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on local authorities and development cooperation
(2006/2235(INI))

Committee on Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on local authorities and development cooperation (2006/2235(INI))

The European Parliament,

- having regard to Article 179 of the EC Treaty,
- having regard to the joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus'¹, of 20 December 2005, which establishes ownership and partnership as the primary common principle, undertakes to support decentralisation and good governance and encourages 'an increased involvement of local authorities',
- having regard to Regulation (EC) No.. of the European Parliament and of the Council of 12 December 2006 establishing a financing instrument for development cooperation and economic cooperation (2004/0220(COD))²,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States (ACP), of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2003³, as amended by the Agreement amending the Partnership Agreement, signed in Luxembourg on 25 June 2005⁴ ('the Cotonou Agreement'), and in particular Articles 4, 28, 30(2), 43(4) and 58(2) thereof,
- having regard to the Charter of the Congress of Local and Regional Authorities of Europe (CLRAE) adopted by the Council of Europe Committee of Ministers on 14 January 1994 at its 506th meeting of Ministers' Deputies,
- having regard to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions of 25 January 2006 entitled 'The Thematic Programme 'Non-State Actors and Local Authorities in Development', which reaffirms that local authorities are fully-fledged stakeholders in development and proposes to involve them 'in the development process, including through dialogue and financial support' (COM(2006)0019),
- having regard to the Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee of 12 October 2005 entitled 'EU Strategy for Africa: Towards a Euro-African pact to accelerate Africa's

¹ OJ C 46, 24.2.2006, p. 1.

² OJ

³ OJ L 317, 15.12.2000, p. 3.

⁴ OJ L 209, 11.8.2005, p. 27.

development', adopted by the European Council of 15-16 December 2005, in which the Commission undertakes to support decentralisation and develop the capacities of local authorities, stressing the strategic importance of partnership and twinnings between European and African towns and municipalities in order to support the achievement of the Millennium Development Goals (MDGs) and promote the conditions required for their achievement (COM(2005)0489),

- having regard to the Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee of 20 October 2003 on governance and development, which establishes good governance as a priority area of European cooperation (COM(2003)0615),
- having regard to the Commission's Introductory Note to the departments of DG DEV and delegations in the ACP-ALA-MED countries and CEEC of 23 December 1999 (DEV/1424/2000), which advocates 'that (decentralised) stakeholders be involved upstream in policy formulation and programming' and puts forward an Operational Guide for delegations in all developing countries,
- having regard to Council Regulation (EC) No 1659/98 of 17 July 1998 on decentralised cooperation¹, as amended by Regulations (EC) Nos 955/2002² and (EC) No 625/2004³,
- having regard to budget line B76002, entitled 'decentralised cooperation', which is intended to promote this approach in all developing countries,
- having regard to the opinion of the Committee of the Regions of 16 November 2005 on 'Decentralised cooperation in the reform of the EU's development policy' (CdR 224/2005)
- having regard to the outcome statement of the Heads of State and Government on the MDGs at the sixtieth session of the United Nations General Assembly in September 2005, which underlines 'the important role of local authorities in contributing to the achievement of [...] the Millennium Development Goals',
- having regard to report A/59/354 of the Secretary-General of the United Nations, submitted to the 59th session of the United Nations General Assembly on 13 September 2004, which recognises the role of local authorities and global networks of local authorities, most notably the United Cities and Local Governments (UCLG) as one of the UN's main partners on development and humanitarian issues at local level,
- having regard to the Final Declaration of the ministers and representatives of governments at the Fourth World Water Forum (Mexico, 16-22 March 2006), which states that efficient collaboration with local authorities is a key factor to meet water-related challenges and MDGs,
- having regard to the Declaration of the World Summit on Sustainable Development, held in Johannesburg (26 August - 4 September 2002), which states that the role and capacities

¹ OJ L 213, 30.7.1998, p. 6.

