

EUROPEAN
U R B A N
INITIATIVE

Terms of Reference

EUROPEAN URBAN INITIATIVE – INNOVATIVE ACTIONS

FOURTH CALL FOR PROPOSALS
25/02/2026 – 15/06/2026

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1. INTRODUCTION

The Cohesion policy legislative package for 2021-2027 includes the establishment of the European Urban Initiative (EUI) – successor of the Urban Innovative Actions Initiative implemented during the 2014-2020 programming period. This Initiative is an essential tool to support cities of all sizes, to build capacity and knowledge, to support innovation and develop transferable and scalable innovative solutions to urban challenges of European Union relevance. **The ultimate goal is to inspire the use of mainstream Cohesion policy programmes in urban areas with proof-tested innovations, especially those receiving support from ERDF, funding source of the EUI**, on specific objectives defined in Article 3 of Regulation No 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund¹ (hereinafter: the ERDF/CF Regulation), and to strengthen the innovation capabilities of cities as beneficiaries or intermediary in the management of these Funds.

One of the main objectives of the EUI, and especially its Innovative Actions Strand (EUI-IA) is to continue support initiated by the Urban Innovative Actions Initiative by **providing urban authorities throughout Europe with space and resources to increase their innovation potential to find new answers to the interconnected and complex local challenges related to sustainable urban development.**

Through this fourth EUI-IA Call for Proposals, urban authorities will have the possibility to propose solutions (whether products, services, or processes) that are new to their specific context, even if such solutions have already been practiced – tested, or tested to some extent – elsewhere in the EU. This EUI-IA Call for Proposals therefore welcomes locally innovative solutions i.e. those that have **not yet been adopted locally in the given urban area** (a context specific approach).

Urban authorities should seize the opportunity offered by the EUI-IA to pilot innovative approaches and working methods going further than the conventional approaches implemented in their city. The EUI-IA aims at strengthening the transformative power of EU cities to innovate and respond to current challenges for the resilient, sustainable and inclusive urban life by turning ambitious and creative ideas into practice that can be tested in real urban settings and daily municipal operations.

EUI-IA projects are selected through Calls for Proposals on one or more topics proposed by the European Commission (EC). The EUI has a total ERDF budget of EUR 395 million, around 75% of which is earmarked to support the EUI-IA Strand.

Under the fourth Call for Proposals, each project can receive up to a maximum of EUR 2 million ERDF co-financing and project implementation should take place within a maximum period of 2 years.

The EUI is managed by the EC's Directorate-General for Regional and Urban Policy (DG REGIO) via indirect management. The EC has designated the Region Hauts-de-France (France) as the Entrusted

¹ Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32021R1058>. The ERDF specific objectives targeted will be specified in each individual European Urban Initiative – Innovative Actions Call for Proposals.

Entity, for the implementation of the EUI. The EUI Permanent Secretariat has been created to assist the Entrusted Entity and to ensure the day-to-day management of the EUI.

With the present Terms of Reference, the Entrusted Entity is inviting eligible authorities to submit project proposals in the framework of the fourth EUI-IA Call for Proposals. **For this Call for Proposals, an estimated budget of EUR 60 million ERDF (subject to budget availability) is allocated.**

The present document sets out the requirements and process to follow for the fourth EUI-IA Call for Proposals. It should be read in conjunction with the EUI-IA Call 4 Guidance, the Application Form Courtesy Working Document and other documents published on the EUI website related to the Call.

2. ELIGIBLE AUTHORITIES – WHO CAN APPLY

The following authorities may apply for support to undertake the EUI-IA:

- **First category:** Any urban authority of a Local Administrative Unit(s) defined according to the degree of urbanisation (DEGURBA) of Eurostat² as a city, town or suburb (corresponding to DEGURBA code 1 or DEGURBA code 2 of Eurostat) comprising at least 25 000 inhabitants.
- **Second category:** An association or grouping of urban authorities with legal status of organised agglomeration composed by Local Administrative Units, where the majority (at least 51%) of inhabitants lives in Local Administrative Units defined according to the degree of urbanisation (DEGURBA) of Eurostat as cities, towns or suburbs (corresponding to DEGURBA code 1 or DEGURBA code 2) and where the total combined population is at least 25 000 inhabitants.
- **Third category:** An association or grouping of urban authorities without legal status of organised agglomerations where all the urban authorities involved (Main Urban Authority – MUA, and Associated Urban Authorities – AUA) are Local Administrative Units defined according to the degree of urbanisation (DEGURBA) of Eurostat as cities, towns or suburbs (corresponding to DEGURBA code 1 or DEGURBA code 2) and where the total combined population (MUA and AUA) is at least 25 000 inhabitants.

Only eligible urban authorities as defined above can submit an Application Form in the framework of EUI-IA Calls for Proposals.

The definition of Local Administrative Units³ as well the **classification according to the degree of urbanisation and the figures on the number of inhabitants are based on information provided in the**

² Applying the Degree of Urbanisation. A methodological manual to define cities, towns and rural areas for international comparisons. 2021 edition: <https://ec.europa.eu/eurostat/documents/3859598/12519999/KS-02-20-499-EN-N.pdf/0d412b58-046f-750b-0f48-7134f1a3a4c2?t=1615477801160>

³ Definition of Local Administrative Units and degree of urbanisation are available here:

EUI-IA Correspondence table⁴ (https://www.urban-initiative.eu/sites/default/files/2026-01/EUI-IA_Call_4_Correspondence_table.xlsx). This table will be used as the main reference document for the Eligibility Check. Applicants are invited to refer to the Correspondence table to verify their eligibility and provide information on the Local Administrative Units included in their administrative borders and the figures concerning the number of inhabitants. Carrying out an eligibility self-assessment (based on the abovementioned Correspondence table) before filling in the Application Form is strongly recommended. In case of gaps, inconsistencies or doubts concerning the interpretation of the data included in the Correspondence table, applicants are advised to contact the Permanent Secretariat before filling in and submitting the Application Form. If more recent data is available, it may be taken into account only if it comes from a National Statistical Institute⁵. In this case, relevant evidence must be provided with the Application Form: (i) a link to a relevant database (section B.2 – Main Urban Authority “Comment”) and (ii) an appropriate document exported from the National Statistical Institute’s database with a clear indication of the urban authority and its population size (Part I – AF Annex). The updated population figure of the Urban Authority should be provided in the Application Form as well (section B.2 – Main Urban Authority “Number of inhabitants”). In the absence of evidence provided, evidence that does not allow for the correct identification of the urban authority and/or the indicated population figure, or a reference to other data source than respective National Statistical Institute, the Correspondence Table will remain the reference document.

During the selection procedure the Permanent Secretariat will perform its Eligibility Check exclusively on the basis of the information filled in in the Application Form. In cases where the applicant's status as eligible candidate is uncertain, the Permanent Secretariat will liaise with all relevant partners, including Eurostat, to determine the eligibility.

2.1 FIRST CATEGORY

- **Municipalities/city councils/districts whose administrative borders correspond to a single Local Administrative Unit.** In this case the Local Administrative Unit shall be classified as a city, town or suburbs according to the degree of urbanisation (code 1 and/or 2 in the Correspondence table – column Degree of Urbanisation (DEGURBA)) and have at least 25 000 inhabitants.
- **Municipalities/city councils whose administrative borders include several Local Administrative Units.** This is the case for municipalities/city councils for example in Portugal, Ireland, Greece, Malta and Latvia where the Eurostat definition of Local Administrative Unit does not correspond to municipalities/city councils but to infra-municipal units (parishes) or statistical units (electoral

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- [Local Administrative Units \(LAU\) - NUTS - Nomenclature of territorial units for statistics - Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/web/european-statistical-system/ess-partners)
 - [Glossary: Degree of urbanisation - Statistics Explained \(europa.eu\)](https://ec.europa.eu/eurostat/web/european-statistical-system/ess-partners)

⁴ EUI-IA Correspondence table (“EUI-IA_Correspondence_table” file) can be downloaded from the respective Call for Proposals page on the EUI website.

