

DISCUSSION PAPER No. 390

EU engagement in fragile settings: What role for cities and local/regional governments and how best to support them?

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This discussion paper explores how the EU can deepen its engagement with local and regional governments in fragile settings. It draws on key insights from the EU-funded 'Partnerships for Sustainable Cities' programme and the final global event held in Reggio Emilia (7–8 May 2025), which brought together city partnerships and institutional stakeholders.

This paper seeks to inform and stimulate dialogue among cities, internally within the European Commission, as well as with interested external partners, at a time a new overall policy response on fragility is being developed. It could also support ongoing advocacy efforts by local and regional governments towards the EU to deepen the partnership and collaboration in fragile settings, particularly under the new multiannual financial framework (2028–2034).

Over the past decade, policymakers and practitioners have increasingly recognised the critical role of the local level to foster peace, restore trust, deliver services and build resilience. Experience clearly indicates that cities and local and regional governments have several potential assets (as public entities) to be a strategic partner in fragile settings. Despite dilemmas and challenges in working with local and regional governments in a conflict-sensitive manner, the paper highlights the growing evidence of innovative practices that show the added value of scaling up such partnerships.

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For comments and feedback, please contact jb@ecdpm.org.

Acronyms

AIMF	Association Internationale des Maires Francophones
ALDA	European Association for Local Democracy
CSO	Civil society organisation
DC	Decentralised cooperation
DFIs	Development Finance Institutions
DRC	Democratic Republic of Congo
ETTG	European Think Tank Group
EU	European Union
EUD	European Union Delegation
GiZ	German international cooperation agency
GLCTs	Local Groups for Cross-border cooperation
HDP	Humanitarian-Development-Peace
IDEA	Netherlands Institute for Multiparty democracy
IDPs	Internally Displaced Persons
INTPA	Directorate General for International Partnerships
LDAs	Local development agencies
LRGs	Local and Regional governments
M&E	Monitoring and Evaluation
MFF	Multiannual Financial Framework
MS	Member States
NDICI-GE	Neighbourhood, Development and International Cooperation – Global Europe instrument
OECD	Organisation for Economic Co-operation and Development
PDIA	Program-driven iterative adaptation
PFD	Policy Forum for Development
SUIDAC	Supporting Urban Integration of Displacement-Affected Communities
TALD	Territorial Approaches to Local Development
ToC	Theory of Change
UN	United Nations
UNDP	United Nations Development Program
VNG	Association of Dutch Municipalities

Section 1: Introduction

1. **The issue of how to engage in a strategic, effective and sustainable way in fragile and complex settings has been a longstanding concern for European actors** (the European Commission, Member States and their implementing agencies, civil society actors, local authorities, finance institutions). Over time, this has led to the elaboration of an increasingly sophisticated set of policies, integrated approaches (such as the 'Humanitarian-Development-Peace' nexus), as well as more flexible instruments and procedures.
2. Even if operating in fragile settings has become the **new normal** for European actors – with the proliferation of crisis situations – the **search for more effective EU engagement strategies is ongoing** among European institutions and actors.¹ Several **push factors** explain this:
 - (i) The rise of authoritarian/military regimes in fragile settings: while at the political level the EU stresses the need to “*stay engaged*”, in practice it encounters major challenges in terms of pursuing a meaningful dialogue and collaboration with central governments (as illustrated in the Sahel region);
 - (ii) the recognition that inaction towards fragile countries carries major risks, not only for the populations involved but also for the EU's own geopolitical, economic and security interests;²
 - (iii) the modernisation of EU approaches and financing instruments, initiated under the current MFF (2021–2027, NDICI-GE), and deepened by the subsequent Global Gateway paradigm shift, representing a different European ‘offer’ to partner countries focused on investments and win-win partnerships; however, experience suggests that rolling out this

¹ An inter-service group led by DG ECHO has launched an internal discussion of “*what next*” in terms of refining a Commission-wide integrated approach to fragility, amongst others in the light of the incipient negotiations of a new MFF (2028–2035). Within this process, EU Commissioner Sikela, responsible for international partnerships, has been tasked to “*support a differentiated approach*” towards conflict areas, fragile countries and other complex settings. At the level of Member States, new narratives are equally being developed. A recent example is the strategy adopted by Expertise France (2025) (Group AFD). The multilateral development banks and development finance institutions (DFIs) are concerned partners.

² See EC (2025) speech by the Commissioner for Equality, Preparedness and Crisis Management in the European Parliament on the ‘*Integrated Approach to Fragility*’.

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- integrated approach to investments (in a ‘360 degree’ logic) is more challenging in fragile and complex settings.³
- (iv) The negotiation of the new MFF (2028–2034), which is likely to pursue the logic of interest-driven partnerships while possibly also identifying adequate EU response strategies for fragile settings.⁴
3. In this context and in the light of defining an integrated approach to fragility fit for purpose for our times, the EU defends the idea that a different logic should apply in such settings (see Box 1).

Box 1: Key ingredients of the EU approach to fragility

The following elements stand central in the EU position regarding fragility:

- ✓ *Learning from past mistakes.* Past interventions in fragile contexts are criticised for supporting corrupt political elites, ineffectively tackling security challenges by focusing on securitisation to the detriment of social cohesion.
- ✓ *Having a common and coherent long-term vision and commitment,* based on a joint context analysis. The EU offer should be comprehensive, adapted to local needs and constraints, and based on a long-term vision. It needs to bring together all dimensions: politics, trade/economics, security, migration, and human development/basic services, in a Humanitarian-Development-Peace (HDP) Nexus logic and in a spirit of ‘do no harm’ and with a conflict sensitivity screening of interventions.⁵
- ✓ *Working as Team Europe:* to increase scale and impact, and share risks and possibly leverage other players such as the UN or the Bretton Woods institutions.

³ There is, in principle, no opposition between Global Gateway and fragility –as illustrated by the fact that flagship projects have been launched in 30 out of the 61 ‘high-level’ fragile countries (OECD list). However, there are elements that make it much more challenging in fragile contexts such as the weakness of governance and the rule of law, the challenge of having meaningful dialogues on policy reform or the difficulties to mobilise development finance institutions (DFIs) and the private sector.

⁴ For more information on the challenges to prioritising fragility in the next MFF see: (ETTg 2024) as well as Hauck and Desmidt (2025).

⁵ In the June 2025 Policy Forum on Development (PFD) there was a strong call for a proactive approach in contexts of emerging or developing fragility conditions, reflected in a capacity to act before the local situation slides on the spectrum of fragility.

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- ✓ *Flexible mechanisms*: any strategic approach to resilience-building should be anchored into constant adaptation of programming, designing, implementing and evaluating EU interventions. This also requires more than ever a flexible approach integrating risk reduction measures into interventions and building upon existing institutional and socio-economic strengths.
 - ✓ *Development cannot wait*: or the need to prioritise prevention always, development wherever possible and emergency responses when needed.
 - ✓ *Addressing the root causes of fragility*: build resilience and improve governance through a more structural, long-term approach to vulnerabilities, emphasising anticipation, prevention and preparedness.
 - ✓ *Risk management instead of risk avoidance*, through balancing risks (mitigation) with the potential for results.

