

CITIES AT THE CROSSROADS

UNDERSTANDING AND NAVIGATING CITY DIPLOMACY RISK

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HIGHLIGHTS

The long-standing belief that city diplomacy constitutes a niche for cooperation and morality in international relations is progressively fading, as evidence shows that its sustainable development benefits coexist with risks of foreign interference.

Cities in democratic countries are prime targets for foreign interference because their autonomy in establishing and managing international partnerships generally lacks mechanisms for assessing and mitigating geopolitical risks associated with city diplomacy.

In addition to geopolitical risks, cities in democratic countries are becoming increasingly aware that engaging in international relations exposes them to risks related to economic development, intellectual property, and ethical-reputational concerns.

Today, cities worldwide face a critical choice: they can either refrain from city diplomacy to avoid its risks or equip themselves with the necessary tools to understand, anticipate, and manage them. This briefing offers a set of guidelines to support the latter approach.

INTRODUCTION: OPPORTUNITIES AND RISKS OF CITIES' RETURN TO INTERNATIONAL RELATIONS

In 1648, the Peace of Westphalia marked the end of the millennia-old tradition that saw cities as key players in international relations and in the development of the practice of diplomacy itself. By excluding foreign entities from interfering in domestic affairs, the concept of "**Westphalian sovereignty**" established international relations as the exclusive domain of states. As a result, cities were compelled to dismantle the complex and sometimes overlapping networks of transnational political, commercial, and military ties in which they had been deeply involved, such as the influential Hanseatic League¹.

While European colonialism spread Westphalian sovereignty across the globe, cities' exclusion from international relations eventually proved temporary. The creation of the **International Union of Cities** in 1913 in Ghent, Belgium, marked the beginning of a global movement that led to **the gradual return of cities to cross-border relations**².

Although cities' transcendence of Westphalian sovereignty has been only partial, it is precisely the enduring constraints on their international actions that have shaped the distinct character of city diplomacy. Deprived of the military and economic means to impose their will abroad—unlike pre-Westphalian Greek poleis, Italian lordships, or free imperial cities—modern city diplomacy has largely operated along **explicit goals of cooperation and**

solidarity. Knowledge exchange, joint problem-solving, and mutual aid emerged as core features of most bilateral and multilateral city-to-city relations, particularly in addressing **urban consequences of global challenges** like climate change and growing inequality.

During the Cold War, city diplomacy demonstrated that **continued dialogue and collaboration** between local communities in opposing countries could ultimately contribute to official reconciliation³. Additionally, the practice of **decentralized cooperation**, i.e., development cooperation connecting subnational governments, emerged as a unique complement to national aid, providing much-needed expertise and support to Global South local administrations and their communities⁴. Since the 1970s, the United Nations has praised city diplomacy for its role in **fostering transnational friendship and dialogue**⁵.

This official recognition is reflected in Secretary-General António Guterres's call for integrating cities into a "**more inclusive multilateralism**"⁶. Cities' elevated status in global governance is evident in their participation in initiatives such as the Coalition for High Ambition Multilevel Partnerships for Climate Action (**CHAMP**), launched at COP28 in Dubai in December 2023, and the November 2024 G7 Ministers' recommendation to formalize **U7**, the platform representing their cities, as an official engagement group within the G7 architecture, following the precedent of the G20's **Urban20**⁷.

These formalizations of city diplomacy demonstrate the increasing recognition by national governments of its value in connecting urban communities and

¹ I. Take, "The Hanseatic League as an Early Example of Cross-Border Governance?," *Journal of European Integration History* 23, No. 1, 2017, pp. 71–96.

² United Cities and Local Governments, *1913•2013. 100 Years: Testimonies. Centenary of the International Municipal Movement*, Barcelona, Spain: UCLG, 2013), available at www.uclg.org.

³ P. Jain, *Japan's Subnational Governments in International Affairs*. London, Routledge, 2006, p.30; E. Garcia, "Les Collectivités Territoriales Dans La Coopération Française: Origines, Spécificités et Perspectives." *Pour Mémoire. La Revue Des Ministères de La Transition Écologique et Solidaire et de La Cohésion Des Territoires*, Fall 2017.

⁴ L. Kihlgren Grandi, "The Evolution of City Diplomacy in Africa: Impact, Potential, and Ongoing Challenges of African Cities' International Activities," *Ifri Papers*, Ifri, November 2024, available at www.ifri.org.

