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An EU Agenda for Cities: Driving Growth and Prosperity

{SWD(2025) 389 final}

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1. INTRODUCTION

Cities are at the forefront of tackling the challenges that will determine Europe's future. They drive growth, competitiveness and innovation, while also playing a critical role in promoting sustainability and social inclusiveness. Cities advance decarbonisation and climate resilience, contribute to preparedness for future crises and disruptions, and to fostering economic, social and territorial cohesion. Today, around 75%[1] - close to 340 million people - of the EU population lives in cities and other urban areas[2]. Cities face numerous challenges such as shortage of affordable, sustainable and decent quality housing supply, high energy costs, social exclusion, accessibility constraints, pockets of poverty, and the impacts of climate change. Furthermore, some cities are shrinking, grappling with the retention of a skilled workforce and jobs, ensuring the provision of public services and generating sufficient fiscal and other revenues.

Europe's cities, whether located in coastal, island, inland, mountainous areas or border regions, reflect a rich diversity, not only in terms of geography but also in demographic profiles and socio-economic capacities. This diversity shapes their ability to respond to ongoing transformations. The continent's urban model allows cities of varying sizes to contribute meaningfully to territorial development and connectivity. While larger cities often serve as innovation hubs, medium and smaller cities and urban areas play a crucial role in delivering services that support both local populations and surrounding areas, including rural areas, and improving access to opportunities. Urban services in education, care, health, mobility, sport, business and retail generate positive spillovers, fostering rural and inter-urban development.

Cities are pivotal for economic convergence and competitiveness, attracting talent, investment, and driving growth[3]. However, these dynamics can also produce challenges such as rising costs, congestion and territorial disparities, including pockets of poverty. A balanced, polycentric approach remains central, aiming to mitigate such effects. Yet, cities start from different positions, with varying legal powers and resources - particularly smaller towns - and often face limited administrative capacity and constrained budgets.

The EU Agenda for Cities presents the EU vision, policy and a set of actions for cities of all sizes and sets out a forward-looking perspective for sustainable and integrated urban development. It aims to provide a framework to strengthen the territorial and urban dimension of EU policies. The Agenda also aims to provide coordinated and streamlined support - through leveraging the instruments under the current multiannual financial framework, as well as the next one for 2028-2034 - to address cities' needs and to implement key EU priorities at the local level. It is also a recognition of cities' role as key partners in tackling the EU's most significant challenges and contributing to its solutions.

Moreover, an effective EU Agenda for Cities needs to promote policies that enable cities not only to generate value but also to spread this value equitably and efficiently across the EU so that all countries and territories benefit from growth and wellbeing. To this end, the Agenda

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[1] Eurostat Statistics Explained and GISCO, based on census population grid 2021 and local administrative units 2021.

[2] The term 'cities' refers to 'cities and other urban areas of the EU' in this document, if not stated otherwise. For the definition of cities, Eurostat uses the following categories with the first two referring to urban areas: (i) cities (densely populated areas, with 38.9% of EU population); (ii) towns and suburbs (intermediate density areas, with 35.9% of EU population); and (iii) rural areas (thinly populated areas, with 25.2% of EU population). Eurostat, JRC and European Commission Directorate-General for Regional Policy (2021) - Eurostat Statistics Explained.

[3] Moretti, E (2014). Are Cities the New Growth Escalator? World Bank Policy Research Working Paper No. 6881, https://ssrn.com/abstract=2439702.

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covers cities and other urban areas, and underlines the importance of connections between these areas and surrounding regions (functional urban areas and functional rural areas).

The EU Agenda for Cities builds on major strategic frameworks such as the Territorial Agenda 2030 and the New Leipzig Charter and is complemented by the intergovernmental cooperation on urban matters and its main tool - the Urban Agenda for the EU.

To develop the EU Agenda for Cities, the European Commission carried out an extensive consultation to gather input from a wide range of stakeholders. The consultation included: (i) a call for evidence, which closed on 26 May 2025, receiving 193 contributions from local authorities and other public authority representatives, citizens, civil society organisations and others, (ii) a discussion between urban stakeholders during the sixth edition of the Cities Forum held in Kraków on 17-19 June 2025 on the key challenges and needs of cities, (iii) an implementation dialogue with cities on 24 June 2025, (iv) numerous meetings and bilateral discussions with organisations representing local, regional and national authorities as well as pan-European networks, and (v) participation in various events. This comprehensive consultation process ensured a broad and inclusive policymaking approach.

2. CITIES AND EU POLICIES

The European Union is experiencing increasing urbanisation and is characterised by a diverse array of urban areas ranging from small towns to large metropoles[4]. In 2021, 39% of the EU population lived in around 700 cities, 36% resided in roughly 9,000 towns or suburbs, and 25% inhabited rural areas[5]. Urbanisation is mostly happening in larger cities and their surroundings. In 2021, a particularly high concentration of people – more than half – were living in cities in Spain, the Netherlands, and Greece, while 45.2% of the population in Ireland lived in rural areas. The population in the EU's cities, towns and suburbs is growing, while the rural population is shrinking.

A recent Eurobarometer survey[6] has shown that **the most immediate and urgent problem for Europeans living in cities** is, by far, **lack of affordable housing** with 51% considering it to be an immediate and urgent problem (Figure 1). A third of respondents (33%) report that **unemployment or lack of job opportunities** is an urgent problem in their city; similar figures are also seen for **lack of quality public services** (32%) and **poverty or homelessness** (32%). Respondents in towns and suburbs rank lack of affordable housing first (37%), followed by lack of public services (30%), and unemployment or lack of job opportunities (29%).

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[4] The data presented in this chapter is largely from Dijkstra, L. and Testori, G., Trends, Challenges and Opportunities in EU Cities: Supporting the EU Cities Agenda, European Commission, Ispra, 2025.
[5] Eurostat Statistics Explained and GISCO, based on census population grid 2021 and local administrative units 2021.
[6] Public opinion on urban challenges and investment in cities - June 2025 - Eurobarometer survey.
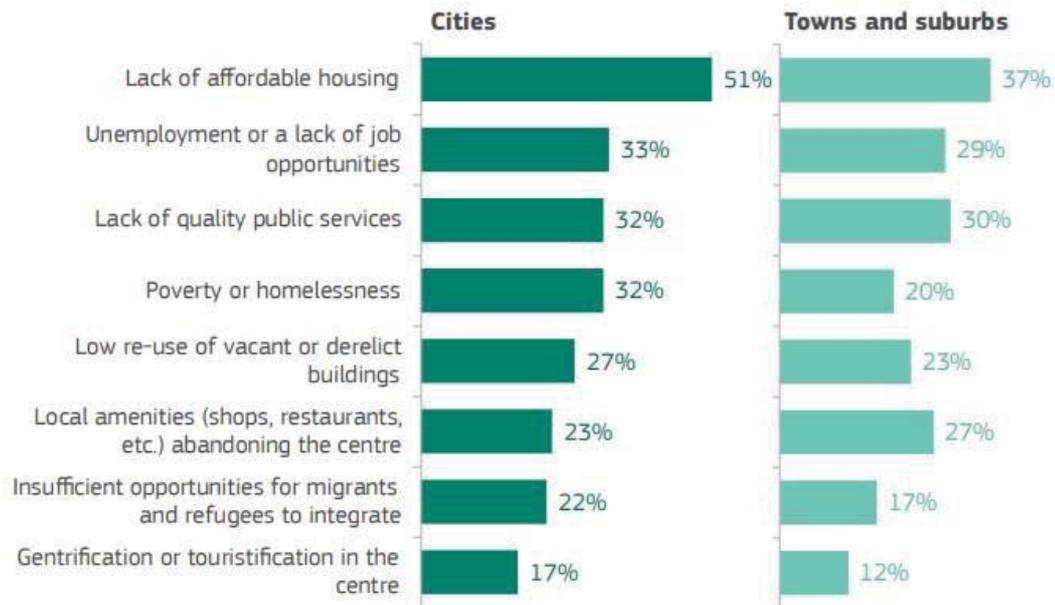
Figure 1. The most immediate and urgent problem for Europeans living in cities, towns and suburbs (Eurobarometer 2025).

