



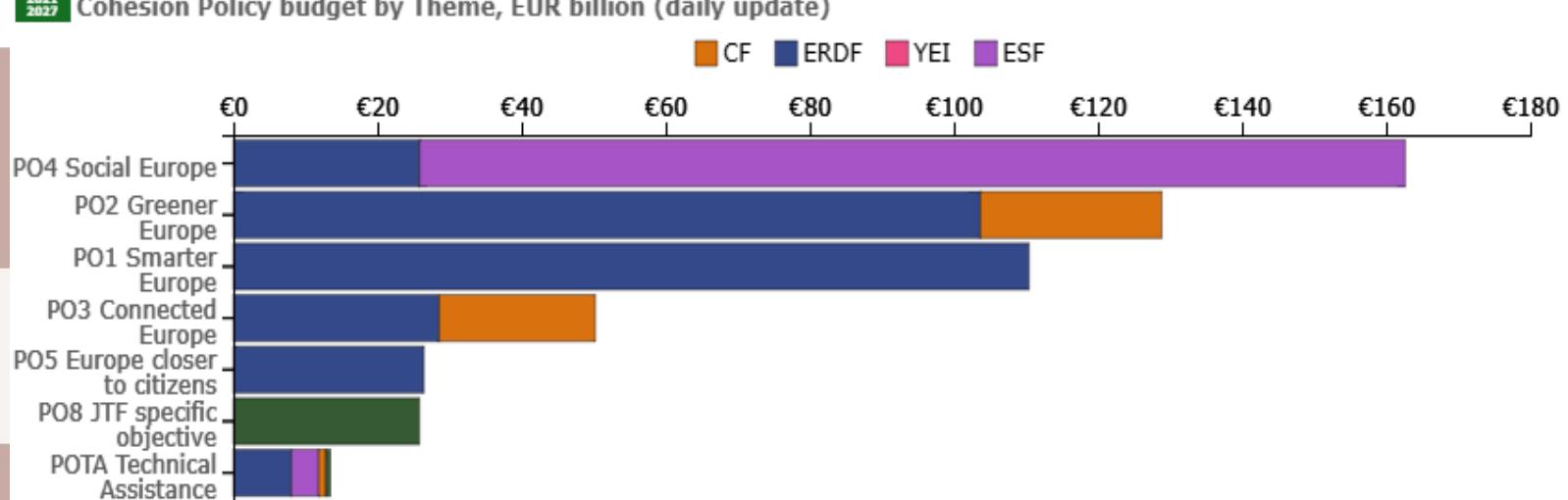
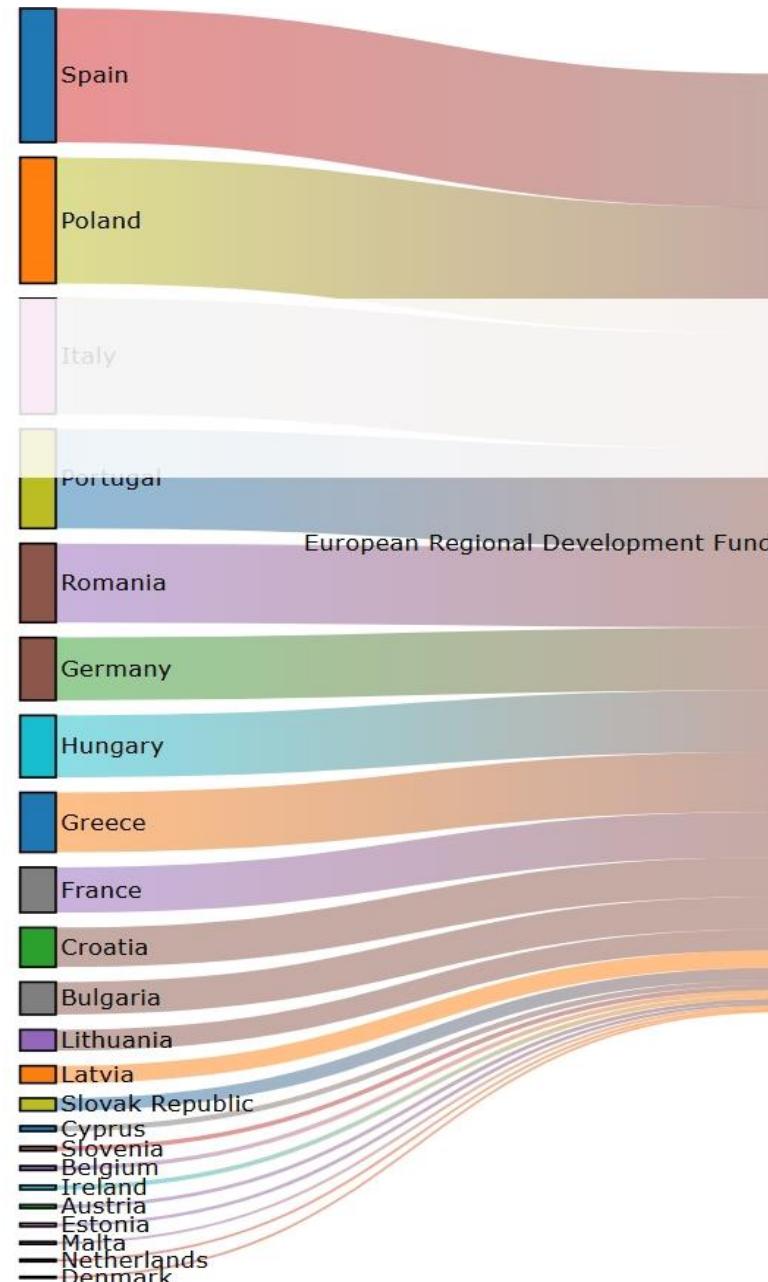
EU Funding Opportunities for Cities and Regions in 2026