⁵ List of the European Statistical System partners (National Statistical Institutes): <https://ec.europa.eu/eurostat/web/european-statistical-system/ess-partners>

wards). In this case the municipality/city council can be eligible only if it has a total of minimum 25 000 inhabitants and if the majority (at least 51% of the inhabitants) lives in Local Administrative Units classified as cities, towns or suburbs according to the degree of urbanisation (code 1 and/or 2 in the Correspondence table – column Degree of Urbanisation (DEGURBA)).

- **Municipalities/city councils/districts whose administrative borders are within a single Local Administrative Unit** defined according to the degree of urbanisation (DEGURBA) of Eurostat as a city, town or suburb (corresponding to DEGURBA code 1 or DEGURBA code 2 of Eurostat) comprising at least 25 000 inhabitants.

This category notably applies for autonomous sub-division of a municipality (for instance but not limited to: districts, municipio, arrondissement, kerület, ...). The urban authority must attach to the Application Form evidence proving its population number, administrative boundaries delimitation, and confirmation that it has a status of a local government.

2.2 SECOND CATEGORY

Organised agglomerations where the total population is at least 25 000 inhabitants and which are an association/grouping of urban authorities **fulfilling the following criteria:**

- **To be officially recognised as a tier of local government** (different from the regional and provincial level) by national law with the obligation for municipality/city councils to join the supra-municipal organisation (therefore in this category associations that are composed on a voluntary basis, for a specific purpose and/or with a limited duration are not included).
- **To be composed only of municipality/city councils** (therefore in this category associations involving other institutions such as universities, chambers of commerce, etc. are not included).
- **To have specific competences, fixed by national law, delegated by the municipalities involved** for policy areas relevant for the EUI-IA project. Agglomerations are invited to provide precise reference to the national legal framework. Organised agglomerations shall have exclusive competences for the design and implementation in policy areas relevant for the EUI-IA project.
- **To have a specific political** (with indirect representation of the municipalities involved) **and administrative** (dedicated staff) **structure.**

Examples of eligible organised agglomerations in the framework of the EUI-IA are:

- France: Métropoles, Communautés Urbaines, Communautés d'Agglomération, Etablissements Publics Territoriaux (EPT) and Communautés de Communes.
- Italy: Città Metropolitane and Unione di Comuni only. Please note that Consorzi, Gruppi di Azione Locale (GAL), Convenzione dei Comuni or any other organised agglomeration that are not considered local authorities by the Italian national legislation (Testo Unico degli Enti Locali) are not eligible.
- Germany: Landkreis.

- Spain: Mancomunidades and Area Metropolitana Barcelona. Please note that “Diputaciones provinciales” (provincial governments) are considered as provincial bodies and therefore they are not recognised as eligible organised agglomerations.
- Portugal: Comunidades Intermunicipais (CIMs).

European Grouping of Territorial Cooperation (EGTC) whose partnerships are composed only of urban authorities (as defined above) and with specific competencies for policy design and implementation relevant for the EUI-IA Call are considered as organised agglomerations and therefore they can apply in the framework of EUI-IA Calls for Proposals as an MUA or AUA. EGTCs whose partnerships include other organisations (e.g.: Member States, regional authorities, associations, universities, etc.) are not considered as organised agglomerations and cannot apply as an MUA or AUA but they can join as Delivery Partners in a proposal submitted by an eligible urban authority.

In the framework of the EUI-IA, organised agglomerations are considered as a single urban authority representing all the municipality/city councils involved. For this reason, in a project proposal submitted by an organised agglomeration, this shall be indicated as an MUA. To verify the eligibility of organised agglomerations, the Permanent Secretariat will check that the total number of inhabitants is at least 25 000 and that the majority (at least 51% of inhabitants) lives in Local Administrative Units involved in the agglomeration that are classified as cities, towns or suburbs according to the degree of urbanisation.

2.3 THIRD CATEGORY

Any association of urban authorities (national/regional associations of urban authorities, territorial pacts, development districts, etc.) **as well as individual urban authorities without formalised cooperation agreements but willing to jointly apply, can apply identifying an MUA among the municipalities/city councils involved and list the others as an AUA.**

To be eligible, all urban authorities involved (MUA and AUA) shall be recognised as Local Administrative Units and be classified as cities, towns or suburbs according to the degree of urbanisation of Eurostat (DEGURBA code 1 or DEGURBA code 2). In case of urban authorities whose administrative borders include more than one Local Administrative Unit, the same rules for the definition of the degree of urbanisation described under section 2.1 of the present section apply. The relationship between the MUA and the AUA does not need to be formalised at the time of submitting the Application Form. In case the proposal is approved and supported, the relationship will have to be formalised in a form of the Partnership Agreement (the Permanent Secretariat will provide the MUA with a template).

Previous experiences show that single projects delivered by associations or grouping of cities without a status of organised agglomeration, comprising more than 3 urban authorities (MUA and AUA) without territorial contiguity, risk losing coherence and having difficulties in delivering meaningful results. As such, it is recommended that associations and/or groupings of urban authorities (without a status of organised agglomerations) who wish to apply should be territorially contiguous and seek to limit the number of AUA involved.

2.4 COMMON REQUIREMENTS FOR ELIGIBLE URBAN AUTHORITIES

In addition to the principles outlined above for each specific category of eligible urban authorities, the following principles apply to all eligible urban authorities in the framework of the EUI-IA:

- All urban authorities shall be located in an EU Member State.
- Only eligible urban authorities as defined above may submit an Application Form in the framework of the EUI-IA Call for Proposals. An Application Form submitted by a Delivery Partner will be declared ineligible.
- Urban authorities (as defined above) can be listed in a project proposal only as an MUA and/or an AUA. The category of Delivery Partners is reserved only to institutions and/or organisations that are not recognised as urban authorities in the framework of the EUI-IA.
- Urban authorities (whether it is as an MUA or as an AUA) can be involved in only one project proposal in the framework of each Call for Proposals.
- Urban authorities (whether it is as an MUA or as an AUA) already supported in an approved project by the EUI-IA in the framework of a previous Call for Proposals cannot submit a new Application Form.
- Urban authorities must comply with the requirements on exclusion from access to funding (see section 8.6 “Exclusion criteria for grant applicants” below and in the EUI-IA Call 4 Guidance Chapter 3.3 “Exclusion criteria for grant applicants”).

Agencies and companies (e.g.: in the field of energy/waste management, economic development, touristic promotion, etc.) fully or partially owned by the municipality/city council are not considered as Local Administrative Units and therefore cannot be recognised as eligible urban authorities. Nevertheless, these organisations can be involved in the Partnership as Delivery Partners (more details on the roles and responsibilities of Delivery Partners are provided in the EUI-IA Call 4 Guidance Chapter 2.1.2 “Typology of the European Urban Initiative – Innovative Actions Partners”).

Please note that, in the case of associations or grouping of urban authorities with legal status of organised agglomerations (second category of eligible authorities – see above for the details), the institution, including all the other urban authorities involved, is considered as a single urban authority in the framework of the EUI-IA and therefore the agglomeration shall be listed as the MUA. In the case of associations or groupings of urban authorities without legal status of an organised agglomeration (third category of eligible authorities – see above for the details), the urban authorities involved are requested to identify one municipality as the MUA and the other municipalities as AUAs.

3. THEMATIC COVERAGE FOR THE FOURTH EUI-IA CALL FOR PROPOSALS

OVERALL DEFINITION AND CONTEXT OF THE TOPICS

The EU Agenda for Cities adopted on 3 December 2025 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.

