with smaller amounts for thematic programmes such as human rights and civil society organisations (€6.36 billion) and for rapid responses such as humanitarian aid and foreign policy needs (€3.18 billion). €41.02 billion is earmarked for OACP and developing countries, of which sub-Saharan Africa is allocated €19.32 billion.

This new mechanism seeks to unify grants, financial blending and guarantees, including through the expanded European Fund for Sustainable Development Plus (EFSD+). The NDICI budget has been "geographized" which refers to increasing the proportion of the budget programmed and implemented at country level through the EU Delegation. EU priority areas at country and regional level are set out in the relevant multi-annual indicative programmes, MIPs, backed up by annual action plans at country and regional level. There has been a move away from EUD dealing with a single national/regional authorising officers (normally in the national ministry of finance) which now allows the EUDs to engage with a wider range of ministries/institutions but also places more demands on them. There have been commitments to consult a wide range of stakeholders however the level of outreach and inclusion has differed across countries and delegations. It is a coordinated strategy that brings together **EU institutions, EU Member States, their development agencies and financial institutions (including the EIB and EBRD)** to act as a unified force in external cooperation and development.

A key element of the EU's current work programme is looking to coordinate the work of EU institutions, EU Member States, their development agencies and financial institutions (including the EIB and EBRD) in partner countries. This Team Europe approach includes collaboration and coordination on specific programme as well as specific flagship ***Team Europe Initiative (TEI)*** based around joint national and strategic priorities, securing more resources and ensuring better coordination. In some cases, this has involved the EU, partnering with the development agencies of individual Member States like France and Germany (AFD and GIZ respectively) and others joining together on programming supporting decentralisation or urban infrastructure.

The Regulation establishing NDICI-Global Europe recognises that in line with the 2017 Consensus, local government is a key actor in delivering development. It stipulates close consultation and association of local authorities notably in respect of SDG localisation, promoting TALD '*including decentralisation processes, participation and accountability'.* It also envisages *support for local authorities' capacity building in order to strengthen their voice in the sustainable development process and advance political, social and economic dialogue, as well as to promote decentralised cooperation.* To this end, *Support to local authorities under the geographic programmes should amount indicatively to at least EUR 500 000 000* (pa.36)'.[viii]

In an announcement on the operation of the NDICI in 2022,[ix] the European Commission stated that it will engage with

various stakeholders to *'enable governments and policy makers to define and implement the necessary policy reforms to address challenges and to ensure sustainable development, peace and stability.'* The EU also indicated that programming of financial assistance should be done in an *inclusive dialogue with partner countries, EU Member States, civil society, women and youth organisations, local authorities, private sector and other donors.'*

Under NDICI 2021-2027, the EU financial instruments changed with the removal of the previous earmarked LA budget line, with the above commitment of €500million to be delivered through the geographic budget lines at the EUD level. This means that LGAs and LRG need to interact directly with EUDs in making the case for support under specific country or regional programmes. While this provides the potential for local government accessing more significant funding for larger scale programmes and infrastructure investments in place of small projects, in practice it has been challenging for LGAs and LRGs to influence programming decision making or engage in dialogue with EUDs. The geographized approach also assumes a functioning national system of decentralisation and a central government being in favour of EU funds being channelled to LRGs which is only the case in a specific subset of partner countries. In those countries where local government and/or cities are not a priority for national governments commitments to LRG programming have not materialised.

The EU has committed to a minimum €500 million in 2021-2027 for work with local government through its geographic programming. However, the €500 million allocation to local government contrasts to the larger €1.36 billion earmarked for CSOs under the thematic NDICI component. It also includes €50 million for FPAs. As of 2024 EU officials have confirmed that the €500million target has been reached but to date the analysis for calculating the expenditure has not been made public. It will be important to understand if these funds were spent with and through LRG or in programming at the local level, and how the wider assessment of local government support has been framed.

More recently, the EU has elaborated its ***Global Gateway*** strategy as a contribution to narrowing the global investment gap in partner countries. This is viewed as a 360-degree approach that focuses on the enabling environment for investments. It is *'Europe's positive and values-based offer to channel Team Europe's investments in global infrastructure development in accordance with six key principles: democratic values and high standards; good governance and transparency; equal partnerships; green and clean; security-focussed and catalysing private sector investment.'*[x]

The strategy seeks to mobilise €300 billion in investments 2021-2027 through the Team Europe approach, bringing the EU, its member States, financial and development institutions together with the private sector; by 2023 €179 billion had been mobilised under 225 Flagship Projects. It aligns with the UN Agenda 2030 and the Paris Agreement and the need to mobilise €4 trillion annually in development finance to achieve the SDGs. There is also focus on the 24% of global population living in fragile countries, on migration and on multilateral engagement.

Specific Global Gateway investment areas are digital transition, climate and energy, transport, health and education and research. Many of these involve major

infrastructure projects relating for example to improving transport, energy, water or digital infrastructure and can be either national and regional level investment, for example support to transport corridors such as the Lobito corridor (Angola, DRC and Zambia) or the Mombasa-Kisangani Strategic Corridor (Kenya, Uganda, Rwanda, DRC). Some of these potentially have a local government dimension, notably where they involve urban infrastructure investments. ECDPM has identified 20 existing Flagship projects with potential of strong LRG involvement in diverse areas including urban transport, energy and green investments showing the synergy with LRG **(Appendix 1).**

Given that to date some 250 Global Gateway projects have been approved, it would be valuable to discover both which of these have had a direct engagement with local government in their planning and subsequent implementation, and also which others could have potential to be engaged. It is encouraging that the European Commission currently seems to be moving forward in learning lessons from these issues, and is envisaging dialogue with city mayors and others, so as to ensure LRG is part of the 360-degree approach. The Global Gateway CSO-LA Advisory Platform established in 2023, should provide a platform for further discussion on the involvement of LRG, and CSOs in a successful 360-degree approach but to date the mandate and ability to influence decision making of the platform is unclear.

Other positive developments involve the inclusion of local authorities in the TEI on Democracy-TED Network, launched 2021 to promote democracy and human rights as well as the eligibility of LRGs to access the Technical Assistance and Information Exchange (TAIEX) instrument which supports public administrations through sharing of EU best practices. However, the effectiveness of these new mechanisms for engaging local government has yet not been proven.

A 'New Economic Foreign Policy': Implications for Local Government

The NDICI/Global Europe programmes 2021-2027 have been programmed and are underway and were subject to a 2024 mid-term review by the EU. Initial results from the review have indicated a likely pro rata cut in MFF support and need for more stringent prioritisation especially at country level as well as the need to further align with the Global Gateway strategy with country MIPs having to address one or more Gateway priorities and enabling sectors such as business environment and investment climate or governance. It is proposed to create investment envelopes pooling funds for 360 degrees to leverage private sector investment in a Team Europe approach including from financial institutions.

The evolution of EU developmental strategy has been described as becoming increasingly 'geopolitical' and involving a 'new economic foreign policy', more policy-focussed at a time of global political instability and national cutbacks on ODA. EU programming now focusses more on EU strategic priorities and global interests and how they could be matched to partner country aims. Focus areas include democratic governance, peace and stability; inclusive growth, sustainable jobs and private sector; and the Green Deal and environmental sustainability and resilience. At the same time the EU's focus on a 360-degree approach provides an opportunity to actively engage LRG, which in many cases has direct responsibility for provision of the local enabling environment for investment, including providing business advisory services, tax and other incentives and supportive legal provisions.

It is worth recalling that the earlier ***EU's external evaluation of the Local Authorities thematic programme 2014-2019*** noted it had supported 250 local government projects with focus on capacity development (37%); sector-related projects (27%); decentralisation (11%); governance (9%); local and rural development (9%) and local government accountability (7%) but confirmed that these had mostly been short term and small-scale, which had restricted their impact, showing the limitations of the project approach.[xi] It recalled that the complexity of EU procedures had been a disincentive to engagement with individual local authorities but highlighted that direct involvement of local government associations could help mitigate this problem[xii].

The evaluation had made two specific recommendations for future EU engagement: first, strengthening country level support to LGAs, including for core capacity and ability to manage EU funds; and second, through a general introduction of local government 'roadmaps' to underpin EU decentralisation support and empowering and mainstreaming local government *'in all relevant EU financed actions'*. It also supported regional/sub-regional networks under the FPAs. Significantly, the evaluation concluded that *'in countries where EU delegations invested in structured dialogue with local authorities and their associations, the programme was able to position itself strategically and link local results and innovations with more sector-wide outreach.'*

To date there had been some strengthening of country level support to LGAs, but much of this took place pre-2021. A small number of LRG roadmaps have been drawn up but there has been

no follow up to this initial pilot phase (Chad, Mali, Colombia and Ecuador), and the mainstreaming of LRG in EU financed actions has been very limited. Likewise structured dialogue with LRG at country level has if anything declined since the introduction of the NDICI-Global Europe programmes. The new Global Gateway strategy focused on large scale infrastructure investments and private sector engagement has further diminished LRG and LGA engagement and there are no new supporting measures for their inclusion in the current pipeline.

