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# THE URBACT III PROGRAMME




**PROGRAMME MANUAL**  
**6<sup>th</sup> VERSION**  
**OCTOBER 2016**

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## 0. Introduction

Cities face a wide range of challenges in the coming years ranging from how to tackle an ageing population to reducing their carbon production. The crisis has left many cities dealing with high unemployment and a weakened economy. Under austerity policies and because of a reduced tax-take, the cities have fewer resources with which to combat greater needs.

URBACT is a know-how programme that promotes exchange and learning between cities. It uses European Structural Funds to achieve its goals. It does not do investments and nor does it carry out pilot projects.

The URBACT programme started in 2002 with URBACT I which ran until 2006 and was focused on helping the cities that had benefited from URBAN I and II to exchange experience on sustainable regeneration, mostly practiced in small areas of cities. URBACT II ran from 2007-2013 and widened the scope to focus on sustainable urban development across a wide range of policy areas. More than 50 networks, typically of ten cities, have been supported in this period. It aims to sustainable integrated urban development in cities across Europe. It is one of the European Territorial Cooperation Programmes along with ESPON, INTERREG Europe (formerly IVc) and INTERACT. URBACT is an instrument of the Cohesion Policy and is co-financed by the European Regional Development Fund.

The main mechanism that URBACT uses to achieve its objectives is through co-financing exchange and learning networks that typically run for 30 months and involve six to twelve cities, depending on the type of network. Each network focuses on a specific theme or challenge. The key output under URBACT 2 has been the production of a local action plan produced by a local support group made up of key stakeholders. Other outputs include case studies and thematic reports.

URBACT's mission is to enable cities to work together and develop integrated solutions to common urban challenges, by networking, learning from one another's experiences, drawing lessons and identifying good practices to improve urban policies.

Following the success of the URBACT I and II programmes, URBACT III has been developed to continue to promote sustainable integrated urban development and contribute to the delivery of the Europe 2020 strategy.

## 1. Context of the programme

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

Europe 2020 sets out to achieve smart, sustainable and inclusive growth. These objectives have been given clear targets

- Employment

- 75% of the 20-64 year-olds to be employed
- R&D / innovation
  - 3% of the EU's GDP (public and private combined) to be invested in R&D/innovation
- Climate change / energy
  - greenhouse gas emissions 20% (or even 30%, if the conditions are right) lower than 1990
  - 20% of energy from renewables
  - 20% increase in energy efficiency
- Education
  - Reducing school drop-out rates below 10%
  - at least 40% of 30-34-year-olds completing third level education
- Poverty / social exclusion
  - at least 20 million fewer people in or at risk of poverty and social exclusion

The Territorial Agenda 2020<sup>1</sup> sets out 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;

Together the Europe 2020 and the Territorial Agenda provide the overall strategic framework for EU cohesion policy in the period 2014-2020 and bring smart, sustainable and inclusive growth objectives to territorial cohesion.

Cities generate most of the opportunities and most of the challenges facing Europe today. They generate the most GDP but also the most of greenhouse emissions and waste and concentrate much of Europe's poverty.

Article 2 (3) b of the regulations<sup>2</sup> governing URBACT III states in 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."

URBACT will support urban dimension of the Cohesion policy that has been strengthened. The ERDF regulations in the programming period 2014-2020 include tools and concepts that offer new opportunities for the urban dimension<sup>3</sup>: These include actions to promote integrated sustainable urban development actions under the so-called Article 7 of the

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<sup>1</sup> The Territorial Agenda of the European Union (<http://www.eu-territorial-agenda.eu/Reference%20Documents/Final%20TA2020.pdf>) defines six territorial priorities:

<sup>2</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>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)

regulation and specifically the new Integrated Territorial Investments as well as participatory approaches through Community Led Local Development and Urban-Rural Partnerships.

URBACT III will complement the work undertaken by the Urban Development Network<sup>4</sup> and will support cities implementing Article 7 for integrated approach to sustainable urban development.

## **1.2 New aspects of URBACT III**

URBACT II had a wider thematic scope to promote exchange and learning on sustainable urban development; it developed the so called “URBACT method” to promote an integrated and participatory approach with impacts in the cities involved in its “action planning networks”.

