





EU Elections Impact on Local and Regional Governments

Report for the Council of European Municipalities and Regions

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INTRODUCTION

Last June, over 360 million people across 27 European countries were eligible to vote in the European Parliament elections. Contrary to the predictions of many analysts who foresaw a significant surge in far-right support, the results have yielded a chamber where pro-European political forces retain a majority. Nonetheless, conservative parties have strengthened their position, and by leveraging support from the far-right¹, they could potentially hinder European progress on key issues, such as the climate transition and advancing rights agendas. The European People's Party (EPP), in cooperation with the Socialist Party (S&D), the Greens/European Free Alliance (Greens/EFA) and liberal groups (RENEW), is poised to ensure that the European project continues to advance over the next five years. The European Commission (EC) will encounter significant challenges, including the ongoing war in Ukraine, the implementation of the Green Deal, migration policy, energy security, declining competitiveness, and pressing demographic challenges issues such as population ageing and shrinking workforce.

Over the last weeks, there has been a plethora of proposals reflecting on the key challenges and priorities to be addressed by the European Union over the next 2024-2029 term, which will surely impact local and regional governments. The EC President Ursula von der Leyen, who was elected for a second mandate, has already presented to the European Parliament her Political Guidelines for the Next European Commission 2024-2029 and proposed a list of Commissioners-designate and their portfolios. At the same time, prominent voices, such as former Italian Prime Minister and European Central Bank Governor Mario Draghi, are calling for efforts to position Europe in the race for growth, productivity, and innovation. Europe is struggling to compete in a rapidly changing and tense scenario, having fallen far behind in the technological race led by the United States and China. It faces greater competition in strategic sectors and is striving to access overseas markets. The war in Ukraine, on the other hand, places strategic autonomy at the centre of the debate, highlighting the need to move beyond energy dependence on Russia and invest in defence.

Local and regional governments across Europe are deeply affected by this broader context. Many of the policies initiated in Brussels have a significant impact on their responsibilities, shaping their priorities and addressing the concerns of their citizens. The stance taken by European institutions on key issues—such as the future of cohesion policy, the war in Ukraine, the ecological transition, digital inequalities, housing, and migrant inclusion—will play a major role in defining the policies pursued at the local level.

In this context, the report has two main objectives. First, it offers a broad analysis of the EU elections and their impact on Local and Regional Governments (LRGs). It examines the results from a territorial perspective, focusing on the political composition of both the European Parliament and the European Commission, as well as the local backgrounds of the Members of the European Parliament. Second, the report explores the potential direction of key European policies in this new landscape and how local and regional governments can position themselves to strengthen their partnership with the European project while mitigating the risks posed by the current political landscape. The report concludes with a set of general recommendations.

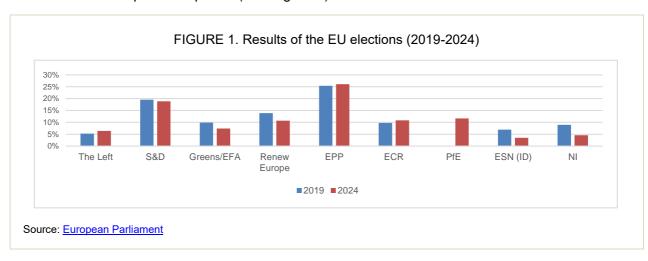
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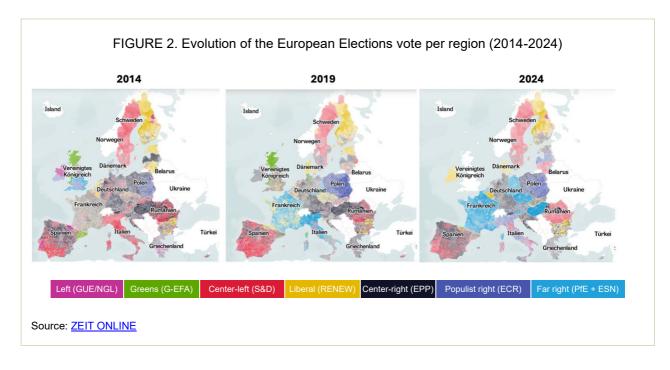
¹ The term "far-right" used in this report reflects the authors' choice and does not represent the views of the CEMR Secretariat. It is important to clarify that "far-right" is used here as a widely accepted classification within the political spectrum, which ranges from far-left to far-right. This terminology is also the most commonly employed in the sources consulted for this report when describing European political parties such as ECR, PfE, and ESN. Furthermore, it is essential to differentiate between the "radical right" and the "extreme right," as outlined by Cas Mudde (2020). Both fall under the broader category of the far right but differ significantly. The extreme right typically rejects democratic principles and may endorse forms of physical violence, whereas the radical right supports democratic governance but opposes key principles of liberal democracy. Radical right groups advocate for a singular national interest and values, often dismissing the protection of minority rights. All political groups referenced in this report are categorised as radical right.

PART I - GENERAL ANALYSIS OF THE EU ELECTIONS AND ITS IMPACT ON LRGs

1.1. GENERAL OVERVIEW OF THE EU ELECTIONS RESULTS

The results delivered a clear turn to the right in the European Parliament. While mainstream parties kept control of most parliament seats, far-right factions saw a notable increase in support, rising from roughly 17% in 2019 to 26% in 2024 (see Figure 1). This shift aligns with a broader trend observed across Europe over the past decade, where many regions have increasingly favoured more conservative political options (see Figure 2).

