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Article

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THE IMPORTANCE OF EU-FUNDED PROJECTS FOR THE SUSTAINABLE DEVELOPMENT OF LOCAL COMMUNITIES

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Abstract: *Sustainable development has been one of the core strategies of the EU. The term refers to three basic components: the economic component, which is associated with balanced growth, the environmental component which refers to the preservation of the ecosystem, and the social component, which guarantees inter- and intra-generational equality. While talking about sustainability it is important also to tackle the topic of circular economy. The circular economy aims to preserve value by designing out waste and pollution, optimizing resources by keeping products and materials in use, and ensuring system effectiveness by regenerating natural systems. One of the strategies of the EU to achieve sustainable development and the move towards a circular economy is to support it through various EU-founded projects. In this article, we will elaborate on the current state of sustainable development of EU-founded schemes and how they can be used for different projects for local communities and cities since cities are seen as both the source and solution to today's economic, environmental, and social challenges. Furthermore, in the article, we will outline some best practices of EU-founded projects around sustainable development in the case of the city of Maribor, Slovenia, and indicate their importance for its community.*

Keywords: *sustainability, circular economy, EU, funds, projects, local communities, Maribor.*

1 INTRODUCTION

Sustainable, ecological, green, eco-friendly, etc. are terms used in our everyday lives, practically on a daily basis. These terms are all synonyms of each other. Sustainability is often referred to as “sustainable development” (EC, 2022b), which means meeting our own needs without compromising the ability of future generations to meet their own needs. It includes three pillars: economic, environmental, and social. Sustainability more in detail implies a link towards environmental impacts; in other words, the consumption of natural resources and the deliberation of pollution and energy use, the concern of economic themes of growth and durability, additionally connected to social inclusion and distribution of wealth (Musgrave & Raj, 2009). To achieve sustainability, the following contemporaneous achievements are necessary (Purvis et al., 2019):

- *Environmental sustainability* refers to the conservation and responsible management of natural resources (primarily non-renewable as well as vital for the maintenance of life, such as air, water, and land) where it is important to minimize pollution and protect the environment.
- *Economic sustainability* refers to creating prosperity at different levels of society, through the long-term sustainability of enterprises and other related economic activities.

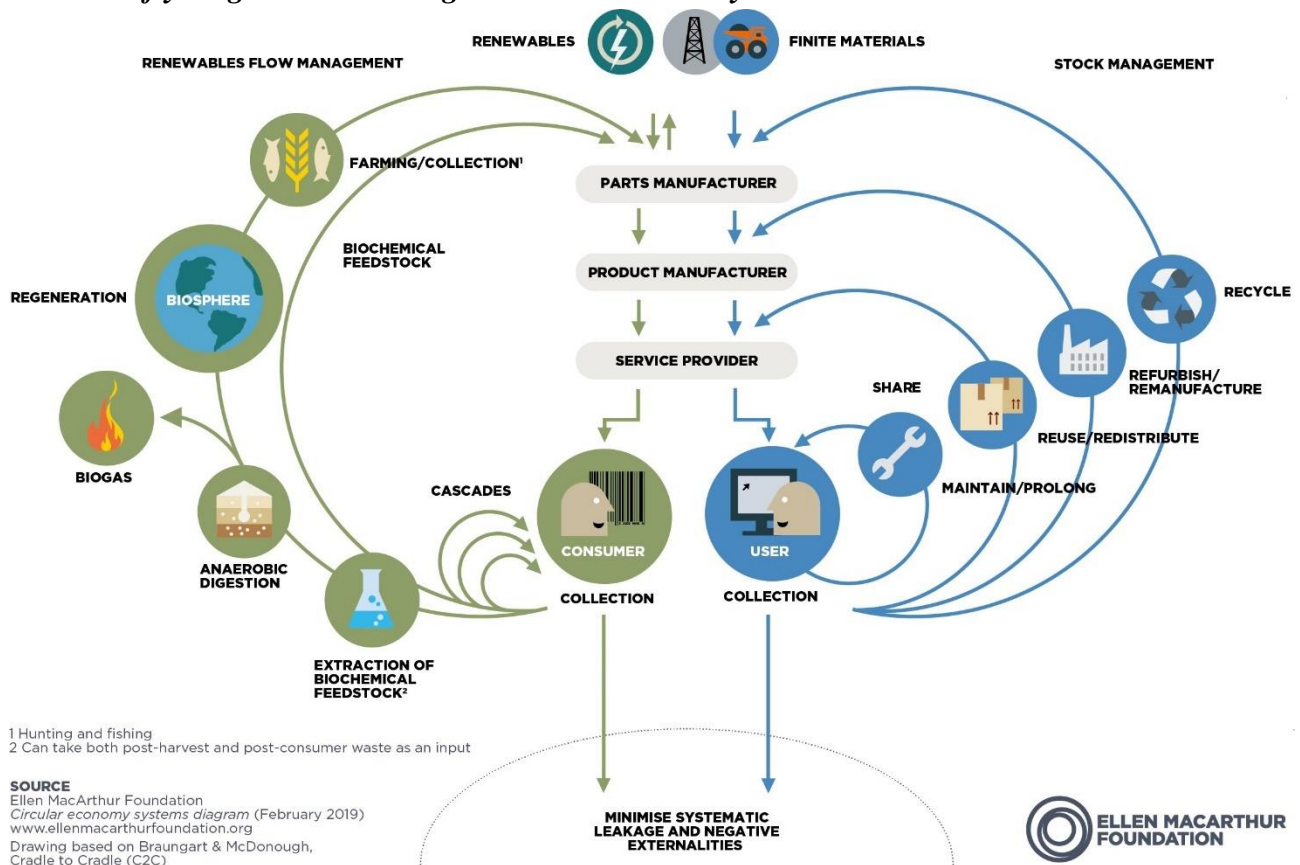
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- *Social sustainability* implies an equitable distribution of benefits, as well as respecting human rights and maintaining and strengthening local communities.

