EUROPEAN
COMMISSION

Brussels, 12.2.2025
COM(2025) 41 final

REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

Implementation of the European Urban Initiative in 2022-2024

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1. INTRODUCTION

Europe is facing multiple challenges, from economic recovery and building inclusive societies, to tackling climate change, environmental degradation and demographic change, to the twin green and digital transitions. Cities are places where all the challenges are coming together and where new solutions can be tried and tested in ways that make a difference to people.

Cohesion policy has a strong urban dimension, and its support to sustainable urban development was reinforced for the 2021-2027 programming period to help cities take active role in designing and implementing policy responses to their local challenges. As a result, Cohesion Funds invest more than EUR 100 billion in cities, and cities are directly responsible for designing and implementing investments for over EUR 24 billion under the Cohesion policy programmes.

In addition, a new European Urban Initiative (EUI)[1] was established within the urban dimension of Cohesion policy for the 2021-2027 programming period. With a budget of EUR 395 million[2], it is an instrument to support cities of all sizes, to build capacity and knowledge, to support innovation and develop transferable and scalable solutions to urban challenges of EU relevance. Activities are coordinated with and complemented by the URBACT programme[3] and provide support to the intergovernmental work under the Urban Agenda for the EU.

The present report describes the EUI activities and the implementation results from 1 September 2022 to 31 August 2024.

2. IMPLEMENTATION

The implementation of the EUI was entrusted to the Region Hauts-de-France, in close collaboration with the European Commission[4]. A Permanent Secretariat (hereafter 'EUI Secretariat') was set up by the Region Hauts-de-France to carry out all the daily activities presented in this report. The work is built along two strands, aimed at providing: (a) support of innovation, and (b) support of capacity and knowledge building, territorial impact assessments, policy development and communication (Figure 1). 75% of the EUR 395 million budget[5] is designated to strand (a), and 25% for strand (b).

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1 Article 12 of Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund.

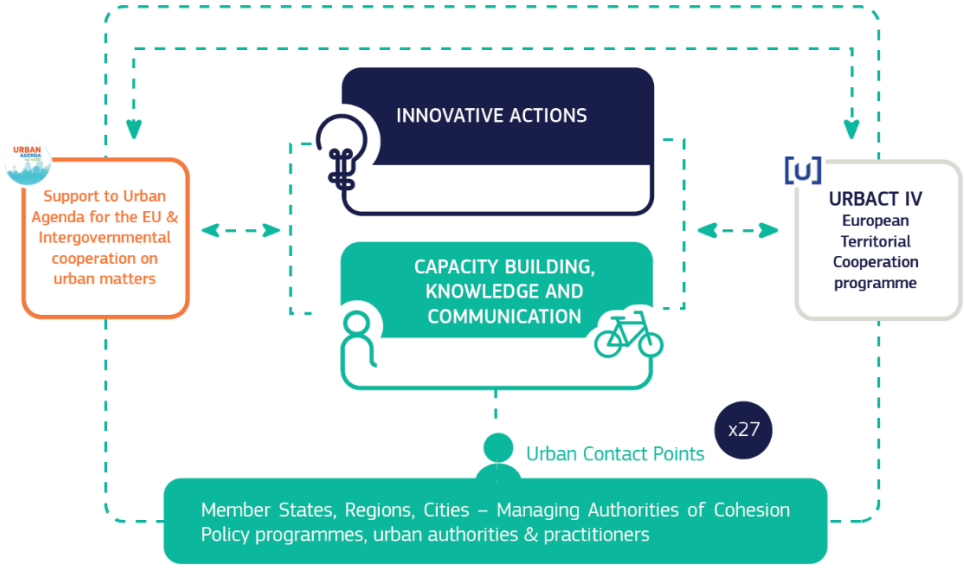
2 The initial budget of EUR 400 million (in 2018 prices) was decreased to EUR 395 million (in current prices) due to the Multiannual Financial Framework review in 2024.

3 Article 3 of Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments. URBACT finances networks of cities to support cities in developing integrated practices.