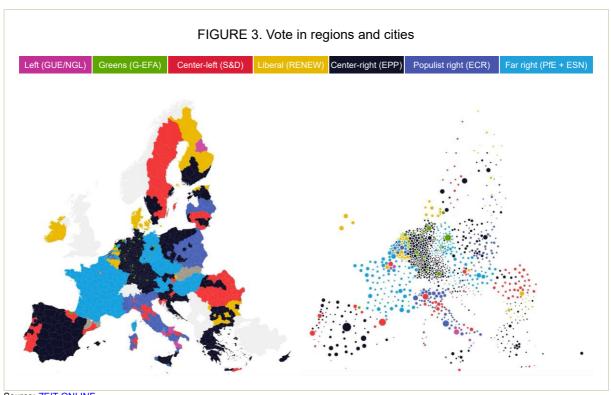




The results confirm the consolidation of the far right across nearly all EU member states², although their gains fell short of some early predictions. Despite this surge, the rise of the far right is uneven, with its influence varying significantly between countries (see Figure 2). Far-right parties secured first place in only five countries: France (Rassemblement National), Italy (Fratelli d'Italia), Hungary (Fidesz), Austria (FPO), and Czech Republic (ANO 2011). In another five countries, including the Netherlands (Party for Freedom) and Germany (Alternative for Germany), they placed second or third, often at the expense of liberal and green parties³.

- The territorial dimension of Election Results

A key aspect of analysing the recent European election results from the perspective of local and regional governments involves examining the territorial dimension of voting patterns. This refers to the idea that voting preferences are strongly influenced by the places where individuals grow up and live, a factor that shapes both national and European elections. In the aftermath of the European elections, there has been a notable increase in discussions about the so-called "territorial divide" or "geographies of discontent." These analyses emphasise how divides between the centre and periphery, as well as between urban and rural areas, influence voting behaviour in modern democracies.



Source: ZEIT ONLINE

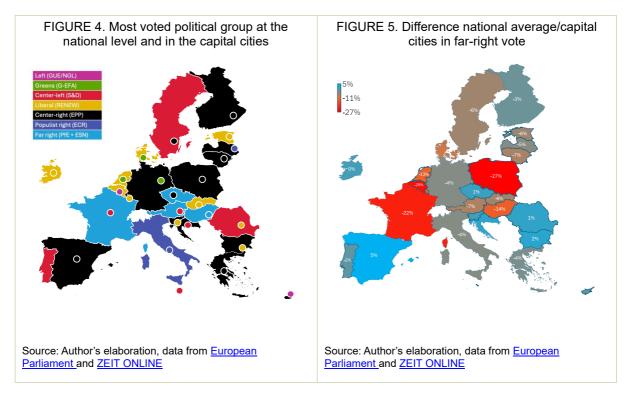
While a detailed analysis of all 83,255 local administrations across Europe is beyond the scope of this report, we have examined general voting trends in urban, peri-urban, and rural areas. As shown in Figure 3, most regions tend to favour centre-right or far-right political options. However, many large cities stand out as exceptions, exhibiting distinct voting behaviours marked by pockets of red, green, and yellow. This urban-rural contrast is particularly pronounced in cities like Paris, Vienna, and Berlin, where voting patterns diverge sharply from national trends and those in smaller towns.

² To date, only Ireland, Slovenia and Malta remain untouched by the phenomenon.

³ It should be noted that the far-right presence in the European Parliament is highly diverse. In countries like France, Italy, Poland, Hungary, Denmark, and the Netherlands, the far-right landscape often consists of two or more parties. For example, France has both Rassemblement National (PfE) and Reconquête (ECR), while Italy is home to Fratelli d'Italia (ECR) and the Lega (PfE). In addition to these established players, new far-right parties have emerged, such as the Danish Democrats (ECR), Latvia First (PfE), Chega (PfE) in Portugal, and AUR (ECR) in Romania.

Additionally, far-right support in capital cities is generally lower than the national average (see Figure 5), with exceptions such as Madrid.

However, a more nuanced understanding of this "geography of discontent" is necessary. Oversimplified narratives that paint rural and peri-urban areas as inherently conservative and dominated by far-right forces, while characterising metropolises as progressive leftist strongholds, fail to capture the full picture. A closer examination of European election results (see Figure 4) reveals a more complex landscape. Far-right parties often exploit the notion of a territorial divide, portraying rural and peri-urban regions as "peripheral" victims of globalisation and state neglect. Meanwhile, metropolitan areas are depicted as privileged "winners" advocating for "punitive" environmental policies (e.g., low-emission zones) and "woke" values⁴ that challenge traditional norms.



While politically useful for far-right movements, this narrative oversimplifies the complexities of electoral dynamics. Correlation should not be mistaken for causality. Research indicates that the differences in voting behaviour between urban and rural areas are influenced not only by geography but by various social factors, including education, income, age, gender, and class, as well as broader economic conditions. What is clear, however, is that regions and local communities lagging behind—both rural areas and formerly prosperous industrial urban centres—are increasingly marked by resentment. Much of this frustration stems from a lack of public resources, economic opportunities, and infrastructural investment.