It went beyond exchange and learning activity through the inclusion of capacity building measures. In its final year pilot networks on implementation and transfer were tested. In addition, new tools to share urban knowledge and know-how on thematic issues were developed.

Building on the experience of URBACT II and taking in account the context of the cohesion policy for 2014-2020, the new aspects of URBACT III are:

- A focus not only on the action planning phase but also on the implementation phase of integrated urban strategies and actions for more impact in cities and with stronger links with the mainstreams programmes.
- More capacity building actions to increase the know-how and the capacities of practitioners- decision makers of cities and of all the stakeholders involved in URBACT networks
- More work with national level and managing authorities involved in urban development
- A thematic coverage with a balance between thematic priorities and the bottom up approach of URBACT II which was highly praised by cities
- A result oriented approach using the Cohesion Policy Logical framework.

## **2. Strategy of URBACT III**

**The strategy is made up of four specific objectives. These are discussed in turn below:**

### **2.1 To strengthen Local Capacities on Integrated and Sustainable Urban Development**

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

Integrated urban development is a cornerstone of URBACT. The principles of integrated urban development were defined in the Leipzig Charter. The charter argues that an horizontal and vertical integration of policies and actions, designed and implemented with a

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<sup>4</sup> The Urban Development Network (UDN) will be made up of cities on which Article 7 actions are targeted as well as those participating in Urban Innovative Actions under Article 8.

participatory approach involving all stakeholders, are essential components to achieve the sustainable development of cities...

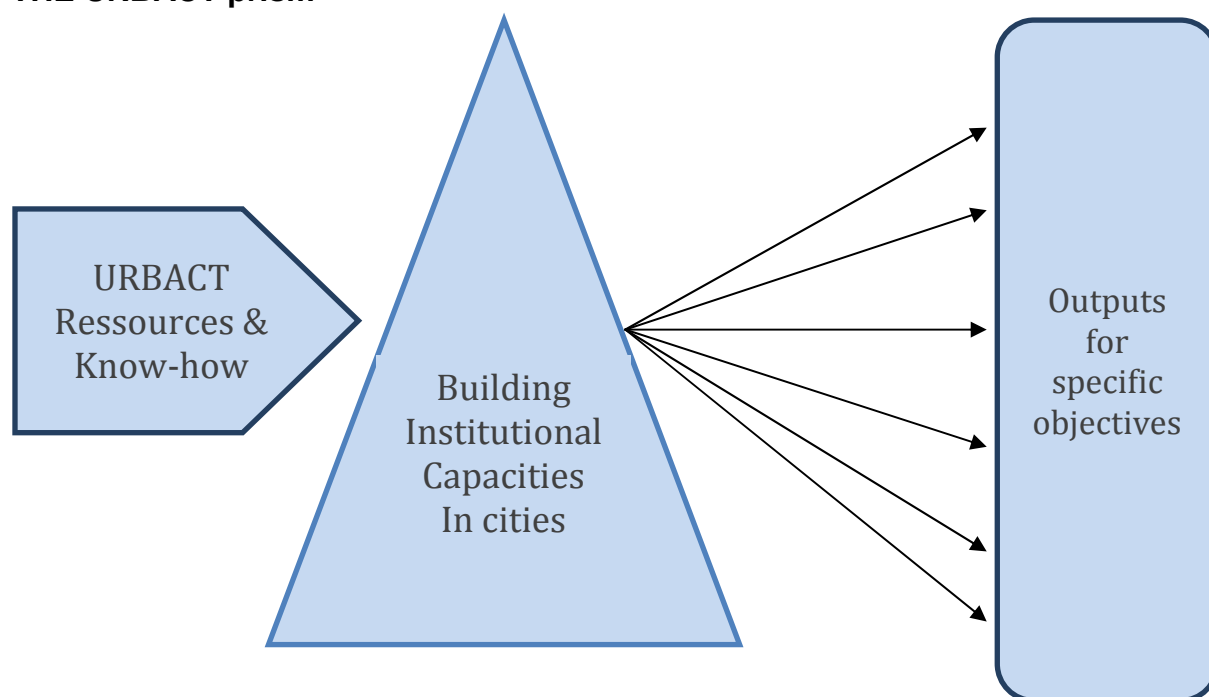
URBACT III will use its resources and know-how to strengthen the capacity in cities to deliver integrated urban strategy and actions on the thematic objectives corresponding to their challenges; the main target participants will include practitioners, city managers, elected representatives and stakeholders from other public agencies, the private sector and civil society.