Access to funding for cities

A close-up, low-angle shot of a person's hands holding a blue European Union flag. The flag is slightly wrinkled and draped, with several yellow stars visible against the blue background. The background is a soft-focus green, suggesting an outdoor setting.

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What is available 2021-2027



Refresh Date: 30/01/2026

2021-2027- 11,6% of ERDF, >EUR 24 bln implemented on the ground directly by urban authorities in Member States.

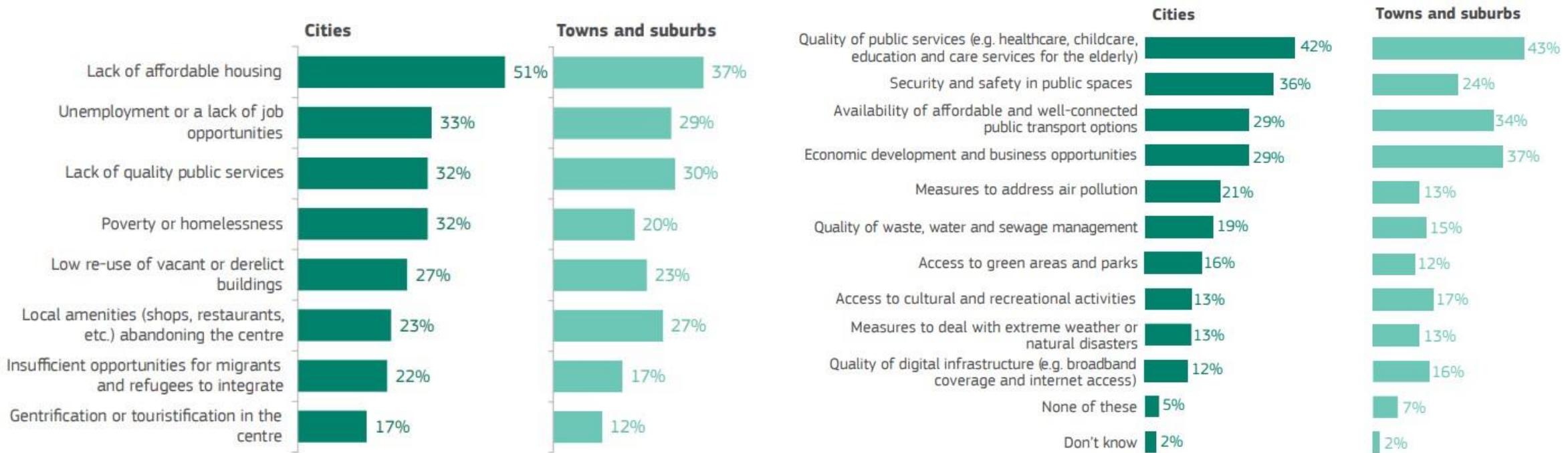
= PO5 (EUR12.6 bln), PO2 (EUR10 bln), PO1 (EUR 1bln) and PO4 (EUR1 bln)

NEW! EU Agenda for Cities

- Mandate -**mission letter** of President von der Leyen to Executive Vice-President Raffaele Fitto, responsible for Cohesion and Reforms.
- This Agenda will reinforce the EU's approach to **sustainable urban development**, focusing on key areas of action.