4. In fragile situations, one of the key questions confronting policymakers and practitioners is about **how to work at the local level, and within this arena, with local/regional governments (LRGs)**. To what extent can LRGs be considered an alternative partner/channel to address critical needs and provide various forms of support? What are the opportunities and risks involved? How to politically and financially engage with LRGs that may face serious capacity and governance constraints, including limited legitimacy in the eyes of the population?
5. This Discussion Paper takes stock of **lessons learnt, good practices and innovative approaches in terms of engaging with cities and local and regional governments (LRG)** to effectively function as governance and development actors in fragile and complex settings. The paper is meant to be a concise, evidence-based document to support ongoing discussions on better addressing fragility in an increasingly volatile world and tap into the potential of cities and LRGs as critical partners in pursuing core development, foreign policy, economic and security priorities. It could also be used by cities and LRGs in their policy dialogue with EU institutions and Member States.
6. The **sources of information** for this document are: (i) a review of existing literature and evaluations; (ii) a stocktaking of experiences gained from the various city-to-city projects involved in the EU-funded program '*Partnerships*

for Sustainable Cities’ as well as from several LRG associations ; (iii) consultations with a selected group of EU Delegations with relevant experience in terms of engaging with LRGs in fragile/complex settings (i.e. Haiti, Yemen, Burkina Faso, Libya); (iv) a documentary analysis on EU-supported territorial development initiatives involving LRGs (Niger, Venezuela, Madagascar); and (vi) the outcomes of the third global meeting of city partnerships in Reggio Emilia (7-8 May 2025), which had a dedicated session on engaging with cities and LRGs in fragile settings. Valuable suggestions were also provided by INTPA G2 and G5 units.

7. The **structure of the paper** is as follows: after this introduction, the concept of ‘fragility’ is briefly introduced (section 2). Subsequently, the note zooms in on both the added value that European actors may obtain from engaging with cities and LRGs in fragile/complex settings and the recurrent challenges, limitations and risks they may encounter (section 3). This is followed by an overview of response strategies and innovative practices by the EU, its Member States (MS) as well as other external actors, to enhance and scale-up their partnership with cities and LRG networks and associations (section 4).

Section 2: Fragility as an expanding and ‘universal’ phenomenon

8. The ‘fragility’ concept covers a **wide array of country/cross-border situations and contexts** with varying levels of vulnerability, conflict, instability and governance deficiencies. It is characterised by an exposure to different risks (of a political, economic, societal, security and increasingly also environmental nature) combined with insufficient coping capacity/resilience by states (central and local), communities and citizens. The issue of ‘**urban fragility**’ is also becoming more prominent as a global challenge – with the related need to see fragile urban areas “*not as problems to be contained, but as critical investment opportunities for long-term development and stability*”.⁶
9. Fragility is the result of both **deeply fractured societies** (with low social cohesion and high inequalities) and a **lack of inclusive governance mechanisms and effective institutions** (to ensure a transparent and equitable distribution of resources, public goods and services). This creates

⁶ Cities Alliance and Habitat for Humanity International. 2025. Conference on Urban Fragility. Speech by Maria Fernanda Espinoza. President of Cities Alliance.

multiple tensions in society that can spill over into conflict and violence. There is extensive literature on the underlying causes of fragility and conflict as well as on lessons learnt by the international donor community. (see [Annex 1](#) for a brief recapitulation of key insights gained).

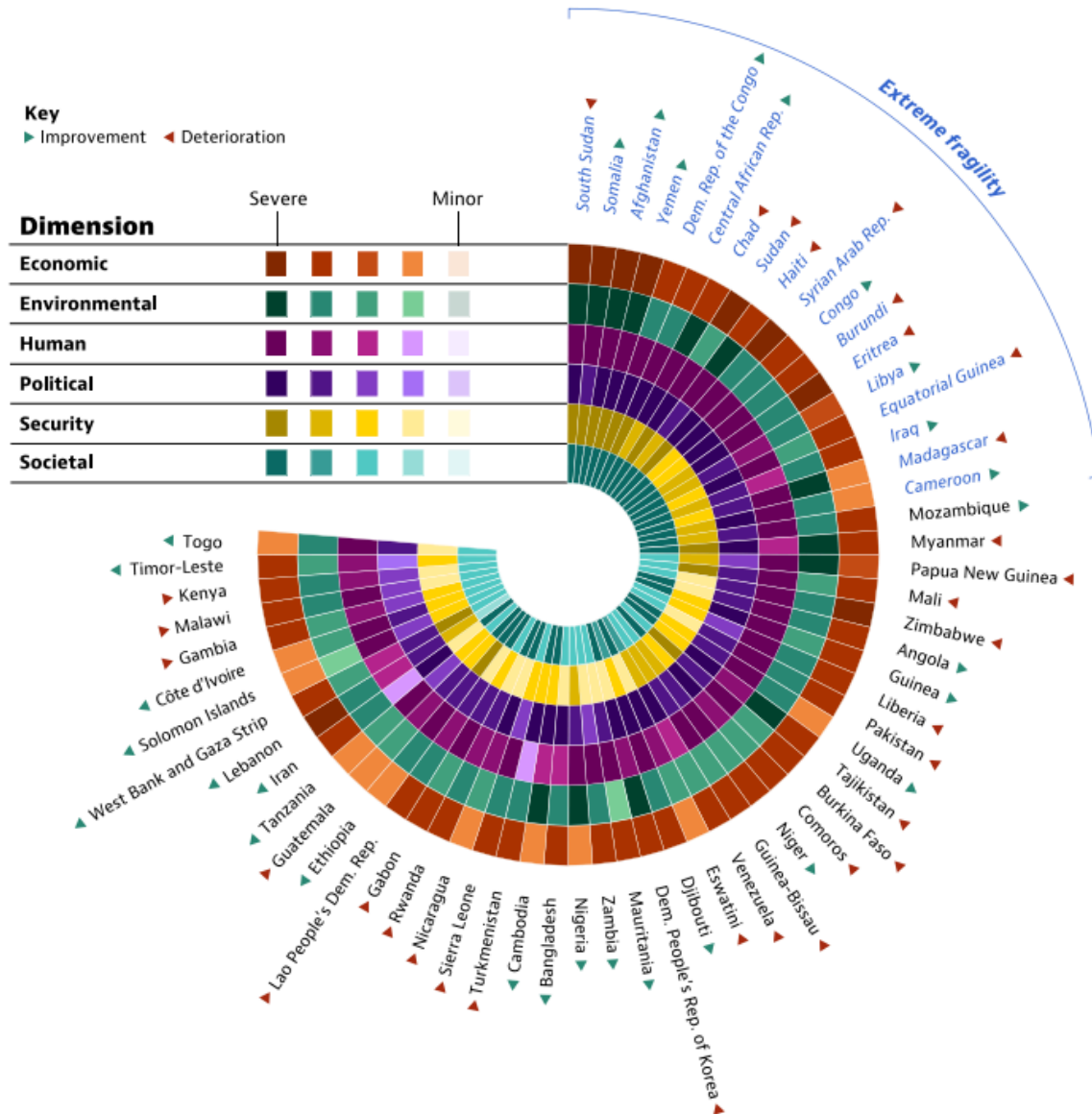
10. The OECD has been following the state of fragility in the world for more than two decades and the implications for stability and development.⁷ Over time, it moved away from state-centric approaches towards a **multidimensional fragility framework, now encompassing six key analytical lenses** (see Figure 1 below).⁸
11. The OECD 2025 Report illustrates the **expanding nature of the phenomenon** as well as the **huge variations in fragility profiles**. Among the 177 contexts analysed by the OECD, no less than 61 settings are identified as experiencing “*high or extreme*” levels of fragility. These contexts are home to 25% of the world’s population, and 72% of the world’s extreme poor in 2024. The fragility profiles vary significantly, from countries trapped in extreme poverty to others also confronted with open conflicts. In fragile settings, underlying fragilities (e.g. related to climate change, water scarcity or economic exclusion, for instance) are often exacerbated – impacting negatively on vulnerable groups, particularly women. The report acknowledges the “*universality of fragility which exists on a spectrum*”⁹ and related needs to abandon binary labels (i.e. fragile vs not fragile). It equally argues that in the current fragmented and disordered world, **fragility is being “instrumentalised for political, economic and security ends, often reversing development gains”**. This is, amongst others, reflected in the tendency of “*internal and external state and non-state elites to focus on short-term transactional gains that can feed cycles of poverty and inequality*”.

