



# CLIMATE ALLIANCE

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## Empowering local leadership: A vision for a future-proof EU budget

**Brussels/ Frankfurt am Main, 23 January 2025.** The Local Alliance – a coalition of Europe's eight leading city and regional networks – has today published a pivotal new policy paper calling on EU leaders to ensure the next EU budget (2028 – 2034) becomes a strong, comprehensive tool for a just, climate-neutral and competitive Europe.

The policy paper states that recognising local and regional governments as key partners in the implementation of the EU budget is essential to achieving a prosperous Europe, where people want to live, work and thrive. As Europe faces unprecedented challenges, including climate change and digital transformation, the Local Alliance makes it clear that closer collaboration across all levels of government is critical for success.

In the paper, the Local Alliance envisions an EU budget that acts as a long-term investment tool, bringing together public and private financing to support local projects that improve people's lives. Central to this vision is the safeguarding of Cohesion Policy, the EU's most effective means of ensuring balanced territorial development and tackling inequalities.

The paper explains that local governments already implement 70% of the European Green Deal legislation and account for 69% of climate-related public spending. It states that strengthening multi-level governance and adopting a place-based investment strategy will ensure EU funds reach all territories.

*"We consider cohesion policy an EU budget instrument for addressing climate action at the local and regional levels. As Climate Alliance we see the crucial role of the regional and local authorities in the definition of priorities and allocation of resources for climate action and the design of the EU budget for a strengthened, competitive, and resilient future."* **Thomas Brose, Executive Director of Climate Alliance.**

*"Cities and regions are the beating heart of Europe's prosperity, resilience and democracy, driving the transition to a fair and climate-neutral future,"* says **André Sobczak, Secretary General of Eurocities.** *"The next EU budget must empower local governments with the resources they need to deliver lasting results, including greener cities, stronger economies, and better quality of life. By prioritising place-based investment and stronger multi-*



*level governance, we can ensure no one and no territory is left behind, transforming Europe's ambitions into meaningful outcomes for everyone in Europe."*

*"The next EU budget is a pivotal opportunity for shaping a Europe that is built on thriving communities, cities and regions. Investing in future-proof and resilient local infrastructure will strengthen European industry and businesses, create jobs, and drive innovation. By simplifying the support for place-based investments and elevating the role of local and regional governments, the EU budget can turn the vision of climate neutrality into reality and support a strong and competitive European economy. In a rapidly changing world, this is a once-in-a-generation chance to create a competitive, resilient, and equitable Europe that moves forward together."*

**Wolfgang Teubner, ICLEI Europe, Regional Director.**

*"Local governments are at the heart of Europe's ability to respond to today's challenges and seize tomorrow's opportunities. They are not only implementers of EU policies but also innovators, driving the transformation needed for a sustainable and equitable future. The next EU budget must empower local leaders to turn Europe's ambitions into realities—through targeted investments, multi-level collaboration, and an unwavering commitment to cohesion. A Europe that thrives is a Europe that listens to and invests in its communities."* **Fabrizio Rossi, CEMR Secretary General.**

*"We want an #EUBudget that is truly #Fit4Future. The local transformations we will go through in the coming years are as big as when cars appeared and radically changed the entire economy. The challenge is big, but solutions are already emerging. Building local resilient communities, grounded in a wise use of resources, is key to creating a better future for EU citizens. And this future can only be shaped by the EU with better public funding."* **Claire Roumet, Director of Energy Cities.**

*"At ACR+, we envision vibrant cities and regions where the economic and the ecological systems go hand in hand, through policies aimed at a fair distribution of wealth and resources, a fair access to public services, while delivering human wellbeing for all. We believe decentralised authorities are best positioned to lead the transition to this vision due to their proximity to communities and business, enabling them to foster strong partnerships and drive impactful change. The upcoming Multiannual Financial Framework provides a unique opportunity to turn help them realise it by empowering local and regional authorities with the necessary tools and resources. By fostering multi-level governance, the next EU budget can pave the way for a*



*Europe that works for everyone.* **Françoise Bonnet, Secretary General of ACR+.**

*"POLIS recognises the room for improvement in how the EU budget is spent. However, our members are concerned that in the current approach for the new MFF also the positive elements will disappear. We face a double challenge in the EU's new budget period: will cities and regions be able to access EU funds, and will transport receive sufficient attention in the funding instruments? Those deciding on the MFF should be aware that local and regional transport systems are essential to reach the EU's sustainability goals and for the continent to stay economically competitive. Local and regional authorities in charge of mobility need European support. The new EU Financial Framework should answer to that question."* **Karen Vancluysen, Secretary General of POLIS.**

*"In a changing world order, the EU must rely on local authorities to achieve its goals. The next EU budget should draw on the expertise of regions, municipalities, and their energy agencies driving large-scale renovation programmes and fuel switch campaigns across Europe. Successful programmes like EIB's ELENA and LIFE-CET must continue supporting regional energy agencies in blending finance and engaging citizens in the energy transition."* **Julije Domac, President of FEDARENE.**

In the policy paper, the Local Alliance calls for the next EU budget to:

- **Strengthen the place-based approach:** Empower local authorities through improved partnership principles, including ex-ante conditionality requiring member states to consult them before accessing EU funds.
- **Increase efficiency with multi-level governance:** Avoid centralising planning and investment decisions to prevent delays and inefficiencies. Shared governance will improve fund absorption. Integrated Territorial Investments and cross border cooperation are also crucial for effective territorial strategies.
- **Broaden the definition of reforms:** Include capacity building, technical support and multi-level governance to enhance public administrations' preparedness.



- **Simplify without compromising accountability:** Streamline EU funding processes while maintaining transparency and conditionalities.
- Guarantee that any future **EU competitiveness fund** remains accessible to cities and regions, so they can drive green innovation, decarbonisation and resilience, supporting Europe's industrial transformation.

## Further information

- **Local Alliance position paper on the next multiannual financial framework**
- The members of the Local Alliance: **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; POLIS**

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## THE CLIMATE ALLIANCE

For over 30 years, Climate Alliance member municipalities have been acting in partnership with indigenous rainforest peoples for the benefit of the global climate. With nearly 2,000 members spread across more than 25 countries, Climate Alliance is Europe's largest city network dedicated to comprehensive and equitable climate action. Recognising the impact our lifestyles can have on the world's most vulnerable people and places, Climate Alliance pairs local action with global responsibility. [climatealliance.org](https://climatealliance.org)