To: Heads of State and Government of EU Member States

Brussels, 23.11.2026

Subject: Strengthening the Role of Local and Regional Governments in Delivering the Next EU Budget for a More Competitive, Resilient, Cohesive and Climate-Neutral Europe

Dear Heads of State and Government,

On behalf of the **Local Alliance**, *the informal coalition of Europe's leading networks representing local and regional governments (ACR+, CEMR, Climate Alliance, Energy Cities, Eurocities, FEDARENE, ICLEI Europe and POLIS)*, we write to you ahead of the European Council meeting of 26-27 November, where you will discuss the next **Multiannual Financial Framework (MFF) 2028–2034**.

The partial negotiating mandate agreed by the Council in June marked an important step in shaping the direction of the next EU Budget and we recognise the progress made. However, as you prepare for the November Special European Council meeting and the next stages of the negotiations, we would like to reiterate that the next EU budget must be designed, implemented and monitored hand in hand with cities, towns, and regions, whose experience, proximity to citizens and knowledge of local realities are essential to making EU policies work on the ground.

This summer's climate-related emergencies showed why that partnership matters. Local and regional governments responded to immediate needs while continuing to address pressures on household energy costs, housing affordability and employment. The next MFF must enable them to plan and invest for the long term, as well as respond when crises occur.

Early evidence from a survey of major cities in 17 member States[1] also shows that this partnership cannot be taken for granted: among respondents able to assess city involvement in the preparation of the new National and Regional Partnership Plans, **77% describe it as absent, very limited or limited**, underlining the need for stronger safeguards for partnership and multilevel governance in the final framework.

[1] Eurocities internal survey, October 2026

Against this backdrop, we would like to highlight the following key messages for your upcoming discussions:

On the overall Multiannual Financial Framework:

- The **overall size of the next MFF and the way it is designed and delivered should reflect the EU's commitment to investing seriously in its future**. We encourage you to agree on an ambitious budget, with funding arrangements that enable cities and regions to participate fully in shaping and delivering these investments, drawing on their capacity to translate European priorities into tangible benefits for communities.

- We reiterate our support to the EP interim report position to **clarify budget allocations** for different key funds for subnational governments, including the overall amount dedicated to Cohesion Policy, and the budget for ERDF, ESF, and other programmes such as LIFE; as this would prevent uncertainty and undesirable competition between the different policy priorities, including the Common Agricultural Policy, and provide more predictability for beneficiaries.

On the National and Regional Partnership Plans Regulation and the Fund

- We welcome the **strengthened recognition of the key role of local and regional governments in the design and implementation of the NRPPs** in the Council's partial general approach. The Local Alliance calls for the principles of partnership and multilevel governance to be further safeguarded and embedded among the **horizontal principles** of the Regulation to make them more enforceable.

- We call on the Council to **make regional and territorial chapters, including urban, mandatory** within the NRP Plans. This is essential to ensure that territorial diversity and local needs are addressed, in line with the EU Cohesion Policy objectives, supporting investments in public services, infrastructure and the green transition.

- We encourage the Council to ensure that the overall size and allocation of the budget provide sufficient resources for the continuation of **integrated territorial and urban delivery tools,** including through a minimum share of ERDF allocated to integrated territorial and urban development strategies, as well as through sectoral instruments such as the Sustainable Urban Mobility Plans, mandatory under the TEN-T regulation.

- We call on the Council to support the creation of **Just Transition sub-chapters** within the new NRP Plans, ensuring continuity of existing Just Transition mechanisms and helping to ensure that no region is left behind in the transition.
- To ensure coherence and consistency, we believe the existing national plans in particular the National Energy and Climate Plans (NECP), National Nature Restoration Plans and the future National Strategic Plans on Climate Resilience among others should be considered as building blocks for the development of the NRPPs.

On the European Competitiveness Fund (ECF)

We welcome the ongoing efforts to develop the ECF as an effective instrument for strengthening Europe's competitiveness and strategic autonomy. The European Parliament's position has introduced important improvements that better recognise the territorial dimension of competitiveness and the role of local and regional authorities in delivering EU objectives on the ground.

In particular, we welcome:

- **The recognition of local and regional authorities, their agencies and public service providers as implementation partners of the ECF**, reflecting their role in translating EU priorities into concrete innovation, industrial transformation and strategic investment projects on the ground. We support further strengthening this recognition by ensuring that they can participate fully across the different implementation pathways of the Fund.

- **The stronger role foreseen for local and regional authorities in project pipeline development, advisory support and implementation structures**, acknowledging their contribution to building innovation ecosystems, connecting stakeholders and accelerating the deployment of strategic technologies.

- **The inclusion of Coordination and Support Actions (CSAs) in the ECF architecture**, and call for these to be safeguarded and reinforced as a core delivery layer of the Fund. CSAs are essential to addressing non-technological barriers and supporting clean energy deployment, industrial decarbonisation, energy efficiency, building renovation and innovation uptake, particularly where actions are delivered by public authorities and do not generate direct commercial returns.

- **The Parliament's recognition of the importance of energy security and resilience and its support for the continuation of LIFE programme objectives**, which remain critical to achieving Europe's competitiveness, decarbonisation and energy transition goals.

- **The clarification of synergies between the ECF and other EU programmes, including Horizon Europe**, which can help create more coherent innovation pathways and facilitate the scaling up and deployment of successful projects across Europe.

At the same time, we encourage the Council to further strengthen the territorial and partnership dimension of the ECF by:

- **Ensuring meaningful participation of local and regional authorities in the governance of the Fund, in particular via the ECF Stakeholder group**, including in the preparation of ECF work programmes, strategic priorities and implementation arrangements, in line with multilevel governance principles and the partnership approach.

- **Supporting the involvement of local and regional authorities by ECF appointed National Contact points as key implementation partners across the Fund's different windows and instruments**, ensuring that those responsible for the implementation and capacity building on the ground can directly contribute to achieving ECF objectives.

- **Strengthening project development and advisory support instruments (including via InvestEU)** to help local and regional authorities develop mature investment pipelines, prepare bankable projects and facilitate access to ECF funding opportunities.

- **Promoting a place-based approach to competitiveness,** recognising that Europe's competitiveness depends on strong local innovation ecosystems, skilled workforces, public infrastructure, affordable and sustainable energy systems, housing, and attractive places for businesses and talent, as well as public procurement.

We urge you, in your Council discussions and during the subsequent negotiations with the European Parliament, to take decisions that empower local and regional governments to strengthen Europe’s competitiveness, accelerate decarbonisation and the green transition and reinforce democracy and trust in public institutions.

The November European Council meeting will be a key moment to shape the overall size and allocation of the next EU budget and provide political direction for the negotiations that will follow. The Local Alliance stands ready to support your work and ensure that the next EU budget delivers for communities across Europe.

Yours sincerely,

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