The activities of the programme are placed under the thematic objective 11 “**enhancing institutional capacity and efficient public administration**”. It contains a specific investment priority *‘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’* dedicated to URBACT III<sup>5</sup>.

URBACT does not carry out investment *per se* in urban development (such as road or science park construction) but achieves its impact through improving the quality of design and implementation of local actions and strategies.

As illustrated with the analogy of a prism in the image below. URBACT III is delivered through the thematic objective 11 on capacity building for cities, which refract across 10 thematic objectives and will serve to improve the impact of EU investments in urban areas in these policy fields.

### THE URBACT prism



<sup>5</sup> As outlined in Regulation (EU) No 1299/2013 (ETC) Article 7 (1) (c) (ii) and URBACT III operational programme par. 1.1.1 « URBACT in the legislative package for the programming period 2014-2020

## 2.2 Needs of cities and corresponding specific objectives<sup>6</sup>

While the first specific objective of the programme is directly connected with the improvement of capacities of cities, the three others are contributing to it as well: the second one for cities designing integrated urban strategies and actions, the third one for cities designing integrated urban strategies and actions, and the fourth one for practitioners and decision-makers at all levels.

These specific objectives address the needs of city stakeholders at every stage of the delivery of urban policy and action which were identified.

Needs of cities	Specific objectives of URBACT III
1) Cities need to improve their capacity to develop and implement integrated urban strategies and actions.	1) To improve the capacity of cities to manage sustainable urban policies and practices in an integrated and participative way.
2) Cities need integrated urban strategies and actions for sustainable development	2) To improve the design of sustainable urban strategies and action plans in cities.
3) Cities need support for implementation of their integrated urban strategies and actions.	3) To improve the implementation of Integrated Plans for sustainable urban development.
4) Practitioners and decisions makers of cities, national, regional and EU need to have access and share relevant knowledge to foster sustainable urban development.	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

## 3. Thematic coverage

As explained under section 2.1, URBACT's strategic focus is to strengthen local capacities on integrated and sustainable urban development. URBACT is programmed under Thematic Objective 11 "enhancing institutional capacity and efficient public administration"..

URBACT will concentrate 70% of the programme resources for exchange and learning on five of the ten Thematic Objectives. These were identified in consultation with member and partner states (in bold in the table below). The remaining 30% of the budget for exchange and learning will be available for issues related to the other five thematic objectives and other issues in a bottom up approach to respond to specific requests from cities<sup>7</sup>

The concentration will be achieved through the targeting of the calls for proposals for URBACT III networks. This will be organised through a precise definition of the thematic objectives in the calls in relation to urban issues and through a close monitoring and assessment of the projects. For that purpose an "urbanised" definition of the 10 thematic objectives has been made.

<sup>6</sup> URBACT III operational programme par.1.1.3 and table 2

<sup>7</sup> URBACT III operational programme par.1.2

In addition the ERDF and ESF investment priorities with high relevance for urban issues related to these thematic objectives have been listed. It has to be underlined that these investment priorities do not apply to URBACT but to mainstream programmes.

The thematic objectives have been grouped under three broad fields.

- A. “economy and competitiveness”
- B. “urban environment and resilience”
- C. “employment, social and education”

	<b>Thematic Objective (prioritised in bold)</b>
<b>Economy and Competitiveness</b>	<b>1. Strengthening research, technological development and innovation</b>
	2. Enhancing access to, use and quality of information and communication technologies
	3. Enhancing the competitiveness of SMEs,
	<b>4. Supporting the shift towards a low-carbon economy in all sectors</b>
<b>Urban environment and resilience</b>	5. Promoting climate change adaptation & risk prevention & Management
	<b>6. Protecting the environment and promoting resource efficiency</b>
	7. Promoting sustainable transport and removing bottlenecks in key network infrastructures
<b>Employment, social and education</b>	<b>8. Promoting employment and supporting labour mobility</b>
	<b>9. Promoting social inclusion and combating poverty</b>
	10. Investing in education, skills and lifelong learning by developing educational infrastructure
	11. Capacity building

## **A. ECONOMY AND COMPETITIVENESS**

European cities follow different development trajectories and their diversity has to be exploited instead of expecting a single more normative model. Boosting competitiveness in the global economy has to be combined with making local economies more sustainable by anchoring development efforts in the local economic tissue.

