



European Committee
of the Regions

#SOTEULocal

EU annual report

on the state of regions and cities

Factsheet 2024

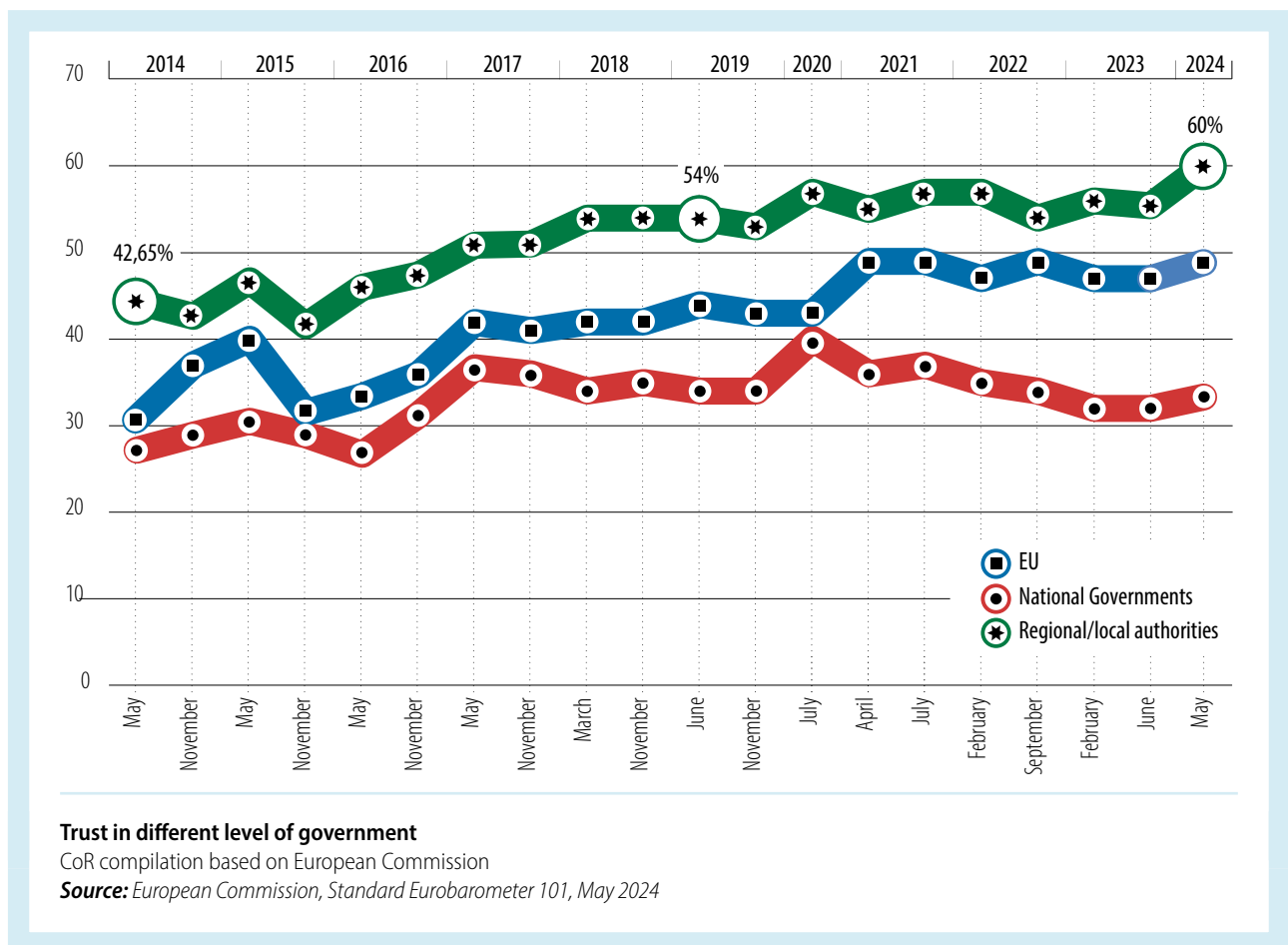
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CLOSER

European democracy in regions and cities

High trust in local and regional authorities highlights need for local engagement at EU level

In the 2024 European elections, voter turnout varied significantly across regions and cities, with an overall average of 51.08%. This variation, influenced by socio-economic and territorial factors, highlights the need to understand how citizens in different regions, cities and Member States exercise their democratic rights.