In terms of **aspects needing the most improvement**, **quality of public services** (selected by 42%) and **security and safety in public spaces** (36%) (Figure 2) come first for respondents living in cities. These are followed by **availability of affordable and well-connected public transport options** and **economic development and business opportunities**, each cited by 29% of respondents. Respondents in towns and suburbs rank quality of public services first (43%), followed by economic development and business opportunities (37%), and availability of affordable and well-connected public transport options (34%).
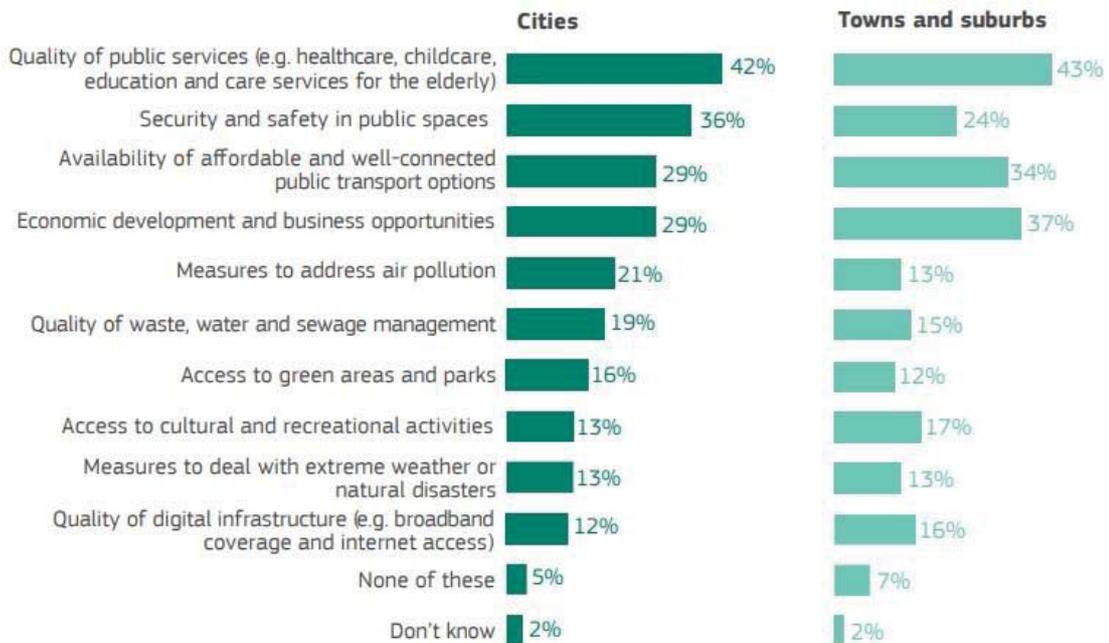
Figure 2. The aspects for needing improving most for Europeans living in cities, towns and suburbs (Eurobarometer 2025).

The EU considers cities and other urban areas in the EU as key partners in implementing policies to deliver on the Union's priorities for 2024-2029[7]. To this end, the integrated EU policy framework includes actions on: (i) competitiveness, digitalisation, innovation and investment; (ii) social inclusion and equality; (iii) security, safety and preparedness; (iv) affordable, sustainable, decent quality and inclusive housing and buildings; (v) climate action, environment and clean energy; (vi) mobility; and (vii) international cooperation. These policies are often closely interconnected, reflecting the EU's commitment to fostering sustainable and inclusive urban development.

2.1. Cities are powerful magnets of talent, drivers of competitiveness, digitalisation, innovation and investment

Cities are key drivers of EU competitiveness, fostering innovation, jobs, and sustainable development**. They are dynamic and competitive places where innovation and technological advances are driven by the proximity of stakeholders, including higher education institutions, and their multidisciplinary interaction as well as access to key research and technology infrastructures. EU metropolitan regions[8], especially capital areas, were pivotal for competitiveness and employment in 2022, seeing most new enterprise establishments. These regions had a higher percentage of high-growth firms and more employment (63%) relative to their population share (59%) and accounted for an even higher share of GDP (68%) in comparison to non-metropolitan regions[9]. In 2024, 45% of city residents aged 25-64 held a university degree, compared to 31% in towns/suburbs and 26% in rural areas[10]. Cities housed 41% of the EU's workforce, with towns/suburbs at 34.5% and rural areas at 24.5%[11].

To promote competitiveness, EU policy action focuses on boosting innovation and the adoption and scaling up of strategic technologies, in alignment with the Competitiveness Compass[12] and the Clean Industrial Deal[13]. Cities can also strengthen demand for clean and circular technologies produced in the EU. The upcoming revision of the European public procurement framework will focus on simplification and clarify the use of public procurement as a strategic investment tool, thus helping to overcome public procurement challenges for cities as contracting authorities and bolstering critical sectors and accessing clean solutions, and circular economy approaches[14].

The EU also recognises the central role cities play in driving economic development and facilitating strategic city-industry partnerships. Investment in education and skills development[15], including digital and green skills and entrepreneurial education, remains critical for meeting labour market demands and tackling the inequalities that are emerging alongside technological shifts and innovation. Furthermore, capitalising on research and innovation to support inclusive, clean, resilient and smart transitions help city administrations

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[7] European Union priorities 2024-2029.
[8] Metropolitan regions refer to NUTS 3 regions or a combination of NUTS 3 regions that encompass all functional urban areas with a population of at least 250 000 people. A functional urban area consists of a city and its commuting zone, and it therefore encompasses a densely inhabited city and a less densely populated commuting zone whose labour market is highly integrated with the city. See: Territorial typologies manual - metropolitan regions - Statistics Explained - Eurostat and Functional urban area - Statistics Explained - Eurostat.
[9] JRC ARDECO Explorer.
[10] Eurostat Population in private households by educational attainment level and degree of urbanisation [edat_lfs_9913].
[11] Population by sex, age, citizenship, labour status and degree of urbanisation – Eurostat.
[12] COM(2025) 30 final.
[13] COM(2025) 85 final.
[14] E.g., the Circular Cities and Regions Initiative.
[15] The Union of Skills aims to equip all learners with skills boosting their resilience to labour market shifts and greater employability and high-quality jobs.

to build up knowledge and develop evidence and place-based strategies to increase their economic resilience.

Generating an estimated EUR 764 billion gross value added in 2023, tourism accounts for 7.1% of the total gross value added in the EU economy[16], with big variation across EU Member States[17]. Tourism in Europe has surged to record levels, surpassing pre-pandemic numbers: it has increased 35% in cities and 41% in towns and suburbs, against a modest increase of 8% in rural areas, between 2014 and 2024[18]. Nevertheless, poorly managed tourism flows are putting a strain on resources and lead to overcrowding and social backlash, including shortages of housing supply. The sector remains highly fragmented and is characterised by diverse governance models across Member States and regions, necessitating the close involvement of cities in relevant initiatives to ensure good outcomes at the local level. The EU is supporting the transition to more sustainable, resilient and digital tourism management models and services through the Transition Pathway for Tourism and the European Agenda for Tourism 2030[19].

Culture, the creative industries and sport improve the attractiveness of cities and the health of people but also create jobs and boost competitiveness and well-being. Cities across the EU are at the forefront of culture-led development and are natural partners for experimentation, anticipating trends and exploring models of social and economic innovation. The Culture Compass for Europe sets out a long-term strategic vision to strengthen the role of culture across the EU in shaping Europe's identity.

EU policy on digitalisation bridges the digital divide to bolster productivity and competitiveness. It supports cities in identifying technological gaps, strategically procuring the appropriate technologies, identifying service priorities, developing the required skills, navigating EU regulatory frameworks, and enabling local authorities to adopt advanced technologies such as artificial intelligence and Internet of Things, and have access to interoperable data ecosystems, among other efforts. Investments in high-speed connectivity infrastructure such as 5G and fibre are crucial across cities in the EU - particularly in underserved areas - to facilitate seamless digital transformation. While large urban centres often act as innovation hotspots and early adopters of digital tools, they also have a key role to play in driving diffusion, supporting less connected territories, and fostering cohesion. Making use of data to monitor public policies - through tools like digital twins - enhances urban resilience and planning capacities, while also helping align local efforts with the objectives of the Digital Decade policy programme.

The EU's Apply AI Strategy supports cities in reducing administrative burden for both local authorities and businesses but also by helping AI startups grow. The Digital Innovation Hubs, as the key players within the European AI Innovation Ecosystem, are the central contact point in accelerating and advising cities in their digital transformation, including the uptake of AI[20].

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[16] Data accessible through the European Commission, DG GROW, Industrial Ecosytems Indicators Dashboard (2023) [PowerBI dashboard], accessed on 04 August 2025.
[17] Consultation on EU Sustainable Tourism Strategy.
[18] Nights spent at tourist accommodation establishments by degree of urbanisation and coastal/non-coastal area – Eurostat.
[19] The Transition Pathway for Tourism is a policy framework setting out key actions, targets and conditions for the sector and endorsed by the Council's adoption of the European Agenda for Tourism 2030.
[20] E.g., the EU Local Digital Twin Toolbox provides a modular, standards-based suite of tools designed to help cities and communities across Europe simulate, analyse, and plan urban environments more effectively.

Cities play a key role in implementing the European Declaration on Digital Rights and Principles[21] and in accelerating progress toward EU's digital decade objectives and targets[22] and making digital ecosystems and digital professions more accessible. Moreover, e-government initiatives[23] are pivotal for modernising public services of cities and boosting citizen engagement through developing interoperable digital services that are efficient and citizen-centric.

