

16 November 2023

Suggestions for EU funding programmes to better meet the needs of local governments

Open letter from ACR+

Circular Economy has the potential to address root causes of the climate crisis and biodiversity loss while simultaneously enhancing resilience for climate adaptation and promoting a more fair and inclusive economic system. An increasing number of European cities and regions have developed a Circular Economy strategy, and many more are focusing their efforts on putting the circular economy at the top of their urban action agendas. Circular Economy undeniably occupies a central position within the "green agenda" of most European local and regional authorities, alongside mobility, clean energy, and water, all approached through a just and inclusive lens, in the fight against climate change.

Decentralised authorities have shown their crucial roles in the last decade. The covid crisis as well as the Russian invasion in Ukraine and its consequences in our raw material supply have demonstrated how important it is to get the adhesion of the population and its commitment in public policies in order to reach resilience. Being the closest public authority to people and business, it is crucial to acknowledge their role in the transition towards circular economy and the massive effort required at the local level in terms of resources and capacity.

With the EU elections approaching, the Association of Cities and Regions for sustainable Resource management (ACR+) and its members would like to propose few concrete measures that could help the future Commission to better address decentralised authorities' needs and provide them with the right instruments and support, considering their specificities and local contexts:

- **MORE INCLUSIVE EU FUNDING PROGRAMMES**

EU funding programs undoubtedly aim to help regional and local governments have the ability to design, develop, and implement transition strategies towards circular economy. Nevertheless, accessing EU funds for circular economy projects at the city/region level presents significant challenges. Complex application procedures, stringent eligibility criteria, and high competitiveness are key barriers. Cities and regions without the necessary resources and expertise, or those new to EU funding, often lack the administrative capacity and technical expertise to navigate these complexities. Moreover, the requirement for matching funds places financial strain on already budget-constrained administrations. Limited awareness of funding opportunities compounds the issue, resulting in missed chances for support.

We advocate for more dedicated funding streams explicitly designed to meet the needs of smaller local authorities, with streamlined and simplified application procedures, that can reduce administrative complexity and make it more manageable for local authorities with limited resources and expertise. Promising lessons can be learned from examples such as [TAIEX](#) (even if limited by the lack of financial resources to engage nonpublic actors) and the [EU City Facility](#) (that could be replicated integrating also the circular economy domain). Building on those lessons, it is needed to find more room for **agile funding programs with tailor-made, fast and simplified financial support** that have a better fit with the needs of local contexts.

- **BETTER SUPPORT TO CITIES AND REGIONS CAPACITY**

Success in achieving ambitious circular economy targets depends largely on the capacities of local authorities. Cities and regions staff is already overloaded due to the daily work on policy design, implementation and monitoring, including permitting procedures. They suffer from limitations in hiring new staff or retraining existing ones due to various bottlenecks: limited operating budgets, local government debt rules, unattractiveness of public employment, while facing an increase of administrative work due to the increase of regulations. Skills, knowledge and human capacity of local governments is crucial to fast-track planning and implementation of circular economy strategies. There's an emerging literature acknowledging how the complexity of circular economy transitions requires local governments to acquire knowledge through peer exchange, and integrate new skills and professionalism such as material resources analysts, project managers, urban developers, experts in citizen and stakeholder engagement, communication officers, etc. The future Commission could further support this process through:

Helping policymakers to constantly refresh their knowledge and understanding of latest study cases and good practices. There is a **need for dedicated tools to facilitate training and professional growth for local government and local public service staff**. [Erasmus+ Key Action 1: Learning Mobility of Individuals](#) exemplifies a program that efficiently supports professional development through peer to peer learning. Similar initiatives tailored to civil servants could aid cities and regions in fostering local circular economy transitions by equipping public officials with the knowledge and skills necessary to drive sustainable innovation and resource efficiency at the grassroots level.

Support local governments networks, that are the backbone of decentralised cooperation in the form of peer-to-peer learning, capacity building and technical assistance for exchanges among cities and regions in the EU. Through this kind of networks, EU institutions can have direct access to local governments and their technicians as well as to benchmarking data. [LIFE operating grants](#) already offers a successful example of operating grants supporting 'non-profit making entities who play an important role in raising awareness of environmental issues for a better governance'. Similar **operating grants should be designed to be more adaptable to local government networks characteristics**.

- **GREATER INTEGRATION OF CLIMATE AND CIRCULAR ECONOMY POLICIES**

It is hardly the case to stress the need for greater integration among policy instruments to combat climate change and promote the transition to a circular economy. ACR+ is one of the frontrunners in promoting integrated policy making processes among its members, offering support tools such as the [More Circularity, Less Carbon Campaign](#), and forging cooperative partnerships with other networks such as [Energy Cities](#).

The EU's Covenant of Mayors for Climate and Energy introduced a pioneering bottom-up approach to energy and climate action, supporting the political commitment among its members and beyond, and providing cities with common tools for setting ambitions and reporting on improvements against targets. It is recommended that **the Covenant of Mayors extends its scope to the circular economy and sustainable management of material resources**, by setting up dedicated working groups, and providing its members with tools to support a better integration of Sustainable Energy and Climate Action Plans (SECAPS) and Circular Economy Action Plans.

Cohesion policy plays a vital role by co-financing climate-related initiatives, ensuring climate-resilient investments, and facilitating targeted actions in EU regions. The European Regional Development Fund (ERDF) and the Cohesion Fund also supports the transition to a circular economy under two specific objectives. However, as also recently [highlighted by the European Court of Auditors \(ECA\)](#) monitoring indicators and enabling conditions are mostly focusing on waste collection and processing. **It is recommendable to update those monitoring indicators**, to promote a more holistic planning of local initiatives and a better integration of climate mitigation and circular economy targets.