

A decorative graphic on the left side of the page, consisting of a 3D purple cube and several white lines forming a diamond shape.

Towards a stronger future for a Europe of citizens

12 December 2017

Key messages

- Cities are partners in creating a more positive future for Europe. With the EU at a crossroads, we need to make the most of the opportunity for change. We must move towards a stronger EU, closer to its citizens, increasingly globally competitive, socially just and resource efficient. Larger cities and metropolitan areas offer the right scale for tackling challenges related to globalisation. We recognise our responsibility to collaborate with our surrounding areas to ensure that the potential of urban areas benefit the EU more widely, leaving no one behind.
 - We must rethink the way we are working to make the EU future-fit, including:
 - o better governance - a genuine partnership approach, with strong political leadership at EU level, strengthening the urban agenda working methods. The outcomes of the 12 urban agenda partnerships must make a difference for cities, member states and the EU. We need a strategic long-term perspective on the role of cities in the EU as well as stronger networks bringing together different sectors and levels of government for better solutions. We call for an annual meeting of EU, national and city leaders to set a common strategic agenda and agree on actions as well as an 'urban seat' at the subsidiarity and proportionality taskforce.
 - o better funding and financing - city authorities must be fully involved in shaping investment programmes with a territorial impact, notably cohesion policy. We need a stronger place-based approach across fewer, but more comprehensive, funding programmes that facilitate integrated solutions locally. We must remove barriers to long term public investment and secure direct access to funding where cities are in charge of delivery.
 - o better outreach and citizens engagement - our 'Cities4Europe, Europe for citizens' campaign will engage citizens across Europe to understand their aspirations and expectations of the EU in the future. The EU needs better tools for listening to and engaging with its citizens. It can take inspiration from and use its cities for this purpose. The campaign is our contribution to bringing the EU and its citizens together for a stronger future.
 - Looking ahead, urban and European challenges continue to be strongly connected. We need to take action together to deliver results where it matters to citizens. From a city perspective, this includes strengthening solidarity in the EU, delivering equal opportunities for all, accelerating the transition towards resource efficiency, as well as strengthening innovation and competitiveness of urban areas for the benefit of the EU.
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Cities as partners in a stronger Europe

The unique European project has brought an unmatched period of peace and prosperity in Europe. But the past decade has taken its toll on the enthusiasm for the European idea. Among the many reasons for this is the sizeable mismatch between expectations and the capacity to tackle our challenges, such as unemployment, at the European level. Rising Euroscepticism and a more general disconnect between political institutions and citizens is a reality at all levels of government. At the same time, we see strong civic and societal engagement locally. We test new ways of working, including for participatory democracy in our cities. We need to seize the opportunity for change to enhance the way we work in Europe, across levels of governments and with our citizens.

We fully support the ambitions for a more united, stronger and more democratic Europe, as proposed in the Commission's work programme for 2018. We can deliver these ambitions in partnership across levels of government and with adequate tools, including a strong cohesion policy post-2020, with a reinforced urban dimension. Our vision for the future of Europe is based on the values on which the EU was founded: peace, security, solidarity, freedom, diversity, cohesion, equal opportunities - including between men and women. These values are put into practice in our cities, through efforts to integrate migrants and refugees, to provide opportunities to the disadvantaged, to curb emissions and reduce the pressure on the environment, to provide healthy living conditions for everyone, including future generations.

As Europe's largest cities and metropolitan areas, we are key drivers of a more prosperous, inclusive and environmentally conscious EU. Our cities offer the right scale to respond to the challenges related to globalisation, including digital transition, demographic change, social inclusion, employment and skills, economic transition and growth as well as climate change. We are Europe's resilience in times of change. We recognise our responsibility towards our surrounding areas to ensure that benefits and opportunities created in cities are shared across Europe, through partnerships and collaboration.

The question is not whether we need 'more' or 'less' of the EU as we know it. It is how best to arrive at a Europe that demonstrates results, regains the confidence of citizens while also showing global leadership on vital issues such as climate change, equal opportunities, quality of life and high standards of public services. As local authorities, we implement more than 70% of EU rules. We have a vested interest in a stronger Europe that can help deliver the solutions we need.