2.2. Cities are facing a mixed picture on poverty, jobs, social inclusion and equality

At EU level in 2023, the employment rate and the at-risk-of-poverty-or-social-exclusion rate were almost identical for cities, towns and suburbs and rural areas[24]. The data on employment, education, and healthcare outcomes, is better for cities compared to towns, suburbs and rural areas. In part, this is due to a higher concentration of opportunities and access to quality services. Income inequality remains prominent in cities, driven by polarised economic prospects and elevated living costs[25]. While poverty rates in EU cities vary significantly, a common trend is that the urban poor face a unique set of challenges that are distinct from their rural counterparts.

EU policy on social inclusion and equality fosters inclusive societies that ensure fairness and equality for everyone. Taking an equality-mainstreaming and intersectional approach enables cities to better understand the multifaceted nature of inequalities and discriminations. This is a pre-requisite for the design of comprehensive and tailored policy approaches addressing the interrelated needs of disadvantaged groups and marginalised communities. Cities must be supported in their efforts to address social disparities and structural inequalities and to ensure that essential services are accessible to all so that everyone can participate fully in society, including persons with disabilities and people who live in surrounding areas. Implementing the European Pillar of Social Rights[26] and the Union of Equality strategies[27] is crucial, as these initiatives focus, among others, on access to housing, transport, education and employment as well as on equal opportunities for groups at risk of discrimination and exclusion. In 2026, the European Commission will adopt the Anti-Poverty Strategy, which will aim to provide essential protection to people and tackle the root causes and many different dimensions of poverty.

Collaboration among civil society groups[28] and regional stakeholders is enhanced through relevant EU policies. This collaboration can help develop local action plans that address more efficiently the needs of specific communities, promoting a more inclusive and equal society across Europe and fostering cohesion. Strengthening community support systems, the capacity of local authorities, and the availability, affordability and quality of essential services and developing local ecosystems, are vital for ensuring equal access for women and other groups

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[21] European Digital Rights and Principles | Shaping Europe's digital future.
[22] Cities are essential in implementing the European Declaration on Digital Rights and Principles.
[23] E.g., the Living in EU initiative.
[24] Population by sex, age, citizenship, labour status and degree of urbanisation – Eurostat.
[25] Interim findings of the OECD-DG REGIO project on 'What works for inclusive growth in cities: A compendium' (2025).
[26] The European Pillar of Social Rights in 20 principles – Employment, Social Affairs and Inclusion.
[27] The Gender equality strategy 2020-2025, the EU anti-racism action plan 2020-2025, the EU Roma strategic framework for equality, inclusion and participation 2020-2030, the LGBTIQ+ equality strategy 2026-2030 and the Strategy for the rights of persons with disabilities 2021-2030. A new gender equality strategy and a new anti-racism strategy will be adopted for post-2025.
[28] E.g., environmental and social economy partners, youth organisations, and bodies responsible for promoting social inclusion, fundamental rights, rights of persons with disabilities, gender equality and non-discrimination, national human rights institutions and organisations.

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at risk of discrimination and exclusion like migrants and refugees to services and the labour market, as well as their participation in society.

The social inclusion and equality dimensions should be incorporated in the design and implementation of sectoral policies at local level, ensuring that cities provide accessible and affordable services for all persons, including those with disabilities, and contribute to the reduction of poverty.

2.3. Cities are playing a key role in ensuring the security and safety of public spaces, and are in the frontline for EU's resilience and preparedness action

Cities are key actors in ensuring safety, security of public spaces, preventing radicalisation, and protecting communities from terrorism. According to a survey on quality of life in cities in the EU[29], safety perceptions are varying with city size: 75% of residents in cities with fewer than 250,000 inhabitants felt safe, versus 67% in those with larger populations.

Across the EU, there are notable differences in the perception of crime by degree of urbanisation. In 2020, the perception among the EU population that these issues were of relevance to the area where they lived was considerably higher for people living in cities (16.3%) than it was for people living in either towns and suburbs (8.4%) or rural areas (5.8%)[30]. In almost all of the Member States, the highest perception of crime, violence or vandalism was recorded among people living in cities.

EU actions on preparedness[31] and security centre on achieving a well-prepared and resilient society, where all people enjoy the same level of protection and safety regardless of where they live, their gender and their specific needs and circumstances. In cities, the design of public infrastructure can contribute to ensuring citizens' safety and sense of security in public spaces by envisaging, for example, sufficient streetlights and safe public transport so that citizens and in particular people in vulnerable situations can move around with confidence. The safety and security of public spaces are also essential to the role of cities in promoting social cohesion, community engagement, and democratic participation.

Human-made security threats, such as organised crime and terrorism, affect cities. As emphasised in the ProtectEU: a European Internal Security strategy[32], the impact of organised crime and terrorism are often felt locally. Although cities face multiple challenges beyond organised crime and terrorism, such as drug-related and gender-based violence, and trafficking in human beings - particularly for sexual exploitation, they also play a central role in addressing them[33]. Local and regional solutions should be found to reduce vulnerability of people, especially young persons, to criminal or terrorist recruitment and to decrease and prevent the appeal of illegal activities and criminal infiltration. The ProtectEU strategy sets out objectives and actions to take on these threats, focusing on the disruption of criminal activity via the administrative approach, crime prevention, the protection of critical infrastructure, law enforcement cooperation and enhancing operational capabilities of Member States to fight crime[34]. In line with the EU Drugs Strategy 2026-2030[35], to reduce drug-related risks and

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[29] The Quality of Life in European Cities survey (2023).
[30] Eurostat - Crime, violence or vandalism in the area by degree of urbanisation.
[31] Preparedness - European Commission.
[32] COM(2025)148 final.
[33] The Future of Cities, Vandecasteele, I., Baranzelli, C., Siragusa, A. and Aurambout, J. editor(s), EUR 29752 EN, Publications Office of the European Union, Luxembourg, 2019, ISBN 978-92-76-03847-4, doi:10.2760/375209, JRC116711.
[34] Tools developed by the EU Cities against Radicalisation initiative and the Knowledge Hub on Prevention of Radicalisation provide support to local actors.
[35] The new EU Drugs Strategy will be adopted in 2025 that defines priorities for 2026–2030.

harms, cities are encouraged to consider measures for access to community-based health and social services to those in need, as supported through cohesion policy.

Inclusive urban planning plays a crucial role in promoting equality and diversity, and in tackling social exclusion. Cities overwhelmingly dominate in providing opportunities for personal rights, freedom, inclusiveness, and access to advanced education[36].

Preparing the population for crisis situations, and mainstreaming security and preparedness considerations into EU policy and programmes are major components of the Preparedness Union strategy. Cities need to invest in resilience and preparedness measures to prevent and mitigate the impact of recent and future shocks to the system (e.g., natural disasters, pandemics, geopolitical risks). Smart city technologies could be useful in increasing the resilience and preparedness of cities. Crisis response should increase the resilience and preparedness of cities, including the protection of critical infrastructure against all types of security and public safety threats, and leverage the strategic use of space assets. Cities must also find innovative and cost-effective ways to ensure the civic preparedness, particularly as regards the misuse of new technologies. Cities and surrounding rural areas are also key for the resilience of communities in view of providing food security and food supply.

2.4. Cities are experiencing acute challenges related to housing and buildings

Shortage of affordable housing is among the most urgent issues in cities and urban housing is increasingly unaffordable for many people[37], including young people[38]. In 2024, the housing cost overburden was highest in cities at 10%, compared to 8% in towns/suburbs, and 6% in rural settings. Nearly half of the EU population living in cities would need a mortgage of more than 20 years to buy a 25m² apartment, and 90% of them would need a mortgage of more than 30 years for a 75m² apartment. Furthermore, around 16% of EU population lives in overcrowded conditions, where low-income households are the most affected[39]. Homelessness is rising, with estimates indicating 1 million homeless individuals in the EU[40].

Housing is a shared responsibility at national, regional and local level. However, while national policies set overarching frameworks, cities are uniquely positioned to address housing challenges due to their competences and direct engagement with communities. They have a first-hand understanding of local needs and can foster partnerships between public authorities, stakeholders and the private sector to mobilise the necessary investments. The 2014-2020 cohesion policy programmes delivered investments totalling EUR 9.6 billion (including EU budget and national contribution) to enhance the housing sector. In the 2021-2027 programming period, EUR 7.5 billion has been allocated thus far from cohesion policy funds for investments in the housing sector, focusing on energy efficiency and social housing for groups at risk of discrimination and social exclusion. The European Social Fund Plus (ESF+) invests an additional estimated total amount of EUR 1.9 billion in measures targeting the housing situation for individuals and for public services[41], such as enabling access to housing, housing assistance and integrated support to improve housing and living conditions. The

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[36] European Commission: Directorate-General for Regional and Urban Policy, de Dominicis, L., Kovacic, M., De Franceschi, et al. (2025), Social Progress in cities and rural areas of the EU, Publications Office of the European Union. https://data.europa.eu/doi/10.2776/9234298.

[37] Public opinion on urban challenges and investment in cities - Eurobarometer survey 2025.

