



**European Committee
of the Regions**

CIVEX-VI/038

132nd plenary session, 5-6 December 2018

OPINION

Neighbourhood and the World

THE EUROPEAN COMMITTEE OF THE REGIONS

- Notes with interest the Commission's proposals for the 2021-2027 multi-annual financial framework under the heading "Neighbourhood and the world";
- Welcomes the proposed budget increase for the European Union's external action; considers this to be directly needed in view of global challenges; underlines the need to regard this proposed increase as a minimum in the current MFF negotiations;
- Appreciates the Commission's ambition to make the EU's external action more consistent, coherent and flexible, in view of the global challenges; welcomes the envisaged increase in effectiveness by merging several external action instruments into the proposed Neighbourhood, Development and International Cooperation Instrument (NDICI), but notes that everything will depend on the operationalisation of the current proposals; underlines that NDICI should continue to serve the long-term development objectives that were previously strived for through the EDF;
- Welcomes the prolonging of the Instrument for Pre-Accession (IPA III), as a relevant and purposeful instrument, and appreciates that IPA III shall have as specific objectives reinforcing the effectiveness of public administration and supporting structural reforms and good governance at all levels, and supporting territorial and cross-border cooperation;
- Is concerned that, with external action increasingly being allocated based on geography, and an increased reliance on country-led strategies, access to funding for Local and Regional Authorities might become more difficult;
- Calls on the EU institutions to keep funds accessible to all types and sizes of Local and Regional Authorities, including the ones in rural areas, as well as intermediary cities, as hubs for sustainable and inclusive growth and innovation; urges that the new NDICI also stimulate and finance small-scale projects and further facilitate capacity-strengthening of Local and Regional Authorities;
- Urges the EU legislators to adapt the proposed instruments to further increase strategic support to Local and Regional Authorities and democracy at subnational level;
- Urges that policy objectives specific to the cooperation between the EU and the Neighbourhood should be pursued and achieved, notwithstanding the merger of the previously separate instruments;
- Strongly advises that Local and Regional Authorities should be given a specific, separate programme with an earmarked budget in development cooperation, as well as be taken into account throughout programming as beneficiaries.

Rapporteur-general:

Hans Janssen (NL/EPP), Mayor of Oisterwijk

Reference documents:

COM(2018) 460 final - Proposal for a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument

COM(2018) 461 final - Proposal for a Council Decision on the Association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other ('Overseas Association Decision')

COM(2018) 465 final - Proposal for a Regulation of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA III)

Opinion of the European Committee of the Regions – Neighbourhood and the World

I. RECOMMENDATIONS FOR AMENDMENTS

Proposal for a regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument.

Amendment 1

(COM(2018) 460 final) Recital 25

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Whilst democracy and human rights, including gender equality and women's empowerment should be reflected throughout the implementation of this Regulation, Union assistance under the thematic programmes for human rights and democracy and civil society organisations should have a specific complementary and additional role by virtue of its global nature and its independence of action from the consent of the governments and public authorities of the third countries concerned.</p>	<p>Whilst democracy and human rights, including gender equality and women's empowerment should be reflected throughout the implementation of this Regulation, Union assistance under the thematic programmes for human rights and democracy, civil society organisations and Local and Regional Authorities should have a specific complementary and additional role by virtue of its global nature and its independence of action from the consent of the governments and public authorities of the third countries concerned.</p>

Reason

This opinion advocates that Local and Regional Authorities should be given a specific, separate programme with an earmarked budget in development cooperation, as well as be taken into account throughout programming as beneficiaries, as was the case under the current MFF period, under the Development Cooperation Instrument (DCI). While the local authority (LA) budget line under the DCI was not entirely spent, it has too easily been concluded that this had to do with the inadequate capacity of the Local and Regional Authorities. Other reasons, such as the strict co-financing requirements and the complex application procedures might have been more important. Either way, EU institutions should provide room for improvement, instead of opting for direct abolition.

Additionally, it is crucial that strong coordination mechanisms between civil society, local authorities and EU institutions are continued/established, to ensure the achievement of EU development policy and the Sustainable Development Goals. Therefore, CSOs and Local and Regional Authorities should indeed be mentioned in one sentence in this article.

