



European Regional Development Fund 2014 - 2020

European Territorial Cooperation

**URBACT III  
OPERATIONAL PROGRAMME  
CCI 2014TC16RFIR003**

**Adopted by the European Commission  
On 12<sup>st</sup> December 2014**

**Version 2 Oct 2015**



**European Union**  
European Regional Development Fund

# SUMMARY OF CONTENTS

---

## **Section 1 – Strategy for the contribution OF URBACT III to Europe 2020 and the achievement of economic, social and territorial cohesion ..... 6**

1.1	Strategy for the URBACT contribution to Europe 2020 and to the achievement of economic, social and territorial cohesion .....	6
1.1.1	The context of the programme.....	6
1.1.2	Urban context and the needs of cities .....	9
1.1.3	Strategy .....	19
1.2	Justification of the financial allocation.....	21

## **Section 2. Priority axes ..... 28**

2.A.	Description of Priority Axes .....	28
2.A.1.	Priority Axis 1.....	28
2.A.2	Specific objectives corresponding to the investment priority and expected results – .....	28
2.A.3.	Actions to be supported under the investment priority.....	34
2.A.3.1.	Actions to be financed and their expected contribution to the corresponding specific objectives, including, where appropriate – .....	34
2.A.4	Performance framework - .....	44
2.A.5	Categories of Intervention.....	46
2.B.	Description of the priority axes for technical assistance .....	47
2.B.1.	Specific objective and expected results – .....	47
2.B.2.	Result Indicators.....	47
2.B.3.	Actions to be supported and their expected contribution to the specific objective - .....	48
2.B.4.	Categories of Intervention.....	50

## **Section 3 The Financing Plan for the Cooperation Programme..... 52**

3.1.	A table specifying for each year, in accordance with Article 53,110 and 111 of the CPR, the amount of the total financial appropriation envisaged for the support from the ERDF.....	52
3.2.	A financial plan of the cooperation programme specifying, for the whole programming period, for the programme priority axis, the amount of the total financial appropriation of the support from the ERDF and the national counterparts .....	53
3.2 B	Breakdown of the financial plan of the cooperation programme by priority axis and thematic objective of ETC regulation .....	54

## **Section 4. Integrated approach to territorial development ..... 56**

4.1.	The URBACT approach to community-led local development.....	57
------	---	----

4.2.	The URBACT approach to integrated actions for sustainable development	58
4.3.	The URBACT approach to use Integrated Territorial Investment (ITI)	59
4.4.	The contribution of URBACT to macro-regional and sea basin strategies.	60
<b>Section 5. Implementation provisions for the cooperation programme</b>		<b>62</b>
5.1.	Identification of the relevant authorities and bodies	62
5.2.	Procedure for setting up the joint secretariat	64
5.3.	Summary description of the management and control arrangements	64
5.4.	The apportionment of liabilities among the participating Member States in case of financial corrections imposed by the managing authority or the Commission	79
5.5.	Use of the Euro	81
5.6.	Involvement of partners	81
	Role of the relevant partners in the preparation and implementation of the cooperation programme	81
<b>Section 6. Coordination between funds</b>		<b>87</b>
6.1.	Coordination with mainstream programmes (ERDF, ESF, EAFRD, EMFF)	87
6.2.	Coordination with other interregional cooperation programmes of the ETC goal	88
<b>Section 7. Reduction of administrative burden for beneficiaries</b>		<b>91</b>
7.1.1.	Assessment of the administrative burden of beneficiaries	91
7.1.2.	Main actions planned to reduce the administrative burden	91
7.1.3.	E-Cohesion	93
<b>Section 8 Horizontal Principles</b>		<b>96</b>
8.1.	Sustainable Development	96
8.2.	Equal opportunities and non-discrimination	96
8.3.	Equality between men and women	96
<b>Section 9. Separate Elements</b>		<b>99</b>
9.1.	A list of major projects for which the implementation is planned during the programming period	99
	Not applicable to URBACT	99
9.2.	The performance framework of the cooperation programme	99
9.3.	List of relevant partners involved in the preparation of the cooperation programme	100
9.4.	Applicable programme implementation conditions governing for the participation of third countries through a contribution of ENI and IPA resources	101
	ANNEX 1 Ex-Ante Evaluation Report	103
	ANNEX 2 Member and Partner States Agreement	104

ANNEX 3 Strategic Environmental Assessment .....	107
ANNEX 4 Member and Partner State Contributions.....	116
ANNEX 5 Map of the Programme Area .....	117

## **SECTION ONE**

### **Strategy for the contribution of URBACT III to Europe 2020 and the achievement of economic, social and territorial cohesion**

#### **1.1 Strategy**

**1.1.1. The context of the Programme**

**1.1.2. Urban context and the need of cities**

**1.1.3. Strategy**

#### **1.2 Financial Allocation**

# **SECTION 1 – STRATEGY FOR THE CONTRIBUTION OF URBACT III TO EUROPE 2020 AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION**

## **1.1 Strategy for the URBACT contribution to Europe 2020 and to the achievement of economic, social and territorial cohesion**

### **1.1.1 The context of the programme**

#### **Introduction**

URBACT facilitates the sharing of knowledge and good practice between cities and other levels of government. The purpose is to promote integrated sustainable development and improve the effectiveness of regional and cohesion policy.

The URBACT III programme area consists of:

- EU 28 Member States
- Norway and the Helvetic Confederation. Partners from Norway and from the Helvetic Confederation cannot make use of ERDF allocations, but can participate at their own cost.
- Instrument for Pre Accession (IPA) countries. Partners from IPA countries can participate in operations using IPA funding, without receiving ERDF co-financing
- Other countries. Partners from other countries, anywhere in the world, can participate with their own funding.

The programme is co-financed by the European Regional Development Fund (ERDF) with a budget of 74.302 million EUR for the 2014-2020 period.

The 2014-2020 URBACT III programme builds on URBACT I (2002-2006) and URBACT II (2007-2013). URBACT II had a wider thematic scope to promote exchange and learning on sustainable urban development among cities in the mainstream programmes. It went beyond exchange and learning activity through the inclusion of capacity building measures as well as pilots on implementation and transfer.

#### **EUROPE 2020 - A strategy for smart, sustainable and inclusive growth**

Europe 2020<sup>1</sup> is the strategy to turn the EU into a smart, sustainable and inclusive economy, fostering innovation, increasing employment through productivity and

---

<sup>1</sup> The five overarching targets have been set are the following:  
a/ Employment: 75% of the 20-64 year-olds to be employed

growth, while enhancing social cohesion. Europe 2020 has three mutually reinforcing priorities:

**Smart growth**: developing an economy based on knowledge and innovation.

Flagship initiatives are the [Digital agenda for Europe](#), the [Innovation Union](#) implementing the European Innovation Partnerships and [Youth on the move](#)

**Sustainable growth** promoting a more resource efficient, greener and more competitive economy. Flagship initiatives are a [Resource efficient Europe](#) and [an industrial policy for the globalisation era](#)

**Inclusive growth** fostering a high-employment economy delivering social and territorial cohesion. Flagships initiatives are [an agenda for new skills and jobs](#) and [European platform against poverty](#)

Europe 2020, together with the Territorial Agenda 2020<sup>2</sup>, brings together smart, sustainable and inclusive growth objectives to territorial cohesion. This provides the overall strategic framework for EU cohesion policy 2014-2020.

The importance of cities in helping reach Europe 2020 targets has to be underlined: a great proportion of GDP and jobs of Members States are found in cities. In turn cities are responsible for a great proportion of greenhouse emissions, and are where much of Europe's poverty is concentrated.

The European Territorial Cooperation Programme URBACT III will contribute to the Europe 2020 goals by providing a mechanism for stakeholders involved to develop and implement better policies and actions for smart, inclusive and sustainable urban policy in cities.

The concentration of 70% of the resources of the programme for exchange and learning on five thematic objectives (paragraph 1.2) will contribute to target better Europe 2020 goals for Smart growth (T01/strengthening research, technological development and innovation), Sustainable growth (T04/supporting the shift towards a low-carbon economy in all sectors and T06/protecting the environment and promoting resource efficiency) and Inclusive growth (T08/promoting employment and supporting labour mobility and T09/promoting social inclusion and combating poverty).

---

b/ R&D / innovation: 3% of the EU's GDP (public and private combined) to be invested in R&D/innovation

c/ The 20/20/20 Climate change / energy target: greenhouse gas emissions 20% (or even 30%, if the conditions are right) lower than 1990; 20% of energy from renewable sources; 20% increase in energy efficiency

d/ Education: Reducing school drop-out rates below 10% and at least 40% of 30-34-year-olds completing third level education

e/ Poverty / social exclusion at least 20 million fewer people in or at risk of poverty and social exclusion

<sup>2</sup> The Territorial Agenda of the European Union (<http://www.eu-territorial-agenda.eu/Reference%20Documents/Final%20TA2020.pdf>) defines six territorial priorities: promote polycentric and balanced territorial development; encouraging integrated development in cities, rural and specific areas; territorial integration in cross-border and transnational functional regions; ensuring global competitiveness of the regions based on strong local economies; improving territorial connectivity for individuals, communities and enterprises; and managing and connecting ecological, landscape and cultural values of regions;

The new knowledge and skills acquired from participation in the URBACT III programme will contribute to improve the management of European cities and make them stronger. By stimulating the transfer of new and innovative ideas between the European cities, by collective learning through transnational exchange and capacity building on integrated and sustainable urban development, it will be possible to tackle a range of emerging issues for cities linked to smart, sustainable and inclusive growth.

URBACT III will consider other European initiatives/programmes which might be of interest for cities such as the Smart Cities Stakeholder Platform, European Innovation Partnership on Smart Cities and Communities, Green Digital Charter, Horizon 2020 and especially the calls on Smart Cities and Communities, FP7/CIP, the Covenant of Mayors, CIVITAS, the Joint Programming Initiative (JPI) Urban Europe.

### **URBACT III in the legislative package for the programming period 2014-2020**

The regulatory framework for URBACT III is provided by the regulations for Cohesion policy<sup>3</sup>. The regulations<sup>4</sup> which will govern URBACT III is EU 1299/2013 which states in Article 2 (3) b that "ERDF supports interregional cooperation to strengthen the effectiveness of cohesion policy in promoting the exchange of experience concerning the identification, transfer and dissemination of good practices on sustainable urban development, including urban-rural linkages."

The potential thematic scope of URBACT III is provided by the 11 thematic objectives described in Article 9 of the Common Provisions Regulation EU 1303/2013. A specific investment priority has been created for URBACT under thematic objective 11 'Enhancing institutional capacity and efficient public administration' as outlined in Regulation EU 1299/2013 (ETC) Article 7 (1) (c) (i):

*'Disseminating good practice and expertise and capitalising on the results of the exchange of experience in relation to sustainable urban development, including urban-rural linkages'*

### **The strengthened urban dimension in the Cohesion policy in 2014-2020**

The ERDF regulations in the programming period 2014-2020 include tools and concepts that offer new opportunities for the urban dimension<sup>5</sup>.

---

<sup>3</sup> Common provision for ERDF, ESF, CF, EAFRD, EMFF and specific regulations for ERDF, ESF, European territorial cooperation regulations. See [http://ec.europa.eu/regional\\_policy/what/future/index\\_en.cfm](http://ec.europa.eu/regional_policy/what/future/index_en.cfm)

<sup>4</sup> See [http://ec.europa.eu/regional\\_policy/what/future/index\\_en.cfm](http://ec.europa.eu/regional_policy/what/future/index_en.cfm) for specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal

<sup>5</sup> Common provision for ERDF, ESF, CF, EAFRD, EMFF and specific regulations for ERDF, ESF, European territorial cooperation regulations. See [http://ec.europa.eu/regional\\_policy/what/future/index\\_en.cfm](http://ec.europa.eu/regional_policy/what/future/index_en.cfm)



1. Integrated sustainable urban development actions (either through Integrated Territorial Investments, or through specific urban development operational programmes or Priority Axes);
2. Participatory approaches through Community Led Local Development following the LEADER model;
3. Urban-rural partnerships.

URBACT will work with all types of cities in Europe; the opportunity will be given to the cities to use the new urban tools proposed in the regulation of the Cohesion policy.

Article 7 of the ERDF regulation requires a minimum of 5% of ERDF resources per Member State to be allocated for 'integrated actions for sustainable urban development', with a degree of delegation to the urban authority level (the minimum requirement being selection of operations). This 5% can be spent through an Integrated Territorial Investment, a specific OP or a specific Priority Axis.

Article 8 of the ERDF regulation concerns a new initiative entitled Innovative Actions in the field of sustainable urban development which has been created in order to explore and demonstrate new solutions to urban challenges. These Innovative Actions can take the form of pilot projects, demonstration projects or new urban experiments which are of European interest. 330 million EUR has been allocated to this initiative over the 2014-2020 period.

Article 9 of the ERDF regulation establishes an Urban Development Network (UDN) which aims to facilitate direct dialogue and exchange with the urban authorities supported by the ERDF, either as part of the minimum 5% to integrated sustainable urban development (Article 7) or as part of the innovative actions (Article 8). The regulation also states that the activities of URBACT III are complementary to those undertaken by the UDN.

During the programming period 2014-2020 URBACT III will support European cities to exchange and share experiences on sustainable urban development. URBACT III will complement the work undertaken by the UDN and will support cities implementing Article 7 for integrated approach to sustainable urban development.

### **1.1.2 Urban context and the needs of cities**

Cities are key drivers of national economic performance but also contain deep social and environmental challenges. For this reason cities are high on EU and national policy agendas. URBACT III will build on URBACT I and II by keeping cities as the main beneficiaries of the programme. The main target participants will include practitioners, city managers, elected representatives and stakeholders from other public agencies, the private sector and civil society.

Cities have a growing importance for Europe; it is estimated that in the programme area consisting of the 28 Member States and two Partner States, around 70% of the EU population (approximately 350 million people) live in urban areas of more than 5 000

inhabitants and the share of the urban population under the total EU population continues to grow<sup>6</sup>.

---

<sup>6</sup> European Union Regional Policy October 2011 “Cities of Tomorrow: challenges, visions, ways forward”  
[http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow\\_final.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow_final.pdf)

## Europe, a continent with a polycentric urban structure.

Europe's urban structure is important for the delivery of the URBACT programme. Europe is characterised by a more polycentric and less concentrated urban structure compared to the USA or China<sup>7</sup>.

Table 1 shows the distribution on a new basis calculated according to density of population. Compared to these countries, Europe has fewer cities with one million inhabitants - only 12% of the EU population lives in the 23 cities with over 1 million inhabitants and 22% live in cities with more than 250,000. Under this definition, 13% of Europe's population live in 611 medium sized cities while 32% live in suburbs and small towns with a population over 5000.

URBACT will respect the diversity of European settlement system and will target all kind of European cities and towns including smaller and medium sized one which tend to have less capacity and fewer specialised staff.

**Table 1: EU28 cities defined according to their density of population<sup>8</sup>**

Population class 000s	Category	No of cities	Population in size class (million)	% of total population
>1 million	Large	23	59.2m	12.2
500-1000	Large	37	27.83m	5.7
250-500	large	62	21.21m	4.4
100-250	Medium	227	36.13m	7.4
50-100	Medium	392	27m	5.6
Towns and suburbs	Small and suburban	-	157.91m	32.6
Rural population	Rural (including very small towns)	-	155.42m	32.1
Total		-	484m	100%

Figure 1 below shows in map form the polycentric nature of the continent's urban system.

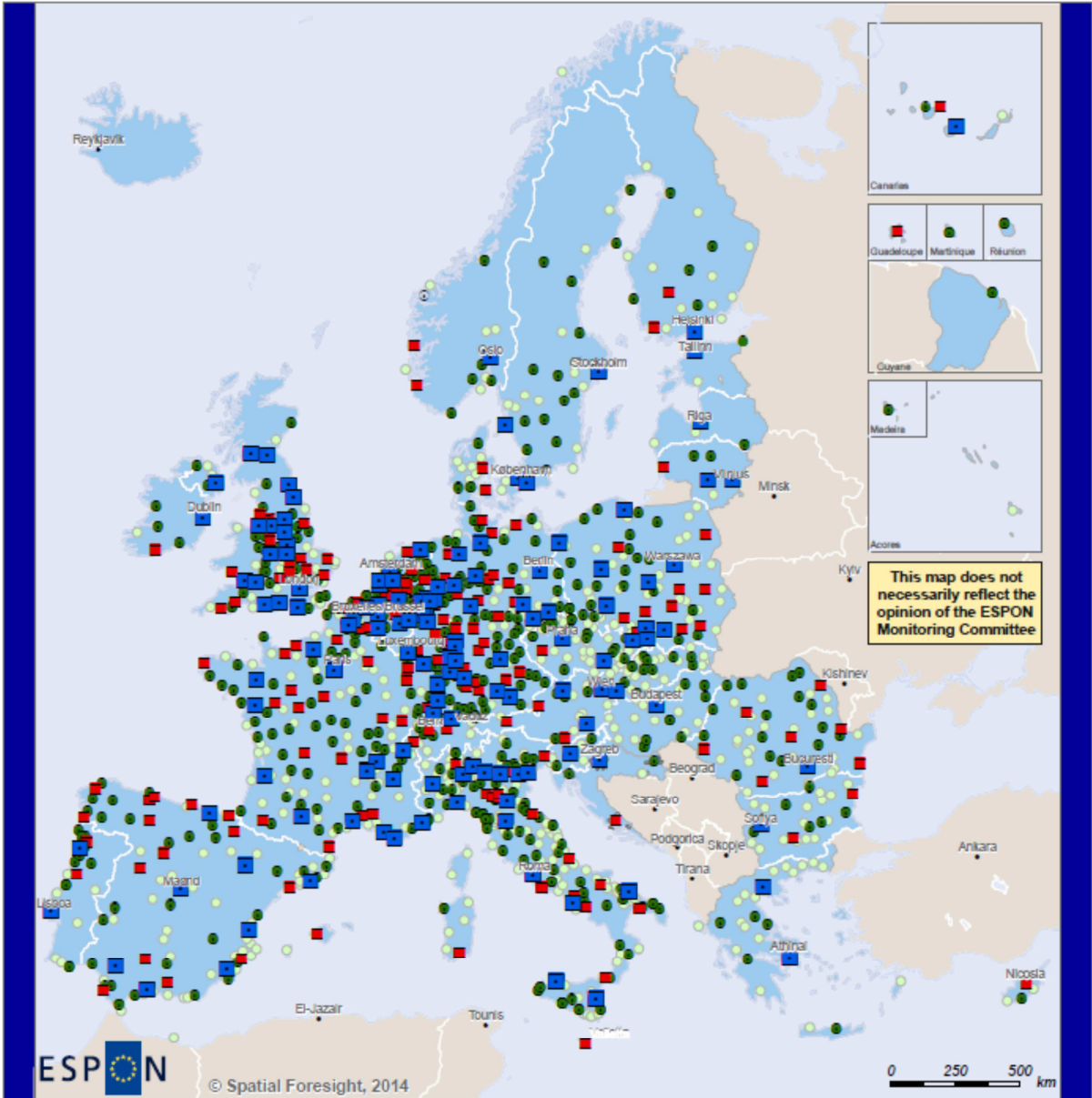
---

<sup>7</sup> "Cities of tomorrow: challenges, visions, ways forward" see above

<sup>8</sup> European Union Regional Policy 2011 "Cities of Tomorrow: challenges, visions, ways forward", p.3 ([http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow\\_final.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow_final.pdf)).

Cities above 50 000 are defined as clusters of grid cells of at least 1500 inhabitants per km<sup>2</sup>. Areas outside urban agglomerations are defined as suburbs and towns if they are located in urban clusters of cells with density above 300 inhabitants per km<sup>2</sup> and a total cluster population of at least 5000. Rural areas are the remainder. Data of EU 27 has been extended by estimation for the Croatian cities and rural areas, based on the 2011 Census data, referring to the "Grad" definition of cities.

**Figure 1: Typology of European functional Urban Areas<sup>9</sup>**




**EUROPEAN UNION**  
 Part-financed by the European Regional Development Fund  
 INVESTING IN YOUR FUTURE

Origin of data: ESPON Database (IGEAT) and Urban Audit  
 © EuroGeographics Association for administrative boundaries

- FUA population**
- 500,000-12,6 million
  - 250,000-500,000
  - 100,000-250,000
  - 50,000-100,000

<sup>9</sup> Document created by ESPON for URBACT III – 6<sup>th</sup> February 2014

## Functional versus administrative areas

The functional city corresponds to territorial or socio-economic realities which rarely correspond with the administrative city. Most European city regions are fragmented and comprise many municipalities with complex relationships between them. This raises many issues related for example to the strengthening of urban-rural linkages within an urban area.