Regional and local dimensions are crucial for European democracy. Strengthening these aspects ensures that citizens' voices are heard, and their rights upheld. Cities and regions – due to their proximity to citizens and the high levels of trust they tend to enjoy – are uniquely positioned to foster democratic engagement and represent the concerns of their residents at EU level. In May 2024, trust in local and regional authorities peaked at 60%, reflecting their vital role in addressing crises and engaging with the EU. The increasing diversity in regional and local democratic processes has strengthened the legitimacy of local and regional representatives, as they engage with citizens regularly.

In recent years, regions across Europe have been hit by multiple crises, including the COVID-19 pandemic, the Russian invasion of Ukraine and the challenges posed by climate crisis. These crises, combined with growing

threats to democracy observed globally, have tested European regions. **Threats to democracy and the rule of law remain central concerns for EU citizens, and it is more vital than ever to engage with those who have lost trust in governments and who do not participate in elections.**

To enhance their role in shaping policies, regions and cities need stronger partnerships on an equal footing with the EU and national levels, reflecting the principle of active subsidiarity. Policies that acknowledge the cultural richness and particularities of EU territories are crucial to ensuring inclusivity and equal opportunities. **Local and regional authorities therefore call for the European Committee of the Regions to have a greater role in EU governance, particularly for territorial policies, and emphasise the need for decentralisation and multilevel governance in future reforms.**

Over one million local and regional representatives are involved regularly in dialogues, using best practices to boost citizen participation and inclusion.



Success story

EU local dialogues in regions and cities

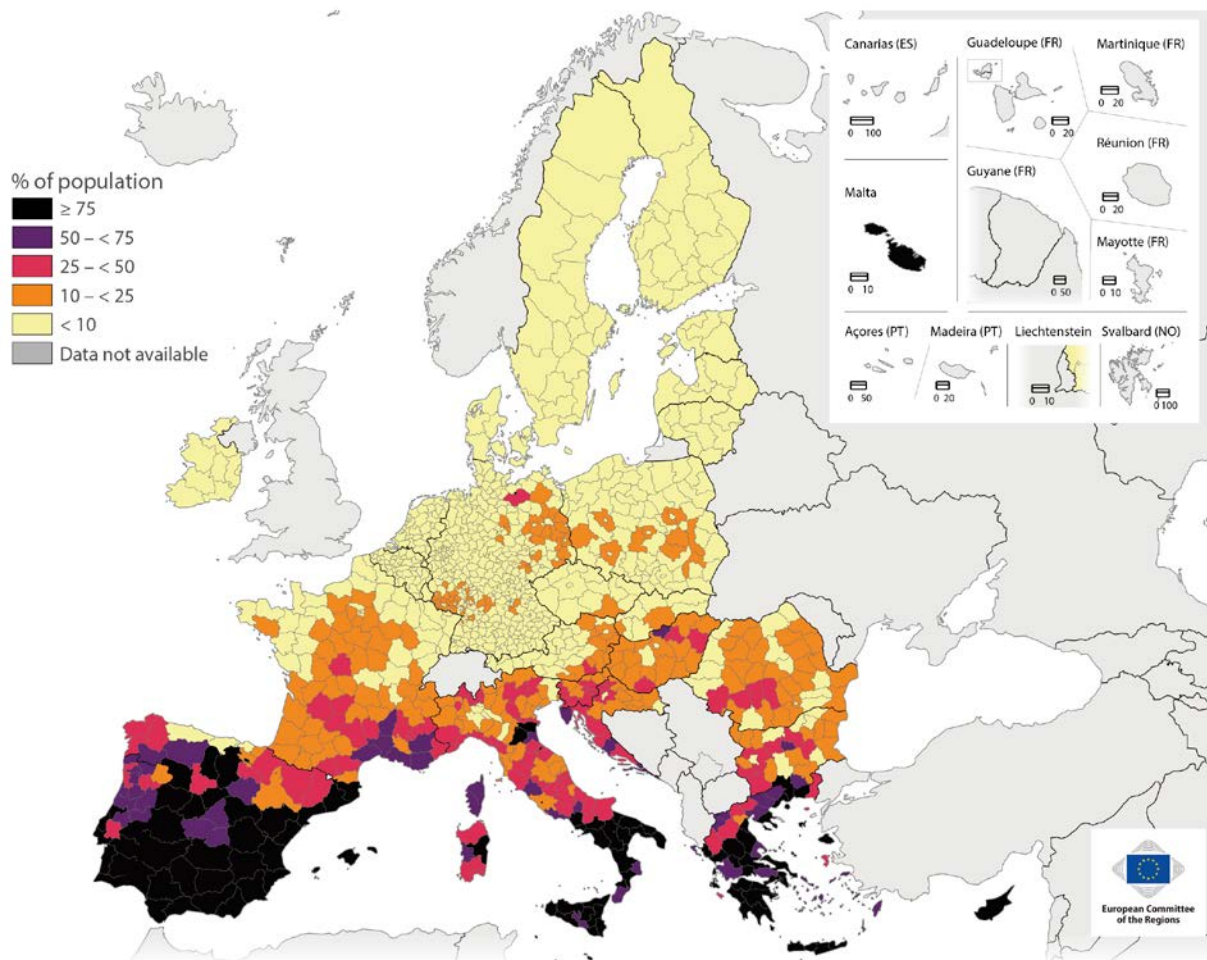
Ahead of the European elections, CoR members organised EU Local Dialogues in their communities, involving over 3000 citizens. CoR Climate Pact Ambassadors hosted European Climate Pact Going Local Talks. At the 10th European Summit of Cities and Regions (Mons), around 7000 attendees (in person and online) put forward a vision from regions and cities for the future of Europe.