Eurobarometer survey 2025 - Public opinion on urban challenges and investment in cities



In the place where you live, how much of a problem, if at all, do you think each of the following issues are?

% 'An immediate and urgent problem'

In the place where you live, which of the following aspects do you think need improving most?

Please select up to three aspects

EU Agenda for Cities: Key areas of action



Competitiveness,
digitalisation,
innovation and
investment



Social
inclusion
and
equality



Security, safety
and
preparedness



Affordable,
sustainable,
decent
quality and
inclusive
housing and
buildings



Climate
action,
environment
and clean
energy



Mobility



Interna
tional
cooperation

EU Agenda for Cities: Goals

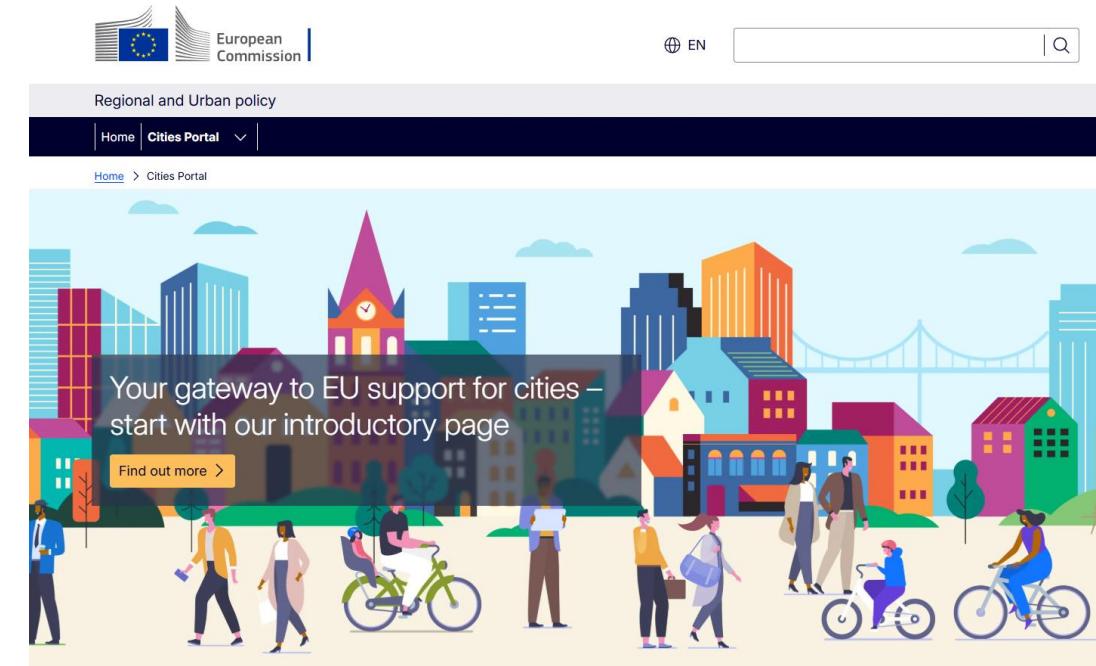
- **Strengthening multilevel governance** and cooperation by better integrating cities' interests into EU policymaking.
- **Streamlining diverse EU-level support** available to cities and urban area

Three key areas of action:



Simplification and capacity building

- The EU Cities web-portal launched on 3 December 2025 consolidates information on support opportunities for cities.
- It brings together **80+ EU programmes and initiatives** relevant to cities and urban areas of all sizes.



Beyond 2027: the EU Cities Platform

- Creation of an **EU Cities Platform** to consolidate support for cities and bring together initiatives, addressing both policy areas and operational challenges.
- Designed to **offer support to cities across full lifecycle** (data, capacity building, strategic planning, etc.)
- **Assistance in accessing flexible financing**, leveraging integrated urban development plans (e.g., Sustainable Urban Development strategies under cohesion policy, Climate City Contracts of EU Mission on Climate-Neutral and Smart Cities, Sustainable Energy and Climate Action Plans, Sustainable Urban Mobility Plans).





Smart funding for cities and regions Financial instruments under 2021-2027 ERDF programmes



Budget optimisation -> less reliance on grants and more innovative financing

- Combining financial instruments with private finance is the key to help with affordability and bankability of a project of sheer volume such as urban project.
- Combining financial instruments with grants have derisking effect

WHY FI?