² OJ L 148, 6.6.2002, p. 1.

³ OJ L 99, 3.4.2004, p. 1.

of local authorities must be strengthened to ensure sustainable development,

- having regard to the Final Declaration of the Habitat II World Summit, held in Istanbul (June 1996), which recognises that local authorities are States' closest partners for the implementation of the United Nations Agenda on human settlements,
- having regard to the Declaration of the Second Earth Summit, held in Rio de Janeiro (13-14 June 1992), which stresses the key role of local authorities in the implementation of Agenda 21,
- having regard to the Declaration of the Constituent Congress of the UCLG (Paris, May 2004), at which 3000 mayors and elected representatives from local authorities the world over undertook to implement the MDGs at local level and work towards greater local autonomy and democracy and towards cooperation between towns to promote development,
- having regard to the Final Declaration of the General Assembly of European Municipalities and Regions, held in Innsbruck on 12 May 2006, and the chapter entitled 'From Local to Global', which stresses the role of Europe and local authorities in the world,
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Development (A6-0039/2007),

The expertise and added value of local authorities in development cooperation

- A. whereas the achievement of the MDGs is an EU priority and whereas the crucial role of local authorities in the implementation of these goals has been recognised by the United Nations, and in particular by the UN Secretary-General, who stated at the Millennium Summit in 2005: 'How can we expect to reach the Millennium Development Goals [...] without making progress in areas such as education, hunger, health, water, sanitation and gender equality? Cities and local authorities have a critical role to play in all these areas. [...] While our Goals are global, they can most effectively be achieved through action at local level',
- B. whereas at the present rate it would take 110 years to achieve the MDGs set for 2015 and whereas the experience of local authorities in a wide variety of development-related areas, such as water management, the fight against AIDS, gender policy, waste management, social cohesion and local economic development, should be recognised by the EU as a necessary contribution to the achievement of MDGs,
- C. whereas every child has the right to be enrolled in a registry office at birth, and having regard to the essential role played by local authorities in this matter, and the direct connection between this practice and the application of the relevant human rights standards protecting children from exploitation through work,
- D. whereas good governance is one of the EU's priority objectives and whereas local democracy and decentralisation lie at the very heart of democratic governance under the

above-mentioned European Consensus on Development,

- E. whereas, in 20 years' time, 60% of the world's population will live in towns and cities and whereas towns and cities will, as a result, have a major role to play in improving the living conditions of the poorest sections of the population,
- F. whereas local authorities around the world require experience through:
- local authority-to-local authority projects funded or promoted by European local authorities themselves, in partnership with Southern local authorities over a period of more than 30 years,
 - local authority-to-local authority projects funded by the EU under the URB-AL (Latin America), Asia URBS and, to a lesser extent, MEDA (Southern Mediterranean), ACCESS (Central and Eastern Europe), TACIS (Eastern Europe and Central Asia) and CARDS (Balkans) programmes and the Multiannual Microproject Programmes (MMP) in the ACP countries,
 - national or regional cooperation programmes to support decentralisation or local development, in which local authorities and their associations are involved as operators, with the support of the EU and other donors (United Nations, bilateral agencies, World Bank or regional development banks, etc.),
- G. whereas local authorities have the necessary political legitimacy, know-how and experience of running local affairs and are able to mobilise other local stakeholders around them,
- H. whereas, although the importance of involving local authorities in the cooperation process has been acknowledged in the Cotonou Agreement and the European Consensus on Development, no permanent mechanism has been set up to ensure that they can take part in dialogue with the Commission in Europe and in developing countries; whereas, however, such a mechanism does exist in the case of non-State actors,