4 Based on Article 12 of Regulation (EU) 2021/1058, the implementation of the EUI was entrusted to the Region Hauts-de-France via indirect management. The call for expressions of interest concerning the indirect management of the EUI was published in May 2021 resulting in the selection of the Region Hauts-de-France in July 2021. The agreement between the Commission and the Region Hauts-de-France was signed in August 2022.

5 In current prices

Figure 1. Intervention logic of the European Urban Initiative



2.1. Funding for innovation in cities

The EUI supports innovative action projects that aim to foster the transformative role of cities and the deployment of proof-tested urban innovations across the EU. Each project can receive a maximum European Regional Development Fund (ERDF) contribution of EUR 5 million with a co-financing rate of 80% and has a maximum duration of four years[6]. Eligible applicants are urban authorities or groupings of urban authorities (i.e. cities, towns, or suburbs) with a total population of at least 50 000 inhabitants, located in one of the EU Member States.

This workstream builds on the Urban Innovative Actions pilot initiative[7] that was implemented during the 2014-2020 programming period. Since then, many improvements were introduced, for example: (i) stronger focus on urban innovations of relevance for Cohesion policy, (ii) enhanced measurability of results against pre-defined indicators, (iii) improved focus on projects' operational readiness, upscaling potential and replicability of tested solutions.

Four calls for the EUI innovative actions have been planned, with two calls carried out, one ongoing and one scheduled for 2026 (Table 1). For the first three calls, the objective is to stimulate innovation in certain thematic areas which are important for EU policies, while the fourth call is planned to support cities with less experience in innovation.

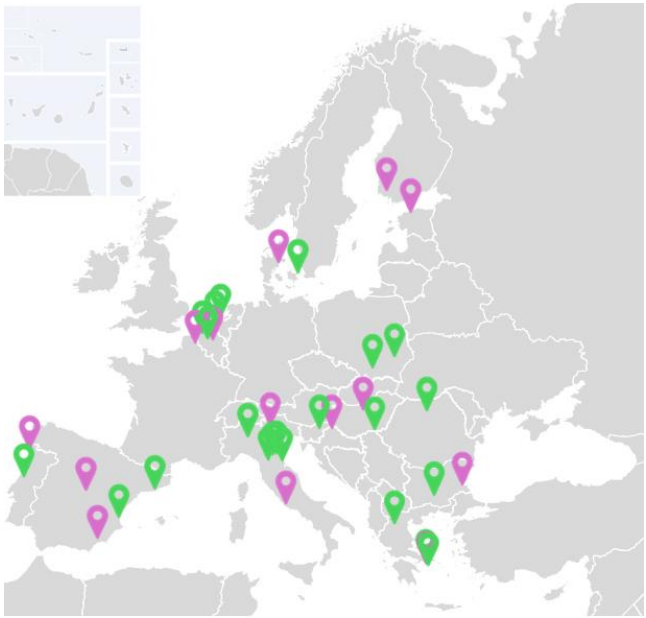
6 EUI - innovative actions guidance
7 UIA - urban innovative actions

Table 1. EUI innovative action calls

Call	Published (year), topic(s)	Applications	Selected projects, total ERDF contribution (EUR)	Success rate of applications
1	2022, one topic: New European Bauhaus	99 applications from 21 Member States	14 projects from 12 Member States, EUR 65.2 million	14%
2	2023, three topics: Greening Cities, Sustainable Tourism, Harnessing Talent in Shrinking Cities	112 applications from 21 Member States	22 projects from 12 Member States, EUR 98 million	20%
3	2024, two topics: Energy Transition, Technology in the City	Call closing date in October 2024	Planned budget EUR 90 million	-
4	Planned for 2026	-	-	-

36 projects from 16 Member States were selected under the two calls (Figure 2). To improve the geographical coverage and to help cities prepare good quality applications, several measures have been undertaken, e.g. organisation of applicant workshops across the Central and Eastern European Member States and establishing a network of national urban contact points promoting the calls across Member States.

