

**Association of German Cities (Deutscher Städtetag)'s
expectations of the German Council Presidency**

Presentation to the 431st Meeting of
the Presidium
of the Association of German Cities
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Germany is taking over the Council Presidency at a time when the European Union is facing enormous challenges. Seldom before have cohesion and solidarity in Europe been as important as today. The coronavirus pandemic clearly shows the fragility of the European entity. The German cities express their solidarity with the municipalities of other Member States. The crisis shows that global challenges cannot be resolved within the borders of one State. We uphold our common European values and our common cultural heritage. We are resolutely against nationalism and right-wing populism. Europe will enjoy lasting success if we manage to strengthen cohesion in society and in the European Union. Europe must offer people prospects (once again). The German cities represent the motto of the German Council Presidency: Together for Europe's recovery.

Securing and shaping Europe's future is our common task and responsibility. The Member States of the European Union are called upon to contain the coronavirus pandemic and to mitigate its consequences. The agreement on the first European coronavirus emergency aid measures and the European Commission's presentation of the Next Generation EU recovery programme are steps in the right direction. At the same time, the targets aspired to of the Green Deal and of a Europe fit for the digital age must be implemented to ensure Europe's future sustainability. At the same time, the EU's ability to act depends on the cooperation of all actors. Whether the actors are committed to a Europe of solidarity will become clear in particular during the negotiations on the Multiannual Financial Framework 2021-2027, which must be adopted under the German Council Presidency.

The Association of German Cities is the voice of the cities. The cities are the bedrock of Europe. Here is where people live their lives, here is where social cohesion is played out, here is where Europe is experienced and where the image of Europe is forged. Social trends and changes occur first in the cities. For this reason, it is particularly important that their concerns are also heard and taken seriously at European level.

The responsibility of the cities for their citizens at local level and the maintenance of services of general interest during the coronavirus crisis show which competencies exist at municipal level and how dynamically the cities find solutions to social challenges. Further cross-border issues, such as migration within and to Europe, the impact and combating of climate change or the provision of infrastructure, are an integral part of the work in the cities. There is a need here for European approaches and regulations, which are implemented at municipal level. At the same time, the cities have become Europeanised in their action through exchanges with one another. They learn from one another across borders, exchange knowledge and strengthen multilateral measures – not least since the coronavirus pandemic.

The Association of German Cities hopes that the Federal Government adopts a resolute approach to the tasks ahead and constructive foresight in shaping the German Council Presidency, without losing sight of the cities and the municipal self-administration in the process.

For the issues before us, the Association of German Cities calls for:

1. Overcoming the coronavirus crisis together with a view to the future

The coronavirus pandemic is putting Europe to the test, as never experienced before. Cohesion and solidarity are essential to overcome the social and economic consequences. The Association of German Cities welcomes the fact that the German Council Presidency is applying itself to overcoming the effects of the coronavirus pandemic. Cities are facing major challenges. The loss of municipal revenues and additional expenditure have a direct impact on municipal budgets and on the investment potential of the municipalities. This is particularly important for the (re)development of the economy. In addition, the viability of municipal enterprises in the economic sectors which have been particularly hard hit is in jeopardy. These sectors include in particular local public transport, cultural facilities and public pools, but also event and congress centres, trade fairs, airports and ports. So far, the European Commission's recovery programme explicitly considers the needs at local level only within the framework of the REACT EU initiative. This represents only a short-term solution

for particularly adversely affected municipalities. The Federal Government should work to ensure that cities and municipal enterprises can in fact take advantage of further liquidity assistance and credit programmes under the recovery programmes. The Association of German Cities requests the Federal Government to work towards ensuring direct access of municipalities to European funding.

2. Rapid adoption of the multiannual financial framework

The European Commission's revised proposal for the EU budget 2021-2027 and the Next Generation EU recovery programme are clear signals for a Europe of solidarity which combines forces to overcome the consequences of the coronavirus pandemic and is willing to accept the multifarious economic, social and ecological challenges in the coming years. The EU Member States are now called upon to decide quickly on this issue in order to safeguard Europe's future together and to establish planning security. Through their national contributions, Member States must ensure that the EU budget is adequately endowed to implement the various political objectives aspired to locally in concrete projects. The Federal Government, as holder of the Presidency of the Council, should therefore work towards ensuring reinforcement of direct investments in European cities. Climate change and the accompanying structural change must be addressed locally. At the same time, the aggravation of social and territorial inequalities in Europe must be forestalled.

3. Shaping EU structural policy sustainably and for the long term

The Association of German Cities advocates a sustainable, long-term structural policy, endowed with adequate financial resources, as a pillar for the future of the EU. It welcomes the political goals retained in the new proposals and supports a stronger orientation towards "a greener, low-carbon Europe". The establishment of a Just Transition Fund (JTF) for transition to a climate-neutral economy is considered appropriate. The JTF needs independent financing. To this end, the EU budget must be adequately funded by the contributions of the Member States. The financing must not be at the expense of the regional and structural policy of the EU funding period from 2021. In particular, the obligatory use of funds from the EU structural policy for co-financing contained in the proposals, is rejected. The proposed Next Generation EU recovery programme must not call into question the financing of the future EU cohesion policy and national support systems, such as the pan-German support system for structurally weak municipalities, but must be financed in addition so as to have an impact. The greater flexibility in the use of the EU structural funds that has now been made possible should be maintained consistently in the long term too and thus be more quickly adaptable to the specific requirements of the cities.