⁵ United Nations General Assembly, "Town Twinning as a Means of International Co-Operation," 2861 (XXVI) Resolutions adopted on the reports of the Third Committee, 1971.

⁶ United Nations, *Our Common Agenda – Report of the Secretary-General*, New York, United Nations, 2021.

⁷ G7 Ministers Responsible for Sustainable Urban Development, "G7 Ministers' Meeting on Sustainable Urban: Communiqué" (Rome: G7, November 4, 2024), available at www.g7italy.it.

enhancing their individual contributions to addressing the local implications of global challenges. Evidence from over 300 international city networks and a growing body of academic literature highlight its **concrete benefits**, including methodologies and resources that help local governments pursue their priorities more effectively while advocating for shared values on the international stage⁸.

The general acknowledgment by governments of the importance of diplomacy does not extend to granting subnational entities authority over key sovereign competencies, especially in the areas of security and defense. However, recent focus from researchers and practitioners on the risks associated with city diplomacy has highlighted vulnerabilities in these areas, largely due to adversarial strategies employed by foreign nations. In an increasingly polarized international context, **foreign actors have started to exploit the breach in Westphalian sovereignty created by city diplomacy** to advance geopolitical agendas. Autocratic states have turned their own local governments into proxies for foreign policy, acquiring strategic information, influencing local politics, and controlling critical infrastructure—often without arousing suspicion. City diplomacy exposes targeted urban communities and stakeholders to similarly unexpected economic, intellectual property, and ethical or reputational risks. These **vulnerabilities are particularly acute in democratic countries**, where local authorities' autonomy in designing their own international strategies revealed their widespread need for guidance on anticipating and managing risk.

These occurrences fall under the recently introduced category of "**city diplomacy risk**"⁹, i.e., the vulnerabilities to local development obstacles, damages, and biases stemming from a subnational

government's international activities. This briefing's aim to contribute to the knowledge, analysis, and management of this type of risk is pursued by addressing city diplomacy through the methodological lens of **political risk analysis**, a discipline that examines the impact of political and geopolitical changes on public and private investments¹⁰.

The first part of this document explores these vulnerabilities and their impacts through a **city diplomacy risks matrix**. Such a framework is based on evidence collected by interviewing representatives from American, German, and Japanese municipalities and city networks and largely applies to subnational governments in other liberal democracies. The second section presents practical guidelines designed to empower city governments and their partners in effectively **conducting risk foresight, assessment, and management**. Finally, the conclusions reflect on the momentous choice cities face today: **to acquire the capacity to navigate city diplomacy risks or to refrain from international relations and their unique potential for sustainable development**.

CITY DIPLOMACY RISK FOR AMERICAN, GERMAN, AND JAPANESE CITIES

This section and the following one provide a classification of the risks associated with the international action of cities as they have emerged in the **American, German, and Japanese contexts**. Three essential features support the selection of these case studies.

First, in terms of institutional dynamics, the three

⁸ L. Kihlgren Grandi, "How Cities Cooperate to Address Transnational Challenges," in *The Palgrave Encyclopedia of Urban and Regional Futures*, Cham: Springer International Publishing, 2022, pp. 1–10; J. Stürmer-Siovitz, "All the World's a Stage? A Role Theory Analysis of City Diplomacy in Global Migration Governance," *International Migration Review* 57, No. 4, December 1, 2023, pp. 1329–61; M. Acuto et al., "What Three Decades of City Networks Tell Us about City Diplomacy's Potential for Climate Action," *Nature Cities* 1, No. 7, July 2024, pp. 451–56.

⁹ L. Kihlgren Grandi, "Localising Political Risk. A Framework for Analysing Political Risk Associated with City Diplomacy," in *The Routledge Handbook of Political Risk*, ed. C.E. Sottilotta et al., New York, N.Y.: Routledge, 2025.