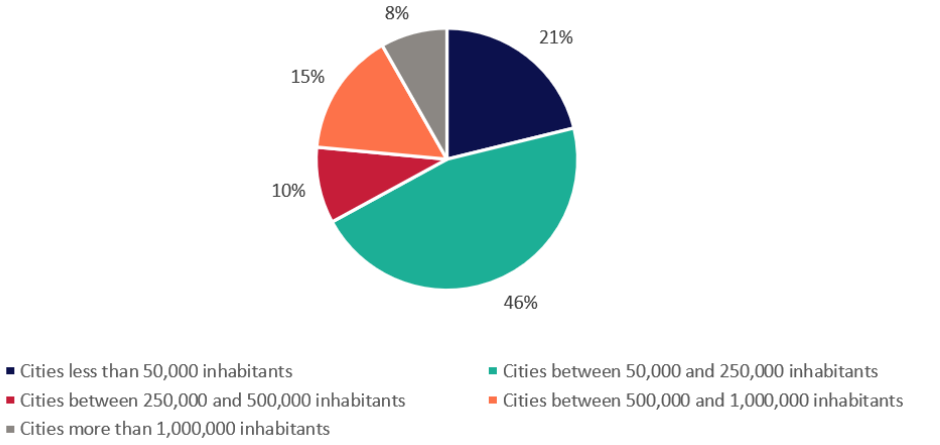
Figure 2. Geographical locations of the selected projects under the two calls of innovative actions (call 1: purple, call 2: green)



Regarding the population size of the urban centres whose authorities participate in the selected projects under the two calls, more than two thirds are small- and medium-sized cities (Figure 3) and, likewise, more than two thirds are 'Article 11 cities'[8].

[8] Article 11 cities are cities selected by Member States to implement sustainable urban development under Regulation (EU) 2021/1058.

Figure 3. Share of the urban authorities per population size in the selected innovative action projects



As a novelty, a part of the ERDF grant to each innovative action project is dedicated to financing transnational transfer partnerships between the lead urban authorities and three other EU cities out of which two must be from less developed or transition regions[9]. The method builds on the pilot transfer mechanism for Urban Innovative Actions implemented through URBACT III in 2021-2022 and aims to transfer the experience of tested innovative solution and explore possibilities for its replication in other urban contexts. The goal is also to inspire investments under Cohesion policy programmes and to foster innovation capacities of cities beyond the cities leading innovative action projects.

2.2. Supporting capacities and knowledge in cities

2.2.1. Enhancing capacities of cities

Capacity building activities of the EUI were rolled out in 2023, and they are implemented as pilot actions until the end of 2024[10]. These activities include three types of actions: city-to-city exchanges, peer reviews and capacity building events. They seek to improve the capacities of cities in the design and implementation of sustainable urban development strategies, policies, and practices in an integrated and participative way. They also function in a complementary and coordinated manner with URBACT IV[11].

A city-to-city exchange[12] is a bottom-up and demand-driven activity and is based on a continuous call. It brings together for a short-term visit an applicant urban authority facing a specific challenge, and another urban authority from a different Member State that has expertise to tackle it. The exchange is a powerful peer learning.

The interest of urban authorities in the city-to-city exchanges is growing over time. By 31 August 2024, 60 applications were received from cities located in 22 Member States. Cities from Italy, Spain, Portugal and Finland submitted most of the applications. 40 exchanges[13] are ongoing or have been completed mobilising altogether 88 urban authorities (Figures 4 and 5). A large majority (88%) of the cities involved are small- and medium-sized cities and are almost equally spread across less developed, transition and more developed regions. More than 60% are ‘Article 11 cities’.

9 EUI innovative actions guidance for applicants

10 The work programme 2023-2024 of the EUI financing decision set out the pilot phase for capacity building activities.

11 URBACT IV has the implementation period of 2021-2027.

12 EUI city-to-city exchange guidance for applicants

13 The success rate for applications was over 85%.

Figure 4. Urban authorities involved in city-to-city exchanges as 'cities with a challenge'



Figure 5. Urban authorities involved in city-to-city exchanges as 'peers'



In addition, peer reviews[14] are supported that involve groups of cities to benchmark their integrated urban development strategies, which form the basis for sustainable urban development[15]. The aim is to improve the strategy design and implementation. Each peer review consists of up to four 'cities under review', working with individuals from up to six cities acting as 'peer reviewers' to address an identified challenge[16]. Annual calls are implemented targeting 'Article 11 cities' to apply as 'cities under review' and inviting other cities as 'peer reviewers' from across the European Union.