⁷ The first overview report ‘*Fragile States*’ dates from 2005.

⁸ In the 2022 Report, a sixth human dimension was added focused on human development with a view to strengthen the analysis on education, health and social protection.

⁹ OECD 2025, p. 3.

Figure 1: Key analytic lenses



Section 3: Rationale and added value for engaging with LRGs in fragile contexts

12. Considering the growing diversity and complexity of fragile settings, the EU, Member States and other European actors are confronted with **thorny questions of strategic and operational nature**: How to better understand drivers and dynamics on the ground, including at the subnational level?¹⁰ How to stay engaged? To achieve what? With whom to work, especially when direct cooperation with central authorities is ineffective or no longer possible? At what level to engage? How to identify the most suitable entry points? What are possible red lines? How to assess whether the support is triggering positive dynamics that may lead to effective structural changes? What time horizon needs to be considered? How to improve operational coordination / Team Europe approaches?
13. Over the past decade, policymakers and practitioners have increasingly come to recognise that the **local level is crucial to foster peace, build resilience and restore trust in the legitimacy of national institutions** in fragile settings. This is reflected in the prominence of locally led development initiatives as well as in the growing interest in exploring what added value cities and LRGs could have in such processes.
14. Experiences gained over time (documented in analyses, research and evaluations) clearly indicate that working at the local level and particularly with cities/LRGs can be a valuable alternative option in specific fragile contexts. Evidence suggests that **cities/LRGs have features/assets** that can produce added value. However, engaging with local authorities in fragile settings also brings along **major challenges**. Table 1 summarises key lessons learnt in this regard.

¹⁰ The OECD Report 2025 on Fragility recognises that there is a knowledge and analytical gap on subnational fragility. As a result, development actors may not always target pockets of fragility within countries or areas of subnational conflict (see p. 157–160).

Table 1: Lessons learnt

Potential added value of LRGs –as public entities- in fragile settings	Recurrent challenges and limitations
1) Due to their proximity, LRGs can provide a more refined understanding of local realities and provide external agencies with a more direct access to populations for essential public services ¹¹	• In highly fragile settings, local government structures tend to be very basic and have limited opportunities to reach out to local populations • Limited power, autonomy, capacities and resources of local administrations • Limited legitimacy of LRGs in the eyes of the population (due to local state capture, lack of transparency, corruption, clientelist practices, etc.) or conflicting systems (formal/informal) • Lack of continuity due to political turnover or unconstitutional changes of government, leading to the disbandment of elected LRGs • Citizens falling back on civil society action or solidarity groups
2) LRGs as public entities having a general ‘mandate’ and related set of competencies, provided by law, to formulate local public policies and offer services to the population	• Ineffective or ‘frozen’ decentralisation processes hampering effective LRG action (e.g. highly restrictive government oversight) • Limited central transfers and local tax revenues • Lack of understanding by LRGs on how to make optimal use of their general mandate • LRG resistance to changing ways of doing things
3) LRGs acting as catalyst of local/territorial development processes , fostering resilience by creating a conducive business environment and mobilising local resources (financial, human, social capital)	• Limited territorial vision of LRGs • Mistrust between the local state, civil society, the private sector and citizens –hampering the ‘co-creation’ of bottom-up territorial development approaches

¹¹ This is often a main motivation for the EU or MS to engage with LGRs.

	• Limited capacity to formulate local public policies in support of territorial development • Weak capacity of LRGs to engage with the private sector and protect/develop economic opportunities¹² • Risk of capture of resources at the local level, as well as corruption and clientelism/nepotism by restricting access to public resources and infrastructures to only certain actors (communities, political groups, companies or CSOs) • Lack of supportive national policies for local/territorial development and effective multi-level governance systems • Tendency of external (implementing) agencies to bypass LRGs or reduce their role to passive recipients, limiting ownership and capacity to learn • Limited direct donor funding to LRGs
4) LRGs' position as frontline actor with a pivotal role in the provision of assistance when humanitarian crises arise -with potential for direct impact on the well-being of populations, refugees and displaced persons ¹³	• Top-down approaches to providing humanitarian assistance marginalising the role of local authorities • Poor (local) governance (in terms of transparency and accountability) • Blockages in the process of LRG empowerment and the transfer of responsibilities, and limited absorption capacity of the LRG
5) LRGs as a laboratory for new forms of exercising local power , by progressively restoring trust, demonstrating the value of the rule of law or testing out inclusive governance practices (that can be scaled-up at the national level), thus contributing to local democracy, reconciliation and bottom-up state-building/social contract processes	• Predominance of top-down approaches, informal rules, patronage systems and corruption at the local level • Frequent use of citizen participation as a 'ritual' and the ticking of the box exercise

¹² For more information on the role of LGRs in this domain see: Benjamin (2023).

¹³ For a comprehensive case study see: Allex-Billaud (2015).

	• Difficulty for LRGs to strike a balance between responding to immediate needs and fostering democratic values • Lack of legitimacy of LRGs (non-elected, sometimes just an arm of central elites) • Mistrust by citizens in their LGRs, leading to disengagement • Lack of skills to engage openly with citizens and to shift to more inclusive forms of governance • Limited awareness among local actors/citizens about their rights and responsibilities, the opportunities to engage in local political processes or concepts such as the rule of law
6) <i>Cities and LRGs as actors of a multi-level security governance system -helping to mediate/tackle potential sources of insecurity and conflict¹⁴</i>	• Limited power and experience of LRGs to play a key role in security matters • Reluctance of central governments to open up security governance to LRGs • Limited knowledge of donor agencies on how to work with LRGs on security matters • Under-utilisation of local mechanisms/expertise for conflict mediation and resolution
7) <i>LRGs are at the forefront in confronting the transformations, challenges and opportunities that migration brings along at the local level,¹⁵ including in relation to the inflow of refugees and internally displaced persons (IDPs)</i>	• Migration and development agendas are mostly conducted and framed at national and international levels • Limited attention for the role LRGs can play to harness the positive impact of migration • Limited recognition of the key role that LGRs could play in managing refugee flows and IDPs

¹⁴ In Niger the EU invests in a governance and territorial development program in the Agadez region (AGDELA) that includes a strong security component in which LRGs also play an important role to reduce tensions that may arise from the integration of migrants, the competition for land or youth unemployment. The program seeks to move beyond emergency logic by adopting a longer-term vision.