Amendment 2

(COM(2018) 460 final) Recital 26

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Civil society organisations should embrace a wide range of actors with different roles and mandates which includes all non-State, not-for-profit structures, non-partisan and non-violent, through</p>	<p>Civil society organisations should embrace a wide range of actors with different roles and mandates which includes all non-State, not-for-profit structures, non-partisan and non-violent, through</p>

<p>which people organise to pursue shared objectives and ideals, whether political, cultural, social or economic. Operating from the local to the national, regional and international levels, they comprise urban and rural, formal and informal organisations.</p>	<p>which people organise to pursue shared objectives and ideals, whether political, cultural, social or economic. Operating from the local to the national, regional and international levels, they comprise urban and rural, formal and informal organisations.</p> <p><i>In line with the European Consensus on Development, Local and Regional Authorities play a key role in the implementation of the Sustainable Development Goals and in the coordination of local actors. As recognised by the Agenda 2030, all 17 goals have local components and are related to the competencies of local authorities, including on gender and climate change.</i></p>
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<i>Reason</i>
<p>The EC proposal does not mention the role that local authorities play in the design, implementation and monitoring of the Sustainable Development Goals (SDGs), even though Agenda 2030 for Sustainable Development makes explicit that all 17 SDGs have local components and are related to the daily work of Local and Regional Authorities. The 2017 New European Consensus on Development reiterates the need for localisation of the SDGs. This contradicts the absence of dedicated LA-funding in the new external set of instruments, yet another reason to reinstate the LA budget line upfront.</p>

Amendment 3
(COM(2018) 460 final) Recital 29

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>It is essential to further step up cooperation on migration with partner countries, reaping the benefits of well-managed and regular migration and effectively addressing irregular migration. Such cooperation should contribute to ensuring access to international protection, addressing the root causes of irregular migration, enhancing border management and pursuing efforts in the fight against irregular migration, trafficking in human beings and migrant smuggling, and working on returns, readmission and reintegration where relevant, on the basis of mutual accountability and full respect of humanitarian and human rights obligations. Therefore, third countries' effective cooperation with the Union in this area should be an integral element in the general principles of this Regulation. An increased coherence between migration and</p>	<p>It is essential to further step up cooperation on migration with partner countries, <i>in close collaboration with their Local and Regional Authorities</i>, reaping the benefits of well-managed and regular migration and effectively addressing irregular migration. Such cooperation should contribute to ensuring access to international protection, addressing the root causes of irregular migration, <i>particularly when it involves vulnerable people such as unaccompanied minors</i>, enhancing border management and pursuing efforts in the fight against irregular migration, trafficking in human beings and migrant smuggling, and working on returns, readmission and reintegration where relevant, on the basis of mutual accountability and full respect of humanitarian and human rights obligations, <i>also in view of the possible adoption</i></p>

<p>development cooperation policies is important to ensure that development assistance supports partner countries to manage migration more effectively. This Regulation should contribute to a coordinated, holistic and structured approach to migration, maximising the synergies and applying the necessary leverage.</p>	<p>of the UN Global Compact on Migration.</p> <p>Therefore, third countries' effective cooperation with the Union in this area should be an integral element in the general principles of this Regulation. An increased coherence between migration and development cooperation policies is important to ensure that development assistance supports partner countries to manage migration more effectively. This Regulation should contribute to a coordinated, holistic and structured approach to migration, based on local needs and realities, maximising the synergies and applying the necessary leverage.</p>
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<p>Reason</p>
<p>Migration and development policies are closely linked. International, national, regional and local cooperation is crucial for making a common European migration policy a reality. A multilevel governance approach is a prerequisite to achieving optimum results. It is crucial that the EU, national and Local and Regional Authorities work in close cooperation with Local and Regional Authorities in the countries of transit and with civil society, migrants' associations and local communities in the host countries.</p>

Amendment 4
(COM(2018) 460 final - General Provisions) Article 3(2)

Text proposed by the Commission	CoR amendment
<p>In accordance with paragraph 1, the specific objectives of this Regulation are the following:</p> <p>(a) to support and foster dialogue and cooperation with third countries and regions in the Neighbourhood, in Sub-Saharan Africa, in Asia and the Pacific, and in the Americas and the Caribbean;</p> <p>(b) at global level, to consolidate and support democracy, rule of law and human rights, support civil society organisations, further stability and peace and address other global challenges including migration and mobility;</p>	<p>In accordance with paragraph 1, the specific objectives of this Regulation are the following:</p> <p>(a) to support and foster dialogue and cooperation with third countries and regions in the Neighbourhood, including at the level of subnational entities, in Sub-Saharan Africa, in Asia and the Pacific, and in the Americas and the Caribbean;</p> <p>(b) at global level, to consolidate and support democracy, rule of law, human rights, gender equality, support civil society organisations and Local and Regional Authorities, further stability and peace and address other global challenges including migration and mobility;</p>