DIVERSIFICATION
of financing sources

REVOLVING
capacity to generate additional flows of money

Leverage
additional flows, public and private

MOREOVER

Place based approach

Ensure better quality projects

Financial Instruments



ERDF as a trigger factor- Financial instruments help to **leverage private investment for projects with minimum public support**

What are potential benefits for private investors?

- De-risking of investments
- Additional remuneration at acceptable risk
- Unlocking the potential of new market segments
- Extension of customer base & new financial products
- Enhanced cooperation & trust with public authorities

How to attract them?

- Consult them at early stages (e.g. while performing market gaps analysis, discussing public investment priorities)
- Raise awareness on the specificities of the sector and its potential for return-on-investment
- Offer transparent de-risking schemes
- Evidence of solid pipeline of viable projects
- Offer support for additional administrative tasks and regulatory compliance

Why combine grants with financial instruments?



FI models developed REGIO-EIB



**Model for a financial instrument
with a grant component to
support energy efficiency**

a fi-compass model

May 2022



**The New European Bauhaus
territorial development model
(NEB TDM) financial instrument**

The European Regional Development Fund / Cohesion Fund



**Adaptable
Scalable
Ready to use
Advisory**



It is not all about funding! Investment barriers persist at local level

EIB Municipalities Survey 2024–2025

(300 representatives from cities -> urban investment needs)

Key findings:

- 1. Most cities plan to boost investment in climate measures and social infrastructure.** Digital infrastructure investment recorded biggest progress across cities while largest investment gaps remain in climate-related infrastructure.
- 2. Lack of finance and burdensome regulations are the key barriers to municipal investments:**
- 3. More than half municipalities are interested to explore financial instruments – 61%.** (9 in 10 municipalities in Central and Eastern Europe intend to use such instruments for their investments, recognising the advantages of such support for revolving funds).

The state of local infrastructure investment in Europe – EIB Municipalities Survey 2024–2025

Challenges for municipalities and local actors:

Local government capability, quality of government index

Cost of compliance of regulation

Limited budgets available, indebtedness of public bodies, municipal indebtedness

Less developed local financial sector, adapted financial offer

Skills shortages

EIB Urban Financing and Advisory

EIB ADVICE HELPS CITIES LEVERAGE INVESTMENT:

1) EIB urban investment

- Project investment loans for cities, private/public service providers
- Framework loans to finance multi-project & multi-sector urban investment programmes
- Intermediated loans via NPBs, commercial banks, or urban agencies
- Investment funds for urban regeneration

2) Co-financing with EU funding

- EU infrastructure grant funding via ESIF
- EU funding via financial instruments
- Investments under the InvestEU framework
- Specific EU facilities (eg. under the Just Transition Fund)

3) Co-financing by other MDBs and banks

- Financing alongside or via NPBs, municipal banks, commercial banks active in municipal finance
- Co-financing with other IFIs, MDBs – especially outside EU

4) National public and private co-financing

- Investment by municipalities
- Co-investment into loan or equity investment funds
- Financing under project finance / PPP structures



The EU Climate Neutral Cities Advisory support & Lending Envelope

Partnership with the EC to support 112 Climate Neutral and Smart Cities – Advisory and Financing support

EUR 2 billion “umbrella” facility to support EU CNC Cities striving to achieve climate neutrality by 2030.

Priority sectors are **sustainable urban renewal and regeneration, sustainable mobility and energy efficiency**.

Sub-operations will also be addressing **social Infrastructure** (schools, social and affordable housing, health facilities, etc.), **waste management, water, wastewater and flood management, energy transition/energy networks, modernization of urban roads and ICT systems** (digitalisation, etc).

- Approved operations with **LEUVEN (EIB loan of MEUR 150), PORTO (loan of MEUR 200) and BARCELONA (loan of MEUR 275)**.
- Operations under appraisal with **Lyon (FR), Thessaloniki (GR), Nantes (FR) and Tampere (FI) and Barcelona (ES)**.