This discontent is significant, as a recent <u>report</u> suggests a strong link between Eurosceptic voting and the so-called "regional development trap," where regions struggle to maintain economic dynamism in terms of income, productivity, and employment. Notably, this connection between

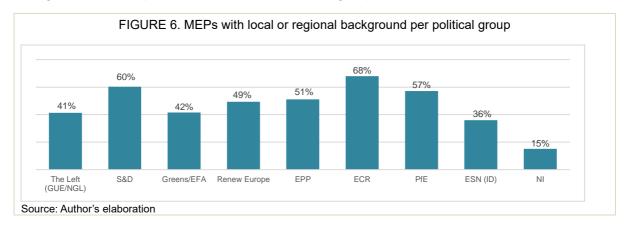
⁴ The term "woke" originated within the Black community in the United States, signifying an awareness of racial injustice. It gained renewed prominence with the Black Lives Matter movement, which emerged in response to police brutality against people of African descent. Over the past decade, the term has expanded beyond its original context. In 2017, the Oxford Dictionary defined "woke" as being aware of social and political issues, particularly racism. Today, it can also be used pejoratively to describe someone perceived as overly politically correct or extreme in their liberal views. "Woke" is now often associated with left-wing policies advocating for racial and social equity, feminism, LGBTQ+ rights, gender-neutral language, multiculturalism, vaccination, ecological activism, and reproductive rights.

economic stagnation and Eurosceptic voting extends beyond a single election cycle. Communities feeling left behind face long-term disengagement and dissatisfaction. More importantly, if the development trap remains unaddressed, this growing disillusionment will further weaken public support for European integration and its values.

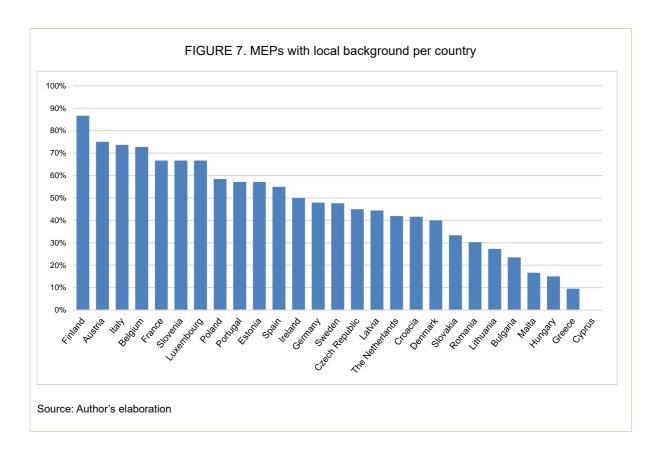
To counter this, policies must focus on reducing regional inequalities and strengthening social cohesion. The next European Commission should prioritise these issues, placing greater emphasis on cohesion policies to bridge the urban-rural divide and address the root causes of discontent, which will be explored further in the second part of this report.

1.2. LOCAL BACKGROUND OF MEPs

An analysis of the 720 Members of the European Parliament (MEPs) shows that 51.6% have prior experience in sub-state political administrations in their countries, such as municipalities, metropolitan areas, supra-municipal districts, provinces, regions, autonomous entities and federal states. When broken down by political group (see Figure 6), the European Conservatives and Reformists (ECR) have the highest percentage of MEPs with local political experience at 68%, followed by the Progressive Alliance of Socialists and Democrats (S&D) at 60%, and the European of Sovereign Nations (ESN) group at 57%. Overall, far-right MEPs tend to have a stronger background in local politics than those from other groups.



As shown in Figure 7, countries with three levels of sub-state administration generally have the highest percentage of MEPs with a background in local administrations. However, there are notable exceptions. Finland, for example, ranks first, with nearly 90% of its MEPs having a background in local administrations, despite being a relatively centralised state with only two administrative levels. In contrast, the Netherlands, which has three levels of administration, ranks much lower, with only about 42% of its MEPs coming from local backgrounds. A similar case is observed in Spain, where 55% of MEPs have local experience.



One possible explanation for Finland's high local representation is the strong engagement of Finnish politicians at the municipal level. The same pattern is seen in Slovenia, another highly centralised country with no regional or provincial administration—only municipalities. Additionally, it is important to consider that in countries like France, the law permits holding multiple elective positions across different levels, while in other countries, such overlapping positions are more restricted.

1.3. LOCAL BACKGROUND OF THE EUROPEAN COMMISSION

An analysis of the Commissioners-designate's backgrounds reveals that 46.2% have experience in sub-national governments. This group includes notable figures such as Finland's former Minister of Public Administration and Local Government (2011-2014), the head of the Cabinet for the President of the Regional Council of Île-de-France, and the Mayor of Dubrovnik (2009-2011). This marks a substantial increase compared to the 27.5% of members in the previous European Commission (2019-2024) who had similar experience.

The political composition of the incoming European Commission has also shifted noticeably to the right. The European People's Party (EPP) now holds over 50% of the seats and occupies key portfolios, while the Socialists and Democrats (S&D) have seen their representation decrease from 8 to just 5 Commissioners. This leaves them with the same political influence as the Liberals (Renew). In contrast, far-right parties hold only two seats, significantly diminishing their political weight compared to their presence in the European Parliament.