### ***1. Strengthening research, technological development and innovation***

The EU 2020 strategy argues that Europe must develop its own distinctive and “broader” approach to innovation which addresses the major societal challenges and involves all actors and regions in the innovation cycle. This approach opens up new opportunities and challenges for cities. The closeness of city governments to users, local firms, and knowledge producers, as well as their direct experience in dealing with local needs means that they can play an important role as brokers between different parts of the “innovation ecosystem”. They can use different tools to smooth the journey that innovatory ideas have to take in the different stages of the innovation cycle to full scale application. In this way, they can ensure that innovation is “smarter” in the sense of matching the real needs and potential of local firms and inhabitants. Indeed many of the roles that cities can play to stimulate innovation

are closely related to the core components of the URBACT methodology – namely coproduction through multi-stakeholder local support groups and the development of local action plans.

## ***II. Enhancing access to and, use and quality of information and communication technologies***

Information and communication technologies (ICT) and specific urban technologies have the potential to support cities in addressing many urban challenges. These range from hard technological solutions in the field of urban energy efficiency, renewable energy, transport, safety, etc. to soft solutions for social interaction, citizens' participation or global management systems for city administrations or agencies. City managers must avoid the pitfalls of sectoral visions built on technology alone; the systemic dimension of problems and the high level of future uncertainty demand a refined understanding of the challenges and the possible technological responses within a wider societal context. A real challenge lies in engaging people in the active co-design of technologies in a social context that could result in social and technological innovation.

## ***III. Enhancing the competitiveness of SMEs***

Cities face major problems in converting or changing their development trajectory. They must create a favourable entrepreneurial environment while at the same time addressing employment, education and social issues; there is always a risk that a focus only on competitiveness could rely exclusively on an external qualified workforce and fail to create job opportunities for local people. A new sense of modesty and realism about what cities themselves can achieve is emerging. Cities often have neither the competences, nor the scale or the skills for directly providing certain services such as financial or non-financial support for firms. Meanwhile they can go further in their role as focal points for mobilising the business community, the universities, the civil society organisations; they can in addition promote physical spaces as incubators or “anchors”: they have also a specific responsibility for linking better public services with better jobs.

## ***IV. Supporting the shift towards a low-carbon economy in all sectors***

The low-carbon economy will have a much greater need for renewable sources of energy, energy-efficient building materials, hybrid and electric cars, 'smart grid' equipment, low-carbon power generation, carbon capture and storage technologies. There is conclusive evidence that building a low carbon economy can be a driver of socially inclusive economic development. The city should follow a twin-track approach, a carbon reduction strategy for housing, transport and industry, and a business, skills and jobs strategy to build a future-proof economy rooted in sustainable local business and employment growth. Cities have many instruments they can mobilize: use planning powers (environmental regulations on the quality of new development, and requirements for local energy generation), investment in their own housing or public buildings for energy efficiency, investment in new technologies linked with mobility, use procurement effectively, ensure local people benefit from new low carbon jobs, identify any training needs, etc.

## **B. URBAN ENVIRONMENT AND RESILIENCE**

There are many issues which cities can address through changing their physical structures and initiating changes in the behaviour of people and how they use these: to coordinate better transport, land use and open space planning and to explore alternatives to car mobility; to enhance the energy efficiency of buildings; to foster urban renewal and to

develop and promote high quality public spaces and built environment; to protect and promote cultural heritage; to develop interconnected green and water areas for leisure and protection of the biotope; to promote new ways of food consumption, of energy production, of waste disposal; to promote better links between the dense urban areas and their rural surroundings.

#### ***V. Promoting climate change adaptation and risk prevention and management***

Climate change has considerable impact on cities. Many of them are vulnerable because they are easily threatened by an overflow of rivers or the sea. The consequences of a lack of urban planning to prevent urbanization in high flood risk areas can be critical. Increasing temperature levels mean that the soil can become very dry or humid and the stability of buildings can be threatened. So, specific regulations are needed. The population has to be carefully involved in urban planning but also in all rescue plans which are needed when the worst has occurred. This issue is very sensitive for cities with a lot of environmental, economic, social aspects which have to be considered and interlinked.