¹⁰ See C. E. Sottilotta, *Rethinking Political Risk: Concepts, Theories, Challenges*, London: Routledge, 2016.

countries, like many liberal democracies, display a notable gap between advanced political decentralization and limited administrative capacity with respect to city diplomacy. Subnational governments, empowered by the principle of "**local self-government**" to manage their international relations, gradually realized that they struggled to fully replace the national government's risk assessment and management. This challenge was particularly evident in the **absence of clear guidelines** to facilitate their efforts. As a result, foreign ministries and intelligence services are typically the first to identify and alert affected local authorities – with the partial exception of municipalities with highly skilled international relations departments. In order to address this vulnerability, **the US State Department created in October 2022 the Subnational Diplomacy Unit (SDU)**, whose mandate includes providing U.S. mayors with city-level information on their Foreign Direct Investment (FDI) profile and capacitating their offices through international affairs advisors¹¹. While most liberal democracies, including Germany and Japan, have offices in foreign ministries that their local government can contact for information and guidance about city diplomacy risk, SDU's proactive knowledge sharing and capacity development seems to be matched only by the French Ministry of Foreign Affairs' Delegation for Local Authorities and Civil Society (DCTCIV)¹².

Second, major urban centers in the United States, Germany, and Japan face particular exposure to city diplomacy risk due to their role as veritable pivots of the leading democratic economies in their respective regions and, in the case of the United States, the world. Unsurprisingly, collected evidence illustrates that these three countries's largest urban economies constitute **targets for economic interference by non-democratic foreign governments**. These entities generally dispose of the means to manipulate international actions involving their cities and private actors to further their competition and influence.

Finally, the choice of such a research sample is motivated by a third commonality, namely the ease of access to city diplomacy risk evidence, a result of **national and local transparency laws and regulations**. The primary data for this research was collected through semi-structured interviews with international relations officers, whose names are listed in the acknowledgments. The findings also rely on documents shared by the interviewees and a comparative review of primary and secondary literature on city diplomacy and political risk. Interviewees were granted confidentiality; thus, while their individual contributions cannot be reported, they were crucial in classifying city diplomacy risk, developing management guidelines, and shaping the final recommendations.

The **city diplomacy risk matrix** (Table 1) delineates the three main categories that emerged from the research and their respective impacts.

Among the three categories, **geopolitical risk** holds a central position in the concerns of the city diplomats interviewed. This research on US, German, and Japanese cities has led to identifying that such a risk originates primarily in foreign investments. **The political value of urban foreign direct investment (FDI)** emerges as twofold: their attraction often constitutes a clear priority for local governments, while their international deployment has emerged as a strategic means for accessing foreign markets and enhancing or consolidating spheres of influence. It is not uncommon to observe collaborative efforts between central and local governments in pursuit of the latter objective. The advanced implementation and widespread reach of that collaboration's prime example, i.e., China's Belt and Road Initiative (BRI), may have been the driving force behind similar recent initiatives led by the United States and the European Union¹³. However, unlike China, the US and the EU can only encourage their local authorities' participation through economic incentives rather than directly steering it.

¹¹ Office of the Spokesperson, "Two-Year Anniversary of the Subnational Diplomacy Unit," Press Release, Washington, D.C.: U.S. Department of State, October 8, 2024, available at www.state.gov.

¹² L. Kihlgren Grandi, "Localising Political Risk. A Framework for Analysing Political Risk Associated with City Diplomacy," op. cit.

¹³ I. Klaus and S. Curtis, "The New Corridor Competition Between Washington and Beijing," Carnegie Endowment for International Peace, April 12, 2024, available at <https://carnegieendowment.org>.

From the perspective of cities in democratic countries, risks related to incoming urban FDI originate precisely in the context of long-established bilateral partnerships with peers whose central government directs and closely monitors its subnational governments, companies, and civil society organizations as **proxies for foreign policy goals**. Under this circumstance, trust based on previous city-to-city interactions is frequently leveraged by the foreign counterpart to expand the

partnership to investments. FDI deployed in the framework of this kind of city-to-city partnership might turn out to be a **gateway to foreign interference**, particularly when it involves strategic infrastructure such as ports and essential service providers. Through these investments, foreign nations are able to acquire leverage and information of geopolitical, geostrategic, and geoeconomic significance.