In Europe

- I. whereas local authorities are already skilled players with long experience in development aid: they have been experts in all areas of urban development and rural affairs for more than 30 years and are constantly stepping up and diversifying their activities, thereby forming a solidarity network covering the whole world; whereas many of these activities are currently supported and financed by the various States,
- J. whereas national and regional associations of European local authorities are playing an increasingly important role in terms of information, capacity building and dialogue and can thus become one of the 'key channels' of the EU and other development partners for involving the local authorities they represent in dialogue with the Commission in Europe,
- K. whereas European local governments and their associations play a key role in informing, mobilising and sensitising public opinion within the EU on a local basis, directly involving citizens; whereas this contributes to the promotion of the values of solidarity and development aid, as shown by the 'Millennium Cities Campaign' launched in July 2005 by the UCLG with the support of the United Nations; whereas, in this context, the

European section of the UCLG, the Council of European Municipalities and Regions (CEMR), has been mobilising European cities since April 2006 to promote and implement the MDGs,

- L. whereas, in a growing number of municipalities and regions, local development awareness plans and programmes are not confined to one-off actions but have instead established a comprehensive training and information programme for local populations,
- M. whereas local authorities are key players in the field of development, helping to dynamise and coordinate economic and social operators at local level,
- N. whereas the twinning links between towns and cities in Europe and in the South currently do not receive any financial support from the EU, despite the growing number of cooperation initiatives set up by European towns vis-à-vis their counterparts in Southern countries,
- O. whereas immigrant populations in Europe play an important role in development cooperation, their added value in terms of their potential contributions, their skills and their closeness to their countries of origin; whereas, in this context, decentralised cooperation is a key and appropriate area of intervention for immigrant communities' international solidarity organisations with regard both to activities set up in their countries of origin and to development education and awareness-raising projects in the host country,

In developing countries

- P. whereas 'decentralised cooperation', as defined by the EU since Lomé IV, reflects a desire no longer to take decisions on aid to developing countries solely with the third countries concerned, but to involve local authorities in policy decisions and in implementing aid in order to ensure that it is more effective and viable; whereas the aim is to make a lasting change to European cooperation procedures on the basis of the populations' expectations so that projects are better geared to real needs,
- Q. whereas participation in and ownership of development policies, which are priority principles for the EU, must include the involvement of local authorities, since the fact that they are spread over the whole territory enables them to conduct a proximity policy and to communicate the expectations of their populations on a day-to-day basis, in particular in the most remote regions,
- R. whereas local authorities have experience of local needs in all developing countries, in areas as diverse as sanitation, education, health, housing, the promotion of women's rights in local decision-making bodies, information systems on drugs, tourism management, the protection of the urban historical heritage, the development of local health services, water management and public transport,
- S. whereas the decentralisation and State reforms currently taking place in most regions of the world have resulted in local authorities asserting themselves as a sphere of government that is both distinct and representative, with new responsibilities in extremely varied sectors of political activity, which are essential for combating poverty and

achieving the MDGs, such as primary health care, water, sanitation, access to education, environmental protection, local economic development, HIV/AIDS prevention and gender equality,

- T. whereas the involvement of local authorities can contribute to strengthening local democracy and democratisation of aid management at local level, in view of the role which national associations of local authorities can play in this area in Southern countries,
- U. whereas, wherever they have electoral legitimacy, the strategic role of local authorities, midway between national government and civil society, makes them an ideal intermediary to promote the consultation between the various partners in the development process that is required for effective and coordinated aid,
- V. whereas local authorities which, being closer to local conditions than central government or international donors, contribute specific added value, are better equipped to assess the local impact of national and international development strategies, and thus able to provide assistance that is better geared to the specific needs of the areas under their administration,
- W. whereas, with adequate resources, local authorities could act as a stable framework enabling new players to express themselves, organise themselves and adjust to European partnership requirements,
- X. whereas their specific knowledge of the area under their administration makes local authorities a crucial lever in combating poverty and inequality,
- Y. whereas, for instance, in the Latin American region, the rapid development of urbanisation is placing urban policies at the forefront of development issues and making towns and urban conurbations the main interlocutors of governments in dealing with major social problems (migration, youth, poverty and employment),
- Z. whereas there is a need to promote dialogue between local authorities and non-State actors for the purpose of devising and implementing local development projects funded by the EC,
- AA whereas the involvement of local authorities in developing countries calls for a process of ownership of development cooperation strategies, which requires, among other things, improvements in their access to information, their organisational resources and representation mechanisms, and their capacities for dialogue and initiative on cooperation policies, and involvement in national, regional and international dialogue and consultation bodies,
- AB whereas the UCLG has a role to play in the restructuring and presentation of the needs of local authorities in developing countries,
- AC. whereas, despite this expertise in development, the role of local authorities in development has so far been under-estimated and under-exploited,

