

ROADMAP for the **NEW EUROPEAN BAUHAUS FACILITY**



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1. EXECUTIVE SUMMARY

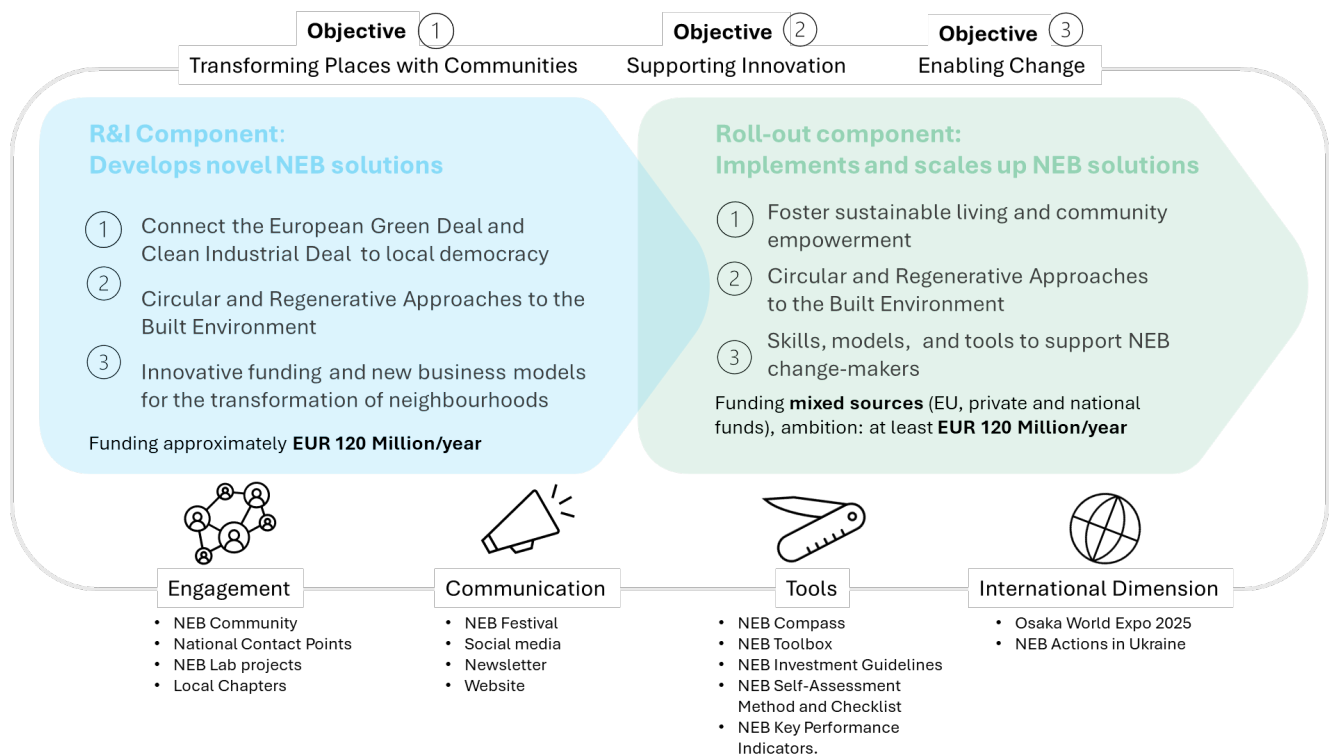
The New European Bauhaus (NEB) Facility is a European Commission instrument designed to accelerate the transformation of neighbourhoods through sustainable and inclusive design, thereby translating the European Green Deal into tangible improvements in daily life. It emphasizes sustainability, good design, culture, cultural heritage, inclusivity, accessibility, and affordability, while respecting Europe's diverse cultures. The NEB Facility will run from 2025 to 2027, providing financial support and a strategic framework to achieve the NEB objectives.

Key Objectives

The NEB Facility has three specific objectives:

- ① **Transforming Places with Communities:** Focuses on innovative solutions that address environmental and climate challenges and access to affordable housing, while reducing socio-economic inequalities and maximising the potential of arts, culture, cultural heritage and cultural and creative industries. It aims to strengthen connections between people and democratic institutions, by prioritising the inclusion of diverse groups. This includes improving communal, public space usage, enhancing existing buildings according to NEB principles, and empowering local communities through engagement. It should also contribute to the revitalisation of rural areas.
- ② **Supporting Innovation:** Aims to foster a sustainable, circular, and regenerative European construction ecosystem that is inclusive, accessible, affordable, resilient and promotes health and well-being. It focuses on innovation in materials, products, and methods, and seeks to make buildings and materials more sustainable, adaptable, and reusable. It considers new and existing infrastructures, including historical buildings. It also supports scaling up NEB solutions and bringing prototypes to market. It will also support unlocking benefits of digitalisation in urban planning, for example to identify places for the creation of affordable housing.
- ③ **Enabling Change:** Seeks to foster the conditions needed to develop and promote sustainable NEB practices that enhance well-being, and social cohesion. It includes developing new business and funding models to rethink how projects are conceived, planned, executed, and invested in. It also aims to generate demand for integrated, transdisciplinary NEB projects and ensure the necessary skills and competencies are available.

Revitalise European Neighbourhoods with Design for Sustainability and Inclusion



Facility Components

The NEB Facility consists of two components:

- **Research and Innovation (R&I) Component:** Will develop novel, including digital, solutions aligned with NEB values. It focuses on key work streams under each specific objective, exploring social and societal impacts of the built environment, innovative governance, ownership of change, and social connections, while promoting innovative materials and products, sustainable design, standardization as well as new business, project- and process design, funding models, incentives and capacity building to realise NEB projects.
- **Roll-out Component:** Will implement and scale up NEB initiatives. It supports place-based projects that present various interventions such as sustainable and affordable housing, regenerative strategies for inclusive cultural heritage and public spaces, stronger local democracy, and the use of culture as a language of change. This component will also focus on skills development for sustainable construction, digitalization, capacity-building for NEB solutions, and implementing innovative funding models.

The NEB Facility will combine different sources of **funding**. The R&I component has an indicative budget of around EUR 120 million per year, implemented in the Horizon Europe Work Programmes for 2025-2027. The Roll-out Component is expected to leverage a similar level of investment, at least around EUR 120 million per year from EU programmes, with additional support from national and private funding.