This situation has been compounded by the absence of the previous dedicated Local Authority budget line under which local governments could apply for funds directly, including for decentralised development cooperation (apart from the earmarked FPA allocation of €50 million). As noted, funding now needs to be agreed primarily under the geographical component of NDICI in consultation with the country EUD, taking into account EU MIP and Global Gateway priority areas. While this has potential for larger financial allocations to LRG, the evidence that this has actually happened is far from conclusive.

ECDPM has noted that the new EU approach requires more communication and consultation with partners, not only national governments, but also civil society, local authorities and the private sector. It further necessitates strong capacities in the EUDs, including new expertise, as well as stronger linkages between the political and operational sections of EUDs'[xiii]

A 2021 PLATFORMA study on EUD collaboration with LRG and under the new NDICI instrumentalities included a survey of 53 EUDs of which only 23 said they were in active contact or consultation with the respective LGAs.[xiv] However, 34 EUDs said that decentralisation processes were underway in their respective countries and the study identified examples of EUD support for decentralisation, although these were often implemented through central government not LRG. Examining 273 LRG-related projects, the study found that 38% related to governance, 30% to local economic development, 14% to water/sanitation/health/other, 10% to participation and 8% to decentralisation, although there may be some overlap. PLATFORMA is currently undertaking an update of the 2021 survey.

PLATFORMA found that obstacles to greater cooperation with EUDs related to LRG not being seen as a priority partner; limited availability of EU resources; low LRG implementation capacity, and a situation in fragile states mitigating against decentralisation. In its conclusions, the study highlighted the importance of EUD staff having training in TALD which only 32% of those surveyed had. It welcomed the initiation of pilot EUD country 'roadmaps' for LRG in Chad, Mali, Colombia and Ecuador. The study emphasised the role that global FPA partners could play by engaging in triangular discussions involving EU Delegations, national governments and national and regional associations of local government'.

A 2022 CLGF study on the EU Green Deal and support for climate change[xv] highlighted potential opportunities for local government in accessing climate funding under the new 2021-2027 NDICI mechanisms, including regarding attracting private sector investment with support under the Global Gateway. It noted that at least 25% of the total budget was earmarked for climate action, including for green and smart cities and documented climate finance opportunities under the MIPs in Rwanda, South Africa,

Jamaica, Sri Lanka and at RIP (Pacific regional) level. It concluded that the LGAs in Rwanda and South Africa had engaged actively with local EUDs and were well positioned to benefit from EU country funding, subject to the necessary interactions taking place; however, this was not the case in Jamaica, Sri Lanka or the Pacific region where contacts with EUDs had been more sporadic.

An ECDPM study in 2022 showed that in Africa 67 country TEIs and 13 regional TEIs had been concluded and are due for implementation. However, ECDPM noted that although TEI's follow partner country priorities, their design has involved little local ownership, even with partner governments, let alone local government or CSOs. ECDPM identified this as a major shortcoming which needs to be corrected in the TEI implementation phase, including in respect of their engagement with local government[xvi].

A more recent ECDPM 2024 paper provided further analysis with regard to the Global Gateway strategy and local government.[xvii] The paper concludes that *'local authorities have played a relatively limited role ...so far'* and that they are seen as beneficiaries, rather than active participants in decision making. It points out that local government is critical to the success of the Global Gateway, given the territorial nature of investments; the mandate to promote local economic development and investment; and the EU's commitment to ensure that projects benefit local communities.

ECDPM noted that while the 2021 Joint Communication on the Global Gateway does not explicitly mention local government, it contains the concept of *'local communities'*. Engaging local government, with its responsibility for local economic development, local service delivery and infrastructure and would, ECDPM points out, be in line with greater policy coherence and a 'whole of government' approach. It attributed the limited inclusion of local government to the centralised management mode of key institutional and financial actors; having a sectoral rather than territorial approach; lack of decentralisation; lack of local government capacity; and going 'local' without engagement of the concerned local actors.

In realisation of these developments, PLATFORMA, issued a Position Paper on EU External Financing for Local Authorities in 2024.[xviii] This pointed out that despite positive steps taken, the exact modalities for support to LRGs and their national associations remained unclear and that consultations between EUDs and LGAS and their members have been uneven and discretionary to date. It further noted that NDICI programmes are often agreed upon and implemented through central governments, international NGOs, national development agencies or other multilateral institutions, not local government. At the same time, it recognised the frequent lack of the necessary technical and other capacities both in local government and EUDs to facilitate greater cooperation.

CASE STUDIES

An important aim of the current paper, drawing on a range of case studies and other evidence, is to assess the extent to which the new NDICI mechanisms and related strategies such as the Global Gateway are facilitating active local government involvement in NDICI-Team Europe/Global Gateway programmes, the extent to which the €500 million allocation for LRG has been utilised to date, and what Global Gateway projects are underway.

Case studies and accompanying consultations were undertaken in February-March 2025 **(Appendix 2).**

Malawi

The EU's 2021-27 Malawi MIP is aligned to the Government's Malawi 2063 vision set against a background of high population growth, environmental degradation and ongoing economic and governance issues facing the country. It has three priority areas - green and resilient economic transformation; democratic and economic governance; and human development and social inclusion. There are two agreed TEIs- Green Economic Growth for Malawi (€150m) supported also by Good Governance for Malawi (€60m) with support also from Belgium/Flanders, Germany and Ireland. A technical cooperation facility has been established to provide support including in areas of capacity-building.

The MIP states it has a *'people-centred approach that focuses on improving local communities' self-reliance'*. It further asserts it seeks *'a greater emphasis on a territorial approach and locally-led implementation'*. In addition, the TEI on Good Governance explicitly envisages promoting joint policy and political dialogue on democratic governance *'with a wide circle of stakeholders';* it also highlights the importance of enhancing public finance management (PFM). Currently Malawi is benefiting from a Global Gateway project upgrading 400km of power lines as well as under regional programmes (for example improving fibre optics, sustainable coffee production). While these are technical programmes, there is nonetheless a local dimension given that transmission lines pass through the territory of various district councils.

Local government is an important potential stakeholder in addressing the three MIP priority areas, not least in the facilitating the green transition, environmental sustainability and local economic development, as well as in respect of good governance and better Public Finance Management (PFM). It is therefore surprising, especially in view of the commitments made to seeking a territorial approach, that the MIP contained no explicit reference to engagement with local government or sub-national governance.

In the period of the previous MFF (2014-2020) the Malawi Association of Local Government Authorities, MALGA, has had good interaction with the EUD. During 2016-2018 this included EU capacity building support for the association under the project *'Promoting the demand and supply of transformative local governance in Malawi'* targeting six district councils. This project took place following the re-

institution of elected local government in 2014 after a lapse of nine years (elections had been introduced in 2000 but the system was suspended in 2005). The evaluation of the project showed positive outcomes in respect of capacity building and transparency; accountability notably citizens' participation; it noted MALGA's institutional capacity including development of a strategic plan, indicating *'MALGA did remarkable work and executed ground-breaking lobby and advocacy'*; and in building knowledge of best practices on accountability.[xix]

With change of EUD personnel and the removal of the LA budget line, there was little contact or consultation with MALGA between 2018-2022 including during the new programming period in 2021 on the formulation of the EU's country priorities. In this context MALGA was aware of the EU's new Geographisation and Team Europe. However, on the initiative of MALGA and in conjunction with the Ministry of Finance discussions took place with the EUD in 2022 on the importance of local government as a development actor, resulting in improved recognition of local government and district councils. Building on this the EUD developed a specific programme for local government entitled *'Better Preservation, Restoration and Regeneration of Natural Resource Base and its Diverse Ecosystems-Participation of District Councils'.* A call for proposals was launched, and a set of projects has been agreed working with 12 district councils, including one project where MALGA is a co-applicant. While welcoming this support, MALGA is concerned that the call for proposals methodology is not the most effective in ensuring an equitable distribution of resources across councils and thematic areas. They were also disappointed that the EUD did not automatically include the LGA in the oversight and M&E processes linked to the programme, as such MALGA will only actively be supporting the project in which it is a co-applicant. Finally, the association is not receiving follow-on EU capacity building in line with the support it had prior to 2018 and notes that this limits its ability to engage in EU-related activities and provide appropriate advice and support for its members. This will continue to be an issue as the Global Gateway strategy moves into more active implementation in Malawi and the LGA's limited capacity will limit its ability to support its members to maximise the 360degree approach and maximise benefits of citizens from these investments.