STRONGER Green transition that leaves no-one behind

European regions and cities experience daily what it means being on the fastest-warming continent on Earth. The climate crisis affects Europe unevenly: while some regions have experienced extreme droughts, others record breaking floods. Extreme heat, wildfires, drought, and floods worsen, impacting energy and food security, water resources, economic and social stability, and health. **The cost of climate adaptation is ramping up dramatically, ranging from EUR 80 to 200 billion per year depending on a +2 or +3/4° temperature increase scenario.** As climate-related risks are territorially asymmetric, policy responses need to answer to the different local needs, ensuring solidarity among communities.

Heat-related mortality has increased almost in all European regions: the WHO Office for Europe estimates that by 2050 **there could be 120 000 heat-related deaths every year.** Last year, Europeans endured a record number of days with 'extreme heat stress', when it feels like it is more than +46 °C. This new reality brings also more protracted drought and water scarcity. In Southern Europe, **up to 70% of the population is at risk of seasonal water stress.**

At the same time, storms, heavy rainfall and other extreme weather events are increasing. **Over 53 million Europeans live in flood-prone areas.** The risk of water-, food- and vector-borne diseases is also expected to grow.



Human exposure to harmful climate impacts

The impact of climate change under a 2°C global warming scenario in NUTS 3 regions

Share of the population exposed to wind storms, coastal flooding, river flooding, water shortage and wildfire danger, 2050

Source: Data retrieved from the 9th Cohesion Report, through the JRC

Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat

© Cartography: Eurostat – IMAGE, 08/2024



Success story

A LifeCoolCity (Wrocław, Poland)

The LifeCoolCity project will help 10 000 cities in the European Union to strengthen their capacity to adapt to the effects of anthropogenic climate change. Wrocław, the warmest city in Poland, will pioneer the approach as the project demonstration. The city takes a comprehensive approach to its urban heat islands, parks and rivers to improve residents' health and wellbeing.