Table 1 – City Diplomacy Risk Matrix

CATEGORIES	SCENARIOS	IMPACT
<p>A. GEOPOLITICAL RISK</p>	<ul style="list-style-type: none"> • Adversarial Proxy Foreign Policy Non-democratic and centralized foreign governments steer their cities and private and public entities to enter into political and economic partnerships with foreign local actors. 	<ul style="list-style-type: none"> • Exposure to Foreign Political and Economic Influence FDIs are used to exert direct or indirect political and economic pressures on the local government. • National Security Breaches FDIs on local strategic infrastructures (including ports, public transportation, and electric and water grids) are used by an adversarial foreign government with coercive intents to acquire strategic information for their intelligence and military apparatus. • Propaganda and Disinformation Direct or indirect partnerships connecting the foreign government with local actors such as political parties, civil society organizations, academia, and media outlets are used to manipulate foreign public opinion, including by spreading fake news.
	<ul style="list-style-type: none"> • International Crises and Frictions International crises and frictions, including armed violence, wars, sanctions, and long-standing disputes, oppose national governments of city diplomacy partners. 	<ul style="list-style-type: none"> • Partnership and Projects Discontinuation The city is legally or politically compelled to end or significantly alter its international partnerships and projects with its counterpart. This also applies to relations between cities in democratic countries, which may be strained due to disputes.
<p>B. ECONOMIC AND IP RISK</p>	<ul style="list-style-type: none"> • Unfair Economic Competition City diplomacy partnerships involve foreign public and private partners dissimulating economic competition with economic cooperation. This case can emerge from partner cities in both democratic and non-democratic countries. 	<ul style="list-style-type: none"> • Loss of Competitive Advantage The involvement of foreign partners in city-to-city study visits and knowledge exchange efforts conceals their intent to gather information for market competition. • IP Theft Deceitful participation in peer-learning and knowledge exchange activities results in IP theft, including through industrial espionage agents embedded in visiting delegations from foreign partner cities.

(Continued)

Table 1 (Continued)

CATEGORIES	SCENARIOS	IMPACT
<p>C. ETHICAL- REPUTATIONAL RISK</p>	<ul style="list-style-type: none"> Partnerships with Unethical Actors City-to-city partnerships involve foreign actors who either participate in or fail to condemn social and environmental rights violations occurring in their own countries. Non-Genuine Partnerships Foreign actors, both public and private, falsely impersonate local governments to gain access to the benefits of city-to-city partnerships, such as knowledge exchange or visa invitation letters, or to expose deception for the purpose of denigration. Partnership with Internationally-Unseasoned Local Actors The city-to-city partnership involves local actors whose unfamiliarity with foreign rules and customs is perceived by local partners. City Diplomacy Called into Question for Cost and Impact Local, national, and international media, along with public opinion, accuse the city government's engagement in city diplomacy of being an unproductive waste of money, only benefiting public officials involved in it. 	<ul style="list-style-type: none"> Tarnished Reputation of the City Government The city government incurs reputational risk deriving from interaction with unethical or non-genuine actors. These accusations might be instrumentalized or even piloted by opposition parties and media. Partnership and Projects Discontinuation The partnership may be discontinued due to pressures from the foreign partner, especially if any offense or harm is caused by a local actor involved in the collaboration. Alternatively, it can be discontinued as a result of pressure from local opposition, civil society organizations, and media outlets. In this latter scenario, the pressure could extend to halting all international activities.

The substantial volume of such investments in liberal democracies should be viewed in the context of their at least initially favorable assessments by the recipient cities' authorities. The economic growth and employment spillovers that FDI can generate, coupled with the unawareness or neglect of potential foreign interference, have led several mayors to **proactively position their cities as attractive investment destinations for some of the wealthiest non-democratic countries**. This trend may be the reason for the recent emphasis on increasing awareness among local governments by both the US federal government and the EU¹⁴.

In addition to its direct influence on local decision-

making processes, this proxy foreign policy may also serve objectives related to **propaganda and disinformation** aimed at foreign audiences¹⁵. Evidence shows that municipalities in non-democratic countries utilize twinning agreements to facilitate substantive investments and donations in their foreign counterparts' media and academic sectors. Recently, **cities in liberal democracies have become more cautious** in enabling such arrangements, largely due to growing awareness and concerns over freedom of speech and media issues in certain foreign contexts.

In another quite frequent geopolitical risk scenario, cities find themselves inadvertently entangled in

¹⁴ Counterintelligence and Security Center, "Protecting Government and Business Leaders at the U.S. State and Local Level from People's Republic of China (PRC) Influence Operations," *Safeguarding Our Future*, Washington, D.C.: Office of the Director of National Intelligence, July 6, 2022, available at www.dni.gov; F. Jüris, "Security Implications of China-Owned Critical Infrastructure in the European Union," In-depth analysis requested by the European Parliament's sub-committee on Security and Defence (SEDE), Brussels, Belgium: European Union, June 23, 2023, available at www.europarl.europa.eu.