<p>Reason</p>
<p>Assistance and cooperation at sub-national (local and regional) level with entities from the Neighbourhood (especially Eastern Partnership) countries, focused and tailored to local needs and circumstances, may in many cases achieve better and more inclusive results, more strongly felt by citizens, than programmes with partner countries' central authorities.</p>

Amendment 5

(COM(2018) 460 final - General Provisions) Article 4(3)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>The thematic programmes shall encompass actions linked to the pursuit of the Sustainable Development Goals at global level, in the following areas:</p> <p>(a) Human Rights and Democracy; (b) Civil Society Organisations; (c) Stability and Peace; (d) Global Challenges.</p> <p>Thematic programmes may cover all third countries as well as overseas countries and territories as defined in Council Decision .../... (EU).</p> <p>In order to attain the objectives laid down in Article 3, thematic programmes shall be based on the areas of intervention listed in Annex III.</p>	<p>The thematic programmes shall encompass actions linked to the pursuit of the Sustainable Development Goals at global level, in the following areas:</p> <p>(a) Human Rights and Democracy; (b) Civil Society Organisations; (c) <i>Local and Regional Authorities</i> (d) Stability and Peace; (e) Global Challenges.</p> <p><i>All thematic programmes should be substantiated by earmarked budgets.</i></p> <p>Thematic programmes may cover all third countries as well as overseas countries and territories as defined in Council Decision .../... (EU).</p> <p>In order to attain the objectives laid down in Article 3, thematic programmes shall be based on the areas of intervention listed in Annex III.</p>

<i>Reason</i>
<p>As mentioned under amendment 1, this opinion strongly advises that Local and Regional Authorities should be given a specific, separate programme with an earmarked budget in development cooperation, as well as be taken into account throughout programming as beneficiaries.</p>

Amendment 6

(COM(2018) 460 final - General Provisions) Article 4(5)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Actions under this Regulation shall be primarily implemented through geographic programmes.</p>	<p>Actions under this Regulation shall be primarily implemented through geographic programmes.</p> <p><i>Where appropriate, the geographic programmes shall also have Local and Regional Authorities in the Neighbourhood countries as direct beneficiaries.</i></p>

<i>Reason</i>
<p>EU assistance to and cooperation with Local and Regional Authorities from Partnership countries must not suffer in a financial or organisational way as a result of increased flexibility in allocation of financial and other resources between the various geographic and thematic programmes. It is advisable that the geographic programmes already target Local and Regional Authorities as direct beneficiaries in advance.</p>

Amendment 7

(COM(2018) 460 final - General Provisions) Article 6(2)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>The financial envelope referred to in paragraph 1 shall be composed of:</p> <p>(a) EUR 68 000 million for geographic programmes:</p> <ul style="list-style-type: none"> – Neighbourhood at least EUR 22 000 million, – Sub-Saharan Africa at least EUR 32 000 million, – Asia and the Pacific EUR 10 000 million, – Americas and the Caribbean EUR 4 000 million, <p>(b) EUR 7 000 million for thematic programmes:</p> <ul style="list-style-type: none"> – Human Rights and Democracy EUR 1 500 million, – Civil Society Organisations EUR 1 500 million, – Stability and Peace EUR 1 000 million, – Global Challenges EUR 3 000 million, <p>EUR 4 000 million for rapid response actions.</p>	<p>The financial envelope referred to in paragraph 1 shall be composed of:</p> <p>(a) EUR 68 000 million for geographic programmes:</p> <ul style="list-style-type: none"> – Neighbourhood at least EUR 22 000 million, – Sub-Saharan Africa at least EUR 32 000 million, – Asia and the Pacific EUR 10 000 million, – Americas and the Caribbean EUR 4 000 million, <p>(b) EUR 7 500 million for thematic programmes:</p> <ul style="list-style-type: none"> – Human Rights and Democracy EUR 1 500 million, – Civil Society Organisations EUR 1 500 million, – Local and Regional Authorities EUR 500 million – Stability and Peace EUR 1 000 million, – Global Challenges EUR 3 000 million, <p>EUR 4 000 million for rapid response actions.</p>

Reason

In line with the above amendments, it is strongly advisable that a proportionate component of the available budget for the geographic programmes is allocated directly to programmes with/for Local and Regional Authorities, as is the case under the DCI in MFF 2014-2020. The proposed amount (EUR 500 million) is based on the current distribution of the CSO-LA budget line (66.16% for CSOs, 22.05% for Local Authorities, 10.4% for Development Education and Awareness Raising and 1.39% support measures (period 2018-2020)) and must of course be carefully calculated, taking the absorption rate of the current LA budget into account, as well as many other factors.