Green Deal 2.0 to empower cities and regions

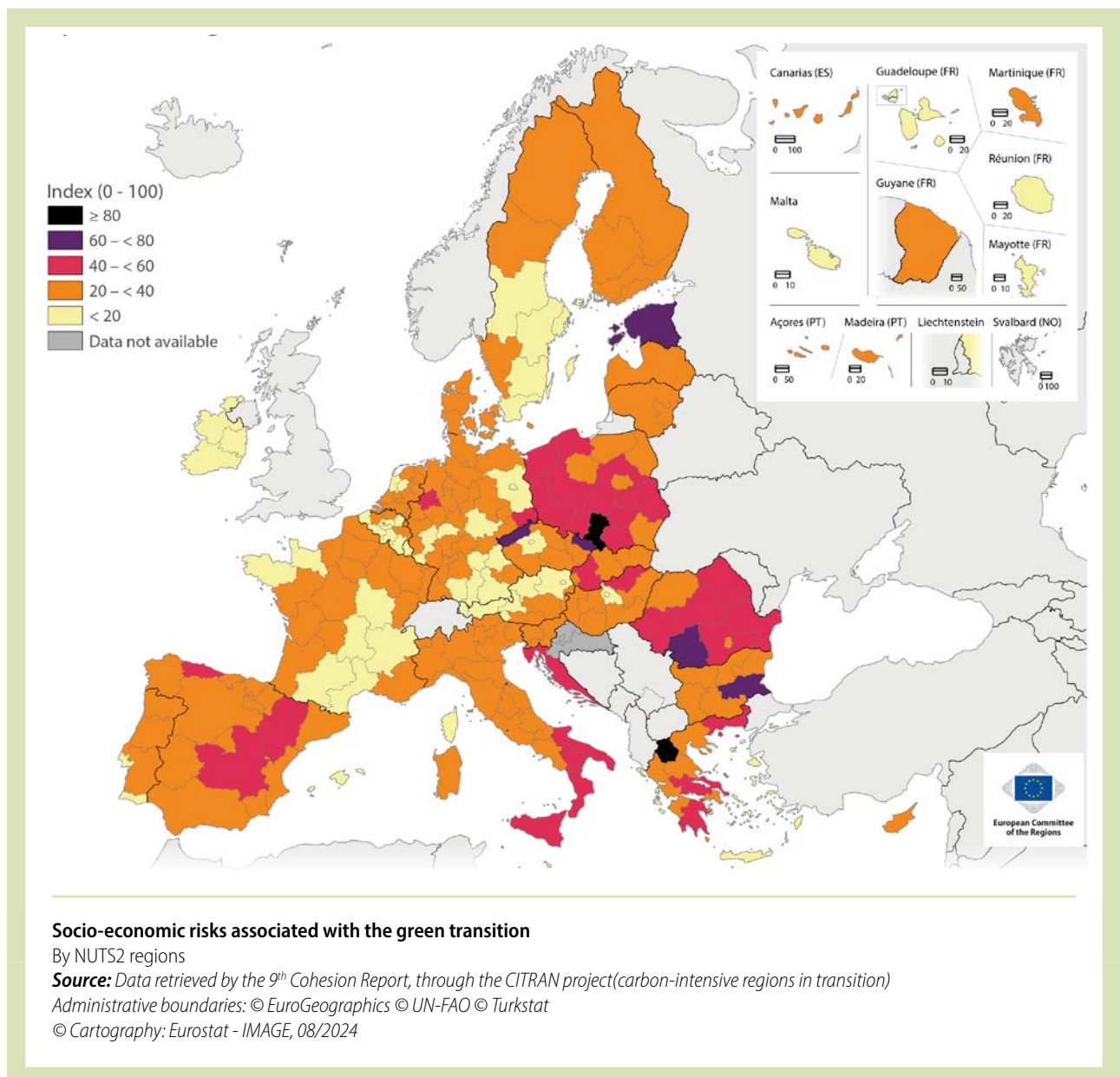
The EU needs to significantly increase the pace of change to become climate neutral by 2050, as well as address the ongoing loss of biodiversity. This will not be possible without regions and cities, which are responsible for implementing **70% of climate mitigation and 90% of climate adaptation policies**. The implementation of the

European Green Deal is however challenging at the local and regional level because of multiple rulebooks, lack of financial resources and shortage of skilled human resources.

Regions and cities need to become a key partner for the EU institutions in a renewed Green Deal agenda. **The 'Green Deal 2.0' must empower them to design and govern their own transition pathways** based on the different strengths and specific needs of territories, mobilising private and public investments in sectors such as energy and transport. It is estimated that around **EUR 350 billion is required every year to achieve the EU's target for 55% greenhouse gas emissions reduction, and EUR 130 billion to reach the environmental objectives of the European Green Deal.**

At the same time, **the cost of inaction against the climate crisis is estimated to reach 10-12% of the EU's GDP by the end of the century.** EU action to accelerate **the green transformation could increase EU GDP by EUR 440 billion per year** and generate other substantial benefits for the EU economy, individuals and the environment. For every euro invested in risk prevention, **the return on investment in terms of lives saved and damage avoided could range from EUR 2 to EUR 10** or even more, as estimated in the 9th Cohesion Report. Currently, 80% of investment in environmental protection is at local level.