#### ***VI. Protecting the environment and promoting resource efficiency***

A city is a complex organism whose well-being relies on the use of resources: air, water, soil, energy and land – all of which have to be carefully used and protected. So the city has to organize as much as possible the use of its resources in a circle so that water, soil and waste, can be reused. A few cities, of modest size, have even managed to produce enough energy for their needs with local resources. Meanwhile for the great bulk of them the priority is to reduce the use of energy for housing (in the EU 12 nearly 40% of the housings are high rise blocks with very low insulation), and for the other buildings, to promote renewable energies, to limit the urban sprawl, to promote the use of public transport, to develop new mobility schemes and behaviours.

An important basis for the efficient and sustainable use of resources is a compact settlement structure - in much of Europe this has been characterised as a polycentric structure of metropolitan areas instead of urban sprawl). This can be achieved by spatial and urban planning, and by a land policy which prevents urban sprawl. The strategy of mixing housing, employment, education, supply and recreational use in urban neighbourhoods is thought to be more sustainable than the rigid separation of land uses (Leipzig Charter). The compact and green city offers an interesting urban landscape, a healthy functional mix, and a good quality of architecture and design in its built environment. It offers easy access to green areas and open space for everyone. It takes care of and makes use of its historical site and monuments.

#### ***VII. Promoting sustainable transport and removing bottlenecks in key network infrastructures***

The development of sustainable mobility is a key challenge for cities. Sustainable mobility includes several dimensions; energy-efficient and affordable public transport systems; a friendly environment for soft transport modes such as cycling and walking; easy access to all neighbourhoods, on foot, by bike, by public transport; local transport networks that need to be well connected to the regional network; peri-urban networks that need to be planned within the context of overall land-use and spatial developments. New mobility with cycling, walking, public transport are key factors to improving the quality of life in deprived areas, by increasing access to key services and jobs. In order to foster urban renewal, transport nodes must be integrated with social, cultural and economic activities. Sustainable mobility is at the heart of the city development strategy; so it has to be closely interlinked with other key

policies of a city: urban planning, land policy, housing policy, economic and social development.

Because of likely future increases in energy prices and for city transport) innovative solutions are needed to ensure increased mobility in cities, and to allow the poorer strata of society to access job opportunities.

### **C. EMPLOYMENT, SOCIAL AND EDUCATION**

People living in the city are its main priority as well as its principal resource. They need a well-functioning city with access for all to job opportunities, effective services, good housing and overall a high quality of life and physical surroundings. The city must take care of all groups and neighbourhoods, promoting solidarity and investing in their education.

### ***VIII. Promoting employment and supporting labour mobility***

According to the EU's current Broad Guidelines for Economic Policies, "Member States should guarantee all citizens equal access to the economy. Inclusive growth should, therefore, contribute to creating a society in which all citizens participate in the labour market and profit from economic benefits". Most of the interventions of the cities are on the supply-side through the activation and up-skilling the competences of different target groups. Unless these supply-side measures run in parallel to those to increase the demand for labour, the result can only be a displacement of existing job vacancies among different groups. Although a lot can be achieved on the supply side: it is necessary to understand employer needs to prepare tailor made training; it is also very useful to anticipate on the medium term what enterprises will need. Consequently, schools and enterprises must be brought together to co-operate more effectively – in a process that should include other key stakeholders, including learners.

### ***IX. Promoting social inclusion and combating poverty***

Located at the interface between their inhabitants and other levels of government, cities have a better understanding of people's needs and the problems of exclusion that confront certain individuals, families and groups. There are different policy areas where cities can intervene to make sure that each person in society has the right to live in dignity. These policy interventions range from creating conditions to generate new jobs, developing skills, providing affordable healthcare, reducing the negative effect of environmental pollution, improving access to ICT, increasing participation in cultural activities, improving public transport, providing affordable homes and addressing housing exclusion. Actions on the city level have to be combined very often with area-based interventions to avoid deprived areas becoming ghettos.

