

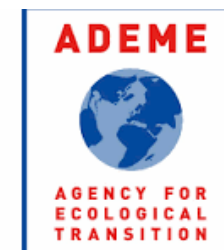
Unboxing the next EU budget proposal

What's at stake for local sustainable energy projects?

12th February 11:00 - 12:30 (CET)



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The next EU budget at a glance

What's on the table ? Why does it matter for or regional and local authorities ?

Mélanie Bourgeois - Energy Cities

What is the Multiannual Financial Framework ? Why is it important for the local level ?



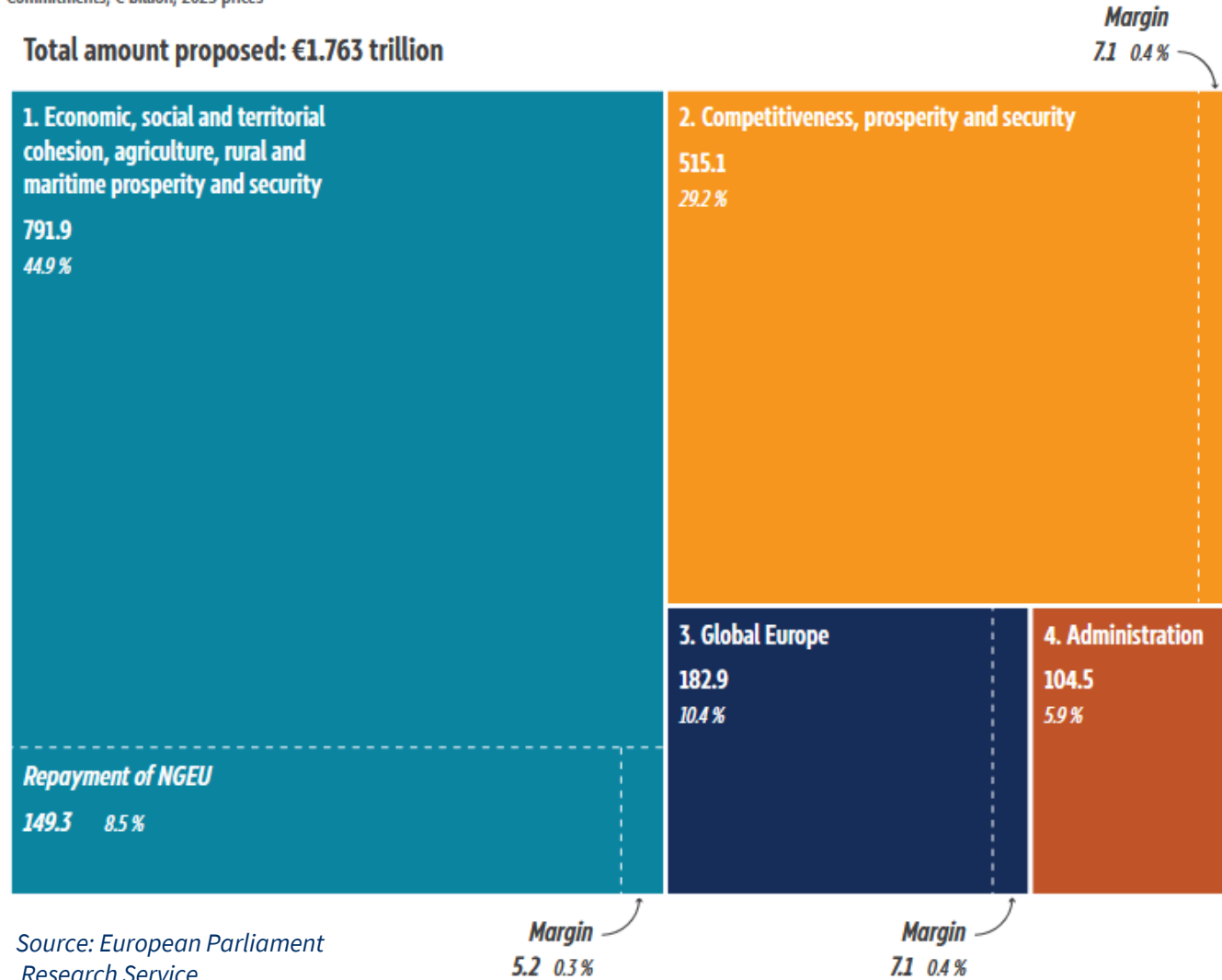
- The multi-annual Financial framework in the EU long term budget for the period 2028-2034 (7 years)
- Sets Financial priorities as well as political direction
 - Covers all European funds and programmes
 - ➔ Structural funds (CAP, ERDF, ESF+, etc.)
 - ➔ Sectoral funds (Horizon, LIFE, ERASMUS, etc.) and programmes (Missions, Urbact, INTERREG, etc.)