¹⁵ For instance: in terms of effects on labour markets, the size and demographic composition of the local population or the need for public services. For an in-depth analysis see JMDI (2013).

8) <i>LRGs potential role in managing both the tensions related to the use of natural resources and the effects of climate change that affect the territory and the populations¹⁶</i>	• Marginalisation of LRGs in the governance and management of natural resources • Co-opted LRGs that defend private/individual economic interests rather than the welfare/well-being of their populations • Growing interest in supporting LRGs in dealing with climate change¹⁷ yet still insufficient mainstreaming of the local level in policymaking and donor response strategies
9) <i>LRGs are present in the long term as public entities, potentially providing guarantees for the sustainability of development initiatives/investments (including through Global Gateway) as well as for an effective transition from emergency to development (nexus approach)</i>	• The unique position, role and added value of cities/LRGs in these domains is often poorly understood and underexploited • Limited experience of LRGs in terms of ensuring sustainability of development initiatives (e.g. through supportive local public policies)

15. Different **important messages for the future** can be derived from the above table:

- ✓ The list of potential assets of LRGs in terms of development and governance actors is long. While every single domain could be the target of external support in fragile settings, it is important to emphasise the interconnectedness of the various policy areas involved. The evident linkages between economic marginalisation, climate change, insecurity and limited resilience require **integrated (nexus) approaches**, also at the local level. The list also suggests that at times when (EU) development cooperation may, in some cases, become more pragmatic and “transactional”, LRGs have much to offer to the EU in terms of delivering on its core external action priorities.

¹⁶ LRGs often adopt bolder policies for managing the effects of climate change, partly because they face the direct pressure of populations.

¹⁷ An example relates to the successful EU-supported ‘Global Covenant of Mayors for Climate and Energy’, involving more than 12,500 cities to tackle both climate and economic crises through local initiatives, innovative financing modalities and sustainable infrastructure.

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- ✓ The potential roles LRGs could play in fragile settings are not only relevant for dealing with actual crises. They could also be activated to **prevent the deepening of fragility** and the risks of conflict.
 - ✓ While important structural limitations often reduce the space for engaging with LRGs (e.g. centralised governance approaches, legal restrictions, authoritarian rule, local state capture), other **factors are linked to donor choices and practices** (e.g. the tendency to by-pass LRGs or consider them as beneficiaries rather than as full-fledged actors with a distinct mandate).

16. Furthermore, **external agencies operating in fragile settings are confronted with structural barriers of a cross-cutting nature**. Security is often a crucial one, particularly in situations where central governments do not control large chunks of the territory. This may not necessarily prevent action at the local level across the country (as the experience of the EUD Libya demonstrates). Yet it generally impedes direct access for EU officials and development staff to the territories and the local actors, while creating a dependency on implementing agencies that can operate on the ground.
17. External agencies operating in fragile settings equally have to manage **political risks**. First and foremost, the risk of worsening tensions and instability related to the **“do not harm principle”**. It invites external agencies to make choices in a **politically savvy and conflict-sensitive way**¹⁸ on who to work with at the local level. Each partnership or resource allocation can shift local power dynamics, affect legitimacy or exacerbate existing tensions or grievances. There is also no shortage of risks, dilemmas and trade-offs for external agencies in “politically constrained” or “politically estranged” settings (often coinciding with fragility). Both concepts refer to situations characterised by strained relationships with national governments, generally linked to anti-democratic/autocratic trajectories. Such regimes tend to elaborate highly restrictive policies and legislation, including towards LRGs (ranging from disbanding elected local councils or blocking donor access and funding). In such settings, in which diplomatic dialogue with central authorities is limited or inexistent, careful navigation is required. While staying engaged is often a preferred option to preserve some influence, there is a risk for external

¹⁸ Conflict-sensitivity is equally key to manage possible tensions between humanitarian principles and the roles played by LRGs. The latter may be partisan in a conflict or adopt discriminatory practices against certain groups. In these cases, it is essential to negotiate access while safeguarding neutrality and impartiality.

agencies to be accused of complicity with authoritarian practices. Experience suggests nevertheless that even in cases where elected LRGs have been removed by the autocratic/military governments, it is often still possible to act in the benefit of populations with the delegated authorities put in place at local level –as they face the pressure to deliver development and services.

18. Considering this landscape, **context-specific conditions at the country level will ultimately inform the decision to work (or not) with LRGs and how**. This is confirmed by the **experience of EU Delegations** operating in fragile settings. On the question of whether to engage or not, different responses are provided, often based on historical trajectories of cooperation. In some cases, working with LRGs has been a strategic choice of the EUD for a long period of time and is being maintained when overall fragility conditions deteriorated (e.g. Burkina Faso). Other EUDs have taken a deliberate decision to invest structurally in local institutions for both development and governance purposes (e.g. Yemen, Haiti). For the EUD Libya, the choice to engage local actors was used strategically to increase the resilience of local populations, considering that national institutions faced difficulties being fully operational in all parts of the country. Such choices were also aligned with political objectives and an institutional culture of decentralisation. In other cases, the choice to engage was largely by default, as national structures were no longer functioning and reaching out to populations implied working with local governments. There are also EUDs excluding the option to work with LRGs as the political and institutional barriers are considered too huge (e.g. Myanmar).

Section 4: How to enhance and scale up engagement with cities and LRGs?

In this operational section, the “how-to-do” questions stand central. While there are no magic recipes that can be applied across the board in the hugely diverse set of fragile contexts, experience accumulated over the years (also at the EU level) allows us to identify:

- ✓ guiding principles for engagement;
- ✓ specific avenues for engagement with cities/LRGs;
- ✓ key institutional requirements for effective action.

Guiding principles for engagement

19. There is a growing consensus that a **number of rules of thumb** need to **underpin external support to cities/LRGs in fragile/complex settings**. Five key guiding principles can be mentioned in this context:

- 1) *Go with the grain*. In fragile settings, it is key to build on what exists rather than on ideal typical models of local government. For instance, in some highly fragile contexts (e.g. Somalia, South Sudan), the notion of ‘*strengthening LRG capacity*’ (the dominant focus of most donor interventions) is quite challenging as the very basic, if not virtual, features of local administrations are not in place. In other settings, there might be space to work with LRGs on technical aspects related to their specific competences (e.g. local planning, financial management), yet not (directly) on much more sensitive democracy or transparency (corruption) issues. Adjusting intervention strategies to prevailing local realities implies avoiding ambitious support schemes based on imported models. It means accepting ‘**good enough**’ **functioning LRGs as a change perspective over a long period of time** while seeking to strengthen local capacities for social cohesion and resilience. It calls for using ‘*program-driven iterative adaptation*’ (PDIA) approaches focused on solving concrete issues that matter for the populations. It means recognising and supporting, where possible, local peacebuilding and conflict resolution mechanisms. This also requires adapted M&E systems based on solid theories of change (ToC) to be reviewed regularly, underpinned by realistic (intermediate) result indicators.
- 2) *Locally led development*. Considering the importance of “*going with the grain*” external interventions may still be aspirational but need to be based on **local narratives** (e.g. what does ‘*local governance*’, the ‘*rule of law*’ or ‘*public accountability*’ actually mean for local populations in a given context?), on prevailing cultural norms (e.g. towards corruption or paying taxes) as well as on local knowledge sources (e.g. in terms of finding workable solutions). **Bottom-up approaches that build on the ‘agency’ of local governments and available social capital** in the territory are equally key. This approach is, for instance, adopted by VNG (the Association of Dutch municipalities) in its interventions in fragile settings. Building on iterative context analyses and adaptive programming, it seeks to ensure a process of “**co-creation**” at the level of the LRGs involved to ensure

relevance, ownership and lasting impact. While the agency of LRGs stands central, attention is given to bringing the citizens on board, amongst others, through locally anchored accountability tools (e.g. a community score board in Burundi).