[38] The JRC Indicators Explorer, based on data from the Youth Progress Index, indicates that since 2011 young people in the EU have become increasingly dissatisfied with the availability of affordable housing, with the share of dissatisfied young people increasing from 38.7% in 2011 to 50% in 2024.

[39] Housing in Europe – 2024 edition - Interactive publications - Eurostat.

[40] Affordable Housing Database, HC3.1 People experiencing homelessness - OECD.

[41] In the 2021-2027 programming period, ESF+ measures target individuals or families at risk or experiencing homelessness, persons with disabilities, elderly, third-country nationals, refugees and marginalised communities.

ongoing mid-term review of the EU's cohesion policy offers an important opportunity to address challenges in the areas of housing. When Member States are reprogramming funds under the mid-term review, they are encouraged to allocate funding for investments in affordable, sustainable and decent quality housing. Furthermore, the Recovery and Resilience Facility (RRF) is also making a significant impact in the area of housing, with tangible benefits for residents of cities and urban areas. Overall, the total allocated amount for housing under the RRF, including investments to support housing affordability and availability, is EUR 19.6 billion, while the European Investment Bank has provided financial support of EUR 15.6 billion for affordable housing in 2021-2024.

As part of the EU policy objectives for promoting affordable, sustainable and decent quality housing, the forthcoming European Affordable Housing Plan will address the drivers of the housing crisis through specific actions and coordination with other EU initiatives, i.e., the European Strategy for Housing Construction, the revision of EU State aid rules on social and affordable housing and the European Anti-Poverty Strategy. The Pan-European Investment Platform for Affordable and Sustainable Housing will complement the plan to support funding and financing through providing a single framework to support investment in social, affordable and sustainable housing. Member States are also encouraged to make use of funding and financial instruments developed with the European Investment Bank, and the future Pan-European Investment Platform to attract additional private financing and loans with favourable conditions.

Furthermore, Member States should place emphasis on the quality of architecture and the living environment, aligned with **the New European Bauhaus** principles and values. This initiative supports sustainable practices in the built environment through integrated urban strategies, incorporating innovative techniques and materials, to boost the regeneration and resilience of neighbourhoods while respecting cultural heritage and Europe's local values and traditions. Besides residential buildings, public and dismissed industrial buildings or areas need to be modernised, made more (energy) efficient and become more inclusive for the population.

2.5. Cities are influencing and being impacted by climate change and other environmental challenges and are playing a key role in accelerating the clean energy transition

Cities and other urban areas contribute around 45% of global greenhouse gas (GHG) emissions[42]. They are disproportionately affected by the negative impacts of climate hazards, which are exacerbated by the interaction with other drivers such as poor air and water quality, inadequate soil sealing, and other factors. Extreme heat is another major hazard particularly affecting cities and causing a heat island effect, where urban areas become significantly warmer than surrounding areas. In the EU, floods threaten approximately 10.6% of urban areas[43]. Cities' proximity to households, businesses and communities makes them key partners for achieving a clean, secure and affordable energy system. Together with regions they are to implement up to 70% of emission mitigation measures and deliver 50% of public investment and 30% of public expenditure[44]. Cities shape the energy transition through their decisions on spatial planning, permitting, sustainable public procurement and investment. Additionally, European cities are facing a growing wildfire risk due to changes in the climate but also

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[42] Crippa, M., Guizzardi, D., Ciarlantini, S., Pagani, F., Banja, M., Muntean, M., Pisoni, E.: EDGAR_GHG_by_settlement_2025, dataset, https://edgar.jrc.ec.europa.eu/edgar_smod, 2025.
[43] Report from the European Environmental Agency (14/2023) - Urban adaptation in Europe.
[44] The state of regions and cities - EU annual report 2024, Committee of the Regions.

expanding wildland–urban interfaces[45], requiring enhanced preparedness and coordinated response measures.

The EU aims to further recognise the fundamental role that local and regional actors play in developing and implementing place-based measures that contribute to increasing EU preparedness and resilience concerning climate action, environment and clean and affordable energy. When developing its policies, the EU recognises decentralised energy systems as strategic assets, and will therefore envisage support for distributed renewable energy, energy, efficiency and storage assets, local energy companies, smart grids and citizen-led energy communities. Incentives for the construction of district heating networks will be promoted.

The ongoing mid-term review of cohesion policy presents an opportunity to Member States to re-prioritise funding to address challenges related to water resilience, notably through digitised systems and nature-based solutions, and the energy transition such as distribution grids, interconnectors and transmission infrastructure.

When designing their Social Climate Plans, as well as the future national and regional partnership plans, Member States are encouraged to allocate continued funding for environment, climate and energy related investments, while assuring that these are designed to be resilient to future climate risks, to support local solutions, such as collective heating and cooling systems, as well as investments in energy efficiency and decarbonisation.

Regarding the environment, Member States should ensure that local authorities implement all necessary circular economy, waste management, and re-use/recycling measures, as set out in EU waste and circular economy legislation, as well as measures on air quality in line with the revised Ambient Air Quality Directive, on noise, on the protection and enhancement of urban nature and tree canopy cover stemming from the Nature Restoration Regulation, and on the improvement of water resilience in cities in line with the water resilience strategy.

2.6. Cities are providing better access to transport services

Cities tend to provide better access to public transport than other areas, facilitating goods, people, knowledge flows, and boosting productivity. The dense concentration of people and activities makes it more efficient to provide public transport in cities, but this same concentration can lead to high levels of congestion. Despite improvements in air quality, pollution levels still surpass EU thresholds in several cities[46].

EU policy on mobility prioritises the transition towards sustainable, safe, accessible, inclusive, affordable, resilient and smart urban mobility systems[47]. The focus is on the development, modernisation, decarbonisation and electrification of urban and peri-urban (public) transport[48], active mobility (cycling and walking) and shared mobility means and services. Emphasis is given to integrated planning, fostering seamless multimodal connectivity, improving road safety, strengthening sustainable urban logistics, and reducing congestion, and with that urban pollution and emissions to also achieve the objective of climate-neutral and smart cities. EU policy also helps to address transport poverty, including in rural areas, to better integrate urban logistics into sustainable urban mobility planning, and to strengthen the link between urban

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[45] Wildland–urban interfaces are areas where human development meets or intermingles with wildland vegetation, and therefore, these areas often face heightened wildfire risk.

[46] Air pollution emissions have declined in the last two decades, resulting in better air quality. Between 2005 and 2022, the number of deaths in the EU attributable to fine particulate matter (PM2.5) fell by 45%, moving the EU closer to achieving the 55% reduction target outlined in the zero-pollution action plan for 2030.

[47] COM(2021) 811 final.

[48] Including the development of better and more affordable transport links between cities and their non-urban surroundings.

mobility and tourism. Member States are also encouraged to use their Social Climate Plans for actions addressing transport poverty, such as investments in public transport, active mobility and shared mobility.

At the centre of EU policy action are 431 urban nodes[49], which are considered key elements of a well-functioning trans-European transport network (TEN-T). The cities concerned are requested to develop sustainable urban mobility plans (SUMPs) for their functional urban areas, collect data, deploy recharging and refuelling infrastructures for sustainable alternative fuels, and develop multimodal passenger hubs and freight terminals. Member States are required to draw up national programmes to support urban areas in this endeavour. In turn, the European Commission is supporting Member States in this task, and provides guidance, knowledge sharing and networking opportunities to address the mobility challenge.

Building on the TEN-T, the recently launched high-speed rail plan sets the ambition of cutting the duration of many popular rail journeys between capital and major urban nodes across Europe by half compared to today. The plan aims to deliver a well-functioning and faster high-speed rail network by 2040 and foster intermodal transport through urban connections.

Moreover, among key issues for EU policy action are to improve synergies between urban mobility, housing policy and spatial planning, to leverage the potential of transport innovation and digitalisation, including artificial intelligence, and to continue improve urban road safety[50]. The EU road safety policy framework 2021-2030, which identifies key priority areas and addresses the main risk factors, pays particular attention to vulnerable road users such as pedestrians, cyclists, and motorcyclists, most affected in urban areas.

Cohesion policy is providing considerable support for transport, with more than EUR 59 billion planned for investments in the 2021-2027 programming period[51]. Furthermore, the ongoing mid-term review of cohesion policy makes it possible for Member States to relocate resources toward recharging networks.

The total RRF support allocated to sustainable transport and urban mobility amounts to more than EUR 26 billion[52]. The investments supported cover several areas such as metro and tram extensions, cycling paths, and infrastructure. These investments are tangibly improving cities' competitiveness and attractiveness, ensuring they remain engines of economic growth and innovation.

2.7. EU cities and the international context

Cities are playing an important role in international cooperation. The global trade landscape is undergoing a radical change. There is an acceleration in global economic and geopolitical fragmentation, particularly with the emergence of new protectionist trade policies. Cities should be able to adapt to these changes to remain competitive and should diversify their economies, for instance by reducing their reliance on a single industry or trade partner.

