



## PRESS RELEASE

### EU Budget proposals risk cutting out cities and regions

Brussels, 17 July 2025

**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.

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.

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.

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#### Notes to editors:

*The Local Alliance represents the eight leading networks of European local and regional governments, ACR+, CEMR, Climate Alliance, Energy Cities, Eurocities, FEDARENE, ICLEI Europe 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.*

#### Contact:

Gaëlle Colas, ACR+  
gc@acrplus.org