The rationale for preparing the EU Agenda for Cities is that 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% - close to 340 million people - of the EU population lives in cities and other urban areas. Cities face numerous challenges such as a 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. 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 is a recognition of cities' role as key partners in tackling the EU's most significant challenges and contributing to its solutions. Under the fourth call for Innovative Actions of the EUI, projects will be funded to experiment and deliver tangible innovative solutions on the integrated EU policy framework put forward by the EU Agenda for Cities. The policy framework includes

key areas of action on the following topics/themes: (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; and (vi) mobility. These policy areas are often closely interconnected, reflecting the EU's commitment to fostering sustainable, integrated and inclusive urban development.

Without being prescriptive in terms of the response expected by applicants, that may vary significantly from one city to the other in view of their size, inner characteristics and challenges, applicants are invited to consider the policy themes of the EU Agenda for Cities described below as the topics for the Call when preparing their project proposals. Testing measures linked to more than one of these themes, in an integrated manner, is also possible and highly recommended for this Call. For the detailed description of the themes forming the topics of this Call, applicants are invited to look through sections 2.1., 2.2., 2.3., 2.4., 2.5., and 2.6. of the Communication from the European Commission on the EU Agenda for Cities: Driving Growth and Prosperity (see pages 4-11 of the document).⁶

3.1 COMPETITIVENESS, DIGITALISATION, INNOVATION AND INVESTMENT

Cities are dynamic and competitive places where innovation and technological advances are driven by the proximity of stakeholders and their multidisciplinary interaction. They are magnets of talent, central for job creation and for access to research and technology infrastructures. In 2024, 45% of city residents aged 25-64 held a university degree, compared to 31% in towns/suburbs and 26% in rural areas. Cities housed 41% of the EU's workforce, with towns/suburbs at 34.5% and rural areas at 24.5%. The EU focuses its action on enhancing competitiveness by boosting innovation and the adoption and scaling up of strategic technologies, in line with initiatives like the Competitiveness Compass and the Clean Industrial Deal. Cities can strengthen demand for clean and circular technologies produced in the EU. They play a pivotal role in driving economic development and facilitating strategic partnerships with industries. Investment in education and skills development, including digital and green skills as well as entrepreneurship education, are key to meeting labour market demands and addressing inequalities. Capitalising on research and innovation can aid cities in developing strategies for economic resilience. The tourism sector also contributes significantly to the EU economy accounting for 7.1% of the total gross value added, despite challenges posed by the management of tourism flows. The EU is supporting the transition to sustainable, resilient tourism models and services. Culture, creative industries and sport sectors enhance cities' attractiveness but also create jobs and boost competitiveness and well-being. Cities are central for culture-led development and experimentation, as well as for exploring models of social and economic innovation. 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. Cities play a key role in accelerating progress towards the EU's digital decade objectives and targets and

⁶ [2025-cities-agenda-communication.pdf](#)

making digital ecosystems and digital professions more accessible. E-government initiatives are pivotal for modernising public services of cities and boosting citizen engagement through developing interoperable digital services that are efficient and citizen-centric.

3.2 SOCIAL INCLUSION AND EQUALITY

At the 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. Income inequality remains prominent in cities, driven by polarised economic prospects and elevated living costs. EU policy on social inclusion and equality aims to create inclusive societies by addressing inequalities and ensuring accessibility to essential services for all individuals. An equality-mainstreaming approach allows cities to better comprehend complex inequalities, facilitating comprehensive policy development tailored to disadvantaged groups and marginalised communities. It is crucial for cities to address social disparities and structural inequalities, and ensure accessibility to services, in alignment with the European Pillar of Social Rights and Union of Equality strategies. Collaboration among civil society groups and regional stakeholders is enhanced through EU policies to develop local action plans tailored to community needs, promoting inclusivity and cohesion. Enhancing community support systems and capacities of local authorities are vital for ensuring equal access to services and labour markets for women and other disadvantaged groups. Incorporating social inclusion and equality dimensions in sectoral policies at local level ensures that cities provide accessible and affordable services, while contributing to poverty reduction.

3.3 SECURITY, SAFETY OF PUBLIC SPACES AND PREPAREDNESS

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 preventing radicalisation and protecting communities from terrorism. Safety perceptions vary with city size: 75% of residents in cities with fewer than 250,000 inhabitants felt safe versus 67% in those with larger populations in 2023. Across the EU, there are also notable differences in the perception of crime by degree of urbanisation. EU actions on preparedness and security focus on achieving a well-prepared and resilient society with uniform security and safety levels, regardless of location or characteristics and circumstances of population. Public infrastructure design in cities can contribute to ensuring residents' safety and sense of security in public places. The safety and security of public spaces are also essential for cities in promoting social cohesion, community engagement and democratic participation. Human-made security threats, like organised crime and terrorism, and other multiple crime challenges (e.g. drug-related issues, trafficking in human beings), impact cities and require local solutions. Such solutions should 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 Preparedness Union strategy encompasses investing in security, resilience and preparedness to prevent and mitigate the impact of recent and future shocks to the system. Smart city technologies could be useful in increasing

urban resilience and preparedness. Cities should also find innovative and cost-effective ways to secure critical infrastructure and ensure civic preparedness, especially regarding technology misuse. Additionally, surrounding rural areas are crucial for community resilience, particularly concerning food security and food supply.

3.4 AFFORDABLE, SUSTAINABLE, DECENT QUALITY, AND INCLUSIVE HOUSING AND BUILDINGS

Shortage of affordable housing is among the most urgent issues in cities, and urban housing is increasingly unaffordable for many people. In 2024, the housing cost overburden was highest in cities at 10%, compared to 8% in towns/suburbs and 6% in rural areas. Around 16% of EU population lives in overcrowded conditions, where low-income households are the most affected. Homelessness is rising, with estimates indicating 1 million homeless individuals in the EU. Housing is a shared responsibility spanning across the national, regional, and local levels, with cities uniquely positioned to address housing challenges due to their competences and direct community engagement. The EU has been supporting investment in the housing sector, in particular through Cohesion policy focusing on energy efficiency and social housing. 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. The European Affordable Housing Plan was adopted in 2025 and aims to tackle the drivers of the housing crisis through specific and coordinated actions like the European Strategy for Housing Construction and the European Anti-Poverty Strategy. The EU is also emphasising the importance architectural quality and the living environment to guide investments, aligned with the principles and values of the New European Bauhaus initiative that 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, modernising public and dismissed industrial buildings or areas need to be modernised, made more (energy) efficient and become more inclusive for the population.

3.5 CLIMATE ACTION, ENVIRONMENT AND CLEAN ENERGY

Cities contribute significantly to global greenhouse gas emissions and face the adverse impacts of climate change. Extreme heat is 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. The EU recognises the key role of local actors in implementing measures to enhance climate resilience. Cities' proximity to households and businesses positions them as key partners in mitigating emissions and in adapting to climate change, and in achieving clean, affordable energy systems. Cities shape the energy transition through their decisions on spatial planning, permitting sustainable public procurement and investment. Cities are also facing a growing

wildfire risk due to changes in the climate but also expanding wildland-urban interfaces, requiring enhanced preparedness and coordinated response measures. When developing its policies, the EU recognises decentralised energy systems as strategic assets like distributed renewable energy, energy efficiency and storage assets, local energy companies, smart grids and citizen-led energy communities, as well as the construction of district heating networks. In addition, challenges related to water resilience, notably through digitised systems and nature-based solutions are central for EU policy to tackle. Local authorities are also strategic actors to support the implementation of circular economy, waste management, re-use and recycling measures, air quality and noise legislation, as well as the protection and enhancement of urban nature and tree canopy cover. The EU also encourages cities to promote policies and measures to enhance water resilience in line with the water resilience strategy.