The future of Europe is the future of our cities. We are partners towards a stronger EU, seeking to deliver better results for and with citizens.

A future-fit Europe: new ways of working

We need to rethink the way we work together in the EU to better respond to challenges and to bring Europe closer to the citizens, through a stronger sense of ownership. We must continue to test and develop new methods for collaboration across levels of government and sectors for better policy making, better funding and better outreach. Partnership approaches and shared ownership is the way forward and we must strengthen our tools for working together. As cities, we propose a stronger and more effective Europe through actions on three strands:

1. Better governance

- **Genuine partnerships:** The urban agenda for the EU, with its 12 thematic partnerships bringing together policy makers across cities, member states and the European Commission is a good start and a clear indication of the need for new ways of working together for better solutions. These experimental collaboration methods have the potential to increase mutual understanding across levels of government for both challenges and solutions. To maximise the benefits of such informal working methods, they need to be clearly connected to formal policy and decision-making processes at EU level, including the REFIT platform for better regulation. Also, to set a strong example of the partnership principle and guide collaboration in the future, we call for:
 - an ‘urban seat’ in EU’s subsidiarity and proportionality taskforce, giving cities a voice when reviewing how better to apply the principles for the future
 - a joint annual meeting with the European Commission, Council and local leaders to set a common strategic agenda and agree on actions at all levels

- **Strengthening the direct involvement of cities in policy developments:** the increased use of urban/territorial impact assessments is a potentially very effective tool to better match EU measures with the reality in cities to ensure better implementation. Other initiatives, such as the new urban water agenda (UWA) has also engaged cities directly for improved implementation of EU legislation and shared ownership on next steps. These types of initiatives must be adequately resourced to strengthen their sustainability and facilitate the participation of cities from across the EU.

- **A long-term strategic perspective:** breaking away from policy development in sectorial silos is a challenge at all levels of government, from local to European. At EU level, significant progress has been made to move towards a clearer overview of policies with an urban dimension. Policy developments affecting cities are still largely fragmented and sectorally driven. At EU level, we need a clear longer term strategic perspective for the role of cities in delivering EU objectives, pulling together all sector policies with an impact on urban areas. The Urban Agenda for the EU, the Covenant of Mayors and the European Innovation Partnership on Smart Cities and Communities (EIP-SCC) are a good start. They now need to be brought together with

other strategic initiatives for cities under a single umbrella with a clear leadership within the Commission.

- **Developing stronger networks:** no sector or level of government can tackle our current challenges alone. Our cities are increasingly networked across sectors, communities, and business and knowledge institutions. The EU can be a strong facilitator of networks, bringing together finance, demand, supply, technical expertise and political influence. By way of example, the EIP-SCC strives to accelerate the deployment of smart city solutions. Such partnerships must be fully connected to strategic developments at EU level. The new EU platforms on the sustainable development goals and the circular economy are promising initiatives, to which EUROCITIES look forward to contributing.

2. Better funding and financing

- **Make multilevel governance a reality:** this is a prerequisite to better match spending priorities to the needs on the ground. As the level of government closest to the citizens and local businesses, city authorities must be fully involved in investment decisions and in shaping programmes with a territorial impact. The code of conduct on partnership in the EU related to European structural and investment funds is a step forward but needs to be fully implemented in the forthcoming budget period¹.
- **Facilitate integrated place-based approaches:** we need to rethink EU programmes so they pool resources across different sectors to better address complex challenges for more effective solutions. Challenges do not appear in sectors locally. Effective measures address, for example, energy efficiency and social inclusion simultaneously in a place-based approach. Also, ongoing societal transitions - digital, energy, economy, governance - are implicitly integrated and cannot be effectively managed by sectoral approaches. EU programmes must be better adapted to underpin these transitions and the delivery of integrated solutions locally. We need fewer but more comprehensive EU programmes and ultimately a strong allocation in the EU budget for urban challenges.
- **Simplification of rules for implementation and control:** we believe that building capacity, trust and cooperation between all levels of government would be an essential step in simplifying rules on spending, notably for European structural and investment funds. A shared understanding and ownership of policy objectives would allow for a gradual shift away from excessive regulatory guarantees. A stronger recognition of subsidiarity and proportionality would also reduce financial risk and administrative burdens, strengthening the focus on results useful for cities, while contributing to efficiency in terms of costs and effectiveness of the funding policy.
- **Strengthen investment capacity and access to financial instruments:** we support the efforts the EU has made to scale up the use of financial products, leveraging private investments with the European Fund for Strategic Investments to boost