Implementation and Governance

The European Commission will oversee the implementation of the NEB Facility, with support and engagement from Member States and NEB stakeholders, plus support from an external advisory body¹. The scope of the NEB Facility was refined through a consultation process with Member States, the NEB community and an online questionnaire. The Strategic configuration of the Horizon Europe Programme Committee, and the comitology committees of other EU programs will be involved in steering the different stages of implementation. National Contact Points will be key for promoting calls. In addition, the Commission will further strengthen teaming-up with mayors in cities and rural areas across the EU, especially regarding innovative solutions to create affordable housing.

¹ <https://ec.europa.eu/transparency/expert-groups-register/screen/expert-groups/consult?lang=en&groupID=3913&fromCallsApplication=true>

Other Activities

The NEB Facility is supported by various activities, including:



Engagement: The NEB Community will be crucial in supporting the Facility implementation through the expansion of the NEB network and the promotion of calls.



Communication: A comprehensive communication strategy will be implemented using various channels such as a dedicated website, a monthly newsletter, and social media.



Tools: Various tools have been developed to facilitate the implementation of NEB values, including the NEB Compass, NEB Toolbox, NEB Investment Guidelines, NEB Self-Assessment Method and Checklist, and NEB Key Performance Indicators.



International Dimension: The NEB has an international dimension focused on global collaboration, knowledge sharing, and participation in events.

Monitoring and Impact

The Facility will monitor, notably through data collection, the expected outcomes by Specific Objective, rather than by individual projects. Monitoring will focus on areas such as strengthening local democracy, promoting circular construction, and leveraging innovative funding models.

2. INTRODUCTION

The New European Bauhaus (NEB) is a European Commission initiative that aims to turn the European Green Deal into tangible change on the ground, improving daily lives through sustainable solutions for the built environment and lifestyles. It combines sustainability with good design, inclusivity, accessibility, and affordability, respecting Europe's diverse places, cultural heritage, and cultures.

NEB will build on its achievements, focusing on fostering innovation, promoting circularity, and advancing the use of bio-based materials. Housing and the built environment are a significant focus of the initiative, addressing Europe's housing challenges, including affordability and sustainability. By prioritizing the use of circular economy principles and resource-efficient materials, NEB contributes to the Clean Industrial Deal's goal of reducing carbon emissions and enhancing the sustainability of industrial processes. By embedding its vision into local and regional contexts, NEB aims to bring Europe closer to its inhabitants, strengthening connections and bridging disparities to create thriving, inclusive communities. The NEB approach is characterised by openness, dialogue and adaptability, incorporating the views of various stakeholders into the design and implementation process.

The initiative has already inspired a strong movement, with over 500 projects across the EU, and a vibrant community of over 1,500 members. To accelerate the transformation of neighbourhoods further, from 2025 onwards NEB will have its first-ever multiannual funding tool, anchored in the Horizon Europe Programme: the NEB Facility.

This Roadmap aims to be the operational plan for how the Commission, with the support and active engagement of the Member States and NEB stakeholders, will implement the NEB Facility to contribute to achieving the objectives of NEB. It provides a picture of the actions foreseen and deemed beneficial for 2025-2027. These actions have been fine-tuned according to the input provided during the consultations undertaken in the course of 2024.

3. NEB FACILITY

The NEB Facility, endorsed by the Strategic configuration of Horizon Europe Programme Committee and adopted by the College of Commissioners², will run from 2025 to 2027. It aims to provide a targeted and coherent policy response to the transformation of European neighbourhoods through design for sustainability and inclusion. The NEB

² See https://ec.europa.eu/commission/presscorner/detail/en/ip_24_1572.

Facility focuses on transforming the built environment and people's relationship with it through research, innovation, and deployment of solutions.

The built environment is a significant contributor to greenhouse gas emissions, pollution and use of resources (e.g. water) and waste, and inhabitants often have a limited role in its design and construction. The NEB Facility advocates for rethinking the built environment as an active part of solutions based on the concept of circular economy, the creation of carbon sinks, boosting of energy and water efficiency, and a beautiful, healthy and inclusive environment that fosters the commitment and ownership of the clean transition.

There is a high need for the built environment to be an active part of a creative and innovative climate adaptation. Especially floodings – but also droughts – are putting risks on existing homes and cities. The NEB Facility will address these challenges and foster innovative solutions for more climate resilient solutions to either renovations or new buildings or city planning projects.

The NEB Facility approaches the transformation of the built environment at the scale of neighbourhoods, understood as any comprehensive residential systems where people live, socialise, and find services. It will support projects under three objectives: **(1) transforming places with communities**, enhancing social acceptance of the clean transition and democratic processes at local level; **(2) supporting innovation**, providing circular and regenerative solutions for the clean transition; and **(3) enabling change**, exploring new business and funding models, and developing skills.

The NEB Facility combines different sources of funding, anchored in the Horizon Europe Strategic Plan 2025-2027, and consists of two components: a Research and Innovation (R&I) Component, to develop novel solutions aligned with the New European Bauhaus values; and a roll-out component, to implement and scale up NEB initiatives (see picture below). The NEB Facility aims to offer support to NEB initiatives at every stage of their development, from fundamental research to implementation and market uptake.

As the R&I and roll-out components are simultaneously launched in 2025, an immediate pipeline of NEB projects is not envisaged, notably because research projects supported under the R&I Component in 2025 will need at least two years to reach a stage of maturity requested for support under the roll-out component. In its early phase, the roll-out component will focus on supporting innovative NEB solutions that have already been tested in the first years of the initiative, e.g. under large-scale demonstrator projects such as the Horizon Europe NEB Lighthouse Demonstrators and the Urban Innovative Actions (EUI-IA), as well as under the European Institute of Innovation and Technology (EIT) Community NEB, or the projects awarded within the NEB prizes (2021-2025). The

NEB Facility will build on the existing multi-programme funding structure and will provide a more structured and strategic approach, setting objectives for the next three years and bringing together all actions that will fund those objectives.