3.6 MOBILITY

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. EU policy on mobility prioritises the transition towards sustainable, safe, accessible, inclusive, affordable, resilient and smart urban mobility systems. Efforts focus on modernising, decarbonising, and electrifying urban and peri-urban (public) transport, promoting active mobility (cycling and walking) and shared mobility means and services. Emphasis is given to integrated planning, fostering multimodal connectivity, and to improving road safety and urban logistics, as well as to reducing congestion, and with that urban pollution and emissions to also achieve the objective of climate-neutral and smart cities. Addressing transport poverty, better integrating urban logistics into sustainable mobility planning, and enhancing the link between urban mobility and tourism are key areas for EU policy. At the centre of EU policy action are urban nodes, which are considered key elements of a well-functioning trans-European transport network (TEN-T). Cities concerned are requested to develop sustainable urban mobility plans for functional urban areas, collect data, deploy alternative fuel infrastructures, and create multimodal passenger hubs and freight terminals. Among key issues for EU policy also 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 improving urban road safety.

PROJECTS LONG-TERM DURABILITY AND SCALING

Project proposals under the call should not be drafted in isolation from medium to long term action aimed at tackling challenges in these six thematic areas, but they should build on the valuable experience and methodological frameworks put in place in numerous cities. Such frameworks may include, for example, 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. Such an embedding in relevant urban strategies and plans will be evaluated in project proposals' quality assessment⁷.

The European Commission aims at reaching a balanced portfolio of projects meeting the highest quality standards while reflecting the geographical, spatial and demographic diversities of European cities. Project proposals are expected to be experimental in the local context, consequently not likely to be funded by traditional or mainstream sources of funding.

COHESION POLICY TARGETS

(a) A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity (Policy Objective 1) by:

- Specific objective 1.1 by *developing and enhancing research and innovation capacities and the uptake of advanced technologies;*
- Specific objective 1.2 by *reaping the benefits of digitisation for citizens, companies, research organisations and public authorities;*
- Specific objective 1.3 by *enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments;*
- Specific objective 1.4 by *developing skills for smart specialisation, industrial transition and entrepreneurship;*
- Specific objective 1.5 by *enhancing digital connectivity;*
- Specific objective 1.6 by *supporting investments contributing to the objectives of the Strategic Technologies for Europe Platform (STEP) referred to in Article 2 of Regulation (EU) 2024/795 of the European Parliament and of the Council;*
- Specific objective 1.7 by *enhancing industrial capacities to foster defence capabilities, prioritising capabilities of a dual-use nature.*

(b) A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility (Policy Objective 2) by:

- Specific objective 2.1 by *promoting energy efficiency and reducing greenhouse gas emissions;*
- Specific objective 2.2 by *promoting renewable energy in accordance with Directive (EU) 2018/2001, including the sustainability criteria set out therein;*

⁷ See Chapter 3 "Project application and selection" of the EU-IA Call 4 Guidance further details on the selection procedure.

- Specific objective 2.3 by *developing smart energy systems, grids and storage outside the Trans-European Energy Network (TEN-E);*
- Specific objective 2.4 by *promoting climate change adaptation and disaster risk prevention and resilience, taking into account eco-system based approaches;*
- Specific objective 2.5 by *promoting secure access to water and sustainable water management, including integrated water management, and water resilience;*
- Specific objective 2.6 by *promoting the transition to a circular and resource efficient economy;*
- Specific objective 2.7 by *enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution;*
- Specific objective 2.8 by *promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy;*
- Specific objective 2.9 by *supporting investments contributing to the STEP objective referred to in Article 2(1), point (a)(ii), of Regulation (EU) 2024/795;*
- Specific objective 2.10 by *supporting investments aimed at reconstruction in response to a natural disaster that occurs between 1 January 2024 and 31 December 2025;*
- Specific objective 2.11 by *promoting access to affordable and sustainable housing;*
- Specific objective 2.12 by *promoting energy interconnectors and related transmission, distribution, storage and supporting infrastructure, as well as the protection of critical energy infrastructure and the deployment of recharging infrastructure.*

(c) A more connected Europe by enhancing mobility (Policy Objective 3) by:

- Specific objective 3.1 by *developing a climate resilient, intelligent, secure, sustainable and intermodal TEN-T;*
- Specific objective 3.2 by *developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility;*
- Specific objective 3.3 by *developing resilient defence infrastructure, prioritising that of a dual-use nature, including to foster military mobility in the Union, as well as enhancing civil preparedness.*

(d) A more social and inclusive Europe implementing the European Pillar of Social Rights (Policy Objective 4) by:

- Specific objective 4.1 by *enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy;*
- Specific objective 4.2 by *improving equal access to inclusive and quality services in education, training and lifelong learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training;*

- Specific objective 4.3 by *promoting the socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups, including people with special needs, through integrated actions, including housing and social services;*
- Specific objective 4.4 by *promoting the socio-economic integration of third country nationals, including migrants through integrated actions, including housing and social services;*
- Specific objective 4.5 by *ensuring equal access to health care and fostering resilience of health systems, including primary care, and promoting the transition from institutional to family-based and community-based care;*
- Specific objective 4.6 by *enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation;*
- Specific objective 4.7 by *promoting access to affordable and sustainable housing.*

(e) **A Europe closer to citizens** by fostering the sustainable and integrated development of all types of territories and local initiatives (**Policy Objective 5**) by:

- Specific objective 5.1 by *fostering the integrated and inclusive social, economic and environmental development, culture, natural heritage, sustainable tourism and security in urban areas;*
- Specific objective 5.3 by *fostering integrated territorial development, through access to affordable and sustainable housing in all types of territories;*
- Specific objective 5.4 by *ensuring civil preparedness in all types of territories.*

RESULT AND OUTPUT INDICATORS

Project proposals will be assessed, among other criteria, on their ability to achieve credible results and on the soundness of their methodology to measure these results. In the context of the thematic areas of this Call for Proposals, urban authorities are invited to define a set of indicators capturing in an integrated way all the interconnected objectives, and links with sectoral policies. In their applications, urban authorities may refer to any of the indicators listed in the “Monitoring and Evaluation – Result Indicators and Output Indicators definitions” document being part of the Application Pack and available on the fourth EUI-IA Call page, whenever relevant for their project ideas. The list is not prescriptive or exhaustive. Such indicators should be complemented by indicators relevant to the specific project. Urban authorities remain free to define their own project specific indicators, while considering those listed in above-mentioned document, in order to reflect in the clearest and most convincing way the changes which their project has the potential to accomplish.

4. PROJECT PHASES

The EUI-IA project lifespan consists of 4 phases (see EUI-IA Call 4 Guidance for details):

- i. **Project Preparation** (covered by a lump sum) comprises all activities related to the drafting of the project application and ends with the approval of the project for funding by the EUI Authorities.
- ii. **Project Initiation Phase** (covered by a lump sum) lasts 3 months, and it starts after the project's official approval. It is disconnected from the Implementation Phase, conducted before the official start of the project implementation and dedicated solely to the ex-ante audit, as well as for the initial project management arrangements to create the necessary conditions for a smooth and effective start and implementation of project activities.
- iii. **Project Implementation Phase** (covered by simplified costs options and real costs) lasts 24 months; it starts after the project's successful completion of the Initiation Phase and lasts until the approved project implementation end date. All project implementation activities are to be carried out during this phase. It is essential to allocate/foresee a sufficient and reasonable period for the testing the innovative solution under real conditions, as well as for the proper evaluation of the project's implementation towards the achievement of its objectives and expected results.
- iv. **Administrative Closure Phase** (covered by a lump sum) lasts 3 months and includes all administrative activities taking place after the Implementation Phase to formally close the project and obtain validation of the narrative and financial reporting documents. During this phase, the EUI-IA project representatives are also expected to remain available to participate in knowledge capitalisation and dissemination activities initiated by the Permanent Secretariat.