Amendment 8

(COM(2018) 460 final - General Provisions) Article 8(1)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>The Union shall seek to promote, develop and consolidate the principles of democracy, the rule of law and respect for human rights and fundamental freedoms on which it is founded,</p>	<p>The Union shall seek to promote, develop and consolidate the principles of democracy at all levels of government, the rule of law, gender equality and respect for human rights and fundamental freedoms on which it is founded,</p>

through dialogue and cooperation with partner countries and regions.	through dialogue and cooperation with partner countries and regions.
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<i>Reason</i>
Democracy at subnational level should be included in the guiding principles, as the local and regional level is where citizens can experience democracy most directly. Gender equality should be added to the key principles.

Amendment 9
(COM(2018) 460 final) Article 11(2)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Programming of geographic programmes shall provide a specific, tailor-made framework for cooperation based on:</p> <p>(a) the partners' needs, established on the basis of specific criteria, taking into account the population, poverty, inequality, human development, economic and environmental vulnerability, and state and societal resilience;</p> <p>(b) the partners' capacities to generate and access financial resources and on their absorption capacities;</p> <p>(c) the partners' commitments and performance, established on the basis of criteria such as political reform and economic and social development;</p> <p>(d) the potential impact of Union funding in partner countries and regions;</p> <p>(e) the partner's capacity and commitment to promote shared interests and values, and to support common goals and multilateral alliances, as well as the advancement of Union priorities.</p>	<p>Programming of geographic programmes shall provide a specific, tailor-made framework for cooperation based on:</p> <p>(a) the partners' needs, established on the basis of specific criteria, taking into account the population, poverty, inequality, human development, economic and environmental vulnerability, and state and societal resilience;</p> <p>(b) the partners' capacities to generate and access financial resources and on their absorption capacities;</p> <p>(c) the partners' commitments and performance, established on the basis of criteria such as political reform, economic and social development <i>and their willingness to engage with their Local and Regional Authorities in the drafting, implementation and monitoring of programmes;</i></p> <p>(d) the potential impact of Union funding in partner countries and regions, <i>including in the form of small-scale projects, also accessible for local and regional entities;</i></p> <p>(e) the partner's capacity and commitment to promote shared interests and values, and to support common goals and multilateral alliances, as well as the advancement of Union priorities.</p>

<i>Reason</i>
The proposed Article 11 already mentions that "... all action shall be based, to the extent possible, on a dialogue between the Union, the Member States and the partner countries concerned, including national and local authorities...", which is a good starting point, but it seems important to add that the programming principles also strongly encourage engagement with Local and Regional Authorities (and other stakeholders) in the drafting, implementation and monitoring of programmes (also in view

of the principles of subsidiarity and proportionality). An explicit reference is particularly important for work in countries where Local and Regional Authorities' engagement is limited or not in place.

Furthermore, it is of utmost importance that the programming funds are accessible to all types and sizes of Local and Regional Authorities, including those in rural areas, as well as intermediary cities, since all of them operate in the same territories and need to work together to achieve sustainable (local) development (as explained in the EU's Territorial Approach to Local Development).

In line with this, the new NDICI should also stimulate and finance small-scale projects (e.g. building on existing city-to-city or other subnational or multi-stakeholder partnerships), aside from megaprojects, and further facilitate capacity strengthening of Local and Regional Authorities, so that all types of Local and Regional Authority can work towards sustainable development.