Finally, it is important to analyse how the thematic composition of the European Commission has evolved, as this offers valuable insights into the priorities for the upcoming political cycle. The table below provides this analysis, comparing the portfolios of the previous Commission with those of the new one across various thematic areas, and briefly assessing the potential implications of these changes for local governments.

FIGURE 8. CHANGES IN THE EUROPEAN COMMISSION

Topics	Commission 2019	Commission 2024	Implications for LRGs
Digital	 A Europe Fit for the Digital Age [EVP] [Denmark] [RE] 	Tech Sovereignty, Security and Democracy [EVP] [Finland] [EPP]	Connect technology to security and democracy
Economy and trade	An Economy that Works for People [EVP] [Latvia] [EPP]	Prosperity and Industrial Strategy [France] [RE]	
	Economy [Italy] [S&D]Trade [Ireland] [EPP]	 Trade and Economic Security; Interinstitutional Relations and Transparency [Slovakia] [S&D] Economy and Productivity; Implementation and Simplification [Latvia] [EPP] 	
Green deal, environment and sustainability	 European Green Deal, Interinstitutional Relations and Foresight [EVP] [Slovakia] [S&D] 	Clean, Just and Competitive Transition [EVP] [Spain] [S&D]	Water resilience and circular economy, key topics for local environmental
	Climate Action [Netherlands] [EPP]	 Climate, Net Zero and Clean Growth [Netherlands] [EPP] 	governance, are given more importance.
	Environment, Oceans and Fisheries [Lithuania] [ECR]	■ Fisheries and Oceans [Cyprus] [EPP]	
	Transport [Romania] [EPP]	 Sustainable Transport and Tourism [Greece] [EPP] 	
		 Environment, Water Resilience and a Competitive Circular Economy [Sweden] [EPP] 	
Foreign affairs	 High-representative [VP] for A Stronger Europe in the World [Spain] [S&D] 	 High Representative [VP] for Foreign Affairs and Security Policy, Vice- President [Estonia] [RE] 	More focus on geopolitics and security. Probably less focus on international cooperation, including decentralised cooperation.
	 Neighbourhood and Enlargement [Hungary] [EPP] 	■ Enlargement [Slovenia] [RE]	
	International Partnerships [Finland] [S&D]	International Partnerships [Czech Republic] [EPP]	
		Mediterranean [Croatia] [EPP]Defence and Space [Lithuania][EPP]	'
Values & democracy	 Values and Transparency [VP] [Czech Republic] [RE] Democracy and Demography [VP] [Croatia] [EPP] Promoting our European Way of Life [VP] [Greece] [EPP] 		The new Commmission seems to connect democracy with notions of tech sovereignty and security, instead

			of distinct european values
Budget & finance	Budget and Administration [Austria][EPP]	 Budget, Anti-Fraud and Public Administration [Poland] [EPP] 	
Jobs Social rights	 Jobs and Social Rights [Luxembourg] [S&D] 		
Agriculture	Agriculture [Poland] [ECR]	Agriculture and Food [Luxembourg] [EPP]	Introduce a new focus on food, which, alongside agriculture, appears to be linked to broader concepts of food systems, rather than the health-centered approach of the previous Commission. This shift is also gaining attention among municipal leaders.
Cohesion	■ Cohesion and Reforms [Portugal] [S&D]	Cohesion and Reforms [EVP] [Italy] [ECR]	The specific portfolio assigned to this commissioner highlights the focus on cities
Health	Health and Food Safety [Cyprus] [EPP]	 Health and Animal Welfare [Hungary] [PfE] 	
Justice	Justice [Belgium] [RE]	 Democracy, Justice, and the Rule of Law [Ireland] [RE] 	
Crisis management and equality	Equality [Malta] [S&D]CrisisManagement [Slovenia] [RE]	Preparedness and Crisis Management; Equality [Belgium] [RE]	Merge the two topics
Home Affairs	Home Affairs [Sweden][S&D]	Internal Affairs and Migration [Austria] [EPP]	Add migration
Energy	■ Energy [Estonia] [RE]	■ Energy & Housing [Denmark] [S&D]	Add housing as a new policy, one that is also crucial for local governments.
Finance and markets	 Financial services, financial stability and Capital Markets Union [Ireland] [EPP] 	 Financial Services and the Savings and Investments Union [Portugal] [EPP] 	
Innovation, Education,	 Innovation, Research, Culture, Education and Youth [Bulgaria] [EPP] 	■ People, Skills, and Preparedness [EVP] [Romania] [S&D]	More visibility to skills, culture and sport.

Youth, Culture	■ Startups, Research and
and Sport	Innovation [Bulgaria] [EPP]
	■ Intergenerational Fairness,
	Youth, Culture and
	Sport [Malta] [S&D]

Source: Author's elaboration / [EVP] = Executive vice-president / [VP] = Vice-president

PART II - IMPACT OF THE EU ELECTIONS ON SPECIFIC TOPICS RELEVANT FOR LRGs

2.1. COHESION POLICY AND RURAL/URBAN LINKAGES & EUROPEAN BUDGET

There is broad consensus that tackling social discontent requires robust strategies focused on supporting regions and local communities that are falling behind. Since the late 1980s, European institutions have pursued this goal through the Cohesion Policy, which currently accounts for one-third of the 2021-2027 EU budget. Strengthening this policy is seen as vital for reversing economic decline in middle-income regions, curbing Euroscepticism, and addressing the geography of discontent. Efforts to rethink the post-2027 Cohesion Policy are already underway to align it more closely with the EU objectives.

