



Mayors for Economic Growth (M4EG)

Current phase: Phase 3, 2025-2028 (48 months) with EUR 8,000,000 budget allocated

*Since 2017, the European Union (EU) has been implementing [the Mayors for Economic Growth \(M4EG\)](#) initiative, and the United Nations Development Programme (UNDP) has been managing it since 2021. The project supports local governments in the Eastern Partnership (EaP) countries on their path to inclusive economic growth. Since 2021, M4EG has rebuilt and engaged a network of over 460 municipalities across the EaP region. Nearly 50 municipalities have benefitted from innovative financing for urban development, funding the green and blue energy transition in the **Republic of Moldova** and **Ukraine** as well as crucial assistance to refugees and internally displaced people in the wake of Russia's war of aggression against Ukraine, but also sustainable tourism in **Armenia** and green and smart solutions for cities in **Azerbaijan** and **Georgia**.*

In April 2025, the M4EG entered its ambitious third phase, which will continue until 2028. The current phase aims to achieve the following outcomes:

- 1. Improved and adaptive systemic local-level economic development planning and implementation*
- 2. Enhanced access to finance for local authorities through support for pipeline development, financing absorption, and management*

It is envisaged that the Initiative will be active across several streams¹ of work to support ongoing transformation within M4EG municipalities:

Mission-oriented Economy Journey (Deep Engagement Track 1)

*[The Mission-Oriented Economy Programme](#) will support up to 20 secondary cities in the M4EG network to design and implement “missions” addressing challenges such as green transition, resilience, digital transformation, and cultural economy. Selected cities will receive phased grants of up to USD 120,000, starting with seed funding and scaling opportunities. In August 2025, ten municipalities joined the programme: **Armenia** – Aparan, Goris, Noyemberyan; **Moldova** – Leova commune, Copceac commune, Sireți commune; **Ukraine** – Khmelnytskyi, Bucha, Zhytomyr, Slavutych. The M4EG will also facilitate connection with IFI programme for further scaling and in special cases larger grants between 60-100k can be provided to projects with the scaling potential.*

Scale Track (Deep Engagement Track 2)

M4EG will integrate finance advisory into its grant mechanism to strengthen project pipelines and investment readiness of local authorities. Through Track 2 – Scale, advanced municipalities will access up to 10 grants, typically €60,000, with larger projects eligible for €60–100k, alongside technical support, ULC training, and IFI connections.

¹



Innovation Grants (Deep Engagement Track 3)

The initiative will provide up to 30 grants of €10,000 for municipalities ready to experiment with new financing models. Cities will test approaches such as revenue generation, MSME infrastructure, gender-responsive budgeting, and FinTech solutions. Selected projects will receive ULC-backed technical assistance to refine, scale, and share lessons across the network.

Technical assistance and capability development under [the Urban Learning Center \(ULC\)](#)

[ULC](#) is a centralised online repository of resources, including practice guides, case studies, research papers, and toolkits, accessible to all members to support their local economic development initiatives.

National and Regional Platforms

Secretariats hosted by UNDP Country Offices will engage members, manage communication, and organize events, aligning local initiatives with national strategies. They will promote inclusivity, women's leadership, gender-responsive policies, and private sector partnerships while maximizing visibility through existing platforms. On the regional level, the annual EU–UNDP M4EG gathering will serve as a flagship event for exchange and innovation, supported by a strong online presence.

Partnerships & Learning

By fostering cooperation with EU institutions, IFIs, and global networks, and showcasing member successes, M4EG strengthens collaboration and local transformation.

Vibrant and connected local financing ecosystems

M4EG strengthens local authorities' access to finance through structured policy dialogues, private sector engagement, and capacity-building. Activities include fostering national and regional consultations, creating Local Economic Networks, facilitating investor matchmaking, and providing tailored training through initiatives like the Mayors Investment Academy. This integrated approach enhances financial literacy, broadens funding opportunities, and supports gender-sensitive, sustainable local economic development.

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