While talking about sustainability it is important also to tackle the topic of circular economy. The circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing, and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended. As defined by the Ellen MacArthur Foundation (2015), a circular economy aims to preserve value – by designing out waste and pollution, and optimizing resources – by keeping products and materials in use and ensuring system effectiveness by regenerating natural systems. The efficient (re)use and recycling of resources, materials, and products from closed loops represents the transition away from consumption- and disposal-based linear models. The Ellen Macarthur foundation designed the infographic below to show how the circular economy works (Scheme 1).

Scheme 1

The butterfly diagram: visualising the circular economy.



Source: Ellen MacArthur Foundation (2019).

Currently, about 85% of global GDP is generated through cities. Such rapid growth puts enormous pressure on urban resources, carrying capacities, and quality of life. Simultaneously, about 70% of the energy is used by cities and the proportion of the world's population living in urban areas is expected to increase, reaching about 70% by 2050. Quantitative analysis of the global resource requirements of future urbanization shows that material consumption by the world's cities will grow from 40 billion tonnes in 2010 to about 90 billion tonnes by 2050 (EC, 2020b).

Cities and regions play an important role in making the circular transition happen, as they are at the centre of key decisions determining economic growth, social well-being, and environmental benefits. On the one hand, cities and regions have direct competences in key circular economy sectors such as buildings, mobility, and waste management, among others. On the other hand, cities and regions are also directly connected to local networks. As a result, they are in a special position to channel local resources for the deployment of circular innovations along the value-chain of priority sectors and products. For cities and regions, the circular economy represents an opportunity to rethink production and consumption models, services, and infrastructure to enable long-term value retention of products and materials, increase resource productivity and further capture value after product end-of-life. In this context, the transition to a circular economy requires a systemic change where provision of services is carried out by ensuring an efficient use of primary resources and giving priority to their reuse; economic activities are planned from a life cycle perspective and carried out in order to close, slow and narrow loops across value-chains and infrastructures are designed and built to avoid linear locks-in (OECD, 2020).

There are special funding opportunities for cities and urban areas within the EU, to support cities and regions in their transition to sustainable development and circular economy, since one of the strategies of the EU is to achieve sustainable development and the move towards a circular economy. The goal of the research in this article is closely related to the previously mentioned sustainable development and EU funds correlated to this topic. It wants to prove that EU-founded schemes can be used for different projects for local communities and cities in that field and support the move to a greener EU.