¹⁵ I. Trijsburg et al., *Disinformation in the City Response Playbook*, The University of Melbourne, 2024, available at www.unimelb.edu.au.

international tensions involving their respective national governments. A notable example is the severing or suspension of relations between US, German, and Japanese cities with their Russian and Belarusian peers after the Russian invasion of Ukraine in February 2022. While the available evidence of this scenario primarily concerns relations with cities in non-democratic countries, there is limited but nonetheless significant proof of the negative impact on relations linking cities in democratic regimes. One example is the friction between Japan and South Korea regarding the comfort women issue. The intention on the Korean side to honor such women and remember the suffering they endured during the Japanese colonization of the peninsula (1910 to 1945) has negatively impacted relations between cities in the two countries but also forced those in third ones into a delicate diplomatic exercise to avoid antagonizing either side, with almost certain consequences in terms of rescinding partnerships.

Exposure to contingencies contrasting from the supposed moral exception of city diplomacy in the field of international relations is similarly observed in the second category of the matrix, which pertains to **economic development and intellectual property.** Indeed, this category features a scenario in which foreign entities, from both democratic and non-democratic nations, strategically leverage two fundamental city diplomacy practices— knowledge exchange and joint project management—to gain a competitive edge, often to the detriment of their unsuspecting partners. The frequent challenges faced by cities in democratic nations in effectively **vetting their foreign counterparts** have resulted in documented instances of intellectual property theft. In some cases, these incidents have been attributed to supposed local government officials who were later identified by national intelligence as industrial espionage agents. Evidence shows that well-established twinning agreements featuring a track record of profitable interactions are not exempt from such a risk.

The third category concerns **ethical-reputational risks.** Indeed, municipal governments that incur the scenarios associated with this category suffer

discredit related to the partnerships they enter into. This situation may arise from collaborations with foreign entities accused of violations against social, political, or environmental rights. It is not infrequent for diasporic groups present in the city to play a central role in raising awareness about the situation in their country of origin and vehemently advocate for discontinuing such ties. Another quite embarrassing scenario of this category involves engaging in dialogue and partnerships with **individuals deceitfully impersonating local government officials** to gain access to visas and information or just to discredit the targeted municipality. Furthermore, negative reputational consequences can derive from including in city diplomacy activities two types of local actors: those who pursue evident social or green-washing purposes and those lacking the capacity to act proficiently in contexts requiring in-depth knowledge of foreign laws and customs sometimes quite different from their own.

The last, quite frequent scenario in this category involves local political opposition voices and the media associated with them questioning both the effectiveness of city diplomacy initiatives that have been implemented, as well as the overall appropriateness and coherence of this practice. In Japan, Germany, and the United States, mayors who have made international commitments to address global issues such as climate change and inequity frequently face **accusations of neglecting local priorities.** Additionally, allegations of hypocrisy are often directed explicitly at mayors who engage in local climate action initiatives abroad, particularly concerning the greenhouse gas emissions resulting from international travel.

ANTICIPATING AND MANAGING CITY DIPLOMACY RISK

The matrix in Table 1 shows that a city engaging in international relations must consider the associated risks carefully. Failing to do so may result in ineffective strategies and could significantly

