

EU budget proposals lack support for cities and regions



PUBLISHED JUL 17, 2025
BY [EUROCITIES](#)

The Local Alliance – a coalition of eight leading networks of local and regional governments – is raising the alarm over the European Commission’s proposal for the next EU budget, warning it could sideline cities and regions and undermine the delivery of key EU priorities.

The Commission’s proposal for the 2028-2034 Multiannual Financial Framework, presented on 16 July, introduces new ‘National and Regional Partnership Plans’, intended to simplify EU funding and reduce disparities. However, the Local Alliance argues that this approach risks centralising the EU budget, weakening Cohesion Policy, and marginalising local and regional governments in the policy design and implementation.

While it is positive that the EU has taken steps to simplify the next seven-year EU budget, the European Commission’s proposals do not give cities guarantees that they will receive the effective support they need to deliver a just, sustainable and prosperous future for the people of Europe,

says Jevgeni Ossinovski, Mayor of Tallinn and Eurocities Shadow Commissioner for the EU Budget.

We call on the EU institutions to build on the European Commission’s proposal, working alongside city leaders to ensure that the final budget agreement truly serves the Europe’s future.

Without a clear earmarking of Cohesion Funds for all territories, including cities, and robust multilevel governance, local and regional authorities are unlikely to access the tools they need to implement EU priorities on the ground. Building on the Court of Auditors’ warnings of the limited impact and quality of projects funded through Recovery Funds, the Local Alliance fears that this new structure of National-Regional Plans might not be able to respond to the real transition and

cohesion needs of communities.

We the cities stand ready to be part of the negotiations for the MFF following yesterday's proposal by the European Commission,

says Jaume Collboni, Vice President of Eurocities and Mayor of Barcelona. "We believe we are still far from a budget that fully addresses our needs, namely the housing crisis. We will build upon the crucial work of mayors in the Mayors4Housing Alliance to ensure that bold action in housing for cities is reflected in the EU budget.

We will also work for the inclusion of mandatory urban chapters in the 27 national and regional plans and cohesion funding that is specifically for city governments. If the EU is to show the first-ever EU Policy Agenda for Cities is not just a political gesture, they must ensure that the budget gives cities the dedicated resources they need to bring a real change.

The proposal also fails to clarify how cities and regions would be affected if national governments fall short on reform commitments or breach horizontal conditions such as the Rule of Law. This could jeopardise progress on critical local goals, from clean transport and affordable housing to inclusive communities, creation of jobs and quality public services, while weakening democratic governance and the principle of multilevel democracy.

The Alliance welcomes the proposed European Competitiveness Fund and the FP10 Framework Programme for Research and Innovation, recognising their potential to address productivity and innovation gaps across regions. However, both instruments must ensure meaningful involvement of cities and regions in priority setting and delivery, as competitiveness and cohesion are two sides of the same coin, as highlighted in the Letta Report.

As the budget negotiations move forward, the Local Alliance calls on the European Parliament and the European Council to seize this crucial opportunity to strengthen the role of cities and regions, safeguard cohesion policy, and ensure the EU budget delivers tangible results for people across Europe.

Ahead of the EU budget negotiations, local leaders call for:

- Reforms and investments to be defined through a multilevel governance approach. Safeguards must be included in the National and Regional Partnerships Plans to ensure mandatory cooperation with local governments in the design and implementation of the plan.
- The territorial chapter of these plans must be clearly stated as an obligation and not as an option left to the discretion of central governments.
- Clear and enforceable safeguarding mechanisms to ensure that local and regional authorities can directly access EU funds, especially in cases where national governments delay or restrict disbursements.
- Concrete institutionalised cooperation with cities and regions in the European Competitiveness Fund (ECF) and FP10, and we urge the EU institutions to involve local and regional governments as partners in setting priorities and strengthening place-based innovation.

1. The Local Alliance represents the eight leading networks of European local and regional governments, Association of Cities and Regions for sustainable Resource management (ACR+), The Council of European Municipalities and Regions (CEMR), Climate Alliance, Energy Cities, Eurocities; FEDARENE; ICLEI – Local Governments for Sustainability and POLIS, working together to ensure the next EU budget 2028- 2034 delivers for people by empowering local and regional governments in delivering the transition on the ground.

2. Eurocities wants to make cities places where everyone can enjoy a good quality of life, is able to move around safely, access quality and inclusive public services and benefit from a healthy environment. We do this by networking more than 200 larger European cities, which together represent some 150 million people across 38 countries, and by gathering evidence of how policy making impacts on people to inspire other cities and EU decision makers.

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Website: <https://eurocities.eu/>

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