1. 1 Sustainable development, and circular economy – the focus of the EU

In December 2015, the European Commission put forward a Circular Economy package containing an action plan and legislative proposals on waste management. This was then adopted in 2018.

The European Commission adopted the new circular economy action plan (CEAP) in March 2020, which aims to promote more sustainable product design, reduce waste, and empower consumers, for example by creating right to repair) (EC, 2020a). There is a focus on resource intensive sectors, such as electronics and ICT, plastics, textiles, and construction. It is one of the main building blocks of the European Green Deal, Europe's new agenda for sustainable growth (European Parliament, 2023a). In February 2021, the Parliament adopted a resolution on the new circular economy action plan demanding additional measures to achieve a carbon-neutral, environmentally sustainable, toxic-free, and fully circular economy by 2050 (EC, 2023b).

The European Green Deal sets the blueprint for a transformational change. A change which will bring with it many benefits, from creating new opportunities for innovation, investment, and green jobs, to improving health and wellbeing. All 27 EU Member States committed to turning the EU into the first climate neutral continent by 2050. To get there, they pledged to reduce emissions by at least 55% by 2030, compared to 1990 levels. The EU now has legally binding climate targets covering all key sectors of the economy. The overall package includes (EC, 2023b):

- emissions reduction targets across a broad range of sectors;
- a target to boost natural carbon sinks;
- an updated emissions trading system to cap emissions, put a price on pollution and generate;

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- investments in the green transition;
- and social support for citizens and small businesses.

The EU's new circular action plan paves the way for a cleaner and more competitive Europe. The EU's transition to a circular economy will reduce pressure on natural resources and will create sustainable growth and jobs. It is also a prerequisite to achieve the EU's 2050 climate neutrality target and to halt biodiversity loss. The new action plan announces initiatives along the entire life cycle of products. It targets how products are designed, promotes circular economy processes, encourages sustainable consumption, and aims to ensure that waste is prevented, and the resources used are kept in the EU economy for as long as possible. It introduces legislative and non-legislative measures targeting areas where action at the EU level brings real added value. The key objectives are (EC, 2023a):

- make sustainable products the norm in the EU;
- empower consumers and public buyers;
- focus on the sectors that use most resources and where the potential for circularity is high such as: electronics and ICT, batteries and vehicles, packaging, plastics, textiles, construction and buildings, food, water and nutrients;
- ensure less waste;
- make circularity work for people, regions and cities;
- lead global efforts on circular economy.

The European Union is providing several funding programs to support the transition to a circular economy, to support sustainable development, and green transition. In Scheme 2 the committed funds until 2020 are presented, as well as the estimated funding need. This shows the importance of the needed change towards sustainability and circularity for the EU.

Scheme 2

European Union committed funds until 2020.



Source: European Parliament (2023b).

The importance of sustainable development for the EU is shown also in the context of supporting EU candidate countries in their sustainable development. For example, for Montenegro, the EU is combining the resources of the European Union, assisting the institutions at all levels, the business community, civil society, and citizens as well as supporting sustainable development with EU funds. In the past 3 years, the EU contributed 15 million USD in investments to advance the sustainable development goals (United Nations Montenegro, 2024). In recent years, Montenegro has fulfilled some of the conditions that bring it closer to the proposal of sustainable development (Smolović et. al, 2023): legislation is being developed, a critical mass of knowledge has been reached, and the behavior of entrepreneurs is also changing. This is possible only in the interdisciplinary way of solving problems and should be applied here also in the future. One of the ways to do it is by participating in EU-funded projects, as well as with different knowledge transfer activities as observing partners in such projects.

1. 2 EU funding programs for sustainability, circular economy, and green transition

The European Union is providing several funding programs to support the transition to a circular economy, such as the European Structural and Investment Funds, Horizon 2020, and the LIFE program. In addition, the European Investment Bank (EIB) is providing finance and advice for circular economy projects through the InvestEU Advisory Hub (EU 2019).

The three principal funding instruments for the transition to a circular economy include: shared management funds, the Horizon Europe program, and the LIFE program (OECD, 2023).

Shared management funds are EU funds that are shared with Member States and regions. These include:

- the European Structural and Investment Funds (ESI funds), in particular, the European Regional Development fund (ERDF),
- the European Social Fund Plus (ESF+),
- the Cohesion Fund (CF),
- and the Just Transition Fund (JTF).