Figure 2 below illustrates the problem in 18 large European cities for which comparable data is available. The Morphological Urban Area (MUA) depicts the continuity of the built-up space with a defined level of density. A Functional Urban Area (FUA) can be described by its labour market basin and by the mobility pattern of commuters, and includes the wider urban system of nearby towns and villages that are economically and socially dependent on an urban centre. The ratio of the population of the FUA to administrative area varies from just over 1 in Bucharest, Berlin and Rome to over 5 in Paris, Katowice, Manchester, Liverpool and Lisbon with Lille close behind. Managing urban systems at lower levels is difficult for tax, transport, the economy, social inclusion and the environment.

*Figure 2: European administrative, morphological and functional urban area ratios for 18 city regions<sup>10</sup>*

CITIES (million)	Admin city	MUA	MUA/city	FUA	FUA/city
London	7,43	8,27	1,1	13,71	1,8
Berlin	3,44	3,78	1,1	4,02	1,2
Madrid	3,26	4,96	1,5	5,26	1,6
Rome	2,55	2,53	1,0	3,19	1,3
Paris	2,18	9,59	4,4	11,18	5,1
Bucharest	1,93	2,06	1,1	2,06	1,1
Budapest	1,70	2,12	1,2	2,52	1,5
Warsaw	1,69	2,00	1,2	2,79	1,7
Vienna	1,60	1,67	1,0	2,58	1,6
Barcelona	1,58	3,66	2,3	4,25	2,7
Milan	1,30	3,70	2,8	4,09	3,1
Prague	1,17	1,18	1,0	1,67	1,4
Lisbon	0,53	2,32	4,4	2,59	4,9
Manchester	0,44	2,21	5,0	2,56	5,8
Liverpool	0,44	1,17	2,7	2,24	5,1
Bratislava	0,43	0,44	1,0	0,71	1,7
Katowice	0,32	2,28	7,1	3,03	9,5
Lille	0,23	0,95	4,1	2,59	11,3
<b>AVERAGE</b>			<b>1,7</b>		<b>2,3</b>

<sup>10</sup> Extract of a table: European Union Regional Policy 2011 “Cities of Tomorrow: challenges, visions, ways forward”, p.94 ([http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow\\_final.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow_final.pdf)).

## The thematic challenges of cities

URBACT III will set out to build the capacity of urban authorities tackling key challenges that are facing European cities by undertaking actions and activities to achieve results. Cities are key generators of national growth within Member States but they are also the place where the highest unemployment rates can be found. Many cities face a widening of inequalities as well as an increase in exclusion and segregation. Cities are also both producers of many carbon emissions, for example, through housing, industry and transport. Yet they are also the place in which efforts take place to drive forward carbon reduction, through new technologies and service innovation.

The global economic and financial crisis has had a significant impact on Europe's cities. An URBACT survey in 2010 reported that 80% were experiencing severe impacts<sup>11</sup>.

Whereas prior to 2007 only 4 capital cities had unemployment rates higher than 8% by 2009 there were 11. Among noncapital cities, the number with unemployment levels higher than 10% rose significantly between 2007 and 2009<sup>12</sup>. Many cities now face austerity measures to meet debt reduction targets of national governments. Cities also face declining tax incomes from citizens with lower income and from firms that are struggling to survive.

Between 1950 and 2009, the European urban population grew by 90%<sup>13</sup>. While European urbanisation is increasing, according to the recent report by URBACT the population of 40% of European cities is shrinking especially in Germany, Central and Eastern Europe and in remote regions.<sup>14</sup> This apparent paradox is driven by a combination of factors including low birth rates, migration often caused by economic decline but also in many countries migration from the core city to surrounding municipalities and suburbs. Over the long term demographic change will have a major impact on European cities with an increase of elderly people. There will be a dramatic increase of very old people: those aged 80 or more will represent more than 10% of the population in many cities by 2050.

Studies<sup>15</sup> reveal that the working age population is forecast to decline and that in the absence of international migration this decline would be even larger. These trends will

---

<sup>11</sup> URBACT Nov 2010 "URBACT cities facing the crisis: impact and responses" URBACT  
[http://urbact.eu/fileadmin/general\\_library/Crise\\_urbact\\_\\_16-11\\_web.pdf](http://urbact.eu/fileadmin/general_library/Crise_urbact__16-11_web.pdf)

<sup>12</sup> Source DG Regio/Eurostat

<sup>13</sup> European Union Regional Policy 2011 "Cities of Tomorrow: challenges, visions, ways forward", p. 15  
([http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow\\_final.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow_final.pdf))

<sup>14</sup> Hans Schlappa and William Neil, June 2013 in Thematic report 'Cities of Tomorrow, Action Today: From crisis to choice re-imagining the future in Shrinking Cities:'  
[http://urbact.eu/fileadmin/general\\_library/19765\\_Urbact\\_WS1\\_SHRINKING\\_low\\_FINAL.pdf](http://urbact.eu/fileadmin/general_library/19765_Urbact_WS1_SHRINKING_low_FINAL.pdf)

<sup>15</sup> In the European Union the size of the working age population (age group 15-64) was 328 million in 2005. This group [according to forecasts] will start to shrink after the year 2015 reaching 314 million in 2025 and 268 million in 2050. At constant labour force participation rates the number of economically active people would shrink from 235 to 188 million in 2050. In the absence of any international migration this decline would be even larger. (Source, Rainer Munz, 2007 'Europe: Population change and its consequences. An overview' [tp://www.berlin-institut.org/online-handbuchdemografie/bevoelkerungsdynamik/regionale-dynamik/europa.html](http://www.berlin-institut.org/online-handbuchdemografie/bevoelkerungsdynamik/regionale-dynamik/europa.html))

impact on services especially health and social care, housing and on the provision of city infrastructure. City administrations and those agencies and organisations providing other services within cities will play the leading role in integrating migrants.

In this context cities have to find answers to how to promote economic development, maintain competitiveness, create jobs while addressing growing social polarisation, combat poverty and deal with the depletion of natural resources.

*Economic development and competitiveness:* Many cities are facing economic challenges but they face very different trajectories depending on their size and role in the urban hierarchy, the structure of their economy, and their capacity to establish and implement a strategic vision of development. These challenges have increased with the financial and economic crisis since 2008. In this context it is important that cities:

- develop strategies that enable and encourage job creation and increase residents' employability<sup>16</sup> ;
- draw together sectoral actors to put in place entrepreneurial initiatives and innovation including social innovation ecosystems
- take into account the necessity to develop a low carbon economy, which can be a driver of socially inclusive economic development for cities.

*Social exclusion and spatial polarisation:* The Cities of Tomorrow<sup>17</sup> report has highlighted the extent and the scope of exclusion, which affects parts of urban territories and their inhabitants, and in particular certain groups such as young people<sup>18</sup>; migrants and ethnic minorities. In order to tackle exclusion and polarisation cities must continue to address the needs of such groups, whilst also addressing social cohesion and combating urban poverty in the broader urban fabric and environment. Evidence based findings from URBACT II confirm that<sup>19</sup> actions on the city level should be combined with area-based interventions when possible to avoid deprived neighbourhoods becoming ghettos. Cities need to act in a comprehensive way, coordinating policies (e.g. spatial intervention on housing, urban planning, mobility with cultural, social and economic interventions), and the work with the community, civil society organisations, with the private sector and other key stakeholders.

---

<sup>16</sup> In a number of different types of cities from Northern, Southern and Western Europe, urban employment rates are below the national averages. With regard to social cohesion, an urban paradox is therefore apparent in that the employment rates of the resident population are relatively low in many cities, i.e. in those places where jobs are concentrated" (Source: RWI et al 2010 'The Second State of European Cities' DG Regio

[http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/urban/stateofcities\\_2010.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/urban/stateofcities_2010.pdf)

<sup>17</sup> European Union Regional Policy 2011 "Cities of Tomorrow: challenges, visions, ways forward", p.22-26 ([http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow\\_final.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow_final.pdf))

<sup>18</sup> Eddy Adams and Robert Arnkil, URBACT II June 2013 in Thematic report "Cities of Tomorrow, Action Today: supporting urban youth through social innovation: stronger together":

[http://urbact.eu/fileadmin/general\\_library/19765\\_Urbact\\_WS3\\_YOUTH\\_low\\_Final.pdf](http://urbact.eu/fileadmin/general_library/19765_Urbact_WS3_YOUTH_low_Final.pdf)

<sup>19</sup> Laura Colini, Darinka Czischke, Simon Guntner, Iván Tosics and Peter Ramsden, URBACT II June 2013 in Thematic report "Cities of Tomorrow, Action Today: Against divided cities in Europe":

[http://urbact.eu/fileadmin/general\\_library/19765\\_Urbact\\_WS4\\_DIVIDED\\_low\\_FINAL.pdf](http://urbact.eu/fileadmin/general_library/19765_Urbact_WS4_DIVIDED_low_FINAL.pdf)

*Attractiveness and natural resources:* Cities contribute to the quality of life of inhabitants in all its senses: environmental, cultural and social. They are providers or facilitators of the main services that their inhabitants need: water, energy, housing, transport, culture, health, green and urban spaces, etc... To an extent their economic wealth depends on the quality of these services which make their attractiveness for inhabitants and enterprises; in the international competition between cities these services are considered to be key factors for success. To tackle all these challenges, the city needs a holistic approach bringing together economic opportunity, multimodal mobility, energy efficiency and renewability, quality of the natural and built environment and promotion of the cultural heritage, development of strong public services and amenities in a sustainable and inclusive way. This requires coordinated policies for urban renewal and control of urban sprawl.

### **What do cities need when implementing sustainable and integrated urban development?**

Europe has been developing its thinking about urban development and specifically about integrated approaches for 25 years since the start of the Urban Pilot Projects in 1989.

Other key policy landmarks that have informed these approaches include the URBAN 1 (1994-1999) and URBAN 2 (2000-2006) community initiatives, the "URBAN Acquis" of 2004, the 2005 Bristol Accord, the URBACT II programme 2007-2013, the Leipzig Charter on Sustainable European Cities of 2007 about integrated urban policy, the 2007 Territorial Agenda about territorial cohesion, the 2008 Marseilles Statement which launched the European Reference Framework for Sustainable Cities; the 2008 Barca Report<sup>20</sup> on 'place based' approaches in regional development, the 2010 Toledo Declaration, the Europe 2020, the 2011 report Cities of Tomorrow – Challenges, Visions and Ways forward.

Translating these general principles of sustainable urban development agreed at EU level into daily practice of urban management has proved to be challenging for the cities themselves. A number of reports for the URBACT programme reveal that the cities which the programme engages have very specific needs.

- The interim evaluation<sup>21</sup> emphasised that first round action plans were struggling to find funding in ERDF operational programmes
- An URBACT study on local action plans made two years after completion found that 90% of first round action plans were at least partially implemented. More had deployed local finance than had accessed EU funds. The study highlighted

---

<sup>20</sup> Fabrizio Barca 2009 An Agenda for a reformed cohesion policy: a place based approach for meeting European Union challenges and expectations, DG REGIO  
[http://ec.europa.eu/regional\\_policy/archive/policy/future/barca\\_en.htm](http://ec.europa.eu/regional_policy/archive/policy/future/barca_en.htm)

<sup>21</sup> Ecorys, 2011 Mid-term evaluation of URBACT II  
[http://urbact.eu/fileadmin/general\\_library/URBACT\\_II\\_Final\\_Report\\_3\\_June.pdf](http://urbact.eu/fileadmin/general_library/URBACT_II_Final_Report_3_June.pdf)



the benefit of the involvement of local stakeholders and of the participation of several departments of the municipality in the preparation of the action plans.

URBACT surveyed cities in 2012<sup>22</sup> to identify needs. This survey found that cities want to keep the focus on networks of cities for exchange as the core engine of the programme. They also expressed a clear need to build their capacities in developing and implementing integrated urban policies and to increase expert support at local level. Finally they asked for mechanisms to increase the Local Action Plans implementation rate, including concrete links with funds available: Operational Programmes, public private financing (revolving funds, JESSICA).

Based on these lessons four main areas of need have been identified; these areas will require an extension of activities for URBACT III.

### ***1 Cities need to improve their capacity to develop and implement integrated urban strategies and actions***

Cities need to build their capacities to lead and to implement territorial strategy with a large range of partners, who often represent contradictory interests. Capacity gaps are particularly severe among small and medium sized authorities across Europe and especially in the Southern less developed regions and in the EU13 outside the capital cities. There is a need to increase the capacity for action planning and implementation from practitioners, city managers, elected people, other stakeholders involved in local support groups<sup>2324</sup>.

Due to the specificity of urban issues, city teams need to become adept at breaking down silos and developing integrated and place-based solutions that cross the boundaries of government bodies, disciplines, or municipal borders. This will often involve developing new organisational models within the municipalities (new integrated management structures, flatter hierarchies, team working, etc.).

City teams need to develop methods and processes to involve relevant stakeholders in policy making, in the preparation of strategies and local action plans. There are many techniques for facilitating participation being used by cities across Europe but there is still a need to bring this body of knowledge together at European level and make it more widely available.

---

<sup>22</sup> Joint Programming Working Group for the preparation of URBACT III. December 2012. Questionnaire for the collection of inputs by Member States: Comments and proposals of cities. (unpublished paper)

<sup>23</sup> Every city partner in an URBACT network is required to set up an URBACT Local Support Group (ULSG) that brings together all relevant stakeholders having a stake in the policy challenge addressed by the city (e.g. youth unemployment, regeneration of deprived neighbourhood, energy-efficiency in housing, etc.).

<sup>24</sup> Pilot training activities have been launched by URBACT II in national languages for members of URBACT Local Support Groups

## ***2 Cities need integrated urban strategies and actions for sustainable development.***

The Leipzig Charter with its emphasis on strategies for integrated and participative sustainable development was received positively by urban local authorities; meanwhile a strong need to develop these strategies at local level remains. URBACT II has been working to fill the gap through its local support groups which develop integrated local action plans. The quality of local strategies and action plans and the links with the mainstream programmes have still to be enhanced.

To achieve quality, local strategies and action plans have to be designed based on a horizontal and vertical integration of actions and policies with more empowerment and participation of local stakeholders.

Due to the complexity of urban challenges there is a need for a horizontal integration of the different social, economic, environmental and spatial dimensions. This requires a different type of working between departments within municipalities and among professions with more inter-disciplinary teams and decentralised decision making.

Due to the increased interdependence of city, regional and metropolitan levels, and of the core urban city with its more rural surrounding, there is a need of vertical integration. Beyond administrative borders, new ways of working are necessary based on the identification of common challenges.

## ***3 Cities need support for implementation of their integrated urban strategies and actions.***

Cities need support not only to plan their strategy and actions; they also need support to improve the implementation of integrated urban strategies and actions. This relates to all types of cities in Europe which are mobilizing public or private, local, regional or national resources to implement their strategies.

Furthermore, with the new opportunities linked with the urban dimension, especially the article 7 of the ERDF regulation which requires a minimum of 5% of the national ERDF allocation to be put towards integrated sustainable urban development actions, a lot of cities will need support for a successful implementation of their strategies and actions in terms of speed, quality of execution, participatory process.

#### ***4 Practitioners and decisions makers of cities, national, regional and EU need to have access and share relevant knowledge to foster sustainable urban development***

Cities cannot work alone. They need to develop their strategies together with other cities, with actors such as managing authorities, as well with those at the regional, national and European levels.

At programme level, URBACT II has been able to draw on the experience of cities through capitalisation activities to build deeper understanding of issues in urban development<sup>25</sup>.

It is crucial that capitalisation and dissemination of knowledge and know-how acquired in URBACT, especially through networking activities but also through an enhanced link with urban research, contribute to a common understanding of integrated urban development at EU, national, regional and local level, beyond cities directly involved in URBACT networks.

#### **1.1.3 Strategy**

To respond to the manifold challenges they are facing, city administrations need to continually improve and build knowledge and skills to enable them to develop and implement sustainable integrated policy.

This increase of capacity will have positive impacts for the implementation of the operational programmes in the programming period 2014-2020 when the urban dimension of the cohesion policy will be strengthened.

URBACT III is in a position to use its resources and know-how to strengthen the capacity in cities to deliver integrated urban strategy and actions on the thematic objectives corresponding to their challenges.

URBACT does not directly invest in urban development (such as road building or science park construction). Instead the programme enables exchange and learning between elected officials, officers and other city stakeholders; it contributes to the improvement of the quality of planning and implementation of integrated urban plans and programmes in cities, through policy learning on sustainable urban development, through the setting up of Local Support Groups and the Local Action Plans that they

---

<sup>25</sup> For example see URBACT 2010 Cities responses to the crisis, URBACT 2011 URBACT results, URBACT 2013 Cities of Tomorrow - Action Today

produce. URBACT aims to have an indirect effect on the implementation in mainstream Operational Programmes.

This is the reason why the most appropriate option is to position all the activities of the programme under a specific investment priority dedicated to URBACT III within the thematic objective 11 "enhancing institutional capacity and efficient public administration".

The four specific objectives (section 2) of the unique investment priority of URBACT are related to the four needs (paragraph 1.1.2) where URBACT can provide a European platform for exchange, learning, capitalisation and dissemination:

- Cities need to improve their capacity to develop and implement integrated urban strategies and actions.
- Cities need integrated urban strategies and actions for sustainable development.
- Cities need support for implementation of their integrated urban strategies and actions.
- Practitioners and decisions makers of cities, national, regional and EU need to have access and share relevant knowledge to foster sustainable urban development

With its four specific objectives URBACT will contribute to answer to the needs of all stakeholders at every stage of the delivery of urban policy and action. This in turn requires targeted and high quality capacity building, the exchange of good practices and a continuous learning culture at city, regional and EU levels.

The promotion of good ideas and practices for cities beyond the national limits at European level is essential for the innovation for cities. Indeed cities are part of a very fragmented public sector with high levels of hysteresis and path dependency. Cities (especially small and medium sized ones) lack the resources to identify and exchange European good practice by themselves this problem is exacerbated in a period of austerity. URBACT can provide a relatively low cost access to the latest thinking and practice for all cities across Europe and combine this know-how with an action oriented method.

Cities which will benefit from ERDF will have many opportunities to work with URBACT when designing and implementing integrated urban strategy and actions plans; indeed they will have the opportunity to participate in its networks, capacity building and capitalisation activities. Therefore bridges will be made between the URBACT mostly small-scale innovatory actions and mainstream structural investments in cities.

**Table 1: A synthetic overview of the justification for the selection of thematic objectives and investment priorities:**

Selected thematic objective	Selected investment priority	Justification for selection
Thematic Objective 11: Enhancing institutional capacity and efficient public administration	Disseminating good practice and expertise and capitalising on results of the exchange of experience on sustainable urban development, including urban-rural linkages	<p>URBACT is primarily a capacity building programme through exchange of experience for cities which have to address the following needs:</p> <ol style="list-style-type: none"> <li>1) Cities need to improve their capacity to develop and implement integrated urban strategies and actions.</li> <li>2) Cities need integrated urban strategies and actions for sustainable development</li> <li>3) Cities need support for implementation of their integrated urban strategies and actions.</li> <li>4) Practitioners and decisions makers of cities, national, regional and EU need to have access and share relevant knowledge to foster sustainable urban development</li> </ol> <p>To address these needs, city administrations continually have to improve their knowledge and skills in order to develop and implement sustainable integrated policy. Therefore the most appropriate option is to position all the programme activities under a specific investment priority within the thematic objective 11 "Enhancing institutional capacity and efficient public administration".</p>

## 1.2 Justification of the financial allocation

In the new programming period 2014-2020 URBACT III will operate under a specific investment priority within the thematic objective 11: "enhancing institutional capacity and efficient public administration".

According to EC Regulation support from ERDF to the ETC goal Article 6 (2) "all thematic objectives may be selected for interregional cooperation programmes". The proposed structure with one thematic objective is justified for the following reasons:

- URBACT is primarily a capacity building programme through exchange of experience
- To respond to the great variety of challenges of cities in Europe (par. 1.1.2)
- To ensure that the core element of the URBACT programme, to address urban challenges in an integrated and sustainable way, is maintained

- To address the demands of the European Commission to reduce the administrative burden for beneficiaries

### **Focusing on thematic priorities in a flexible way**

The most important urban issues vary considerably depending on the cities. For example for cities from the EU13, measures for physical improvement, for transportation infrastructure, for urban renewal, for the reuse of derelict land, for the improvement of the housing stock, etc., are major issues while some of them are less problematic in cities of the EU15.