Amendment 10

(COM(2018) 460 final – Title II, chapter III) Art. 22(7)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Cooperation between the Union and its partners may take the form, inter alia, of: (art(b) administrative cooperation measures such as twinning between public institutions, local authorities, national public bodies or private law entities entrusted with public service tasks of a Member State and those of a partner country or region, as well as cooperation measures involving public sector experts dispatched from the Member States and their regional and local authorities;	Cooperation between the Union and its partners may take the form, inter alia, of: (...) (b) administrative cooperation measures such as twinning between public institutions, local authorities, national public bodies or private law entities entrusted with public service tasks of a Member State and those of a partner country or region, as well as cooperation measures involving public sector experts dispatched from the Member States and their regional and local authorities, <i>in particular through the TAIEX mechanism and the SIGMA programme;</i>

Reason

The explicit reference to the use of TAIEX and SIGMA would help substantiate the use of highly effective technical assistance tools at all administrative levels.

Annex II: Areas of cooperation for the geographic programmes

Amendment 11

(COM(2018) 460 final, Annex II) A.1 (a)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Strengthening democracy and democratic processes, governance and oversight, including transparent and credible electoral processes;	Strengthening democracy and democratic processes, governance and oversight <i>at national and subnational level,</i> including transparent and credible electoral processes <i>at those levels;</i>

<i>Reason</i>
<p>The European Consensus on Development, as agreed by the EU and its Member States in 2017, calls on regional and local authorities to exercise scrutiny and participate actively in the decision-making process (point 83).</p> <p>As the European Committee of the Regions we have participated in electoral observation missions, at local and regional level, which contribute to the strengthening and quality of democratic processes.</p>

Amendment 12
(COM(2018) 460 final, Annex II) A.2 (I)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Supporting local authorities to improve at <i>city</i> level the delivery of basic services and equitable access to food security, accessible, decent and affordable housing and the quality of life, in particular for those living in informal settlements and slums.	Supporting local <i>and regional</i> authorities to improve at <i>their</i> level the delivery of basic services and equitable access to food security, accessible, decent and affordable housing and the quality of life, in particular for those living in informal settlements and slums.

<i>Reason</i>
<p>This article suggests supporting local authorities to improve the delivery of basic services at city level. It is important to make explicit that the NDICI aims to work with the whole "system of cities". Cities are only one component in a national local government system: developmental imperatives in third countries need to be nationally owned and locally driven across different tiers of government communities and civil society. This is also in line with the EC's Territorial Approach to Local Development, which underlines that Local and Regional Authorities often play a coordinating role in their territory, consulting and cooperating with private sector, civil society organisations, as well as universities, knowledge institutes and other levels of government.</p>

Annex III: Areas of intervention for thematic programmes

Amendment 13
(COM(2018) 460 final, Annex III) Insert new point 3

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p>3. AREAS OF INTERVENTION FOR LOCAL AND REGIONAL AUTHORITIES</p> <p><i>Strengthen the role of Local and Regional Authorities as actors of development through:</i></p> <p><i>(a) Empowering Local and Regional Authorities, notably through international partnerships between European and partner countries' Local and Regional Authorities to implement the 2030 Agenda through a dedicated financial envelope in</i></p>

	<p><i>order to reinforce their governance capabilities and their capacities to engage in political dialogue with national authorities, and support decentralisation processes;</i></p> <p><i>(b) Fostering decentralised cooperation for development, in all its forms;</i></p> <p><i>(c) Increasing the capacity of European and Southern local and regional authorities' networks, platforms and alliances to ensure a substantive and continued policy dialogue in the field of development and to promote democratic governance, notably through the Territorial Approach to Local Development;</i></p> <p><i>(d) Increasing interactions with European citizens on development issues (awareness raising, knowledge sharing, engagement), notably in relation to the related to the Sustainable Development Goals, including in the Member States and candidate countries and potential candidates.</i></p>
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<i>Reason</i>
<p>The modalities of Local and Regional Authorities' involvement in European programmes beyond the programming phase remain to be clarified, as well as how they will be consulted on the geographic programmes' priorities. By adding an area of intervention specifically for Local and Regional Authorities there would be no doubt as to whether or not this target group/beneficiary/these partners would receive enough attention in the operationalisation of the policies.</p> <p>The added value of decentralised cooperation (i.e. international partnerships between Local and Regional Authorities) is not explicitly mentioned in the different "Neighbourhood and the World" proposals. Decentralised cooperation has been recognised by European institutions and Member States as a tool for development in the new Consensus on Development of 2017. It is indeed an efficient tool to increase the capacity of Local and Regional Authorities from EU partner countries to develop plans and deliver services and to improve the quality of decentralisation reforms. This type of international cooperation has existed for decades and involves many European Local and Regional Authorities. Decentralised cooperation should not be understood as partnerships with limited thematic scope (e.g. water supply, waste management and urban planning), as there is potential for decentralised cooperation to strengthen the wider governance framework. The geographic programmes pillar should also provide space for such activity.</p>