Horizon Europe is the EU's Research and Innovation program with a budget of nearly EUR 100 billion, running until 2027. This includes almost EUR 5.5 billion from the NextGenerationEU (NGEU) instrument to support greener, digitalized, and more resilient societies and economic recovery from the COVID crisis. The budget is divided among 4 pillars and 15 components to support several areas of research and innovation (R&I).

The LIFE programme is the EU's funding instrument for the environment and climate action with a budget of EUR 5.4 billion for the funding period 2021-2027. It has four sub-programs, one of which covers the circular economy. The "Circular economy and quality of life" sub-program co-finances projects in circular economy, including the recovery of resources from waste, as well as projects concerning water, air, noise, soil and chemical management, and environmental governance.

Other financing opportunities at the EU level for the circular economy transition are (OECD, 2023, AAL Programme, n. d., EC, n. d.):

- *Interreg* is a funding instrument to support cross-border, transnational, and interregional cooperation, as well as for outermost regions. It seeks to tackle common challenges and find common solutions in several areas.

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- *The New European Bauhaus (NEB)* is a creative and interdisciplinary initiative connecting the European Green Deal to living spaces and experiences.
- *The Innovation Fund (IF)* targets the commercial demonstration of innovative low-carbon technologies.
- *The Digital Europe Programme (DIGITAL)* is a new EU funding programme. It aims to accelerate economic recovery and shape the digital transformation with its focus on businesses (especially SMEs), citizens and public administrations.
- *AAL programme* is a funding program that aims to create a better quality of life for older people and to strengthen industrial opportunities in the field of healthy aging technology and innovation.
- *The Erasmus+ programme*, along with the well-known learning mobility of individuals and cooperation between organizations and institutions, also enables support for policy reform (including the field of education and sustainable development policies).

There are special funding opportunities for cities and urban areas, such are:

- *European Urban Initiative*, which supports urban areas of all sizes with innovative actions, capacity and knowledge building, policy development, and communication on sustainable urban development (European Urban Initiative, n. d.).
- *URBACT*, which drives change all over Europe by enabling the cooperation and idea exchange amongst cities within thematic networks, by building the skills of local stakeholders in the design and implementation of integrated and participatory policies, and by sharing knowledge and good city practices (URBACT, n. d.).
- *EIT Climate-KIC* is Europe's leading climate innovation agency and community, supporting cities, regions, countries, and industries to meet their climate ambitions through systems innovation and place-based transformations (EIT Climate-KIC, 2024).

When deciding how to choose the right program, it is important to contemplate the following:

- What is the central topic of the project?
- What is the main objective and purpose of the project?
- What is the funding for (knowledge exchange, financing of innovative investments, education, etc.)?
- What kind of partnership will be established: national or international partnerships?

Only by answering these questions, the proper decision about the suitable funding program for applying one's project idea can be made.

2 METHODOLOGY

The content of the first chapters of the paper is the needed desk-research to understand the topic and understand the background of EU-funded projects. This helps also cities and regions, at the local level, while preparing their sustainable strategies and applying for EU funds: mostly with case study research, record keeping, and qualitative observations. In this chapter, the following scientific research methods were used in the processing of the topics discussed in this paper in appropriate combinations: methods of abstraction and concretization, methods of generalization and specialization, qualitative research involving collecting non-numerical data, observations, and case study research on the selected topic, as well as methods of analysis and synthesis in determining the

appropriate necessary knowledge of sustainable development and applying it to the EU-funded projects in the case of the city of Maribor.

Based on the beforementioned content analysis and thematic analysis of the field of sustainability, circular economy, cities' involvement in the topic, and EU funding opportunities, we analyzed several different Circular Economy Initiatives at city levels described and presented online (Amsterdam, Barcelona, Copenhagen, Helsinki, London, Maribor). These initiatives are often the starting point of the circular transition of cities or regions and the baseline for projects' applications. Further, we will outline some best practices of EU-funded projects around sustainable development and indicate their importance for further development in the example of the city of Maribor, based on the expert experience as well as firsthand experience of the author, who is also working in the field of sustainable development, circular economy, and green transition through EU-funded projects.