Meanwhile the necessity to answer to the various needs of cities with a wide coverage of thematic objectives and investment priorities must be balanced with the necessity to concentrate programme resources to achieve Europe 2020 goals on the most relevant thematic objectives for the cities in Europe.

Therefore URBACT III will be programmed under “enhancing institutional capacity and efficient public administration” (TO11) but with a focus on issues related the five following thematic objectives on which the greatest part (70%) of the resources of the programme for exchange and learning will be concentrated:

- strengthening research, technological development and innovation (TO1)
- supporting the shift towards a low-carbon economy in all sectors (TO4)
- protecting the environment and promoting resource efficiency (TO6)
- promoting employment and supporting labour mobility (TO8)
- promoting social inclusion and combating poverty (TO9)

Member States were consulted in order to prioritize the thematic objectives presented in the EC Regulations. The result of this consultation process concluded that the five thematic objectives above were the most appropriate to tackle the thematic challenges of cities.

This concentration will be achieved through the targeting of the calls for proposals for URBACT III networks. Earmarking will be organised through a precise definition of the thematic objectives in the calls in relation with urban issues and through a close monitoring and assessment of the projects.

The remaining 30% of the budget for exchange and learning will be available for issues related to the remaining five thematic objectives in response to demand from the cities. These objectives are:

- enhancing access to and use and quality of ICT (TO2)
- enhancing the competitiveness of SMEs (TO3)
- promoting climate change adaptation, risk prevention and management (TO5)
- promoting sustainable transport and removing bottlenecks in key network infrastructures (TO7)

- investing in education, skills and lifelong learning by developing education and training infrastructure (TO10)

This will enable the programme to continue to foster the bottom up approach which is highly praised by cities. This structure for thematic objectives will have the positive effect of helping to achieve the EU2020 goals through the Thematic Objectives and Investment Priorities and helping the URBACT Managing Authority to focus on key priorities for the future period whilst retaining sufficient flexibility to respond to the changing needs of European cities.

**Table 2: Overview of the programme investment strategy**

Priority axis	ERDF support - EUR	Share (%) of the total Union support to the operational programme (by Fund)			Thematic objective	Investment Priority	Specific Objectives corresponding to the investment priorities	Result indicators corresponding to the specific objective
		ERDF	ENI	IPA				
1 Promoting Integrated Sustainable Urban Development	69 843 795 €	94%			No. 11 Enhancing Institutional Capacity and efficient public administration	Disseminating good practice and expertise and capitalising on the results of the exchange of experience in relation to sustainable urban development, including urban-rural linkages'	To improve the capacity of cities to manage sustainable urban policies and practices in an integrated and participative way	Participants in URBACT capacity-building activities who , in the field of sustainable urban development, have increased their knowledge and capacity in relation to: <ul style="list-style-type: none"> <li>• integrated approach</li> <li>• participatory action-planning</li> <li>• working across departments and with relevant stakeholders</li> <li>• project management</li> </ul>
							To improve the design of sustainable urban strategies and action plans in cities	Percentage of cities having produced integrated strategies and action plans with the URBACT method



								<p>To improve the implementation of Integrated Plans for sustainable urban development</p>	<p>Percentage of cities supported by URBACT III having demonstrated high performance for implementation of integrated strategies/ action plans for urban development, along 3 key dimensions: Integration, Participation, Project management (timeliness, etc.)</p>
--	--	--	--	--	--	--	--	--	---

							To ensure that practitioners and decision-makers at all levels (EU, national, regional and local) have increased access to URBACT thematic knowledge and share know-how on all aspects of sustainable urban development in order to improve urban policies	Number of decision-makers and practitioners at all levels (EU, national, regional and local) who have used URBACT thematic knowledge about sustainable urban development in their work
2. Technical Assistance	4 458 114€	6%					To maximise the effectiveness and efficiency of the management and implementation of the URBACT III programme	

## **SECTION TWO**

### **Priority axes**

#### **2.A Priority Axes**

- 2.A.1 Priority Axis 1**
- 2.A.2 Specific Objectives**
- 2.A.3 Actions to be supported**
- 2.A.4 Performance Framework**
- 2.A.5 Categories of Intervention**

#### **2.B Technical Assistance**

- 2.B.1 Specific Objectives and expected results**
- 2.B.2 Result Indicators**
- 2.B.3 Actions to be supported**
- 2.B.4 Categories of Intervention**

## SECTION 2. PRIORITY AXES

### 2.A. Description of Priority Axes

URBACT will operate under a unique and specific investment priority under thematic objective 11 (“Enhancing institutional capacity and efficient public administration”).

The URBACT III programme will cover all the 28 Member States of the European Union as well as two partner countries: Norway and Switzerland.

#### 2.A.1. Priority Axis 1

ID	
Title	<b>Promoting Integrated Sustainable Urban Development</b>
FUND	<b>European Regional Development Fund</b>
INVESTMENT PRIORITY	<b>Thematic Objective 11</b>
CALCULATION BASIS FOR UNION SUPPORT	<b>Total eligible cost</b>

#### 2.A.2 Specific objectives corresponding to the investment priority and expected results –

**Specific Objective 1:** To improve the capacity of cities to manage sustainable urban policies and practices in an integrated and participative way

**Expected results:** Urban practitioners in cities have increased their knowledge and capacity in relation to integrated approaches to sustainable urban development. This specific objective has one result indicator:

Participants in URBACT capacity-building activities with knowledge and capacity in the field of sustainable urban development, in relation to:

- integrated approach
- participatory action-planning
- working across departments and with relevant stakeholders
- project management.

The URBACT learning process implemented through transnational exchange activities in the three types of networks will be complemented by capacity-building actions. Stakeholders at European, National, Regional and City levels

(elected people, practitioners, members of local groups) can work together to increase their knowledge and capacity resulting in an improvement in the individual and collective ability to deliver integrated and sustainable urban development policies in cities.

The activities proposed are presented in detail in section 2.A.2.

**Specific Objective 2:** To improve the design of sustainable urban strategies and action plans in cities.

**Expected results:** Cities have designed integrated strategies and action plans for sustainable urban development drawing on EU good practice.

This specific objective has one result indicator:

Percentage of cities within URBACT Action Planning Networks having produced integrated strategies and action plans with the URBACT method Due to the complexity of challenges facing urban areas, cities have to prepare their strategies and action plans in an integrated and sustainable way. There is a need for a horizontal and vertical integration of policies involving a wide range of stakeholders, from different departments within the municipality, to different tiers of government playing a role in urban development policies (design, financing, delivery), and beneficiaries or target groups of urban policies.

URBACT will support and stimulate the exchange of experience of cities preparing integrated and sustainable urban strategies and actions; there will be specific attention paid to improving the quality of the strategies and to the involvement of managing authorities. Improving the quality of urban development strategies and actions implies enhancing the diagnosis phase (especially through a stronger evidence base), strengthening the integration of the different policy areas contributing to address urban challenges, and ensuring a participatory approach through the involvement of the relevant stakeholders in the action-planning process.

Attention will be paid to the contribution of the actions plans produced within URBACT projects to the overall strategy of the city. Better strategies and action plans will enable cities to attract more funding to help tackle key urban challenges. Better strategies and action plans will help cities involved in the "Action-planning networks" of the programme to address the economic, social and environmental challenges they are facing today (see 1.1.2).

**Specific Objective 3:** To improve the implementation of integrated plans for sustainable urban development

**Expected results:** Cities improve their performance in regard to the implementation of integrated plans for sustainable urban development

This specific objective has one result indicator:

Percentage of cities within URBACT Implementation Networks having demonstrated high performance in regard to implementation of integrated strategies/ action plans for urban development, along 3 key dimensions:

- Integration
- Participation
- Project management (timeliness, etc.)

For all cities in Europe mobilizing public or private, local, regional or national resources the quality of the implementation phase of an integrated urban strategy and of the corresponding actions in terms of speed, quality of execution, participatory process is essential to achieve the results targeted in the planning phase. With the new opportunities for programming the urban dimension, especially under article 7 of the ERDF regulation which requires a minimum of 5% of the national ERDF allocation to go to integrated sustainable urban development actions but also with other types of public or private funding, a lot of cities will need support to improve the implementation of their action plans.

In this context, the programme will support transnational exchange of experience and good practice among cities implementing integrated strategies for sustainable urban development.

**Specific Objective 4:** To ensure that practitioners and decision-makers at all levels (EU, national, regional and local) have increased access to URBACT thematic knowledge and share know-how on all aspects of sustainable urban development in order to improve urban policies.

**Expected results:** Practitioners and decision makers at all levels (EU, national, regional and local) have increased access to URBACT thematic knowledge on sustainable urban development and make use of it.

This specific objective has one result indicator:

Number of decision-makers and practitioners at all levels (EU, national, regional and local) who have used URBACT thematic knowledge about sustainable urban development in their work

The collaboration between elected people, city managers, practitioners and other local stakeholders, of local, regional, national and European levels is essential for cities. Cities cannot work alone. They need to develop their strategies together with other cities and other actors such as managing authorities, as well as organisations working at local, regional, national and European levels.

Facilitated access, for practitioners and decision makers at all levels, to knowledge and know-how on integrated and sustainable urban development is key to develop a common understanding and to enable efficient multi-level governance. Therefore it is essential to stimulate the transfer of good practices and policies into mainstreamed urban policy and practice for all practitioners and decision-makers beyond the direct beneficiaries of the programme; in order to facilitate the up-take of URBACT results and knowledge at all relevant levels playing a role in the design and implementation of sustainable urban policies, links between European/programme level, national, regional level and city level (also using national languages), will be strengthened.

It is expected that through its activities, URBACT will strengthen the up-take of knowledge on sustainable urban development and increase the opportunities of exchange of know-how at all levels, also at national level in national languages. This will as a consequence help cities to improve their urban development policies, practitioners and decision makers of all levels sharing together common knowledge and practices.

**Table 3: Programme specific result indicators (by specific objective) -**

<i>Expected Results</i>	<i>Indicator</i>	<i>Measurement Unit</i>	<i>Baseline Value</i>	<i>Baseline Year</i>	<i>Target Value (2022)</i>	<i>Source of Data</i>	<i>Frequency of reporting</i>
<b>1. Urban practitioners in cities have increased their knowledge and capacity in relation to integrated approaches to sustainable urban development.</b>	Participants in URBACT capacity-building activities with knowledge and capacity in the field of sustainable urban development, in relation to: <ul style="list-style-type: none"> <li>integrated approach</li> <li>participatory action-planning</li> <li>working across departments and with relevant stakeholders</li> <li>project management</li> </ul>	Percentage of participants in URBACT capacity-building activities with knowledge and capacity in the field of sustainable urban development	To be determined by means of analysis of knowledge and capacity of participants before attending to capacity building activities	2016	75%	External evaluation of the knowledge and capacity of individuals involved in capacity-building actions during the life of the programme	Every two years
<b>2. Cities have designed integrated strategies and action plans for sustainable urban development drawing on EU good practice</b>	Percentage of cities within URBACT Action Planning Networks having produced integrated strategies and action plans with the URBACT method <sup>26</sup> .	Percentage of cities within URBACT Action Planning Networks having produced integrated strategies and action plans with the URBACT method	To be determined by means of analysis of cities' baseline studies <sup>27</sup>	2016	70%	Analysis of data in cities' baseline studies and closure reports	Once per call for proposals for the creation of Action-planning networks

<sup>26</sup> The URBACT method is a multi-stakeholder action planning methodology set out in the URBACT local support group toolkit 2013 [http://urbact.eu/fileadmin/general\\_library/URBACT\\_Toolkit\\_online\\_4.pdf](http://urbact.eu/fileadmin/general_library/URBACT_Toolkit_online_4.pdf)

<sup>27</sup> The baseline study is carried out during the development phase of the network by the lead expert working with the partners. It consists of individual partner profiles. The partner profile will contain common elements to enable the starting position of each city to be ascertained. The final synthesis brings together the topic and the starting position of the cities and will summarise the results that each city will aim to achieve through its action plan



<b>3. Cities improve their performance in regard to the implementation of integrated plans for sustainable urban development</b>	<p>Percentage of cities within URBACT Implementation Networks having demonstrated high performance in regard to implementation of integrated strategies/ action plans for urban development, along 3 key dimensions:</p> <ul style="list-style-type: none"> <li>• Integration</li> <li>• Participation</li> <li>• Project management (timelines, etc.)</li> </ul>	<p>Percentage of cities within URBACT Implementation Networks having demonstrated high performance in regard to implementation of integrated strategies/ action plans</p>	<p>To be determined by means of analysis of cities' baseline studies .</p>	<p>2017</p>	<p>60%</p>	<p>Analysis of data in cities' baseline studies and closure reports</p>	<p>Once per call for proposals for the creation of Implementation networks</p>
<b>4. Practitioners and decision-makers at all levels (EU, national, regional and local) have increased access to URBACT thematic knowledge on sustainable urban development and make use of it</b>	<p>Number of decision-makers and practitioners at all levels (EU, national, regional and local) who have used URBACT thematic knowledge about sustainable urban development in their work</p>	<p>Number of decision-makers and practitioners</p>	<p>10028</p>	<p>2014</p>	<p>400 decision makers and practitioners</p>	<p>Survey among registered web users, newsletters recipients, social media etc. with a focus on those stakeholders that are not involved in URBACT networks</p>	<p>Every 2 years</p>

<sup>28</sup> Survey realised in May 2014, among recipients of the URBACT newsletter and social media community. The baseline is based on the following figures: 423 survey respondents out of which 228 non URBACT beneficiaries. Out of the latter, 161 have read at least one URBACT II publication and 100 of them declared that they have used URBACT knowledge in their work after reading.

## **2.A.3. Actions to be supported under the investment priority**

### **2.A.3.1. Actions to be financed and their expected contribution to the corresponding specific objectives, including, where appropriate –**

#### **a/ Building capacities for sustainable urban development (specific objective 1)**

##### **Contribution of activities to specific objective 1**

The programme will develop actions to enhance the capacity of key players (urban practitioners, city managers and staff, elected representatives, other stakeholders involved in URBACT projects) in the field of integrated and participatory approaches to sustainable urban development.

##### Actions

The main actions that can be supported under Capacity-building are the following (indicative list):

- National capacity-building seminars – this tool which was tested under URBACT II provides tools and methods to enhance capacities of local support group members of partner cities at national level, in national languages. Member States are strongly involved in these sessions, which fosters dialogue between national and local players on urban policies and allow project partners to better understand the national context in which they are operating.
- URBACT Universities, which proved highly successful under URBACT II (2011 and 2013) is to be enhanced and continued into URBACT III. The URBACT University consists of a large transnational capacity-building event centred on the URBACT method and aiming to provide URBACT partners and their local stakeholders with tools and methods to develop integrated and participatory action-planning. Project partners from all URBACT networks come together to “learn by doing”, share good practices and test different tools they can apply in the work of their local support groups at city level.
- Other ad hoc capacity-building actions based on an established need can also be developed for specific stakeholder groups involved in the design and implementation of sustainable urban policies (e.g. elected representatives, Managing authorities of Operational Programmes, national authorities, etc.).

- Capacity-building actions under objective 1 shall focus mainly on the use of tools, instruments and methods supporting integrated and participatory approaches to sustainable urban development. They shall cover the design, funding, implementation and monitoring of integrated strategies and action plans.

#### Main target groups and types of beneficiaries

The main beneficiaries of actions implemented under Objective 1 shall be cities from EU 28 Member States, Norway and Switzerland involved in URBACT networks. Actions implemented under Objective 1 shall target city stakeholders such as policy-makers, decision-makers, practitioners, city staff, representatives of local agencies, NGOs, residents or end-users involved in local partnerships in charge of developing or implementing an integrated action plan or strategy (action-planning and implementation networks) or transferring a good practice (transfer networks) in the field of sustainable urban development.

Beyond stakeholders related to URBACT partners, other key players in sustainable urban development (at national, regional or local level) may also be eligible for actions implemented under Objective 1 (e.g. cities implementing integrated urban strategies and action plans under articles 7 and 8, etc.).

### **b/ Networking to improve the design of sustainable urban strategies and actions (specific objective 2)**

#### **Contribution of activities to specific objective 2**

The programme will support the design of integrated strategies and action plans for sustainable urban development in European cities building on participatory approaches. This will be mainly achieved through “Action-planning networks” in which cities and their local counterparts will receive support, from experts and peers, to develop integrated strategies/ action plans for sustainable urban development.

#### Actions

The main actions that can be supported under Action-planning networks are the following (indicative list):

- Transnational exchange seminars, including study visits, peer-reviews, etc.
- Production of baseline studies reviewing state of play in partner cities
- Production of integrated urban strategies/ action plans for sustainable urban development
- Involvement of local stakeholders in participatory policy-making at partner level
- Communication on network activities and results

- Use of action-planning tools
- Expertise to support partner cities in developing participatory and integrated approach to urban development
- Involvement of rural actors to strengthen urban-rural partnerships

Main target groups and types of beneficiaries

The main beneficiaries of actions implemented under Objective 2 shall be cities from EU 28 Member States, Norway and Switzerland willing to develop integrated strategies and action plans for sustainable urban development.

Under URBACT III, the beneficiary “city” refers to the public local authority representing:

- cities, municipalities, towns;
- Infra-municipal tiers of government such as city districts and boroughs in cases where they are represented by a politico-administrative institution having competences for policy-making and implementation in the policy area covered by the URBACT network concerned in which they are willing to get involved;
- Metropolitan authorities and organized agglomerations in cases where they are represented by a politico-administrative institution having delegated competences for policy-making and implementation in the policy area covered by the URBACT network concerned.

In addition, a number of non-city partners are eligible for actions implemented under Objective 2. The list of other eligible beneficiaries is defined as follows:

- Local agencies defined as public or semi-public organisations set up by a city, partially or fully owned by the city authority, responsible for the design and implementation of specific policies (economic development, energy supply, health services, transport, etc.)
- Provincial, regional and national authorities, as far as urban issues are concerned;
- Universities and research centres, as far as urban issues are concerned

Priority will be given to cities under Objective 2. The number of non-city partners in action-planning networks will be limited. The maximum number of non-city partners will be defined in the calls for proposals for the creation of action-planning networks.

Only public authorities and public equivalent bodies are eligible to apply to the programme.<sup>29</sup>

### **c/ Networking to improve the implementation of sustainable urban policies (specific objective 3)**

#### **Contribution of activities to specific objective 3**

The programme will support the implementation of integrated strategies and action plans for sustainable urban development in European cities. This will be mainly achieved through "Implementation networks" dedicated to cities implementing integrated urban strategies/ action plans with secured funds<sup>30</sup> and through "Transfer networks" which support the re-use of a good practice already implemented in a city (and the subsequent enhancement of the good practice building on lessons learnt through the re-use).

Implementation networks will allow cities to share challenges and solutions, to support one another to ensure an efficient implementation process, to draw lessons out of their experience and share results. Transnational exchange will focus on issues related to the implementation of integrated strategies/ action plans (e.g. steering, funding, monitoring, etc.).

---

<sup>29</sup> Based on EU Public Procurement Law, **public equivalent body** refers to any legal body governed by public or private law :

1. established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character (which does not exclude bodies partly having an industrial or commercial character), and
2. having legal personality, and
3. a) either financed, for the most part, by the State, or regional or local authorities, or other bodies governed by public law,  
b) or subject to management supervision by those bodies,  
c) or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities or by other bodies governed by public law."

<sup>30</sup> For a part of the urban Strategy/action plan of the city, a decision of financing has already been taken by a public or private body

## Actions

The main actions that can be supported under Implementation networks are the following (indicative list):

- Transnational exchange seminars, including study visits, staff exchange, peer-reviews, etc.
- Use of monitoring tools
- Setting up and running local partnerships involving stakeholders to ensure a participatory and integrated approach in the implementation
- Communication on network activities and results
- Expertise to support partner cities in implementing integrated urban strategies/ actions.