5. FUNDING PRINCIPLES

5.1 TOTAL COSTS PRINCIPLE

The EUI follows the total costs principle. This means that whilst the project receives ERDF co-financing of up to 80% of the total eligible costs, **every Partner (MUA, AUA, Delivery Partners) receiving ERDF needs to plan 100% of the project budget value and within it secure at least 20% of contribution to complete its budget.**

5.2 ERDF PAYMENTS

EUI-IA payment scheme is based on the combination of principles of advance ERDF payments and lastly of reimbursement of costs that were actually incurred and validated by the First Level Control (FLC):

- **First ERDF payment**

The MUA receives an initial ERDF **advance payment, representing 50%** of the total ERDF grant, within 80 days from the validation of the 3-month Initiation Phase.

This first payment also includes two lump sums covering:

- Project Preparation: EUR10,000 (EUR 8,000 ERDF)
- Initiation Phase: EUR 30,000 (EUR 24,000 ERDF)

These two lump sums combine for a total of EUR 40,000 in eligible costs, with EUR 32,000 covered by ERDF funding.

- **Second ERDF payment**

A second ERDF **advance payment, representing 30%** of the ERDF grant, is disbursed to the MUA upon the submission of Financial Claim 1 (FC1) and validation of reported expenditure by FLC.

Key condition for submission of FC1 by the MUA is that project expenditure reached at least 35% of the total project budget. If the project expenditure validated by the FLC falls below 35% of the total budgeted, the second ERDF advance payment will be made on a pro-rata basis.

- **Third ERDF payment**

The third ERDF payment, corresponding to a **maximum of 20%** of the approved ERDF grant, is made as a **reimbursement** for costs that have already been incurred, paid, and validated by the FLC. By the end of the project, this payment ensures the full disbursement of the approved ERDF budget, provided that all eligible costs have been incurred and validated.

The payment is made to the MUA after EUI approvals and validations of the following reports to be submitted during the Administrative Closure Phase:

- Approval of the final Annual Progress Report (FPR) submitted 1 month after the project end date.
- Validation of project expenditures in Financial Claim 2 (FC2) by the FLC submitted 3 months after the project end date.

If the project expenditure validated by the FLC reaches less than 100% of the total eligible costs, this third ERDF payment will be made on a pro-rata basis.

This third payment also includes the closure lump sum of EUR 7,500 in total eligible costs (EUR 6,000 ERDF).

It is crucial to understand that this third payment is **not processed as an advance**. Consequently, during the last phase of project implementation Project Partners must pre-finance their expenditures.

6. PROJECT GENERATION AND DEVELOPMENT

6.1 PARTNERSHIP

As presented in the section 2 “Eligible authorities – who can apply”, only eligible urban authorities can submit an Application Form in the framework of an EUI-IA Call for Proposals. Within the EUI-IA, the MUA is expected to be directly involved in the experimentation and to play a strategic and operational leading role in the development of the EUI-IA project by establishing and chairing a Project Partnership.

The Project Partnership involves:

- **Delivery Partners** – key institutions and organisations able to contribute to the implementation of the project, having an active role in the implementation and funding of the project activities by providing financial contribution to the project (the share of the budget ensured by a Project Partner, i.e. co-financing rate);
- **if applicable**, Associated Urban Authorities.

All Project Partners (MUA or AUA, Delivery Partners) benefiting from the ERDF allocation must secure their own contribution.

All Partners must be located in the European Union (it is possible to involve Delivery Partners from different countries, provided they are based in EU Member States and that there is a clear justification in terms of added value for the project). All Partners involved are also expected to formalise their cooperation by signing a Partnership Agreement.

Main Urban Authority (MUA)

The EUI-IA functions on the basis of an MUA responsible for the overall implementation and management of the entire project. The MUA bears the entire financial and juridical responsibility vis-à-vis the Entrusted Entity. Other Project Partners keep their own responsibility vis-à-vis the MUA. The responsibilities of the Partnership represented by the MUA are described in a Subsidy Contract and in the Partnership Agreement to be signed by all Partners involved after the approval of the project. The MUA should ensure the involvement of all Project Partners in the design phase of the project as well as in its implementation.

Associated Urban Authorities (AUA)

Any existing association of urban authorities (national/regional associations of urban authorities, territorial pacts or associations, development districts etc.) with or without legal status of organised agglomeration as well as individual urban authorities without a formalised cooperation agreement but willing to jointly apply in the framework the EUI-IA shall list in the Application Form one Local Administrative Unit as MUA and the other Local Administrative Units as an AUA. The AUA is responsible

for the delivery of specific activities and the production of related deliverables/outputs. The AUA has a share of the project budget and reports the costs incurred for the delivery of the activities. Detailed information on the AUA (including legal status, experience and competencies, contact persons, etc.) shall be provided in the Application Form.

It is recommended that associations and/or groupings of urban authorities (without a status of organised agglomerations) who wish to apply should be territorially contiguous and seek to limit the number of AUA involved.

AUAs formalise the contractual relation with the MUA by signing the Partnership Agreement, like other Project Partners, following the approval of the project.

Applying to an EUI-IA Calls for Proposals as a group of urban authorities is possible and sometimes highly desirable to foster functional urban area dynamics, and on the other hand – to enable smaller urban municipalities to partner with other municipalities to test solutions to local challenges and improved delivery of public services.

Delivery Partners

Any organisation having legal personality can have the role of a Delivery Partner in the EUI-IA project. Delivery Partners shall have an active role in the design and implementation of the project and are responsible for the delivery of specific activities and the production of the related deliverables/outputs. Delivery Partners have a share of the project budget and report the costs incurred for the delivery of the activities. Delivery Partners should be selected following the principles of transparency and equal treatment. Consultancy firms having as a primary objective the development and management of European projects are not eligible to participate in a project as Delivery Partners.

Detailed information on Delivery Partners (including legal status, experience and competencies, contact persons, etc.) must be provided in the Application Form. In principle a Delivery Partner could be involved in several project proposals in the framework of the same Call for Proposals.

Please note, that urban authorities cannot be considered and listed as a Delivery Partner but only as an MUA or AUA, provided they fulfil the eligibility criteria listed above.

Involvement of target groups and of wider stakeholders

When developing the EUI-IA project and throughout all project phases, it is necessary to identify and involve the wider stakeholders' group, depending on the character of the project: local communities, social partners, business, NGOs, experts, institutions, organisations, individuals etc., as well as the project's target groups (i.e. depending on the projects: citizens, trainees, job seekers, vulnerable groups and/or marginalised communities, users of a given service or administration), that may influence or be influenced by the project. Identifying stakeholders, understanding their influence on the EUI-IA project, and balancing their needs and expectations are critical to the success of the project. Therefore, urban authorities should bring relevant stakeholders around the table to better frame the problems and needs, agree on a shared vision or desired change that the EUI-IA project should contribute to achieving, and design concrete solutions and actions that will tackle the problems and lead to the desired change. The wider group of stakeholders influence the project either directly and/or indirectly but have no direct role in the EUI-IA project implementation and should not be considered as Partners of the EUI-IA project. Therefore, they have no specific budget allocated, neither explicit responsibilities in the project

implementation but are considered relevant and should be actively involved (co-creation) to ensure a smooth and effective delivery of the project.

6.2 PROJECT INTERVENTION LOGIC AND WORK PLAN

The Intervention Logic of an EUI-IA project is a representation of how the planned actions are expected to bring about the desired change in the local situation. It serves as the backbone of a project, describing the initial aim of the project to address an urban challenge as well as the activities and outputs needed to achieve that aim and deliver the expected results. At its simplest, the Intervention Logic is a way of organising a project and its interventions. The Intervention Logic describes: Why is the project needed? What problems will the project solve? What is the “desired change” and how is this change to be achieved?