### ***XX. Investing in education, skills and lifelong learning by developing educational infrastructure***

The long-term economic health of towns and cities relies on investment in citizens' skills and professional qualifications. Cities are a place of education and skills development, where a lifelong learning revolution can happen. They are communities in which business and industry, schools, colleges, universities, professional organisations and local government cooperate closely in order to transform them into physically, economically and culturally pleasant places to live. The city has not only to provide the basic infrastructure needed but also to help to connect the different institutions, schools, universities, businesses, professional organisations and NGOs; the city has to target social groups which have specific support needs (early school leavers, immigrants, etc.) but also to encourage

educational institutions which fit with the global development strategy of the city and with the needs of its inhabitants. This is a fine balancing act.

#### 4. Programme main actions

The main actions developed by the programme are contributing to the four specific objectives (i.e. those for capacity building, action planning, implementation and capitalisation- See 2.2). They are dedicated to:

**Transnational networking** (*objective 2 and 3*) to support cities with the design and implementation of integrated urban strategies, building on mutual learning and the transfer of good practices.

This transnational networking will take place within three types of networks: *Action Planning networks* for cities wishing to design an integrated and sustainable urban strategy and action plan, *Implementation networks* for cities wishing to implement integrated and sustainable strategy and actions and *Transfer of good practices networks* for cities wishing to transfer a good practice from a giving city to receiving cities.

**Capacity-building activities** (*objective 1*) to enhance the capacities of urban players to develop integrated and participatory approaches to the design and delivery of public policies (through national seminars, Summer Universities, etc.).

**Capitalisation and dissemination** (*objective 4*) of urban knowledge, practices, policy recommendations etc. to inform policy-making and delivery at local, regional, national and EU level (through seminars, web platform, publications, National URBACT Points, etc.)

These main actions are described in the corresponding fact sheets as described in the table.

Specific objectives of URBACT III <sup>8</sup>	Main corresponding actions	Fact Sheet
1) To improve the capacity of cities to manage sustainable urban policies and practices in an integrated and participative way.	Capacity building activities <sup>9</sup>	Fact sheet 3
2) To improve the design of sustainable urban strategies and action plans in cities.	Action and Planning networks	Fact sheet 2A
3) To improve the implementation of Integrated Plans for sustainable urban development.	Implementation networks	Fact sheet 2B
	Transfer of good practices networks	Fact sheet 2C
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	Capitalisation and dissemination activities	Fact sheet 4

<sup>8</sup> URBACT III operational programme par.2.A.2

<sup>9</sup> URBACT III operational programme par.2.A.3

## **5. Programme area and beneficiaries**

### **5.1 Programme area**

The URBACT III programme area consists of<sup>10</sup>:

- The 28 EU Member States
- Partner States Norway and Switzerland. Partners from Norway and Switzerland cannot make use of ERDF allocations, but as official partner states in the URBACT III programme cities are co-financed at 50% by national funds.
- 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.

### **5.2 Beneficiaries**

#### **5.2.1 Cities as main beneficiaries for all programme activities**

The main beneficiaries of the programme 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<sup>11</sup>:

- 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.

There is no limit of size for cities wishing to participate in URBACT activities: “URBACT will respect the diversity of European settlement system and will target all kinds of European cities and towns including smaller and medium sized cities which tend to have less capacity and fewer specialised staff”<sup>12</sup>.

#### **5.2.2 Other beneficiaries of transnational networking**

For the actions implemented under Objective 2 and 3 the list of other eligible beneficiaries is defined as follows<sup>13</sup>:

- 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.)

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<sup>10</sup> URBACT Operational Programme, par. 1.1.1 Introduction

<sup>11</sup> URBACT Operational Programme, par. 2.A.3.1 b/ and c/

<sup>12</sup> URBACT Operational Programme, par. 1.1.2

<sup>13</sup> URBACT Operational Programme, par. 2.A.3.1 b/ and c/

- Provincial, regional and national authorities, as far as urban issues are concerned;
- Universities and research centres, as far as urban issues are concerned

The number of such beneficiaries is limited within a given project. See Factsheets on each kind of network for more detail.