The main actions that can be supported under Transfer networks are the following (indicative list):

- Production of baseline with the description of the practice to be transferred and the context of transfer for all cities
- Transnational exchange seminars, including study visits, peer-reviews, etc.
- Setting up and running local partnerships involving stakeholders to ensure a participatory and integrated approach
- Communication on network activities and results
- Expertise to support partner cities, to monitor and assess the transfer of the good practice in each city.

## *Main target groups and types of beneficiaries*

The main beneficiaries of actions implemented under Objective 3 shall be cities from EU 28 Member States, Norway and Switzerland. For Implementation networks, beneficiaries shall be cities implementing integrated strategies and action plans for sustainable urban development, using different types of funding, including cities funded under articles 7 and 8 of the EC Regulations.

Under URBACT III, the beneficiary "city" refers to the public local authority representing:

- cities, municipalities, towns;
- Infra-municipal tiers of government such as city districts and boroughs in cases where they are represented by a politico-administrative institution

having competences for policy-making and implementation in the policy area covered by the URBACT network concerned in which they are willing to get involved;

- Metropolitan authorities and organized agglomerations in cases where they are represented by a politico-administrative institution having delegated competences for policy-making and implementation in the policy area covered by the URBACT network concerned.

In addition, a number of non-city partners shall also be eligible for actions implemented under Objective 3. The list of other eligible beneficiaries is defined as follows:

- Local agencies defined as public or semi-public organisations set up by a city, partially or fully owned by the city authority, responsible for the design and implementation of specific policies (economic development, energy supply, health services, transport, etc.)
- Provincial, regional and national authorities, as far as urban issues are concerned;
- Universities and research centres, as far as urban issues are concerned

In the delivery of Objective 3, priority shall be given to cities. Subsequently, the number of non-city partners in shall be limited. The maximum number of non-city partners shall be defined in the calls for proposals for the creation of implementation networks.

Only public authorities and public equivalent bodies are eligible to the programme<sup>31</sup>.

#### **d/ Capitalisation and Dissemination (specific objective 4)**

##### **Contribution of activities to specific objective 4**

The programme will develop actions to consolidate and share knowledge on sustainable urban development (good practices, policy recommendations, etc.) so that it is widely used by relevant players in the field. More especially, the capitalisation and mainstreaming actions will also aim to reach players beyond the URBACT beneficiaries: cities not involved in

---

<sup>31</sup> Based on EU Public Procurement Law, see footnote 35

URBACT networks, as well as the different levels of government involved in urban development (regional, national, European).

## Actions

The actions that can be supported under capitalisation and dissemination are the following (indicative list):

- Expertise to build and manage knowledge on sustainable urban development (clustering activity, studies, etc.)
- Website operating as a knowledge platform providing easy access to knowledge and know-how around thematic priorities, social media activities
- Thematic publications such as newsletters, policy briefs, case studies, etc.
- Conferences, thematic events, seminars, workshops for city practitioners.
- URBACT National Points<sup>32</sup> in charge of communicating on URBACT activities and disseminating URBACT results at national level in local language and operating as national platforms for dialogue, exchange and learning on sustainable urban development, involving the different levels of governance concerned (national, regional, local). This tool in URBACT III should be an enhanced version of the National Dissemination Points operating in URBACT II providing a wider range of services at national level, including translation and dissemination of results, organization of national seminars, support for capacity building activities, etc.
- Cooperation with other organizations (programmes, networks, etc.) operating in the area of sustainable urban development as well as on urban-rural linkages.

### Main target groups and types of beneficiaries

The main beneficiaries of actions implemented under Objective 4 are cities from EU 28 Member States, Norway and Switzerland. Actions will target players involved in urban policies (urban practitioners, policy-makers and decision-makers) at all levels: EU, national, regional and local (e.g. national ministries;

---

<sup>32</sup> Each Member/ Partner State shall appoint, in agreement with the Managing Authority, a public or equivalent or not for profit body in their country that shall operate as National URBACT Point. The conditions of this appointment shall be laid down in a convention between the selected body and the Managing Authority. Should a Member/ Partner State not be able to appoint such a body or should no such suitable public body exist, an open call for tender will be launched by the Managing Authority.



Managing authorities of Operational Programmes; European, national or regional networks/ associations of local authorities; relevant European Programmes promoting sustainable urban development; urban authorities participating in the Urban Development Network, etc.).

## **2. A.3.2. The Guiding principles for the selection of operations**

–

The URBACT III programme will have different kinds of operations and the selection procedures will need to be adapted based on these differences. The detail for selection of each kind of operation will be determined in the calls for proposals or tender publications but a number of cross cutting principles shall apply:

- Consultation with Member and Partner states as well as other EU associations on the main themes to be proposed
- Open and transparent procedures for calls for proposals involving wide EU level publication and focus on the use of National Points to increase the visibility

### Guiding Principles for selection of network projects:

The projects for the networking activities are selected through open and transparent calls for proposals. These calls of proposals will be promoted and advertised at European and at national level involving the National Points.

These calls can address the full thematic scope of the investment priority (the 11 thematic priorities); they can also be targeted to deal with the earmarking of the 5 thematic objectives prioritised in the investment priority (see 1.2).

The terms of reference for such targeted calls for proposals may be defined on the basis of such considerations as the developments and preliminary results of previous calls for proposals, trends and policy developments in the scope of the investment priority, other guidance provided by the programme activities.

A series of assessment criteria will be elaborated in collaboration with the Monitoring Committee members to ensure that quality projects are selected. An emphasis shall be placed in the assessment criteria on the causal link between the networking activities proposed and the expected results of the programme. The assessment shall be carried out by independent external experts who will consider the individual projects contribution to the programme output and result indicators.

Guiding principles for the approval of other programme activity:

In line with current procedures for project approval, the URBACT Monitoring Committee will be responsible for making all decisions on programme level activities. Proposals will be made outlining the budgetary requirements as well as the expected outputs during the MC meetings.

**2.A.3.3 – Financial Instruments**

URBACT III is not concerned as it does not use financial instruments.

**2.A.3.4 – Major Projects**

There will be no major projects in URBACT III.

**2.A.3.5 Common and Programme Specific Output Indicators, including the quantified target value (table 4) –**

**Table 4: Common and Programme Specific Output Indicators**

<b>ID</b>	<b>Indicator</b>	<b>Measurement Unit</b>	<b>Target Value 2022</b>	<b>Source of data</b>
<b>5</b>	Total number of networks completed	Number	70	Programme monitoring
<b>6</b>	Number of integrated action plans developed	Number	300	Programme monitoring
<b>7</b>	Number of cities receiving funding under ERDF Article 7 or Article 8 involved in networks	Number	40	Programme monitoring
<b>8</b>	Number of Cities having reused a good practice	Number	50	Programme monitoring
<b>9</b>	Number of local stakeholders involved in URBACT network activities at local level (URBACT Local Support Groups members)	Number	6000	Programme monitoring
<b>10</b>	Number of stakeholders participating in capacity building activities	Number	2600	Programme monitoring
<b>11</b>	Number of programme level and thematic events organised	Number	7	Programme monitoring
<b>12</b>	Number of National Points created	Number	24	Programme monitoring

## 2.A.4 Performance framework -

**Table 5: The performance framework of the priority axis**

<i><b>Implementation step. financial, result indicator</b></i>	<i><b>Measurement Unit</b></i>	<i><b>Milestone for 2018</b></i>	<i><b>Final Target 2023</b></i>	<i><b>Source of data</b></i>	<i><b>Explanation of the relevance of the indicator, where appropriate</b></i>
<i><b>Financial indicator:  Expenditure (Total certified expenses for the programme)</b></i>	<i>Euros</i>	<i>15 140 808</i>	<i>88 218882</i>	<i>Programme monitoring</i>	The performance indicator for the amount certified by the end of 2018 has been calculated using the auto de-commitment target for 2018 for Priority Axe 1 which is 11 986 978€ of ERDF plus the equivalent local / national contribution for this amount. As the average intervention rate at priority axe 1 level is 79.17% ERDF, 20.83% has been added to the target ERDF figure giving a <b>performance framework target of 15 140 808€.</b>

<p><b>Output indicator</b></p> <p><b>Total number of networks completed</b></p>	<p>Number</p>	<p>20</p>	<p>70</p>	<p>Programme monitoring</p>	<p>The launch of the first call for networks is planned in February 2015; given the needed time for selection and for their implementation, these networks will be completed at the end of 2018.</p> <p>We expect to launch with the first call around a third of the total number of 70 networks expected during the whole programming period; it will be therefore possible to complete at least 20 networks at the end of 2018</p>
<p><b>Output indicator</b></p> <p><b>Total number of local stakeholders involved in URBACT networks activities at local level (URBACT Local Support Groups Members)</b></p>	<p>Number</p>	<p>1700</p>	<p>6000</p>	<p>Programme monitoring</p>	<p>Each city involved in a network has to set up an URBACT Local Support Group to involve the local stakeholders. These Local Support Groups will be created as soon as possible during the life of the network.</p> <p>Based on a number of cities between 6 and 12 per network and URBACT Local Support Groups (ULSG), it is expected that the number of local stakeholders involved in URBACT network activities at local level will reach 6000 at the end of the programming period.</p> <p>When the 20 networks (at least) of the first call will be completed at the end of 2018, we expect that 1700 local stakeholders will have been involved within URBACT Local Support Groups</p>

## 2.A.5 Categories of Intervention

<b>Table 12 Dimension 1 Intervention Field</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>€ EU support</b>
PA 1	119	69 843 795€

<b>Table 13 Dimension 2 Form of Finance</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>€ EU support</b>
PA 1	01	69 843 795€

<b>Table 14 Dimension 3 Territory</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>€ EU support</b>
PA 1	07	69 843 795€

## 2.B. Description of the priority axes for technical assistance

### Priority Axis 2

<b>ID</b>	
<b>Title</b>	<b>Technical Assistance</b>
<b>FUND</b>	<b>European Regional Development Fund</b>
<b>INVESTMENT PRIORITY</b>	<b>Thematic Objective 11</b>
<b>CALCULATION BASIS FOR UNION SUPPORT</b>	<b>Total eligible cost</b>

#### 2.B.1. Specific objective and expected results –

**Objective:** To maximise the effectiveness and efficiency of the management and implementation of the URBACT III programme

**Expected results:** An effective and efficient delivery of the URBACT programme over the 2014-2020 period.

This requires the establishment of project support structures and the development of tools and activities at programme level to provide the highest levels of effectiveness and efficiency in programme management and implementation.

These include the following activities:

- an efficient monitoring and control system that provides strong insight in the progress, quality and impact of the supported interventions with as little administrative burden to beneficiaries and programme bodies as possible.
- an effective project generation and selection process that leads to manageable numbers of applications of good quality proposals relevant to the programme.
- a strong support structure to those partners involved in URBACT networks and other activities of the programme.

#### 2.B.2. Result Indicators

Not applicable to URBACT III as the TA budget is below 15m€

## **2.B.3. Actions to be supported and their expected contribution to the specific objective -**

### **2.B.3.1 A description of the actions to be supported and their contribution to the specific objective -**

Pivotal to the delivery of the URBACT III programme is the programmes' Joint Secretariat. This secretariat needs to consist of a team of professionals who possess the skills and competences needed for the management, content delivery, financial and communication tasks related to implementing this EU-wide cooperation programme. Adequately staffing and equipping this Joint Secretariat is a core part of the Technical Assistance budget expenditure.

The Technical Assistance priority will support a range of activities and tools that are instrumental to achieving the specific objective of this priority. These include following types of activities:

#### Monitoring, control and reporting

- The operation of a computerised system for programme management, monitoring, audit and control.
- Strong and clear guidance and support to ensure adequate control of the programme interventions at all levels (partners, controllers, Partner State bodies responsible for first level controller approbation) e.g. through seminars, guidance documents and advice.
- Coordination and organisation of programme level audit activities, including the (external) audits on projects and supporting the Group of Auditors. The audits will contribute to quality projects which use systems and procedures that adhere to EU rules.
- Regular reporting to the European Commission on progress of the programme with focus on impact and results.

#### Project generation and selection

- Developing application forms, calls for proposals/terms of reference and guidance documents for potential project applicants.
- Providing assistance and advice to potential applicants in the process of developing their project application to ensure high quality proposals.
- Coordination of quality assessments of applications for projects.



Support to the actors involved in URBACT projects

- Providing tools and guidance documentation to project beneficiaries to help them effectively deliver their activities.
- Providing on-going assistance and advice to lead partners and partners on the implementation of their project.
- Participation of personnel of the Joint Secretariat in project related meetings and events to address project progress, outputs and results as well as obstacles in the implementation.

Information about the activities of the programme

- Dissemination of information among partners in the programme and beyond by means of digitalized and written outputs.

### 2.B.3.2 Output indicators -

**Table 12: Common and Programme Specific Output Indicators**

<b>ID</b>	<b>Indicator</b>	<b>Measurement Unit</b>	<b>Target Value 2022</b>	<b>Source of data</b>
<b>1</b>	<i>Number of Monitoring Committee meetings organized</i>	<i>Number</i>	<i>20</i>	<i>Programme monitoring</i>
<b>2</b>	<i>Number of Group of Auditors meetings organized</i>	<i>Number</i>	<i>7</i>	<i>Programme monitoring</i>
<b>3</b>	<i>Number of Annual Implementation reports produced</i>	<i>Number</i>	<i>6</i>	<i>Programme monitoring</i>

#### 2.B.4. Categories of Intervention

<b>Table 12 Dimension 1 Intervention Field</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>€ EU support</b>
PA 2	121	3 958 114€
PA 2	122	500 000€

<b>Table 13 Dimension 2 Form of Finance</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>€ EU support</b>
PA 2	01	4 458 114€

<b>Table 14 Dimension 3 Territory</b>		
<b>Priority Axis</b>	<b>Code</b>	<b>€ EU support</b>
PA 2	07	4 458 114€

**SECTION THREE**

**The Financing Plan  
for the Cooperation Programme**

### **SECTION 3 THE FINANCING PLAN FOR THE COOPERATION PROGRAMME**

**3.1. A table specifying for each year, in accordance with Article 53,110 and 111 of the CPR, the amount of the total financial appropriation envisaged for the support from the ERDF**

**Table 15 3.1 Annual Allocations of ERDF**

<b>Fund</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>TOTAL</b>
ERDF	3 685 435 €	5 381 234 €	7 684 742 €	13 963 118 €	14 242 380 €	14 527 228 €	14 817 772 €	74 301 909 €
IPA (where applicable)								
ENI (where applicable)								
<b>Total</b>	<b>3 685 435 €</b>	<b>5 381 234 €</b>	<b>7 684 742 €</b>	<b>13 963 118 €</b>	<b>14 242 380 €</b>	<b>14 527 228 €</b>	<b>14 817 772 €</b>	<b>74 301 909 €</b>

**3.2. A financial plan of the cooperation programme specifying, for the whole programming period, for the programme priority axis, the amount of the total financial appropriation of the support from the ERDF and the national counterparts**

**Table 16**

	Fund	Basis for the calculation of the Union support  (Total eligible cost or public eligible cost)	Union support (a)	National counterpart  (b) = (c) + (d)	Indicative breakdown of the national counterpart		Total funding  <u>(e) = (a) + (b) (2)</u>	Co-financing rate  (f) = (a)/(e)	For information
					National Public funding  (c)	<u>National private funding (1)</u>  (d)			
<i>Priority axis 1</i>	ERDF (incl. amounts transferred from IPA and ENI)		69 843 795	18 375 088	18 375 088	0	88 218 883	79,17%	
<i>Priority axis 2</i>	ERDF (incl. amounts transferred from IPA and ENI)		4 458 114	3 647 553	3 647 553	0	8 105 667	55,00%	
<b>TOTAL</b>	<b>ERDF (incl. amounts transferred from IPA and ENI)</b>		<b>74 301 909</b>	<b>22 022 641</b>	<b>22 022 641</b>	<b>0</b>	<b>96 324 550</b>	<b>77,14%</b>	

**3.2 B Breakdown of the financial plan of the cooperation programme by priority axis and thematic objective of ETC regulation**

**Table 17**

<b>Priority axis</b>	<b>Thematic objective</b>	<b>Union support</b>	<b>National counterpart</b>	<b>Total funding</b>
Priority axis 1	Thematic objective 11	69 843 795	18 375 088	88 218 883
Priority axis 2	Thematic objective 11	4 458 114	3 647 553	8 105 667
<b>TOTAL</b>		<b>74 301 909</b>	<b>22 022 641</b>	<b>96 324 550</b>

**Table 18 Climate Change**

Table generated automatically by SFC but not applicable to URBACT III.

## **SECTION FOUR**

# **Integrated approach to territorial development**

- 4.1 The URBACT approach to community-led local development**
- 4.2 The URBACT approach to integrated actions for sustainable development**
- 4.3 The URBACT approach to use Integrated Territorial Investment (ITI)**
- 4.4 The contribution of URBACT to macro-regional and sea basin strategies**

## SECTION 4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

The urban dimension is an important strand within the wider concept of territorial development. A programme such as URBACT, which promotes integrated urban development through exchange of experience and transfer of good practices between cities, can therefore play a crucial role in contributing towards the European objectives on this issue and assisting in regard to the development and operation of new European territorial initiatives and instruments e.g. integrated urban strategies under ERDF Article 7, community-led local development, the Integrated Territorial Investment tool etc.

URBACT will therefore seek to maximise the complementarity between its activities and the wider approach to territorial development within Europe funded through the mainstream programmes.

Article 7<sup>33</sup> contains specific provisions concerning the Investment for growth and jobs goal development. It states that *"ERDF shall support, within operational programmes sustainable urban development through strategies that set out integrated actions to tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, while taking into account the need to promote urban-rural linkages."*

For URBACT III, Article 2 of the Regulation (EU) No 1299/2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal said that "ERDF supports interregional cooperation to strengthen the effectiveness of cohesion policy in promoting the exchange of experience concerning the identification, transfer and dissemination of good practices on sustainable urban development, including urban-rural linkages."

Therefore the promotion of integrated urban development through exchange of experience and transfer of good practices between cities is essential in the strategy of the programme. As described in the Section 1, integrated urban development is a prerequisite for a sustainable city; cities need integrated approaches for their territorial development.

A main contribution of the programme lies in the support given to cities to find ways of developing with the local actors integrated policies which meet their particular circumstances. The programme aims to increase the capacities and know-how of cities on integrated urban development; this apply also to tools of the cohesion policy proposed by the mainstream programmes for integrated urban development: Community Led Local Development and Integrated Territorial Investments.

---

<sup>33</sup> Regulation (EU) No 1301/2013 on the European Regional Development Fund and



Specifically this will be related to three aspects of achieving integrated urban development:

- Encouraging participants to work horizontally across different policy sectors, rather than looking at an issue solely from the perspective of one department or discipline
- Encouraging vertical integration by working with different levels of government (e.g. counties, provinces, regions and member states).
- Encouraging active engagement of a wide range of stakeholder and citizen groups in identifying both problems and solutions and in the implementation of action plans.

#### **4.1. The URBACT approach to community-led local development**

(<sup>34</sup>)

Community-led local development (CLLD) is a method for involving partners at the local level including the civil society and local economic actors in designing and implementing local integrated strategies. CLLD complements traditional top-down approaches and with relatively small financial investments can generate new ideas and a shared commitment for putting ideas into practice. As a method CLLD builds on the LEADER approach designed to help rural actors consider the long-term potential of their local region. In the past this participative and bottom-up delivery method has been implemented through URBAN (ERDF) and EQUAL (ESF) Community Initiatives. Currently local development is a policy delivery tool also in the European fisheries sector. The current CLLD initiative for 2014-2020 is supported by all the above-mentioned EU Funds.

The URBACT II programme carried on from the URBAN initiative in fostering participative approaches as a core principle for policy-making. The programme required that all URBACT partner cities engaging in action planning, transfer or implementation networks had to involve multi-stakeholder partnerships, Local Support Groups (ULSG). The Local Support Groups for implementation networks focused on improving the delivery of action plans while the receiving cities in transfer networks worked to integrate a policy or practice into their city.