Historically, cohesion policy and rural development have ranked high among the priorities of conservative political groups. An <u>analysis</u> of the electoral manifestos from various European political parties during the European elections last June indicates that only the European People's Party (EPP) proposed a specific plan for rural areas. Given the current composition of the European Parliament and the anticipated structure of the European Commission, it is likely that more emphasis will be placed on the development of rural and peri-urban zones, which <u>comprise 80%</u> of the EU's total land area but account for only 30% of its population.

Moreover, the incoming Commissioner for Cohesion Policy and Reforms will hold the rank of Executive Vice-President, signalling the importance of this area for the next Commission. This commitment is further underscored in the Political Guidelines for the Next European Commission 2024-2027, which call for a "strengthened cohesion and growth policy with regions at its core, designed in partnership with national, regional, and local authorities". Additionally, the Commissioner's portfolio is defined as "cohesion policy, regional development, and cities", highlighting the need for an urban agenda. Some of the most urgent files to address over the next five years are undeniably the new Multi-annual Financial Framework (MFF) and the legislative package for the Cohesion Policy post-2027.

The European Commission has already initiated discussions on the Future of Cohesion Policy post-2027. A <u>report</u> by the High-Level Group created for this purpose, released in February 2024, highlights the development traps faced by both developed and less-developed regions, which can fuel discontent. It calls for tailored solutions in smaller cities, towns, and rural areas, emphasising equitable access to public services comparable to those in major cities. Additionally, the <u>9th Cohesion Report</u> addresses ongoing challenges, such as sub-national disparities between metropolitan areas and other regions. It also notes demographic shifts that compound these challenges. The report further signals the need to reduce and realign traditional programmes in response to the EU's evolving geopolitical and technological challenges.

The Draghi report, The future of European competitiveness, offers further guidance for reforming the Cohesion policy. It recognises that while the integration of the Single Market has served as a "convergence engine" by bringing economic benefits to less developed regions, future growth in intra-EU trade will predominantly come from services, which typically concentrate in wealthier, larger cities. Additionally, innovation and its rewards tend to be concentrated in a few metropolitan hubs.

Considering these changes, the report prescribes that traditional EU programmes designed to promote regional convergence must be modernised to account for evolving trade and innovation trends. This can be achieved by implementing measures that enable a wider range of cities and regions to participate in sectors expected to drive future growth. Examples of successful initiatives

in this direction include the <u>Regional Innovation Valleys</u>, Net-Zero Acceleration Valleys, and Hydrogen Valleys. Local and regional governments and their associations should therefore advocate for new types of cohesion investments and reforms at the subnational level in Member States. Key areas that could enhance the competitiveness and appeal of various cities and regions include education, transportation, housing, digital infrastructure, and urban planning.

While the reports highlight positive aspects, such as the new Cohesion Policy's focus on peri-urban and rural-urban connections, other developments raise concerns for local and regional governments. Notably, there is a shift toward "double centralisation" of powers at both the EU and member state levels, mirroring the implementation model of the Recovery and Resilience Facility (RRF). This model change must be seen in the broader context of the EU's recent crises and an increasingly unstable and complex geopolitical landscape, which have intensified the need to rethink the EU budget for crisis management and growing spending demands⁵. Additionally, there is increasing advocacy for greater flexibility in cohesion policy—simplifying rules for managing authorities, enabling crisis responses, and reallocating funds to new strategic priorities such as defence, industrial policy, support for Ukraine, and repaying NextGenerationEU debt.

As a result, the upcoming Multiannual Financial Framework (MFF) discussions in 2025 are expected to focus on reallocating existing funds rather than increasing the budget. This scrutiny puts the Cohesion Policy, the EU's largest spending item, under pressure. Its traditional emphasis on long-term investment is being challenged as resources may be diverted toward new priorities, potentially straying from its core mandate of promoting social, economic, and territorial cohesion.

2.2. DECENTRALISED COOPERATION & NEIGHBOURHOOD COUNTRIES

Local and regional governments are largely missing from the strategic frameworks governing European external action and development policy, despite their critical role in areas such as transportation, climate, and education. For instance, the EU's Global Gateway initiative, focused on mobilising €300 billion in foreign investment, primarily engages with the private sector and civil society, with only vague references to local authorities. This omission is striking, given that many of the EU's investment priorities align directly with the responsibilities of cities.

However, the European Commission has recently acknowledged the shortcomings of excluding local and regional governments. In October 2023, it launched the <u>Global Gateway Civil Society and Local Authorities Advisory Platform</u> as part of a broader effort to involve these entities in development discussions. The upcoming European term will be pivotal in determining how much influence local and regional governments gain, as civil society currently holds a much stronger position in these mechanisms.