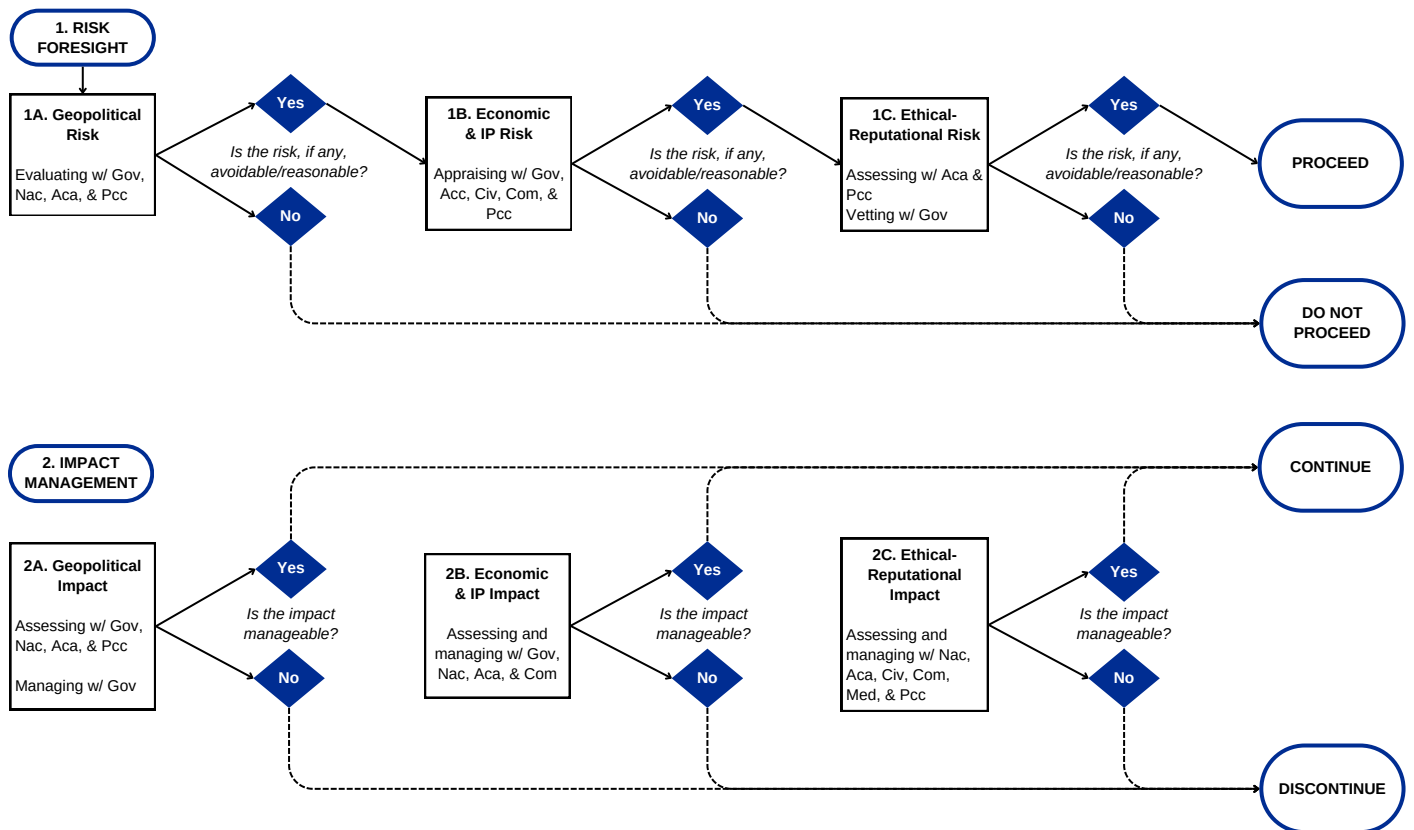
jeopardize the city's future development trajectory. Understanding the risks associated with city diplomacy challenges the notion of viewing it as a haven of morality in international relations.

The **two flowcharts** below are designed to assist municipal and subnational governments in democratic nations in effectively addressing the challenges of city diplomacy. The first consists of a three-step foresight process intended to **minimize**

the risks associated with engagement in potentially hazardous international partnerships and activities.

The second flowchart serves as a tool for the municipal government in **managing the three categories of city diplomacy risks**. The ascertained inability to successfully manage each of the three categories of city diplomacy risk constitutes sufficient reason to initiate disengagement mechanisms in the related activity.

Images 1 and 2 – City Diplomacy Risk Foresight and Management Flowcharts



Acronyms

Gov national government (ministry of foreign affairs, including the diplomatic and consular networks, and other relevant ministries)
Nac national association of cities
Aca local and national academic and research institution of the highest reputation and standards
Civ local civil society organizations involved in the international activity

Com public and private companies involved in the international activity
Med local and national mass media and social media
Pcc cities in partner countries

Source: Authors' elaboration based on L. Kihlgren Grandi, "Localising Political Risk. A Framework for Analysing Political Risk Associated with City Diplomacy," in *The Routledge Handbook of Political Risk*, Ed. C.E. Sottiolotta et al., New York: Routledge, 2025.

Both diagrams highlight the **essential need for cities to form partnerships** that provide access to necessary resources and tools for preventing, assessing, and managing risks in city diplomacy. The proposed partnerships extend across distinct levels—local, national, and international.