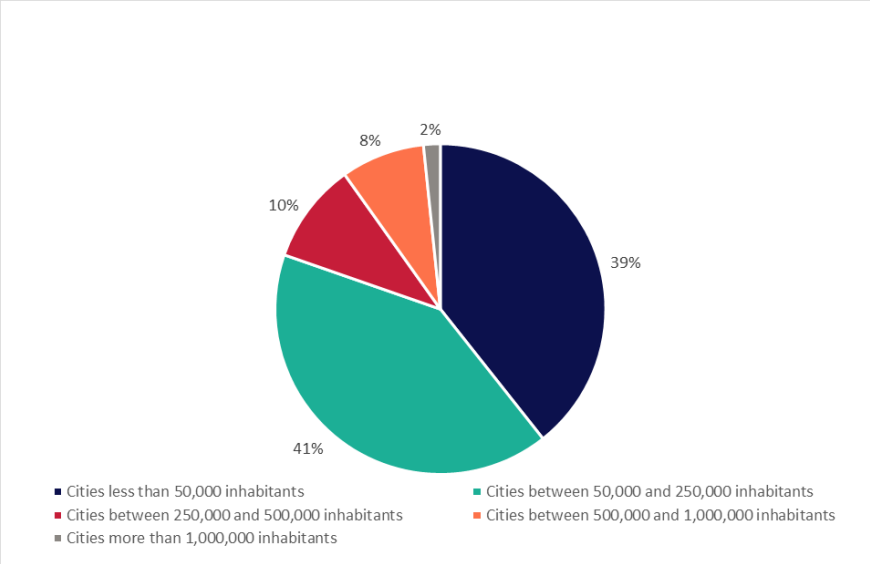
Figure 6. Geographical coverage of peer reviews (cities under review: purple, peer reviewer cities: green)



[14] EUI peer review guidance for applicants
[15] As defined in Article 11 of Regulation (EU) 2021/1058.
[16] Building on the JRC-DG REGIO peer review methodology and tools.

By 31 August 2024, three peer reviews were implemented with Thessaloniki (EL), Coimbra (PT) and Kalisz (PL) hosting onsite events. Around 150 participants attended the peer reviews and represented 12 Member States. 54 participants were urban authorities, which acted either as 'cities under review' (10) or 'peer reviewers' (44) (Figure 6). 80% of the urban authorities involved were small- and medium-sized cities (Figure 7) and about half came from less developed regions. Most 'cities under review' were small- and medium-sized cities and came from less developed or transition regions.

Figure 7. Share of the urban authorities per population size participating in peer reviews



Capacity building events[17] bring together urban authorities, managing authorities, the Commission and other key actors to exchange information and showcase synergies between the tools and programmes of Cohesion policy and the Urban Agenda for the EU. The events contribute to creating a 'community of urban practitioners'. The process involves annual calls targeting managing authorities to express interest in organising events together with the Region Hauts-de-France.

By 31 August 2024, eight capacity building events or sessions were organised in Turin (IT), Timisoara (RO), Ljubljana (SI), Zadar (HR), Tourcoing (FR), Budapest (HU), Tampere (FI) and Brussels (BE). Around 500 participants, out of which 160 were urban authorities, attended these events.

2.2.2. Supporting knowledge and policies in cities

Several EUI workstreams support knowledge and policy development capabilities of cities. A network of urban contact points was established across Member States[18]. During the period covered by this report, 25 urban contact points were appointed[19]. Most urban contact points also serve as national URBACT points, and coordination is ensured if the two different contact points are not located in the same entity.

Portico[20], a new knowledge platform, was set up. The platform aims to consolidate the wealth of existing urban knowledge and to tackle the fragmentation of knowledge sources to support

[17] Building on the Urban Development Network of Cohesion policy in the 2014-2020 programming period that supported information exchange between cities implementing integrated strategies under the sustainable urban development part of Cohesion policy and between cities leading the urban innovative actions.

[18] Terms of reference for EUI urban contact points.

[19] France and Luxembourg have a joint urban contact point while the appointment of Italy is pending.

[20] Portico

urban practitioners at all levels. One of its components is the Urban Panorama, which aims at guiding users through EU urban initiatives, programmes and organisations. This tool will be built progressively, and its first edition is already available[21].