When the respective Partnership Agreements and Operational Programmes for 2014-2020 allows, the Regional Development Fund (ERDF) can support local action groups (LAGs) and their strategies under the CLLD method also in urban areas, complementing the current partnerships of the URBACT community. CLLD may take a number of specific forms in city partnerships and strategies, including

---

<sup>34</sup> Article 32-33-34, REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 laying down common provisions on the ERDF, ESF, CF, EAFRD and EMFF and laying down general provisions on the ERDF, ESF, CF, EAFRD and EMFF and repealing Council Regulation (EC) No 1083/2006 <http://new.eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1303&from=EN>

small neighbourhood based approaches (deprived areas, industrial districts, brownfield sites, suburban areas, etc.), smaller cities (market towns and their surrounding rural areas, etc.), thematic approaches dealing with a particular urban challenge, target group approaches (young people, Roma, women or migrants., etc.). It should be understood that CLLD goes beyond usual participative and consultation processes, i.e. "neither the public sector nor any single interest group"- shall represent more than 49 % of the voting rights.

Based on the experience of the previous programming period, URBACT III can contribute through its exchange, capacity building and capitalisation activities to anchor the CLLD approach in cities.

- Exchange activities between cities and/or urban rural partnerships engaged in delivering CLLD approaches will foster policy learning and accelerate the transfer and implementation of good practices
- Capacity building activities for the same cities will help stakeholders involved in local support groups whether from public and private sector or civil society to improve their understanding and management of CLLD processes as well as enhancing capacity to innovate.
- Capitalisation activities can help to disseminate experience on CLLD from a smaller grouping of cities that are actively involved in URBACT networks to the wider urban community of city practitioners and associated stakeholders.

It should be recognized that only some of the URBACT local support groups are appropriate as such for the CLLD approach. This depends on the type of area selected for the URBACT network (for example if it were a whole city this might not be appropriate for CLLD) in the city in question, whether or not this approach is supported under the relevant programme and whether the thematic topic is relevant to a community based approach.

## **4.2. The URBACT approach to integrated actions for sustainable development**

As the entire URBACT programme is dedicated to the issue of integrated sustainable urban development, we will ensure maximum complementarity with the European Commission's specific initiatives in this area.

In the 2014-2020 programming period, a key part of the more ambitious urban dimension of cohesion policy is taken forward through ERDF Article 7, which states that a minimum of 5% of ERDF resources per Member State must be allocated for 'integrated actions for sustainable urban development', with a degree of delegation to the urban authority level. The minimum level of delegation is related to the selection of operations. This minimum 5% can be spent through an Integrated Territorial Investment, a specific OP or a specific Priority Axis. In addition, ERDF Article 8 sets aside EUR 330 million to support

*Innovative Actions in the field of sustainable urban development* which aim to explore and demonstrate new solutions to long-term urban challenges.

Given the extent of URBACT experience in integrated sustainable urban development, innovative approaches, and our focus on the creation and implementation of urban strategies, the opportunities offered by ERDF Article 7 and 8 will allow URBACT the possibility to increase the links and complementarities between the work of the programme and the mainstream ERDF programmes.

As such, URBACT III, through its exchange, capacity building and capitalisation activities shall seek to:

- scale up the activities of those cities receiving funding under ERDF Article 7/8 and disseminate their experiences to a wider group of cities;
- perform exchange activities between urban authorities receiving funding under ERDF Article 7/8 in order to foster policy learning and accelerate the transfer and implementation of good practices
- participate in the Urban Development Network (to which cities receiving funding under ERDF Article 7 and 8 are eligible) in order to provide those cities with the benefit of the knowledge being generated as a result of other URBACT activities.

### **4.3. The URBACT approach to use Integrated Territorial Investment (ITI)<sup>35</sup>**

The Integrated Territorial Investment is one of the tools introduced in the regulations to implement territorial strategies in an integrated way.

ITIs allow for the implementation of Operational Programmes in a cross-cutting way and to draw on funding from several priority axes of one or more Operational Programmes to ensure the implementation of an integrated strategy for a specific territory.

It can support integrated actions in urban areas as it offers the possibility to combine funding linked to different thematic objectives, including the combination of funding from those priority axes and operational programmes supported by ERDF, ESF, CF, etc.

As with the other new urban instruments and initiatives (e.g. CLLD, Article 7 etc.), URBACT's experience in integrated sustainable urban development means

---

<sup>35</sup> Article 36, REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 laying down common provisions on the ERDF, ESF, CF, EAFRD and EMFF and laying down general provisions on the ERDF, ESF, CF, EAFRD and EMFF and repealing Council Regulation (EC) No 1083/2006 <http://new.eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1303&from=EN>

that the programme can play a key role in ensuring the effective implementation of the new ITI instrument which will be widely used by European cities in the 2014-2020 period. In addition, it provides URBACT with a significant opportunity to increase our links and complementarities between the work of the programme and the mainstream ERDF programmes.

As such, URBACT III, through its exchange, capacity building and capitalisation activities shall seek to:

- scale up the activities of those cities implementing ITIs under ERDF Article 7 and disseminate their experiences, particularly to those interested in setting up an ITI; and
- perform exchange activities between those urban authorities operating ITIs in order to improve their capacity, foster policy learning and accelerate the transfer and implementation of good practices.

#### **4.4. The contribution of URBACT to macro-regional and sea basin strategies.**

As an interregional European Territorial Cooperation programme covering the 28 Member States, Norway and Switzerland, URBACT doesn't focus on specific macro region or sea basin strategies.

Meanwhile nothing shall prevent such strategic areas approaching and URBACT III to exchange experience on these geographical areas. Needs of cities linked with sustainable urban development in specific macro-regions and sea-basins could justify an approach at this scale.

## **SECTION FIVE**

# **Implementation provisions for the cooperation programme**

**5.1 Identification of the relevant authorities and bodies**

**5.2 Procedure for Setting up the Joint Secretariat**

**5.3 Summary of Description of the Management and control arrangements**

**5.4 Apportionment of liabilities among participating Member States in case of financial corrections imposed by the managing authority or the Commission**

**5.5 Use of the Euro**

**5.6 Involvement of partners**

## **SECTION 5. IMPLEMENTATION PROVISIONS FOR THE COOPERATION PROGRAMME**

This section describes the bodies acting as managing authority (MA), certifying authority (CA), audit authority (AA) and joint secretariat (JS). It defines the tasks of each of the bodies involved, including the monitoring committee (MC). It also describes the relations between the different bodies in the various processes necessary for programme implementation.

The official language of the programme shall be English. All communication between MS/PS, MA, CA, AA and JS and all bodies mentioned in this document, and all communication necessary to manage and implement the programme are in English language. French shall be considered as a working language for the programme for legal reasons.

### **5.1. Identification of the relevant authorities and bodies**

The management of this programme follows the management structure applicable for a Structural Funds Programme and is made up of:

- a **managing authority,**
- a **certifying authority,**
- an **audit authority,**
- a **monitoring committee,**
- a **joint secretariat**

The characteristics, tasks and responsibilities of each of these bodies are described in the following paragraphs.

**Table 21: Identification of and contact details for the relevant authorities and bodies**

<b>Authority/ body</b>	<b>Name of the authority/body</b>	<b>Head of the authority/body</b>
Managing Authority	Commissariat Général à l’Egalité des Territoires ( <b>CGET</b> )	Raphaël Le Méhauté
Certifying authority	Direction Générale des Finances Publiques (DGFIP)	To be specified
Audit authority	<b>Commission Interministérielle de Coordination des Contrôles des Opérations cofinancées par les Fonds Européens” (CICC)</b>  5, place des Vins-de-France 75573 Paris Cedex 12 FRANCE	Jean-Louis ROUQUETTE

**Table 22 The body to which payments will be made by the Commission is:**

<input type="checkbox"/> <b>the managing authority</b>	
<input checked="" type="checkbox"/> <b>the certifying authority</b>	

**Table 23 Identification of the body or bodies carrying out control and audit tasks**

<b>Authority/ body</b>	<b>Name of the authority/body</b>	<b>Head of the authority/body</b>
Body or bodies designated to carry out control tasks	Each Member/Partner state will designate the body responsible for carrying out control tasks defined in Article 23(4)of the Regulation (EU) 1299/2013 [ETC].	As defined in the annex of the Member/Partner State agreement for each country
Body or bodies designated to be responsible for carrying out audit tasks	The audit authority will be assisted by a Group of Auditors. Each EU-MS/PS, will designate the body responsible for carrying out the audit tasks provided for in Article 127 of the Regulation (EU) 1303/2013 [CPR].	As defined in the annex of the Member/Partner State agreement for each country

## **5.2. Procedure for setting up the joint secretariat**

For the implementation of the programme and in compliance with Article 23(2) of Regulation (EU) No 1299/2013 [ETC], the managing authority and the monitoring committee are assisted by a Joint Secretariat (hereinafter referred to as JS) to carry out their respective functions. The Joint Secretariat will also provide the Audit Authority with all necessary material, when requested.

The JS is set up after consultation with the MS/PS under the responsibility of the managing authority and located in Region Ile de France/France. Given the fact that the JS for URBACT III will overlap with the JTS for UII there will be continuity in the staff already in post. This provides several benefits to ensure the programme gets off to a quick start, minimising the delays as well as the experience built up by the staff over the current period. Any additional recruitment will respect the EU Regulations in terms of open and transparent procedures suitably advertised.

The joint secretariat is partly funded from the technical assistance budget. The JS guarantees the impartiality of the projects' applications' evaluation process. It shall also provide information to potential beneficiaries about funding opportunities under the programme and shall assist beneficiaries in the implementation of operations.

The JS shall be composed of a team of experienced professionals and shall be balanced in terms of nationality and gender.

## **5.3. Summary description of the management and control arrangements**

The following paragraphs provide a description of the arrangements for the management and control of the URBACT III programme developed using the experience of URBACT I and II programme management.

### ***Joint implementation structure of the programme***

The URBACT III programme shall be implemented through the following main implementation structures: a managing authority, a certifying authority, a joint secretariat, a monitoring committee, an audit authority and a group of auditors.

By decision of 28<sup>th</sup> January 2013 the Member States and Partner States of the URBACT programme support the Commissariat Général à l'Égalité des Territoires (CGET) as Managing Authority to the URBACT III programme.



The managing authority and the certifying authority shall be designated according to Article 124 of Regulation (EU) 1303/2013 [CPR] and Article 21 of Regulation (EU) 1299/2013 [CTE]

### ***Role and tasks of the managing authority and the joint secretariat***

The managing authority, assisted by the joint secretariat, will be responsible for managing the programme in accordance with the principle of sound financial management as described in Article 125 of the Regulation (EU) 1303/2013 [CPR] and Article 23 of Regulation (EU) 1299/2013 [ETC].

The joint secretariat is set up under the responsibility of the managing authority. The joint secretariat assists the monitoring committee (a full description of the tasks of the MC can be found further) and the managing authority in carrying out their respective functions and especially:

- a. to prepare, implement and follow-up decisions of the monitoring and programming Committee, to organise the monitoring committee/ and task force meetings (where appropriate)
- b. to liaise with the implementing authorities and the European Commission, to ensure that the relevant implementation reports and any other relevant information is made available to them;
- c. to cooperate with organisations, institutions and networks relevant for the objectives of the programme;
- d. to distribute information and implement publicity measures on the programme, its various components and its projects, including running a programme website, organising programme events;
- e. to establish a programme database and project online monitoring system to provide data in computerised form necessary for the monitoring, evaluation, financial management, verification and audit
- f. to develop for approval by the monitoring committee a transparent selection procedure, selection criteria, terms of reference for the calls for proposals, application pack incl. funding rules
- g. to manage the project application process for all projects, including, providing information and advice to applicants (e.g. by means of an applicants' pack), checking, assessing applications on the basis of approved criteria and procedure, and advising lead partners of monitoring committee decisions;
- h. to assist and organise activities to support project generation and development;

- i. to organise partner search events concerning the whole EU territory
- j. to monitor commitments and payments of ERDF funds at programme level by categories of intervention; to manage the programme budget to ensure there are sufficient funds to pay and to avoid decommitment
- k. to provide ongoing advice and assistance to projects regarding implementation of activities and financial administration;
- l. to monitor progress made by projects through collecting and checking project monitoring reports, monitoring outputs, results and financial implementation; to ensure that payments to projects are made within the agreed timeframe
- m. to manage and coordinate the programme activity, including the tendering and contracting of expertise, the steering and monitoring of the activities and the reporting to and involvement of the programme stakeholders;
- n. to set up a coherent programme management and control system ensuring the legality, regularity of declared expenditure and the respect of the principle of sound financial management and liaise with controllers designated by the programme Member/Partner states to carry out the verifications pursuant to Article 23 (4) of the ETC regulation
- o. to support the managing authority in drawing up the management declaration and the annual summary of final audits and of controls carried out
- p. to manage the Technical assistance budget (accounting, procurement, payments, reporting)
- q. to fulfil the usual work of a programme secretariat, i.e. organisation of meetings, drafting of minutes, etc.
- r. to liaise with the body ensuring the certifying authority function and to make all relevant data available to them
- s. to support the audit authority and the group of auditors: organisation and following up of meetings, following up of members' lists, following the procurement procedure for the externalisation of audits, ensure a good communication flow between the audit authority, the group of auditors members, audit projects and the external audit firm, making relevant data available to these actors to allow for a smooth implementation of their tasks.

These tasks shall be implemented through a number of internal working procedures which will be documented in detail as part of the Description of Management and Control Systems (DMCS).

A particular specificity of the URBACT programme can be noted in that the MA, on behalf of all MS, shall in addition to the tasks outlined above take responsibility for the management of around half of the programme budget (including Technical Assistance) in the framework of projects relating to capacity building, communication, dissemination, capitalisation activities and technical assistance.

With regard to the management of projects, the managing authority / joint secretariat shall have the following discretionary powers:

The managing authority / joint secretariat can decide on changes as long as the purpose and the other basic features of the project are not altered. It can also decide on changes in projects which do not have consequences on the eligibility or the results of the project. Examples of such changes could include changes to dates of activities, changes between budget categories without increasing the overall project budget etc.

Changes to programme level activity will be approved by the Monitoring Committee during the regular reports during monitoring committee meetings.

The managing authority will fulfil the criteria relating to the internal control environment, risk management, management and control activities and monitoring according to article 124 and annex XIII of Regulation (EU) 1303/2013 [CPR]. A detailed description of the procedures to be implemented shall be presented in the DMCS.

### ***Role and tasks of the certifying authority***

The certifying authority will carry out its functions in compliance with Article 126 of the Regulation (EU) 1303/2013 [CPR]. The certifying authority will be the Direction Générale des Finances Publiques in line with the Article 21 of Regulation (EU) 1299/2013 [CTE]. A detailed description of the procedures to be implemented shall be presented in the DMCS.

### ***Role and tasks of the audit authority and group of auditors***

The audit authority will ensure that audits are carried out on the proper functioning of the management and control systems and on an appropriate sample of operations in compliance with Article 127 of Regulation (EU) No 1303/2013 [CPR].

According to Article 21 of Regulation (EU) No 1299/2013 [ETC], the managing authority and the audit authority shall be located in the same Member State. In compliance with the administrative provisions in France for the audit of actions

co-financed by the European Structural Funds, the "Commission Interministérielle de Coordination des Contrôles des Opérations cofinancées par les Fonds Européens" (CICC) shall act as audit authority and carry out the functions provided for in Article 127 of Regulation (EU) No 1303/2013 [CPR].

In accordance with Article 25 (1) of Regulation (EU) No 1299/2013 [ETC] the EU-Member States, Norway and Switzerland agree that the audit authority will not be authorised to carry out directly the audit functions in the whole territory of the programme. As a consequence of this, the audit authority will be assisted by a group of auditors comprising representatives of each Member/Partner State participating in the programme carrying out the duties provided for in Article 127 of Regulation (EU) No 1303/2013 [CPR]. Each Member/Partner State shall be responsible for the audits carried out on its territory. As a consequence, the representatives have to be entitled to participate in decision-making within the group of auditors on behalf of the respective Member/Partner State and be from a unit independent from the monitoring committee members, the controllers designated according to Article 23 of Regulation (EU) 1299/2013 [ETC] and any project's activities and finances. The contact details of the respective independent body/unit representing the Member/Partner States in the group of auditors will be included in the agreement signed by each Member/Partner State submitted with the operational programme. Lists will be updated with the annual control reports.

The group of auditors will be set up within three months of the decision approving the cooperation programme. In accordance with Article 25 (2) of Regulation (EU) 1299/2013 [CTE], the group of auditors shall draw up, its own rules of procedure and be chaired by the audit authority for the cooperation programme.

The AA, in agreement with the GoA (and the MC for the budgetary provisions), may decide to contract an external audit firm to carry out the audits and prepare documents referred to in Article 127 of Regulation (EU) 1303/2013.

The quality and completeness of the audit work carried out and/or the documents mentioned here above will be ensured by the audit authority together with the group of auditors, assisted by the joint secretariat. The joint secretariat will inform the monitoring committee of the results of the audit work and necessary follow-up.

### ***Role and tasks of the monitoring committee***

According to Article 47 of Regulation (EU) 1303/2013 [CPR], within three months of the date of notification of the decision adopting a programme, the Member/Partner States will set up a committee to monitor implementation of the programme, in agreement with the managing authority. The monitoring committee will draw up and adopt its rules of procedure. The monitoring

committee's rules of procedure with detailed provisions will be drawn up before signature of the written Member/Partner State agreement and approved during the first monitoring committee meeting.

The monitoring committee is made up of:

- up to two representatives per country (EU 28, Norway, Switzerland);
- representatives of the European Commission, and other appropriate EU level institutions to be determined in the rules of procedure will participate in the monitoring committee in an advisory capacity
- the managing authority, the joint secretariat and, where necessary, the certifying authority and the audit authority, will also participate in an advisory capacity.

The monitoring committee in accordance with Article 49 of Regulation (EU) 1303/2013 [CPR] shall review the implementation of the programme and progress towards achieving its objectives, and more specifically the functions listed in Article 110 of Regulation (EU) No 1303/2013 [CPR]. The monitoring committee will also adopt the methodology, criteria for selection of operations and the eligibility rules before the launch of each call for proposals.

The representatives of the monitoring committee will ensure that on the national level all relevant partners are involved in the preparation, implementation, monitoring and evaluation of the cooperation programme as referred to in Article 5(2) of Regulation (EU) No 1303/2013 [CPR].

With regard to the tasks of the monitoring committee it shall be ensured that decisions of the monitoring committee will be free from bias and must not be influenced by partial personal and/or organisational interest of any of the individual members of this committee. Any members who have a conflict of interest in respect of any subject matter up for consideration by the monitoring committee shall declare such interest to the meeting and shall not take part in the decision. The monitoring committee will set out the details of this procedure in the monitoring committee's rules of procedure.

### ***Organisation of the assessment, selection of operations and resolution of complaints***

Project applications shall be submitted following calls for proposals whose terms of reference will be published on the programme website. Details of the selection procedure will also be made available to all applicants through the programme manual. The applications submitted will be made available to the members of the monitoring committee. The joint secretariat on behalf of the managing authority organises the impartial assessment of these applications based on the eligibility

and quality criteria approved by the monitoring committee, and makes a proposal for a decision to the monitoring committee.

Each Member/Partner State is in charge of assisting the JS in the verification of eligibility of project partners located on its territory, where necessary. This should be preferably done prior to the project approval by the monitoring committee. Any Member / Partner State can reject the participation of project partners on their territory, providing justification, without rejecting the whole project proposal.

Project lead applicants are informed in writing about the reasons why an application was not eligible or approved. Any questions in relation to the assessments will be examined and answered by the managing authority. If needed, remaining complaints will be examined and answered jointly by the chair of the monitoring committee and the managing authority/joint secretariat. The chair may decide to refer back a complaint to the monitoring committee, should s/he judge it necessary. An overview of complaints examined and answered by the chair of the monitoring committee and managing authority will be provided to the monitoring committee in the following meeting. The same complaint procedure as described will also apply to other stages of the project implementation controlled by programme bodies, such as the progress monitoring.

All other complaints shall be dealt with according to the applicable national law, no specific law has been established to this effect.

### ***Procedure for the signature of the document setting out the conditions of support "subsidy contract"***

Following the decision of the MC, the MA (through the JS) will draft a Subsidy Contract. The MA shall use a standard form of Subsidy Contract which is approved by the MC and lays down further details concerning the responsibilities and liabilities of the beneficiaries. The Subsidy Contract is signed by the MA and shall be addressed to the project lead partner. The MA shall make sure that the Subsidy Contracts make lead partner aware of their obligation to:

- accept controls and give access to their business premises to any authorized body (JS on behalf of the MA, MA, CA, AA, Commission services and European Court of Auditors) for control and audit purposes in compliance with article 132 of Regulation (EU) 1303/2013 [CPR],
- provide and give access to all the information and documents supporting the audit trail in accordance with the requirements of Article 72(g) of Regulation (EU) 1303/2013 [CPR],
- respect of public procurement, information and publicity, environmental protection and equal opportunities rules,

- keep all information and supporting documents related to the operation in accordance with Article 140 of Regulation (EU) No 1303/2013 [CPR].