The first type of cooperation involves engaging **qualified local actors**—academia, civil society organizations, businesses, and the media—in a multi-stakeholder process led by the municipality. The flowcharts underscore that this approach's first added value lies in addressing information gaps through essential insights into foreign actors and their underlying motivations. In the examined countries, contributions from academia in analysis, reporting, and evaluation have increasingly demonstrated their value. This finding is in line with policy recommendations addressing city diplomacy risk in other geographical contexts¹⁶. Furthermore, this multi-stakeholder approach enables city diplomacy to align with local ambitions and be nurtured by local capacities. Applying **co-construction and co-responsibility rationales** to international city projects makes them inherently more resilient to ethical-reputational risk scenarios sparked by criticisms casting doubt on the value and merits of city diplomacy.

The second level of cooperation outlined in the flowcharts involves **domestic partnerships** with other cities, higher subnational tiers (e.g., regions or federal states), the national association of local authorities, and the central government. This approach facilitates the circulation of information related to city diplomacy risks through efficient and accessible mechanisms for **consultation, monitoring, vetting, reporting, and assessment**. By integrating much-needed operational guidelines with capacity development for cities and local authorities, the central government would empower them to better anticipate and manage city diplomacy

risk, moving away from the now-dominant reliance and dependency on an ex-post contingency governmental intervention.

Finally, evidence that the US, Germany, and Japan experience similar city diplomacy risk profiles highlights the importance of **dialogue between cities in partner countries**. The recently launched “Symposium on Strategic Subnational Diplomacy” by SDU, involving G7 countries plus Australia and New Zealand, is a step toward such cooperation¹⁷. Additionally, the formalization of U7 as a G7 engagement group could create a platform for multilevel and multilateral knowledge exchange and advocacy, complementing the G7 Rapid Response Mechanism (G7 RRM) launched at the 2018 G7 in Canada, an example of coordination “to identify and respond to diverse and evolving threats to our democracies”¹⁸. The strategic value of these collaborations does not lie in exacerbating the polarization of city diplomacy but rather in avoiding exposure to its most divisive instrumentalizations. Ultimately, city diplomacy risk foresight and management allow for expanding the capacity of local governments to identify opportunities for authentic collaboration in order to purposefully and effectively renew the tradition of **bridge-building and pursuit of the common good** that has led to the worldwide recognition and dissemination of this discipline.

CONCLUSION: CITY DIPLOMACY AT THE CROSSROAD

For over a century, city diplomacy has thrived as a “moral exception” in international relations, enabling municipal governments to pursue joint development cross-border. However, this narrative is increasingly incomplete. Growing evidence of **vulnerability to**

¹⁶ L. Kihlgren Grandi, “The Evolution of City Diplomacy in Africa: Impact, Potential, and Ongoing Challenges of African Cities’ International Activities,” op. cit.; L. Kihlgren Grandi, “Localising Political Risk. A Framework for Analysing Political Risk Associated with City Diplomacy,” op. cit.

¹⁷ United States Department of State, “Notice of Funding Opportunity (NOFO): Symposium on Strategic Subnational Diplomacy,” August 30, 2023, available at www.grants.gov.

¹⁸ G7 Leaders, “Charlevoix Commitment on Defending Democracy from Foreign Threats” (Charlevoix, Canada: G7, June 2018, available at www.international.gc.ca).

foreign interference shows that city diplomacy is deeply impacted by global polarization and competition.

Notably, **cities in liberal democracies**, which benefit most from this practice due to political autonomy, face heightened risks. Without robust risk analysis and management tools, this autonomy can undermine their development ambitions.

This brief applies political risk analysis to the international activities of cities in the United States, Japan, and Germany, introducing strategies for identifying, preventing, and managing “city diplomacy risk” scenarios. The findings highlight an urgent need for cities in these and other democratic, decentralized nations to **build capacity** in this area.

In liberal democracies, city diplomacy is at a critical juncture. Persistent inability to anticipate and manage city diplomacy risk could result in local governments willingly disengaging from international relations – or even being compelled to do so by national legislation. Conversely, equipping city diplomacy with risk foresight and management offers the opportunity to secure this practice’s enticing potential to turn international relations from a source of polarizing challenges to **a pathway for genuine cooperation and sustainable development.**

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CITY DIPLOMACY LAB POLICY BRIEFS

CITIES AT THE CROSSROADS Understanding and Navigating City Diplomacy Risk

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