OBJECTIVE 1

Transforming Places with Communities

R&I Connect the European Green Deal to local democracy

1. Supporting innovation through the **social and cultural impacts** of the built environment
2. The transformative potential of **participatory practices and governance models**, and their links with **local and cultural specificities**
3. **Ownership and acceptability of change**, and the role of culture in them
4. **Social connections, sense of belonging** and local democracy, including through culture

Roll-out Foster sustainable living and community empowerment

1. Implement **beautiful, sustainable, and affordable housing**
2. Deploy **regenerative strategies** for green and public spaces
3. Implement stronger mechanisms for **local democracy** and **neighbourhood services**
4. Support **culture** and **creation** as languages of change

OBJECTIVE 2

Supporting Innovation

R&I Circular and Regenerative Approaches to the Built Environment

1. Develop **innovative construction materials and products**
2. Develop **innovative, sustainable and circular designs and solutions** for revitalised neighbourhoods
3. Develop methods to **assess the long-term impacts** of new materials/products

Roll-out Circular and Regenerative Approaches to the Built Environment

1. Embrace a **new construction culture**
2. Support **innovative materials and products**
3. Deploy **circular economy**

OBJECTIVE 3

Enabling Change

R&I Innovative funding and new business models for the transformation of neighbourhoods

1. Develop **new business models** to support the revitalisation of neighbourhoods
2. Develop **innovative supply chains and systems for circularity** in neighbourhoods
3. Study **neighbourhood ecosystem barriers and drivers** for NEB projects
4. Explore **innovative funding models**

Roll-out Skills, models, and tools to support NEB change-makers

1. Boost **skills for sustainable construction**
2. Implement **innovative funding and business models**
3. Implement **digital tools**, including through technical assistance for local governments
4. Deploy **capacity-building for NEB solutions**

3.1. Specific objective 1 - Transforming Places with Communities

The Facility will focus on understanding how local contexts, the built environment, and democratic governance interact in neighbourhoods, and in scaling up NEB solutions for their social and physical transformation. It will aim to create sustainable, cohesive, affordable, resilient and healthy communities that feel ownership of the clean transition, using arts, culture, cultural heritage, digital technologies, and education to improve social inclusion, civic engagement, intergenerational fairness, and a sense of belonging.

A just transition will prioritize social fairness in addressing environmental and climate challenges while reducing socio-economic inequalities. The Facility will explore innovative approaches promoting equality and supporting vulnerable groups, including women, children, youth, older adults, people with disabilities, LGBTQI+, and marginalized communities with lower adaptability.

Europe must also address the geopolitical changes and the shift in relation to defence and security matters. The Facility will explore how to contribute to the creation of safe cities and houses in the perspective of protecting citizens in exceptional circumstances.

The **R&I component** will focus on activities in four key work streams:

1. Supporting innovation through the social and cultural impacts of the built environment

This work stream will explore how the built environment affects social dynamics and how design, architecture, and planning can support more sustainable, inclusive, and healthy neighbourhoods. It also means investigating how innovative approaches to design, planning, construction, and maintenance can lead to new (social) functions and services of the built environment. It will address green gentrification, evolving space usage, affordable housing, and issues like adaptability, social inclusion, and accessibility. NEB will support actions that will contribute to affordable and resilient housing projects, which will for example allow young people and families to have access to affordable housing and enable elderly and disabled people to stay in the neighbourhoods they have lived in over decades.

2. The transformative potential of participatory practices and governance models and their links with local and cultural specificities

This work stream will look at how innovative governance models, participatory decision-making, and co-governance systems (such as collective ownership and consumption or public-private-people partnerships) can contribute to neighbourhood transformation. It will explore barriers, opportunities, adaptability to local cultures, and how these models promote transparency, resilience, and sustainable practices. This includes studying their effectiveness and efficiency from a range of perspectives (e.g. transparency, social inclusion health, quality of life, community resilience, sustainability, multi-level engagement, intergenerational fairness, or adaptability to local and cultural specificities) as well as ways to overcome some of the perceived barriers (time investment needed, complexity of processes). It will also investigate how digital technologies support co-creation and engagement processes.

3. Ownership and acceptability of change, and the role of culture in them

This work stream will combine different – often separate – scientific representations and types of research to better understand social phenomena in neighbourhoods. It will examine how factors like stewardship and collective efficacy influence behaviour during the clean transition, focusing on the role of arts, culture, and heritage in driving individual and collective action. This work stream will also explore novel approaches for more tailored policymaking and (public) services for neighbourhoods, building upon insights from areas such as design, digital and emerging technologies, or behavioural insights for public administration. It will explore how digital technologies and emotional intelligence can support tailored policies for neighbourhoods.

4. Social connections, sense of belonging and local democracy, including through culture

Considering neighbourhoods as complex systems in constant adaptation and evolution, this work stream will study social connections, democratic and civic engagement, and sense of belonging as key elements defining neighbourhoods, as well as inhabitants' trust in local democratic institutions. It will explore how these factors support neighbourhood development focusing on inclusiveness, dignity, accessibility, and ethics in promoting social interaction and community-building.

It will build upon design, culture and cultural heritage, social innovations, and vernacular and indigenous knowledge and it will also explore how these aspects can be combined with digital and emerging technologies to generate new opportunities for neighbourhoods and their inhabitants.

The Specific Objective 1 of the **roll-out component** should rely on increased cooperation with EU programmes, such as Cohesion Policy programmes, as well as the Neighbourhood, Development and International Cooperation Instrument (NDICI) and the Instrument for Pre-accession Assistance (IPA) and other centrally managed programmes. It will aim at supporting place-based projects presenting multiple, complementary interventions under the following themes:

1. **Beautiful, sustainable, and affordable housing.** The Political Guidelines for the 2024-2029 European Commission mandate highlight the need to address the housing crisis as a key element of social fairness in the modern economy. This can, for example, be particularly acute in areas of high concentrations of tourism, when the local population is excluded from the market. NEB supports policy and investment solutions that can match affordability with sustainability and quality of housing—developing a sustainable, energy-efficient, healthy, and comfortable built environment for all, supported by innovation and public participation.
2. **Regenerative strategies for green and public spaces.** Quality public spaces are crucial to the revitalization of neighbourhoods. The roll-out component aims to encourage the implementation of circular and regenerative strategies for green and public spaces at the level of neighbourhoods, including through mixed-use developments, and quality public infrastructure, building, for example, on nature-based solutions.
3. **Stronger local democracy and neighbourhood services.** Inhabitants tend to play a limited role in the design, building, and operation of housing and public spaces that they will use. This results in spaces that do not necessarily meet their needs and are not always favourable to the emergence of social cohesion and connections. The roll-out component aims to support collaborative and community-based projects that enhance local democracy in facilitating the active engagement of inhabitants in the inclusive transformation of their living and public spaces. The role of different disciplines, and particularly of the arts, is also essential.
4. **Culture and creation as languages of change.** By introducing the notions of beauty, aesthetic, and quality of experience in policymaking, NEB recognizes the role of arts and culture as strong catalysts for social change, and the importance of projects that go beyond functionality to create shared positive and enriching experiences. The roll-out component should support their role in revitalising neighbourhoods.