¹ EUROCITIES position on the future of cohesion policy post-2020 is available here: <http://bit.ly/2uuwIS5>

investments and create jobs. With the increased emphasis on financial instruments, we need more targeted support to cities, which have very different capacities locally to deploy these. In addition, we would welcome more support from the EU for experimentation with impact investment in support of environmental and social objectives. Finally, continuing constraints on public finances as well EU fiscal rules have seriously hindered investments in long-term public infrastructure, which is particularly challenging for growing cities. We need more flexible budget and financial accounting rules to enable cities to boost local public investment, promoting growth and jobs.

- **Scaling up mutual learning and capacity building:** as cities we share, learn and build capacity together, based on a common understanding of our needs and the challenges faced by our citizens. Sharing means multiplying - our potential to drive the broader societal transformations for the benefit of the wider EU is enormous. Beyond exchange of good practices, we have well-established and effective tools for learning together and transferring knowledge, including peer-reviews, in-depth study visits and mentoring. These tools are effective but also resource intensive, which must be recognised if we are to empower cities and communities from across the EU.
- **Direct access to finance:** in areas such as social inclusion, tackling unemployment, reception and integration of refugees and migrants, cities are responsible for the implementation of policies locally but don't have direct access to EU financing. Direct responsibilities need to be matched with direct access to finance, ensuring that EU finance is channelled where it is the most needed on the ground and where it is closest to citizens.

3. Better outreach and engagement of citizens

- **Experience Europe:** EU's single most successful initiative for people is the Erasmus programme. We need to strengthen the tools allowing young people and others to experience Europe, develop language skills and build our European identity. It is the prerequisite for solidarity and mutual understanding across Europe, across cities and rural areas, for generations to come.
- **Cities bringing together the EU and citizens:** as the level of government closest to citizens, city authorities can play an important role as 'honest brokers', bridging the distance between the EU and its citizens. It is our responsibility to understand the needs of our citizens locally and to seek effective solutions, including at EU level. Increasingly, working with citizens, local businesses, research institutions and surrounding areas is essential to our ability to tackle our problems and to reinforce trust in and ownership of public policies. When creating public policies together with our citizens, we tap into an innovation potential for effective solutions that match urban - and often also European - needs. The power of public participation must be matched with a strong representative democracy. We work to strengthen democracy

locally, including through ensuring voting rights for all citizens and increasing participation in local, national and European elections.

- **Listening to and engaging with citizens:** as city authorities, we are committed to developing a more positive future for the EU. Our ‘Cities4Europe, Europe for citizens’ campaign will run in May 2018 and will actively engage our citizens in a dialogue about what Europe means to us. We want to give a voice to our citizens so they can contribute to the ongoing debate about the future of Europe. We also want to demonstrate how we work directly with citizens to develop better urban and European solutions. The EU needs better tools for listening to and engaging with its citizens. It can take inspiration from and work with its cities to this end.

Looking ahead - cities in Europe

Shared urban and European objectives and challenges

Our cities should be places of equal opportunities for all, with a strong emphasis on gender equality. They should be places of dialogue and co-creation with our citizens, delivering a good quality of life and high standards of services. We are committed to continuing our efforts to become more resource efficient, more resilient, more inclusive, protecting social rights, to work with our citizens to better understand their needs and develop innovative urban solutions to our challenges. We see that the leadership provided by public authorities is moving away from having the right answers about the future to facilitating processes that help us ask the right questions. The right to the city, i.e. the right to make and remake our cities through citizens’ collective power, is vital to our urban and European political agenda.

Many of our challenges are also European challenges. As outlined in the 7th cohesion report, in the aftermath of the financial crises, the gap between rich and poor is becoming wider, social and economic inequalities is rising, globally, in the EU and in our cities. The current levels of immigration to Europe, with the majority of immigrants and refugees settling in our cities, have a profound impact on demography, social cohesion and service provisions. The implications of structural unemployment and a skills mismatch are real to our citizens, as are growing inequalities between people and lack of access to affordable housing. Digital transition and disruptive business models bring along new opportunities. They also challenge current structures for protecting consumers and employees and provoke a debate on fair taxation. Also, it is in our cities that climate change, energy efficiency, air and noise pollution as well as sustainable mobility come together and require integrated solutions.