Uganda

The EU's MIP for Uganda 2021-2027, amounting to €375m, has three priority areas: green and climate transition; sustainable and inclusive growth and jobs; and democratic governance and social inclusion. The first of these has two sub-areas, one of which is 'green cities', set against the country's high urbanisation rate (5%), and seeking to address key local issues such as governance, planning, infrastructure and domestic resource mobilisation. More specifically, it seeks to target secondary cities on issues such as urban mobility and transportation, waste management, slum regeneration and social housing and planning; it also embraces the need for capacity-building for local administrations.

While the 'green cities' sub-area is an obvious entry point for local government engagement, the other MIP priority areas dealing with growth and jobs and with governance and inclusion fall well within the responsibility of local government. As such there is good coverage of areas where local government is a key actor in the MIP.

Two Team Europe Initiatives are planned, one of which, budgeted at €70m, deals with demography and social services (such as water and sanitation), and states that it *'will also support local governments in increasing their own resource mobilisation',* and encourage their ability to attract external resources, for example from the Green Climate Fund. Furthermore, the MIP notes that its Cooperation Facility could be deployed to support capacity development and institutional strengthening by provision of technical assistance, including through 'twinning'. There is also the potential to directly engage local government, for example when levering private infrastructure investment through the EFSD+ mechanism, or when providing local services to Uganda's large number of refugees from South Sudan and the Democratic Republic of the Congo (estimated at 1.5 million).

Uganda currently has a number of country and regional Global Gateway projects addressing climate and energy and other areas (for example the Nalubaale-Kiira hydropower plant rehabilitation, the Uganda-South Sudan power interconnection, the critical raw materials partnership roadmap, sustainable coffee production, providing WASH facilities in schools).

In the period of the previous MFF (2014-2020) The Uganda Local Government Association, ULGA, and the Urban Authorities Association of Uganda, UAAU, were involved in the Development Initiative for Northern Uganda, DINU (2017-2022). This was implemented under the European Development Fund by the United Nations Capital Development Fund, UNCDF (EU €25,852,174; UNCDF €352,174) and addressed governance, agriculture/nutrition and infrastructure in the context of promoting stability and sustainable development in 33 districts. Governance support was focussed on public financial management and involved a performance-based discretionary grant facility (Local Government Excellence Fund) for economic projects, climate change adaptation, economic empowerment of women/ young people. It also provided conditional and matching grants and technical assistance to mobilise local resources for improved service delivery.

Kampala had also benefited from a LA budget line project focused on integrated finances for sustainable urban

development as part of the "Partnerships for Sustainable Cities" programme which ran 2018-2025.

EU support was also provided to individual local authorities in the West Nile region under the RISE programme (2018-2023) with a total envelope of €32m (EU contribution of €20m) with interventions coordinated by the Ministry of Local Government, the Office of the Prime Minister and UNHCR, and the local government support implemented by GIZ. This supported refugees and host communities in a region which has seen the influx of almost 1 million refugees. A specific focal area of RISE aims to strengthen local authority capacities including through improved District Development Plans, climate adaptation plans and capacity to attract external funding (objective 1). RISE further aimed at increased economic self-reliance through vocational training and local income generation from farming (objective 2).

Following the Development Initiative for Northern Uganda (DINU) programme - which ran 2017-2022, ULGA has expressed its concern that interactions between ULGA and the EUD have decreased significantly over recent years. While ULGA has participated in EU consultations on the new MIP objectives and Team Europe initiatives, notably with regard to the water and sanitation sector, these took place in the context of a broad-based interaction with a wide range of stakeholders and not with ULGA directly. While the DINU programme included ULGA as an important stakeholder it was not consulted in the design and implementation of RISE, and ULGA does not feel sufficiently engaged in the MIP or Global Gateway consultation and programming.

ULGA has also pointed out that there are missed opportunities in the EU's new Green Cities initiative, where including a rural-urban dimension, given in the extent of migration from rural areas, would allow for more holistic impacts. It also feels that the new EU Global Gateway approach should facilitate mobilisation of infrastructure investment, including from the private sector, to rural, not only urban areas; such strategies should moreover engage the concerned local authorities and benefit local contractors.

ULGA is also concerned that local government has not been a direct implementor in projects like DINU or RISE. Both were done through external partners with DINU being contracted to UNCDF and RISE to GIZ (for objective 1) and Action Against Hunger and CARE (for objective 2). This approach does not involve local government sufficiently, and with the increasing size of projects under the Team Europe approach and Global Gateway this trend seems likely to continue.

ULGA has been working with partners to propose new projects and structures that can reverse this trend. It drew attention to the proposal, developed with support from Dutch VNG and in connection with the DINU programme, for a sub-national pooled finance mechanism, SNPFM.[xx] This seeks to channel large scale funding into rural and urban local governments, including from bonds and borrowing, local government own resources, central government transfers, development partners and the private sector, as well as from development finance institutions and others. It would be serviced by a technical secretariat overseen by a board. ULGA is working to put in place a structured dialogue with the EU to discuss contributing to such a pooled finance initiative, as well as how to ensure the widest developmental impact of the EU's

programming within the framework of the current MIP. It felt that CLGF had an important role in helping to facilitate this dialogue and potential programme implementation.

Zimbabwe

The EU's MIP for Zimbabwe 2021-2027 with a budget of €148m has three priority areas: good governance and citizen rights (€24m); green economic growth (€55m); and social recovery and human development (€56m). It is notable that proposed interventions in all three areas place emphasis on actions at sub-national level and TALD, it being stated that the *'MIP is built upon a multi-level engagement strategy, with interventions at the sub-national level'* which *'allows more customised change management approaches'.*

There is in fact a dedicated MIP workstream for decentralisation and local government under good governance, to be targeted at urban and rural councils and focussing on transparency and accountability as well as empowering women. In respect of green economic growth, a specific objective is to *'strengthen local governance of infrastructure and natural resources'* while support for social recovery and human development is to '*be mainly implemented at the sub-national level*'. The MIP further aims to *'engage local authorities ...actively into all steps of action delivery'* noting also that *'strengthening accountability at the local level can reinforce the objective of letting local communities benefit from their own natural resources'.*

There are two TEIs, dealing with gender empowerment and climate smart agriculture, closely aligned to the MIP priorities and the potential deployment of EU thematic budget lines is highlighted (Human Rights & Democracy; Peace, Stability & Conflict Prevention; CSOs). It is further envisaged that joint programming is undertaken with non-EU partners like the UK and Switzerland under the Working Together Roadmap agreed in 2020. To date there does not appear to be any Global Gateway project underway in the country.

CLGF has been cooperating with the EU in building up and supporting local government in Zimbabwe for over 20 years, and has the required expertise in TALD, a close working relationship with local government, its two associations (UCAZ and ARDCZ), with the local government ministry and other local actors. Engagement with the EUD in Zimbabwe provides an example where a FPA partner, CLGF, has played a significant role in facilitating access to EU funding (€3.9m since 2015) for LRG as well as being contracted for programme implementation through the local CLGF country office in Harare. Since 2015, CLGF has secured EU funding and administered three projects:

Strengthening Capacity for Local Governance and Service Delivery in Zimbabwe (2015-2018) EU €900,000 plus €300,000 co-funding (25%). This project looked at operationalisation of 2013 constitutional provisions for local government; developing local government capacities of 15 councils; and strengthening LGAs (UCAZ/ARDCZ). It was implemented by CLGF in coordination with VNG and UNDP.

Enhancing Local Authorities Financial Sustainability and Local Economic Development (2016-18) EU €500,000 plus €166,666.67 co-funding (25%). This project worked with the same 15 councils and other stakeholders to implement capacity-building to support financial sustainability; encourage optimal use of ICT in respect of financial management and e-governance; and promote local economic development.

Enhancing Local Authorities' contribution to Governance and Development Processes in Zimbabwe 2018-22/44 months; EU €2,500,000 plus €277,778 co-funding (c10%); This project aimed to further strengthen local government and LGA (UCAZ/ARDC) capacity; strengthen local government capacity to facilitate citizens participation, including by marginalised and vulnerable groups, especially women; promote financial sustainability and local economic development; and disseminate knowledge.