The **2025 edition of the NEB prizes**, with a special focus on affordable housing, will offer a wealth of examples of NEB aligned projects tackling the current housing crisis.

Moreover, as part of a **pilot project proposed by the European Parliament, the NEB boost for small municipalities** will honour the vital contributions of smaller players in the New European Bauhaus focusing on the construction, renovation, and adaptation of buildings and public spaces through the lenses of circularity, zero pollution, carbon neutrality, cultural heritage preservation, affordable housing solutions, and regeneration of rural or urban spaces. It will provide support to small players developing projects that are inclusive, sustainable, and beautiful by helping them to overcome early barriers.

3.2. Specific objective 2 - Supporting Innovation

Under this specific objective, the NEB Facility aims to make neighbourhoods more sustainable, circular, affordable, resilient, and regenerative. Furthermore, it will aim to enhance their climate resilience and restore nature and biodiversity. It will do so by contributing to rethinking how we design, build and use our surrounding spaces. Specific attention will be paid to the re-use of existing infrastructure and materials and renovation. It will also explore new technologies to optimize construction methods and resources used, and reduce costs while ensuring user-centred, place-based solutions that consider cultural heritage, local and vernacular knowledge, reflect local cultural identity and meet people's needs.

It will look at the built environment but also at neighbourhoods in a more systemic and holistic approach, looking into the energy or mobility systems for instance. Under this specific objective, the NEB Facility will foster environments where nature can thrive, helping to restore biodiversity, reduce pollution and improve the health and well-being of all living beings. This specific objective will involve innovation, scale up, and deployment of NEB solutions in materials, products, designs, methods, as well as appropriate standards and certification schemes. Additionally, it will assess the long-term environmental, social, and economic impacts of new construction materials and methods and measure their performance, considering their whole life cycle.

Three key work streams will emerge under the **R&I component**, working together to address these objectives and topics in an integrated way:

1. Materials and products

This work stream will focus on advancing the development and integration of innovative bio-based, advanced and circular construction materials and products that make the built environment more sustainable and regenerative. It will explore (new) materials with

properties such as bio-receptivity, self-healing, and carbon absorption. Additionally, the work stream will consider the adaptability and compatibility of materials in both new and retrofitted structures. Another focus is on how innovative materials and products can contribute to the construction of affordable housing. Finally, the wellbeing of citizens in a high quality, safe and sustainable built environment depends on a well-functioning and well-regulated construction sector. This work stream will consider standardization by exploring how new and recycled materials can comply with a variety of European standards and regulations, which are constantly evolving, and meet their requirements. It will also investigate how a sustainable built environment can be created and transformed in a way that conforms with the highest standards without compromising design quality, cost or creativity.

2. Innovative, sustainable and circular designs and solutions for revitalised neighbourhoods

Materials and products alone will not achieve a sustainable and circular construction ecosystem. This stream focuses on reinventing the way we build and renovate but also how we think, occupy and use space, land and soil. It will develop designs as well as sustainable construction and renovation techniques that align with circular economy principles, prevent waste and pollution, reduce material and natural resources consumption – in particular water and soil – through structural efficiency, facilitate disassembly and recycling and promote space and resource optimization and resource efficiency in new and existing buildings. Attention will also be paid to the adaptive reuse of existing buildings and to the renovation and adaptation of existing infrastructures, including historical buildings. The stream will also explore modular and prefabricated construction methods and how to facilitate maintenance of new and existing infrastructures. Additionally, regenerative designs, biomimicry, and biophilic architecture will be explored as ways to enhance biodiversity and well-being. Technologies and digital tools like artificial intelligence (AI), robotics, building information modeling (BIM) or 3D printing will be considered to achieve the objectives of this work stream. Looking at neighbourhoods, this work stream will also look into systemic solutions to turn them into beautiful, inclusive and sustainable places.

3. Assessing the performance and impact: metrics and evidence

Assessing and measuring the performance as well as the environmental, health, social, and economic impacts of sustainable and circular construction solutions is essential for driving change and ensuring their adoption. Specific Objective 2 will explore new and improved methodologies to assess and measure the performance and the impacts of

sustainable and circular construction solutions, designs and techniques for buildings and the wider built environment across their whole life cycle. In addition to traditional life-cycle assessments, this work stream will aim to understand better parameters such as material longevity, resource efficiency per square meter, or total construction waste reduction. This will provide an understanding of these innovations and enable informed decision-making.

As regards the **roll-out component**, Specific Objective 2 should rely on increased cooperation with EU programmes, such as the Single Market Programme, LIFE, the European Institute of Innovation and Technology (EIT) Community NEB, the European Innovation Council's challenges and competitions, the Invest EU investment programme and Cohesion Policy programmes, amongst others. NEB projects on the ground that support innovation can be aggregated in different themes, including:

1. **Embracing a new construction culture.** The Affordable Housing initiative can be taken further through innovative, sustainable construction processes, such as off-site construction, which can simplify and foster the engagement of communities in co-design processes. Addressing construction waste as well as sustainable use of soil and water, and energy and material efficiency at its source, should also be a part of the new construction culture. The NEB community's best practices can help tackle negative perceptions of buildings designed using prefabrication, presenting a new positive narrative where off-site construction is synonymous with high quality environments and well-integrated projects.
2. **Innovative materials and products.** To remain competitive, the construction industry must promote resilient value chains, tackling dependencies and shortage of resources while reducing its environmental impact. The roll-out component should support the scale-up and market uptake of innovative construction materials and products, facilitating the implementation of efficient processes and standardized methods to source, use, and recycle materials and products following sustainable and circular principles.
3. **Circular economy.** This is another area on which the roll-out of NEB projects should be supported, including by deploying circular business models in a way that is cost-effective, thereby creating new skilled work, and improving environmental outcomes. The aim is to facilitate the implementation of projects that help keep products, components, and materials circulating in the economy, supporting local authorities to enhance the adaptability and sufficiency of the building stock in their neighbourhoods.