Amendment 14

(COM(2018) 460 final, Annex III) 4. Areas of intervention for global challenges

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
D. PARTNERSHIPS	

<p>1. Strengthen the role of Local Authorities as actors of development through:</p> <p>(a) Increasing the capacity of European and Southern local authority networks, platforms and alliances to ensure a substantive and continued policy dialogue in the field of development and to promote democratic governance, notably through the Territorial Approach to Local Development;</p> <p>(b) Increasing interactions with European citizens on development issues (awareness raising, knowledge sharing, engagement), notably in relation to the related to the Sustainable Development Goals, including in the Union and candidate countries and potential candidate countries.</p>	
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Reason
As a specific area of intervention for LRAs is added in amendment 13, LRAs are consequently removed from the area of intervention for global challenges.

Proposal IPA III

Amendment 15

(COM(2018) 465 final) Article 6

Text proposed by the Commission	CoR amendment
	<p>5. The Commission, in liaison with the Member States, shall also take the necessary steps to ensure that Local and Regional Authorities are involved in identifying the specific objectives pursued by assistance under this Regulation.</p>

Reason
Since IPA III will have as specific objective to reinforce the effectiveness of public administration and support structural reforms and good governance at all levels, Local and Regional Authorities should be involved in strategic planning. Also, the Commission is encouraged to put in place ad hoc operational methods so that the TAIEX and Twinning mechanisms can be used for cooperation between the Local and Regional Authorities of the Member States and of the candidate and potential candidate countries.

Amendment 16

(COM(2018) 465 final) Article 9(1)

Text proposed by the Commission	CoR amendment
Up to 3% of the financial envelope shall be indicatively allocated to cross-border cooperation programmes between the beneficiaries listed in	Up to 3% of the financial envelope shall be indicatively allocated to cross-border cooperation programmes between the beneficiaries listed in

Annex I and the Member States, in line with their needs and priorities.	Annex I and the Member States, in line with their needs and priorities <i>and including support for capacity-building at local and regional level.</i>
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Reason
Capacity-building at local and regional level should be one of the priorities to be reflected in the financial allocation.

Amendment 17
(COM(2018) 465 final) Annex II

Text proposed by the Commission	CoR amendment
	<i>(f) Promoting local and regional governance and enhancing the planning and administrative capacity of Local and Regional Authorities.</i>

Reason
This thematic priority should not feature only under assistance for cross-border cooperation.

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

Introductory comments

1. Notes with interest the Commission's proposals for the MFF 2021-2027, including the proposals under the heading "Neighbourhood and the World", notably the ones on the new NDICI and the prolonging of the Instrument for Pre-Accession (IPA) in IPA III;
2. Welcomes the fact that the proposed budget for the European Union's external action is to be increased (up to EUR 123 billion, compared to EUR 94.5 billion in the period 2014-2020), which equals approximately 10% of the total MFF (as proposed); considers this to be directly needed in view of global challenges; and underlines the need to regard this proposed increase as a minimum in the current MFF negotiations;
3. Appreciates the Commission's ambition to make the EU's external action more consistent, coherent and flexible, in view of the global challenges such as climate change and massive urbanisation and social and economic turmoil, which all require multi-dimensional and complex solutions or approaches;
4. Welcomes the envisaged increase in effectiveness by merging several external action instruments into the proposed NDICI to achieve the Sustainable Development Goals and build resilience, in line with the COR 2017/03666 opinion, but notes that everything will depend on the operationalisation of the current proposals – it should, at all times, be avoided that the gap between policy and implementation widens (i.e. that modalities are not modified to also be more flexible);

5. Notes the fact that Local and Regional Authorities are included in the global challenges pillar of the proposed NDICI and also feature in the "regional" part of the geographic pillar; and would like to receive assurance from the other EU institutions that Local and Regional Authorities will indeed get easy access to these programmes and budgets;
6. Agrees that boosting investments for job creation and strengthening the role of the private sector is key to development; therefore, welcomes the Communication on a new Africa–Europe Alliance for Sustainable Investment and Jobs: taking our partnership for investment and jobs to the next level, which has the objective to support the creation of 10 million jobs in Africa;
7. Insists that the involvement of and the earmarking of specific funding for local and regional levels of government of third countries will help foster development at grassroots level, thus helping the EU achieve its objectives;
8. Welcomes the prolonging of the Instrument for Pre-Accession (or IPA III), as a relevant and purposeful instrument, and appreciates that IPA III shall have as specific objectives reinforcing the effectiveness of public administration and supporting structural reforms and good governance at all levels, and supporting territorial and cross-border cooperation;