The EU recognises the value of **international cooperation** between cities also more broadly, as a means of increasing mutual understanding. It remains committed to an urban policy that

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[49] Regulation (EU) 2023/1804 provides the following definition: An urban area where the transport infrastructure of the trans-European transport network, such as ports including passenger terminals, airports, railway stations, logistic platforms and freight terminals located in and around an urban area, is connected with other parts of that infrastructure and with the infrastructure for regional and local traffic.

[50] As part of its Apply AI strategy, the Commission will launch an Autonomous Drive Ambition Cities initiative to accelerate the deployment of operational services working with European providers. COM(2025) 723 final.

[51] https://cohesiondata.ec.europa.eu/cohesion_overview/21-27.

[52] Based on Annex VI of the RRF regulation 2021/241. Urban transport infrastructure, public transport rolling stock (e.g., trams, metros and buses) and bicycle infrastructure.

aligns with global frameworks, actively contributing to the implementation of the Sustainable Development Goals in the UN 2030 Agenda and the UN New Urban Agenda. It will continue to support the implementation of the UN endorsed city definition called 'the degree of urbanisation'. By engaging in platforms like the World Urban Forum, the G7 Urban Development Ministers' meetings, the EU can play a pivotal role in shaping international urban policy. International cooperation provides substantial benefits for EU cities. Programmes such as URBACT enable collaboration with cities in EU candidate countries, including Ukraine, enabling knowledge exchange and capacity building on urban governance, planning and community-led development. Moreover, the International Urban and Regional Cooperation programme (IURC)[53] and the global Urban Transitions Mission (UTM)[54] connect EU cities with counterparts across Latin America, Asia, Africa and North America, fostering cooperation on shared challenges such as urban mobility, energy transition, circular economy and climate adaptation. As highlighted in the EU-India strategic agenda[55], the EU and India are currently taking important steps to deepen cooperation on sustainable urbanisation through existing partnerships, with a focus on cities. EU cities benefit from international initiatives such as the WHO-led Global Network of Age-Friendly Cities helping to improve the participation of older people in community life and promoting healthy and active ageing. Efforts to promote international cooperation are complemented by long-standing initiatives, which offer a people-to-people dimension to EU external relations and support joint actions between local administrations, such as the Global Covenant of Mayors where the EU's leadership strengthens global city diplomacy and multilevel cooperation.

Considering the acceleration of urbanisation globally, fostering multi-level and cross-border cooperation, including with candidate countries, will ensure that cities serve as both local centres of transformation and global partners in advancing sustainable and inclusive development. The EU and its Member States provide substantial support to urban development and infrastructure, cooperation with regional and local authorities in partner countries for sustainable development policy measures under the Global Gateway and the European Fund for Sustainable Development Plus (EFSD+) and seek to improve their access to international finance. Local authorities are important actors in the Neighbourhood, Development and International Cooperation Instrument, which is also reflected in the Global Gateway strategy. They deal with everyday challenges at local level and their involvement is essential to understand the details of the context where the Global Gateway is implemented. Furthermore, on the longer term, EU cities could have a greater role in defining partnership priorities in areas in which cities generally have significant responsibilities and can promote multilevel governance cooperation. Considering investments needs in urban infrastructure and innovative urban management, cities in partner countries also represent commercial opportunities for European cities and wider EU actors.

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[53] The IURC is an EU-funded programme jointly implemented by the Service for Foreign Policy Instruments and the Directorate-General for Regional and Urban Policy of the European Commission supporting cities and regions from like-minded countries with similar challenges.

[54] The Urban Transitions Mission of Mission Innovation supports a cohort of over 100 cities from 45 countries towards a net zero, resilient and people-centred future.

[55] Joint Communication to the European Parliament and to the Council on a New Strategic EU-India Agenda. JOIN(2025) 50 final.

2.8. Implementation of EU legislation

Local and regional authorities implement and use approximately 70% of EU legislation[56] making them key actors for delivering EU policy goals[57]. To meet EU goals and targets, it is essential to enable cities to implement EU legislation efficiently and effectively. Cities are also crucial for democratic systems due to their closeness to people and direct responsibility for the delivery of essential services. EU policies are already prepared through close consultation with relevant stakeholders, using various mechanisms such as public consultations, expert groups and territorial assessments. The European Committee of the Regions and its Regional Hubs Network[58] have also provided valuable contributions from local and regional members on implementation bottlenecks. Despite these efforts, cities still report difficulties in implementing EU rules. They often report that they were insufficiently informed about the preparation of relevant legislation, highlighting the need for more inclusive and effective engagement at different levels of governance to ensure that policies are both practical and responsive to local needs[59].

Recognising the complexity of urban governance and the variety of competences and actors involved, the Urban Agenda for the EU was launched in 2016 as an intergovernmental cooperation process to better integrate cities into the design and implementation of both EU and national policies. It aims to improve regulation, funding and knowledge sharing for European cities. The Urban Agenda for the EU has set up 20 thematic partnerships on important topics for cities, engaging around 350 partners representing all levels of governance (including more than 100 cities, Member States, NGOs and EU bodies) and proposing more than 150 actions to date. This innovative multi-level governance method has been recognised as one of the most important achievements of the Urban Agenda for the EU[60]. Whereas the Urban Agenda for the EU is an intergovernmental initiative bringing together actors from all the levels of governance (local, regional, national and the EU), the EU Agenda for Cities will reinforce the approach of the EU to sustainable urban development with the focus on supporting implementation of EU policy priorities at local level. The EU Agenda for Cities will enhance coordination and synergies with the Urban Agenda for the EU, facilitating the implementation of its actions and building on its outcomes.

3. CITIES AND EU SUPPORT

3.1. Current EU support to cities

While urban policies remain a prerogative of Member States, the EU, through many of its policy tools, has been providing cities and urban areas with a wide range of support. Cohesion policy programmes provide the most significant support to territorial development, though additional assistance is also available through several sectoral policies.

Cohesion policy has a strong urban dimension, and its support to sustainable urban development has been stepped up in 2021-2027 with an increased compulsory allocation of 8% from ERDF to cities in order to empower cities to take an active role in designing and implementing policy responses tailored to their local challenges. As a result, cities are **directly**

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[56] European Parliament resolution of 24 June 2021 on European Union regulatory fitness and subsidiarity and proportionality - report on Better Law Making covering the years 2017, 2018 and 2019 (2020/2262(INI)).
[57] For example, in the areas of the built environment, energy, industry, mobility, digital connectivity, climate change, zero-pollution environment, loss of biodiversity and circular economy.
[58] Network of Regional Hubs of the European Committee of the Regions.
[59] Cities – new policy agenda – Call for Evidence 2025.
[60] Assessment Study of the Urban Agenda for the EU (2019).

responsible for designing and implementing sustainable urban development strategies, receiving over EUR 24 billion under cohesion policy programmes for that purpose. Moreover, **cohesion policy funds invest more than EUR 100 billion[61] in cities overall**. This support enables both Member States and local authorities to develop innovative solutions that address environmental, social and economic challenges.

For example, Finland's sustainable urban development strategy is built on agreements between the State and 19 cities with a shared ambition to strengthen innovation ecosystems. These long-term contracts set out shared priorities for allocating public and private funding to innovation-driven, city-specific ecosystems. They promote targeted investments in sectors like clean tech, health and digitalisation, linking urban competitiveness with sustainable development, and serve as a strategic framework for urban growth, balancing local initiatives with national coordination.

In **Italy**, sustainable urban development is pursued through regional programmes and the 'National Programme Metro Plus and Southern Medium Cities 2021-2027'. This programme builds on the success of its predecessor (carried out in 2014-2020) by focusing on digitalisation, sustainability and social inclusion. Under its governance model, responsibilities are delegated to 14 metropolitan cities serving as intermediate bodies, which have been joined by 39 medium-sized southern cities as beneficiaries of social innovation projects.

In **Portugal**, implementation of sustainable urban development supports integrated strategies for functional areas, stimulating balanced urban development through intermunicipal cooperation and urban-rural links. These strategies are cross-sectoral, combining different forms of investment depending on the specific needs at regional and local level, such as support for innovation and competitiveness, digitalisation, energy efficiency, renewable energy communities, climate action, sustainable waste and water management, biodiversity, mobility, urban regeneration, culture and tourism.

The European Urban Initiative (EUI) and URBACT

EUI and URBACT are two flagship instruments under the 2021-2027 EU cohesion policy framework that provide direct support to cities.

The EUI has a budget of EUR 395 million (in current prices) from the ERDF in the 2021-2027 programming period. It plays a key role in supporting cities across Europe by providing financial resources for innovation, technical assistance and knowledge exchange to address urban challenges. In this way, the EUI helps cities effectively translate EU policy priorities into tangible, locally driven actions.

In addition, URBACT has a total budget of EUR 110 million[62] (in current prices), including EUR 79.7 million from the ERDF, for the 2021-2027 programming period. It supports capacities of cities in strategic urban planning and participatory governance through a specific method of 'collaborative networks' based on thematic urban challenges. Both instruments jointly contribute to a more coherent and collaborative urban policy landscape across Europe.