3) *Multi-actor approaches for inclusive governance*. This is a principle to which the large majority of external agents working in fragile/complex settings adhere. While there are many good reasons for directly supporting **local governments** to become more functional and responsive (as a self-standing objective), they **should not be seen as “the only kid in town”**. The high fragility and limited legitimacy generally enjoyed by LRGs in fragile settings require the adoption of multi-actor approaches. This means that interventions need to be conceived and implemented in such a way that **all relevant formal and informal actors in the territory** (including traditional or religious leaders) are genuinely involved in addressing the roots of fragility and conflict. This will require solid political economy/power analyses focusing on local level dynamics, including **mappings of key stakeholders** as well as other non-usual actors that exercise a huge influence (e.g. local militias). It also implies hybrid forms of local governance (with power-sharing arrangements between local state institutions and society). In fragile states with authoritarian rule, such a mapping is equally crucial to identify possible allegiances and interests and determine with whom to work and how. It is equally key to foster inclusive governance, both in terms of processes and equitable distribution of outcomes (see Box 2).

Box 2: Inclusive governance as a trigger to restore trust and foster social cohesion

The concept of inclusive governance has emerged over the past years.¹⁹ It distinguishes between inclusion as a ‘*process*’ (leading to a focus on how decisions are made, who is included, how and why, whose voices count and how these dynamics shape the nature and quality of public policies as well as the way they are implemented) and inclusion in terms of ‘*outcomes*’ (leading to a focus on how key developmental progresses such as wealth creation, services,

¹⁹ See OECD (2020). For an EU Member State perspective, see: Bossuyt J, et al. (2021). Study commissioned by MFA-DSH/KPRSL. August 2021.

justice or security are equitably distributed and shared). The connection between these two core components is neither linear nor automatic. Inputs into more inclusive (multi-actor) processes are generally confronted with a black box of local power dynamics, factors and actors that may or may not be conducive to inclusive development outcomes. Inclusive governance may not have been formally adopted as a paradigm, but a wide range of external agencies working in fragile settings are *de facto* using it as a most useful analytical tool to guide their interventions, particularly when engaging with cities/LRGs. These include Dutch and Swiss cooperation, UNDP (particularly in the area of peacebuilding), IDEA, Netherlands Institute for Multi-party democracy, and ALDA.

- 4) Combining soft and hard support for LRGs. Experience across the globe clearly confirms the need to combine investments in capacity development of LRGs / multi-actor dialogues, on the one hand, with support that allows LRGs to obtain funding to realise their local agendas and put in place the required public goods, on the other hand. **In the absence of support for core local infrastructure and the provision of basic services, both LRGs and other societal actors may lose interest and disengage.** This approach is, for instance, applied by the 'Association Internationale de Maires Francophones' (AIMF) in its Initiative for the Sahel. This program is geared to supporting projects driven by cities, based on both a 'soft' component (i.e. different forms of capacity development for LRGs, including to address humanitarian crises, to ensure multi-actor coordination, to act as a mediator or to develop regionalised local synergies linking security concerns and local development) as well as on a 'hard' component (i.e. investments in priority local infrastructure related to water, health, etc., implemented by cities/LRGs). When engaging in fragile settings, UN-Habitat focuses primarily on ensuring participatory approaches and on tools for urban planning and resilience (soft aspects). However, it also foresees small sources of funding to LRGs to take responsibility and undertake action to improve services.
- 5) Multi-level approaches with a focus on scaling up local innovations. This principle is equally widely followed by external agencies involved in fragile settings. It is based on the realisation that while bottom-up and locally led approaches are key to generate positive dynamics at the local level, there

are many good reasons for linking up these processes with other levels of governance (e.g. other subnational entities, national or regional authorities). At the end of the day, the sustainability of local processes largely depends on effective intergovernmental systems of dialogue and collaboration and progress in (fiscal) decentralisation reforms. Even in complex and restrictive environments, it is in the interest of the EU to **keep a dialogue with central governments, particularly line ministries and members of the administrations** (even if funding cannot be directly channelled through them). This also helps to ensure access to territories and local governments. Most EUDs considered in this study are active at both the central and local levels, coping with situations where there is not a single central authority (e.g. Libya and Yemen).

Specific avenues for engagement

A menu of cooperation options is available for engagement with cities/LRGs, depending on specific context conditions. Key avenues include:

- ✓ ***Strengthening partnerships between LRGs, CSO and other local stakeholders:*** As mentioned above, multi-actor approaches are essential in fragile contexts to **jointly address concrete challenges and foster democratic values**.²⁰ This is a challenging task as mistrust often prevails, interests diverge, and competing claims exist in terms of legitimacy and access to funding. Valuable lessons have been learnt by external agencies on how to navigate in such contexts and build alliances (see Box 3).

Box 3: Fostering local democracy in fragile settings

The European Association for Local Democracy (ALDA) promotes governance and citizen participation at the local level in the EU, Neighbourhood countries and beyond. It has invested in a network of Local Democracy Agencies (LDAs), which are locally based entities involving LRGs, CSOs, chambers of commerce, academic institutions, etc. It follows a multi-stakeholder approach, providing

²⁰ In fragile states with authoritarian rule and limited civic space, powerholders often seek to restrict the autonomy and capacity to act of both LRGs and civil society (e.g. Nicaragua). This may reinforce their respective incentives to unite forces.

funding through the LDAs to finance activities jointly decided by local actors. It uses a sub-granting system through calls for proposals to CSOs, favouring those who work in close collaboration with LRGs. The work of ALDA is guided by a set of intervention principles (e.g. territorial integration of actors, co-creation and co-management) as well as tools (e.g. territorial diagnostics to assess with whom it is relevant to engage, including 'new' actors). The underlying theory of change is that investing in such joint processes and concrete actions is instrumental, over time, for wider changes such as democratic resilience, enhanced capacity for local actors to demand reforms or influence national-level policies and practices.

✓ Adopting integrated approaches, such as the Territorial Approach to Local Development (TALD). Considering the multi-dimensional nature of the challenges on the ground, it is key to adopt integrated approaches when intervening at the local level. This is a relatively new way of working for many external agencies, which used to engage through specific projects with a sector focus.²¹ The EU has elaborated a policy framework to foster such an integrated '**Territorial Approach to Local Development' (TALD),²² which is now promoted across the globe through a specific technical assistance facility.** Specific for the EU interpretation of TALD is the choice for a bottom-up approach and the central position given to LRGs as catalysts and coordinators of local development processes given their nature (as public entity) and general mandate (to formulate and implement local public policies and programs in their spheres of competence as delineated by the constitution and the laws of the country). The TALD includes a research and analysis component through a territorial diagnostic based on the political economy methodology that is used for programming and project formulation purposes (see Box 4).

²¹ Testimony of a representative of an implementing agency from an EU Member State at the LAB meeting organised by ALDA (April 2025).