The managing authority shall make sure that the lead partners are aware that these obligations have to be fulfilled by the project partners.

The subsidy contracts make reference to the control systems set up by the EU-MS, Norway and Switzerland in accordance with Article 23 (4) of Regulation (EU) 1299/2013 [ETC].

The monitoring committee may ask the managing authority to exercise its right to terminate the Subsidy Contract should the project not comply with the expected deliveries in a due time. The managing authority reserves the right to terminate the Subsidy Contract without the approval of the monitoring committee should the lead partner violate the Subsidy Contract provisions. In this case the MS and PS involved in the project shall be consulted prior to such a decision and the monitoring committee shall be informed without delay.

The MA has the right to refuse a Lead Partner or Project Partner from those countries for which the AA has issued a negative qualified opinion on their management and control system description set up according to Article 62 of Regulation (EU) No 1303/2013 [CPR].

### ***Financial control of beneficiaries***

According to Article 23 (4) of Regulation (EU) No [1299]/2013 [ETC] and considering that the managing authority cannot carry out verifications under Article 125 (4) (a) of Regulation (EU) 1303/2013 [CPR] throughout the whole programme area, each EU-Member State (MS) and Partner State (PS) designates the bodies responsible for carrying out such verifications in relation to beneficiaries on its territory ('controller(s)'). The body responsible for the control system set up in each EU-MS and PS is included in the agreement that is submitted as annex 2 to the cooperation programme.

Each EU-MS and PS submits also to the managing authority a detailed description of the control system set up using the form provided by the managing authority/joint secretariat. The full description will be included in the description of the management and control system in accordance with Article 72 of Regulation (EC) 1303/2013 [CPR]. When assessing this document the audit authority is authorised to request complementary information from the Member/Partner State. The EU-MS and PS shall without delay inform the managing authority of any changes of responsible body and the control system set up.

According to Article 23 of Regulation (EU) 1299/2013 [ETC] Member/Partner States shall ensure that the expenditure of a beneficiary can be verified within a period of three months of the submission of the documents by the beneficiary

concerned. Each EU-MS and PS will do its utmost to ensure that the expenditure is verified and confirmed by the controllers within a period of two months after the end of each reporting period so that the lead partner is in a position to submit the progress report to the managing authority/joint secretariat at the date set in the subsidy contract and so that the managing authority/certifying authority can declare regularly expenditure to the EC.

The cost for these verifications will be either carried by the EU-MS or PS or by the project partners. In the latter case, these costs can in principle be considered eligible for an ERDF-reimbursement and thus reported within the project. If the control cost is borne by the beneficiary and to be reported as eligible project cost, it shall be calculated according to the standard procedures such as a service contract. The cost is eligible provided that it is borne within the project eligibility period.

In order to ensure coherence among controllers from all countries participating in the programme, standard documents shall be decided by the monitoring committee and used as minimum requirements across all EU-MS and PS.

With regard to technical assistance payments, the managing authority ensures that the expenditure is certified in line with the control set up by France.

The result of any verification of the proper functioning of the first level control system carried out by the EU-MS or PS shall be communicated to the managing authority/joint secretariat for coordination purposes (and follow-up action if necessary). The managing authority/joint secretariat will also inform the EU-MS and PS of the results and follow-up of any checks carried out by other programme bodies or the EC or European Court of Auditors.

### ***Project monitoring***

The managing authority/joint secretariat shall monitor the activity and financial progress of projects. For this purpose, three main types of information need to be considered:

- the use of the ERDF subsidy for the purpose mentioned in the subsidy contract and the approved application;
- the progress made in implementing the project in compliance with the subsidy contract and the approved application;
- the confirmation of expenditure by the Lead Partner controller in compliance with the system set up in each state according to Article 23 (4) of Regulation (EU) 1299/2013 [ETC]. The Lead Partner controller is not responsible for the validation of these costs but should sign the payment claim to ensure the project budget is respected.



The managing authority/joint secretariat shall assess the reports and monitor the proper implementation of the approved project referred to in the subsidy contract according to the procedure laid down in the description of the management and control system.

### ***Programme monitoring***

The monitoring of this programme will provide information on the implementation at any given time. It will cover financial issues and achieved results considering the targets fixed for the different milestones in the performance framework.

Monitoring will encourage high quality, effective implementation by monitoring the progress of the projects against the goals and intended results of the programme. Monitoring will be mainly based on regular reports from the projects and in a more general perspective on the activities carried out at programme level.

The Programme specifies a set of indicators for monitoring and evaluating its progress. The programme specific result and output indicators are presented in Section 2 of this document. They relate directly to the different specific objectives of the programme. In particular, results indicators are the cornerstone of the performance analysis of the programme. They relate to parts of the intended results that can be captured. Those programme specific indicators have been designed in line with certain strict requirements (applicable to all Cohesion policy programmes). In addition to this set of result and output indicators, the URBACT III programme may define complementary indicators that will enable the programme bodies to effectively monitor the progress and quality of programme and project implementation.

Projects will be obliged to report regularly on the effects and tangible results achieved by the cooperation actions developed by the partnerships. They will be required in these reports to provide strong evidence of the changes that derive from their actions. The monitoring of outcomes and indicators is essential to measure how the exchange activity can impact on sustainable urban development policies as well as assessing the benefits of transnational exchange between cities. Suitable monitoring tools will be set up to ensure that the real added value can be monitored and reported at programme level.

The joint secretariat will collect and compile the data stemming from these reports in order to allow for conclusions on the programme level. The managing authority will use this documentation – together with additional information on the financial implementation – to draft the annual and final reports and submit them to the monitoring committee.

### ***Annual and final implementation reports and closure of the programme***

The managing authority will, in accordance with Article 14 of Regulation (EU) 1299/2013 [ETC], submit to the Commission implementation reports in accordance with the requirements of Article 50 of Regulation (EU) 1303/2013 [CPR]. They will be approved by the monitoring committee before they are sent out to the Commission.

The closure of the programme will be carried out in compliance with Article 141 of Regulation (EU) No 1303/2013 [CPR] by the competent programme authorities of the 2014-2020 programme.

## ***Evaluation***

The programme has been subject to an ex-ante evaluation of independent evaluators with the aim of improving the overall quality of the programme and to optimise the allocation of budgetary resources and the quantification of target values in the performance framework. The recommendations of this evaluation have been taken into account during the drafting of this programme, as described in the ex-ante report in annex 1.

In accordance with Articles 56 and 114 of the Regulation (EU) 1303/2013 [CPR], the managing authority will draw up an evaluation plan for the programme. The evaluation plan shall be submitted to the monitoring committee no later than one year after the adoption of the OP.

One or several evaluations will be carried out to assess effectiveness, efficiency and impact of the programme on the basis of the evaluation plan. All evaluations will be examined by the monitoring committee and sent to the Commission. Such evaluations will provide an opportunity to assess the impact of the programme activity at EU level.

By 31 December 2022, the managing authority will submit to the Commission a report summarising the findings of evaluations carried out during the programming period, including an assessment of the main outputs and results of the programme.

### ***The computerised exchange of data***

Computerised systems for the management and monitoring of programme and project data will be set up by the managing authority no later than 31 December 2014. Online project reporting systems will also be set up in compliance with the requirements set out in Article 122(3) of Regulation (EU) 1303/2013 [CPR]. These systems will allow all exchanges of information between beneficiaries and the managing authority/certifying authority, audit authority to be carried out by means of electronic data exchange systems. The system will facilitate interoperability and allow for the beneficiaries to submit all information as referred to in Article 122 (3) only once.

The development of the programme's computerized systems will take into consideration the database and online functions developed in the context of the predecessor programme.

### ***Mobilisation and circulation of financial flows: The contribution of the various partners to the financing of the programme***

The programme is financed from the ERDF and by national contributions from the 28 EU-Member States and 2 partner states Switzerland and Norway. The rate of co-financing from the EU-Member States is 5.7% (ERDF co-financing rate at programme level of 77%). The share of each EU-Member State results from the number of inhabitants per country in relation to the current 28 EU-MS' overall population in 2012. The remaining budget is financed by local contributions from cities participating in the programme. These cities shall be co-financed from ERDF as follows:

- Less developed regions as defined in EU Regulation 1303/2013 Article 120 3 (b) shall receive 85% ERDF contribution
- Less developed regions as defined in EU Regulation 1303/2013 Article 120 3 (c) shall receive 85% ERDF contribution
- Transition regions as defined in EU Regulation 1303/2013 Article 120 3 (d) shall receive 85% ERDF contribution
- More developed regions as defined in EU Regulation 1303/2013 Article 120 3 (e) shall receive 70% ERDF contribution

The managing authority/certifying authority administers the ERDF and Swiss/Norwegian funding of the programme as well as the national ex ante contributions to the programme budget. Separate accounts will be set up within 3 months after the approval of the programme: one for ex ante contributions, one for ERDF and one for the Swiss / Norwegian funding.

The MS/PS shall transfer their national contributions to the programme for the current year on the base of the financial plan agreed. The MS/PS may also transfer their total national ex-ante contribution with the first payment if they so wish. At the beginning of each year, the managing authority, in coordination with the certifying authority, shall send to the MS/PS a request of payment asking for the transfer of the ex-ante contribution foreseen for the current year.

A report on the payment situation and on interest generated on the account will be given by the managing authority/certifying authority to the monitoring committee. In compliance with Article 38 of Regulation 1303/2013 [CPR] the use of any interest accrued by the programme shall be agreed with Member/Partner States in the principles of sound financial management. Information on this shall be declared to the EC at the time of the final closure of the programme.

In the case that at the end of the programme implementation period the Member /Partner States have transferred more funds than have actually been used, the managing authority/certifying authority will reimburse these funds.

### ***Main stages of Community funding from the managing authority/certifying authority to the lead partners***

All projects have to be pre-financed by the project partners. The lead partner collects the certified declarations of expenditure of all project partners and makes a claim for reimbursement within the progress report to the managing authority/certifying authority. The reimbursement is paid from the managing authority/certifying authority to the lead partner; and the lead partner distributes the money to the partners. All amounts referred to in the subsidy contract are expressed in EURO (EUR). Funds will be disbursed in EURO (EUR) to the bank account specified by the lead partner in the project application. The exchange rate risk is borne by the lead partner/project partner.

Pursuant to Articles 132 of Regulation (EU) 1303/2013 [CPR], the managing authority/certifying authority undertakes the payment of the ERDF to the lead partners. The managing authority/certifying authority ensures that the lead partners receive payment in full and as quickly as possible after approval of the reports by the managing authority/joint secretariat provided that the funds are made available by the European Commission. No deduction, retention or further specific charges which would reduce the amount of the payment shall be made. It is up to the lead partners to forward the ERDF contribution to the project partners as set out in Article 13 of Regulation (EU) 1299/2013 [ETC]. Norwegian and Swiss funds are managed at national level.

Should there be any suspicion of irregularities, the managing authority/joint secretariat and/or the certifying authority shall inform the competent Member / Partner State administrations listed as indicated in the annex of the submitted agreement in compliance with the description of the management and control system and suspend the reimbursement of the ERDF financing related to the project partner and expenditure under examination.

### ***Information and communication***

The managing authority, assisted by the joint secretariat, will draw up a communication strategy which will be discussed and approved by the monitoring committee no later than 6 months after the adoption of the operational programme concerned, in accordance with Article 116 of Regulation (EU) 1303/2013 [CPR].

The Communication Strategy shall include the following elements as outlined in Annex XII of Regulation (EU) 1303/2013 [CPR]:

- List of operations receiving ERDF funding
- Information and communication measures for the public including media coverage, promotion of calls for proposals, use of logos, institutional website

- Information measures for beneficiaries including information on support offered eligibility of expenditure, description of process and criteria for project selection.
- A description of the tools including the website, support to beneficiaries, indicative budget, visibility and awareness, communication results and annual targets

Any revision of the communication strategy shall be discussed in, and approved by, the monitoring committee.

The managing authority will inform the monitoring committee at least once a year of progress in the implementation of the communication strategy and its assessment of the results, as well as on the planned information and communication activities to be carried out in the following year.

Article 115(1) of Regulation (EU) 1303/2013 [CPR] states that each Member State shall establish a single website to all Operational Programmes in that Member State.

The managing authority/JS will designate one person to be responsible for information and communication at programme level and shall inform the Commission of those designated. This person shall participate in any network(s) set up by the Commission to exchange on the results of the implementation of the communication strategy, as per Article 117(4) of Regulation (EU) 1303/2013 [CPR]. The interaction between the person(s) responsible for information and communication at programme level and in each Member State will be defined in the communication strategy.

The communication strategy will be implemented by the joint secretariat, under the direction of the programme director and the managing authority. It will be delivered in partnership with the member/ partner states and other bodies identified in Annexe XII (3) of Regulation (EU) 1303/2013 [CPR]. In particular, the programme member / partner states will provide national specific information and will support the MA in providing a point of contact for potential applicants; ensure the wide dissemination of programme information; and organise national/regional seminars.

A budget for the implementation of the communication strategy for the 2014-2022 period will be made available as part of the programme's budget,

The communication strategy aims in particular to inform potential beneficiaries about funding opportunities under this operational programme and to publicise to citizens the role and achievements of cohesion policy, through information and communication actions on the results and impacts of the programmes and operations. It will take into consideration the elements detailed in Annexe XII of Regulation (EU) 1303/2013 [CPR].

To ensure transparency in the support of the funds, a list of operations with at least the information set out in Annex VII (1) of Regulation (EU) 1303/2013 [CPR] will be published on the programme website, updated at least every six months, and exportable in a format which allows the data to be sorted, searched, extracted, compared and easily published on the internet.

#### **5.4. The apportionment of liabilities among the participating Member States in case of financial corrections imposed by the managing authority or the Commission**

##### ***Reduction and recovery of payments from beneficiaries***

The managing authority shall ensure that any amount paid as a result of an irregularity is recovered from the project via the lead partner. Project partners shall repay the lead partner any amounts unduly paid. The managing authority shall also recover funds from the lead partner (and the lead partner from the project partner) following a termination of the subsidy contract in full or in part based on the conditions defined in the subsidy contract.

Based on Article 27 (3) of Regulation (EU) No 1299/2013 [ETC], if the lead beneficiary does not succeed in securing repayment from other beneficiaries or if the managing authority does not succeed in securing repayment from the lead or sole beneficiary, the Member State or third country on whose territory the beneficiary concerned is located or, in the case of an EGTC, is registered shall reimburse the managing authority any amounts unduly paid to that beneficiary. The managing authority shall be responsible for reimbursing the amounts concerned to the general budget of the Union, in accordance with the apportionment of liabilities among the participating Member States, Norway and Switzerland as laid down in the cooperation programme and in Article 27 (3) of Regulation (EU) 1299/2013 [ETC].

In the case of irregularities discovered, for example, by the Court of Auditors or by the EC, which result in certain expenditures being considered ineligible and in a financial correction being the subject of a EC decision on the basis of Articles 143 to 147 of Regulation (EU) 1303/2013 [CPR], the financial consequences for the EU-MS are laid down in the section "liabilities and irregularities" below. Any related exchange of correspondence between the EC and an EU-MS will be copied to the managing authority/joint secretariat. The latter will inform the managing authority/certifying authority and the audit authority/group of auditors where relevant.

## ***Liabilities and irregularities***

In compliance with Article 27 of Regulation (EU) No 1299/2013 [ETC], the MS shall bear liability in connection with the use of the Programme ERDF funding as follows:

- a. Each MS and PS bears the possible financial consequences of irregularities committed by the partners located on its national territory in compliance with Article 27 (3) of Regulation (EU) No 1299/2013 [ETC].
- b. In case of a systemic irregularity the MS shall jointly bear the financial consequences, whereby each MS shall be responsible in proportion to the ERDF contribution of the respective national PP involved.
- c. For Technical Assistance and expenditure incurred by the MA for the implementation of actions under the investment priority, the liability shall be borne by the MA and/or the CA for any irregularities.

If the managing authority/joint secretariat, the certifying authority, any EU-MS or PS becomes aware of irregularities, it shall without any delay inform the liable EU-MS or PS or the managing authority/joint secretariat. The latter will ensure the transmission of information to the certifying authority and AA/group of auditors, where relevant.

A detailed description of the procedures to be implemented concerning liabilities will be included in the Description of Management and Control Systems (DMCS) which will be presented to the programme Monitoring Committee for approval before the start of the designation procedure. Some main principles are outlined below:

- The MS shall ensure that provisions are made within the Subsidy Contract for approved projects to terminate the contract and demand repayment of subsidy in the case of detection of irregularities
- Should the MA detect irregularities in the day to day operation of the programme it shall inform the CA and relevant MS of the procedure to be followed. Repayment can be calculated on the next payment due to the partner and payments can be suspended if necessary.
- Amounts received from the recourse of subsidy will be credited to the programme. The following application for payment to the Commission will be corrected.
- In the case where the MA is unable to recover the ineligible amounts the MS, having overall liability, shall be informed immediately and shall start the national procedure to recover these amounts
- The MA shall demand repayment of irrecoverable amounts and the MS shall reimburse these amounts within a specific timeframe to be agreed in the DMCS



In compliance with Article 122 of Regulation (EU) 1303/2013 [CPR], each EU-MS is responsible for reporting irregularities committed by beneficiaries located on its territory to the EC and at the same time to the managing authority/joint secretariat. Each EU-MS shall keep the EC as well as the managing authority/joint secretariat informed of any progress of related administrative and legal proceedings. The managing authority/joint secretariat will ensure the transmission of information to the certifying authority and audit authority.

If a Member State does not comply with its duties arising from these provisions, the Monitoring Committee upon recommendation of the managing authority is entitled to suspend payments to all project partners located on the territory of this Member State.

### **5.5. Use of the Euro**

In accordance with Article 28 of Regulation (EU) No 1299/2013 [ETC], and by way of derogation from Article 133 of Regulation (EU) No 1303/2013 [CPR], expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiaries using the monthly accounting exchange rate of the Commission in the month during which the expenditure was submitted for verification to the controller in accordance with Article 23 of EU regulation 1299/2013. The URBACT programme selected option is therefore in accordance with Article 28 of Regulation (EU) No 1299/2013 paragraph (b). The conversion shall be verified by the managing authority or the controller in the Member/Partner State where the beneficiary is located.

### **5.6. Involvement of partners**

#### **Role of the relevant partners in the preparation and implementation of the cooperation programme**

Article 5 of the Regulation (EU) N° 1303/2013 [CPR] provides for a Code of Conduct on Partnership which will lay down the framework within which the Member States shall pursue the implementation of the partnership principle.

The Code of Conduct states that Member States should apply the partnership principle in a transparent manner in particular when identifying the relevant partners and their access to information.

#### **Identifying the relevant partners**

The URBACT programme has a wide geographical base covering all Member States and two partner states. This wide coverage requires a coordinated approach to the partnership principle which should operate on several levels:

Programme Level – competent National Authorities / other relevant EU level bodies including networks, associations / EU bodies responsible for the application of horizontal principles

National Level – relevant national authorities with competence in sustainable urban development / national representatives of universities, research centres / nationally recognised social partner' organisations / nationally recognised business associations / national bodies responsible for the application of horizontal principles

Sub-National Level – regional authorities / local authorities / city networks and associations / bodies working in the field of sustainable urban development

### **Preparation of the Operation Programme**

The ECCP requires Member States to consult partners on the process and timetable and keep them fully informed of the arrangements concerning the preparation of the Operational Programme (OP).

#### The Joint Programming Working Group

The URBACT programme has done this via the Joint Programme Working Group (JPWG). The JPWG was made up of willing Member and Partner States who will be informed regularly during the JPWG meetings.

JPWG Members are national authorities for the most part, the group can also invite cities and other networks and associations to attend when considered relevant. The group met regularly and documents were prepared between meetings and placed on the shared work space. JPWG members were asked to actively participate in the group and feed in results from consultations and questionnaires at national, regional and local level in their own countries.

All documents were systematically sent to all current Member and Partner States active in the URBACT programme.

#### A dedicated web-page

In addition the Managing Authority set up a specific page on the URBACT website providing information on the programming process with regular inputs which are open for all partners to comment on. This system allowed for timely information to be presented to all stakeholders, it will also allow stakeholders to provide contributions and receive feedback. The website was used as the main platform for EU wide consultation on the final draft version of the OP over a 6 week period from 7 April 2014 until 13 May 2014.