Despite the EU's historical support for decentralisation and local democracy⁶, recent developments suggest that this alliance with cities may be weakening. The current Multiannual Financial Framework (2021-2027) has significantly reduced funding for decentralised cooperation and development programmes that previously supported local and regional governments. Notable initiatives, such as the Civil Society Organisations and Local Authorities thematic programme, have

⁵ For an interesting analysis on the topic, see the following report: https://www.ceps.eu/ceps-publications/eu-cohesion-policy-post-2027-why-and-how-to-enhance-flexibility/

⁶ For example, consider the <u>European Consensus on Development</u> (2006) and the <u>Schapira Report on local authorities</u> and development cooperation (2007), which inspired the <u>Communication from the Commission to the Council, Local Authorities: Actors for Development</u> (2008), followed by <u>Empowering Local Authorities in partner countries for enhanced governance and more effective development outcomes</u> (2013). Additionally, the <u>New European Consensus on Development</u> (2017) reaffirms the European institutions' commitment to strengthening local governments to enhance the effectiveness of its development policies.

been discontinued⁷, and financial support for local authorities remains limited under the new Neighbourhood, Development and International Cooperation Instrument (NDICI) (now renamed Global Europe)⁸.

Nevertheless, there are still positive developments. The EU maintains several important tools to support local and regional governments. These include the TALD facility, framework agreements with major international municipalist associations, the International Urban and Regional Cooperation (IURC) programme, and the Global Covenant of Mayors, all of which have strong track records. Additionally, the Team Europe Initiatives (TEI) are now beginning to take shape, coordinating the actions of EU member states and key European actors in development.

Although local and regional governments are not initially prioritised as specific partners in the TEI, their development could significantly benefit from greater involvement and consultation with local authorities in partner countries. A promising move in this direction would be the inclusion of local and regional governments in the Team Europe Democracy (TED) initiative. Notably, three municipalist organisations—PLATFORMA, VNG International, and NALAS— have been invited to join the Team Europe Democracy Network, a mechanism aimed at strengthening the EU's efforts to promote democracy.

2.3. GREEN DEAL, CLIMATE CHANGE AND ENVIRONMENT

The implementation of the European Green Deal (EGD), the EU blueprint towards climate neutrality by mid-century, will take place amidst a 5-year European Parliament term which is less supportive of the green agenda, with climate backlash on the right and political fragmentation on the left. Fossil fuel phase-out is questioned to different degrees by centre-right and right-wing lawmaker groups, who emphasise the policy trade-off between, on the one hand, ambitious climate action and, on the other hand, cost-of-living concerns, competitiveness, and geopolitical turmoil.

An example of the steps backwards that we might see in terms of EU climate action in the coming years is the decision by the European Commission in October 2024 to delay by 12 months its landmark anti-deforestation law. With deforestation being the second cause of climate change after fossil fuel burning, the regulation sought to ban the sale in the EU of commodities (e.g. palm oil, soya, coffee, etc.) linked to deforestation. With the EU being the second largest contributor to deforestation through its imports, the legislation was delayed following lobbying from governments and firms, within and beyond the EU, who emphasised the penalisation of small-scale farmers and businesses exporting to Europe and warned against possible supply chain disruptions. Likewise, other ongoing key files of the EGD might be hindered, to different degrees, by the new EU policy cycle, such as the strengthening of CO₂ emission performance standards for cars and the reform of the electricity and gas markets.

However, it is a promising signal the proposal by the President of the European Parliament of a strong climate team led by the experienced Teresa Ribera, as Executive Vice-President of the European Commission for Clean, Just, and Competitive Transition. The first test for the new Commission will be the capacity to establish the proposed target of reducing greenhouse (GHG) emissions by 90% compared to 1990 levels by 2040 and enshrine it in the European Climate Law. As the climate emergency deepens, conversations around raising the ambition of climate goals are likely to increase next year as countries are expected to revise by 2025 their Nationally Determined

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⁷ The <u>new thematic programme</u> is limited to civil society.

⁸ The NDICI proposes that EU delegations allocate €500 million to support local governments, emphasising the benefits of a territorial approach to development and decentralisation. However, this remains a mere recommendation, and its implementation is likely to be challenging.

Contributions (NDC) under the Paris Agreement and the government of Brazil is expected to take a leading role as host of the COP30 to bolster global climate action.

In this context, the urban and territorial dimension of climate action is often overshadowed at national and supranational levels. Cities cover nearly 3% of the world's land surface, yet they account for 68-72% of GHG emissions. Their centrality is even more manifest in an urbanised region such as Europe with 75% of European citizens living in cities. The direct responsibilities of subnational governments in a plethora of domains such as mobility, energy, and building, make them essential partners in achieving the objective of reducing emissions by 55% by 2030 at the core of the EGD. With subnational governments currently implementing 70% of the EU legislation, their direct involvement is key to promoting the energy transition.

Through the support to transformative initiatives, the European Commission is boosting the key role that subnational governments play in curbing GHG emissions and contributing to EU- and national-level climate goals, and attention should be paid to the expansion of these models of partnership in the new EU policy cycle. The EU Mission "Climate-Neutral and Smart Cities", for instance, encompasses over 110 European cities that are receiving technical, regulatory, and financial assistance to test innovating cross-sectoral approaches and pursue the ambitious goal of achieving climate neutrality by 2030. Likewise, the Global Covenant of Mayors for Climate and Energy (GCoM), co-chaired by the Executive Vice-President for the EGD, Maroš Šefčovič, encompasses over 12,500 cities and local governments from across the world committed to mitigation targets that are projected to reduce global emissions by 4.1 GtCO2e by mid-century, which is equivalent to 80% of the yearly GtCO2e emissions of USA, which is the second largest contributor of global GHG emissions after China.