Providing local authorities with the resources to play their role in the achievement of the Millennium Development Goals

1. Recalls that the Commission has for a long time been committed to giving local authorities a role as full partners in development aid, its latest commitments being: for ACP countries, the Cotonou Agreement; for all developing countries, the moral underpinning of the 2005 European Consensus on Development;
2. Recognises that the involvement of local authorities in development policies is essential for achieving the MDGs and ensuring good governance; believes that ownership of development policies is a significant step towards transparency and democracy in development aid and enables more effective and more viable projects and programmes to be devised on the basis of the beneficiaries' real needs;
3. Stresses the importance of North-South and South-South partnerships between local authorities and their representative associations in contributing to the strengthening of good governance and the achievement of the MDGs;
4. Calls on the Commission to support and strengthen direct cooperation by European local authorities with their international partners; calls, in particular, for steps to be taken to ensure the continuity, including in financial terms, of the solidarity networks set up by the URB-AL, Asia URBS and other programmes, due to end in 2007 at the latest, which all represent commitments made to the populations;
5. Stresses that the principles of ownership, participation and good governance call for a multi-stakeholder approach in which the various development partners, whether third countries, local authorities or non-State actors, act in a complementary and coherent manner;
6. Stresses that local governments should enlist the support of the other local stakeholders (universities, social agents, development NGOs, companies, etc.) and stimulate citizens' participation in public life;
7. Calls on the local stakeholders to work together with international organisations to monitor industry and agriculture with the aim of preventing child labour and cooperating in the construction and maintenance of adequate school facilities with trained teaching staff and free transport and meals, so that all children are able to attend school;
8. Considers it important, however, to make a clear distinction between the specific role of local authorities and that of 'non-State actors', in terms of their sphere of competence, legitimacy and democratic control, experience in management of local affairs and involvement in the implementation of public policies;
9. Welcomes the political recognition and the specific funds granted to local authorities by the above-mentioned instrument for development cooperation (DCI): (a) local authorities are involved upstream in the definition of the cooperation strategies of developing countries, the elaboration of geographic and thematic programmes, their implementation and their evaluation; (b) up to 15% of the thematic programme 'non-State actors and local authorities' may be allocated directly to local authorities; (c) European local authorities

will be integrated in a structured political dialogue with the European institutions and the other Northern development stakeholders;