The first edition of an EU-wide forward-looking survey was implemented in 2024. It is conducted every two years to query urban authorities and urban practitioners on key trends, challenges, knowledge gaps and support needs on sustainable urban development. The results inform the Region Hauts-de-France of emerging dynamics and needs of the urban community. Concerning the first edition, 364 responses were received from 25 EU Member States with more than 70% of the responses from urban authorities[22].

A series of capitalisation activities[23] will soon be kick-started in formats of 'EUI policy labs' and other knowledge products. The goal is to support urban authorities and practitioners in evidence-based policymaking and in ensuring the quality of public investments, particularly under Cohesion policy. Special efforts will be invested in reaching out to small- and medium-sized cities that have not yet sufficient capacities to access the existing experience and knowledge.

The Urban Agenda for the EU - the multi-level governance cooperation established by the Pact of Amsterdam in 2016[24] - is supported by the EUI[25]. A service package was designed and rolled out to help thematic partnerships to deliver their action plans, and assistance is provided for setting up new partnerships. The EUI may also support intergovernmental cooperation on urban matters[26], if such support is requested by one or more Member State(s), and if agreed upon with the Commission.

Several communication campaigns were carried out on innovative action calls, calls for capacity building activities, launch of Portico, and calls for the Urban Agenda for the EU partnership members. The EUI website was set up and the EUI newsletter was created. This newsletter has currently already more than 5 000 subscribers.

2.3. Governance and other activities

The governance of the EUI[27] was put in place to ensure the steer and operational implementation of all the activity streams in an effective and inclusive manner. It provides a mechanism that enables synergies between activities and a participatory process of strategic guidance involving all the relevant stakeholders and consists of a Supervisory Board and a Steering Group.

The Supervisory Board includes representatives from the Commission, the Region Hauts-de-France, and the EUI Secretariat. It oversees the implementation, the progress made towards achieving the objectives, the development and implementation of activities under each strand, the monitoring of results, as well as the financial execution. It ensures that the strategic advice of the Steering Group is integrated, where relevant, in operational activities.

The Steering Group functions as a consultative body. It is informed about and advises on the strategic implementation of the EUI, notably on the coherence of activities, and on the priorities. The Steering Group is composed of representatives from the Commission, the Region Hauts-

[21] Urban Panorama | Portico

[22] The survey report will be published in late 2024.

[23] Activities and/or processes capitalising on knowledge resulting from EUI activities including innovative action projects, capacity building activities, knowledge actions conducted, etc. Capitalisation activities will also provide fora for synergy development with other EU initiatives and programmes.

[24] Pact of Amsterdam 2016

[25] As specified in the Ljubljana Agreement 2021 and its Multiannual Working Programme adopted by the EU Ministers.

[26] Article 12 of Regulation (EU) 2021/1058. Support may include technical and/or thematic expertise. No support was requested in the period covered by this report.

[27] Article 12 of Regulation (EU) 2021/1058.

de-France and the EUI Secretariat, the Member States from each EU Trio Presidency, the URBACT managing authority and the secretariat, the Committee of the Regions and two European city associations Council of European Municipalities and Regions and Eurocities.

Three meetings of both governance bodies were organised in the period covered by this report. Correlation and consistency with the governance processes of the URBACT IV programme and the Urban Agenda for the EU were ensured via mutual participation and information sharing.

Regarding the financial execution of the EUI, a significant share - more than half of the EUR 395 million budget[28] - was committed to the activities. A first version of the monitoring system[29] was completed, and a dashboard showcasing progress will soon be launched.

Close cooperation was established with the URBACT IV programme to achieve overall coordination, synergies, and complementarities, notably between capacity and knowledge building activities of the two instruments[30]. Through the URBACT cooperation, the EUI also contributed to the implementation of the United Nations Agenda 2030 Sustainable Development Goals.

3. FIRST RESULTS

The EUI was co-designed with the key actors[31] to support strategy and policy design, integrated and participative implementation and urban innovation.

After the first two years of implementation, the EUI is delivering its first results. The initiative is providing an integrated set of services supporting cities of all sizes. Activities have been rolled out with interactions built between the EUI strands and with coordination and complementarities established with URBACT IV. Moreover, the EUI is combining activities and inputs from the Urban Agenda for the EU and is building synergies with other significant EU initiatives.