Finally, as the impacts of global warming are surging – from heatwaves and flooding to drought and rising sea levels – the relevance of climate adaptation is likely to increase in the policy arena. Even though for decades urban climate action has globally prioritised mitigation, cities, as hubs of human density and productivity, are called to step up efforts to protect their populations, infrastructure, and assets to adapt to a changing climate. The inclusion by the President of the European Parliament of a European Climate Adaptation Plan and a European Water Resilience Strategy in the political guidelines for the 2024-2029 European Commission mandate is a promising sign, although the extent to which these initiatives will include an actual urban dimension is yet to be seen.

2.4. MIGRATION, INTEGRATION AND INCLUSION

Migration policy will figure high in this new European period. Challenges ahead include the implementation of the 'Pact on Migration and Asylum' and the 'European Asylum and Migration Management Strategy'. The direction of the migration policy is likely to be shaped by the growing influence of far-right movements across the continent. Although the Commissioner responsible for the "Home Affairs and Migration" portfolio comes from the EEP, the party has, ahead of the elections, adopted positions traditionally associated with Eurosceptic parties—most notably, a hardline stance on irregular immigration. Additionally, far-right parties have successfully incorporated some of their demands into recent EU initiatives⁹.

The result has been a series of EU policies centred on two axes. First, the outsourcing of immigration management. Yielding a series of agreements with countries in the EU's neighbourhood aimed at preventing migrants from reaching the EU (regardless of some of these countries' poor human rights records). Second, the securitisation of migration, framing it as a security threat. This prompted a number of policies on <u>border controls and deterrence of migrants</u>, including the New Pact on Migration and Asylum adopted by the EU Council in May, the biggest

⁹ https://www.chathamhouse.org/2024/06/how-will-gains-far-right-affect-european-parliament-and-eu

overhaul of EU migration policy in over a decade. Overall, much of the EU Commission's policy agenda on migration today diminishes international protections for asylum seekers and refugees. The focus on deportation and deterrence rather than integration and human rights, can translate into fewer European resources and funding being allocated to integration policies and programmes, which will ultimately fall on local governments.

Cities, as hubs for employment, innovation, and education, are particularly attractive to newcomers. With migrants often concentrated in urban areas, local administrations play a crucial role in fostering social cohesion. Integration primarily occurs at the community level—through work, education, and daily interactions. Local governments are also responsible for implementing policies and programmes that promote economic and social integration, creating inclusive communities that reflect the EU's values of diversity and inclusion. This makes local authorities key actors in the integration process, and they must be empowered and supported through multi-level governance to effectively fulfil this role.

In this context, although the New Pact on Migration and Asylum and the <u>Action Plan on Integration and Inclusion (2021-2027)</u> initially lacked a strong focus on local and regional actors, the final version of the Action Plan places greater emphasis on local needs. It outlines strategies for long-term integration, knowledge-sharing among cities, and capacity building for local governments to effectively meet their responsibilities. A key element of this plan is the partnership between the Committee of the Regions and the EU Commission, aimed at enhancing support for both urban and rural areas in welcoming new arrivals.

This partnership aims at facilitating knowledge exchanges between European towns and cities, allowing successful integration and inclusion policies to be replicated across regions. This approach is particularly beneficial for smaller towns and shrinking cities, which often face resource limitations yet hold significant potential for migration to counteract the challenges of ageing and depopulating Europe¹⁰. To achieve these goals, multi-level governance frameworks that engage municipal and regional networks, local and regional governments, and civil society are essential for fostering knowledge sharing and building necessary capacities. Strengthening cooperation and dialogue between the Commission, the Committee of the Regions, and these stakeholders will be crucial to the success of this initiative.

In short, the EU Commission's far-right trends and increased demonisation of migrants threatens the efficacy of integration initiatives. The focus on tighter migration controls and the "home affairs" approach previously stated overshadow integration and inclusion, negatively impacting the Commission's goal of social cohesion. Prolonged negotiations on migration policies, coupled with the EU's bureaucratic complexity, further hinder their implementation. Despite these challenges, cooperation between the Commission and local administrations can ensure that integration policies and knowledge-sharing in both cities and smaller towns remain a priority. With open communication channels, often facilitated by local and regional government networks, progress towards inclusive and diverse communities is possible. Strengthening multi-level governance mechanisms, ensuring effective monitoring and implementation of EU human rights values¹¹, and providing consistent support to local administrations are crucial for reaching these goals. All in all, it remains to be seen how the implementation of the New Pact by the Commission will unfold.

2.5. THREATS TO DEMOCRACY

The ability of far-right parties to exert real influence in the newly elected European Parliament will be determined by how united they can be. Their inability to be politically aligned is manifest in

¹⁰https://home-affairs.ec.europa.eu/news/integration-migrants-commission-and-committee-regions-partnership-eu-support-local-action-2021-03-19_en

¹¹ https://cdn.ceps.eu/wp-content/uploads/2024/07/CEPS-PB2024-05 ICLAIM.pdf

critical issues, reaching often a heated level of disagreement as vividly instantiated in the case of the debate around the EU support to Ukraine against the military aggression of the Russian Federation.