²² EC (2016).

Box 4: Preparing the ground for a TALD

The TALD is a methodological approach designed to help EUDs work better with LRGs. In fragile countries like Venezuela, Niger, Haiti, Guinea-Bissau and Madagascar, for instance, TALD support missions provided tailored assistance to EUDs to ensure that their planned support addresses the main local development challenges in relation to decentralisation policies.

When a TALD mission is launched, it typically starts with an in-depth territorial diagnostic to understand the local context, governance structures, and key development challenges. This diagnostic helps EUDs craft programs that promote LRGs as development actors in their territory, especially through local pilots aiming at enhancing their leadership and technical capacities, while ensuring intra-governmental and multi-stakeholder coordination, including local authorities, civil society, and the private sector. In practice, TALD missions have led to strategic recommendations for improving governance frameworks, strengthening decentralisation processes, and fostering better collaboration between local and national actors. For example, in Venezuela, the TALD Facility supported the EUD's formulation of potential programs to strengthen sub-national governments. In Niger, the facility assisted the Delegation in preparing a governance program aimed at integrating marginalised groups and strengthening local authorities' capacity. Similarly, in Guinea-Bissau and Madagascar, TALD missions have guided EUDs in shaping inclusive and effective decentralisation and local development strategies. By providing technical assistance and policy advice, TALD helps ensure that development interventions are contextually appropriate. As such, the TALD facility is particularly useful in situations of fragility as it offers ways to elaborate context-specific and tailored EU responses.

- ✓ *Providing direct support to LRGs.* In order to fulfil their mandate as a local public entity, gain legitimacy in the eyes of the population and build capacity, LRGs need to have financial resources which can be used in a discretionary manner. This is often problematic due to major limitations in terms of (fiscal) decentralisation reforms, central government transfers or ability to raise local taxes. **Channelling international funds directly to LRGs in fragile environments is challenging and potentially risky.** However, interesting experiences have been fostered by EUDs to **directly support investment by and with LRGs in fragile settings** (see Box 5), including on issues such as tackling forced displacement and migration (see Box 6).

Despite disposing of only a small unit, the European Investment Bank (EIB) has sought to engage with LRGs in selected fragile settings. To this end it has developed a solid strategic approach, an innovative set of tools (including customised contextual assessments at project level or earth observation data to measure fragility at subnational level) as well as partnerships for local engagement (amongst others to support local investments). Several other external agencies have supported different forms of ‘*Local Investment Funds*’.²³ In some fragile settings (e.g. where LRG structures are too basic), a more indirect approach may be required to support LRGs, i.e. by using the community / civil society channel while involving LRGs in such processes, as their role is crucial in terms of territorial coordination. Yet even in countries where the cooperation with the central government is suspended, there are opportunities to reach out to LRGs –as illustrated by the direct grants provided by the EUD Mali to a Regional Council to assume leadership in terms of regional development in close collaboration with various levels of local government.

Box 5: The Local Resilience and Recovery Fund in Yemen

The EU Delegation to Yemen has been working to strengthen local governance through the creation of a Local Resilience and Recovery Fund, a key part of the €70 million “*Strengthening Institutional and Economic Resilience in Yemen*” program implemented with UNDP. In a country where Local Authorities (LAs) have often been the only functioning state institutions over the past decade, the Fund provides performance-based financial support directly to districts, allowing them to identify and implement their own recovery priorities. To access these funds, districts must show basic inclusivity—considering women, internally displaced persons (IDPs), marginalised groups, or the private sector. LAs play a central role in defining investments, which increases transparency, local ownership, and the legitimacy of local governance.

When funding is insufficient, LAs can contribute using their own tax revenues—making revenue generation a key part of the program’s focus on

²³ An example is the PAGODE program financed by the Swiss cooperation in Haiti, targeting 12 municipalities. In addition to traditional capacity development, it has put in place a ‘Local Investment Fund’, including both a civil society and a municipal window (the latter allowing LRGs to obtain funding for their own priorities while enhancing their leadership and management capacity).

sustainability. In parallel, the program also supports institutional resilience, helping LAs build the skills and systems needed to plan, coordinate, and deliver services more effectively. So far, the Fund has reached 45 districts across 9 governorates in both urban and rural areas. By anchoring resilience and recovery at the subnational level, the EU is supporting a real shift from emergency response to long-term development.

The project ended in 2023, yet a new program focused on the Private Sector and Economic Development seeks to foster collaboration between private sector actors and LRGs in terms of accessing promising external markets.

Box 6: The SUIDAC program fostering sustainable integration of Displaced Communities in sub-Saharan Africa

Building on a successful experience in Uganda, Cities Alliance is launching a new regional initiative: *‘Supporting Urban Integration of Displacement-Affected Communities’* (SUIDAC). This four-year program, funded by the EU with a grant of 30 million euros, seeks to foster the sustainable integration of displaced populations and their host communities in key cities in different fragile settings (i.e. DRC, Ethiopia, Somalia, Sudan and Uganda). Innovative features include:

- Migration is viewed through an urban lens, with cities receiving direct funding for investments (18 million of the overall budget is reserved for that purpose, while 12 million is for support to displacement-affected communities and dialogue).
- It involves internal bilateral agreements with technical support, with one expert available in every participating city.
- Each city designs its own programme with a budget of 1.6 million euros. During the first year, they conduct feasibility studies, which cities commission themselves. Based on these studies, funds are allocated among the cities and their technical partners.
- Cities are required to co-finance 20% of the initiative, either in-kind or in cash.
- Municipalities are encouraged to provide sub-grants to local organisations.
- Using the migration angle is seen as an incentive for donors to collaborate with local authorities.

-
- ✓ Supporting policy dialogues at local, national and regional levels. This is particularly relevant in fragile settings, as such dialogues can enhance democratic legitimacy and also ensure that EU support responds to the concrete needs and realities of local actors. Dialogue mechanisms at the local level can also be a laboratory for testing new modes of governance (based on participation, transparency and accountability). The EUD in Libya, for instance, has invested heavily in local dialogue processes, facilitated by its implementing agencies and local process facilitators. It attaches great importance to 'peer-to-peer' exchanges between Libyan municipalities and other relevant stakeholders from North Africa/the Middle East. Dialogue is also key at national level for effective governance with the **national associations of LRGs** for purposes of effective governance, policymaking (e.g. to push for better decentralisation policies) and coordination of activities on the ground. In a similar vein, it is crucial to build and empower regional networks of LRGs that can engage in city diplomacy, dialogue and advocacy while continuing to set up local public infrastructure (see Box 7). Similar approaches have been applied in terms of strengthening resilience in border regions (see Box 8).

Box 7: The AIMF approach in the Great Lakes region and the Sahel

As part of its strategy to promote city diplomacy, the International Association of French-Speaking Mayors (*Association Internationale des Maires Francophones*, AIMF)²⁴ supports advocacy in favour of mayors' leadership and capacity building. In the Great Lakes region, the AIMF has initiated a process of dialogue between LRGs in conflict prevention and peace building, combining strengthened dialogue and advocacy with support for "inclusive projects for the benefit of the population". The AIMF's approach has made it possible to maintain exchanges with the cities in the network, even in the most difficult times, and to continue to support investment in fragile areas. The projects have not suffered any interruptions and have maintained and facilitated exchanges between LAs in difficult contexts. For example, the Sahel Mayors' Forum held in Nouakchott in February 2024 focused on addressing security issues from a holistic perspective, considering that grassroots development initiatives are a factor in making territories more secure.