Concerns and opportunities

9. Sees that integrating several external action instruments into one NDICI provides both challenges and opportunities, and underlines that NDICI should continue to serve the long-term development objectives that were previously strived for through the EDF;
10. Is concerned that, with external action increasingly being allocated based on geography, access to funding for Local and Regional Authorities might become more difficult or less evident, depending on the specific country strategies, which are for now unknown; expresses concern that an increased reliance on country-led strategies and programming, based on key priorities and strategic investment in infrastructure, will lead to increased focus on beneficiaries at national level, and potentially less attention for multi-stakeholder decision-making and participation, in all phases of programming;
11. Underlines the importance of Local and Regional Authorities being involved in the development of strategies and programming and in the implementation of programming, and of the monitoring and evaluation frameworks being developed at local level. This would ensure that assistance is targeted to the needs of candidates, including at local and regional level. Performance-based funding allocation should take into account progress towards decentralisation reforms and local democracy/good governance at all levels;
12. Is disappointed to see that the earmarked budget line for Local Authorities available under the DCI is proposed to be discontinued in the next MFF-period and asks for more insight in the reasoning behind letting go of this earmarked budget despite many good experiences within the LA-grants/programmes; asks that this earmarked budget be reinstated;
13. Underlines that, while the LA budget line under the current DCI was not entirely spent, it has too easily been concluded that this had to do with the inadequate capacity of the Local and Regional Authorities. Other reasons, such as the strict co-financing requirements and complex

application procedures, might in fact have been more important; calls on the EU institutions to provide room for improvement of the accessibility of this budget line, instead of opting for direct abolition;

14. Is open to sharing the various (good and bad) experiences of members of the Committee of the Regions with the current LA budget line with the other EU institutions, in the upcoming months;
15. Is ready to facilitate dialogue and cooperation with Local and Regional Authorities in enlargement and neighbourhood countries through the existing bodies and platforms (ARLEM, CORLEAP, Joint Consultative Committees and Working Groups, and the European Commission's strategic partnerships with associations of local and regional authorities, including CEMR-PLATFORMA), and thus contribute to the achievement of the objectives stated in the NDICI and IPA regulations. Underlines that peer-to-peer actions and programmes between European and non-EU Local and Regional Authorities, such as the Nicosia initiative for capacity-building in Libyan municipalities, illustrates the extent to which cooperation by Local and Regional Authorities can promote stability and prosperity in our neighbourhood.
16. Calls on the EU institutions, whatever the outcomes, to keep funds accessible to all types and sizes of Local and Regional Authorities, including the ones in rural areas, as well as intermediary cities, as hubs for sustainable and inclusive growth and innovation, thereby embracing the EU's Territorial Approach to Local Development;
17. Urges that the new NDICI also stimulate and finance small-scale projects (e.g. building on existing city-to-city or other subnational or multi-stakeholder partnerships) and further facilitate capacity-strengthening of Local and Regional Authorities so that they are more able to act in their coordinating role for territorial development and in strengthening urban-rural linkages;
18. Urges the EU legislators to adapt the proposed instruments (i.e. NDICI and IPA III) to further increase strategic support to Local and Regional Authorities and democracy at subnational level. Enhanced support to local democracy would increase the visibility of EU action by bringing the reform process to the doorsteps of citizens, and further embed the ownership of the reform process in partner countries;
19. Notes that another reason to consistently support and empower Local and Regional Authorities is that 65% of the Sustainable Development Goals cannot be achieved without the active involvement of Local and Regional Authorities¹;
20. Emphasises that decentralised cooperation for development (in all its forms) is an important tool in this respect, as recognised by European institutions and Member States in the EU's Consensus on Development; and calls for this role and tool to be taken into account in a more pronounced way in the NDICI;

¹ Adelphi., and Urban Catalyst. *Sustainable Development Goals and Habitat III: Opportunities for a successful New Urban Agenda*. Brussels: Cities Alliance, 2015.
<http://www.citiesalliance.org/sites/citiesalliance.org/files/Opportunities%20for%20the%20New%20Urban%20Agenda.pdf>.