Initial **examples of NEB calls at national and regional level** are already materialising, supporting both specific objectives 1 and 2 of the Facility. Member States are launching NEB calls under Cohesion Policy, including NEB as selection criteria, and supporting projects embodying the NEB approach. For example:

- Irish regions are dedicating EUR 54.5 million to revitalize derelict buildings in town centres in line with the NEB values.
- EUR 38 million will support innovative NEB projects in the central German mining region of Saxony-Anhalt. The aim is to develop projects in the form of prototypes to test, for example, recycling-friendly sustainable building materials, emissions-reduced ‘low-tech’ approaches and identity-creating projects that strengthen the ties between people and companies to the region.
- The West Region in Romania is allocating EUR 23.8 million for NEB projects in the field of urban regeneration.
- Slovenia is allocating EUR 116 million to three calls with NEB as condition of eligibility of projects related to green infrastructure, sustainable mobility, and land use in urban areas.

In several other Member States (Bulgaria, Croatia, Czechia, Estonia, Greece, Hungary, Spain, Italy, Latvia, Lithuania, Poland, Slovakia and Portugal) as well as in the Interreg programme, managing authorities are including or planning to include NEB values among the selection criteria of calls.

The newly established **REGIO Peer2Peer Community on the New European Bauhaus**³ will be instrumental in facilitating the design of calls through supporting regional and local authorities, enabling mutual learning, and connecting key stakeholders for the implementation of the NEB Facility under Cohesion Policy.

3.3. Specific objective 3 – Enabling Change

The construction ecosystem has long been resistant to change. To move towards greater circularity and regeneration and ensure competitiveness of the sector in the future, it is essential to ensure appropriate demand and incentives. New business and funding models offer a framework to rethink how projects and solutions are conceived, planned, executed, and invested in for greater sustainability and inclusion.

³ <https://futurium.ec.europa.eu/en/region-peer-2-peer-communities/new-european-bauhaus>

The NEB Facility aims to better understand and foster enabling conditions for the development and uptake of and investment in NEB solutions that contribute to health and well-being, and social cohesion in neighbourhoods, and drive positive cultural, social, and environmental change in the built environment. Understanding these enabling conditions allows the development of new business models, strengthen competitiveness and innovative funding approaches that demonstrate the economic, financial, social, cultural, and environmental viability and attractiveness of NEB solutions.

Another objective of the Facility is the actual implementation of such enabling conditions for the deployment of innovative NEB solutions. This includes generating demand for integrated, transdisciplinary NEB projects and providing the necessary skills and competencies to support their activities in line with the objectives of the Clean Industrial Deal.

Efforts under this specific objective encompass the transformation and renovation of buildings, common spaces, and infrastructures as well as the intangible (including social) dynamics and transformations that form neighbourhoods beyond the building scale at a more systemic level.

The **R&I component** will aim to deliver on this objective by focusing activities on the four key work streams below.

1. New business models to support the revitalisation of neighbourhoods

This work stream fosters new business models to support the development and uptake of innovative processes, methods, technologies, techniques, and approaches for the high-quality, sustainable, and inclusive revitalisation of neighbourhoods. New business models address the more tangible (e.g. techniques, methods) and more intangible (e.g. social innovation) transformations required in neighbourhoods. This work stream further explores how new business models can leverage and demonstrate the value and investment potential of NEB-aligned projects and solutions through design innovation, social innovation, creativity, cultural heritage and the arts, new governance approaches, participatory processes, circular procurement, sufficiency approaches, social economy and entrepreneurship, and product-as-a-service models. This can contribute to the cost-effectiveness, reduced lifecycle costs, and positive social impact of NEB solutions and projects in neighbourhoods.

2. Innovative supply chains and systems for circularity in neighbourhoods

Innovative (including reverse) circular supply chains – that reclaim, reuse, and re-assemble construction resources at local and regional levels – contribute to reducing new resource consumption, resource and transportation waste, and embodied carbon. This work stream explores how the circular re-use of construction resources at local and regional levels can generate benefits beyond economic value, including their environmental, social, and aesthetic value, and how this is key to supporting new (including collaborative) business models in the built environment. Leveraging harmonisation and certification frameworks and metrics, such as regenerative performance indices and social impact metrics, that assess the benefits of reuse beyond economic and financial value, including reduced material, energy, and water use, and increased stakeholder collaboration, can help ensure consistency and comparability across solutions. Fostering interdisciplinary collaboration and transparency through digital tools and sharing networks, and understanding the related logistics and systems around circularity can contribute to the role of innovative circular supply chains and systems in supporting and enabling sustainable business models.

3. Neighbourhood ecosystem barriers and drivers for NEB projects

This work stream seeks to understand and leverage the wider ecosystem conditions that hinder or drive the development and uptake of NEB solutions and projects in neighbourhoods and contribute to their viability and attractiveness. From a holistic, ecosystem-level perspective, this involves understanding aspects related to different types of relevant markets, including capital market supply and demand and real estate, as well as relevant policy and regulatory frameworks, and how they can influence NEB projects in neighbourhoods. Addressing barriers, risks, and incentives at local, regional, and national level can support new business models and sustainable investments.

4. Innovative funding models

New business models and solutions aligned with NEB values require appropriate and often alternative forms and ways of funding to be realised compared to conventional, large portfolio-sized investments. This work stream seeks to demonstrate the business case for and investment potential of NEB projects by understanding, demonstrating, and leveraging their long-term social, cultural, health-related, environmental, aesthetic, and economic value. Innovative, including bottom-up, funding models for neighbourhood transformation, can leverage impact investing, public-private-people partnerships,

community land trusts, green bonds, and social impact bonds to support aligning investment demand with investor interests.