## Specific Tasks for preparing an Operational Programme in Partnership

### i) Analysis and identification of Needs

The URBACT Managing Authority /Joint technical Secretariat (MA/JTS) organised a consultation process using the Member States and Partner States to assist in ensuring a wide participation. A series of questionnaires were developed at the end of 2012 and beginning of 2013 seeking the views of national authorities and local stakeholder (cities already participating in URBACT as well as non URBACT cities) to assist in identifying the needs and expectations of the URBACT programme.

The MA/JTS carried out studies and evaluations consulting all URBACT stakeholders via the URBACT newsletter and actively seeking views of members of URBACT Local Support Groups.

### ii) Definition of priorities and related objectives

The JPWG members were responsible for agreeing these aspects having consulted relevant stakeholders in each country. The JPWG members were asked to report on the results of the MS/PS and city level questionnaires to ensure that the priorities and objectives reflect the views of all stakeholders.

### iii) The allocation of funding

Upon approval of the programme budget the JPWG decided upon the programme budgetary structure and will outline the amounts of funding to be dedicated to each kind of action.

### iv) Definition of programme specific indicators

The JPWG members were responsible for agreeing these aspects having consulted relevant stakeholders in each country.

### v) European level consultation

EU wide organisations and European Territorial Cooperation Programmes concerned by the URBACT III Programme were carefully identified<sup>36</sup>. A specific event was organised in Brussels on 19<sup>th</sup> February 2014 to consult them and to ensure that the programme is addressing these principles as much as possible.

Important messages for the future of the programme were gathered as the needs to provide clear guidance and communications on the new network models, to take account of functional urban areas, and acknowledge limits of city administrative boundaries, to balance thematic entries whilst retaining an integrated approach, to take account of the role of non-city actors, to consider the scope for involving EU-wide city networks and EU-level thematic policy networks.

Where necessary Member and Partner States carried out specific national level consultation exercises between 7 April and 20 May 2014.

### **Implementation of the Operational Programme**

The programme shall be implemented considering the ongoing involvement of stakeholders. Some examples can include:

---

<sup>36</sup> The following partners were involved: Committee of the Regions (CoR), Council of European Municipalities and Regions (CEMR), Eurocities, Energy Cities, Eurotowns, CECODAHS, ICLEI, Association of Architects and urban planners, EUKN, Healthy Cities, Mission Opérationnelle Transfrontalière (MOT), Cities for Mobility, POLIS, ESPON, JPI Urban Europe, European Environmental Agency, European Anti-Poverty Network (EAPN), INTERACT, INTERREG IV C, Cooperation Network of European Mid-Size Towns and Cities, EURA, AESOP Planning EU, International Urban Food Network (IUFN).

### Calls for Proposals

The Monitoring Committee shall approve the scope and thematic coverage of each call for proposals. Whilst preparing the calls for proposals EU level associations relevant for each call will be consulted and asked for their views on the thematic scope of the call.

### The Monitoring Committee

The Monitoring Committee (MC) will be set up to ensure clear and transparent arrangements for managing the programme. The MA will aim to promote equality between men and women in this committee. The members of the MC will be made public and each member will be asked to sign a statement relating to confidentiality and conflict of interest. Relevant EU bodies may be invited to attend as appropriate.

Certain issues may require the setting up of Sub-Committees of the Monitoring Committee to prepare its work with the involvement of specific organisations at European level dealing with urban themes.

The MC will agree the rules of procedure which will outline in a clear and transparent manner the internal arrangements for the MC.

### Evaluation

The URBACT programme shall undergo regular evaluation in collaboration and consultation with stakeholders. The result indicators of the programme shall require regular review and consultation with programme beneficiaries.

## **SECTION SIX**

### **Coordination between funds**

**6.1 Coordination with mainstream programmes (ERDF, ESF, EAFRD, EMFF)**

**6.2 Coordination with other interregional cooperation programmes of the ETC goal**

## **SECTION 6. COORDINATION BETWEEN FUNDS**

This section addresses the coordination of URBACT III with other EU-funded programmes. Ensuring a better coordination with other policies and programmes is necessary in order to promote synergies and complementarities between them.

### **6.1. Coordination with mainstream programmes (ERDF, ESF, EAFRD, EMFF)**

URBACT is primarily a capacity building programme for cities in order to improve their capacity to develop and implement integrated urban policies and to allow them (and other stakeholders) to share the knowledge needed to foster integrated sustainable urban development. The scope of URBACT puts the programme in a prime position to impact and improve the mainstream programmes for the following reasons:

- A significant portion of European Structural and Investment (ESI) funds already goes to urban areas through sectoral investments which address issues such as waste water, energy efficiency, mobility, innovation, climate change adaptation, etc.
- Integration of social, economic, environmental and spatial dimensions requires the combination of various sources of funds, for example infrastructural and social actions financed by ERDF and ESF for a deprived neighbourhood, or ERDF and EAFRD for actions related to urban-rural linkages within an urban area.

URBACT can therefore contribute going forward to the better alignment of these sectoral investments in order to avoid uncoordinated interventions and to achieve more efficient and effective spending in urban areas. A closer and more structural link between URBACT and mainstream structural investments is therefore essential.

As such, URBACT III aims to impact positively on the implementation of mainstream operational programmes in the following ways:

- URBACT will actively work with those cities receiving funding through ERDF programmes under Article 7 (whether through an ITI, specific Operational Programme, or specific priority axis). URBACT will seek to scale up the activities of those and disseminate their experiences amongst the URBACT community. URBACT will also seek to provide those 'Article 7' cities the benefit of the knowledge being generated as a result of URBACT activities – thereby improving the delivery of the Operational Programmes implemented partially through Article 7.
- URBACT III will seek to anchor the Community-Led Local Development (CLLD) approach in cities through exchange activities between cities

engaged in delivering CLLD approaches (funded by ESI funds) and also capacity building activities for the same cities in order to improve their understanding and management of CLLD.

- URBACT National Points in charge of communicating on URBACT activities and results will strengthen the cooperation between local, regional, national and EU levels and embed better URBACT results in policies and practices in the mainstream programmes.

URBACT, in a more general sense, through enabling exchange and learning between elected officials, officers and other city stakeholders will contribute to a greater understanding of urban problems and the integrated approach. This, indirectly, will impact positively the implementation in Operational Programmes.

## **6.2. Coordination with other interregional cooperation programmes of the ETC goal**

Since 2000, the four interregional cooperation programmes of the European Territorial Cooperation (ETC) goal – ESPON, INTERACT, INTERREG IVC and URBACT - have been in charge of different aspects of improving the quality and the efficiency of EU urban and regional Policy. Their common pan-European geographical scope and increasing maturity of operations have been gradually explored. More and more complementarities have been showcased in an increasing number of activities and events, such as for instance at the Open Days. Additionally, their know-how and committed staff have worked together on a number of concrete activities, in particular for a framework for joint capitalisation and dissemination activities.

These Operational Programmes all included during the 2007-2013 period a resolution saying in substance: *"Synergies between the four network programmes INTERACT, ESPON, URBACT and INTERREG IVC shall be looked for through a strong coordination in elaborating their yearly activities and through regularly providing information on the activities of and results achieved in the other programmes to the Monitoring Committees. Furthermore, a close cooperation is intended as regards all technical programme implementation matters."* The current Operational Programmes expand on this, on the basis of the increasing cooperation and efforts to ensure complementarities.

Arrangements for the coordination of the interregional cooperation programmes of the ETC goal include in particular the implementation of activities for which programmes could use and share their know-how and committed staff for the following actions:

- Bilateral cooperation events (Open days, thematic events, etc.)
- Joint capitalisation and dissemination activities (development and promotion of European indicators, tools, data and methods, proven good practices)



- Joint exhibitions, workshops, information / awareness-raising actions concerning territorial development.

## **SECTION SEVEN**

# **Reduction of administrative burden For beneficiaries**

**7.1.1 Assessment of the administrative burden of beneficiaries**

**7.1.2 Main actions planned to reduce the administrative burden  
of URBACT III**

**7.1.3 E-Cohesion**

## **SECTION 7. REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES**

### **7.1.1. Assessment of the administrative burden of beneficiaries**

The mid-term evaluation of URBACT II identified some sources of complexity in the programme's rules and procedures leaving room for simplification areas as follows:

- The general implementation framework of the programme (e.g. priority axes for activities, varying intervention rates.).
- The administrative and financial management & reporting of projects could be considered disproportionate considering the funding level.

In addition, the beneficiaries have identified, through questionnaires and surveys, a need for simplification linked to:

- Project phasing, reporting and payments
- Project budget simplifications (fewer budget categories, clearer definition of eligible/ineligible costs)
- Project documentation (contracts, audit trails, First Level Control)
- Contracting and reporting of expertise

### **7.1.2. Main actions planned to reduce the administrative burden**

During the 2007-2013 period several steps were taken to reduce or remove some of the complexities related to administrative and financial management and reporting at both project and programme level. URBACT III will build on these experiences and take further steps to reduce the administrative burden for beneficiaries.

#### **Programme Management**

The new programme structure developed around one thematic objective will significantly simplify the programme management. As a large proportion of the programme budget is dedicated to capacity building, capitalization and communication activities it will be possible to significantly streamline the management of these activities. Examples include:

- Eliminating the need to split cross cutting projects arbitrarily between priority axes
- Reducing the number of projects led by the MA

- MC members will be asked to provide more delegated powers to the MA/JTS for minor reprogramming changes which have no consequences on the eligibility or the basic features and results of the projects
- One TA project will be created for the whole period allowing for less reprogramming and ensuring a complete coverage of TA over the whole programme period

These simplification measures apply at programme level but have a direct impact on the end beneficiaries of the programme.

### **Project Management**

Several aspects to project management have been explored with beneficiaries to seek proposals for simplification:

#### a) Flat rates

The use of flat rates for staff cost as outlined in the Regulation 1303/2013 Article 68 (a) is not appropriate for the URBACT III programme. Experience shows that exchange projects have on average 40% of their total cost as staff time. Therefore flat rates for staff costs will not apply to the URBACT programme.

Article 68 (b) EU Regulation 1303/2013 allow for a flat rate to be used for other indirect costs. This possibility to apply a flat rate of up to 15 % of eligible direct staff costs without there being a requirement for the Member State to perform a calculation to determine the applicable rate will remain open for beneficiaries in the URBACT programme.

#### b) Cost Categories and Simplified Cost Options

Further steps toward simplification will be taken, as far as finances are concerned, the use of simplified cost options for the reporting of costs under other budget lines will be proposed making use of the possibilities offered by the 2014-2020 regulations. The EC Delegated Regulation (EU) No 481/2014 outlining cost categories and eligibility will apply.

Additional guidance will be provided on project phasing and project management around work packages which will clarify tasks and simplify project management for beneficiaries. The JS will provide ongoing support and guidance to project beneficiaries to ensure that there is a clear understanding about how to avoid administrative burden using the procedures set up at programme level.

### **Harmonisation**

In addition the harmonisation work carried out jointly by various ETC programmes in preparation of the 2014-2020 programme period will be used. This initiative aims at streamlining programme implementation and procedures

through a range of common templates and forms. URBACT III will build on this work when setting up the implementation tools for the period 2014 – 2020.

The work carried out focused on cost categorization, common templates for reporting and managing projects as well as harmonized documents for first level control. It is proposed that common templates for such documents be used in order to simplify procedures for potential beneficiaries.

### **SYNERGIE CTE**

The URBACT II programme uses the Presage CTE system for programme and project management. The system will continue in the period 2014-2020 and will be known as SYNERGIE CTE, it will include several new or modified functionalities to allow for simplification for programme beneficiaries. These modifications include:

- Better ergonomics to make the system clearer, easier to use and more suitable to present and follow up on project information
- Better controls built into the system to avoid incoherencies in projects submitted and hence reduce the rate of ineligible projects

### **7.1.3. E-Cohesion**

The Common Provision Regulation (Article 122(3)) states that, at the latest by the end of 2015, programmes should ensure that all data exchanges between beneficiaries and programme authorities can be carried out electronically. More precisely the e-Cohesion initiative for the structural funds sets the following requirements for electronic data exchange in the 2014-2020 period:

- Beneficiaries do not have to enter the same data more than once in the system.
- Interoperability is guaranteed, which means that data entered by beneficiaries is shared between different bodies within the same operational programme.
- The electronic audit trail complies with relevant articles of the Common Provision Regulation (Articles 122 and 140) as well as with any national requirements on the availability of documents.
- The system for electronic data exchange guarantees data integrity and confidentiality, authentication of the sender and storage in compliance with defined retention rules (Article 140 of the CPR).

The URBACT III programme shall refer to the Implementing Act currently under development from the EC to ensure that the programme can respect the minimum requirements of the e-cohesion policy. Provisions for electronic signatures, interoperability between data exchange systems, electronic audit, pre-filled forms, automatic controls and calculations as some examples can assist in reducing the administrative burden for beneficiaries.

The Presage CTE system operated under URBACT III is being developed to comply with these norms. The URBACT III programme will operate fully in line with these principles from the start of the programme period ensuring that the system is operational by the end of 2014.

**SECTION EIGHT**

**Horizontal Principles**

**8.1 Sustainable Development**

**8.2 Equal Opportunities and non-discrimination**

**8.3 Equality between men and women**

## **SECTION 8 HORIZONTAL PRINCIPLES**

### **8.1. Sustainable Development**

Although relevant at programme level and an issue to be considered by URBACT beneficiaries when developing and implementing their projects, this section is not applicable to URBACT according to the EC template for ETC Operational Programmes.

### **8.2. Equal opportunities and non-discrimination**

Although relevant at programme level and an issue to be considered by URBACT beneficiaries when developing and implementing their projects, this section is not applicable to URBACT according to the EC template for ETC Operational Programmes.

### **8.3. Equality between men and women**

The objective of promoting equality between women and men is a fundamental value of the EU, as enshrined in Article 3 of the Treaty on European Union (TEU) and Article 8 of the Treaty on the Functioning of the European Union (TFEU) obliging the EU to mainstream gender equality in all of its activities. EU policy on gender equality is currently articulated in the Commission's Strategy for Equality between Women and Men 2010-2015 and the Council's European Pact for Gender Equality (2011-2020), closely linked with Europe 2020: the European Union's Strategy for Jobs and Smart, Sustainable and Inclusive Growth.

URBACT III will promote gender equality principles in the Programme, ensuring that the gender equality perspective and awareness will be present in the planning, implementation and evaluation phases.

There will be no specific funding allocated for specific gender focused actions; however, several initiatives will be taken by the Programme to ensure both men and women benefit from URBACT III activities, including:

- Ensuring that the gender ratio of direct beneficiaries and also speakers taking part in the Programme-level transnational events, such as, for example, transnational capacity building training seminars, conferences, thematic events and seminars, would not exceed 60/40;
- Guaranteeing that there would be a balanced ratio of qualified men and women recruited for senior management and specialist positions in the Joint Technical Secretariat of the URBACT Programme;



- Inviting applicants for “Action-Planning”, “Implementation” and “Transfer” networks to explain in their application forms and progress reports on how their network activities comply with and strengthen the gender equality principle;
- Monitoring how gender balance is maintained in transnational exchange projects, and, if the loss of equilibrium is identified (for example after the Mid-Term Review of the programme), to develop and implement corrective actions (for example, by introducing a specific requirement in the application forms of the calls for transnational networks stating how the participation of underrepresented gender would be encouraged, monitored and maintained) to improve the situation;
- Carrying out an evaluation as an integral part of the Mid-Term Review of the Programme on how URBACT III Programme activities directly and/or indirectly have contributed in promoting the gender equality.

In addition, it is expected that the main actions of URBACT III Programme, such as capacity building activities, transnational exchange and capitalisation activities for designing and implementation of sustainable urban policies, will have the spill over effects to positively influence equality between women and men in the European level (for example, the balanced gender ratio of direct beneficiaries taking part in the capacity building activities can create the following positive spill over effect: elected representatives and urban practitioners of both genders having an equal access to right capacities and skills to become city leaders and key players).

## **SECTION NINE**

### **Separate Elements**

- 9.1 List of major projects for which the implementation is planned during the programming period**
- 9.2 Performance Framework**
- 9.3 List of relevant partners involved in the preparation of the cooperation programme**
- 9.4 Applicable programme implementation conditions governing for the participation of third countries through a contribution of ENI and IPA resources**

## SECTION 9. SEPARATE ELEMENTS

### 9.1. A list of major projects for which the implementation is planned during the programming period

Not applicable to URBACT

### 9.2. The performance framework of the cooperation programme

<b>Implementation step. financial, result indicator</b>	<b>Measurement Unit</b>	<b>Milestone for 2018</b>	<b>Final Target 2023</b>	<b>Source of data</b>	<b>Explanation of the relevance of the indicator, where appropriate</b>
<b>Financial indicator:</b>  <b>Expenditure (Total certified expenses for the programme)</b>	<i>Euros</i>	<i>16 561 174</i>	<i>94 324 550</i>	<i>Programme monitoring</i>	<i>The indicator is based on the total budget of the programme using the auto decommitment target for 2018</i>

<b>Output indicator</b>  <b>Total number of networks completed</b>	<i>Number</i>	20	70	<i>Programme monitoring</i>	<i>The indicator is tracking the exchange activities (Networks) which mobilize more than half of the budget of total budget of the programme</i>
<b>Output indicator</b>  <b>Total number of local stakeholders involved in URBACT networks activities at local level (URBACT Local Support Groups Members)</b>	<i>Number</i>	1700	6000	<i>Programme monitoring</i>	<i>The indicator is tracking a key element (URBACT Local Support Groups) of the exchange activities which mobilize more than half of the budget of total budget of the programme</i>

### 9.3. List of relevant partners involved in the preparation of the cooperation programme

The main partners involved in the preparation were the Member States, the cities and the EU level organizations concerned by urban and territorial development as well as the 3 other Interregional Territorial Cooperation programmes.

Concerning the EU level organisation and Interregional Territorial Cooperation Programmes, the following partners were specifically involved: Committee of the Regions (CoR), Council of European Municipalities and Regions (CEMR), Eurocities, Energy Cities, Eurotowns, CECODAHS, ICLEI, Association of Architects and urban planners, European Urban Knowledge Network EGTC Ltd (EUKN), Healthy Cities, Mission Opérationnelle Transfrontalière (MOT), Cities for Mobility, POLIS, ESPON, JPI Urban Europe, European Environmental Agency, European Anti-Poverty Network (EAPN), INTERACT, INTERREG IV C, Cooperation Network

of European Mid-Size Towns and Cities, EURA, AESOP Planning EU, International Urban Food Network (IUFN).

**9.4. Applicable programme implementation conditions governing for the participation of third countries through a contribution of ENI and IPA resources**

Not applicable to URBACT

## **Annexes**

- |                |  |
|----------------|--|
| <b>Annex 1</b> | <b>Ex-Ante Evaluation Report</b>               |
| <b>Annex 2</b> | <b>Member and Partner States Agreement</b>     |
| <b>Annex 3</b> | <b>Strategic Environmental Assessment</b>      |
| <b>Annex 4</b> | <b>Member and Partner States Contributions</b> |
| <b>Annex 5</b> | <b>Map of the Programme Area</b>               |

**ANNEX 1 Ex-Ante Evaluation Report**

## ANNEX 2 Member and Partner States Agreement



### URBACT III European Territorial Cooperation programme Member State Agreement

Having regard to the EU regulations laying down provisions on the Structural Funds, in particular Regulation (EU) No 1303/2013 of the European Parliament and the Council ("CPR Regulation"), the Regulation (EU) No 1301/2013 of the European Parliament and the Council ("ERDF Regulation") and the Regulation (EU) No 1299/2013 of the European Parliament and the Council on specific provisions for the support from the European Regional Development Fund to the European Territorial Cooperation goal ("ETC Regulation"), as well as the URBACT III cooperation programme reference CCI 2014TC16RFIR003, as validated by the Member and Partner States by Written Procedure on 30 June 2014 and with specific reference to Art 8(9) [ETC], the Member State agrees to the following:

#### Article 1

The Member State<sup>37</sup> confirms its agreement to the content of the operational programme of the URBACT III programme.

#### Article 2

The Member State commits to provide the co-financing necessary as presented in the operational programme to implement the URBACT III programme (Annex 5 of the Operational Programme).

