fi-compass Showcase 2025

FROM VISION TO IMPACT: THE GROWTH OF URBAN DEVELOPMENT FUNDS IN BULGARIA

Urban Development Funds, Bulgaria,
Theme: **Growing Impact**

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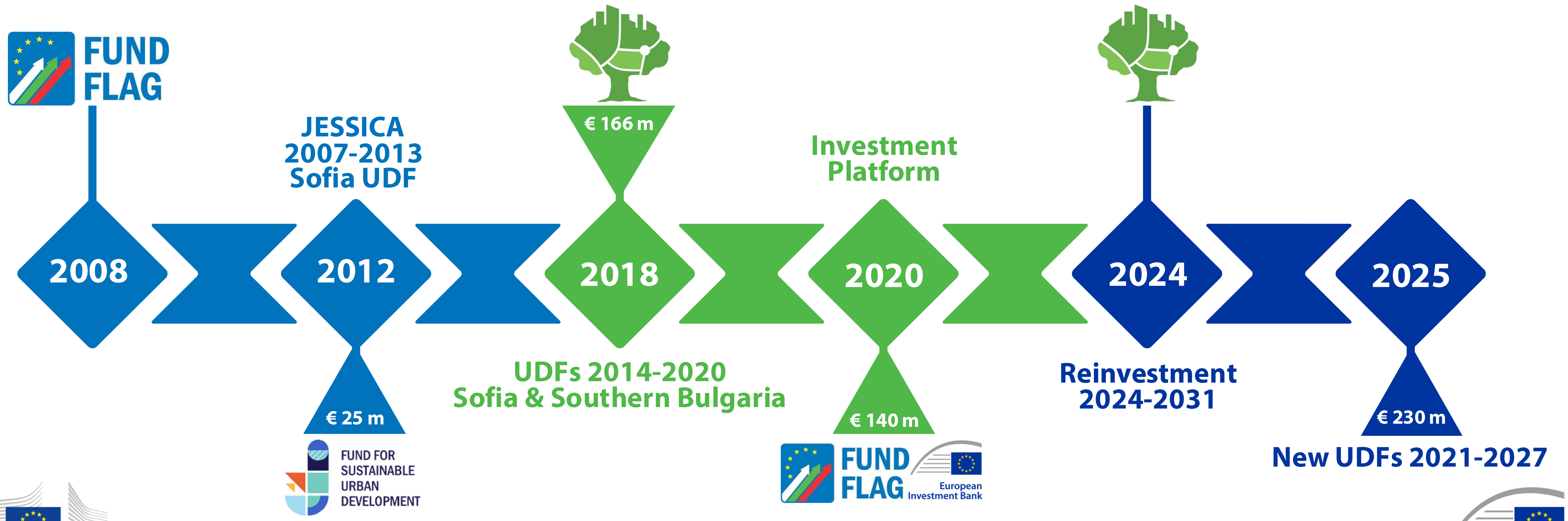
European Commission

European Investment Bank

Demonstrating Growing Impact

OBJECTIVES AND GROWTH OVER TIME

Objectives: the Urban Development Funds are a shared management financial instrument that provide revolving, sustainable financing for projects that integrate economic growth, social inclusion, digital transformation and environmental sustainability within urban areas. UDFs contribute to sustainable urban development in line with Article 11 of the ERDF Regulation supporting integrated territorial development based on territorial development strategies.



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Demonstrating Growing Impact

IMPACTS ACHIEVED, SUCCESS FACTORS AND LESSONS LEARNED

Impacts achieved*:

- Supported projects: 158
- Provided funding: € 346 m
- Recycled funds: € 65 m

Critical success factors:

- Previous experience with JESSICA
- Motivated team of experts with different backgrounds
- Mature project pipeline
- Flexible and adaptive framework in times of crisis
- Appropriate risk-sharing mechanisms
- Transparent communication of results

Lessons learned:

- Importance of strong partnerships between the public and private sector
- Combination of grants and loans to optimize impact
- Maintaining the revolving nature of funds to ensure sustainability
- Establishing a complementary mechanism to the UDFs - the Investment platform - to reach to all Bulgarian municipalities