The project provided support to 54 (of the 92) local governments to enhance financial sustainability and digitalisation of local government under the Local Authorities Digital System (LADS).

The external evaluation of the 2018 programme rated it highly successful in key components including relevance, effectiveness, efficiency, impact, sustainability and other areas. For example, it accomplished 90% of activities on schedule, despite having to implement these during the Covid crisis. It accordingly strongly recommended continued EU engagement and upscaling of the CLGF implemented programmes in Zimbabwe[xxi].

In discussions with the CLGF Harare office, it was noted that they had developed a close working relationship with EUD Harare and its officials. This had involved consultations over the MIP priority areas and strong focus on sub-national actions. In addition, in discussions over both project design and funding, the EU had recognised that CLGF had the necessary capacity, track record, technical expertise on TALD and institutional legitimacy (including at political level) to be awarded direct grant funding without having to revert to competitive tenders, something also reflected at the global level with the award of a FPA to CLGF.

CLGF Harare is at an advanced stage of agreeing a new EU programme to enhance capacity for local authorities for policy development and implementation, participatory budgeting and digital technologies in line with gender equality and inclusivity principles. This will be supported under the MIP Annual Action Plan (2021-2027 total allocation €16/19m) with focus on Transparent and Accountable Governance in Zimbabwe and link to the two TEI's on gender empowerment and climate smart agriculture. The programme is aligned to the implementation of SDGs 16 (governance), 5 (gender), 10 (equalities) and 11 (cities).

The new local government programme aims to support the Government of Zimbabwe 2020 Devolution and Decentralisation Policy; as well as direct support for the 32 urban and 60 rural local governments and their national associations, it will further provide capacity support to the Ministry of Local Government and also address the role of traditional leadership. Support is to be provided in the form of training, TA and capacity-building.

However, unlike the previous programmes which were essentially implemented by CLGF, in addition to CLGF's direct implementation role, GIZ, which is providing co-funding, will have an indirect

implementation role, including administration of part of the budget especially as it relates to support for the ministry of local government. In consequence, the envisaged budget to be administered by CLGF is expected to be only €2.3m, significantly less than the overall allocation of €3.9m between 2015-2021. It remains to be seen if this split in implementation roles between CLGF and GIZ will be as efficient as the previous arrangements. CLGF Harare has also pointed out that a timeframe of 3+ years is not effective, and that tangible results require a longer 7–10-year timeframe.

Insofar as additional elements such as local green economic growth and local government role in environmental conservation are to be added, CLGF takes the view that these would be better absorbed under the existing governance programme, rather than via separate projects. CLGF feels that this might be best achieved by a national/regional FPA/direct funding allocation between the EU and itself or possibly linked to the global FPA which CLGF already has in place with the EU.

Regarding the Global Gateway, there are currently no specific proposals for Zimbabwe. However, the EUD does acknowledge that given the Global Gateway has good governance and transparency as key principles, its current activities will contribute to establishing enabling governance system which will be conducive to implementing Global Gateway programmes. In this context the CLGF office, which also has a regional role beyond Zimbabwe, has already had experience in respect of local government involvement in Global Gateway transport investment in neighbouring Zambia and it would therefore be in a position to engage also on future Gateway projects in Zimbabwe.

Jamaica

Jamaica's MIP 2021-2027 (€30m) has three priority area: Sustainable and Inclusive Economy (€13m), with focus on digital transition and SMEs; Climate Change and Environment (€10m) for strengthening climate resilience and natural resources planning; and Good Governance and Human Security (€4m); there is also a small Support Measures facility (€3m) to assist CSOs and others. Jamaica currently has one Global Gateway project relating to renewable energy production.

The MIP does not mention TALD or LRG directly but instead places considerable focus on engagement with CSOs, including in respect of implementation of priority areas. There are potential indirect openings for LRG in the MIP's references to supporting the Government of Jamaica's *Updated National Climate Change Policy and Urban Renewal Strategy* (under Climate Change); to a *'whole of government approach'* and *'local communities'* (under Governance and Security); and to 'support on sustainable cities with strong investments in resilient infrastructure' (under Support Measures). However, it seems these approaches are only seen in the context of working top down through national ministries, not through local government or their representative body ALGAJ.

While the capacity of LRG in small states such as Jamaica is limited, especially when it comes to major urban renewal and other projects which require close cooperation with national government and funding agencies, this lack of MIP focus on TALD and local government is surprising, given the long-standing democratic decentralised local government structures in Jamaica and the LRG role in ensuring local responses to economic development, to climate change including dealing with natural disasters, and promoting good governance.

As with other Caribbean countries, Jamaica will also benefit from EU support under the *Regional Multiannual Indicative Programme for the Americas and the Caribbean 2021-2027*. The Caribbean component of this has a budget of €208m, with three priority areas akin to those in Jamaica- Green Deal (€87m); Economic Resilience and Trade (€78m); Governance, Security and Human Development (€30m); and support measures (€13m). While there is again strong emphasis on EU cooperation with CSOs, '*communities and local authorities'* are explicitly mentioned as *'key actors'* and as *'essential stakeholders for policy dialogue and awareness raising'* (under Green Deal); there also is mention of *'national and sub-national governments'* when referring to potential EFSD+/EIB guarantees (under Governance).

In this MIP period the Association of Local Government of Jamaica, ALGAJ has had only limited engagement with the EUD and has not been involved in any formal structured dialogue regarding MIP or other EU priorities and is not aware of the Global Gateway strategy; this was confirmed in an earlier 2022 CLGF study dealing with EU support for climate change[xxii]. Likewise, ALGAJ has received no EU funding support 2014-2020 or 2021-2027 other than indirect support provided under the CLGF's FPA linked cross-Commonwealth grant which focused on localising the SDGs through the lens of LED.

At regional level, the Caribbean Association of Local Government Authorities (CALGA) works closely with CLGF-Caribbean, with ALGAJ as a member,

has co-organised regional and other CLGF events with national LGAs and LRG members, most recently in 2022; these activities have all been supported under the CLGF FPA. CLGF's Caribbean office has had contact with the Barbados EUD, which handles the EU's regional programming and is currently running a multi-country programme on linking civil society and local authorities in St. Lucia, St. Kitts and Nevis, Antigua and Barbuda and Grenada. It is a member of the PFD and brings to the voice of Caribbean local government to this structured dialogue platform, which reflects on EU policy and feeds into decision making at the Commission level, including into EU's NDICI-Global Europe, regional programming and Global Gateway strategies.

Neither CLGF Caribbean nor CALGA have to date been engaged in regional or other Global Gateway projects which have focussed on such specialised areas as green hydrogen storage, countering algae growth and the sargassum value chain.

Sri Lanka

The MIP for Sri Lanka 2021-2027 has two priority areas: Green Recovery for Sri Lanka (€34m), which is a Team Europe Initiative (TEI) bringing together the EUD with the development agencies of Germany, France and the Netherlands; and An Inclusive and Peaceful Society (€20m). To date there does not appear to be a Global Gateway project underway in Sri Lanka.

Under Green Recovery, the EU is supporting the circular economy and innovation in industry to promote carbon neutrality, resource efficiency and the like. It is supporting pilot demonstration interventions and/or scaling up interventions that promote innovation and green technologies and training. Through mobilisation of finance from the EFSD+ and the private sector, it is intended to support the Water-Food-Energy Nexus encouraging the circular economy, including sustainable food supply.

The TEI has a Green Policy Dialogue Facility *'to enhance multi-stakeholder dialogue with civil society, the private sector and other stakeholders'* in respect of the circular economy, monitoring Sri Lanka's Nationally Determined Contribution on meeting global climate targets and encouraging biodiversity and nature-based solutions. It is also stated that the TEI '*will seek alliances with civil society, the private sector and other stakeholders'*. However, there is no explicit mention of local government as a stakeholder or reference to TALD. The listing of SDGs being referenced further omits SDG 11 on cities and human settlements and there is no mention of the issue of sustainable urbanisation. Especially as it affects climate adaptation and mitigation.

In respect of the second priority area, the MIP states that *'economic partnerships across ethno-religious faultiness will be promoted'* and it is aimed *'to strengthen institutions and opportunities for social harmony across communities',* with special focus on young people, notably girls and women. Here, there is an indirect reference to a TALD approach is under one of the envisaged MIP results which aims at *'enhanced policy frameworks at central and local level to engage with people,*

promote dialogue, address conflict and healing.'

