



CA POLICY BRIEF

Empowering Local Authorities for Sustainable Urban Transformation

Towards Effective Implementation of the European Green Deal at the Local Level

Cities and municipalities are on the frontline of delivering Europe's climate and sustainability ambitions. However, they face critical limitations in human, technical, and financial capacities. Without targeted reforms to support local administrations—particularly less-resourced ones—the EU risks falling short on key climate, energy, and social goals. A shift is needed: from fragmented, project-based support to a long-term, systemic, and inclusive partnership between EU institutions, Member States, and cities of all sizes.

LOCAL CAPACITY: THE MISSING ENGINE FOR TRANSFORMATION

Despite having access to technologies and regulatory frameworks, local governments—particularly in small and mid-sized towns—struggle to implement transformative climate and sustainability actions. This challenge is not simply a question of staffing, but a deeper structural issue. Many municipalities operate with minimal personnel—often only a mayor and one or two staff members—leaving them unable to manage the increasing administrative complexity of EU funding, project implementation, and long-term planning.

The shortage of human resources is compounded by high turnover, limited institutional memory, and weak incentives to attract and retain skilled professionals. External consultants are frequently brought in to fill these gaps, especially during the planning phase. However, this reliance often undermines local ownership and fails to build internal capacity, leaving municipalities dependent and disconnected from the long-term implementation of their own strategies.

Adding to this challenge is the chronic under provision of technical assistance. Even when funding is available, many cities lack the expertise to develop project proposals, manage procurement, or navigate the complex compliance and monitoring requirements attached to EU programs. The result is that valuable funding remains underutilized, and cities miss out on opportunities to lead the local green transition.

Furthermore, a critical and often overlooked issue is the lack of reliable, accessible data needed for planning and monitoring energy and climate policies at the local

level. While Eurostat already provides valuable data for Member States, NUTS regions, and selected indicators under the City Statistics initiative, many crucial datasets—particularly those related to energy and climate—are still missing for cities. There is currently no obligation for institutions or companies to share data with municipalities, and existing data provision mechanisms are largely voluntary. This leaves local governments without the tools needed to accurately assess needs or track progress. To support effective local policymaking, it is essential that Eurostat and relevant Commission DGs work to expand the scope and granularity of urban-level data collection and make these datasets readily available for local use.

What's needed:

- The creation of permanent, embedded technical and administrative support structures for local governments, particularly targeting smaller municipalities.
- National investment in transforming small local authorities into capable, future-ready administrations, with a stable internal team structure.
- Embedded technical support within EU and national funding programs, ensuring local authorities have the expertise to go from strategy to implementation.
- Streamlined, accessible guidance and capacity-building that responds to real local needs, not generic frameworks.
- Tailored EU and national programs that reflect the realities of small and medium-sized towns—where the ambition is high, but the capacity to deliver remains low.
- The expansion of systematic city-level data collection by Eurostat and relevant DGs, ensuring indicators on energy and climate are consistent, comparable, and accessible.
- The introduction of EU legislation requiring utilities and key actors to share relevant data with municipalities, under appropriate privacy safeguards, to support effective local policy planning and monitoring.

FINANCIAL SUPPORT AND MULTILEVEL GOVERNANCE: FROM ACCESS TO USABILITY

EU funding is essential for enabling local climate action, but many municipalities—especially smaller and rural ones—still struggle to access and effectively use available resources. Co-financing requirements, complex application procedures, and short implementation timelines often exclude those with limited administrative capacity. Moreover, funding streams remain fragmented, misaligned with local plans, and overly short-term in their orientation.



To improve both access and impact, financial support must be paired with strengthened multilevel governance. A well-functioning alignment of responsibilities and resources across EU, national, regional, and local levels is critical to ensure that funding reaches those who need it most and is used effectively. This requires a stronger partnership principle—where all levels of government, alongside social and economic actors, are actively involved in shaping and implementing reforms and strategic investments. Meaningful consultation processes and the involvement of local stakeholders must be a precondition for EU approval of national plans. Cities implement much of the EU’s legislation, but they are not structurally involved in designing it. This mismatch leads to inefficiencies and legal bottlenecks on the ground. The EU’s urban policy framework must evolve to reflect cities’ central role in achieving climate goals, housing reforms, and infrastructure upgrades.

In addition, safeguards should be introduced to ensure that local and regional governments can continue accessing EU funds even when national authorities fail to comply with rule-of-law obligations. This is essential to maintaining progress on the EU’s long-term strategic objectives and ensuring resilience within public governance structures.

What’s needed:

- Simplified, long-term funding instruments that align with local climate plans.
- Dedicated financing streams tailored to the needs of small and medium-sized municipalities.
- Institutionalized multilevel governance structures to ensure effective coordination and reliable funding flows.
- Enforceable partnership principles to guarantee meaningful local involvement in national planning and reforms.
- Rule-of-law safeguards enabling local authorities to access EU funds directly in cases of national-level governance failures.
- Permanent dialogue mechanisms between cities, Member States, and EU institutions beyond project-based consultations.
- A dedicated Urban Policy contact point within the European Commission to assess legislation from a local implementation perspective.
- Structured feedback loops for cities to report legislative and funding challenges into the EU Urban Agenda.
- Support for intermediaries such as regional and energy agencies, especially in decentralized Member States.
- Enhanced use of existing platforms like the Covenant of Mayors to ensure inclusive and consistent local engagement.



FROM PROJECTS TO PARTNERSHIP

Europe's cities are not just implementers—they are strategic partners in the continent's green transition. Realizing their full potential requires moving beyond project calls and fragmented support. The EU must foster a long-term, structural alliance with cities—rooted in trust, capacity-building, regulatory flexibility, and financial reliability. Only then can the ambitions of the European Green Deal become a lived reality in every community.

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THE CLIMATE ALLIANCE

For over 30 years, Climate Alliance member municipalities have been acting in partnership with indigenous rainforest peoples for the benefit of the global climate. With over 2,000 members spread across more than 25 countries, Climate Alliance is Europe's largest city network dedicated to comprehensive and equitable climate action. Recognising the impact our lifestyles can have on the world's most vulnerable people and places, Climate Alliance pairs local action with global responsibility. climatealliance.org