Together we looked at 25 different EU-funded projects carried out in the city of Maribor in the period from 2016 to 2024, which have an emphasis on sustainability, circular economy, and green transition in practice (RRA Podravje – Maribor, n. d.). Based on that we decided to present the following 3 (describing the cornerstones for the circular economy in the city of Maribor, Slovenia):

1. The *GREENCYCLE* project laid the foundation for the circular economy transition in Maribor since one of the outcomes was the Strategy for the Transition to a Circular Economy in the Municipality of Maribor. This is one of the corner documents for EU projects' applications for projects in Maribor and presents an important milestone in the city's transition from linear to circular economy.
2. The *CINDERELA* project was the first Horizon 2020 founded project in the field of circular economy in Maribor. The aim of the project was to create ways to process construction waste and demolition waste, which together with waste from industry, municipal services, and others, form excellent secondary raw materials for construction work. Also, the author worked on the project as part of the project management team and has firsthand experience with the mentioned project.
3. The *CITY WATER CIRCLE* project focused on the urban circular water management. The project enabled a digital learning center for anyone who wants to handle water more sustainably. Smaller pilots were also part of the project, whereby Maribor's pilot and an exceptional added value to the project since it was done in correlation with the acquired *CINDERELA* project. Also, the author worked on the project as part of the project's stakeholder group and has firsthand experience with the mentioned project.

3 RESULTS - BEST PRACTICES OF EU-FUNDED PROJECTS FOR THE SUSTAINABLE DEVELOPMENT OF LOCAL COMMUNITIES

The starting point of the circular transition of cities or regions and the baseline for EU projects' applications are often Circular Economy Initiatives. These are prepared by cities and regions and are the basis for a sustainable circular economy and on the other hand, are supporting the transition to circular economy. In this chapter, we will take a look at some of them.

Furthermore, we will look at some examples of EU-funded projects for the sustainable development in the city of Maribor, Slovenia, and how they influenced the transition to sustainable development and circular economy of the city.

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3.1 Circular economy initiatives at the local level

In previous years, several cities and regions in Europe have defined their own Circular Economy Initiatives to set the basis for sustainable circular economy and ecosystems and to make the transition circular economy. In Table 1 selected circular economy initiatives are listed (only EU).

Table 1

Selected circular economy initiatives at the local level in EU cities.

| City | Initiative |
|-------------------------------------|--|
| Amsterdam (Netherlands) | Amsterdam Circular 2020-2025 Strategy Building Blocks for the New Strategy Amsterdam Circular 2020-2025 (2019) The Amsterdam City Doughnut. A Tool for Transformative Action |
| Barcelona Metropolitan Area (Spain) | Circular Economy Promotion Program AMB Circular (2019) |
| Copenhagen (Denmark) | Circular Copenhagen: Resource and Waste Management Plan 2024 (2019) |
| Helsinki (Finland) | City of Helsinki's Roadmap for Circular and Sharing Economy (2020) |
| Lappeenranta (Finland) | City of Lappeenranta Circular Economy Roadmap 2019 |
| London (United Kingdom) | London's Circular Economy Route Map (2019) |
| Maribor (Slovenia) | <i>Strategy for the Transition to a Circular Economy in the Municipality of Maribor (2018)</i> |
| Murcia (Spain) | Assessment of the State of Circular Economy in Murcia (2020) |
| Nantes Metropolitan Area (France) | Circular Economy Roadmap Nantes (2018) (Feuille de route Economie circulaire Nantes Métropole) |
| Paris (France) | Circular Economy Plan 2017-2020 (2017) 1st Roadmap Paris Circular Economy Plan (2017) 2nd Roadmap Paris Circular Economy Plan (2018) |
| Turku (Finland) | Turku Resource Wisdom Roadmap 2015-2040 |
| Valladolid (Spain) | Valladolid Circular Economy Roadmap (2017-2018) |

Source: Adopted by OECD (2020).

The circular economy transition calls for cooperation between stakeholders and citizens, across levels of government and public offices. Cities and regions can play the role of facilitators by (OECD, 2020) i) implementing effective multi-level governance coordination; ii) enhancing policy coherence and systemic thinking; iii) fostering stakeholder engagement, and iv) adopting a functional approach to identify the appropriate scale for action. Implementation of EU projects is one of the core activities in the circular economy transition and enables especially smaller cities and communities the funds needed to "start the work".

