Connective Cities Deep Dive

Strengthening Local Economies – Globally Competitive, Profitable and Fit for the Future

Background

Municipalities around the world are facing profound global challenges, multiple crises and far-reaching structural changes. These developments are placing increasing pressure on key pillars of local and regional economies.

In recent years, geopolitical conflicts have fundamentally changed the economic conditions in many countries. Rising energy and raw material prices, as well as disrupted supply chains, are putting pressure on companies worldwide. Energy-intensive industries such as chemicals and mechanical engineering – for example in Germany – are suffering from high energy costs. In several regions, for example Eastern Europe, conflict-related labour migration is creating additional challenges for businesses. As a result, the global competitiveness of key technologies and strategically important economic sectors is at risk in many places.

The stability of traditional partnerships – such as the transatlantic alliance – is increasingly being called into question. At the same time, new trade and security alliances are emerging, bringing both opportunities and uncertainties. Security is gaining importance across many areas and is shaping the direction of future innovation strategies.

In addition, there is the strong impact of climate change: In many regions of the world, increasing natural disasters, rising temperatures or other changed living conditions endanger entire economic sectors and make profound structural change necessary.

Municipalities around the world are under increasing pressure to act and to develop solutions locally to address the consequences of these developments, weakening competitiveness and business failures leading to declining profits and job losses. Yet they are often not sufficiently prepared for this changed situation and do not always have effective approaches or favourable conditions for economic development and investment. Lengthy bureaucratic processes, high tax burdens, a lack of transparency, slow development of industrial sites and insufficient service orientation often deter investors at the regional level and hamper innovation. Start-ups and established companies alike are consequently confronted with additional, unnecessary barriers.

At the same time, enormous new opportunities are emerging. New high-growth markets such as electric mobility, autonomous driving and renewable energy – including green hydrogen and, in the longer term, nuclear fusion – as well as artificial intelligence (AI) are becoming key drivers of future economic systems. AI is already one of the world's most dynamic growth markets and will fundamentally transform existing technologies, industries and business models. These developments also enable new players to enter the market with innovative products and solutions by-passing traditional barriers of entry into industries and creating new industries altogether.

As in previous periods of profound change, the same applies today: it is not necessarily the strongest players who prevail, but those who adapt to new conditions most quickly and effectively.

Against this backdrop, a key question arises:

How can municipalities navigate these complex challenges and strengthen their local economies to become more resilient and better positioned in an increasingly competitive global economy?

Objective

The Deep Dive "Strengthening Local Economies" is an international learning process, which brings together representatives from municipalities, the business community, research institutions, regional intermediaries and international organisations. The aim is to critically analyse regional economic structures, identify new growth potential and develop strategic alliances to establish efficient, innovative and future-oriented local economic development. Location factors are also to be strengthened, because although many regulations and laws are established at national level, municipalities often have considerable influence over improving their local business environment and promoting innovative approaches.

Together, participants can:

- Discuss challenges and intensively exchange, share and adapt good practices
- Analyse the problems and potential of local economies
- Develop new and innovative municipal / regional economic development concepts
- Initiate pilot projects and test new technological and non-technological approaches
- Share new municipal management instruments and cooperation models
- Discuss instruments for creating a business- and investment-friendly municipality
- Exchange methods for supporting structural change
- And turn ambitious ideas into concrete, implementable projects and activities

The focus is not on stopping structural change, but on understanding it, actively shaping it and using it as an opportunity for sustainable growth.

Thematic Focus Areas

Depending on the priorities and challenges identified by the participating municipalities, the Deep Dive may address topics such as:

- Current challenges and potential of local key sectors and locations
- Good practices for successful structural change
- Building a business-friendly municipality
- In-depth analyses ("deep dives") into transformation technologies (sustainable energy, artificial intelligence and other future technologies)
- Analysing local competitiveness based on international models
- The importance of international alliances and cooperation
- Innovation ecosystems: spin-offs, research & development, universities
- Building investment-friendly cities: reducing bureaucracy and establishing service-oriented administrative structures
- New approaches to financing growth: venture capital, funding instruments and investment strategies

The thematic focus will be shaped by the needs and priorities brought forward by the participating municipalities.

Who can participate?

- Experts and managers from **municipal and regional administrations, economic development agencies, municipal enterprises and other relevant public institutions** in Germany and our focus regions in **Southeast Europe and the South Caucasus, Sub-Saharan Africa, and the Middle East and North Africa (MENA)**
- Municipal practitioners working in areas such as **local economic development, private sector promotion, cluster promotion, investment promotion and municipal management**
- **Private-sector actors and other relevant stakeholders** from participating municipalities where appropriate

Schedule and Format

- Virtual kick-off meeting: End of November 2026
- First in-person workshop (3 days): Early February 2027
- Duration: approx. 1.5 years
- Formats: In-person workshops, digital exchange modules and short expert missions ("peer visits")

Structure of the Deep Dive

The Deep Dive is structured in three phases:

1. Risk and vulnerability analysis,
2. Integrated planning and solution development, and
3. Implementation readiness and financing

Participation and Contact

Each participating municipality/ institution is encouraged to nominate **two representatives**, ideally bringing complementary expertise from different departments or institutions. Participation costs (accommodation and meals) for up to two representatives per municipality will be covered by Connective Cities. The conference language is English.

Expression of interest by: **31st October 2026**

To apply: https://community.connective-cities.net/en/form/connective-cities-deep-dive-stre

For further enquiries, please **contact** us:

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