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CITIES**

THE NETWORK
OF MAJOR
EUROPEAN
CITIES

Mr. Andreas Mavrouyannis
Deputy Minister to the President for
European Affairs

16 November 2012

EU summit, 22 - 23 November 2012

Dear Deputy Minister Mavrouyannis,

As President of EUROCITIES, the network of the 135 most important cities in Europe, I am gravely concerned about the negotiations on the multiannual financial framework and the potential impact on the key EU funding programmes.

Europe is at a critical juncture, both economically and politically. Governments at all levels continue to feel the squeeze on public resources. At the summit on 22 - 23 November, member states must take the decisions needed for change in the EU, both in terms of economic recovery and restoring public confidence, by directing EU investments where it makes the greatest impact for the majority of citizens.

Generating 85% of GDP, our major cities are the drivers of Europe's economic growth. At the same time, our cities are where the brunt of the crisis is being felt with social unrest and political discontent. A budget for Europe 2020 must recognise the urgent priority for investment in urban Europe. The Commission's proposal to include an urban premium in the allocation method for structural funds did partly that and should be maintained.

Structural funds and programmes such as Horizon 2020 and the Connecting Europe Facility can help ensure vital investments in cities and beyond. It is about maintaining and strengthening the initiatives that make a visible difference to peoples' lives, creating jobs and supporting innovation. This also includes initiatives that promote urban-rural collaboration, recognising the potential for cities and their surrounding areas to jointly promote territorial cohesion. It is critical that the programmes investing in an ambitious urban agenda are not undermined by the decisions on the overall budget ceiling.

A main plank of the EU budget has traditionally been, for good reasons, the common agricultural policy (CAP). Currently the EU spends five times more per capita in rural areas through CAP compared to funding in urban areas through structural funds. Yet agricultural and rural expenditure is less visible and reaches far fewer people than structural funds investment, in particularly in urban areas where 75% of the population lives. The agreement on the next financial framework must fully take account of the scope for better balancing the investments in Europe's territories.

In the current economic situation, Europe cannot afford a budget that ignores the vital contribution our cities can make to a smarter, greener and more inclusive Europe.

On behalf of EUROCITIES, I wish you a successful summit on 22 - 23 November.

Yours sincerely,

Hanna Gronkiewicz-Waltz

Mayor of Warsaw, President of EUROCITIES