10. Calls on the Commission to refer, in future development cooperation financing instruments and legislative texts, to the role of local authorities and their representative associations as 'political partners' and to ensure that they are involved in all phases of the cooperation process and have direct access to European funding;
11. Calls on the Commission to specify in the country strategy papers the procedures and mechanisms for more closely involving local authorities, their representative organisations and civil society partners in all phases of the cooperation process (dialogues and formulation of strategy papers, programming, implementation, reviews, evaluations) and for EC delegations to be informed thereof in order to ensure their implementation;
12. Calls on the Commission and the Council to recognise associations of Southern local authorities as effective interfaces between local authorities on the one hand and the governments of the Member States and the EU on the other, in defining strategies and implementing development policies;
13. Regrets that, to date, local authorities in developing countries have only been involved in the implementation of projects and not in the elaboration of development policies, including in ACP countries, despite the revision of the Cotonou Agreement, which places political dialogue with local authorities at the heart of the partnership; undertakes, therefore, to carry out a detailed political follow-up with associations of elected representatives of the implementation of the DCI within both the EU and developing countries, in particular by examining country strategy papers, and to inform local authorities of new opportunities open to them and, in the event of difficulties on the ground raised by local authorities, to forward information to the Commission;
14. Stresses, in this connection, that the Commission's above-mentioned Introductory Note of 23 December 1999 put forward an Operational Guide for delegations in all developing countries, which clearly explained how to involve local authorities and non-State actors in each phase of the cooperation process, advocated that decentralised stakeholders be 'involved upstream in policy formulation and programming', and which remains a useful guide for the implementation of new development instruments;
15. Welcomes the fact that, in its above-mentioned Communication of 25 January 2006, the Commission reaffirms that local authorities are full stakeholders in development and proposes 'involving non-State actors and local authorities in the development process, including through dialogue and financial support'; stresses that, in accordance with the new DCI provisions, this will mean providing for their involvement in the devising of national strategies and geographic programmes, given that this is where European cooperation policy guidelines are defined; regrets therefore that, in the same Communication, the Commission restricts the possibility of local authority involvement and considers it as secondary, in accordance with the principle of subsidiarity, in relation to geographic programmes; considers, therefore, that cooperation between local authorities and the central government will make development aid more effective and enable more effective use to be made of the funding earmarked as well as allow aid to reach those most in need;

16. Stresses the need to establish ongoing dialogue and consultation between the EU and local authorities and their representative associations at all levels - national, regional and global - in particular by involving them as observers in forums for dialogue between the EU and partner countries, such as the Joint Parliamentary Assembly and the ACP-EU Council of Ministers, on the same terms as the representatives of non-State actors;
17. Calls for local authorities and their representative associations to be allowed to benefit from direct and appropriate funding: (a) under DCI geographic programmes, in view of their role in local governance and the importance of their participation in the achievement of the MDGs; (b) in the 'non-State actors and local authorities' thematic programme, given that the enhancement of their capacity for dialogue and participation in the cooperation process (organisation and representation, establishment of consultation, dialogue and lobby mechanisms) in Europe and developing countries calls for financial support that is more in keeping with their new responsibilities;
18. Calls, therefore, on the Commission for the revision of the coming development instruments in 2008/2009:
 - to ensure that decentralisation and local authority action become a focus of European aid in developing countries;
 - to see to it that a significant proportion of EU budgetary aid for geographic programmes to developing countries is allocated directly to local authorities, in consultation with central governments in order to improve governance of aid in developing countries, to strengthen local democracy and to improve access for populations to European funds, in accordance with the principles laid down in the European Consensus on Development,
 - to increase the budget line of the thematic programme on "Non-State actors and local authorities", given their comprehensive role in the achievement of the MDGs, in particular the role of local authorities in the supplying of local public services,
 - to accelerate support for capacity building of ACP local government and information sharing under the Cotonou Agreement, notably through the ACP Local Government Platform and its membership, including the prompt putting into effect of the funding bid endorsed by the Committee of ACP Ambassadors in October 2003;
 - where decentralisation is not a focal point, to support the action of local authorities through aid to the country's decentralisation policy in terms of capacities, fund availability, budgetary support, legislative support or other forms of support;
 - to set up mechanisms in order to allocate sectoral aid on a territorial basis with a view to ensuring that local authorities play the role conferred on them by decentralisation laws since local authorities have an added value as regards the implementation of sectoral programmes, in particular in terms of health, education and essential public services but are at present often excluded from this process;
19. Stresses the importance of a structured dialogue between European local authorities and Community institutions, as defined by the DCI, so that European local authorities are provided with a framework in which they can effectively cooperate and dialogue with development institutions and other stakeholders;