21. Urges that policy objectives specific to the cooperation between the EU and the Neighbourhood should be pursued and achieved, notwithstanding the merger of the previously separate instruments. In particular, EU assistance to and cooperation with Local and Regional Authorities from Partnership countries must not suffer in a financial or organisational way as a result of increased flexibility in allocation of financial and other resources between the various geographic and thematic programmes;
22. Is disappointed that TAIEX, Twinning and Sigma activities have been primarily used for the benefit of central administrations of beneficiary countries, whereas all chapters of the acquis have a(n) (in)direct link with (the competences of) Local and Regional Authorities, which are in a great position, by virtue of their direct relationship with the public, to effectively communicate the advantages of joining the EU and the benefits and safeguards that the EU provides for all its people, in particular in IPA III beneficiaries. Welcomes the explicit reference in the NDICI Regulation to the use of Twinning both at central and local and regional level, but expects that other tools such as TAIEX and SIGMA be also deployed at the same levels;

Suggestions and recommendations

23. Encourages the Commission to ensure in all cases that the relevant stakeholders, including Local and Regional Authorities, are duly consulted and have timely access to relevant information allowing them to play a meaningful role during the design, implementation and associated monitoring process of programmes;
24. Strongly advises that Local and Regional Authorities should be given a specific, separate programme with an earmarked budget in development cooperation, as well as be taken into account throughout programming as beneficiaries;
25. Calls on the EU institutions to assure that Local and Regional Authorities are sufficiently equipped to be able to localise the SDGs, and to explicitly mention this Agenda in the regulations establishing the instruments. Furthermore, it would help if the importance of this agenda were also reflected in the forthcoming budget specifications;
26. Calls on the Commission to put in place ad hoc operational methods so that the TAIEX and Twinning mechanisms can be used for cooperation between the Local and Regional Authorities of the Member States and of the partner countries;
27. Welcomes the initiative of the European Commission to conduct an evaluation of EU support to local authorities in enlargement and neighbourhood regions during 2010 – 2018 and recommends that experience from regional programmes/projects supporting local authorities, such as the Local Administration Facility, Mayors for Economic Growth and the Covenant of Mayors East, should be used to develop similar support for Local and Regional Authorities in the other regions.
28. Welcomes the fact that "promoting local and regional governance and enhancing the planning and administrative capacity of Local and Regional Authorities" features as a thematic priority for assistance for cross-border cooperation (Annex III) and requests that the same thematic priority is included in Annex II of the IPA III regulation;

Brussels, 6 December 2018

The President
of the European Committee of the Regions

Karl-Heinz Lambertz

The Secretary-General
of the European Committee of the Regions

Jiří Buriánek

III. PROCEDURE

Title	Neighbourhood and the World
Reference(s)	COM(2018) 460 final COM(2018) 461 final COM(2018) 465 final
Legal basis	TFEU Article 307
Procedural basis	Rules 41(a) and 43 of the Rules of Procedure
Date of Council/EP referral/Date of Commission letter	14 June 2018 (Commission letters) 2 July 2018 (EP referrals) 19 July 2018 (Council referrals)
Date of Bureau/President's decision	8 October 2018
Commission responsible	Commission for Citizenship, Governance, Institutional and External Affairs (CIVEX)
Rapporteur-General	J.F.M. (Hans) Janssen (NL/EPP)
Analysis	
Discussed in commission	29 November 2018 (tbc)
Date adopted by commission	N/A (rapporteur-general)
Result of the vote in commission (majority, unanimity)	N/A (rapporteur-general)
Date adopted in plenary	6 December 2018
Previous Committee opinions	<ul style="list-style-type: none"> – Opinion on Global Europe: A new approach to financing EU external action, rapporteur Lotta Håkansson Harju (SE/PES), CDR732-2012_AC – Opinion on the Review of the European Neighbourhood Policy, rapporteur Anne Quart (DE/PES), COR-2016-00982-00-00-AC-TRA – Opinion on the Proposal for a new European Consensus on Development – Our world, our dignity, our future, rapporteur Jesús Gamallo Aller (ES/EPP), COR-2016-06940-00-01-AC-TRA
Date of subsidiarity monitoring consultation	N/A