²⁴ AIMF is one of the five global associations of local governments benefiting from a multi-annual EC Framework Partnership Agreement (FPA).

Box 8: Supporting Local Groups for Cross-Border Cooperation in the Sahel

The so-called Local Groups for Cross-Border Cooperation (GLCT in French) are composed of LRGs located on different sides of a national border. They are governed by public law and have legal personality and financial autonomy. These bodies have a great potential for conflict prevention and resolution on the one hand, and for peace building in cross-border territories on the other, in cooperation with the security services. The GLCTs also help promote regional economic development, especially through job creation for women and youth. For some time now, Germany's cooperation agency (GIZ) has been running a support program for these GLCT in the Sahel region, including one in the border regions between Senegal, Mali and Guinea (co-financed by the EU).

- ✓ Leverage the added value of decentralised cooperation (DC). **This instrument has proven its efficiency for promoting bottom-up local development and governance processes in fragile contexts** in the framework of the EU-funded program: '*Partnerships for Sustainable Cities*' (see Box 9). Yet DC still needs to be better integrated and connected with other EU cooperation programs. Evidence shows DC can help strengthen local democracy in adverse settings while keeping a low political profile. In fragile countries, including countries where aid with central governments is suspended, city-to-city partnerships can often be pursued despite all constraints arising from the national environment (see Box 10). Furthermore, DC could be a relevant tool in the context of Team Europe Initiatives or in helping cities to engage in **Global Gateway**. This could be facilitated by the fact that several EU Member States (such as Germany, Italy and Spain, for instance) support DC initiatives, particularly in fragile settings. While the Global Gateway approach is more suitable for stable environments, there are flagship initiatives being rolled out in fragile settings (see [Annex 2](#) for an overview). A comprehensive stocktaking of the place and role of LRGs in these processes is yet to be done. However, during the Reggio event, the point was made that the Global Gateway offers possibilities to ensure sustainable investments with local impact in fragile

settings, particularly if the planned “360 degrees” approach (with supportive measures) is effectively applied.²⁵

Box 9: Addressing fragility through city-to-city partnerships

According to the second Performance Report of the EU-funded program related to ‘Partnerships for Sustainable Cities’, half of the projects contribute to strengthening resilience in contexts of fragility, with 18 out of 41 responses to a survey, confirming this as one of their main objectives. Of these, 14 partnerships have placed a special emphasis on promoting local level dialogues (involving multiple stakeholders) to address fragility, restore trust, and foster collective action. Pilot activities aimed at enhancing basic service delivery by local authorities also feature prominently, reflecting a pragmatic approach to addressing immediate needs and testing innovative solutions. Furthermore, there is a recurring mention of improving institutional arrangements for city management, underscoring the need for robust governance structures to effectively address multi-dimensional crises. The Report highlights the importance of exchange programs where local authorities can share experiences, particularly in fragile situations. This peer learning aspect is crucial for knowledge transfer and the adoption of good practices.

Box 10: How decentralised cooperation adds value to the EU toolbox in fragile settings

Two EU-funded DC projects are currently being implemented in **Burkina Faso** under the “Partnerships for Sustainable Cities” program, respectively aimed at: (i) improving solid sanitation governance across 19 medium-sized municipalities, and (ii) supporting urban economic growth and metropolitan governance in Greater Ouagadougou. These projects have largely been able to continue despite drastic changes at the national level and the disbandment of

²⁵ See presentation by EUD in Burkina Faso. Key elements of a 360-degrees approach would include: (i) anchoring actions in local priorities; (ii) strengthening local institutional capacities; (iii) encouraging transparency and accountability; (iv) fostering a co-construction of projects; (v) integrating the territorial dimension; (vi) ensuring coordination with other partners (e.g. through Team Europe approaches); (vii) managing the political and security risks; and (viii) taking stock / communicating about results achieved.

the elected local systems. The problems addressed in Ouagadougou were so pressing that the newly appointed staff (often secretaries-general) were keen to find solutions and accommodate the priorities of the DC project managers (and the work of the former mayors), achieving a compromise. This can be partly explained because the municipalities involved were mostly outside the direct conflict zone, but also because the projects aimed at providing essential urban services that most of the time have the support of the national elites.

The REBUILD project exemplifies an innovative approach to resilience-building in **Libya**, where the political landscape is complex and volatile, through peer-to-peer exchanges. REBUILD is not a typical project focused on short-term outputs; instead, it is a process-driven partnership designed to change mindsets and systems across ten Libyan municipalities. Key to this approach is the transversal nature of the project, which serves all partner municipalities regardless of political divisions. This feature has fostered trust among partners, consolidated relationships, and laid the groundwork for territorial resilience and solidarity during challenging times. The presence of a Liaison Manager in Europe, who speaks Arabic and understands the political sensitivities, along with a Project Coordinator in Libya, has been crucial in navigating the complex political landscape and ensuring the project's adaptability to changing circumstances. Capacity building and training (through ten Libyan universities) are recognised as essential for empowering local administrations to lead development processes.

Key institutional requirements for effective action

Over time, external agencies (including the EU) have learnt valuable lessons on what type of capacities, skills, tools, sources of knowledge and implementation approaches are needed to operate in fragile settings:

- 1) First, European agencies need to continue strengthening their ability (internally or with external assistance) to **conduct in-depth and granular context, political economy and conflict analyses**.²⁶ This is essential to determine overall response strategies and to assess what needs / can be done at the local level, including by and through LRGs.

²⁶ In fragile settings, the EU has made the elaboration of conflict analyses or structural country assessments a mandatory requirement. Ideally they complement other analytical tools such as stakeholder mappings, political economy analyses or TALD assessments.

Mappings of the various local actors/stakeholders (including new players) is key in fragile settings where LRGs often do not enjoy legitimacy and hybrid inclusive governance systems are the way forward. Civil society actors involved in local democracy building also invest in such mappings of the key public and private players in the local arena.²⁷ Several external agencies stressed during the debates in Reggio that solid context analysis requires the mobilisation of senior local expertise and sources of knowledge.

- 2) Second, in fragile settings intervention strategies need to **rely on local narratives** as the starting point for ownership and sustainability. This requires the EU to invest in endogenous sources of knowledge, both at the research level or for programming purposes. The mobilisation of local knowledge, mediators and facilitators can also help feed the above-mentioned local policy dialogue on wider issues (e.g. finding locally embedded ways to have inclusive planning approaches, apply the rule of law, increase local tax collection or ensure public accountability).
- 3) Third, there is equally a need for **adequate instruments to facilitate multi-stakeholder dialogues** and accompany LRGs in their quest for more inclusive governance approaches. Top-down approaches will not work as they tend to generate too much resistance. Yet locally led approaches to enhancing local governance do not emerge automatically –they need politically savvy forms of process facilitation. To this end, the EUD in Libya put in place a flexible and successful Technical Assistance facility which seeks to act in a demand-driven way to accompany change processes led by national and local governments (see Box 11). In the same logic, PLATFORMA and others have been pleading to recognise the role of '*enabling networks*', more specifically associations of LRGs, both in EU Member States and in partner countries (whenever possible).

