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EU budget fails to address growth and jobs

The recently-agreed EU budget does not sufficiently support growth and jobs, says EURO CITIES. The network of Europe's large cities regrets that the budget fails to target resources where EU spending can make a visible difference to people's lives.

Reacting to the budget agreement, Paul Bevan, Secretary-General of EURO CITIES, said:

"Europe has missed an opportunity for the next seven years. Our major cities generate 85% of GDP and are home to 75% of the population. They are Europe's drivers of economic growth and at the same time where the brunt of the current crisis is being felt. Yet the EU has decided not to direct funding where it really matters. Our cities' role in the economic recovery and the urgent need for investment in urban Europe have yet to be fully recognised in the EU."

By 2020 the EU aims to significantly improve employment rates and reduce the number of people living in poverty, while also reducing carbon emissions. With the right level of investment and support, these objectives can only be delivered in Europe's large cities and metropolitan areas.

But the new budget agreement continues to allocate nearly 40% of EU spending to the Common Agriculture Policy (CAP). This is despite the limited contribution of the CAP to delivering the objectives of Europe 2020. The benefits of agricultural and rural expenditure are less visible and reach far fewer people than structural funds investments, particular in urban areas.

Structural funds allocate on average €20 per inhabitant in rural and sparsely populated areas. But the urban premium, proposing the allocation of a modest €4 per capita in large urban areas, has been deleted. EURO CITIES also regrets that the Connecting Europe Facility, which promotes targeted infrastructure investment and the joining up of major cities across the EU, has been significantly cut back.

The EU budget does little to strengthen the instruments that could stimulate job creation and growth or restore public confidence. The specific initiative to promote innovative actions for sustainable urban development is a positive step. The increased funding for research & innovation and the youth employment initiative is also welcome. But the budget allocation for these crucial initiatives far from matches their potential to help restore public confidence in the EU.

The EU depends on its large cities and metropolitan areas to meet its ambitions of a smarter, greener and more inclusive Europe by 2020. Europe's large cities remain committed to delivering this agenda, which is vital to Europe's citizens and the EU's global competitiveness. Whether the new EU budget is a relevant tool to support delivery remains to be seen.

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Notes to editors

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EUROCITIES is the political platform for major European cities towards the European institutions. We network the local governments of over 130 of Europe's largest cities and 40 partner cities that between them govern some 130 million citizens across 35 countries.