Regarding the geographical origins of the 444 urban authorities supported by the EUI during the period covered by this report, two thirds are from less developed and transition regions. Most beneficiaries (73%) are small- and medium-sized cities and 70% are 'Article 11 cities'. 25% of the supported cities also participate in URBACT affirming enhanced links between the EUI and other tools of Cohesion policy.

Two innovative action calls launched in 2022 and 2023 have been completed resulting in 36 projects across 16 Member States with an ERDF contribution of over EUR 163 million. Thanks to their transnational transfer partnerships, a network of 85 cities is innovating, sharing experience and inspiring Cohesion policy actions on topics of the New European Bauhaus, greening cities, sustainable tourism and harnessing talents in shrinking cities. This network will soon be complemented by additional projects on energy transition and technology in cities. Synergies with the EU Missions, notably with the Climate-Neutral and Smart Cities Mission, and other key EU initiatives have been stimulated as part of the calls.

[28] In current prices

[29] The monitoring system will be progressively expanded and will capture, through its key performance indicators, the output, results and impacts of the EUI in relation to its objectives.

[30] The EUI and URBACT complement each other in several ways, e.g. the EUI supports city-to-city exchanges of short duration whereas URBACT finances city networks of long duration. These instruments also organise joint events and the EUI knowledge platform hosts a range of URBACT knowledge resources.

[31] The Committee of the Regions, European city networks and consultations of Member States and other urban stakeholders.



Fuenlabrada (ES) is experimenting with a new housing model based on intergenerational solidarity and the New European Bauhaus principles. It contributes to the revitalisation of the city centre facing deteriorated housing quality, high vacancy rates for both residential and commercial spaces, and an aging population. **Budapest (HU)** is confronted with a housing crisis caused by high energy prices and is testing an integrated affordable housing service model that embeds the New European Bauhaus principles and develops a set of services targeting both public and private stocks.



Bologna (IT) is combining information technologies, nature-based solutions, and 'citizen scientists'[32] to connect with nature across its neighbourhoods to create a method of 'adaptive green cells' tackling the urban heat island phenomenon. **Bruges (BE)** is testing blue and green infrastructure solutions to mitigate flooding and drought risks and to improve water quality, also by making use of its historic underground water network.



Stalowa Wola (PL) is experimenting with the creation of conditions for space industry talents by developing multidimensional specialisation for the city involving a space lab, academy and cluster representing a quadruple helix. **Haskovo (BG)** is testing the creation of an innovative MedTechHub mobilising the medical and digital sectors and providing services and educational opportunities, notably to young talents, as well as supporting the transition towards a sustainable local economy.



Copenhagen (DK) is pioneering a data-driven and community-focused tourism governance for its communities and tourists, by developing a participatory photo-voice app to engage, collect and analyse users' data on their experience. **Coimbra (PT)** is piloting a sustainable tourism web portal based on Large Language Models, enriched with real data about the destination and personalised itineraries for tourists.

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Capacity building activities are delivered with a specific ambition to support cities, implementing the investment share of over EUR 24 billion from the ERDF earmarked for sustainable urban development[33]. Whilst in the pilot phase, participants already consider activities having an impact[34]. 485 urban practitioners have participated in these activities out of which almost 60% were urban authorities and two thirds 'Article 11 cities'. Capacity building activities support particularly smaller cities as 76% of cities participating in these activities have less than 250 000 inhabitants (Figure 8).

[32] Citizen scientists refer to members of the public.
[33] Based on more than 1 100 integrated urban development strategies.
[34] Based on the feedback received from participants of capacity building activities.

Figure 8. Share (%) of urban authorities participating in capacity building activities per population size of cities.



As part of capacity building activities, city-to-city exchanges have covered a range of topics, e.g. affordable housing, social inclusion, mobility, climate adaptation, digital transition, urban regeneration, tourism and access to funding. Peer reviews have improved capacities of cities in stakeholder engagement and cross-sectoral cooperation, in connecting strategies with EU and global agendas and with rural areas, as well as with financial support. Capacity building events have addressed a variety of topics, e.g. integrated strategy design, functional urban areas, integrated territorial investments and community-led local development, green transition and innovation ecosystems.