3. 2 The example of the city of Maribor, Slovenia

Projects funded by the EU budget cover a wide variety of areas and topics. Their impacts are all around us and their effect on our lives are felt daily. This is also the case in the city of Maribor, Slovenia. Also, as already mentioned, the city of Maribor introduced its Strategy for the Transition to a Circular Economy in the Municipality of Maribor in 2018 and was the first city in Slovenia to have such a strategy and was also among the first cities in the EU. In the past years, this strategy was a foundation and a baseline for different EU project applications in the field of sustainability and circular economy, which were successfully implemented.

Based on past projects, initiatives, and actions the city of Maribor, is one of the pilots in the CCRI Pilots. The Circular Cities and Regions Initiative (CCRI) is an initiative of the European Commission that contributes to achieving the goals of the European Green Deal (EC, 2022a). In 2022, a call was made within the framework of CCRI, where the Podravje region (with the city of Maribor) was one of a total of 12 cities and regions in Europe that will receive support in the implementation of Circular Systemic Solutions (CSS) as part of the initiative and transfer their knowledge to other cities in regions on that topic in EU and outside EU borders.

The journey of the city of Maribor towards a circular economy started with the *GREENCYCLE* project (Alpine-space, n. d.), funded through Interreg Alpine Space. The work in the project included professional and technical support in the preparation and adoption of the local strategy and action plan for the circular economy, as well as professional and technical support in the implementation of the pilot project and the establishment of a common digital platform. The Strategy for the transition of the City of Maribor to the circular economy was prepared and presented in 2018 and made Maribor the first city in Slovenia to have such a strategy, as well as being among the first cities in Europe with such a strategy (RRA Podravje – Maribor, n. d.).

The first Horizon 2020 project in the field of circular economy in Maribor was the *CINDERELA* project (CINDERELA, n. d.). The project addressed the challenge of construction waste by assessing the urban waste to resource opportunities, development, and testing of new SRM-based construction materials and their application in large-scale demonstration pilots to develop a pan-European pool of knowledge and showcase good practices essential to help construction companies build circular economy business models. SRM are secondary raw materials, materials, resulting from a recovery process, which becomes an input or new 'raw' material in the same or different new production from which it was generated. The partner of the project is the Maribor communal company Nigrad, a utility company; established in 1875 in the Municipality of Maribor as a fundamental maintenance and construction company. Nigrad has been an important partner of the Municipality of Maribor, acting especially intensely in the field of the use of secondary raw materials and in bringing new, innovative technologies and processes to the construction sector in the city. Nigrad participated in the Horizon 2020 project CINDERELA. As part of the pilot demonstrations of the project, the pilot production plants in Maribor (Slovenia), Madrid (Spain), and Skopje (North Macedonia) were established. With the pilot production plants, the project aimed to demonstrate the technical, technological, and administrative possibilities of processing and using various non-hazardous construction waste as well as some other waste types to produce more sustainable construction products. Following the pilot production, the SRM-based products played an important role in the construction demonstration where project partners revitalized degraded areas and built small facilities with accompanying access roads. However, as the waste is not suitable for direct use in construction

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projects, it must be re-processed (RRA Podravje – Maribor, n. d.). The outcomes of the CINDERELA project are now used as a foundation for further research in the *LIFE IP RESTART* project (Life-Restart, n. d.), whose main objective is to implement a comprehensive set of complementary technical, digital, environmental, social, and circular solutions to realize the full potential of the program, achieve maximum material self-sufficiency, and increase the circular return in the waste and resource sector.