EXAMPLES ERDF FI

FI for Climate adaptation

2021-2027- Multipurpose Energy fund - Italy

Policy objectives covered by the programme

- Energy efficiency
- Renewables
- **Climate adaptation measures**

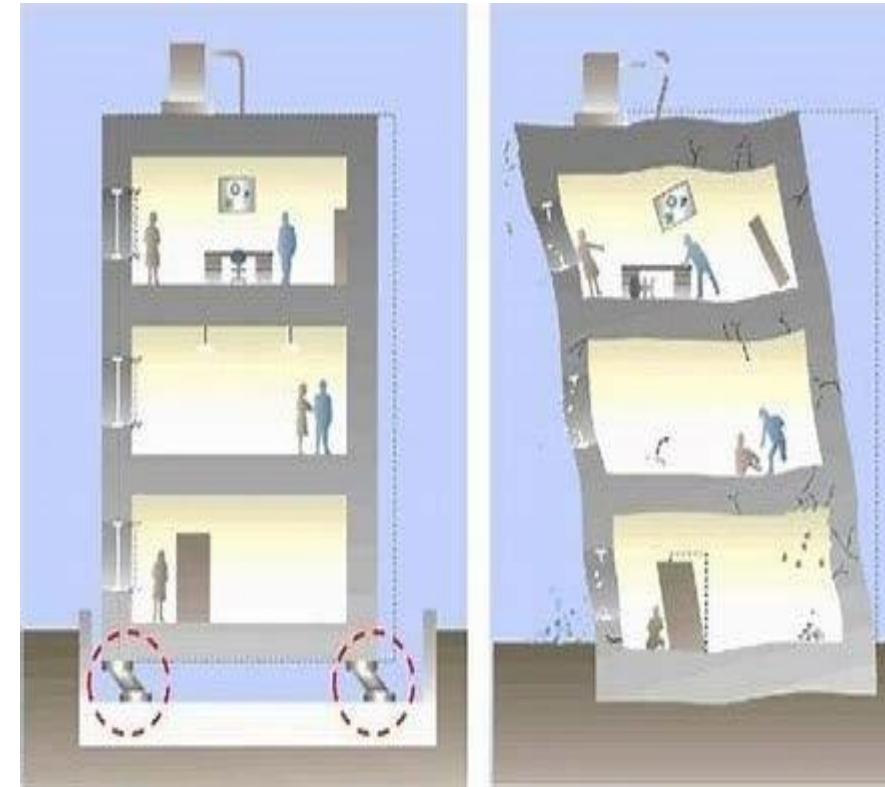
75% ERDF resources **25%** financial intermediary resources

Financial product: Loans + combined grants

- Loans **combined with technical support grant**, from 25k to 1 million, grant up to 12,5% of amount supported by public resources, interest rate 0 and/or Euribor + 4,8%