The mid-term review of cohesion policy and cities

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[61] The amount of more than EUR 100 billion includes the share of over EUR 24 billion implemented directly by cities through sustainable urban development strategies.
[62] The URBACT programme receives funding from the ERDF, NDICI and IPA funds, which are complemented by national contributions.

Moreover, cities can also benefit from the **mid-term review of the EU's cohesion policy**. This review identifies new priorities and offers significant flexibilities and incentives to Member States, which can also benefit cities and other urban authorities.

For example, it offers the possibility to address the investment gap in **affordable housing** via increased cohesion policy funding and dedicated financial instruments combining EU grants with financing. Investment is also encouraged to support the **energy transition**, as well as in **water resilience**. Cities can also benefit from measures to boost Europe's **competitiveness**, strengthen **defence** and support **eastern border regions**. Member States may also use the European Social Fund+ to provide support for the development of skills in civil preparedness, in the defence industry and in cybersecurity.

As part of the mid-term review, it is possible to boost the EUI by allowing Member States to transfer European Regional Development Fund (ERDF) resources to the initiative. In addition, the mid-term review created a Seal of Excellence for the EUI, allowing projects that meet high-quality criteria but that fall outside available funding to access support through mainstream cohesion policy programmes.

The Recovery and Resilience Facility and cities

The Recovery and Resilience Facility (RRF) has been a game-changer in Europe's response to the impacts of the COVID-19 pandemic, helping to fuel the recovery and strengthening the resilience of Europe and its cities. Several analyses[63] show that the RRF has provided significant support to cities, metropolitan and urban areas, translating into tangible benefits to their residents and businesses, in particular on the green and digital transition.

Support from the EIB

The European Investment Bank also plays a pivotal role in supporting cities across the EU with both financial and advisory services. Since 2021, it has provided over EUR 80 billion in new financing to cities for strategic investments such as in sustainable urban transport, affordable housing, decarbonising district heating, energy efficiency, and circular economy. The EIB Advisory services provide tailored technical and financial advisory services, backed by the European Commission. To support cities as crucial catalysts of private investments, it is helping them to develop and deploy financial instruments that blend EU funding with private funding.

Other examples of EU initiatives in support of cities

Over the past years, the European Commission has launched more than 50 initiatives and instruments to help local authorities with their transformation efforts and facilitate the implementation of EU policies at local level. These include multiple online platforms to strengthen cities' capacity, knowledge and access to funding, and various awards and recognition schemes in areas such as sustainability, innovation and accessibility, to celebrate and incentivise excellence in urban development. Most initiatives provide support, advisory services and capacity building for cities to actively participate in European efforts to achieve sustainable transitions.

A number of ongoing EU initiatives promote and support the development of sectoral strategies (e.g., plans, deals and contracts) and call on cities to make political commitments to guide the sustainability transition. Key examples include (see the EU Cities Portal - Regional and Urban policy - European Commission for a full overview):

The EU Covenant of Mayors for Climate and Energy is a well-established initiative supported by the EU climate and energy policies that offers all EU municipalities a platform to

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[63] COM(2025) 637 final; COM(2024) 82 final.

achieve EU climate and energy targets. It provides a science-based methodological framework for assessing emissions and vulnerabilities and for developing integrated sustainable energy and climate action plans to address them. This framework is implemented through a multi-level approach. National and regional authorities rely on a validated format to coordinate climate action at the local level and collect data and information needed to develop their own policies and allocate funding. The EU Covenant of Mayors forms the core of the Global Covenant of Mayors.

The EU, through the Horizon Europe programme, is advancing two EU Missions to tackle climate challenges in cities: **Climate-Neutral and Smart Cities** and **Adaptation to Climate Change**. The former involves 100 cities in the EU working towards climate neutrality by 2030 through Climate City Contracts — comprehensive plans co-created with citizens and stakeholders covering energy, buildings, transport, and waste, supported by investment strategies. These cities also act as innovation hubs to inspire all European cities to reach climate neutrality by 2050. The latter supports over 300 local and regional authorities with climate data and scientific modelling to conduct place-based risk assessments and develop innovative solutions. This approach strengthens resilience, fosters cross-sectoral planning, and ensures local actions align with broader regional and national strategies. The two Missions collaborate closely.

The European Capitals of Culture is a flagship EU initiative supported by the Creative Europe programme. Each year, it designates one or more cities to host a year-long celebration of culture, aiming to highlight Europe's cultural diversity, foster a shared sense of belonging, and promote long-term cultural, social and economic development.

The wide range of EU initiatives that support cities highlights the importance the EU places on urban issues. At the same time, **the abundance of available tools often makes it difficult for cities to navigate the opportunities**. Some tools overlap with other thematic areas that receive a high level of attention (such as climate, energy and environment) and therefore offer natural synergies, while other thematic areas remain less covered (e.g., equality of access and social inclusion). The fragmentation of EU initiatives and tools with different application and evaluation procedures, as well as various requirements for action plans and reporting creates a burden for cities. At the same time, support for piloting innovative solutions must be followed up with efforts to facilitate wider scale implementation, replication and related technical assistance. This **fragmentation is particularly challenging for small and medium-sized cities** as they have less resources and lower administrative capacity to get involved in EU initiatives and scaling-up projects.

3.2. The need for further support for cities

Cities must balance multiple sectoral policy goals and obligations highlighting the need for integrated approaches.

To manage these challenges, cities, particularly small and medium-sized cities, need administrative capacity and access to expertise and knowledge. The provision of **tailored technical assistance** targeting the design and implementation of strategies, financial structuring of strategic investments, sectoral dialogues, procedures, methodologies, reforms, and the preparation and implementation of concrete investment projects and procurement actions can help cities.

Cities and urban areas in the EU are experiencing **financial constraints** and are under pressure to limit net expenditure growth. In parallel, they require an increasing amount of funding to

implement policy priorities. To address these challenges, they cite the following needs[64]: (i) accessibility and simplification of EU funding streams (ii) harmonisation of criteria, and (iii) a shift from project-based financing to portfolio and integrated approaches for financing through long-term strategic planning. Innovative financing models, involving the private and public sectors, help to mobilise additional investments, and to minimise risks. Cities have highlighted the benefits of EU support instruments and tools that take **systemic approaches to strategies and funding, such as integrated territorial investments under cohesion policy**. Multisectoral urban investment plans, foster deep, structural transformation and connect all investment needs under a unifying plan.

Going forward, cities will be encouraged to use integrated 'mission' approaches that tackle multiple challenges together, such as housing, transport, energy, climate and the environment, in alignment with decarbonisation and broader environmental sustainability, inclusion, and quality-of-life goals, while also strengthening security, safety and overall resilience. The approach should be inclusive. An integrated approach like the one adopted by the Covenant of Mayors could serve as an entry point for cities of all sizes, linking city stakeholders under a single political commitment.

The experience of cities has demonstrated the **value of combining EU grants with funding from financing institutions** such as the European Investment Bank, the European Bank for Reconstruction and Development, the Council of Europe Development Bank, and national promotional banks, as well as using financial instruments to establish revolving funds. This is particularly pertinent in a context where cities have increasing needs, multiple priorities and scarce public resources. To meet their significant investment needs, cities should expand the use of innovative financing mechanisms and public private partnerships. Cities need further support to build their financial engineering capacity and expertise and optimise their ability to generate additional revenues, in particular through improved asset management. Finally, matching cities with private investors is a success factor, and thus cities need advisory support and facilitated access to financing institutions. To this end, the Smart Cities Marketplace approach[65] and the Climate City Capital Hub[66] of the Climate-Neutral and Smart Cities Mission together with the complementary support provided by the EIB, as mentioned above, serve as models to be scaled up.

When supporting cities, policy coherence and alignment of objectives, methodologies, and funding across different levels of government are crucial. Several existing EU initiatives are applying common methodological frameworks[67] as part of their support on which future EU support to cities could build.

To support cities more effectively, **a comprehensive support structure is required** to assist them with strategic planning, capacity and knowledge building and implementing policies to address multiple challenges. When setting up such a structure, it is **necessary to consolidate existing EU initiatives and support tools in steps**, while fostering clearer communication and coordination across policy areas.

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[64] The impact of EU climate and energy initiatives on cities' climate transition, European Committee of the Regions, 2023, https://data.europa.eu/doi/10.2863/428101.
[65] Smart Cities Marketplace.
[66] In 2024, the EIB launched an EUR 2 billion lending envelope in the context of the Cities Mission.
[67] E.g., sustainable urban development strategies of cohesion policy and methodological frameworks developed by the Covenant of Mayors and the Missions on Cities and Adaptation, Sustainable Urban Mobility Plans as well as the Green City Accord.

4. VISION AND THE WAY FORWARD

4.1. A vision – thriving, liveable, prosperous and inclusive cities

Cities across Europe are liveable, prosperous, and inclusive. They provide high levels of digital connectivity and opportunities for people of all generations, taking into account demographic change, and businesses to thrive, thereby promoting competitiveness, innovation and growth.