The EUI-IA Intervention Logic is composed of strategic and operational components:

- Strategic components include: overall objective, specific objectives and expected results.
- Operational components include: project Work Plan, Work Packages, activities, deliverables and outputs.

Project Work Plan explains the “how” of your project. It’s a roadmap representing the guide for implementing your project. The Work Plan is a breakdown of the project into major units of work called Work Packages, and Work Packages are broken down into smaller tasks called activities.

Work Packages are operational building blocks of the Work Plan. They represent the main pillars of the project and are composed of related project activities required to deliver specific components of the project and produce project outputs. To structure an EUI-IA project, three Work Packages should be used where all implementation activities are to be described:

- Each Work Package must correspond to one of the specific objectives of the project.
- A maximum of six activities can be listed under each Work Package.
- A maximum of six deliverables can be developed under each activity.
- Each Work Package must also lead to at least one output.
- Communication activities must be embedded in each Work Package – each Work Package must define a communication objective and at least one communication activity and deliverable.
- For each Work Package, one Project Partner should be identified as the Work Package leader, responsible for coordinating the delivery of related activities. Each Partner leading or responsible for an activity should also be mentioned in the activity descriptions.
- The approach to project management is described in a dedicated section in the Application Form.

- Monitoring and evaluation components include: output indicators and result indicators.

6.3 SUPPORT OF EXPERTS

Each project financed in the framework of the EUI-IA will benefit from the support of a European Urban Initiative Expert (EUI Expert). More specifically, EUI Experts will provide projects with:

- Advice and guidance at a strategic and operational level on the project and its implementation, especially regarding the innovative content, and including strategic support to ensure that the project remains on track and successfully achieves its potential for long-term sustainability and scale-up once completed.
- Assistance in the experimentation process to ensure that it constitutes a meaningful learning journey for urban authorities with a long-term broader transformative potential.
- Development of knowledge outputs that will capture and disseminate achievements, post-implementation prospects (sustainability, scale-up), lessons learnt and good practices, to a wider audience with a view to promoting innovative approaches throughout the EU.
- Participation and contribution to broader capitalisation and dissemination activities of the EUI by sharing the knowledge generated with a wider audience of policymakers and practitioners across Europe for the benefit of Cohesion policy in general.

The support and advice will be provided by the EUI Experts on an ongoing basis throughout the implementation process of projects as well as during the closing stage.

EUI Experts are individuals with in-depth knowledge of different urban topics; experience in working with urban authorities on projects involving public investments and their physical realisation; as well as a good understanding of the Cohesion policy framework and proven experience in supporting urban experimentation.

The EUI directly covers all costs related to the activities of EUI Experts (including costs for travel and accommodation). Therefore, applicants should not foresee any budget for that purpose in their Application Form.

6.4 COST CATEGORIES

The following cost categories can be used by the EUI-IA projects:

- Staff
- Office and Administration
- Travel and Accommodation
- External Expertise and Services

- **Equipment**
- **Infrastructure and Construction Works**

For each cost category, in the EUI-IA Call 4 Guidance, a definition is provided as well as guidance for budgeting and reporting. Project Partners are strongly recommended to seek advice from the Permanent Secretariat if there is any issue related to the eligibility of expenditure that is not answered by the present rules.

Expenditure, declared by the project, must be audited by a First Level Controller (FLC). The independent FLC opinion must cover the legality and regularity of the expenditure declared, the delivery of the products and services, the soundness of the expenditure declared and the compliance of expenditure and operations with the EUI-IA, EU and national rules. As the FLC is directly appointed and paid by the EUI-IA, no control (audit) costs should be foreseen by the Project Partnership when setting up the project budget. On-the-spot controls on the projects will also be organised by the FLC. On-the-spot control means that the FLC will actually visit the project and verify that certain activities, purchases of services and products as well as investments have actually taken place in accordance with the approved Application Form during the implementation, and that related regulations have been respected.

As stated in the funding principles, the EUI-IA projects follow the "total costs" principle: a project is co-financed by the ERDF up to 80% of the total eligible costs, and each Project Partner (MUA, AUA and Delivery Partner) receiving ERDF must secure a financial contribution to complete its budget up to the contribution target (20% of the Partner eligible costs at least).

When such contributions stem from private sources, they fall outside the context of State aid law. When contributions stem from public sources and in so far as the project activities are non-economic, funding for such activities will not constitute State aid. However, when there are contributions from public resources of a Member State to projects which involve "economic activities", i.e. offering goods and services on the market, then such projects must be designed in a way that any public contributions comply with State aid rules at all levels, that is either at the level of the owner, constructor and/or operator of the project or facility. In such cases, the public funding provided should be in line with the requirements of the De Minimis Regulation, or with conditions set in the General Block Exemption Regulation (GBER) or the SGEI Decision for Services of General Economic interest.

Detailed information on public procurement and State aid are provided in the EUI-IA Call 4 Guidance.

7. APPLICATION PROCESS

The **application pack** for the EUI-IA fourth Call for Proposals consists of the following:

- The present Terms of Reference available in all EU languages. However, in case of discrepancies, please note that the English version prevails.
- **EUI-IA Call 4 Guidance (available only in English) which needs to be extensively consulted regarding the overarching rules of the initiative.**

- **Technical Guidance for the EUI.Connect platform.**
- **Detailed instructions on how to fill in the Application Form available online** in all EU languages on the EUI.Connect platform. However, in case of discrepancies, please note that the English version prevails.
- **Application Form Courtesy Working Document** (a working version of the Application Form and the Confirmation Sheet – a Word document available only in English) as a tool to help in the application drafting process.

All documentation can be found on the EUI website.

The application process is 100% paperless through the use of the EUI.Connect platform (<https://connect.urban-initiative.eu/>).

The application consists of:

- **Application Form:** the Application Form must be filled in using the EUI.Connect platform. It is composed of sections presenting the project idea and the rationale (including information on the innovativeness of the proposal), the partnership (including the MUA, the Delivery Partners, and if relevant the AUA), the intervention logic, the proposed Work Plan and budget. Editing and submission is only possible during an open Call for Proposals. The application includes several automatic links, formulas and checks. These features mean that error messages appear in the form if it is not properly filled in (including a missing Confirmation Sheet), and it cannot be submitted. This helps to significantly reduce the risk of submitting ineligible applications.
- **Confirmation Sheet:** the Confirmation Sheet is automatically generated by the EUI.Connect platform. It is accessible at any time during the application process and must be signed by a legal representative of the MUA and uploaded in the Application Form Part H “Confirmation”. The Application Form cannot be submitted without the Confirmation Sheet.
- **Annex:** applicants can upload one annex in the EUI.Connect platform that will be attached to the Application Form. This could be a map presenting the area of intervention, a graph, an infographic, etc. It is not recommended to include long text documents. The type and size of the file to be annexed are specified in the EUI.Connect Guidance. Please note that annex can only serve as a supporting document. It cannot be considered as an “extended Application Form” and information required for the Quality Assessment – as per the Application Form instructions and assessment criteria – must be included directly in the Application Form to be considered for the assessment.

It is strongly recommended that applicants fill in the Application Form in clear English, although it may also be submitted in any of the official EU languages. It should be noted that the Quality Assessment is done based on the English version of the Application Form (translated into English by an external provider contracted by the Permanent Secretariat, in case the Application Form is submitted in another language). The quality of the translation is not guaranteed by the Permanent Secretariat and therefore is at the applicants’ own risk. Moreover, the Subsidy Contract, project management, formal reporting, key deliverables and all communication with the Entrusted Entity and the Permanent Secretariat will have to be in English.