Final recipients

- SMEs, energy communities

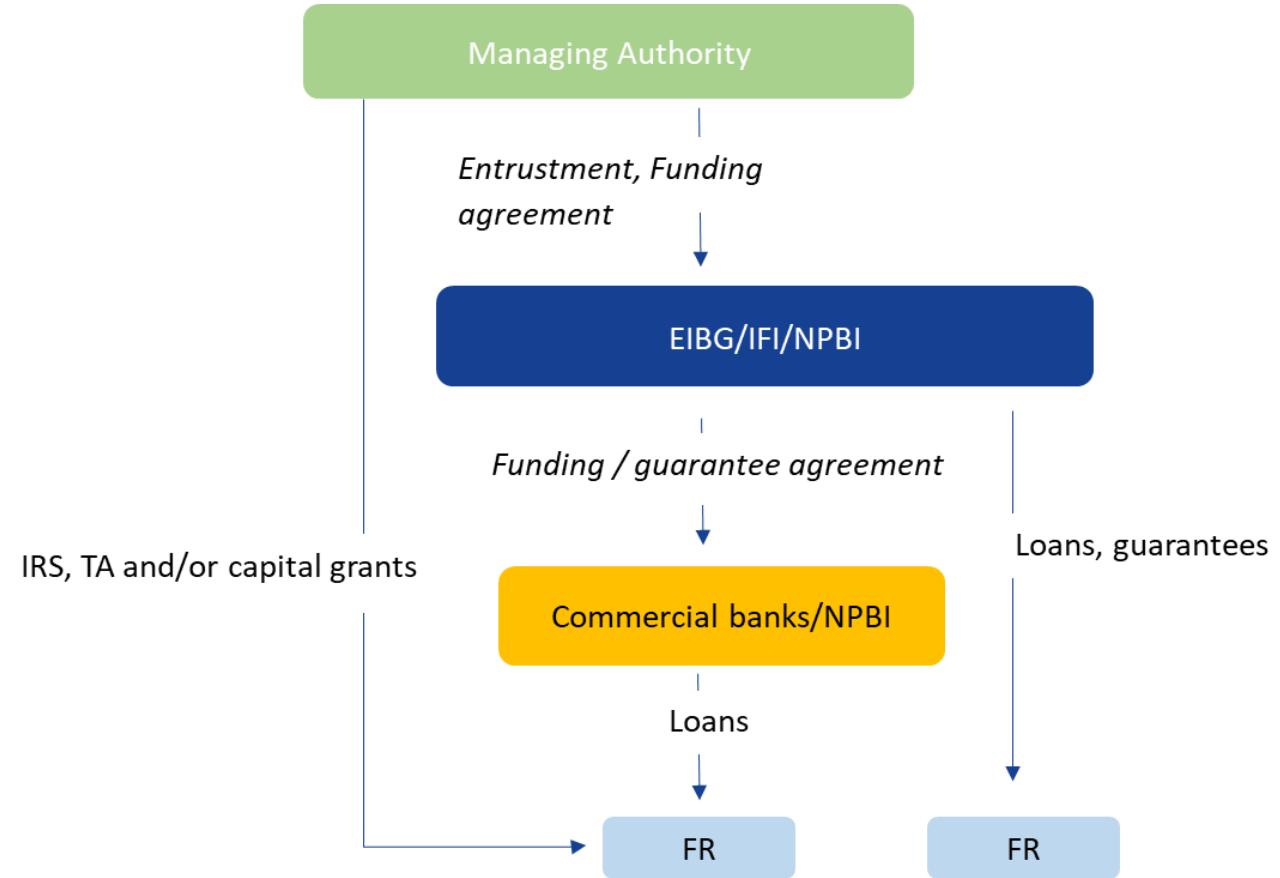
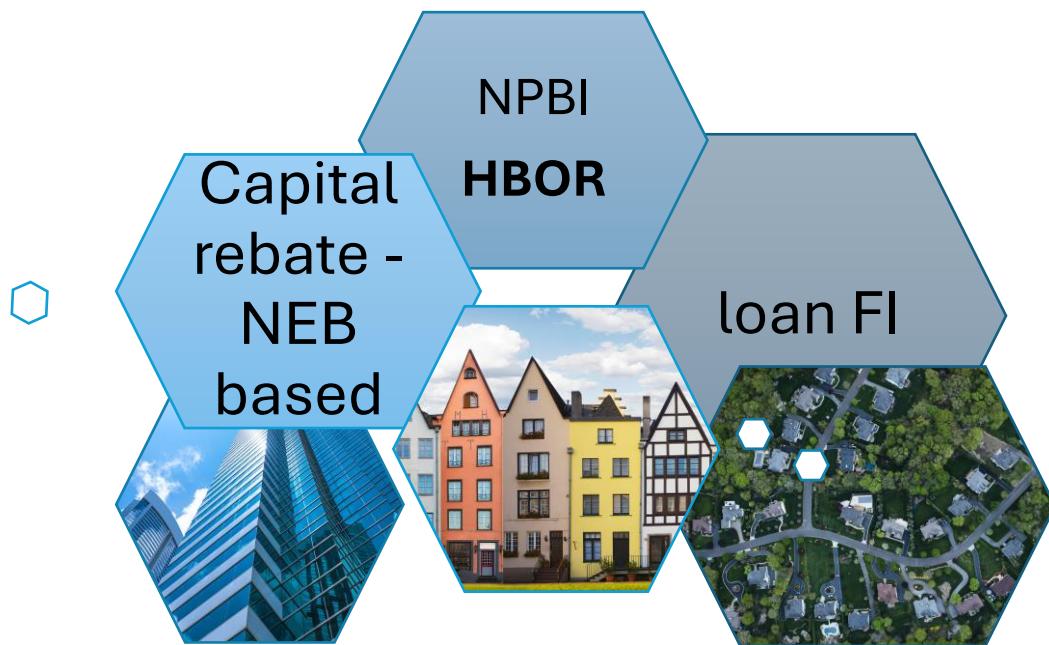


Budget 62,5 mEUR (public 33 mEUR)