The co-financing of operations is the responsibility of the beneficiaries. Depending on country-specific provisions, the co-financing can be provided from the national/federal level as well as from regional or local sources.

#### The Member State:

*Title of the institution:* \_\_\_\_\_

*Place and date:* \_\_\_\_\_

*Name and function of the signatory:* \_\_\_\_\_

*Signature/Stamp:* \_\_\_\_\_

\_\_\_\_\_

<sup>37</sup> In the case of Belgium, the duties of Member State authorities in respect of URBACT shall be fulfilled by the relevant public designated authorities. This applies to all references in this document to member-State authorities or national authorities.



## Annex 1: Contact details

### 1. Name and contact details of the Member State representative:

Institution .....

Address .....

Contact person .....

Telephone .....

Email .....

### 2. Name and contact details of the body responsible for establishing the system for financial controls in the Member State according to Article 23 (4) of Regulation (EU) 1299/2013 [ETC]:

Institution .....

Address .....

Contact person .....

Telephone .....

Email .....

*Please specify the control system opted for by selecting one of the tick boxes below:*

centralised system, i.e. a central body/central bodies coordinated by one main body is/are appointed to carry out the control tasks in accordance with Article 23 (4) of Regulation (EU) 1299/2013 [ETC]:

decentralised system, i.e. an approbation body will designate an independent, qualified controller to carry out the control tasks in accordance with Article 23 (4) of Regulation (EU) 1299/2013 [ETC]. The designation is based on a proposal made by the project partner or based on a shortlist established by the approbation body.

### 3. Name and contact details of the body representing the Member State in the group of auditors according to Article 25 of Regulation (EU) No 1299/2013 [ETC]:

Institution .....

Address .....

Contact person .....

Telephone .....

Email .....

## **Annex 2: National contribution**

The total national contribution amount to ..... Euros. This contribution shall be paid within the following schedule:

<b>Year</b>	<b>Amount in €</b>
<b>2014</b>	
<b>2015</b>	
<b>2016</b>	
<b>2017</b>	
<b>2018</b>	
<b>2019</b>	
<b>2020</b>	

## **ANNEX 3 Strategic Environmental Assessment**

### 1. Introduction

This exercise is carried out in accordance with the criteria defined by Art 3 (5) of the Strategic Environmental Assessment (SEA) Directive 2001/42/EC and its Annex II. Its objective is to determine if the URBACT III Draft Operational programme requires a strategic environmental assessment.

### 2. Reference Points

#### 2.1 Legal basis, core mission and objective

The regulatory framework for URBACT III is provided by the regulations for Cohesion policy<sup>38</sup>. The regulations<sup>39</sup> which governs URBACT III is EU 1299/2013 which states in Article 2 (3) b that "ERDF supports interregional cooperation to strengthen the effectiveness of cohesion policy in promoting the exchange of experience concerning the identification, transfer and dissemination of good practices on sustainable urban development, including urban-rural linkages."

Target groups of URBACT III are the city policy makers and practitioners, regional and national authorities in charge of urban issues.

A specific investment priority has been created for URBACT under thematic objective 11 'Enhancing institutional capacity and efficient public administration' as outlined in Regulation EU 1299/2013 (ETC) Article 7 (1) (c) (ii):

'Disseminating good practice and expertise and capitalising on the results of the exchange of experience in relation to sustainable urban development, including urban-rural linkages'

#### 2.2 Aspects of examination in relation to the SEA Directive

According to Directive 2001/42/EC certain programmes and plans that are likely to have significant environmental effects shall be subject of an environmental assessment. Article 3 provides for the scope of the SEA Directive, defining the type of plans and programmes that require such an environmental assessment.

Article 3 (2) provides a list of specific plans and programmes for which an SEA is obligatory, with the exception of cases in which Articles 3 (3), 3 (8), or 3 (9) are applicable.

---

<sup>38</sup> Common provision for ERDF, ESF, CF, EAFRD, EMFF and specific regulations for ERDF, ESF, European territorial cooperation regulations. See [http://ec.europa.eu/regional\\_policy/what/future/index\\_en.cfm](http://ec.europa.eu/regional_policy/what/future/index_en.cfm)

<sup>39</sup> See [http://ec.europa.eu/regional\\_policy/what/future/index\\_en.cfm](http://ec.europa.eu/regional_policy/what/future/index_en.cfm) for specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal

For programmes setting the framework for development consent of projects other than those referred in Article 3(2) of the SEA Directive, the competent authority of the MS where the Managing Authority of the programme is set up has to determine through a screening if they are likely to have significant environmental effects and if a full SEA is necessary or not. To perform the screening, the criteria laid down in Annex II of the Directive have to be taken into account.

If the conclusion of the screening is that the programme is not likely to have significant environmental effects and that no SEA is needed, this decision, including the reasons for not requiring an environmental assessment, should be made available to the public, according to Article 3(7) of the SEA Directive and the national legislation transposing this Directive.

The screening-out decision, as well as elements demonstrating that it has been made available to the public, should be transmitted to the Commission.

3. Examination of the likely significant environmental effects of URBACT III in accordance with Article 3 (5) Directive 2001/42/EC

3.1 Does URBACT III represent a plan or programme as per definition of Article 2 of Directive 2001/42/EC?

Questions:

Does URBACT III represent a plan or programme:

- Which is subject to preparation and/or adoption by an authority at national, regional, or local level or which is prepared by an authority for adoption, through a legislative procedure by Parliament or Government?
- Which is required by legislative, regulatory or administrative provisions?

Answer

URBACT III represents a “plan or programme” as per definition of Article 2 of Directive 2001/42/EC.

Comments:

- Regulation n° 1303/2013 laying down common provision for ERDF, ESF, CF, EAFRD, EMFF, regulation n° 1301/2013 for ERDF, regulation 1299/2013 on specific provisions for the support from ERDF to the European territorial cooperation goal, requires submission by Member States and adoption by the Commission of

Operational Programmes as part of the strategic reference framework setting out a development strategy using a coherent set of priorities.

- The operational programme of URBACT III complies with this requirement. The need for the operational programme has been stated in Regulation (EC) 1080/06 on 1299/2013 on specific provisions for the support from ERDF to the European territorial cooperation goal as part of the European territorial cooperation objective.

### 3.2 Does URBACT III set the framework for future development consent of projects?

#### Questions:

- Has the present Operational programme been prepared for agriculture, forestry, fisheries, energy, industry, transport, waste management, water management, telecommunications, tourism, town and country planning or land use;
- Does the present Operational programme set the framework for future development consent of projects as listed in Annex I and II of Directive 85/337/EEC on Environmental Impact Assessment EIA?

#### Answer

No.

#### Comments

URBACT does not directly invest in urban development (such as road building or science park construction). It does not directly set the framework for future development consent of projects.

Instead the programme enables exchange and learning between elected officials, officers and other city stakeholders; it contributes to the improvement of the quality of planning and implementation of integrated urban plans and programmes in cities, through policy learning on sustainable urban development, through the setting up of Local Support Groups and the Local Action Plans that they produce. URBACT will have an indirect effect on the implementation in Operational Programmes

Projects, in the strict sense of Directive 85/337/EEC on EIA are related to:

- The execution of construction works or of other installations or schemes
- Other interventions in the natural surroundings and landscape including those involving the extraction of mineral resources

The types of projects involving practical construction works and on-site development activities are listed in Annex I and II of the EIA Directive. URBACT III does neither set the framework for the development consent of such projects, nor does it contain criteria or conditions which might guide the way a consenting authority decides on an application for development consent.

3.3 Does URBACT III, in view with a potential effect on sites, require an assessment under Article 6 and 7 of the Directive 92/43/EEC?

Answer

No

Comments

According to the Habitat Directive 92/43/EEC Member States are to establish special areas of conservation (as part of a coherent European ecological network of protected sites, Natura 2000) for rare and vulnerable habitat types and species which occur in their territory.

According to Article 6 (3) any plan or project not directly connected with or necessary to the management of the site but likely to have a significant effect thereon, either individually or in combination with other plans or projects, shall be subject to appropriate assessment of its implication for the site in view of the site's conservation objectives.

URBACT III does not support projects or actions that are likely to affect sites in the Natura 2000 Network. It spreads systematic and standardized description of working practices mainly through exchanges, studies and dissemination of information.

3.4 Is URBACT III likely to have significant environmental effects?

The "testing" of URBACT III against questions 3.1 to 3.3 above proves that the present programme does not represent one of the standard cases explicitly listed in Directive 2001/42/EC, which require a full environmental assessment. In such a situation, the SEA Directive foresees that it has to be verified if the programme is still likely to have significant environmental effects (Article 3 (4°)).

The relevant criteria set out in Annex II of the SEA Directive have to be taken in account in order to assess the nature of the plan or programme and its likely significant effects on the environment. An assessment has been included in the Annex of this examination report, which has been used to establish answers to the questions below.

## Question

Does URBACT III set the framework for future development consent of projects other than those under the EIA Directive?

## Answer

No

## Comments

- Development consent is not defined in the Directive, but according to the SEA guidance document it normally means that the plan or programme contains criteria or conditions which guide the way the consenting authority decide an application for development consent, for instance in placing limits on the type of activity or development which is to be permitted in a given area
- The URBACT III Operational programme aims to develop exchanges among city policy makers and practitioners, and disseminate standardized information in order to develop appropriate and integrated solutions for urban policies. It does not set the framework for the development consent of projects

## Question

Is URBACT III likely to have a significant environmental effect?

## Answer

URBACT is primarily a capacity building programme through exchange of experience. It looks for appropriate and integrated solutions for urban policies and is unlikely to have direct significant environmental effects.

## Comments

- URBACT III does not set a framework for future development consent of projects. Therefore the question if the programme has significant direct environmental impacts does not apply.

- URBACT III is not an action programme, but an exchange programme. So it does not co-finance any investment programme. Eventual co-financing from ERDF will come from the Regional Operational programmes, which are required for full SEA.
- According to the guidance document for the SEA Directive, the use of the word “likely” suggest that the environmental effects to be considered are those which can be expected with a reasonable degree of probability. Since it is impossible to determine whether there is a reasonable degree in the case of the URBACT III Draft Operational programme, it can be assumed that the programme is unlikely to have significant environmental effects.

### 3.5 Conclusion

The below provides an overview of the results of the examination of the URBACT III Operational programme against the likelihood of significant environmental effects in accordance with Article 3 (5) Directive 2001/42/EC.





### 3.6 Next steps

The Managing Authority submits to the Member States (as authorities designated under Article 6(3) of the SEA Directive for comments in accordance with Article 3 (6) of the Directive) the present examination report accompanied by its decision that a detailed strategic environmental assessment in accordance with the SEA Directive is not required.

## ANNEXE

Detailed assessment of URBACT III against criteria for determining the likely significance of environmental effects referred to in Article 3(5) of the SEA Directive

### 1. Characteristics of URBACT III, having regard, in particular, to:

Annex II/1 Criteria	Comments	Assessment
The degree to which URBACT III sets a framework for projects and other activities, either with regard to the location, nature, size and operating conditions or by allocating resources.	The URBACT III Draft Operational programme does not set a framework for exchange operations in the strict sense of the given criteria, as it has no direct impact in relation to location, nature, size and operating conditions and does not allocate natural resources.	No direct impact
The degree to which URBACT III influences other plans and programmes including those in a hierarchy	The URBACT III Draft Operational programme aims to develop exchanges among city policy makers and practitioners and disseminate standardized information. It may influence Regional Operational Programmes towards a more sustainable urban development.	Low direct impact  Degree of influence cannot be determined at this stage
The relevance of URBACT III for the integration of environmental considerations in particular with promoting sustainable development	Promoting urban integrated and sustainable development is a major aim of URBACT III	Low direct impact  Relevance cannot be determined at this stage

Environmental problems relevant to the plan or programme	As stated above, it is impossible to determine at this stage if the programme itself will directly encourage the integration of environmental considerations.	Low direct impact  Relevance cannot be determined at this stage
The relevance of the plan or programme for the implementation of community legislation on the Environment	Some of the projects of URBACT III may be relevant to activities related to environmental themes, but it cannot be determined whether such activity will be of relevance to the implementation of Community legislation on the environment.	Low direct impact  Relevance cannot be determined at this stage

2. Characteristics of the effects and of the area likely to be affected, having regard, in particular, to:

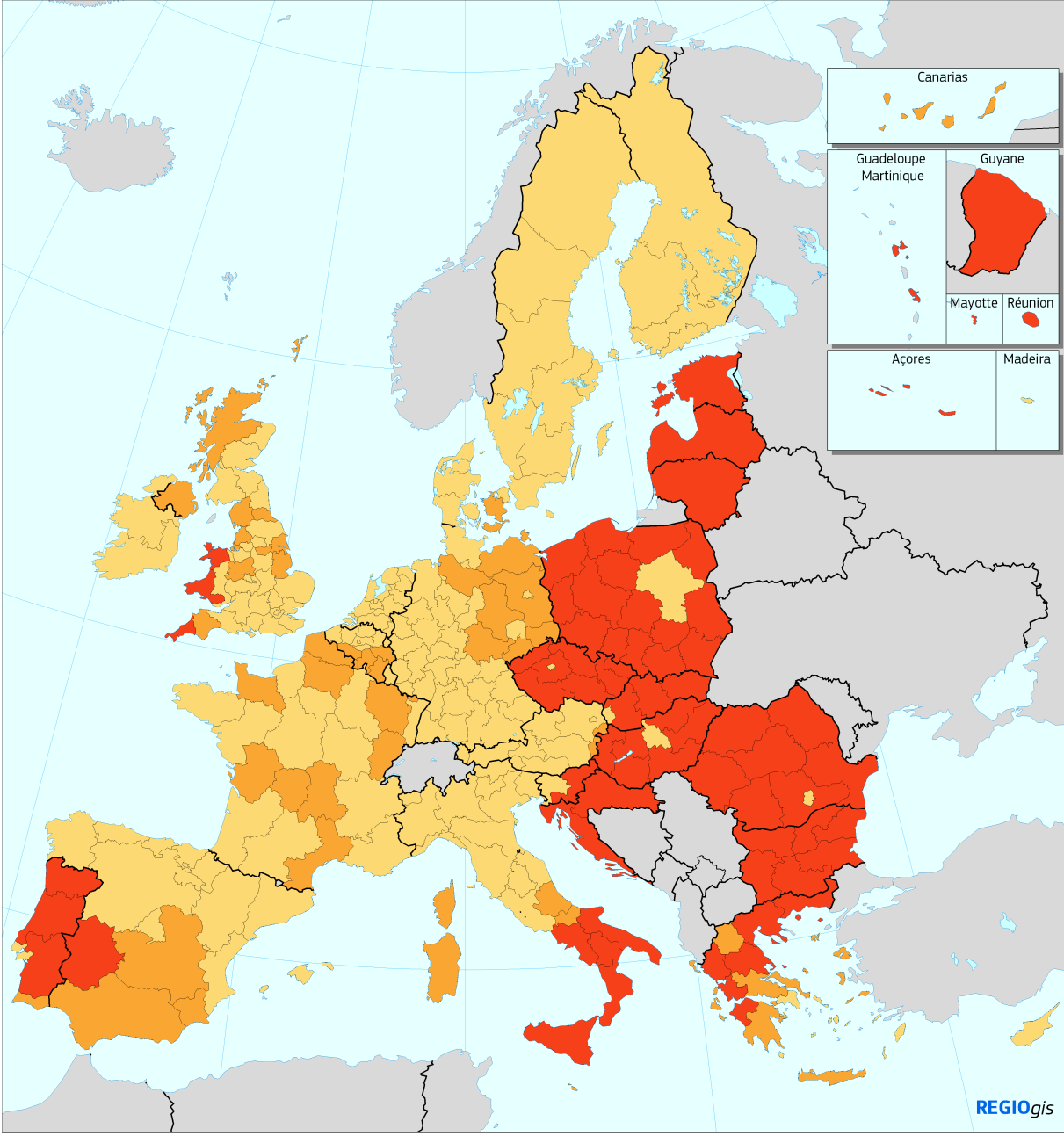
<b>Annex II/2 Criteria</b>	<b>Comments</b>	<b>Assessment</b>
<ul style="list-style-type: none"> <li>- the probability, duration, frequency and reversibility of the effects</li> <li>- the cumulative nature of the effects</li> <li>- the trans-boundary nature of the effects</li> <li>- the risks to human health or the environment (e.g. due to accidents)</li> <li>- the magnitude and spatial extent of the effect</li> <li>- the value and vulnerability of the area likely to be affected due to special natural characteristics or cultural heritage, exceeded environmental quality standards or limit values, intensive land-use</li> <li>- the effects on areas or landscapes which have a recognized national, Community or international protection status</li> </ul>	Given the above assessment and taking into account that URBACT is an exchange programme on urban issues, it is expected that the environmental effects resulting directly from the programme will not be significant.	Not significant

## ANNEX 4 Member and Partner State Contributions

Ex Ante National Contributions				
URBACT III Figures				
Member States (EU 28)	Population in 2012* (in thousands of inhabitants)	% population	Ex-ante contribution UIII (in €)	Average annual contribution (in €) - to be finalized on the MoU
<b>Austria</b>	8 443	<b>1,91%</b>	64 300 €	9 185,75
<b>Belgium</b>	11 095	<b>2,51%</b>	84 497 €	12 071,05
<b>Bulgaria</b>	7 327	<b>1,66%</b>	55 801 €	7 971,57
<b>Croatia</b>	4 398	<b>1,00%</b>	33 494 €	4 784,90
<b>Cyprus</b>	862	<b>0,20%</b>	6 565 €	937,83
<b>Czech Republic</b>	10 505	<b>2,38%</b>	80 004 €	11 429,14
<b>Denmark</b>	5 574	<b>1,26%</b>	42 450 €	6 064,36
<b>Estonia</b>	1 294	<b>0,29%</b>	9 855 €	1 407,84
<b>Finland</b>	5 401	<b>1,22%</b>	41 133 €	5 876,14
<b>Germany</b>	81 843	<b>18,53%</b>	623 300 €	89 042,88
<b>Greece</b>	11 290	<b>2,56%</b>	85 982 €	12 283,20
<b>Hungary</b>	9 932	<b>2,25%</b>	75 640 €	10 805,74
<b>Ireland</b>	4 583	<b>1,04%</b>	34 903 €	4 986,17
<b>Italy</b>	59 394	<b>13,45%</b>	452 333 €	64 619,00
<b>Latvia</b>	2 042	<b>0,46%</b>	15 551 €	2 221,64
<b>Lithuania</b>	3 004	<b>0,68%</b>	22 878 €	3 268,27
<b>Luxembourg</b>	525	<b>0,12%</b>	3 998 €	571,19
<b>Malta</b>	418	<b>0,09%</b>	3 183 €	454,77
<b>Netherlands</b>	16 730	<b>3,79%</b>	127 412 €	18 201,77
<b>Poland</b>	38 538	<b>8,73%</b>	293 498 €	41 928,26
<b>Portugal</b>	10 542	<b>2,39%</b>	80 286 €	11 469,40
<b>Romania</b>	21 356	<b>4,84%</b>	162 643 €	23 234,73
<b>Slovakia</b>	5 404	<b>1,22%</b>	41 156 €	5 879,40
<b>Slovenia</b>	2 055	<b>0,47%</b>	15 650 €	2 235,78
<b>Spain</b>	46 196	<b>10,46%</b>	351 820 €	50 259,95
<b>Sweden</b>	9 483	<b>2,15%</b>	72 221 €	10 317,24
<b>United Kingdom</b>	63 456	<b>14,37%</b>	483 268 €	69 038,34
<b>SUB TOTAL</b>	441 690	<b>100,00%</b>	3 363 824 €	480 546,29
<b>France</b>	65 328		2 100 000 €	300 000,00
<b>TOTAL</b>			<b>5 463 824 €</b>	<b>780 546,29</b>

	2012 Population	UIII contribution
<b>Switzerland</b>	7 955	59 037 €
<b>Norway</b>	4 986	36 813 €

# ANNEX 5 Map of the Programme Area



## Structural Funds (ERDF and ESF) eligibility 2014-2020

- Category
- Less developed regions (GDP/head < 75% of EU-27 average)
  - Transition regions (GDP/head between >= 75% and < 90% of EU-27 average)
  - More developed regions (GDP/head >= 90% of EU-27 average)

Source: DG REGIO

0 500 Km

© EuroGeographics Association for the administrative boundaries