²⁷ During the abovementioned ALDA LAB meeting on local governance in fragile settings, the point was made that these mappings were particularly relevant in authoritarian regimes where the space of civil/LGR action is reduced.

Box 11: Responding in a flexible way to locally led governance reform processes in Libya

Adopted in 2019, the MOUSANADA Facility represents an innovative and adaptable EU mechanism to support Libya's transition toward accountable and inclusive governance. Designed with flexibility at its core, this facility empowers Libyan institutions—especially at the subnational level—through tailored technical assistance, peer exchanges, and capacity building. For municipalities and local councils, MOUSANADA can be fundamental: it strengthens administrative functions, supports the formulation of local development strategies, and fosters participatory policy dialogue. By reinforcing the Ministry of Local Government and promoting decentralisation reforms, the Facility enhances the legitimacy of local authorities and helps improve service delivery. Through tools like twinning initiatives with European cities (e.g., the Nicosia Initiative), MOUSANADA enables subnational actors to learn directly from EU peers. This demand-driven, multi-actor approach allows EU Delegations to respond swiftly to emerging governance needs in fragile contexts

- 4) Fourth, it is key to **carefully reflect on the resources required to effectively navigate in different fragile/complex settings**. This is needed **at the level of the EUD itself** as a wide range of complicated tasks have to be handled (e.g. in terms of maintaining relevant dialogues, analysing evolving contexts, identifying windows of opportunity as well as suitable partners or ensuring a close follow-up of localised actions). This question may gain in importance as plans are underway for reforming the overall architecture of EU Delegations in the various regions of the world. Experience indicates that “management from a distance” (e.g. through regional hubs) may not be a suitable option. Furthermore, in fragile settings, the EU relies heavily on **implementing agencies** (e.g. from the UN family or EU Member States) that manage to still ensure a presence on the ground. Working out a good deal with these frontline agencies can be a challenging task, with important pitfalls to be avoided such as competition for funding, limited ownership by local actors and insufficient political steering (and visibility) by the EU. Good practices identified at the EUD level include taking quality time to agree on fundamental principles of engagement (e.g. “do no harm”, constructive relationship with central authorities, local agency) and to put in place mechanisms to ensure effective

application. It is also key to agree on a **clear task division** between the EU and the implementing agencies, in line with their respective roles and responsibilities.

- 5) Fifth, in fragile settings it is crucial to ensure **effective coordination** among donors at the territorial level (national and local). Silo approaches lead to randomised project interventions, duplication, misallocation of funds and a failure to address critical gaps in service delivery. Moreover, it undermines the capacity-building efforts of local institutions, as the absence of a coherent vision, led by local actors, undermines the ability of LGRs to embrace integrated territorial approaches.
- 6) Sixth, **short-term donor programs are not suitable in fragile settings** as more time is needed to ensure that positive dynamics, potentially generated by the project, can be consolidated and (intermediate) outcomes can be obtained. The adoption of medium-term process approaches is better aligned to local realities and the unpredictable evolution of fragility drivers. Creative ways should therefore be sought to facilitate continuity of funding for the actors involved in change processes (including DC partnerships such as REBUILD in Libya).

Annex 1: Brief recapitulation of core causes of fragility

There is an abundant literature on the factors and actors that may cause fragility. Below a (non-exhaustive) list of some of the main causes that tend to fuel fragility and conflict:

- ✓ *Exclusion as a primary driver.* Establishing ‘inclusive societies’ is a core governance challenge in fragile settings as the exclusion of large groups of citizens remains a dominant reality. Social, ethnic or racial divisions hamper efforts to improve governance, put in place fair institutions and foster economic opportunity. This, in turn, tends to create a zero-sum competition for power and resources, a huge disconnect between elites and people and related distrust in institutions, considered as self-serving and corrupt.
- ✓ *Political violence is used to maintain power and control access to resources.* In fragile settings, informal rules tend to determine political processes and the distribution of resources (“who gets what?”). Various forms of violence are used to prevent a fair and equitable competition for power (see the many instances of electoral violence) as well as inclusive development outcomes (as illustrated in the so-called ‘predatory states’).²⁸ Possible political settlements between elites do not necessarily alter underlying power dynamics or allow for more inclusion.²⁹
- ✓ *The limits of security-focused policies aimed at reinforcing state authority.* Experience across the globe shows that such approaches, often accompanied by quick impact development projects, have proven ineffective and at times counterproductive. For example, in 2021, the International Crisis Group called for a ‘course correction’ in the Sahel stabilisation strategy in the light of the spiralling violence in rural areas and mounting public anger at the region’s governments. The report stressed the need to change “the narrative underpinning the international strategy from one highlighting insecurity to

²⁸ A standard work in this respect is: Chabal and Daloz (2008). It was influential in promoting a global community of practitioners interested in ‘political economy approaches’ (PEAs) as a tool to understand the deeper drivers of exclusion and conflict in fragile settings in various regional settings.

²⁹ Informal rules also help to explain why in most fragile settings formally stated intentions to decentralise power to local authorities –with their potential to mitigate conflict– have not been followed by actual implementation.

one centred on a crisis of governance".³⁰ Important lessons can also be learnt from past donor/EU experiences with fostering stabilisation through state-building, which often proved flawed in design and implementation (as illustrated in the case of Afghanistan for instance).³¹

✓ *Need for integrated approaches.* Crises have become increasingly complex, protracted and recurrent. This has led to an acknowledgement that multi-dimensional approaches are more suitable to ensure stabilisation, reconciliation and restoring some form of a 'social contract' between state and society.

³⁰ ICG (2021).

³¹ EP (2023): Key weaknesses included in the EU approach (and that of other external agencies) were to treat the country as a 'blank state' upon which a new modern state could be erected and to recognise the impact of corruption (also on the legitimacy of local government structures).

Annex 2: Fragile and Conflict-Affected Contexts vis-à-vis Global Gateway options

Table 2: Initial tentative listing of countries by category

Contexts with 100% GG-360° actions	Contexts with mainly GG actions and additional essentials	Contexts with mainly essential support actions and some GG	Extremely fragile or complex contexts with only essential and basic needs support	
			a) Extremely fragile contexts with possible Government engagement	b) Extremely complex contexts without Government engagement
Tanzania	Angola	Burundi	Burkina Faso	Afghanistan
The Gambia	Bangladesh	Chad	CAR	DPRK
Zambia	Benin	Congo-Brazzaville	Comoros	Equatorial Guinea
	Cambodia	DRC	Guinea	Eritrea
	Cameroon	Ethiopia	Haiti	Iran
	Côte d'Ivoire	Guatemala	Liberia	Libya
	Djibouti	Guinea-Bissau	Nicaragua	Mali
	Kenya	Honduras	Sierra Leone	Myanmar
	Laos	Iraq	Swaziland	Niger
	Pakistan	Lesotho	Yemen	Sudan
	Tajikistan	Madagascar		Syria
	Timor-Leste	Mauritania		Venezuela
	Togo	Mozambique		West Bank & Gaza
	Turkmenistan	Nigeria		
	Uganda	Papua New Guinea		
		Solomon Islands		
		Somalia		
		South Sudan		
		Zimbabwe		
Total 3	Total 15	Total 19	Total 10	Total 13

N.B.: Listed countries are only tentatively placed in each category and the list is fully open for the time being. These countries are identified as “contexts” since a detailed assessment is required in a more detailed manner to make an informed classification, as situations inside these countries may vary.

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