Proposal of the European Commission for the next period (July 2025)

- A bigger budget which includes reimbursement of the Post Covid Recovery debt
- 4 headings
- A focus on simplification, reducing the number of programmes (52 to 16), increasing flexibility
- A performance focus budget (Performance framework)
- Own resources proposed
- New priorities (defence, competitiveness)

2028-2034 MFF overview
Commitments, € billion, 2025 prices

Total amount proposed: €1.763 trillion



Source: European Parliament Research Service

Social and Climate targets

The Commission proposes to set :

- a **35% climate and environment spending target**
- a 14% social spending target
- And apply the “Do No Significant Harm” (DNSH) principle

for the entire budget

€158.2 billion is foreseen strictly for energy and climate projects across different envelopes (Jacques Delors Institute)

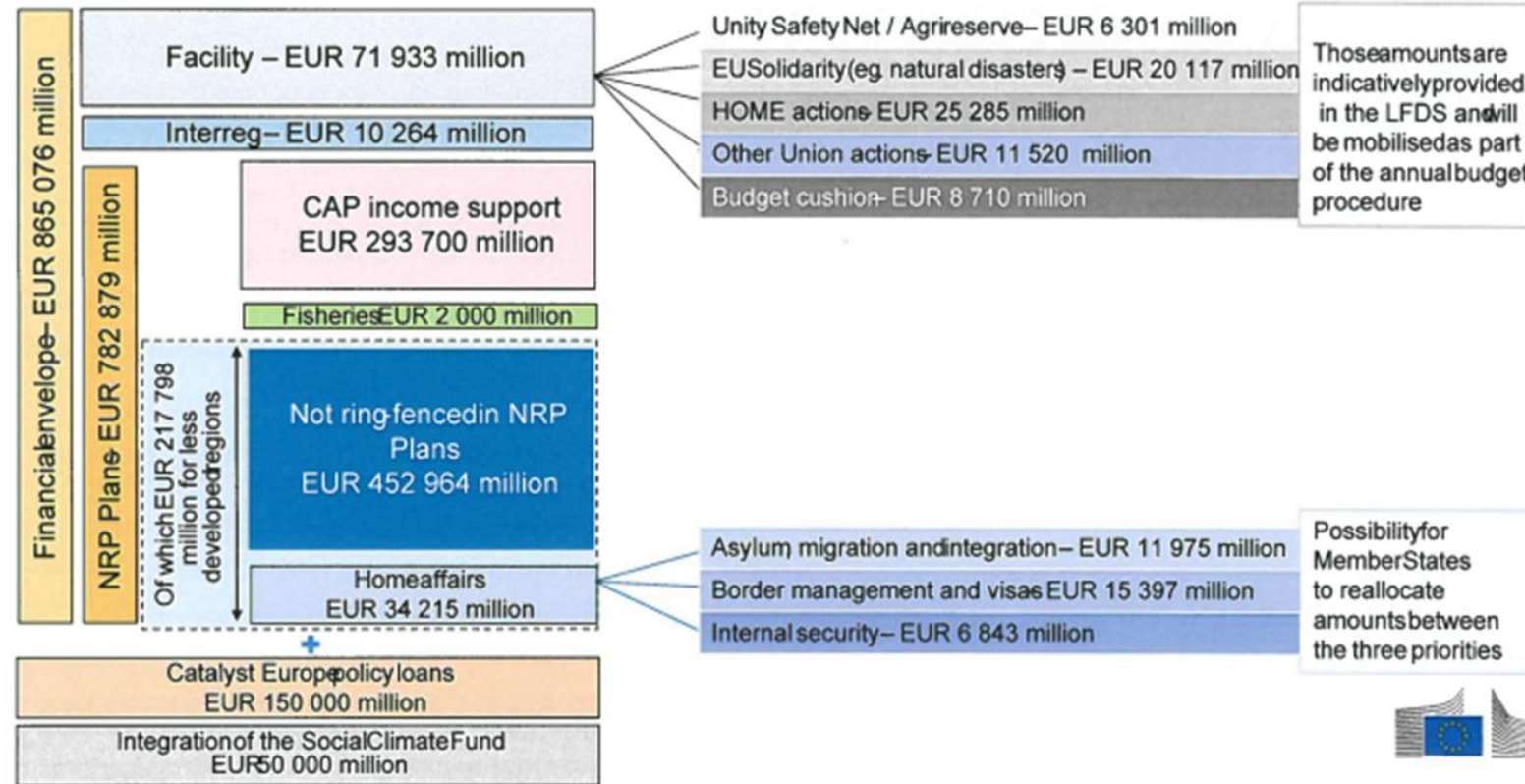


Pillar 1: Economic, social and territorial cohesion; agriculture, rural and maritime prosperity; and security” “the Fund”