Ensuring a just transition for everyone



Securing cheaper and more sustainable energy sources is a key element in preserving EU economic competitiveness. For the first time, in 2023, the EU produced more electricity from wind and solar sources than fossil fuels. **Regions and cities will increasingly act as catalysers of the energy transition, steering investments in clean energy.**

However, many regions face specific challenges in transitioning to a climate neutral economy. This is especially the case of areas highly dependent on energy and carbon intensive industries and of remote areas. These specificities must be considered to **ensure a just transition for all**. If the transition in these regions isn't managed well, it can lead to job losses, lower GDP, reduced well-being, and regional inequalities, as well as increased discontent towards the EU and green policies. There is a need for a **true EU Industrial Strategy where regions and cities act as key hubs for innovation, accelerating the clean energy transition.**

The green transition thus needs to acknowledge regional disparities and avoid adopting a one-size-fits-all approach. **The EU's cohesion policy as a fundamental component of the Single Market, should channel investments into regions most affected by the socio-economic impacts of the shift to clean energy.** This targeted funding will assist local communities in diversifying economic activities towards cleaner industries and retraining workers for new job opportunities.



Success story

Jobs after coal (Wielkopolska, Poland)

By supporting the re-skilling and up-skilling of 2 200 workers affected by the phasing out of lignite energy production in the Wielkopolska region, this project co-financed by the Just Transition Fund will help ensure that no one is left behind in the green transition.

COHESIVE Cohesion and investments

Ensuring cohesion among regions is crucial for the future of Europe

Cohesion Policy is worth one third of the European Union's budget for 2021-27. Out of EUR 1.211 trillion, EUR 370 billion will be spent on promoting territorial, social and economic cohesion in all EU regions. It contributes to progress and ensures solidarity across Europe through meaningful investments, providing infrastructures, public services and skills, developed in partnership with local and regional authorities.

In 2025, the European Commission should present its proposal for the next EU multiannual budget 2028-2035, which will be followed by a proposal to reform Cohesion Policy.

Regions and cities are channelling 50% of public investment and are responsible for 30% of public expenditure. They are also at the forefront to deliver a sustainable transition for all towards climate neutrality. **This is why they are calling for the next EU multi annual budget to be far more place sensitive, and for the new EU funding programmes post-2027 to fully implement the 'Do no harm to cohesion' principle. This means that the whole**

EU budget should aim to reinforce economic, social and territorial cohesion. Cohesion Policy alone cannot reach such fundamental objectives, which are enshrined in the EU Treaties.

Regions and cities will also support innovative proposals to widen the sources of revenue of the EU budget, especially in view of the future enlargement of the Union.

What cities and regions are asking for in order to modernise Cohesion Policy

The European Committee of the Regions has been the first to develop its vision for a stronger and renewed cohesion policy. It will be important to **add a more forward-looking and anticipatory dimension** to a policy that supports cities and regions to proactively deal with the upcoming challenges. This means supporting regions before they are hit by a major social crisis, and not after. To this end, **the creation of a territorial vulnerability scoreboard** will be crucial, as requested by the European Committee of the Regions in 2023.

Support to a just industrial and environmental transition should also be embedded in cohesion policy, to anticipate changes and help regions in transformation, ensuring no one and no place is left behind.

Finally, **demographic transition needs to be treated with the same focus and attention** as the green and digital transitions, and it should be considered in the formulation of all EU policies, including Cohesion Policy.

Rural areas: threats and unexploited potential

Demographic challenges such as ageing populations, brain drain, depopulation and urban-rural disparities are increasingly impacting regional competitiveness and social cohesion. Many regions are caught in a 'talent development trap', due to a lack of skilled workers and graduates to counteract the effects of an ageing and shrinking workforce.

Rural areas are the ones impacted the most by these demographic trends. Today, one in four EU citizens live in rural areas, which account for approximately 75% of the EU's territory. **It is estimated that 30 million people will have left rural Europe by 2033 compared to 1993.**

The depopulation of rural areas, along with inadequate living and working conditions, could be a serious threat to food security in Europe. **800 farms are disappearing every day across Europe and only 1 in 20 farms are run by farmers under the age of 35.** Addressing this is a prerequisite for developing sustainable agriculture. The reform of the Common Agricultural Policy, as called for by the European Committee of the Regions, will be necessary to strengthen the development of rural areas.

Rural areas also hold significant potential to enhance Europe's energy security and economic cohesion, **as nearly 80% of the EU's untapped renewable energy resources are located in these regions.**

Lack of affordable houses puts social cohesion at risk

The President of the European Commission's 2024-2029 guidelines highlight housing as a key priority, advocating a European Affordable Housing Plan to ensure accessible and sustainable housing, reinforcing social cohesion across the Union.

With almost 100 million people at risk of poverty and social exclusion in 2023, the EU cannot ignore the growing need for efficient social protection and quality public services.

Access to affordable, quality housing is vital for social protection. Today, tens of millions of Europeans are overburdened by housing costs according to Eurostat, demonstrating the need for affordable and social housing in Europe.