4. Secure digital independence for the EU

A liberal, democratic Europe is based on self-determined action and decision-making. Digital sovereignty is a necessary component of an autonomous Europe and must be ensured and further developed by means of suitable measures. The dependence on individual private providers of digital infrastructure severely restricts Europe's sovereignty. The power of data should not be underestimated. A consistent European data strategy is therefore necessary to enable sovereign action and to maintain the prosperity of Europe. The German cities expect the Federal Government to closely coordinate its national data strategy with the projects at EU level. The cities' practical experience must be included here. Solutions must be technically compatible, deployable across levels and practicable locally. It is only in this way that a digital Europe can also be sovereign.

5. Flanking municipal commitment to climate protection by the EU Green Deal

The German cities welcome the EU's new growth strategy – the EU Green Deal. It provides important impetus to achieving the climate neutrality of Europe in 2050, which is to be enshrined in the European Climate Law. The EU Green Deal provides for comprehensive investments in sustainable and climate-friendly measures and technologies at all levels. These range from climate protection and climate adaptation to sustainable mobility and the preservation of biodiversity to the circular economy. The cities already do a great deal for environmental and climate protection and climate adaptation. They are prepared to bring the EU Green Deal to life. Therefore the projects and measures provided for in the EU Green Deal should support the municipal commitment to climate protection and in the transport and energy transitions. The Association of German Cities expects the EU Green Deal to be financed by additional funding from the EU budget. The financing of the EU Green Deal must not be at the expense of promoting the structurally weak regions throughout Europe.

6. Taking municipal investments into account in the concept of sustainable finances

Municipalities face major challenges in ensuring services of general interest and in providing a sustainable infrastructure. More than half of all public investments are municipal investments in material assets. Ensuring the liquidity of the municipalities and financing municipal investments are crucial. The liquidity of the municipalities is a prerequisite when it comes to overcoming the crisis sustainably at national and European levels. The Association of German Cities welcomes plans for a European or international minimum taxation. However, this must continue to allow regional tax autonomy in the field of company taxation. In addition, the trade tax laid down under constitutional law must also be safeguarded on a long-term basis at European or international level. We support the approach of developing sustainability increasingly into an important issue on the financial markets. It is a matter of coping with financial risks from the coronavirus pandemic, climate change, environmental deterioration and social tensions. Transparency and long-term thinking must be strengthened.

7. New impetus to contribute to the success of the CEAS reform

It is essential to overcome the shortcomings in the European asylum system and position ourselves to be fit for the future. The humanitarian situation along the refugee and migration routes by sea and land to Europe highlights the weaknesses which have existed for years. The most important aim is a fundamental reform of the Common European Asylum System (CEAS). A replacement must be found for the blocked Dublin Regulation. This hinges on a solidarity-based, reliable and lasting distribution mechanism for asylum seekers. Rapid asylum decisions and their effective implementation are an important factor to defuse the situation in the Member States at the EU external borders. Preliminary assessments of asylum applications in the Member States at the EU external borders, while respecting the rule of law, could contribute to speeding up the process. There is also a need to strengthen the basic principle that asylum seekers can submit an application in only one Member State. As flanking measures, more alternative safety mechanisms should be created, for example through resettlement programmes, the causes of migration and flight must be addressed and living conditions in the countries of origin must be stabilised to counter irregular migration.

8. Establishing the common good as a guiding principle in the new Leipzig Charter

The Leipzig Charter has been the central foundation for urban development policy in Germany since 2007. The updating of the Leipzig Charter will have a considerable impact on the urban development policy in Germany and Europe. Accordingly, it is important to consider municipal interests in the updating. In particular, the orientation of urban development towards the common good, the multi-level approach and the integrated working method must also be reflected in the new Leipzig Charter.

In addition, dealing with disadvantaged neighbourhoods must be updated and topics such as land policy and digitisation included in the Charter.

9. Providing impetus for gender equality policy at EU level

The Presidium welcomes the fact that the European Commission has proposed a Gender Equality Strategy 2020-2025 to the Council with concrete goals and measures, with which gender equality is to be placed once more at the heart of EU policy. The Federal Government is called upon, in the context of its Council Presidency, to provide important impetus in matters of gender equality policy for the EU agenda in the coming years. Gender equality in working life must be a matter of effectively reducing the pay gap. Pan-European standards must be implemented which ensure that care and upbringing of family members and household tasks are shared more fairly between the sexes. In combating violence against women, the Federal Government must also work towards the obligations laid down in the Istanbul Convention becoming the standard of protection throughout Europe.

10. Using the experience of the cities for the Conference on the Future of Europe

The European Commission proposal to set up a Conference on the Future of Europe is noted with approval. On the other hand, the so far unclear aims and composition of the conference give cause for concern. The Association of German Cities welcomes the announcement by the Federal Chancellor all the more that, against the background of the developments in the coronavirus pandemic, the conference must be an instrument for serious dialogue on the further development and future of the European Union. The German cities play an active role in the dialogue with citizens and for years have been at the forefront of European work – whether through town-twinning, education and youth work or carrying out EU-funded projects. The Association of German Cities therefore calls on the Federal Government to ensure the participation of the municipal level, through its umbrella organisations, in the composition of the conference.