**On cumulative basis, covering both JESSICA and UDFs 14-20, managed by FSUD/SCF + FLAG's investment platform*

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Project Example

PARK VAZRAZHDANE, AQUAPARK & SPORTS COMPLEX, SOFIA

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Project Example

CENTRE FOR CONTEMPRORARY ART AND LIBRARY, BURGAS

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Project Example

VASIL SHAHANOV MARKET AND SURROUNDING AREA, STARA ZAGORA

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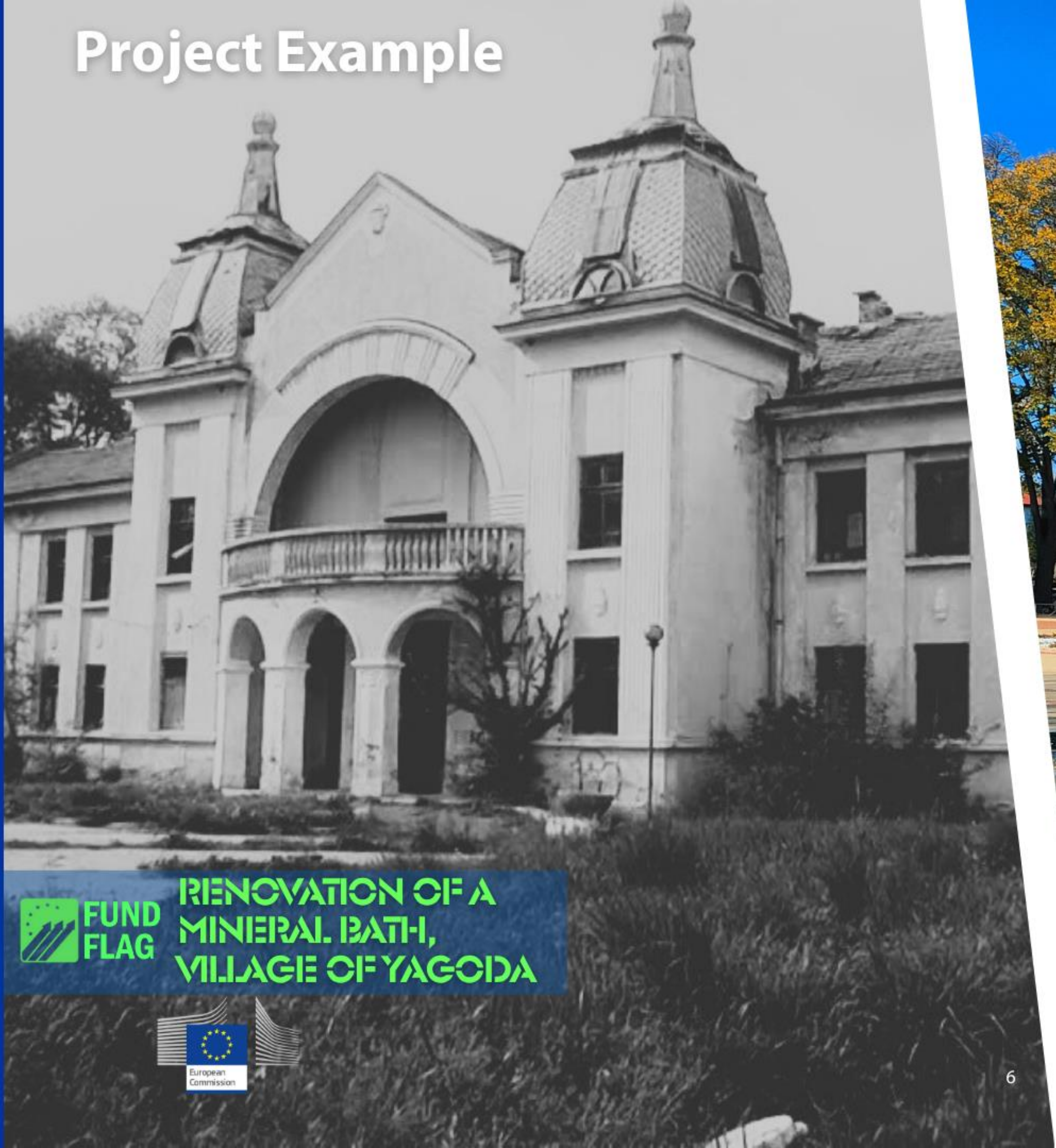
Project Example



FUND FLAG

RENOVATION OF A MINERAL BATH, VILLAGE OF YAGODA

European Commission

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Financial instrument information

Category: *Growing Impact*

Name of financial instrument	***Urban Development Funds for Sofia (2007-2013 and 2014-2020) and Southern Bulgaria (2014-2020)***	
EU Fund(s)	Programme contribution/ Total size	Product(s)
European Regional Development Fund	*EUR 115.2 M / EUR 206.8 M*	*Investment loans, working capital loans, loans for energy efficiency.* *Combination of support in 2 operations 2014-2020*

Description	*Short summary of operation*

Sustainable Cities Fund - a partnership, est. in 2017, between the public and the private sector companies for managing Urban Development Funds for Sofia and Southern Bulgaria 2014-2020, based on the success of Fund for Sustainable Urban Development with implementing JESSICA initiative for the city of Sofia.
The main objective of the Urban Development Funds is to attract additional private resources to complement the public funding provided under the Operational Programme "Regions in Growth" 2014–2020 through the Fund Manager of Financial Instruments in Bulgaria (FMFIB), for financing eligible urban projects and for achieving the objectives of the EU Cohesion Policy. UDFs provide long-term investment loans for projects for urban regeneration, cultural heritage, EE, sustainable mobility, cultural, sports and social infrastructure, business zones, etc.

The Urban Development Funds have demonstrated considerable growth over the years, with public resources increased fivefold compared to the JESSICA initiative, an expanded territorial and eligibility scope and the introduction of combination of financial instruments with grants within a single operation under the 2021–2027 programming period.

Country/Managing authority	*Bulgaria, OP Regions in growth 2014-2020; OP Regional Development (2007-2013)*
Implementing bodies	*Sustainable Cities Fund (2018-ongoing); Fund for Sustainable Urban Development (2012-2025)*

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WINSTON CHURCHILL

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Thank you!

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