The urban agenda for the EU identifies 12 themes² where the challenges and our ability to tackle them depend on a reinforced collaboration across all levels of government towards better regulation, better funding and better knowledge sharing. We have seen a strong

² The 12 themes are: urban poverty, inclusion of migrants, jobs and skills in the local economy, housing, air quality, sustainable land-use and nature-based solutions, climate adaptation, energy transition, digital transition, innovative and responsible procurement, circular economy and urban mobility.

commitment from cities, EU level and member states to test new ways of working together, to tackle old and increasingly complex problems with new tools.

The sustainable development goals (SDGs) set an internationally agreed and comprehensive framework for future priorities at all levels of government. Sustainable cities are explicitly and globally recognised as part of the SDGs. We will work locally, and as a network of cities, to achieve these goals as we strive to make our cities fit for the future.

A common cause to deliver results for and with citizens

Looking ahead, the EU must reinforce focus on supporting the delivery of results that matter to citizens to effectively tackle our shared challenges. From an urban perspective, we need a Europe that leads and collaborates with its cities and metropolitan areas to achieve:

- Stronger solidarity between cities, regions and member states: cohesion policy is the strongest expression of solidarity, strengthening prosperity and territorial cohesion while improving the quality of life for our citizens. We need a strong cohesion policy post-2020 with universal coverage and a reinforced urban dimension, equipping cities to deliver solutions for citizens and Europe. Another aspect of solidarity relates to the recent arrival of unprecedented numbers of refugees and migrants in our societies. Cities have taken on the responsibility of delivering social inclusion for both their current and new inhabitants, ensuring community cohesion. Member states must also deliver on their responsibilities when it comes to combatting poverty. European solidarity needs to be a model for EU's global responsibility to strengthen equal opportunities and prosperity across the world.
- Equal opportunities for all citizens: our citizens - regardless of gender, ethnicity, faith or sexual orientation - must have equal life opportunities, including access to education, culture as a common good, skills development and employment opportunities. A Europe for citizens must support local efforts to tackle unemployment, improve working conditions and eliminate working poverty. We must future-fit skills to a digital transition, fight social exclusion of vulnerable groups and strengthen gender equality. Rising poverty, inequality and lack of affordable housing is putting our European social model - and ultimately our welfare states - at risk. The European pillar of social rights (EPSR) is a much-needed initiative and we are ready to work with all levels of government to ensure that EPSR principles improve the quality of life of our citizens³.
- Resource efficiency, using less for greater value: we urgently need to accelerate our transition towards a more sustainable and resilient EU. It is in our cities that the environmental challenges come together and where we have the potential to show the way forward. Digital developments driven by and with 'smart cities' offer huge potential to underpin the transition process, also empowering citizens to contribute

³ EUROCITIES statement on the European pillar of social rights is available here: <http://bit.ly/2heAxT5>

to urban solutions. New challenges include stimulating a more circular approach to our goods, services and consumption and the associated opportunities for job creation. We need an EU framework that tackles barriers, supports knowledge sharing, capacity building and creates buy in from all sectors, while also respecting local diversity.

- Innovation-driven and competitive cities: the 21st century will be marked by deepening urbanisation and a growing dependence on fast-evolving ICTs. Cities have a central role in the creation and management of digital infrastructure, digital training of citizens as well as implementation of eGovernment solutions. Cities provide fertile ground for innovation, where people, talent, companies, finance and infrastructure come together. Our local innovation strategies aim to develop and facilitate the local eco-innovation systems, stimulate social innovation by empowering people, creating new jobs, sustainable and inclusive growth. By supporting open source technologies and tools, cities can foster greater public participation, reducing the digital divide. Innovation is Europe's greatest competitive advantage in a globalised world and cities are the key players in the European transition towards a digital, decarbonised and more circular economic model⁴.

⁴ EUROCITIES statement 'Towards circular cities' is available here: <http://bit.ly/2B4VSFS>