Under the past MFF, the Federation of Sri Lanka Local Government Authorities (FSLGA) supported the EU project Capacity Development for Local Government 2018-2024, implemented by UNDP (€22.5m of which €19.3m is from the EU). The project's aims were improving local planning and service delivery; encouraging innovation by councils; strengthening national and provincial government to help councils deliver better. The project, which was interrupted by the Covid pandemic, was led by UNDP in partnership with the national and provincial ministries of local government. A project steering committee including FSLGA met regularly, but FSLGA reports the project experienced difficulties, including failure to achieve the sustainability of its final outcomes, such as ongoing continuity of the local government diploma it had established in collaboration with provincial universities.

FSLGA has extensive project implementation experience. Most recently FSLGA implemented projects have included capacity development for women councillors (Women in Local Leadership) in partnership with Commongrounds, and a project 'Strengthening Cooperation between Civil Society and Government officials for Effective Religious Freedom' in partnership with ACTED. It is currently engaged in a new project developing local government bylaws on climate change and disaster management, funded by the Australia Government and it also continues to receive support from Canada.

FSLGA was not consulted by the EUD on the current MIP programming and drawing up of priority areas for 2021-2027 and feels that such consultation was only done top-down at central government level. At present it has no regular interaction with the EUD, which it did have more sporadically in the past when there was an LA focal person at the delegation. It is currently trying to reactivate contacts. It received no information about the EU Global Gateway strategy and has seen no benefit to LRG from the Team Europe approach.

FSLGA has nonetheless been collaborating in an EU funded project 2021-2025 being implemented by GIZ in five districts to strengthen ***social cohesion and peace*** under MIP priority area 2. This involves project activity related to problem solving and conflict mitigation for local authority elected members and officers in 5 districts in marginalised, mainly Tamil, rural communities. The project seeks to help local governments plan service delivery, improve accessibility by identifying road networks and facilitate citizens' committees to work with the local governments.

FSLGA, representing Sri Lanka's diverse local governments in the various ethnic areas of the country, is well placed to promote an inclusive and peaceful society and to contribute towards engagement of youth and gender equality. FSLGA points out that the forthcoming 2025 local government elections, the first since 2018, will see the election of many new young and women councillors and that this will require appropriate induction and training to allow them to fulfil their democratic mandates.

Local government or the FSLGA have however not been engaged at all on the implementation of MIP priority area 1 on Green Recovery or taken part in its Green Policy Dialogue Facility. In fact, local government in Sri Lanka, as elsewhere, has important roles in supporting the Green Recovery and addressing climate change and biodiversity loss, encouraging the circular economy and promoting use of green technologies in both urban and

rural areas. Its involvement under the current Australian-funded climate project should provide FSLGA with valuable expertise for future engagement on Green Recovery.

It has been pointed out by FSLGA that the main EU-funded programmes for local government have been implemented by external partners (UNDP and GIZ), with only limited input by FSLGA. It takes the view that this is not the most cost effective or indeed appropriate implementation procedure and mitigates against the sustainability and rolling out of project outcomes nationally. It feels that CLGF can facilitate discussion to assess country requirements, priorities and focuses for funding support, working in collaboration with its member FSLGA.

East Africa

The final case study is looking at a regional LGA and its integration with EU regional programming. EU cooperation with the East African Community, EAC (covering DRC, Burundi, Kenya, Rwanda, Somalia, South Sudan, Uganda and Tanzania) is focussed both on EU-EAC trade and broader development cooperation. The former is set out in the 2014 Economic Partnership Agreement, which to date has however been only effectively implemented by Kenya. The latter primarily aims to support the EAC's key objective of economic integration through its plans for a fully-fledged Customs Union and Common Market. Thus in 2020 the EU allocated €16.4m to fund Common Objectives in Regional Economic Integration (CORE), for example for ICT/digitalisation, services liberalisation and moves to promote mutual recognition of professional qualifications.

There has also recently been initiation of several significant Global Gateway infrastructure investments that operate at the regional level, notably in the transport sector, digital connectivity and electrical power line improvements. EU coordination with EAC is done from the Tanzania delegation.

Although not explicit, encouraging democratic governance is potentially within the scope of EU-EAC cooperation, taking also into account that this is prioritised under the EU's Multi-Annual Indicative Programme for Africa 2021-2027. The latter references local authorities as needing to be involved in governance action as well as in other priority areas such as facilitating the green transition. In 2025 a new *Leveraging Integration Frameworks for Trade in Services and Civil Society Organisations LIFTED programme* was agreed which provides support for non-State actors, notably CSOs, the private sector and other 'interest groups'; the programme will be implemented by GIZ and has a focus on engaging youth and women in the EAC integration process, notably in the tourism sector.

In East Africa, local government coordination is the responsibility of the East African County and Local Governments Association, EACLGA (previously EALGA), which brings together national LGAs and collaborates closely with CLGF. There are good contacts between EACLGA and EAC with both organisations based in Arusha and EACLGA invited as observer to important EAC events like its Council of Ministers. A

formal MOU was signed between EACLGA and EAC in 2022. The MOU notes the potential for cooperation on a range of issues including people-centred, development, and cross-border and regional trade and natural resources and environmental protection; it also commits to *'where necessary, jointly solicit funding from Development Partners'.* This accordingly provides the legal framework for potential EU-support for local government at the EAC/regional level.

EACLGA has been receiving EU funding amounting to just under EUR 900,000.00 for the period 2021-2027 to set up a regional hub under the global Strong Cities programme; largely funded under the EU's STRIVE (Strengthening Resilience to Violent Extremism) programme and implemented by a German partner organisation ISD Global. More recently, EACLGA has been involved in consultations on the establishment of the EU's new LIFTED programme, but as yet it is not clear to what extent it and local government in the region will benefit from the programme.

EACLGA has had contact with the Tanzania EUD and the Africa regional directorate in Brussels, but it is not satisfied that its role as a regional actor has been fully accepted. It has not been involved in direct discussions on the Global Gateway strategy but did participate in Africa Region Consultations where Global Gateway discussions formed a core part of the agenda. EACLGA recognises that the Global Gateway will be important at both regional and national levels in East Africa.

EACLGA is concerned that it and its local government members, the national LGAs, are inadequately engaged by the EUDs in programming and implementation of MIP activities, even where they directly relate to local government areas of responsibility. It notes that in some countries like Uganda, EU engagement with local government, and in particular with the national LGAs, was better prior to 2021. It attributes this disengagement in part with the decision of the EU to contract UN and Member State agencies like UNCDF and GIZ as the programme implementers, rather than channelling support directly through local government organisations at national or regional level through having a dedicated budget line informed by structured dialogue.

It is felt by EACLGA that CLGF has played an important role in guiding local government in Africa on EU programmes and procedures. It feels that this role could be further enhanced under the CLGF's future FPA, by providing CLGF with a stronger capacity to assist its local government members and partners like EACLGA to obtain EU recognition and achieve structured dialogue at national and regional level. Where appropriate, CLGF should also provide direct TA and expertise to help its members and partners identify and draw up specific projects and programmes for EU support.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions from CLGF Case Studies

The CLGF case studies from Africa, Asia and the Caribbean, undertaken in early 2025, provide hard evidence of the need to review the operations of EU-Local Government cooperation if the aspirations and declared policy intentions of the EU regarding local government, TALD and full engagement in the 360-degree Global Gateway strategy and its implementation are to be realised.

In the cases of Malawi, Sri Lanka and Uganda, there were active EU programmes to support LRG capacity in the previous EU budget cycle 2014-2021, accompanied by varying degrees of contact and consultation between the EUDs and the LGAs concerned. In some, but not all, instances these programmes were contracted directly to LRG for implementation and contained important capacity-building support for the local LGA (for example in Malawi).

Post 2021 under NDICI there is only limited evidence of structured dialogue regarding the consultation of LRG in defining MIP country priority sectors, even where, in several instances, they have a direct bearing on local government competencies, such as Good Governance (Malawi) Green Recovery (Sri Lanka), Democratic Governance and Social Inclusion (Uganda), and Climate Change and Environment (Jamaica).

The same lack of LRG engagement appears to apply to how those Global Gateway projects underway in these countries, which could have potential for LRG involvement, have been agreed and implemented. It is therefore not surprising that the LGAs interviewed often have only scant knowledge of MIP priorities, Team Europe initiatives and the Global Gateway strategy or specific projects, mainly derived from guidance provided by FPA partner organisations or attending PFD meetings, rather than from first-hand engagement with EUDs.

This decreased engagement with LRG is in contradiction of the provisions of NDICI-Global Europe pa 36 and previous EU policy positions as set out in the 2017 European Consensus for Development or the 2013 Communication, as well as the EU's emphasis on TALD. Indeed, the extent of consultation and dialogue between EUDs and LGAs/ LRG seems to have actually declined in some countries. This is surprising given that evaluations of EU projects undertaken pre-2021, as in Malawi, showed generally positive outcomes.