Quality jobs and the provision of affordable, sustainable and decent quality housing for all, as well as equal and easy access to services, are vital for thriving cities. The New European Bauhaus principles and values are incorporated into the inclusive, sustainable and quality transformation of buildings and the urban environment across Europe.

Opportunities for quality educational attainment and skills development, and support for talent attraction and migrants' integration are available in cities across Europe. The attractiveness of cities, also as sustainable tourism destinations with vibrant cultural activities, while preserving cultural heritage, is key to their prosperity.

Safety, security, inclusiveness, and respect of fundamental rights are of vital importance for cities across Europe. Smart, sustainable, and affordable cities that provide inclusive mobility solutions, support an improved quality of life for people. Complementary interactions are fostered with nearby rural areas, creating a balanced relationship between urban and rural spaces.

Energy efficiency, locally produced renewable energy, enhanced natural ecosystems and progress towards climate-neutrality foster a healthy living environment and build resilience to the impacts of climate change protecting the economies of cities and the well-being of people.

Fostering civic engagement and democratic participation at the city level, where citizens often engage most actively with authorities, is of key importance[68]. Policymaking is based on relevant up-to-date data and delivers publicly consulted and accepted outcomes tailored to the local needs. Decisions are aligned with broader EU goals and initiatives, such as the Competitiveness Compass, the New Leipzig Charter, as well as international frameworks, such as the United Nations Agenda 2030 and the UN New Urban Agenda.

The EU Agenda for Cities plays a crucial role in facilitating this vision, providing support and empowering cities to implement integrated, place-based solutions, continuing to evolve as thriving, dynamic and liveable spaces for all.

4.2. The way forward

4.2.1. Continuous dialogue – cities are key partners in EU policy making

Close cooperation between the different levels of governance and across policy sectors is essential to better deliver EU priorities at local level and integrate cities' considerations into the design and implementation of EU policies and regulations. To this end, the European Commission will build on existing best practices and use the instruments and methods outlined

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[68] The European Democracy Shield presented by the Commission encourages citizens' involvement and democratic participation at all levels.

in its Communication on simplification[69], which aims to streamline EU legislation, reduce administrative burden and enhance the efficiency of policy delivery. The Commission will remain closely engaged with cities through an ongoing dialogue and specific initiatives.

- *High level political dialogue*

From 2026 and building on the Implementation dialogue with cities held by the Executive Vice-President for Cohesion and Reforms in June 2025, the Commission will put in place regular dialogues with cities. **An annual high level political dialogue** will be organised with the Commission, giving local leaders - and where relevant other public and private financial institutions, and business representatives - with hands-on experience the opportunity to inform policy discussions. This direct contact will serve as a sounding board to identify bottlenecks and challenges in specific policy areas, uncover opportunities for simplification and harmonisation, and provide information on necessary adjustments to EU policies, as well as recommendations for targeted support.

- *Technical level dialogue*

To complement discussions at political level, **targeted consultations at technical level** with urban practitioners, and with the participation of relevant Commission services, will also be held on a regular basis to focus on identifying good practices and opportunities across thematic policy areas to reduce administrative burdens. Simplification efforts will be at the core of this process. Targeted consultations provide the opportunity to discuss how to improve tools for territorial assessments at all levels and to engage with cities and other urban areas when national and EU legislation is prepared and implemented.

- *Regular dialogue with the European Committee of the Regions and the European Parliament*

These meetings will be complemented and fed by discussions in other technical formats, **regular dialogue with the European Committee of the Regions and the European Parliament,** inputs collected by the EU Local Councillors network, public consultation results, territorial assessments, knowledge capitalisation activities, relevant organisations and intergovernmental structures of cooperation, including the Urban Agenda for the EU partnerships. The work done under the Urban Agenda for the EU will provide important inputs for both types of dialogues, in particular actions targeted at improving legislation and implementation processes.

- *Cities Forum*

Additionally, **the Cities Forum** will continue to take place regularly, hosting workshops and policy discussions, and enabling the sharing of solutions, knowledge and opportunities for the benefit of urban stakeholders and policymakers.

- *State of European Cities report*

In addition, the Commission will prepare, at regular intervals, **a State of European Cities report**. The report will support more evidence-based urban policy making in the EU. The next report will be issued in 2026.

Inclusive governance processes, such as the continuous dialogues proposed above between the Commission and cities should not only happen at the EU level, but also in Member States through a well-established structured dialogue with cities on all key areas of national and EU legislation, both during preparatory and implementation phases. The need for such structured

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[69] COM(2025) 47 final.

multi-level dialogue and partnership also applies to the planning of investments and is a key feature in the preparation and implementation of the national and regional partnership plans in the 2028-2034 programming period[70].

4.2.2. Simplification and capacity building

The consolidation and simplification of cities' access to EU support tools is an ongoing process and will continue through to the next multiannual financial framework. Simplification and streamlining efforts will continue to take place to consolidate the support offer, harmonise awards and prizes as well as eligibility and reporting conditions.

- *EU Cities web-portal*

As the first step, the Commission launched today **an 'EU Cities web-portal'.** The portal will simplify access of cities to all current EU support available to them. It will act as a communication tool and space for stakeholders to find information and interact about activities, events, news, policy developments, and opportunities of relevance to urban development. It will provide an overview and convey information on the different EU initiatives supporting cities (depending on thematic areas, cycle of preparation and implementation, etc.) and redirect users to the relevant place where detailed information is provided.

Later on, in the next multiannual financial framework, the Cities web-portal will become a key element of the Cities platform and remain dedicated to communication and outreach. The portal will evolve to serve the objective of the Cities platform in consolidating and facilitating access to information on support to cities in the new simplified landscape, including, when relevant, the use of artificial intelligence.

- *European Urban Initiative*

A 'Cities helpdesk' will be established in the framework of the European Urban Initiative (EUI). In addition to the search tool available on the Cities web-portal, the helpdesk will assist cities in identifying urban support tools across multiple EU initiatives and related funding opportunities.

The 4th EUI-Innovative Actions call will be launched in early 2026. It will focus on supporting smaller-scale pilot projects aimed at testing innovative solutions to address urban challenges. While the call will be open to cities of all sizes, it will particularly target small and medium-sized cities with limited innovation capacities. It will follow a bottom-up approach, allowing urban authorities to submit proposals addressing any thematic area aligned with the urban themes of the EU Agenda for Cities.

- *EU Cities platform*

Under the next multiannual financial framework, the Commission proposes to create **a common 'EU Cities platform'** (see Figure 3) bringing together different forms of support, such as funding instruments, technical assistance, knowledge resources and digital tools, to provide simplified access to EU resources, including from the EU Facility.

The platform will be a place for cities of all sizes to collaborate with one another, and the EU level. In particular, the platform will be designed to offer support across the full lifecycle – from analysing the needs using the latest available data and tools, to capacity building, through cooperation and peer learning, to technical assistance in strategic planning and project

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[70] Recitals 22 and 24 – Regulation of the European Parliament and of the Council establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509.

development. This overview, dedicated exclusively to cities, will complement the tools proposed as part of the next multiannual financial framework to make access to EU funds for beneficiaries easier. In this respect, the Single Gateway[71] will become the single access point for consolidated information on funding opportunities for project promoters.

By building on the valuable experience and frameworks put in place in numerous cities, the platform will support cities and ease access to flexible financing, leaning on integrated urban development plans, such as sustainable urban development strategies of cohesion policy, Climate City Contracts of the EU Mission on Climate-Neutral and Smart Cities, Sustainable Energy and Climate Action Plans, Sustainable Urban Mobility Plans, environmental frameworks[72], and Adaptation Plans.

Cities will be able to get support on specific policy areas but also on operational challenges they face. The platform will be composed of continued initiatives as well as new support options to respond to gaps that were identified. It will aim notably at facilitating access for small and medium-sized cities and remain flexible to address emerging new challenges.

The platform will host and organise the different types of support provided by the European Commission to cities in a consolidated way. It is a structure for policy action and cooperation with cities. It will be composed by several initiatives and streams of support, built-in in a comprehensive, simplified and accessible way for beneficiaries, providing genuine simplification and EU added value, while facilitating multi-level governance cooperation towards achieving sustainable and integrated urban development.

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[71] COM(2025) 545 final.

[72] E.g., the Green City Accord is a political movement through which mayors commit to ambitious environmental goals in areas like air and water quality, nature and biodiversity, waste management, and noise reduction by 2030. It aims to improve urban quality of life, support the European Green Deal, and accelerate the implementation of environmental laws at the local level.

EU CITIES PLATFORM

Capacity and knowledge building, strategic planning and networking

Advisory support for funding and finance

Support for innovative projects

Data and tools repository

Support for continuous dialogue

Figure 3. Visual presentation of the EU Cities Platform.

