Estonian city of Tartu to take green leap with EIB financing for public buildings, bike paths and walkways

9 September 2026



Tartu

→ EIB lends €25 million to Estonian city of Tartu to advance its green goals
→ Financing to support energy efficiency in public buildings including schools as well as upgrades of bicycle and pedestrian routes
→ Credit covers almost half of Tartu investment programme underpinning city's aim to become climate neutral by 2050

The European Investment Bank (EIB) is lending the Estonian city of Tartu €25 million to green schools, kindergartens and other public buildings and to upgrade cycling and pedestrian routes. The EIB financing will help Tartu, Estonia's second-largest city with around 100,000 residents, advance towards climate neutrality by 2050 at the latest.

The loan will support a new investment programme by Tartu that has a total cost of €51 million and runs until 2030. Municipal buildings including for education will become more energy efficient as part of planned renovations and bike paths, walkways and other public spaces will be expanded and better connected.

In addition to receiving EIB support, Tartu's investment programme will be financed by European Union funds and the city's own resources. Tartu is part of an EU "Climate-Neutral and Smart Cities" initiative meant to pave the way for a climate-neutral Europe by 2050.

"With EIB support, Tartu is investing in projects that improve people's daily quality of life while advancing climate goals," said **EIB Head of Tallinn Office Götz von Thadden**. "These investments will reduce energy consumption, strengthen sustainable mobility and help build a more resilient city, supporting Tartu's journey towards climate neutrality."

Located about 190 kilometres southeast of Tallinn, Tartu is Estonia's centre of education and science. The city is home to the University of Tartu, Estonia's oldest university founded in 1632, as well as the Ministry of Education and Research and Tartu University Hospital, which brings together healthcare, medical education and research. Tartu's strong academic community supports its ambition to create a sustainable and knowledge-based urban environment.

The investment programme by Tartu is a major step towards the city's goal of becoming climate neutral by 2050. Around three-quarters of the planned investments are projected to contribute to climate action.

"For Tartu, moving toward climate neutrality means, above all, creating a higher-quality and more sustainable urban environment," said **Tartu Mayor Urmas Klaas**. "In recent years we have made significant investments to make walking and cycling safer and more comfortable in Tartu and to improve the energy efficiency of public buildings. In renovating schools and kindergartens, the goal is not only to reduce energy consumption, but also to create a better indoor climate and a modern learning environment. With the support of European Investment Bank financing, we can carry these goals forward systematically."

The new financing builds on a €20 million EIB loan to the city in 2019 to support upgrades of schools, kindergartens and other educational facilities.

Background information

EIB Group

The European Investment Bank (EIB) Group is the financing arm of the European Union, owned by the 27 Member States, and one of the largest multilateral development banks in the world. In 2025, the EIB Group signed €100 billion in new financing and advisory services for over 870 high-impact projects under eight core priorities that support EU policy objectives: climate action and the environment, digitalisation and technological innovation, security and defence, territorial cohesion, agriculture and the bioeconomy, social infrastructure, strong global partnerships and the savings and investments union. Beyond long-term loans for large infrastructure, the EIB Group crowds in private investment for high-risk innovative projects and businesses, with a growing role in Europe's markets for venture debt, venture capital, guarantees and securitisations.

Photos of the EIB Group's representatives and headquarters, logo files and video B-roll for media use are available here.

Related pages

- European Union
- Estonia and the EIB
- Regional development and cohesion
- The EIB in the circular economy
- Urban development