As regards the **roll-out component**, Specific Objective 3 should rely on increased cooperation, through dedicated or contributing actions, with EU programmes, such as Cohesion Policy programmes, Erasmus+ or the Digital Europe Programme. Projects supporting the societal readiness for NEB solutions can be grouped in different themes:

1. **Skills for sustainable construction.** Innovative NEB projects in the built environment require people with the right set of skills in sustainable construction. The NEB Academy on skills for sustainable construction was launched to accelerate the up-skilling and re-skilling of workers in the construction ecosystem. The Academy will provide training services and programmes delivered in person and online.
2. **Implementation of innovative funding and business models.** The roll-out component should support the implementation of new, alternative funding and business models essential to the multiplication of NEB projects on the ground. Innovative models for the circular economy can help businesses turn to selling services rather than products, encouraging higher accountability for end-of-life product management, reducing waste and environmental impacts, and creating jobs and skill development opportunities in communities. This can also foster local, labour-intensive activities like repair, remanufacturing, and quality control.
3. **Digitalisation.** The roll-out component aims to promote the development and implementation of digital tools, for instance towards the inclusive discovery and preservation of local heritage, facilitated inhabitant engagement and participatory processes, urban planning and management (e.g. digital twins, urban metaverse), energy and water monitoring, as well as design and construction. Technical assistance for local governments to implement the digitalisation of the building code and the permit issuing process, can notably unlock efficiency through technology, ensure transparency, and enable sustainable innovative construction processes.
4. **Capacity-building for NEB solutions.** The roll-out component aims to provide project and decision makers with capacity-building and technical support to public authorities, to implement the NEB approach, e.g. in participatory processes, in which some authorities have expressed interest.

Contributing to enabling change, the NEB initiative will develop, as part of the Pilot Project proposed by the European Parliament **"Stimulating Local and Regional New European Bauhaus Grassroots Projects"**, an Innovative Funding Advisory Hub allowing small NEB actors to access innovative ways of funding for their projects in the built environment.

Some **examples of NEB projects that also contribute to enabling change are already working on the ground**. In the past three years, education actors have used NEB as a framework for sustainability learning (e.g. the NEB Stewardship Lab, and NEB Goes South). This widespread interest highlights the value of NEB as a learning tool across Europe. Promoting exchanges between students, teachers, researchers, and professionals is key, particularly through partnerships that focus on sustainable construction, local democracy, and social innovation based on NEB principles.

In 2022, the Commission introduced the NEB Academy on Skills for Sustainable Construction. After calling upon the NEB Community to map existing trainings and interests, two calls were launched under Horizon Europe and LIFE to (I) establish a governance structure for the NEB Academy; and (II) create a network of hubs for training development. These projects began in April and February 2024, lasting two years. One of them is the NEBA Alliance, a consortium of 14 partners across 11 EU Member States that will manage some NEB Academy activities, coordinate hubs, ensure quality control, and develop high-quality training services. To expand, the NEBA Alliance will invite new satellite hubs to join and contribute content. NEB Community members are encouraged to engage with the Alliance and/or set up NEB Academy Pioneer Hubs.

The European Urban Initiative (EUI) under ERDF supports local authorities with capacity-building activities. Strengthening the link between NEB and EUI through mainstreaming the NEB in sustainable urban development strategies, will provide incentives to develop future capacity building activities to support local authorities incorporate NEB principles into urban development strategies. Cohesion Policy has also provided technical assistance to 20 small municipalities in NEB projects, focusing on repurposing cultural heritage and urban regeneration. Member States can also decide to use their own technical assistance budget under Cohesion Policy to support NEB National Contact Points (NCPs). Furthermore, the EU's Technical Support Instrument (TSI) provides tailored expertise to Member States for designing and implementing reforms, including support for NEB at the national level. TSI offers studies, training, strategic advice, and expert visits. Multi-country applications, addressing shared challenges, are encouraged and more likely to be approved.

3.4. Complementarities between the NEB Facility and other initiatives

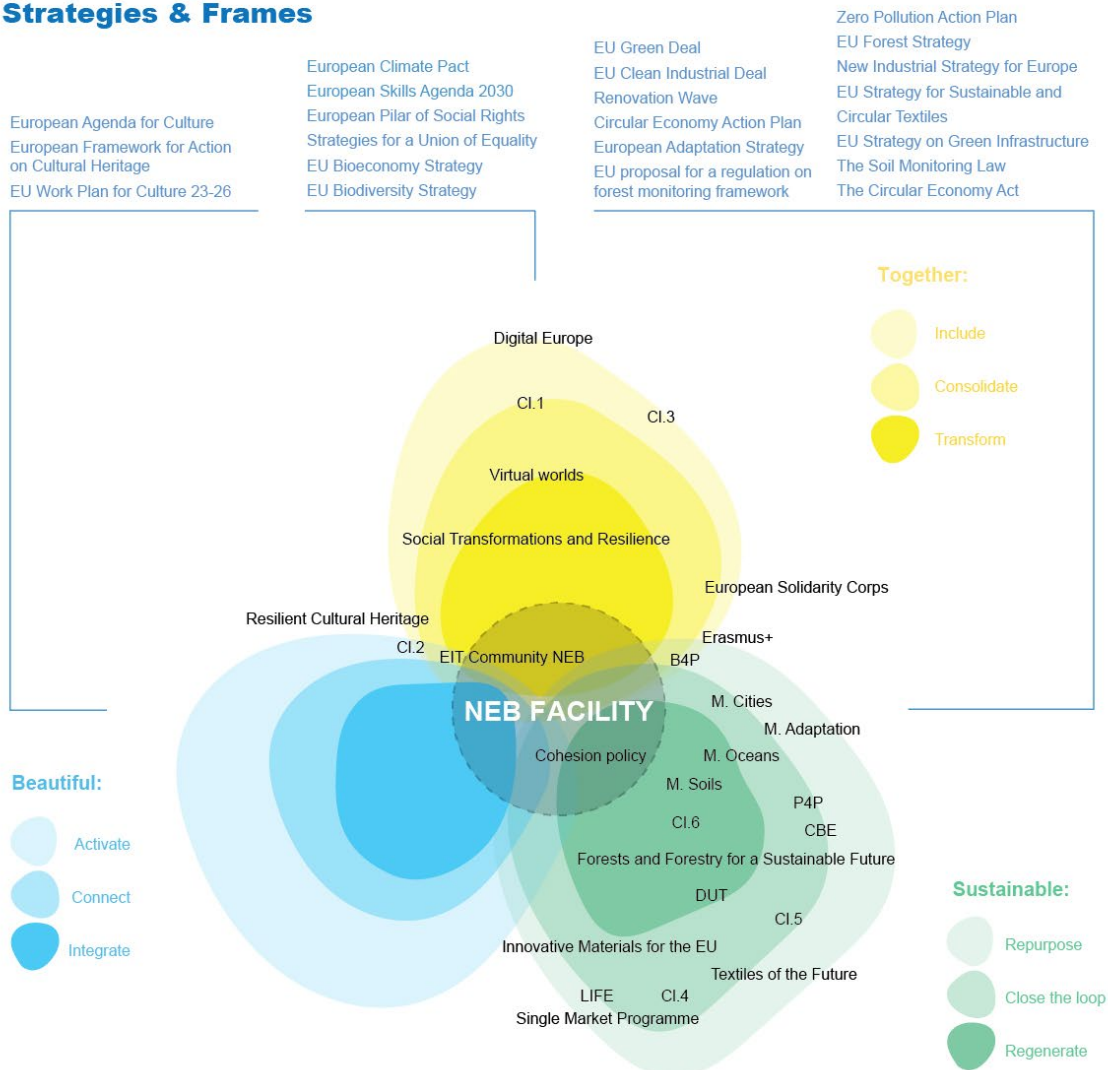
The NEB Facility takes a holistic approach, proposing comprehensive solutions by looking at the challenges as a whole. It will promote the integration of sustainable design and innovation, directly supporting the Clean Industrial Deal by fostering circular and regenerative solutions across architecture, urban planning, and industrial practices. It will focus on the neighbourhood level and work with Horizon Europe Clusters, Missions, and Partnerships, and with other EU Programmes and initiatives that support NEB and NEB-like projects.