The EU focus on large scale investment and engagement with the private sector under the Global Gateway in selected priority areas has the danger of marginalising democratically elected LRG which ought to be intimately involved in all key local infrastructure and other decisions affecting their communities. It also results in failure to deploy the significant local enabling environment and support which LRG can provide to investments.

Some new LRG-related capacity-building programmes have been initiated under NDICI, for example in Malawi and Uganda but a common theme, is that these have been contracted to and are being

implemented by external agencies from EU member states like GIZ or by UN or international CSO organisations. Previously at least some of these were implemented by LGAs/LRGs themselves, or their global local government FPA organisations.

While there is on occasions interaction between the external contractors and local LGAs/LRG concerning project management, the above case studies underline that overall strategic direction is usually the responsibility of the external agencies. Additionally, external agencies often work more closely with the national ministries in the first instance, thereby reenforcing a 'top-down approach' contrary to TALD. A 2024 review by ECDPM also concluded that the increased role of EU Member State agencies and others under the Team Europe approach actually '*comes at the cost of partner countries' administrations and other stakeholders such as CSOs and local authorities who used to play a bigger role in (directly) implementing EU funds'*[xxiii].

The regional level surveyed (East Africa), shows similar developments. Here the responsible regional local government organisation, EACLGA, has benefited under the global Strong Cities programme, largely funded by the EU, but implemented by an external partner, the German ISD. More recently EACLGA has been involved in a planned new EU funded regional programme (LIFTED), but this is mainly directed to CSOs and the private sector, again being implemented by external agencies like GIZ.

Although, as documented, EACLGA has a formal MOU with the EU's counterpart, the EAC, to date EACLGA has not been able to have structured dialogue with the Nairobi EAD, which has responsibility for EAC/regional actions or benefit directly from support under NDICI. Nor has it played any role in the regional Global Gateway projects where it could provide a useful agent to help coordinate local LGA and LRG supporting actions for projects that cut across different countries.

There are parallels in the Caribbean where the regional LGA, CALGA working with CLGF-Caribbean, has only recently been able to engage with the regional EUD in Barbados with EU support being provided under the CLGF's FPA. While CLGF-Caribbean has now received new small-scale EU support, this was under an old style CSO Call for Proposals, not as a result of the geographic mainstreaming of LRG in key priority areas like climate change or good governance where LRG in Jamaica and elsewhere in the region has responsibilities. Likewise local government has had no involvement in regional Global Gateway projects.

Zimbabwe presents a different picture. Here there was a substantial history of close EU collaboration with LRG since the early 2000s with programmes being mainly channelled through an intermediate local government agency, the responsible local government international FPA partner (CLGF). Significantly, CLGF has a Harare programme office with local expertise and liaises closely with the two Zimbabwe LGAs and local government as well central government. It has had close interaction with the EUD and between 2016-2021 the relevant EU-funded programmes administered by CLGF amounted to €3.9m.

The 2018 evaluation of CLGF programmes in Zimbabwe was highly positive and recommended continued EU engagement and upscaling of the CLGF implemented programmes. This led to a recognition by the EUD that CLGF had the necessary

capacity, track record, technical expertise on TALD and institutional legitimacy (including at political level) to be awarded EU direct grant funding without having to revert to competitive tenders as had been the case previously.

CLGF and its partners were closely engaged with the EUD design of Zimbabwe MIP priorities for 2021-2027, and these show a strong emphasis on governance, accountability and adoption of the TALD approach. A new local government programme is currently being finalised for the remainder of 2021-27, but contrary to the 2018 evaluation recommendations, the greater part of this will be implemented by an external agency, GIZ, with only €2.3m likely to be administered by CLGF. This is potentially less than the funding provided in the previous budget cycle and does seem to introduce unnecessary administrative complications and is contrary to engaging the implementing partner previously deemed the most suitable.

To date there has not been a Global Gateway project in the country, although the CLGF Harare office, which also has a regional remit, has had some consultation on a Gateway transport corridor project in Zambia.

The Way Forward

This study has documented substantial evidence, drawn from CLGF, ECDPM and PLATFORMA studies that EU engagement with local government has not progressed under the new NDICI/Team Europe as expected and this negates against local government contributing to the Global Gateway 360-degree strategy as required. Core EU policy positions and recommendations with regard to TALD, structured dialogue with EUDs and stronger country and regional level funding support to local government have accordingly not been adequately realised to date.

A number of practical policy recommendations have been made by different organisations and forums in recent times to seek to enhance EU-LRG engagement, notably with regard to the Global Gateway strategy. This study draws on some of these, as well as on the issues thrown up by the six case studies undertaken.

ECDPM has suggested an inclusive dialogue with local government, including on investment proposals; deploying EU country programming to promote multilevel governance and decentralisation as well as to support public policies and capacity development at local level; using MIP facilities to strengthen the skills and capacity of local government and their associations/platforms (including through the FPAs at global level); including strategic cities, in particular secondary cities in investment under transport 'corridors'; engaging local elected representatives/mayors and LGAs in EU-partner country dialogues; and supporting territorial agencies for investment which can work with local government to attract investments and design bankable projects that could then be connected to the Global Gateway strategy.[xxiv]

In its 2022 paper ECDPM had also highlighted that the sustainable cities investment window under the EFSD+

provides an opportunity to engage local government, together with city-focussed programmes by partners such as the AFD's CityRIZ and the UNCDF's Guarantee Facility for Sustainable Cities. These should, it was suggested, promote sustainable urban investments and encourage banks to take the risk of working with cities and provide technical assistance to cities to facilitate their engagement. It had pointed out that the EIB's City Climate Gap Fund could be another channel to give technical assistance to cities to plan and prepare investable projects.

The 2023 *International Partnership Forum on the Global Gateway and Cities and Regions* identified a number of similar issues and made a range of recommendations on how it felt the Global Gateway could be 'localised'[xxv]. In particular, the Forum recommended engagement of intermediary cities; a focus on investing locally; promotion of inclusive governance and citizenship; and designing innovative solutions for cities and regions. Detailed practical recommendations included EUDs working with LRG in the implementation of the Global Gateway; LRG having direct access to financing for investment and guarantees; direct access to the Global Gateway dialogue at European and local levels; and funding a pool of management experts to assist LRG in the design and implementation of large-scale projects.

Likewise, the 2024 PFD meeting held in Africa, highlighted areas where EU cooperation could be enhanced, with particular reference to areas like financing; climate and green transition; peace, security and good governance; migration; and basic service provision and local economic development. Significantly, it specifically *'stressed the importance of including local governments in all stages of project planning, implementation and monitoring and the need to improve coordination with (the) state/national level while ensuring decentralised funding and capacity'.*

Specific recommendations made by PLATFORMA in 2024 to address these issues included giving support to LGAs to assist LRG-EUD/National government dialogue; recreation of the LA-CSO budget line; having a LRG focal point within EUDs; LRG participation and consultation in Global Gateway/Team Europe Initiatives; funding instruments to be further territorialised and accessible to LRGs including new LRG national roadmaps; and availability of data to monitor progress.

PLATFORMA elaborated on its views in a 2025 political declaration and position paper on the next MFF 2028-2034[xxvi]. In these PLATFORMA highlights that LRGs can support the delivery of the 360-degree approach within the Global Gateway, especially in promoting the EU's 'Values Based' offer. It notes that LRGs are often the only available state apparatus in fragile states in the delivery of humanitarian and other relief and basic services, including for long-term reconstruction; it recalls that LRGs play a crucial role in local economic development and facilitate trade, investment and cross-border cooperation, being competent to decide on infrastructure investments in their municipality or region, for example through infrastructure management, procurement and urban planning.

PLATFORMA accordingly calls for recognition that LRGs are assets for EU financing for external action in delivering the Global Gateway and Team Europe initiatives; for prioritising support for decentralisation and multilevel governance reforms to ensure the long

term sustainability of infrastructure investments; recognition of the unique role of LRGs in fragile states; and enhancement of EUD capacity to deal with LRG and LGAs through focal points and innovative funding mechanisms such as local FPAs, adapting Calls for Proposals to LRG needs, facilitating tools like TALD, TAIEX and twinning for decentralised cooperation and technical support.