20. Calls on the Commission to establish a partnership with a platform of associations representing local authorities active in the field of cooperation, modelled on Concord (European NGO Confederation for Relief and Development) for NGOs, to facilitate dialogue and cooperation with European institutions, coordinate cooperation between local authorities and assist local authorities in implementing development policies, and in particular strengthen the capacities of its members;
21. Calls on the Commission to set up an international monitoring centre for local democracy and decentralisation, in partnership with local authority organisations, to:
- monitor the involvement of local authorities in the process of cooperation with the EU (political dialogue, formulation of development strategies, programming, implementation and evaluation) and alert the institutions of difficulties encountered on the ground,
 - draw up a world map of local governance, listing projects, stakeholders, and budgets available to local authorities around the world in order to facilitate coordination, coherence and synergy between the various local governments partners,
 - create tools for the purpose of providing information and supporting the involvement of local authorities in the European cooperation process, such as updated information on new opportunities available to local authorities since the reform of aid, technical aid in order to respond to calls for tenders and calls for proposals, etc.;
 - monitor and analyse compliance with standards relating to democracy and human rights, notably those relating specifically to local democracy and good governance as set out in relevant EC and other internationally agreed standards such as those of the UN, the African Union, or the Commonwealth etc.;
22. Calls on the Commission to promote structural measures aimed at providing an impetus and support for decentralisation and local capacity building in partner countries, together with greater democracy and citizens' participation;
23. Proposes using the mechanisms for revision of cooperation strategies, including that of the Cotonou Agreement, to monitor progress made in the involvement of local authorities in the cooperation process and to seek to remove legal, political and organisational constraints standing in the way of the involvement of local authorities in the cooperation process;
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24. Instructs its President to forward this resolution to the Council, the Commission and the parliaments and governments of the Member States.

EXPLANATORY STATEMENT

Local authorities have been experts in all areas of urban development for more than thirty years. Their cooperation activities around the world have produced excellent results, their budgets have steadily increased and they have been diversifying and constantly increasing their activities. They represent an exceptional solidarity network extending around the whole world. However, more importantly, **their added value is that they provide assistance which is better geared to the expectations of local communities** because local authorities are closer to the ground than central government or international donors, which enables them to be aware of the local impact of national and international development strategies. Unless account is taken of the beneficiaries and their needs, aid cannot be effective and viable.

I- Local authorities: the forgotten players in the development process

Despite all this, local authorities are faced with a **paradox: their expertise** in development **is rarely exploited** or even known. **Their role**, midway between central government and civil society, **is not very well understood**. The Commission has always had an extremely ambiguous attitude to the role of local authorities in its development policy: partly in order to maintain good diplomatic relations with the central governments of third countries, and partly to speed up the payment of its funds, as consultation is time-consuming.

However municipalities have been able to establish themselves over the years as an essential partner in development:

1945: French municipalities began to cooperate with German municipalities

1960s: Increasing exchanges between Western and Eastern European towns

1970: Municipalities became involved in solidarity campaigns with African towns and villages

1975: The Commission funded microprojects based on the initiative of local communities in ACP countries

1989: The Lomé IV Convention with ACP countries introduced **an innovative approach, namely decentralised cooperation. The aim was to introduce a different type of cooperation: the state maintained a key role, but local authorities and civil society were to be involved in policy decisions and the implementation of aid**, thereby becoming full political partners and not merely beneficiaries. This was true at least on paper, given that in reality they were soon confined to their traditional role as beneficiaries of aid and project managers.