Average rent prices in the EU were almost a quarter higher at the end of 2023 than at the start of 2010, and the average cost of a house had risen by almost 50% between mid-2023 and 2010. Furthermore, 47% of young Europeans between the ages of 18 and 34 are still forced to live at home with their parents.

Regions and cities are playing a critical role in developing housing in their communities. Local and regional authorities will be key actors, together with the European Investment Bank, in setting up a pan-European investment platform for affordable and sustainable housing. Increased investment in social housing and other social protection measures are essential for sustainable and inclusive communities.

AMBITIOUS Enlargement

Enlargement, an investment in stability

The Russian invasion of Ukraine has brought new instability to the EU's neighbourhood. While the EU responded first and foremost with financial assistance to Ukraine, it also seized the momentum to provide a new impetus to the enlargement agenda. The EU has started accession talks with Ukraine and Moldova in June 2024. There are now nine candidate countries and one potential candidate, the highest number since 2004.

Staged enlargement, in line with the merit-based approach, is commonly seen as the most likely scenario, with countries gradually joining the Union. Other scenarios include a 'new big-bang enlargement', with all candidates acceding to the EU at the same time, and the 'no enlargement' scenario, with all (or some) candidates not becoming members.

The EU will, in 2025, carry in-depth sectoral reviews of its enlargement policy. Now is the right time for the regions and cities to have their rightful place in the process recognised.

Two of the EU's largest budget items – on regional development (Cohesion Policy) and on farming (the Common Agricultural Policy) – would be significantly affected by the accession of countries that are poorer and sometimes large. **To mitigate the effects, the European Committee of the Regions has called for reforms and for adequate funding to be maintained.**

The EU is committed to supporting Ukraine's reconstruction, reforms and modernisation on the way to accession to the EU. The CoR, through its consultative work, promotion of peer-to-peer activities, and its active participation in the Alliance of Cities and Regions for the Reconstruction of Ukraine, supports these efforts.

How regions and cities contribute to the success of enlargement

A successful enlargement process needs to involve regions and cities. They are involved in the implementation of around 70% of EU legislation, half of public investment and a third of public spending. Democracy and the rule of law is a foundational part of enlargement. Stronger local democracy is critical. It will be key to focus on decentralisation as the reality in various candidate countries varies.

Country	Number of regions	Number of higher-level local authorities (districts, cities)	Number of municipalities
Albania	12	n/a	61
Bosnia and Herzegovina	13	2	139
Georgia	1	n/a	64
Montenegro	n/a	n/a	25
Moldova	2	32	66
North Macedonia	n/a	1	80
Serbia	1	1	145
Türkiye	81	30	1 389
Ukraine	25	136	1 469
TOTAL	135	202	3 438

The levels of sub-national governments in the candidate countries

Source: CoR compilation

The enlargement process helps cross-border and inter-regional cooperation and fosters cultural, social and economic development, as well as improved management of the environment and resources. Local governments are involved in the development of integrated energy, transport and digital infrastructure.

The EU must continue its strong support for Ukraine's recovery, reconstruction and EU accession path, including through the European Alliance of Cities and Regions for the Reconstruction of Ukraine.

The capacity of local and regional institutions in candidate countries must be strengthened, including through support for international municipal and regional partnerships. We should further encourage multilevel governance and promote the close and effective cooperation between all levels of government.



Success story

The European Alliance of Cities and Regions for the Reconstruction of Ukraine

Within months of Russia's full-scale invasion of Ukraine, the European Committee of the Regions co-founded the Alliance of Cities and Regions for the Reconstruction of Ukraine. Since then, the Alliance – formed by territorial associations, international organisations and individual cities, regions and partners – has helped to shape the EU's and international community's policies related to Ukraine's cities and regions, with the Committee representing the Alliance at the annual Ukraine Recovery Conference. The launch of a training and internship programme will be a major element of the Alliance's work in 2025.



**European Committee
of the Regions**

Created in 1994, the European Committee of the Regions is the EU's political assembly of 329 regional and local representatives such as regional presidents or city-mayors from all 27 Member States, representing over 446 million Europeans.

Edited by the European Committee of the Regions

Brussels, October 2024

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Read the
full report

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Publications Office
of the European Union

PDF	Print
QG-09-24-539-EN-N	QG-09-24-539-EN-C
ISBN 978-92-895-3586-1	ISBN 978-92-895-3584-7
DOI 10.2863/376582	DOI 10.2863/40397