Recommendations

Local Governments have the potential to contribute significantly to the detailed design and implementation of the Global Gateway strategy on account of their many assigned responsibilities, not least providing the necessary local business environment and investment climate for investments under often well-established policies to promote local economic development. These could include business advisory services, local tax incentives and legal provisions, for example to fast-track planning regulations, including where transport or energy infrastructure installations pass through their territory. It is therefore apparent that LRG can make a direct contribution to the success of investments and this engagement needs to be fully made use of in any comprehensive 360-degree Global Gateway strategy.

The extent of powers, including financial, given to mayors and local government will be determined by the degree of genuine public sector decentralisation in a particular jurisdiction. However normally large city governments, led by elected mayors, with specialised staff and appropriate financial credit ratings to produce bankable investment projects, are best place to plan, implement or part-implement Global Gateway projects in collaboration with the EU, the private sector and financial institutions. In principle the same applies to secondary cities and rural administrations, although they may lack know-how at present and require appropriate capacity-building support.

In February 2025 the European Commission issued a Communication on the 2028-2034 MFF where it inter alia called for a *'plan for each country with key reforms and investments designed and implemented in partnership with national, regional and local authorities.'* [xxvii] This recommendation means that local government, through the local association, should have the opportunity to enter into a structured dialogue with EADs on the drawing up of Global Gateway priority areas (digital transition, climate and energy, transport, health and education and research) under the respective MIPs and identify Global Gateway Flagship projects relating to LRG under each area where appropriate.

This dialogue needs to determine which local LRGs are in a position to support specific Flagship or other projects by providing the necessary business environment and investment climate and, as appropriate implement or part implement the projects themselves. Rather than deal with potentially many different LRGs (including where extensive investment corridors are proposed) the local LGA or indeed regional LGA can act as coordinator and ensure that the relevant LRGs are involved. Dialogue with the EUDs would benefit from coordination

with national government, but this should not compromise the direct dialogue with LGAs/LRGs; it should also normally be separate from dialogue undertaken with CSOs. Where requested, CLGF and global local government FPA partners should attend to provide advice, drawing on international experience and taking into account that the local LGAs are usually members of the FPA partner such as CLGF, AIMF or UCLG.

To facilitate engagement EADs should designate an officer responsible for ongoing local government liaison on Global Gateway Flagship and other projects and ensure that EUD officers have the required TALD know-how/training. EUDs responsible for regional coordination should put in place similar dialogue and administrative arrangements to deal with regional LGAs such as EACLGA and CALGA.

The CLGF case studies undertaken and other past evidence indicate that, in general, secondary cities and smaller LRGs, especially in rural areas, may lack the know-how and capacity to ensure provision of the required local business environment and investment climate to support Global Gateway projects. They often also lack capacity to handle the administration for planning and implementing large scale Global Gateway Flagship projects entailing complex investment funding with blended finance from the private sector, development banks and financial institutions like EFSD+. This accordingly makes a strong case for targeted LRG programmes aimed at providing the necessary capacity. Likewise, LGAs in general have insufficient expertise and staffing to coordinate with EUDs in the proposed structured dialogue and also require capacity-support to ensure this.

Continued capacity-building support of local governments to give them the necessary expertise to deal with Global Gateway and other investments is indispensable and should be extensively supported under the Global Gateway strategy. The Zimbabwe experience has shown that in providing LGA/LRG capacity-building, there is value in having an already recognised FPA local government partner, which has the relevant qualifications and political relationship to local partners, take on a programme intermediate implementation role currently beyond the capacity of the local partners.

CLGF, for example, already has significant prior experience of promoting local economic development programmes in developing countries which have *inter alia* addressed the local business environment and investment climate. A keyway in which expertise could be done is by establishing and operating pool of technical and financial management experts from the EU, the Commonwealth and elsewhere to help LRGs plan and implement Global Gateway projects, possibly funded under an enhanced FPA allocation.

The FPA partners, rather than EU Member State agencies or UN or other non-local government organisations, should in the first instance be contracted by EUDs to deliver LRG/LGA capacity building programmes on the condition they meet the necessary EU requirements. These programmes would include the specific aim of building LGA and wider LRG capacity and competence to plan, monitor and implement Global Gateway projects. The 2028-2034 MFF budget allocation for local government programmes, including for a renewed FPA allocation, accordingly, needs to be enhanced from the current €500 million and €50 million respectively.

Finally, where the existing degree of public sector decentralisation has been insufficient to permit local government to attain the legal competencies or political autonomy to provide a local enabling climate for business investments, this requires a wider capacity-building effort at national level. The EU and other development agencies, often working with FPA partners, have supported appropriate national decentralisation programmes in the past and will need to continue these longer-term in order to ensure that local government has the means to contribute effectively to the 360-degree approach under the Global Gateway.

APPENDIX 1

Examples of Global Gateway Projects Related to Urban Development

Latin America

- Costa Rica - conversion of urban bus fleet to electric
- Panama - sustainable access to electricity
- Ecuador: Development of green urban infrastructure projects
- Brazil - protecting tropical forests and achieving sustainable and smart cities

Africa

- Cameroon - construction of Yaoundé bypass
- Egypt - Modernisation of Alexandria area control centre
- Kenya - construction of bus rapid transit system in Nairobi
- Niger - hybrid and solar power plants
- Morocco - transportation Rabat Salé Témara agglomération
- Senegal - construction of bus rapid transit system in Dakar + Development of Dakar Bus Public Transport Network
- Gambia - expansion and rehabilitation of Port of Banjul
- Djibouti - airport development projects
- Côte d'Ivoire - hybrid and solar power plants
- Republic of Congo - Extension and upgrading of the infrastructures of the autonomous Port of Pointe-Noire + Construction of the new industrial and artisanal fishing ports

Asia-Pacific

- Regional – Central Asia – transport: construction of sustainable transport corridors between Europe and Central Asia
- Regional – Pacific Islands – Climate: climate resilience of Pacific Islands' ecosystems, economies and communities
- Bangladesh: development of solar and wind power energy investments
- Papua New Guinea: Rehabilitation of the port of Rabaul
- Indonesia: Double tracked upgrading and electrification of suburban train
- Vietnam: 3 projects on energy (hydropower plant, wind farm)

Source: ECDPM (from DG INTPA website November 2023)

APPENDIX 2

CLGF Case Studies Questionnaire/Interview Questions

Organisational details

1. Name of organisation
2. Name/title of officer responding
3. Date

EU-supported Local Government activities 2014-2020/2022

4. Looking back at the past 10+ years since 2014, have your Association or individual local governments engaged with the EU Delegation (EUD) in your country in any way and if so, what kind of interaction was this and how regular was this interaction? Was there a particular EUD officer you dealt with? If yes, what was the nature of your interaction?
5. Were your association or individual local governments specifically consulted by the EUD about its country programming and definition of EU focal areas prior to 2021, during the 2021 programming period or during the current period (2022-2024) for its country or regional programme?
6. More generally, what is your view about the EU's developmental policies and priorities, both in your country/region and globally, and do you feel they take into account local government issues? Do you feel EU priorities and approaches have changed since 2014 or in the period 2021-present, for example in placing more emphasis on the EU own developmental priorities?
7. Have your Association or individual local governments benefited from specific country-run EU local government projects under the former EU local government budget line or under other EU budget lines between 2014-2020/2022? Kindly specify details of projects, including external partner organisations involved, and funding allocations provided (please annex any final project reports).
8. If applicable, have these EU supported local government projects now been completed and how do you rate their success? Please comment on the process of approval and subsequent project implementation, including any challenges and successes encountered. Did projects involve partner organisations and what role did they have? Did the project formulation and implementation/monitoring involve direct interaction with the local EUD and its officers and if so, please comment on how easy this interaction has been.

EU 2021-2027 Budget Cycle

9. Are your Association or individual local governments currently receiving EU funding for any local government/related projects supported under the EU's Neighbourhood, Development and International Cooperation Instrument NDICI/Global Europe and under the Multi-annual Indicative Programmes MIPs/Annual Action Plans set out for your country/region? If so, are these local government projects continuing during the 2021-2027 EU budget cycle?
10. If applicable, please explain how these projects have originated and were formulated, in particular, whether they have come about as a result of direct engagement with the EUD or for example through contact with Team Europe partners such as GIZ (Germany), AFD (France), the United Nations Development Programme (UNDP) and UN Habitat.
11. Please comment on how easy the process of approval and subsequent project implementation has been, including any challenges and successes encountered. For example,

did your national government/ ministry of local government/ministry of finance have to provide prior approval for your involvement in the project or your project application?