1992: The Commission created a decentralised cooperation budget line in order to apply the decentralised cooperation approach to all developing countries

1994: Adoption of the Charter of the Congress of European Local and Regional Authorities by the Committee of Ministers

1995: Launch of the URBAL programme to finance projects between European and Latin American towns (€54 million for the period 1995-2004), the Asia URBS programme (€ 43 million for the period 1995-2004) and the MED-URBS programme

1998: Parliament provided decentralised cooperation with a legal basis through the decentralised cooperation regulation

2000: Launch of ACCESS and CARDS programmes to restore infrastructure damaged by

wars in the countries of Central and Eastern Europe

June 2000: The Cotonou Agreement established political dialogue with non-State actors in beneficiary countries as a central element of the partnership, providing for their involvement at each stage of cooperation

2005: The revised Cotonou Agreement explicitly recognised local authorities as full partners (and not merely beneficiaries)

November 2005: The European Consensus confirmed this trend by establishing ownership and participation as key principles of the EU and encouraging the active involvement of local authorities.

2007: The new development instrument was a major step forward for local authorities: they were recognised as Southern political partners and were the subject of a thematic programme.

II- The impact of the reform of development aid

2007: The new development instrument is a major step forward for local authorities:

1. They are recognised as political partners: in the South, they are involved from the political dialogue phase in the elaboration of Country Strategy Papers and thematic programmes but also in their implementation and evaluation.
2. They are the subject of a thematic programme aimed at strengthening their capacity in the South to organise themselves and cooperate with other development players and, in Europe, to establish a structured dialogue with European institutions.
3. Up to 15% of this thematic programme will be directly allocated to local authorities if they so request, i.e. EUR 35 million for the period 2007-2013.

Like the UN in 2005, the EU now recognises local authorities as a key player in the development cooperation process, at least in theory. This report seeks to analyse this new partnership relationship and to ensure that this progress actually takes place on the ground.

III- Why local authorities are an essential partner with a view to appropriate, effective and viable aid

– **A means of dialogue between central government and local communities:** local authority representatives are generally elected by the population over the whole territory and are thus in a good position to represent civil society. Being closer to the population, they can express their demands. With suitable resources, local authorities could ensure the application of a proximity policy, reflect the day-to-day expectations of populations and bridge the gap separating them from central government, especially those living in more remote regions.

– **Essential expertise in the urban sector:** While the central government has a national and, therefore, more general approach to issues, local authorities can make use of their knowledge of the urban problems specific to the area under their administration. Local authorities are already an essential lever in combating poverty and inequalities. Wherever they have been given an opportunity to be involved, they have shown their crucial added value on local development issues.

– **A counterweight:** Local authorities represent a challenge to good political relations on the ground between the Commission delegation and the government, which is reluctant to see its prerogatives limited for the benefit of elected representatives who do not necessarily form

part of its supporters. In Europe, we firmly believe that political parties provide a guarantee of democracy. However, in third countries, the Union only negotiates with central governments. Involving local authorities can contribute to more democracy in the management of development aid at local level.

IV- Action to be taken by the Commission

The hearing of 3 October 2006 on the role of local authorities in development provided a rich variety of political proposals. Below is a summary of the five main partnership approaches put forward by participants and MEPs.

Approach No 1 How to involve local authorities in political dialogue on the allocation of EU aid in Southern countries

The Commission reaffirmed the need to involve local authorities from the political dialogue stage both in the implementation and in the evaluation of EU aid. Given that Parliament now has a supervisory role in respect of Country Strategy Papers, which establish the Commission's development policy in each Southern country, **the Committee on Development undertook to inform the international association - the UCLG - and the European Association - the CEMR - of the European policy agenda. For its part, the UCLG has undertaken to monitor the situation on the ground** in order to ascertain whether local authorities are involved in consultation, as proposed by the Commission. Should this not be the case, it can report to the Committee on Development, which will refer the matter to the Commission.