The final deadline for the submission of the Application Form and Confirmation Sheet is
15/06/2026, 14:00 CEST

8. SELECTION PROCESS

Following submission, each application is subject to a selection process organised along the following steps:

1. **Eligibility Check**
2. **Quality Assessment**
3. **Operational Assessment**

8.1 ELIGIBILITY CHECK

Upon closure of a Call for Proposals, the Permanent Secretariat carries out an Eligibility Check on all project applications submitted before the Call deadline. The purpose of the Eligibility Check is to verify the compliance of the received Application Forms and their annexes with the formal eligibility criteria; avoid further assessment of ineligible applications; and ensure equal treatment of all proposals to be selected for funding.

The EUI-IA eligibility criteria are the following:

1. The Application Form has been submitted electronically via the EUI.Connect platform before the deadline indicated in the Terms of Reference of the Call for Proposals.
2. The Application Form is completely filled in.
3. The applicant is a single urban authority of a Local Administrative Unit defined according to the degree of urbanisation as city, town or suburb (corresponding to DEGURBA code 1 or DEGURBA code 2 of Eurostat) and comprising at least 25 000 inhabitants.

OR

The applicant is an association or grouping of urban authorities with legal status of organised agglomeration composed by Local Administrative Units, where the majority (at least 51%) of inhabitants lives in Local Administrative Units defined according to the degree of urbanisation

(DEGURBA) of Eurostat as cities, towns or suburbs (corresponding to DEGURBA code 1 or DEGURBA code 2) and where the total combined population is at least 25 000 inhabitants.

OR

The applicant is an association or grouping of urban authorities without the legal status of organised agglomerations where all the urban authorities involved (MUA and AUA) are Local Administrative Units defined according to the degree of urbanisation (DEGURBA) of Eurostat as cities, towns or suburbs (corresponding to DEGURBA code 1 or DEGURBA code 2) and where the total combined population (MUA and AUA) is at least 25 000 inhabitants.

4. The eligibility period is respected: the end date of the project respects the Call and the Initiative requirements.
5. The maximum budget requirements (maximum EUR 2 million ERDF) and the co-financing principle (minimum 20% of contribution secured by the Partnership) are respected.
6. All Partners involved (MUA, AUA and Delivery Partners) are from EU Member States.
7. In case of an association or grouping of urban authorities without the legal status of organised agglomeration, the MUA and the AUA are presented in the Application Form.
8. Applying urban authorities (MUA and/or AUA) are involved in only one project proposal in the framework of the same Call for Proposals.
9. Applying urban authorities (MUA and/or AUA) have not been selected and funded from a previous EUI-IA Call for Proposals.
10. An unmodified Confirmation Sheet duly signed by the MUA's legal representative is uploaded to the EUI.Connect platform in the Application Form Confirmation Sheet Section.

If all requirements set out above are not complied with, the application is deemed ineligible and no further assessment is undertaken. Applicants will be notified at the end of the Eligibility check of the decision regarding their application (going forward or not).

8.2 QUALITY ASSESSMENT

Applications that are declared eligible and admissible will be subject to a Quality Assessment carried out by a Panel of External Assessors. A Panel of External Assessors is set up through a call for applicants to cover the specific policy areas relevant for the Call. The following elements are under evaluation during the Quality Assessment:

1. PROJECT RELEVANCE & INNOVATION – 40%

1.1	To which extent is the main challenge well defined, justified and supported by evidence, on its social, economic, and/or environmental dimensions?
1.2	How clearly is the Urban Authority's current approach to the challenge described? How convincingly is the need for change (limitations and shortcomings of the current approach) justified?
1.3	How convincing are the explanations that the solution is innovative in the local context? In what ways does the proposed solution go beyond existing practice in the Urban Authority? How tangible is it and how effectively does it address the shortcomings identified in the current approach?
1.4	How well does the project make use of and builds on existing knowledge, practices, or research? How relevant are the sources which support the proposed solution (existing practices, data and/or scientific literature, previous locally tested approaches, etc.)?
1.5	To what extent does the project align with the Call's policy areas?

2. CITY-LED APPROACH & PARTNERSHIP QUALITY – 20%

2.1	How convincingly does the project demonstrate that it is city-led? To which extent is the proposed innovation relevant for the Urban Authority in its role as a public institution? How does the Urban Authority demonstrate their active involvement in the implementation of the innovative solution and a steering role in the partnership?
2.2	How appropriate is the partnership composition in terms of partners' thematic expertise, experience and capacity? How complementary are the partners' roles? Is distribution of tasks among partners detailed in the Work Plan together with appropriately allocated budgets?
2.3	How specific and relevant are the target groups and relevant stakeholders identified in relation to the project's objectives? Are target groups quantified and are they of sufficient scale to contribute to the project's objectives?

3. INTERVENTION LOGIC, DURABILITY & SCALING – 20%

3.1	To which extent are the overall and specific objectives clear, measurable, and achievable within the project timeframe?
3.2	To what extent do the expected results and outputs logically derive from the specific objectives and planned activities? How realistic, specific, and measurable are they?

3.3	To which extent does the project provides a well thought-out and realistic prospects for the post-project durability and self-sufficiency of its outputs and investments (use, ownership, maintenance)? What potential does the project show for scaling up, if successful
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4. WORK PLAN & CO-CREATION – 20%

4.1	How coherent, logical and well-detailed is the Work Plan (Work Packages, activities, deliverables, outputs, and investments, where applicable) for achieving the expected results? Is the need for investment well justified and relevant to reach project objectives?
4.2	How are participation and co-creation activities with citizens and relevant stakeholders integrated into the workplan? How do the communication objectives and activities support project delivery?

The detailed assessment criteria are presented in the EUI-IA Call 4 Guidance, Chapter 3.2 “Selection process”.

As a result of the Quality Assessment, the Panel of External Assessors evaluates each application and ranks them based on their Quality Assessment scoring. Applications assessed as part of the Quality Assessment are then reviewed under the Operational Assessment in ranked order until the available budget for the Call has been fully allocated.

8.3 OPERATIONAL ASSESSMENT

The Operational Assessment is carried out by the Permanent Secretariat. Its main objective is to assess the operational readiness of the proposal, i.e.: it is realistic with the project timeline, ready to be implemented swiftly and it demonstrates good value for money.

The following elements will be considered during the Operational Assessment:

1. To which extent is the timeline realistic, properly sequenced, and including contingency? How well does the project demonstrate technical and operational readiness, and capacity for implementation within two years?
2. How appropriate and well defined are the proposed management structures, procedures, and arrangements (including those related to investments) for ensuring effective project implementation?
3. How well does the project identify relevant risks (including those related to investments)? How credible and proportional are the proposed mitigation measures?
4. How reasonable, well-explained, and aligned with planned activities is the budget? Are there any indications of ineligible costs or State aid risks?

5. Are the technical, legal and administrative requirements of the investment(s) clearly identified and sufficiently detailed?

Project proposals which will not positively pass the Operational Assessment will not be considered for funding.

Based on the results of the Quality Assessment and Operational Assessment, in agreement with the European Commission and the Entrusted Entity, an overall final ranking is established. Applicants are notified on the decision regarding their application (selected for funding or rejected). Applicants are also informed if their rejected proposal has been granted the Seal of Excellence (see section 8.5 “Seal of Excellence” below).

8.4 SCORING SYSTEM

A scoring system is applied to support the decision-making process. Each weighted assessment criterion is scored on a scale from 1 to 5. The overall project score is calculated as a weighted average. The following scoring scale is used:

5	Excellent
4	Very good
3	Good
2	Insufficient
1	Very poor

If a project scores a 2 or below under any assessment criterion, it is automatically rejected and will not be further processed.

The scoring system is applied considering not only the specific merits of each project proposal but also in the spirit of a competitive process considering comparatively the other project proposals submitted in the framework of the same Call for Proposals. For this reason, applicants are not provided with their respective scores but with detailed comments for all criteria assessed.

Bonus points

Additional points may be awarded based on the results of the Eligibility Check. Bonus points are added to the final Quality Assessment score.