The platform will help guide cities towards the support offer that is most adequate depending on their needs and will host opportunities that cities will be able to benefit from. Support options will range across policy fields and different types of support:

   a) Capacity and knowledge building, strategic planning, and networking

- Support for methodological frameworks and tools for strategic planning, including integrated 'mission' approaches, and for simplified monitoring and reporting

- Support for reinforcement of administrative capacity and operational challenges related to the implementation of strategies and policies

- Peer learning and cooperation opportunities, and facilitation of knowledge transfer

- Support on procurement, for example, the platform may facilitate cooperation between cities through common procurement systems, with the support from the European Commission

- Support to encourage industry-city dialogues

- Information on relevant national, bilateral and multilateral initiatives helping cities identify synergies, draw inspiration from other models and practices using EU tools and support from other governance levels.

   b) Support for innovative projects

- Support for cities to develop and implement innovative projects will be provided similarly to the 2021-2027 European Urban Initiative (EUI). The EUI provides direct financial resources for cities for their innovative projects addressing urban challenges

of EU relevance and has generated many scalable, innovative solutions across European cities.

c) Advisory support for funding and finance

A funding, finance and advisory support window will be part of the platform and will be dedicated to providing structured information, advisory services and technical assistance to better support cities in accessing funding. It will assist cities to access and combine different sources of funding with expertise and technical support, notably EU funding from the national and regional partnership plans, other EU instruments, and sources such as funding from the European Investment Bank and private financing.

The Commission aims to support this transition by providing cities with coherent frameworks, shared tools, and long-term partnerships. This will include a continuous support track for cities, extending from the planning stage to funding access for the deployment of solutions. By helping cities to develop investment portfolios, which are attributed a proof of quality label, the platform will facilitate access of cities to EU funding.

d) Data and tools repository

An important function of the Cities platform will be to consolidate the available data and to make it accessible to cities and urban areas, providing a continuous evidence base for urban policymaking alongside the regular State of European Cities report to be prepared by the Commission. To ensure the interoperability of the data, and therefore, its wide availability and usability, existing standards and specifications will be utilised[73]. The platform will facilitate simpler reporting and provision of data. In addition, the Commission will consider how to improve synchronisation and harmonisation of the reporting requirements. The platform will also establish common indicators to assess the impact of urban policies on different thematic areas building on existing monitoring systems.

e) Support for a continuous dialogue

The Cities platform will support continuous dialogue organised at both high political and technical levels (see 4.2.1.). Through the platform, participation mechanisms will be put in place for cities to contribute to shaping policy initiatives. This involves interactions with intergovernmental structures, such as the Urban Agenda for the EU, other EU and international city networks, including thematic networks, as well as national and regional intermediary organisations.

4.2.3. EU funds in the proposed multiannual financial framework 2028-2034

On 16 July 2025, the European Commission presented its proposal for the Multiannual Financial Framework ('MFF') for 2028 to 2034. This puts forward an ambitious long-term budget that is simpler, more flexible and more strategic.

National and regional partnership plans will combine EU funds implemented by Member States and regions into a coherent, tailored planning process – fully aligned with the Union's common priorities notably reducing economic, social and territorial disparities. They will provide more flexibility to adapt to regional and local needs, taking into account for instance the different types of territories such as rural and urban areas, and simplify rules for Member States and regions.

The principles of **partnership** and **multi-level governance** will guide the development of the plans as in the case of cohesion policy today. In particular, each Member State will have to

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[73] SEMIC Support Centre | Interoperable Europe Portal.

prepare and implement their plan in partnership with regional and local authorities, in line with each Member State's constitutional structures and traditions.

When addressing the challenges facing urban areas in national and regional partnership plans, Member States should provide the opportunities for cities and other urban authorities to shape programmes of reforms and investments tailored to their specific needs.

The programming of locally and regionally integrated funding approaches, consistently aligned with the EU policy framework, could also include necessary **reforms at the sub-national level** helping to both maximise the impact of the funds and address regulatory or other barriers.

In addition, as part of their territorial development, Member States' plans will have to effectively support territorial and local cooperation initiatives, including **integrated urban development strategies**.

In the current programming period 2021-2027, cohesion policy is already providing considerable support to urban development strategies. To respond to the multiple, interconnected challenges faced by cities today, cities need to strengthen their capacity for action through operational tools, regulatory support and funding. **EU Member States and regions are therefore encouraged to step up their ambition in the resourcing of their urban strategies, including through their national and regional partnership plans while taking into account the specificities of cities.**

Moreover, **the EU Facility,** which will be closely linked to the national and regional partnership plans[74], will also support urban authorities to develop innovative projects, strengthen capacity building, and provide an environment to share know-how on sustainable urban development.

Under **the European Competitiveness Fund**, cities could potentially benefit, for example via the clean transition and industrial decarbonisation window. This window aims to support activities related to clean energy deployment, decarbonisation solutions and system transition. It may also fund mobility-oriented projects and sustainable tourism in cities. In addition, the resilience and security, defence and space window may help cities strengthen their preparedness, protect critical infrastructure, enhance defence and security, and make effective use of space-based technologies for monitoring, connectivity and emergency response.

European cities, which play a crucial role in enhancing regional competitiveness, may contribute with national governments and EU institutions to identify and prioritise competitiveness strategies and contribute to the overall goals of **the Competitiveness Compass** by ensuring that strategies are tailored to local contexts while working towards broader EU objectives.

Furthermore, cities and other urban authorities may be able to access other EU programmes to address their challenges, including **the Horizon Europe** programme which has proven to be well-suited for innovation and research activities.

The Commission invites the Member States to promote the integration and mainstreaming of values and principles of **the New European Bauhaus** across broader EU, national, regional and local development initiatives and programmes related to the regeneration of buildings and

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[74] Annex XV to the proposal for a Regulation of the European Parliament and of the Council establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509 {SWD(2025) 565 final}.

neighbourhoods, including the provision of affordable housing, to strengthen inclusive and community-driven investments.

The **Global Europe** programme could support international cooperation on EU policy priorities for urban development, in particular with EU candidate countries, enabling transfer of knowledge, capacity building on urban governance, planning and community-led development.

5. CONCLUSION

Cities are essential for the future of the European Union. They are places where Europe's most pressing challenges are concentrated, and where incubators of cutting-edge solutions can be built and scaled up across Europe's territories. Cities face multiple simultaneous challenges, which require integrated solutions. As engines of sustainable growth, cities of all sizes not only drive progress within their boundaries but also in surrounding areas, including rural areas. Moreover, they are the places where most of the EU policies and legislation are implemented. The success of a more competitive, accessible, inclusive, resilient and cohesive Europe, that navigates the green and digital transitions with fairness and ambition, is directly tied to the success of cities.

With this EU Agenda for Cities, the Commission lays out its vision and policy response to support thriving cities in meeting the challenges of today and tomorrow.

As cities contribute to the achievement of EU priorities at local level, the Commission is committed to enhance its engagement with cities, learning from their experience, and ensuring that EU policies and legislation have a coherent and positive impact on the ground. To this effect, the Commission is committed to ensuring cities are meaningfully involved in EU policymaking and implementation, in line with the cohesion policy's partnership and multi-level governance principles that remain central elements of the Commission's proposal for the next multi-annual financial framework.

Moreover, as cities can facilitate the deployment of innovative solutions across EU Member States, it is crucial to provide them the necessary funding, improved capacities and knowledge as well as a community for exchange to accelerate policy learning and implementation. The Commission is engaged to simplify and streamline the support made available to cities and other urban areas. The Commission's technical assistance support through the Cities web-portal launched today, and the future Cities platform will contribute to meeting the needs and opportunities of cities – considering their unique situation, specific challenges and functional areas – with tailored solutions, fostering collaboration and knowledge exchange.

Member States are encouraged to make full use of cohesion policy funds, as well as other instruments, in both the current and post-2027 period to support urban development. The Commission invites all stakeholders to join in the effort of this new 'EU-cities partnership' and will monitor the EU Agenda for Cities' implementation in an integrated and inclusive way.

ANNEX 1: FLAGSHIP ACTIONS OF THE EU AGENDA FOR CITIES

The list below outlines the actions the Commission will undertake to implement the EU Agenda for Cities.

No	Action	Timeline
	CONTINUOUS DIALOGUE	
1.	**High-level political dialogue with local authorities**	From 2026 onwards
2.	**Targeted technical consultations with urban practitioners**	From 2026 onwards
3.	**Regular dialogue with the European Committee of the Regions and the European Parliament**	From 2026 onwards
4.	**Cities Forum (biennial)**	Next one in 2027
5.	**State of European Cities report**	From 2026 onwards
	SIMPLIFICATION and CAPACITY BUILDING	
6.	**EU Cities web-portal**	Q4 2025
7.	**European Urban Initiative – Innovative Actions 4th call, and Cities helpdesk**	Q1 2026 and Q3 2026
8.	**EU Cities platform**	2028
	INVESTMENTS	
9.	**Support under the current multiannual financial framework**	Ongoing to 2027
10.	**Support under the next multiannual financial framework**	2028-2034