The Facility will encourage the growth of a circular and regenerative construction sector in Europe, promoting sustainable competitiveness, economic security, and open strategic autonomy. It will also contribute to the objectives of the affordable housing initiative by optimizing the use of space and resources while keeping in mind affordability. Additionally, it will seek to contribute to the Renovation Wave objectives by promoting energy efficiency measures and contribute to the Water Resilience Strategy by promoting water efficiency and saving measures.

Whenever possible, the Facility will join forces with the EU initiatives and programmes that currently frame, support, and complement NEB to maximize the impact of its actions.

NEB Facility and other EU initiatives and programmes

Strategies & Frames



Complementarities within Horizon Europe

Clusters (Cl.1-6):

Cluster 1: Health
Cluster 2: Culture, Creativity, and Inclusive Society
Cluster 3: Civil Security for Society
Cluster 4: Digital, Industry, and Space
Cluster 5: Climate, Energy, and Mobility
Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture & Environment

EIT: EIT Community NEB

EU Missions (M.):

Climate-Neutral and Smart Cities
Adaptation to Climate Change
A Soil Deal for Europe
Restore Ocean and Waters

European Partnerships:

Forests and Forestry for a Sustainable Future
Resilient Cultural Heritage
Social Transformations and Resilience
Driving Urban Transition (DUT)
Innovative Materials for the EU
Textile of the Future
Virtual Worlds
Processes4Planet (P4P)
Built4People (B4P)
Circular Bio-based Europe (CBE)

Support to the Implementation

LIFE
Cohesion Policy
Single Market Programme
Digital Europe
Erasmus+
European Solidarity Corps

3.5. The role of the national level and the private sector in the roll-out

The attractiveness of NEB projects to private investors and national, regional and local authorities is crucial to the success of the initiative. The European Commission adopted the NEB Investment Guidelines⁴ in July 2024, which were developed in partnership with the European Investment Bank (EIB). They illustrate how public and private investments can integrate the values of sustainability, inclusion, and aesthetics promoted by NEB.

The guidelines provide investors and developers with best practices and quality guarantees to put NEB into practice and boost investments that transform buildings, open spaces, and neighbourhoods. They also put forward several NEB Investment Recommendations, which help shape high-quality projects aligned with the NEB values and principles.

All EU Member States are expected to make large investments in the built environment to address challenges such as climate neutrality, adaptation to climate change, the housing crisis and rapid urbanisation. These investments should build on the New European Bauhaus' values and principles, fostering sustainability with affordable solutions and involving local communities in designing transformation avenues. The Commission is exploring the possibility of recommending that Member States incorporate NEB values into their national frameworks.

3.6. Budget

The NEB Facility consists of two components. The **R&I component** will cover fundamental research, testing, and demonstration, implemented as a cross-cluster issue in the Horizon Europe 'main' Work Programmes for 2025-2027, with an indicative budget of around EUR 120 million per year.

The **roll-out component** will scale up, deploy, and implement innovative solutions, or support new business models through investments across different EU programmes. The roll-out component is expected to leverage a similar level of investment as the R&I component, at least EUR 120 million per year from EU programmes, and will be supported by national funding from public and private sources.

⁴ Available from https://new-european-bauhaus.europa.eu/tools-and-resources/neb-investment-guidelines_en.

3.7. Governance

NEB is a transversal initiative that requires a clear governance framework to ensure consistency and coordination among its various activities. The European Commission is aware of the complexity required at national and regional level and aims to avoid additional burdens or unnecessary complexity.

The scope and orientation of the NEB Facility have been refined through a ten-month long consultation process, which gathered insights into the current knowledge gaps and challenges that define and limit implementation on the ground. The consultation process was two-fold, combining Member State visits and an online questionnaire.

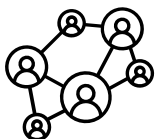
Steering the NEB Facility entails ensuring and overseeing the efficient implementation and execution of its activities at three levels:

- The Commission, for political steering and endorsement,
- The Strategic configuration of the Horizon Europe Programme Committee, for matters related to the R&I component,
- The comitology committees of the other EU programmes supporting the roll-out component.

National Contact Points (NCPs) will be key to some aspects of the implementation, notably the promotion of calls. An external advisory body, the Expert Group, will support and advise the Commission on the design and content of the NEB Facility, with a clearly defined and limited mandate. The Commission will be responsible for taking final decisions.

4. ACTIVITIES THAT SUPPORT THE NEB FACILITY

4.1. Engagement



NEB has built a community of over 1,500 engaged members, including regional and local authorities, research and educational institutions, businesses, artists, and architects, spread across all Member States. Over 500 NEB projects can be found across the EU, with 280 of them having received dedicated NEB funding from various EU programmes.

The NEB Community operates in fields such as culture, education, research, architecture, heritage, forestry, construction, and housing; it is spread over 39 countries, including all EU Member States plus 12 countries outside the EU. The European

Commission works closely with the NEB Community through the NEB Lab, local chapters, and online sessions.