- **Bonus points for small and medium-sized cities**

In line with the objective of the EUI to support cities of all sizes, projects led by smaller Urban Authorities will receive additional points:

- An Urban Authority with a population of fewer than 50,000 inhabitants will receive 0.25 points (5% of the total score).

Additional points will be granted based on the data indicated in the EUI-IA Correspondence table (see Chapter 1.6 “Eligible Authorities”). If more recent data is available, it may be taken into account only if it comes from a National Statistical Institute⁸. In this case, relevant evidence must be provided with the Application Form: (i) a link to a relevant database (section B.2 – Main Urban Authority “Comment”) and (ii) an appropriate document exported from the National Statistical Institute’s database with a clear indication of the urban authority and its population size (Part I – AF Annex). The updated population figure of the Urban Authority should be provided in the Application Form as well (section B.2 – Main Urban Authority “Number of inhabitants”). In the absence of evidence provided, evidence that does not allow for the correct identification of the urban authority and/or the indicated population figure, or a reference to other data source than respective National Statistical Institute, the Correspondence Table will remain the reference document. .

- **Bonus points for cities located in less developed and transition regions**

Projects led by Urban Authorities located in regions with lower socio-economic development levels according to the NUTS 2 classification of Eurostat⁹ will receive:

- An Urban Authority located in a less developed region or a transition region will receive 0.25 points (5% of the total score).

The list of NUTS 2 regions together with their assigned category can be found on the EUI-IA respective Call for Proposals website: https://www.urban-initiative.eu/sites/default/files/2026-01/2021-2027_IJG_Categories_of_NUTS2_regions_0.xlsx

Bonus points may be applied cumulatively. Each type of bonus point may be awarded only once. In the case of associations or groupings of Urban Authorities, only the situation of the Main Urban Authority will be considered.

8.5 SEAL OF EXCELLENCE

Applications submitted under the EUI-IA Call 4 for Proposals that comply with the minimum quality requirements of the Call, but cannot be financed due to budgetary limitations, may be attributed a Seal of Excellence by the EC¹⁰. To be eligible for the Seal of Excellence, a proposal must demonstrate a

⁸ List of the European Statistical System partners (National Statistical Institutes): <https://ec.europa.eu/eurostat/web/european-statistical-system/ess-partners>

⁹ https://ec.europa.eu/regional_policy/policy/how/is-my-region-covered_en

¹⁰ REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review - <https://data.consilium.europa.eu/doc/document/PE-35-2025-INIT/en/pdf>

In Article 12, the following paragraph is added:

“Innovative actions which have been assessed in a call for proposals under the European Urban Initiative, comply with the minimum quality requirements of that call, and cannot be financed due to budgetary constraints, may be attributed

consistent level of good quality across all Quality Assessment criteria by receiving a minimum score of '3 – good' for each assessment criterion. It is important to note that the Seal of Excellence does not refer to projects' operational readiness. For more details, please see Chapter 3.2.5 "Seal of Excellence" of the EUI-IA Call 4 Guidance.

8.6 EXCLUSION CRITERIA FOR GRANT APPLICATIONS

In accordance with the Financial Regulation¹¹, applicants may be excluded from the grant award procedure if the MUA or persons having powers of representation, decision-making or control within the MUA, or persons who are essential for the implementation of the project are in one or more of the following exclusion situations:

- bankruptcy, insolvency or winding-up procedures,
- breach of obligations relating to the payment of taxes or social security contributions,
- grave professional misconduct, including misrepresentation,
- fraud,
- corruption,
- conduct related to a criminal organisation,
- money laundering or terrorist financing,
- terrorist offences or offences linked to terrorist activities,
- child labour and other trafficking in human beings,
- irregularity,
- creating or being a shell company.

During the application process, all applicants must submit with the Application Form a declaration confirming that the MUA and the Project Partners do not fall under one of the exclusion criteria above mentioned. This declaration is included in the Confirmation Sheet attached to the Application Form on the EUI.Connect platform. Please note that the Confirmation Sheet must be duly signed by the MUA's legal representative for the application to be considered eligible during the Eligibility Check.

During the selection procedure and prior to the final decision of the Selection Committee on the grant award, the Permanent Secretariat checks applicants in the Early Detection and Exclusion System (EDES), the system established by the European Commission to reinforce the protection of the Union's financial

a Seal of Excellence by the Commission. For the purposes of the Seal of Excellence, the European Urban Initiative is considered to be another Union source distinct from the programmes implemented and prepared in accordance with Article 7 of Regulation (EU) 2021/1060.

¹¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union.

interests and to ensure sound financial management¹². If an MUA is detected in the EDES, the Permanent Secretariat notifies the applicant, who has then the opportunity to present a defence before the final decision of the Selection Committee, in compliance with the principle of proportionality.

9. INITIATION PHASE AND CONTRACTING

The Initiation Phase covers the first 3 months before the project Implementation Phase. Its purpose is to ensure that all administrative and technical conditions are met for a smooth and efficient start of the project implementation. The main aspects addressed during this phase are trainings on the project management (including introduction to the reporting and monitoring framework), the fulfilment of administrative and legal requirements for the project start, the integration of the Selection Committee recommendations, and the ex-ante audit. The Initiation Phase also aims at establishing a fruitful cooperation between the project and the Permanent Secretariat.

An ex-ante audit (desk-based or on the spot) is organised by the First Level Controller (FLC) during the Initiation Phase and prior to the first ERDF advance payment. It is compulsory for the MUA and selected Project Partners. The FLC checks, amongst others, the management of the project (procedures for administrative and financial management, public procurement policies, resources allocated to the project etc.) and the documentation to allow smooth implementation (regulatory frameworks, permits, existing or planned procurements etc.). A positive outcome of the ex-ante audit is a condition of the successful completion of the Initiation Phase.

If the Initiation Phase is not successfully completed within the timeframe of 3 months (any of the above-mentioned steps not finalised, or negative outcome of the ex-ante audit), the EUI Authorities have the right to terminate the project (considering the concept is not ready enough to be operationalised) and remove it from the list of the EUI-IA approved projects. In that case, only the two lump sums for Project Preparation and Initiation Phase are paid to the project since these lump sums are irrespective of the results of the Initiation Phase validation process. If the Initiation Phase is interrupted before being completed (e.g., the project drops out), only the lump sum foreseen for Project Preparation costs will be released to the MUA.

A successfully completed Initiation Phase is the sine qua non condition for receiving the ERDF funding for implementation and start of the project Implementation Phase.

¹² Article 142, Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union.

10. HOW TO GET ASSISTANCE

The Permanent Secretariat staff will be ready to assist applicants with any technical questions they may have during the EUI-IA Call for Proposals via, among others:

- Online Thematic Labs on specific aspects of the project development and submission.
- Focused online Q&A sessions.
- Bilateral meetings with members of the Permanent Secretariat.
- The Application Pack available on the EUI website (consisting of, among others: the Terms of Reference, EUI-IA Call 4 Guidance, Technical Guidance for the EUI.Connect platform, detailed instructions on how to fill in the Courtesy Working Document).
- Support provided via innovativeactions@urban-initiative.eu e-mail address.

Details of the offered assistance can be found on the EUI website <https://www.urban-initiative.eu/calls-proposals/fourth-call-proposals-innovative-actions>.

11. KEY DATES

- 25/02/2026 – launch of the fourth EUI-IA Call for Proposals
- 03/2026 – 06/2026 – Applicant Support: online Thematic Labs, Q&A sessions and one-to-one consultations
- 15/06/2026 (14.00 CEST) – deadline for the submission of the Application Forms
- 11/2026 – indicative date for the final decision for the approval of projects
- 02/2027 – end date of the Initiation Phase
- 03/2027 – start date of implementation for all approved projects

We look forward to reading your project proposals soon!