

Habitat III Informal consultations - EU statement on Urban Governance, 28 April 2016

Dear Chair, Dear Delegates,

I have the honour to speak on behalf of the EU and its Member States.

- The EU's vision of the future global "New Urban Agenda" is based on the understanding that an **integrated and place-based approach** to urban development, together with a long-term vision, is necessary in order to promote 1. Inclusive and safe, 2. Green and resilient, 3. Prosperous and innovative and 4. well governed cities.
- The EU and its Member States firmly believe that sustainable urban development requires **institutions** at both national and local level that are: **legitimate, effective, accountable and transparent**; and that follow inclusive, evidence-based and participatory decision-making processes in a well-managed multi-level and multi-actor system of governance.
- Furthermore, effective local governance **contributes significantly to deepening democracy and citizen's empowerment.**
- We believe that good urban governance requires **a legal and policy framework at central level as well as at sub-national level that both enables local authorities** to effectively implement national urban policies **and empowers them as policy makers** benefiting from a sufficient level of autonomy in decision-making in accordance with the principle of subsidiarity.
- To this end, **local authorities should be involved and consulted at all stages of the policy cycle**, from planning to implementation.
- The resulting **multi-level governance system** requires political commitment from all echelons of government for an efficient an

effective share of functional assignments for coordination and cooperation.

- **At national level, this multi-level governance requires national urban policies that set out the overall institutional architecture, with the respective competences, tools and resources clearly defined** for each level of governance. Furthermore, these policies should be designed and implemented **according to a "place-based" approach**, taking into account the specificities of each territory.
- **At local level, cities' authorities need to be enabled, entitled and empowered** to fully assume their role as key actors in the design and implementation of sustainable urban development.

This requires:

1. Recognition that **local authorities are catalysts of change in cooperation with civil society** organisations.
2. Recognition that they are **best placed to identify the challenges and potentials** of their respective city, **and to provide the crucial expertise and knowledge** to tackle challenges. This is why urban actors should have a role in the assessment of the impact that policies have on their cities and in the follow up of implementation.
3. Recognition furthermore that local decision making processes should **involve citizens**, especially women, young people and migrants, **but also business and civil society organisations** at the municipal or neighbourhood level. Cities should act as drivers for social integration and emancipation for their inhabitants.
4. **Capacity building of local authorities**, including through the creation, stock-taking, dissemination and exchange of knowledge. To this end, **city-to-city cooperation contributes to beneficial long term partnerships** that can facilitate a shared engagement.

- **In this regard, an important flagship project within the EU is the URBACT programme.** Over the past decade, this programme has been playing a huge role in **helping urban officials and local politicians adapt to the changing urban circumstances.** Over 500 cities (small, medium and large) from across Europe have already benefitted from URBACT.
- **Another EU flagship project worth mentioning is the Covenant of Mayors** for climate and energy, that now gathers more than 6 700 signatories. **It is one of the major contributions of the EU in terms of climate change mitigation and adaptation objectives.** It is now going global.
- **Good governance is evidence-based** and builds on a shared knowledge base using both globally comparable data as well as locally generated data. **Urban data collection and indicators, both at national and local level, are essential** in order to monitor progress achieved, and are crucial in supporting good urban governance. In this regard, we support the development and use of simple benchmarking and monitoring tools to help local decision-makers to identify cost-effective solutions.
- To conclude, there is a **growing recognition in the European Union of the added-value of involving urban local authorities** in fulfilling policy objectives set at higher levels of governance. **The objective of the Urban Agenda for the European Union is to better include the urban dimension in policies.** This means involving cities in the design of policies and delivery of policies. We aim to consult the cities more systematically and well in advance when preparing European new policies, especially legislation. In order to realise the full potential of the European Union and deliver on its strategic objectives, the European Urban Agenda strives to involve Urban Authorities in achieving Better Regulation, Better Funding and a Better Knowledge.
- Last but not least, **good urban governance requires sound municipal finances.** Cities' authorities need access to sufficient financial resources. This includes in particular improved access to national financial allocations, as well as access to domestic and foreign direct investment and capital markets, including through

so-called blending frameworks whereby ODA grants are used to mobilise financing from the private sector and international financing institutions.

- The EU relies on a well-established regional cohesion policy with a strong urban dimension. Significant EU funding is made available for **urban areas, directly managed by urban authorities, to implement integrated strategies for sustainable urban development** as well as to promote urban innovation.
- **Habitat III should achieve a strong participation of local authorities and stakeholders**, who will not only be key implementers of the "New Urban Agenda" but whose inputs are also highly valuable for its elaboration. The EU and its Member States are committed to supporting them throughout the process so that they can engage actively and meaningfully in the process.