44% of the total MFF amount, operated by:

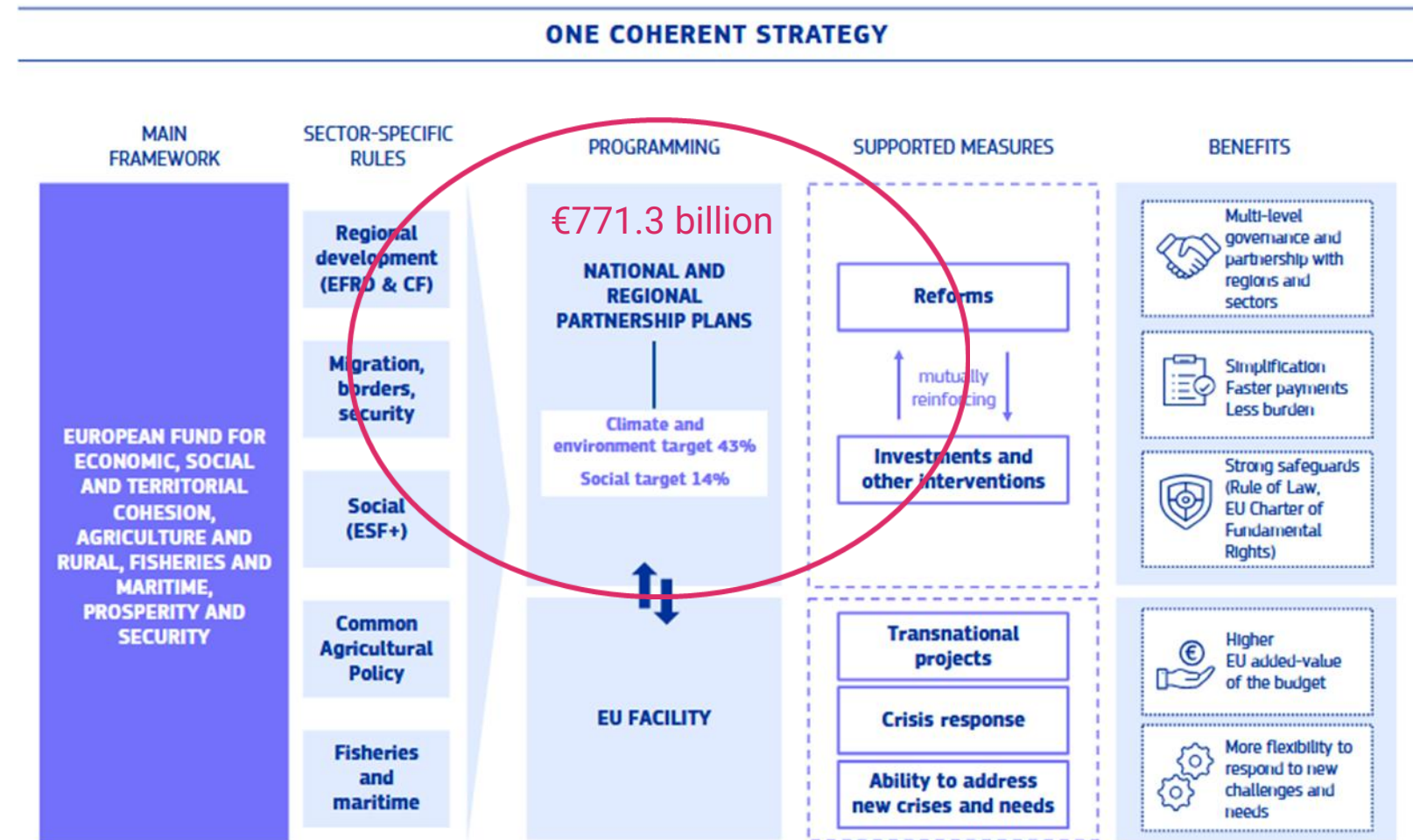
- ✓ 27 National and Regional Partnership Plans (NRP Plans) (€771.3billion)
- ✓ An INTERREG plan (€10 billion)
- ✓ The EU Facility (€66 billion).