Approach No 2 Making decentralisation a focus of European aid in developing countries

This is the key political question to emerge from the hearing. All the speakers, including the Commission itself, the representatives of local authorities and the MEPs present at the hearing, approved the idea. The report therefore calls for:

1. **decentralisation and the action of local authorities to be made a focus of European aid** in developing countries;
2. **a significant proportion of EU budgetary aid to developing countries to be directly allocated to local authorities** in order to ensure that central governments are not responsible for managing all European funds. This would allow improved governance of aid in developing countries, greater local democracy and improved access for populations to European funds, in accordance with the principles laid down in the European Consensus on Development. **15% of the thematic programme cannot be sufficient for local authorities in developing countries to provide public services to populations at local level.**
3. **support to be given, where decentralisation is not a focal sector, to the action of local authorities** through support for the country's decentralisation policy, in terms of capacity, fund availability, budgetary support, legislative support and other forms of support.
4. **mechanisms to be set up in order to ensure that sectoral aid is allocated on a territorial basis so that local authorities can play the role conferred on them by decentralisation laws:** local authorities have an added value as regards the implementation of sectoral programmes, in particular with regard to health, education and essential public services, but are currently often excluded from the process.

Approach No 3 In Europe: a structured dialogue with European institutions

European local authorities need an enhanced dialogue with European institutions. **There should be a clear definition of whom the European institutions can dialogue with:** the CEMR for European institutional dialogue, the UCLG to inform Parliament of developments at local level and to informal local authorities in the South.

Approach No 4 Aid to payment of the 15% allocated to local authorities

This a strategic question since the 15% figure is a maximum granted to local authorities if they are able to spend the amount. The UCLG could provide technical aid for local authorities to respond to such calls for proposals.

Approach No 5 European recognition of the role of local authorities in the achievement of the MDGs

At the present rate of implementation of the MDGs, it will take 110 years to attain the targets set for 2015. Lobbying is therefore required to ensure that the EU recognises the essential role of local authorities in the achievement of the MDGs.

To achieve these objectives the report calls on the Commission to set up a **world monitoring centre on local governance** in order to

- (a) **monitor the involvement of local authorities** in the process of cooperation with the EU (political dialogue, formulation of development strategies, programming, implementation, evaluation) and alert the institutions of problems encountered on the ground,
- (b) **draw up a world map** of local governance, listing projects, stakeholders and the budgets available to local authorities around the world in order to facilitate coordination, coherence and synergy between the various local governance partners,
- (c) **create tools for the purpose of providing information** and supporting the involvement of local authorities in the European cooperation process, such as updated information on new opportunities open to local authorities since the reform of aid, **technical aid to respond to calls for tenders and calls for proposals**, etc.

PROCEDURE

Title	Local authorities and development cooperation
Procedure number	2006/2235(INI)
Committee responsible Date authorisation announced in plenary	DEVE 28.9.2006
Committee(s) asked for opinion(s) Date announced in plenary	
Not delivering opinion(s) Date of decision	
Enhanced cooperation Date announced in plenary	
Rapporteur(s) Date appointed	Pierre Schapira 30.5.2006
Previous rapporteur(s)	
Discussed in committee	19.12.2006
Date adopted	28.2.2007
Result of final vote	+ 30 - 0 0 1
Members present for the final vote	Margrietus van den Berg, Josep Borrell Fontelles, Danutė Budreikaitė, Marie-Arlette Carlotti, Corina Crețu, Nirj Deva, Koenraad Dillen, Hélène Goudin, Filip Kaczmarek, Glenys Kinnock, Maria Martens, Luisa Morgantini, José Javier Pomés Ruiz, Miguel Portas, Horst Posdorf, Toomas Savi, Pierre Schapira, Frithjof Schmidt, Jürgen Schröder, Feleknas Uca, Luis Yañez-Barnuevo García, Anna Záborská
Substitute(s) present for the final vote	Fiona Hall, Alain Hutchinson, Jan Jerzy Kułakowski, Miguel Angel Martínez Martínez, Manolis Mavrommatis, Atanas Paparizov, Elena Valenciano Martínez-Orozco, Anne Van Lancker, Ralf Walter
Substitute(s) under Rule 178(2) present for the final vote	
Date tabled	1.3.2007
Comments (available in one language only)	