The NEB Community will be crucial in supporting the Facility implementation by:

- Enlarging the NEB Community to expand the network and ensure that all actors involved in the implementation of the Facility have a centralized means of staying connected.
- Coordinating the promotion of Facility calls at the national level through NCPs.
- Spreading awareness and increasing participation in calls through local authorities, municipalities, and other stakeholders in the NEB community.

The NEB Community will serve as a multiplier for the Facility projects by:

- Attracting actors involved in the implementation of the Facility to share their experiences and exchange ideas, challenges, and success stories.
- Providing a platform for knowledge and documentation sharing, and exchange of Facility results and experiences.

4.2. Communication



NEB implements a comprehensive communication strategy to engage a diverse range of stakeholders, raise awareness, and foster connections between the community, stakeholders, and the broader public. The strategy aims to reach a broad and diverse audience, including designers, architects, municipalities, local authorities, artists, and academics.

Communication activities are key to supporting the successful implementation of the NEB Facility. By generating widespread visibility, communication ensures that the Facility and its two components become well-known and easily accessible to both the NEB community and other relevant stakeholders.

The NEB's communication channels include a dedicated website, a monthly newsletter, and social media channels on Instagram, LinkedIn, Threads, and Facebook. These channels help NEB connect with professionals and general audiences, keep followers informed about NEB projects, and share knowledge and funding opportunities.

4.3. Tools

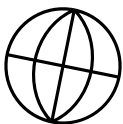


Several tools have been developed to enable tangible change on the ground and facilitate the implementation of NEB values and principles by various stakeholders, including in the context of the NEB Facility:

- The **NEB Compass** provides a guiding framework for project developers to apply NEB values and principles to their projects.
- The **NEB Toolbox** is a collection of case studies and tools to support local authorities in planning and implementing NEB projects.
- The **NEB Investment Guidelines** illustrate how public and private investments can integrate NEB values and principles.
- The **NEB Self-Assessment Method and Checklist** (forthcoming) allow project makers to assess whether a building or renovation project aligns with NEB criteria.
- The **NEB Key Performance Indicators** (forthcoming) propose ways of measuring progress along NEB's core values at neighbourhood level.

A potential future NEB label could help crowding in investments for NEB projects in the built environment.

4.4. International dimension



The New European Bauhaus (NEB) has a strong focus on Europe, but it also addresses global challenges such as climate change, biodiversity loss, and social inequality. The initiative's international dimension is rooted in collaboration, exchange of ideas, and global dialogue on sustainable architecture and design.

The international dimension of the NEB includes:

- **International Events and Forums:** Organizing or supporting events to exchange ideas and showcase successful examples, bridging local and global levels.
- **Global collaboration and knowledge sharing:** Encouraging collaboration between European and international partners to share best practices, experiences, and innovative ideas to address global challenges.
- **Funding projects:** Using EU funds like INTERREG or NDICI to inspire calls specifically designed for international applicants.

4.4.1. Upcoming actions

The 2025 World Expo in Osaka is an opportunity for NEB to broaden its network internationally. It will participate in the Expo through a dedicated conference and a small virtual exhibition, focusing on the transformation of neighbourhoods. This will allow for the exchange of European and Japanese examples, extracting learning points and challenges.

NEB will also build longer-lasting networks and equal exchanges through a series of events, starting with a first event in the beginning of the year, followed by the conference mid-year, and a follow-up online session to consolidate the network.

Japan and South Korea's ongoing negotiations to become associated members of Horizon Europe could lead to common proposals, new research topics, and a stronger network. Also, there is interest from Brazilian stakeholders to work with NEB, following the visit of a Brazilian delegation to the 2024 NEB Festival. COP30 in Belém offers an opportunity to plan a longer-term collaboration. Finally, the EU Delegations could be a great ally for NEB to explore international synergies, leveraging their connections with local actors and intelligence gathered on the ground. The Commission uses the work with Ukraine as its example model for international cooperation (see Box 1 below).

Box 1: NEB cooperation with Ukraine

NEB has shown readiness to support Ukrainians since the start of the Russian war of aggression, combining emergency needs with longer-term goals. The focus has been on rebuilding and reconstruction in the spirit of the NEB principles: sustainable, beautiful, together.

A successful example is the integration of NEB into the DREAM tool, a digital platform to support Ukraine's reconstruction with transparency, sustainability, and community engagement. NEB will continue its actions in Ukraine through the integration of the NEB investment guidelines in the Ukrainian reconstruction process and supporting community-led actions like the NEB Lab for Public Infrastructure for Ukraine.

As an associated country to Horizon Europe, Ukraine will promote the NEB Facility throughout its network of community partners in Ukraine.

4.5. Monitoring and learning

Monitoring the NEB Facility requires taking into account its structure as an overarching initiative composed of many competitive projects. Each project will have its own objectives, methodologies, and expected impacts. To address this, each project proposal should dedicate a small percentage of their budget to share intermediate and final results and findings with the Coordination and Support Action 'New European Bauhaus hub for results and impact'⁵.

The Commission will focus on the expected outcomes of the NEB Facility by Specific Objective, rather than individual projects. For example, Specific Objective 1 aims to strengthen trust in local democracy, which can be measured through periodic surveys and interviews. Specific Objective 2 emphasizes circular and regenerative approaches in the built environment, which can be measured by tracking the uptake of innovative construction practices. Specific Objective 3, focused on innovative funding and new business models, can be monitored through indicators such as the number and success rate of projects leveraging novel methods. For the three objectives, monitoring will also focus on tracking how ideas are being adapted and expanded upon, as well as measuring their broader impact. Establishing a clear pathway from innovation to widespread application is key for assessing impact.

NEB has adopted a learning approach, not only to encourage its projects to innovate, but to be a vehicle for innovation itself. In the past four years, the initiative has for example tested ways to evolve with and draw on the energy and drive of inhabitants, putting small community-led projects at its centre.

The Facility will continue to test new approaches to policy making. In the next three years, NEB will set up small experiments through action research – reflecting in action and on action, benefitting from its close connection with the Joint Research Centre (JRC), the in-house science department of the European Commission.

It will work closely with the NEB Hub for Result and Impact and the JRC's portfolio on local democracy and governance. In a further stage, results will be shared with the EU Missions and other related initiatives.

⁵ [HORIZON-MISS-2024-NEB-01-03](#)