Financial framework



The National and regional partnership plans

- Recovery plan model (budget versus reform)
 ≠ But incorporates principles of partnership and multi-level governance
- All funds for different priorities (agriculture, cohesion, social, migration) in the same ‘pot’
- No urban earmarking
- 1 national and regional partnership plan with sectoral and optional regional chapters

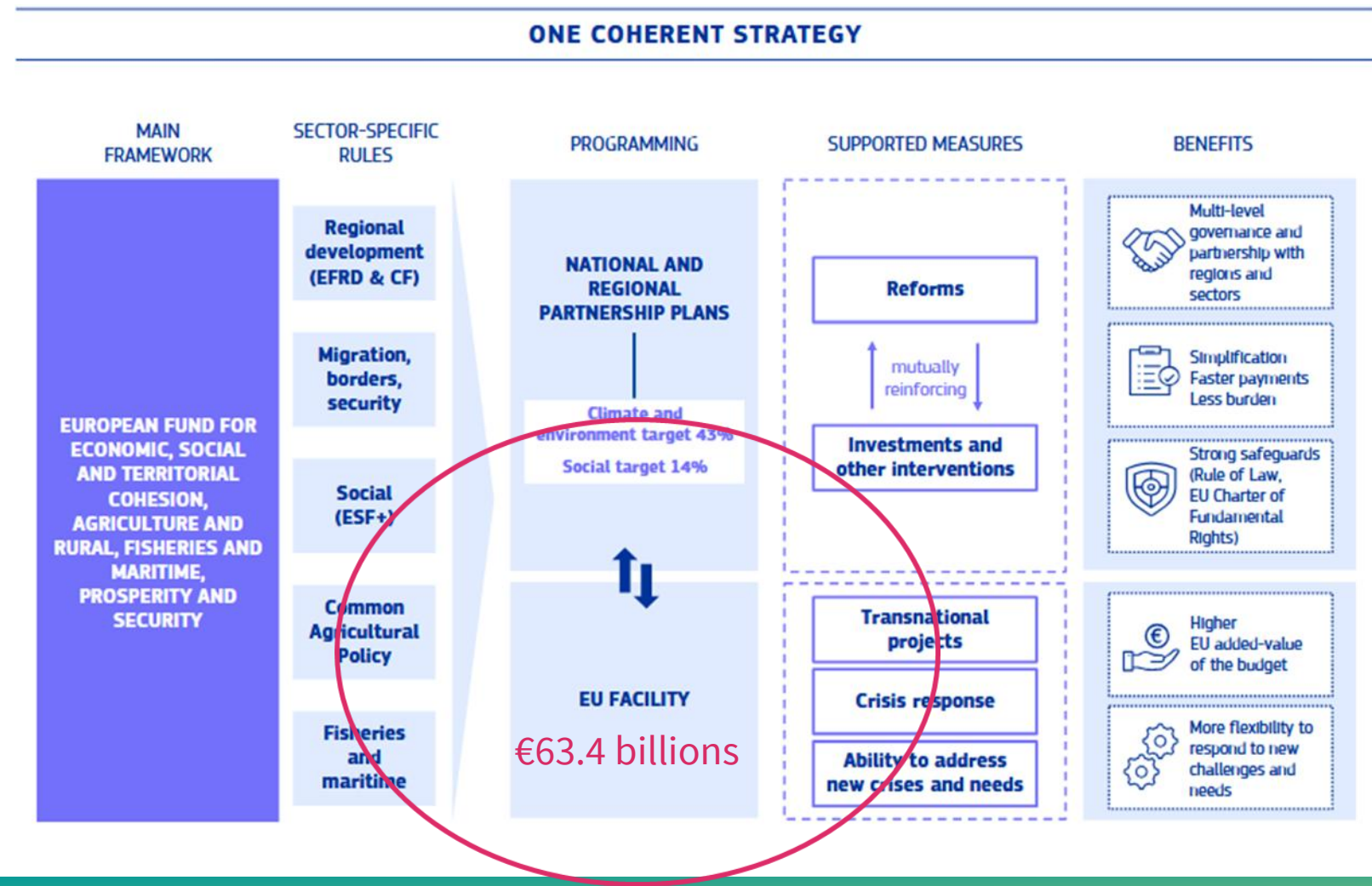


The EU Facility

- Flexible tool/reserve enabling a response to an unstable context that is highly exposed to crises + Complement and support the implementation of NRPPs
- will include programmes under direct management
 - LIFE Environment & Biodiversity
 - support urban communities in the development of innovative projects (URBACT)



No earmarking for urban programmes or for LIFE biodiversity
Many priorities and themes



What already changed

The Commission proposed some changes to its own proposition :