More importantly, the broader ideological framework underlying the interest in shaping pan-European agreements that may shape public policy at the regional level and allow Europe to act as a strategic global actor runs counter to the nationalist ideology of many far-right parties. The common prioritisation of national sovereign economic policy over EU economic policy might lead far-right parties to pursue diametrically opposite agendas with, for instance, Fratelli d'Italia calling for loose fiscal constraints for EU member states and harnessing funds raised by issuing common debt, while Alternative for Germany (AfD) calling for stronger fiscal discipline and opposing raising common debt. In this sense, it is not surprising that the level of engagement of Eurosceptic far-right MEPs in the European Parliament has been low in the past.

At the same time, even though far-right parties have disrupted the EU political landscape and there is an undeniable shift towards the right, the newly elected European Parliament still has a pro-European majority. Given the uncertain commitment of some of the far-right parties, the politics around the consolidation of democracy and the rule of law in the region will have to be very closely monitored. Whereas prospects are not clear about the ability of far-right parties to stand united and steer the political direction at the EU level, a decisive factor in this regard might be the willingness (or lack thereof) of the political centre-right (i.e. European People's Party) to join forces with the far-right.

From the perspective of local and regional governments, the construction of a stronger and democratic Europe should orient specific advocacy calls to both EU level institutions and member states. It will imply expanding citizen engagement, protecting local self-government and the principle of subsidiarity, fostering decentralisation, and strengthening multilevel governance mechanisms that allow subnational governments to meaningfully contribute to EU policymaking.

PART III - RECOMMENDATIONS

1. Prepare for a new cycle of negotiations around long-term EU budget and a new Cohesion Policy post-2027

In May 2025, the European Commission will initiate negotiations for the new long-term budget, or multiannual financial framework (MFF), covering the period from 2028 to 2035. The shifting geopolitical landscape and the current political composition of key European institutions underscore an increasing budgetary emphasis on defence and security—not only in light of the War in Ukraine but also due to instability in regions like the Middle East. Additionally, strategic technologies and migration will also be focal points.

CEMR should brace for two to three years of challenging negotiations, during which the existing model of Cohesion Policy may face significant scrutiny. Against the backdrop of the unprecedented stimulus package of Next Generation EU and its recentralising approach, **CEMR should advocate**, within the debate around the EU models for public investment, for the expansion of the Cohesion Policy and its underlying principles: long-term vision, a territorial approach, partnership between levels of government and enhanced involvement of local and regional governments in the design and implementation of the policies.

CEMR should also highlight the territorial dimension of a strong EU Cohesion Policy post-2027 by emphasising the economic, social, and environmental needs of EU citizens that are hindered by the direct and indirect impacts of warfare, and where the service provision and responsibilities undertaken by subnational governments play an instrumental role. This advocacy will likely foster support across all CEMR members, transcending political affiliations.

2. National climate backlash as an opportunity for strengthening local and regional governments' role in European climate governance

With climate backlash menacing the new EU policy cycle, CEMR should pay special attention to its engagement with the new climate team of the European Commission led by the Executive Vice-President Teresa Ribera. Essential milestones on the horizon for advocacy are the establishment of a newer and more ambitious GHG emission reduction target for 2040 and the next round of NDCs in 2025. In this regard, the potential victory of Trump and the consequent (second) withdrawal of the US from the Paris Agreement would necessarily lead the EU to fulfil the role of global leader in climate action.

The urban and territorial dimension of climate action is often overshadowed at national and supranational levels. In the new EU policy cycle, **CEMR should highlight the merits and potential of a model of partnership such as the EU Mission "Climate-Neutral and Smart Cities"**, being an initiative that is firmly supported at the EU level while providing an institutional lever to upscale innovative and ambitious climate mitigation at the subnational level.

3. Promote the core values of international municipalism to navigate differing political views

The political orientations of the European Parliament and the European Commission are also reflected in local, regional and national elections. As a result, the political stances of CEMR members may evolve from previous EU policy cycles. This shift suggests that Eurosceptic views could become more prominent within the organisation, potentially putting pressure on traditional agendas CEMR has long championed, such as climate transition and inclusive migration governance.

At a time when anti-democratic discourses are on the rise both in Europe and globally, **CEMR** should remain firmly committed to its founding principles of building a united, peaceful, and democratic Europe rooted in local self-government. This involves targeted advocacy efforts directed at both EU institutions and member states to strengthen democratic values. Additionally, given the uncertain commitment of some far-right parties, it is crucial to closely monitor and defend the politics around the consolidation of democracy and the rule of law in the region.

However, **CEMR** also needs to navigate the diverse views among its members. Despite varying political perspectives, shared priorities can help advance a stronger Europe and maintain the unity of European municipalism. Key focuses should include expanding citizen engagement, safeguarding local self-government and the principle of subsidiarity, promoting decentralisation, and enhancing multilevel governance mechanisms that empower subnational governments to play a meaningful role in EU policymaking.

Moreover, it is important to recognise that the rise of anti-democratic sentiments coincides with new waves of centralisation that threaten CEMR's foundational and distinct value: the principle of local self-government. In this context, **CEMR should intensify its advocacy for political and fiscal decentralisation,** ensuring local governments are equipped with effective financial resources and competencies. This will enable them to drive territorial transformation in partnership with local communities, while also ensuring they have a structural role in shaping European and national policies, thus influencing EU policymaking effectively.









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