Coordination and complementary actions with URBACT IV have been established. Cities supported by URBACT act as peers in capacity building activities of the EUI. URBACT has also collaborated as a strategic partner in the setup of the Portico knowledge platform. Nurturing close connections between the EUI and URBACT is necessary to ensure coordinated action and synergies.

The network of national urban contact points is in place and accelerates the demand for EUI services across Member States. It serves as a catalyst for all EUI activities and reaches out to urban communities, notably to smaller cities and managing authorities. The network has a cross-cutting function in promoting all the streams of work, and first effects are already visible. Its social media community is rapidly growing with more than 400 media campaigns organised or ongoing in 2024. The network requires continued and dedicated support to effectively deliver its services due to multiple activities offered by the EUI.

The knowledge platform Portico provides urban practitioners with the much-needed access to knowledge and information about EU initiatives. It hosts more than 1 600 knowledge resources and animates a community of almost 2 000 urban practitioners. A component containing promising and successful urban practices and originating from projects supported by Cohesion Funds across the European Union will also soon be available on the platform. With its Urban Panorama under development, Portico aims to create gradually a tool that interconnects users with appropriate European initiatives and actors based on their needs. Efforts need to be continued to expand the platform, and particularly its Panorama tool, to keep the momentum and to develop towards the EU gateway to urban knowledge.

First capitalisation activities implemented in format of policy labs are under way, and in the initial phase, the Region Hauts-de-France teamed up with URBACT IV, and co-organised successfully a series of ‘city labs’ on the topics of energy transition and local food systems. Regarding territorial impact assessments, the Region Hauts-de-France is currently investigating

the types of support activities. Given the important role of cities in delivering EU and national policies, regulations that recognise differentiated needs of territories are central for sustainable urban development. Since a range of tools and methodologies for territorial impact assessments has been developed by key European actors in the field[35], the goal is to build on existing tools and roll out activities early 2025 responding to the needs of cities.

Support to the Urban Agenda for the EU is yielding results with new partnerships ongoing, and others to come. Since 2022, the EUI has supported the establishment of four thematic partnerships on 'greening cities', 'sustainable tourism', 'cities of equality' and 'food'. Two additional partnerships 'water sensitive city' and 'building decarbonisation, integrated renovation programmes, local heating and cooling plans' should be in place by the end of 2024. The expected impact of supporting the Urban Agenda for the EU is the increased capacity of all the actors involved to work in the multilevel governance cooperation environment.

A range of communication activities has been set in motion. Through various social media platforms, the EUI has reached more than 28 000 followers. The registered participants to the EUI events totalled over 3 000 participants in the period covered by this report. Substantial efforts were invested in the promotion of the 5th Cities Forum edition in Turin in 2023 at which the EUI was officially launched and in preparations for the forthcoming 6th Cities Forum in Kraków in June 2025.

4. CONCLUSIONS

Europe cannot succeed in its objectives without its cities. The European Commission will continue working with urban authorities to provide support for cities. In this context, the EUI is acting as an integrated tool and support mechanism for cities of all sizes across the EU. It supports cities with concrete actions such as provision of peer learning, expertise and knowledge, and funding for innovation to support the objectives of Cohesion policy. In this context, it assists cities in responding to the many challenges they face.

The implementation of the EUI will be continued with the demand-driven approach where the needs of cities remain at the forefront in view of strategic and operational choices and which strives to provide the most relevant support to its beneficiaries. Continuous attention is paid to ensuring an effective feedback loop with cities and urban practitioners through the network of national urban contact points and interactions within the initiative's streams of work.

The EUI will continue cooperating closely with key organisations and networks in the urban field as well as enhancing synergies with other significant EU initiatives. Maximum efforts will be invested in boosting the take up of its service offer by cities of all sizes across Member States. Feedback will be collected from the beneficiaries in 2025 through the mid-term assessment. The EUI is committed to delivering a strengthened and coherent policy action in the EU, and this includes contributing to the forthcoming European policy agenda for cities.

[35] E.g. ESPON, EU Joint Research Centre and intergovernmental actors.