

European regions push back against centralisation of EU Funds, but Brussels warns that recentralising funds would erode cohesion

The 23rd European Week of Regions and Cities – with 6,500 participants, 220 sessions and 300 speakers – held in Brussels on October 13-15 reaffirmed its place as the EU's most visible regional policy event. At the opening, European Committee of the Regions (CoR) President Kata Tüttő unveiled the sixth Annual Report on the State of Regions and Cities, warning that cohesion policy faces unprecedented pressure.



“Regional and local leaders are mobilising to counter any nationalisation of EU investments and avoid that regions and farmers are forced into a ‘Hunger Games’ competition for resources,” said Tüttő. She added: “The new budget proposal threatens to nationalise it, defund it, and disconnect it from Brussels, forcing regions and farmers into a ‘Hunger Games’ competition for resources. This is why we are all mobilised for the future of cohesion.”

The report highlights how regional programmes deliver 70 percent of EU policies and two-thirds of public spending – yet warns that shifting control to national capitals would undo decades of balanced growth. A uniform model, it argues, cannot guide green and digital transitions or revive weaker regions.

Environmental risk features prominently – one in five Europeans faces multiple natural hazards, and 2024 floods caused €18 billion in losses. The CoR fears the proposed 2028–2034 budget could cut nature-based projects, halt the LIFE programme and weaken climate resilience. Energy poverty now affects 47 million people, demanding steady investment in efficiency, renewables and social protection.

Cyberattacks and disinformation increasingly threaten local security, prompting calls for stronger preparedness and defence-industry clusters. The housing shortage – 2.3 million units a year, €270 billion in unmet need – and looming demographic decline in two-thirds of regions by 2050 compound the challenge. Rural areas still face limited services, with 36 percent of residents naming this their top concern. Gender imbalances persist – in 2025 women held a majority in only 26 of 286 regional assemblies.

The CoR portrays a Europe rich in local initiative yet warns that recentralising funds would erode cohesion. It urges the Union to preserve a decentralised model of solidarity – one that empowers regions and cities to drive prosperity and inclusion.

An accompanying opinion adopted on October 14 calls for a major scale-up in clean-energy supply to safeguard competitiveness, fairness and climate goals. Many local authorities, the CoR notes, still lack “funds, expertise and regulatory alignment to deliver.” Rapporteur Joško Klisović stressed: “The implementation of Fit for 55 depends to the large extent to the empowerment of local and regional authorities to do the job. What we need is financial and technical assistance and direct access to EU funds.”

The CoR proposes an EU Action Plan for local energy agencies and one-stop shops, a Fit for 55 Local Implementation Forum, and a Local Implementation Scoreboard tracking renewables, renovations and energy poverty. While welcoming a tripling of the Connecting Europe Facility, it warns that national-plan centralisation would weaken ownership – urging instead cascade funding, training and capacity building. To combat energy poverty, it calls for “zero-interest renovation loans, direct subsidies for low-income households and community-based energy initiatives.”

At the session “Innovative EPP-led cities building a sustainable and resilient future for our citizens,” participants explored how EPP-governed municipalities advance green housing, clean mobility, renewable energy and digital innovation. With 75 percent of Europeans already urban – and 80 percent expected by 2050 – these local efforts are key to cutting emissions and boosting resilience against future shocks.