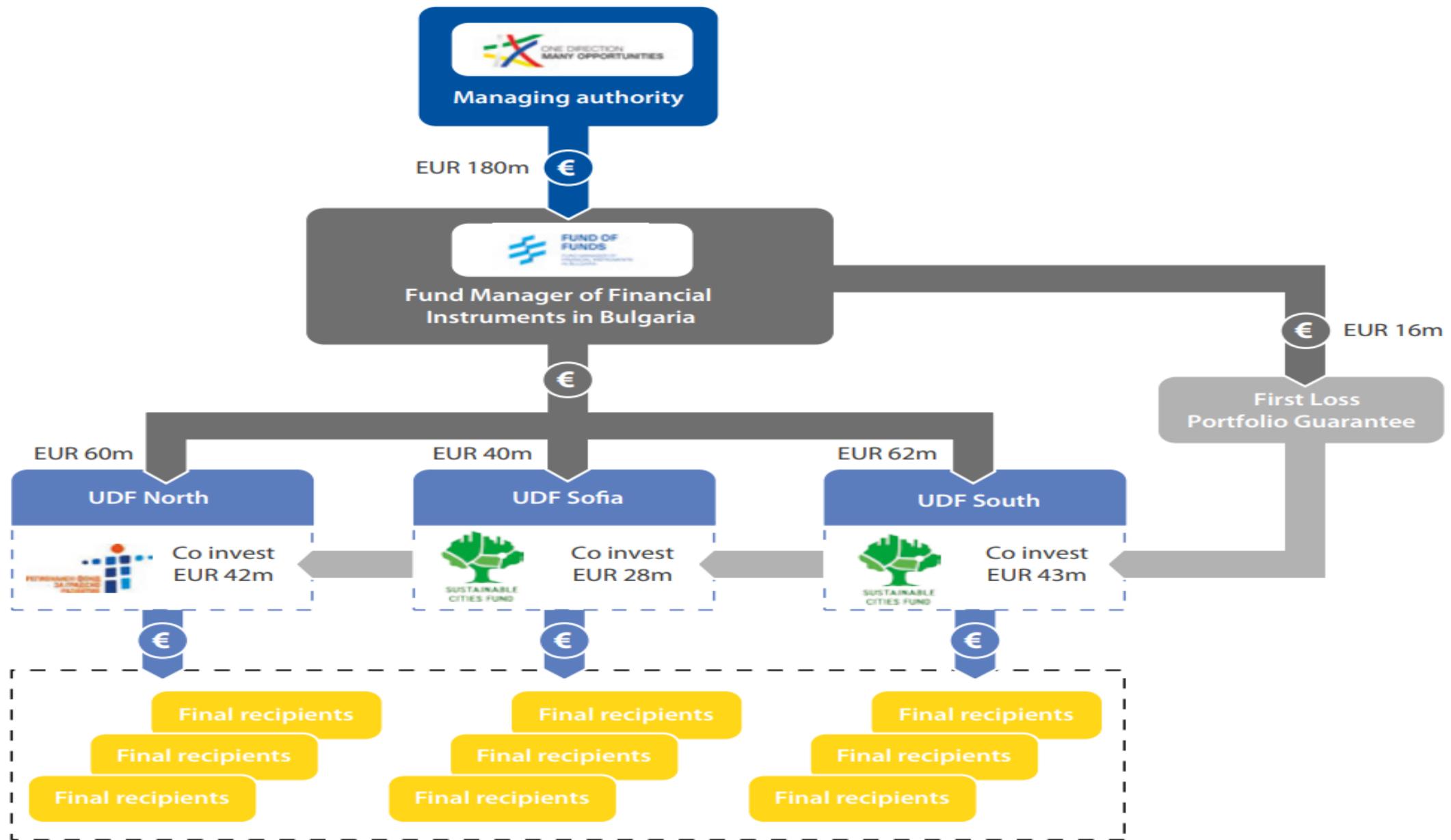
- Reflows – 17 million euro (re-invested)
- Private resources – up to 12,5 million euro