12. How much contact does your Association currently have with the EUD? This could include ongoing and upcoming EU programmes and projects, inputs on EU policies and priorities in your county for 2021-2027, taking part in information session, etc. This can be either directly or as part of a wider national consultative process (please specify details)? How easy in general is the EUD to contact and meet with in 2025 and is there a specific EUD officer you deal with?
13. Is your Association aware of the Team Europe approach aimed at ensuring greater coherence between the EU and EU Member States? Has this approach been helpful in getting more support for local government and decentralisation? Do you feel this has made any difference to more effective development partner coordination in general and specifically for the local government sector? Has this had any impact (for better or worse) on your Association's own dealings with your external partners e.g. GIZ?
14. Is your Association aware of the EU Global Gateway policy (2021-2027) and the EU's aim of mobilising high levels of investment in priority sectors including infrastructure? Has there been any consultation or information from the EUD on this policy and its programming in your county either directly or indirectly through other actors (such as line ministries, other development actors, the media, etc)?
15. Do you see potential opportunities for the local government sector in the EU's Global Gateway investment plans for your country/region?
16. Has your Association had any contact with the private sector and/or development banks in respect of the EU Global Gateway policies, such as the sustainable cities investment window under the European Fund for Sustainable Development Plus (EFSD+) for example in relation to sustainable and green urban infrastructure development including water and sanitation?

Final Comments

17. Please comment on any particular ways or procedures which could enhance your Association's contact/interaction with the EUD?
18. What modalities would be most beneficial for local government & your Association to increase access to EU funding under the NIDCI-Global Europe/Team Europe and Global Gateway policies?
19. What specific role do you see for CLGF and other international local government organisations, which have a recognised status with the EU under its Framework Partnership Agreements, and are involved with the new Global Gateway Civil Society and Local Authorities Advisory Platform, in facilitating this process?
20. Please add any other suggestions you feel are relevant.

Interviews held

- Richard Okuku Secretary-General ULGA
- Hadrod Mkandawire, Secretary-General, MALGA
- Hemanthi Goonasekera, Chief Executive Officer, FSLGA
- Gertrude Rose Gamwera Buyinga, Secretary-General EALGA
- Sandra Singh Regional Programme Manager CLGF-Caribbean (also for Jamaica)
- Leopold Bhoroma, Project Manager, CLGF Harare
- Chahaiya Pilkington, Adviser, PLATFORMA
- Ivana Skazlic, PLATFORMA
- Jean Bossuyt, expert (formerly ECDPM)

REFERENCE/ENDNOTES

Appreciation is expressed to the valuable advice and information provided by local government officials interviewed and other stakeholders including Lucy Slack/Claire Frost (CLGF), Jean Bossuyt (ECDPM) and Chahaiya Pilkington (PLATFORMA).

[i] 'Why Cities?' https://www.C40.org

[ii] AU African Charter on the Values and Principles of Decentralisation, Local Governance and Local Development; adopted 2014; in force 2019

[iii] UCLG

[iv] PLATFORMA Study on Local and Regional Government and the ACP-EU Cotonou Agreement (authors Carl Wright & Adenane Djigo) 2017

[v] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Empowering Local Authorities in partner countries for enhanced governance and more effective development outcomes. Brussels, COM (2013) 280 final.
The Communication commits to the EU to *'work in favour of democratically legitimate, accountable and representative Local Authorities and local leaders in partner countries with particular focus on municipal authorities in rural and urban areas*' as well as *'coordination with regional authorities*'. Specifically, it stated that '*The EU should seek to involve Associations of Local Authorities in the programming of national and local priorities as well as the implementation of related EU-funded programmes, particularly those related to decentralisation. Furthermore, the EU should facilitate the establishment of partnerships between Associations of Local Authorities in partner countries and the EU.'*

[vi] European Consensus for Development 2017 states: *'The achievement of most of the SDGs is strongly dependent on the active involvement of local and regional authorities.'* It further says that *'The EU and its Member States will support transparency, accountability and decentralisation reforms, where appropriate, to empower local and regional authorities for better governance and development impact and address inequalities within countries'* adding *'They will support processes to help people interact effectively with local government at all stages of policy planning and implementation, and will strengthen their cooperation with local and other sub-national authorities, including through decentralised cooperation* (Pa.86)'.
In addition, the Consensus stated that the EU and its Member States *'will support capacity building support for strong institutions and multi-level governance, with the participation of persons in vulnerable situations and minorities through partnerships between national, sub-national and local governments* (pa61); that *'regional and local authorities…have become instrumental partners* (pa.72); that this include *'twinning'* among modes of aid delivery (pa.79); that *'regional and local authorities, must play their respective roles fully, including their scrutiny role, alongside national governments and actively participate in the decision-making process* (pa.83).

It further stipulated that the EU and its Member States *'will provide support for comprehensive and inclusive planning in developing countries rooted in national and sub-national development strategies, programmes and budgets* (pa.84)'; that *'a fundamental aim will be to build developing country capacity for implementing the 2030 Agenda at local, regional and national levels* (pa.85)'; that they will '*promote and monitor the use of country systems in all aid modalities, where quality allows, including at local level in order to help improve the democratic ownership and effectiveness of institutions at national and sub-national level* (pa.116)'; and boost *'investments in stronger statistical institutions at sub-national, national and regional level* (pa.121)'.

[vii] Partnership Agreement between the European Union and Members of the Organisation of African, Caribbean and Pacific States, 15 April 2021

[viii] Regulation (EU) 2021/947-Establishing the Neighbourhood Development and International Cooperation Instrument- Global Europe which states *Local authorities embrace a large variety of sub-national levels and branches of government, including municipalities, communities, districts, counties, provinces, regions and their associations. In line with the Consensus, the Union should foster close consultation and association of local authorities, as well as their participation in contributing to sustainable development and the implementation of*

the SDGs at local level, in particular regarding democracy, the rule of law, human rights and fundamental freedoms, social justice and as providers of basic social services. The Union should recognise the multiple roles played by local authorities as promoters of a territorial approach to local development, including decentralisation processes, participation and accountability. The Union should further enhance its support for local authorities' capacity building in order to strengthen their voice in the sustainable development process and advance political, social and economic dialogue, as wellas to promote decentralised cooperation. Support to local authorities under the geographic programmes should amount indicatively to at least EUR 500 000 000 (pa36).

In the section on Global Challenges the text further commits to *'encourage a regular multi-stakeholder and inclusive dialogue with other donors and actors, including local authorities'; 'Supporting national and local governments at administrations'; 'engaging with local authorities and supporting their role and policy and decision-makers to boost local development'; and 'allowing local authorities to exercise their mandate, enhancing their meaningful, continuous and structured participation in domestic and international policies; and strengthening muti-stakeholder and multilevel governance approaches and new ways of partnering with local authorities'* (pa.42).

[ix] European Commission, Strategic announcement on the operation of the NDICI 17 March 2022
[x] Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank – The Global Gateway, JOIN 92024) 25 final 2024
[xi] European Commission, External Evaluation Civil Society Organisations and Local Thematic Programme 2014-219
[xii] To this end the evaluation drew on 4 local government country 'roadmaps' that had been instigated (Colombia, Chad, Ecuador, Mali) and a number of positive case studies, including the local government programme in Zimbabwe, part-managed by CLGF
[xiii] ECDPM The new EU development policy shifts in practice: Views from Kenya and Cameroon, 2023
[xiv] PLATFORMA The work of the European Union Delegations with Local and Regional Government for Development, 2021
[xv] CLGF: EU Policy and Support for Climate Finance for Sustainable Urban Development, (author Carl Wright) 2022
[xvi] ECDPM Half-time analysis: How is Team Europe Doing? September 2022
[xvii] ECDPM The EU Global Gateway strategy: Giving local authorities a voice, September 2024
[xviii] PLATFORMA Position Paper- EU External Financing for Local Authorities, March 2024
[xix] DCI-NSAPVD/2015/370-689
[xx] VNG International Sub National Pooled Financing Mechanism Deepening Local Economic Development
[xxi] Palm EvalRes/Palm Associates End-Term Evaluation of the Enhancing Local Authorities' Contribution to Governance and development Processes (ELACGDP) Project in Zimbabwe, 2022
[xxii] CLGF: EU Policy and Support for Climate Finance for Sustainable Urban Development op cit
[xxiii] ECDPM The new EU development policy shifts in practice 2023 op cit
[xxiv] ECDPM The EU Global Gateway strategy: Giving local authorities a voice 2024 op cit
[xxv] European Commission/Committee of the Regions: Global Gateway -Cities and Regions: Outcomes of International Partnership Forum 2023
[xxvi] PLATFORMA Position Paper - EU Multiannual Financial Framework MFF, April 2025
[xxvii] European Commission Communication on the Next Multiannnual Financial Framework, MFF 2025