- 10% rural Earmarking for rural areas
- Stronger wording on multi-level governance with a proposed "Regional check"

Key Takeaways & observations

EU budget with important focus on clean energy & energy security

Simplification and flexibility in the proposed budget

Reduction of the number of Programmes

A performance framework to track results

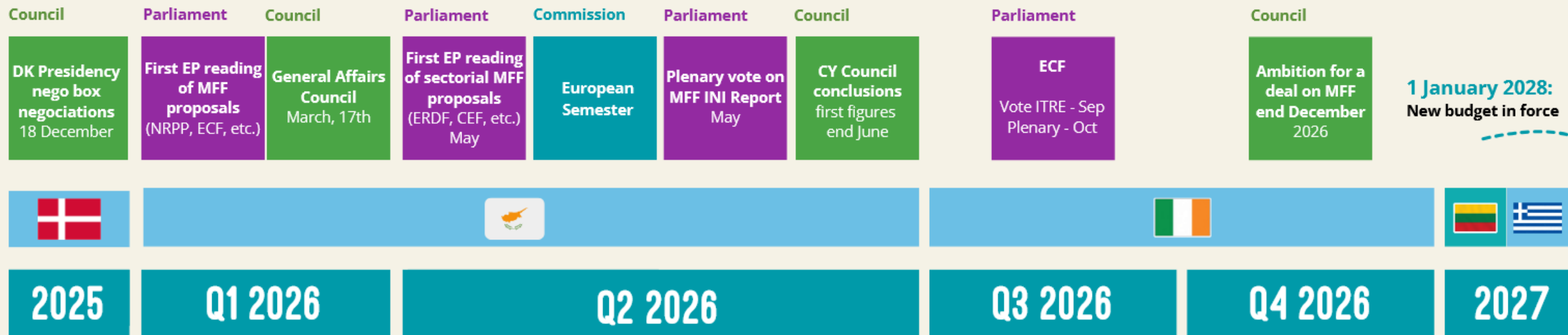
No guarantee for LIFE environment and biodiversity programmes

For local level, less guarantees and safeguards (nationalisation of the Fund, no obligation for regional or territorial chapter, no earmarking for urban developments/ programmes or territorial tools)

Uncertainties about the programmes that will be proposed (needs to be defined) and necessity for local governments to be involved in the governance of the funds

Ongoing negotiations

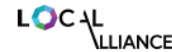
- Negotiations are ongoing, mainly in 2026 and start of 2027
- The Member States are expected to submit their national and regional partnership plan by July 2027 and all programmes should start in January 2028



1 January 2028:
New budget in force

Note: dates are indicative and they could change as the negotiations go on

Tools developed by cities networks



MEMBERS' MOBILISATION KIT

For an EU budget 2028- 2034 for cities & towns

MAIN MESSAGES

- The **double centralisation** (EU and national levels) of the proposed MFF is dangerous for our democracy. If cities are deprived of their connection to Europe, so will be their citizens. This centralisation has proven ineffective (RRF plans were not highly spent).
- Local governments are **orchestras of competitiveness in their territory**. What they develop as services and infrastructures shape their territory and the possibility for businesses and industries to set up in Europe. For the EU to be competitive, it needs to trust and reinforce its local and regional levels.
- The proposal for the EU budget is **sidelining local authorities**, while together with regional authorities, they implement and apply approximately 70% of EU legislation.

MAIN DEMANDS

1. REINFORCE THE TERRITORIAL APPROACH ACROSS THE MFF

1. By having a **mandatory regional, territorial or urban chapter** in each national and regional partnership plan, and a territorial approach in the sectoral chapters of these plans.
2. By having a **territorial approach in the clean transition and decarbonisation industry** window of the European Competitiveness Fund. "LIFE activities" and other activities of this window must fund LRAs' investments and capacities.
3. By having a **target in the budgets for the territorial tools**, such as the Integrated Territorial Investments.



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OUR RESOURCES

MODEL OF LETTER FOR YOUR MINISTRIES ON THE NRPP

MODEL OF LETTER FOR YOUR ITRE MEPS ON THE ECF

LIST OF KEY INFLUENTIAL MEP

LIST OF ENC AND LOCAL ALLIANCE AMENDEMENTS TO THE NRPPS AND TO THE ECF.



The Local Alliance — a coalition of local and regional governments made of ACR+, CEMR, Climate Alliance, Energy Cities, Eurocities, FEDARENE, ICLEI Europe and POLIS, — is an informal coalition aiming at ensuring that our constituencies have the competencies and resources to implement the European Green Deal and reinforce Europe's resiliency.



Next Webinar 12th March