Water being an important issue in sustainable development and circular economy had to be addressed in the city of Maribor. This was done through the *CITY WATER CIRCLE* (Interreg Central Europe, n. d.), an Interreg Central Europe project, where Maribor Water Supply Utility was a partner (RRA Podravje – Maribor, n. d.). Climate change also creates hydrological risks and urban cities are increasingly vulnerable to flooding. The consumption of drinking water is increasing, and as a result, the amount of wastewater that needs to be treated is also increasing, all of which threatens the security of future water supplies. The *CITY WATER CIRCLE* project helped municipalities (among which was also Maribor) reform outdated urban water infrastructure systems using a circular economy approach that offered many economic and environmental benefits. Within the framework of the project, the promotion of a culture of saving water, including the use of non-conventional water sources was done. Smaller pilots were also part of the project, whereby Maribor's also had its pilot. The pilot action demonstrated the potential of using treated wastewater and rainwater to produce SRM-based construction products. Rainwater was harvested and stored and treated wastewater was transported from the nearby wastewater treatment plant. Materials produced from recycled water were used for road maintenance works and to revitalize degraded areas by Nigrad. The quality of the reused water was tested for its suitability for the SRM production process, and it was confirmed. The pilot is still at Dogošë (Nigrad's pilot site for EU projects), where also pilots of the CINDERELA projects are and where other EU project pilots are demonstrated. Dogošë site is now a learning center for sustainable development projects not only in Maribor but in Slovenia itself.

4 DISCUSSION AND CONCLUSIONS

Sustainability as a mega trend occurs in every segment of our lives and is promoted highly in the EU. The EU has action plans, initiatives, programs, and legislations to support sustainable development and the green transition. One of the strategies of the EU to achieve sustainable development is to support it through various EU-funded projects. Cities and regions play an important role in making the circular transition happen, as they are at the center of key decisions determining economic growth, social well-being, and environmental benefits. So, there are also special funding opportunities and schemes only meant for cities and regions, like the European Urban Initiative or URBACT.

In the article, we outlined some possibilities for EU-funded projects around sustainable development and which funds are suitable for certain areas. It is important to start the work in the field of sustainability and circular economy with the preparation of Circular Economy Initiatives. These are prepared by cities and regions and are the basis for a sustainable circular economy and support the transition to a circular economy, and on the other hand, they are a positive input in EU funded projects' applications.

The example of the city of Maribor, presented in the paper, furthermore, outlined the use of several EU funds for different areas to not only start the circular and sustainable transition but

successfully work on it. It all started with the Strategy for the Transition to a Circular Economy in the Municipality of Maribor in 2018, Maribor being the first city in Slovenia to have it and started to implement it. The example of Maribor proves that EU-founded schemes can be used for different projects in the local communities to promote and support sustainable development and how, furthermore, problem-solving thinking and complementation of different knowledge areas, as a superstructure of project ideas can drive not only different projects but the green transition in a city.

The activities of transferring knowledge and good practices in the field of circular economy and increasing the capacity of the city in this area, as well as assistance in the preparation of strategic documents of the circular economy could be provided with different partnerships with other cities by the city of Maribor. If nothing else, at least other cities can take the presented projects in the paper as examples of good practice, and they can learn something based on the previous projects and studies of the city of Maribor.

With this paper, we want to advance the understanding of sustainable development and circular economy and the way research and funding for such projects have advanced. It is important to think about how cities and regions can contribute to sustainable development. It is better to invest time, effort, and money in sustainable development now than delaying it and having the “status q” still for some time or ether fighting it since even bigger challenges in correlation with higher costs of the transition to a green economy will for sure occur in the future. In any case, with the help of the EU through various schemes and funding opportunities, municipalities and regions can at least partially finance their green transitions.

In the past, some research was done, on what impact different EU policies have on the development of countries, regions, and cities. Bradley (2006) evaluated the impact of European Union Cohesion policy in less-developed countries and regions. This research suggests that the ‘macro-models’ can extract the pure Structural Funds policy impacts from the background of all the other domestic and external shocks that affect the economy at the same time. Cristofolletti et. al (2024) identified the Cohesion Policy as a multidimensional treatment composed of Hard (infrastructures) and Soft (business and technical support) investments. By applying a generalized propensity score analysis in a multiple continuous treatment scenario, they estimated how the Cohesion Policy impact in terms of regional economic growth depends on how the investments of the two fields are mixed. They found that when the expenditure is polarized toward one of the two fields, positive impacts are generated only when this field is the Soft investments. When only a limited part of the budget is allocated to Soft investments, also Hard investments deliver negligible (or even detrimental) impact. In the presence of consistent Soft investments, Hard investments also become impactful. However, there is still some empirical and data research missing in this field on what impacts other EU-funded projects have on the sustainable development of cities and regions, which is a good starting point for further research.

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