FI for HOUSING under PO5

CROATIA



FI for multi-sectors in Bulgaria - Holding Fund



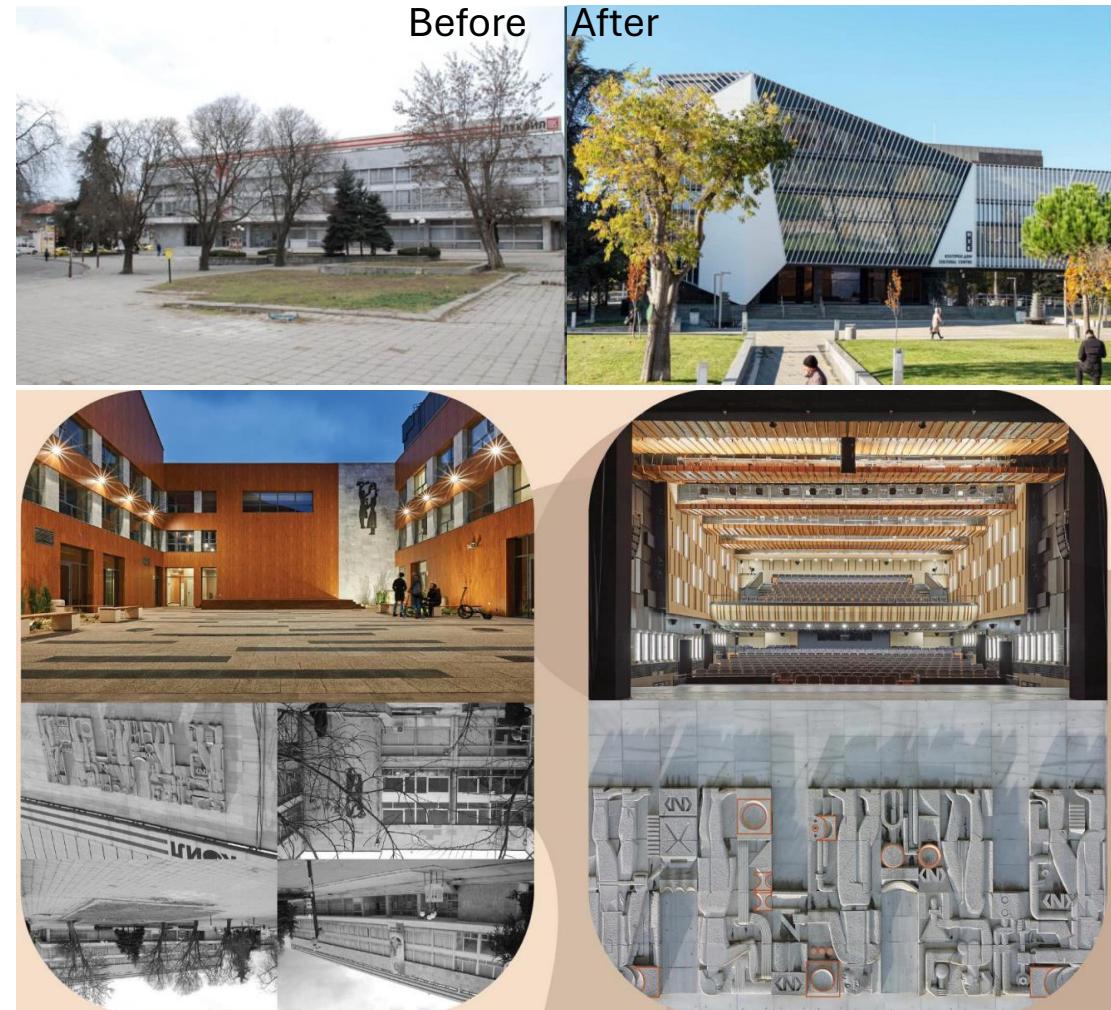
Example NEBFI - renovation of cultural infrastructure in Burgas

Combination of support in two operations - 60% from financial instrument

Aesthetics – architectural contest, grant funded design, public consultations

Sustainability - EE measures from class « G » to « C »; reusing an existing building in a new context

Inclusiveness – citizens, businesses, children; regaining a sense of belonging



PORtugal IFRU 2014-2020

Results

(contracted projects until sep 2019)



995

new residents



770

renovated households



2 684

jobs



248 589 m²

renovated public or
commercial buildings



16 720 toe

primary energy
consumption



8 308 ton

greenhouse gas
emissions reduction

Coimbra Baixa Housing Development

This project is located in the Urban Rehabilitation Area (ARU) of Coimbra, a university city classified as an UNESCO World Heritage Site. It was the first housing project concluded with IFRU 2020 financing. A derelict building has been remodeled to create 3 dwellings and a commercial unit on the ground floor.

This has attracted 12 new residents to the area and created 2 new jobs. The primary energy consumption needs of the building have been reduced from 57.19 toe to 5.29 toe (a reduction of 90%).

Financial intermediary: Santander.

Total investment: EUR 646 186 made up of EUR 299 805 ESI Funds and other public resources leveraged by a Santander allocation of EUR 346 381.



KEY SUCCESS Local approach, COMMUNICATION

Thank you !

Want to learn more about ERDF
FIIs?

Visit:
[fi-compass | Financial instruments
under EU shared management](#)