### **5.2.3 Co-financing rates**

The beneficiary cities and other eligible beneficiaries shall be co-financed for the actions implemented under Objective 2 and 3 from ERDF as follows<sup>14</sup>:

- Less developed and transition regions<sup>15</sup> as defined in EU Regulation 1303/2013 Article 120 3 (b) (c) (d) shall receive up to 85% ERDF contribution
- More developed regions as defined in EU Regulation 1303/2013 Article 120 3 (e) shall receive up to 70% ERDF contribution

### **5.2.4 Reaching cities and stakeholders beyond the circle of main URBACT beneficiaries**

It is estimated that 70 networks with more than 500 cities involved will be launched during the entire life of the programme.

Through the transnational networking (specific objectives 2/3) and capacity building activities (specific objective 1), the programme targets as main beneficiaries these 500 cities and their stakeholders from the EU 28 Member States as well as Norway and Switzerland that are willing to develop and to implement integrated strategies and action plans for sustainable urban development or to transfer a good practice. These cities are the main beneficiaries of the programme.

Through its transnational networking and capacity building activities the programme will support around 5% of all the cities in Europe with more than 10000 habitants; it is therefore very important to consider as much as possible also this “second circle” of cities which will not participate directly in URBACT networking actions. It will be done through the capitalisation and dissemination activities of the programme under the specific objective 4 to consolidate and share knowledge acquired and developed in URBACT networks to those cities beyond the URBACT beneficiaries.

## **6. Programme Funding**

The URBACT III programme is co-financed by the European Regional Development Fund (ERDF) at EUR 74 301 909€ for a total eligible budget of EUR 96 324 550€.

More than half of the programme ERDF (EUR 38 636 954 €) shall be dedicated to exchange and learning activities undertaken by cities with a further 42% of the ERDF budget dedicated

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<sup>14</sup> URBACT Operational Programme, par. 5.3 Mobilisation and circulation of financial flows : The contribution of the various partners to the financing of the programme

<sup>15</sup> For the definition of More Developed, Transition and Less Developed regions refer to the detailed [map](http://ec.europa.eu/regional_policy/index.cfm/en/) available in the DG Regional and Urban Policy website [http://ec.europa.eu/regional\\_policy/index.cfm/en/](http://ec.europa.eu/regional_policy/index.cfm/en/)

to programme activities such as capacity building for urban stakeholders, expertise at project and programme level and National URBACT points.

## **7. Programme implementation structure**

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

- **a Managing Authority (MA)**

The Managing Authority is responsible for managing and implementing the Programme on behalf of the participating States in accordance with the relevant Community and national legislation. The participating states have designated the Commissariat général à l'égalité des territoires (CGET) located in France to take over these tasks.

- **a Certifying Authority (CA)**

The Certifying Authority is responsible in particular for certifying eligible expenditure as well as submitting payment applications to the European Commission and paying the corresponding public contribution to beneficiaries. According to Article 21 of Regulation (EU) 1299/2013 [CTE] the Managing Authority shall fulfil the functions of Certifying Authority.

- **an Audit Authority, (AA)**

The Audit Authority is responsible that audits are carried out to verify the effective functioning of the management and control system of the Programme. The Audit Authority is assisted by the Group of Auditors comprising representatives of each EU Member State and Partner State.

The "Commission Interministérielle de Coordination des Contrôles des Opérations co-financées par les Fonds Européens" (CICC) is acting as Audit Authority of the Programme.


- **a Monitoring Committee (MC)**

The Monitoring Committee is the main decision making body of the Programme. It is composed of representatives of all 30 Member and Partners states that participate in the Programme. The European Commission (Directorate General for Regional and Urban Policy) attends with no voting rights. The Monitoring Committee is responsible for ensuring the effectiveness and quality of the Programme as well as for selection of projects.

- **a Joint Technical Secretariat (JTS)**

The Joint Technical Secretariat is responsible for providing all necessary information and management services towards the project partners. The JTS also supports the MC, MA, CA and AA in meeting their tasks. The office of the Joint Technical Secretariat is located in France.

The characteristics, tasks and responsibilities of each of these bodies are described in more details in the URBACT III Operational Programme, section 5.1.

 <p>Connecting cities Building successes</p>	<p style="text-align: center;"><b>URBACT III</b> <b>PROGRAMME MANUAL</b></p>	<p style="text-align: center;"><b>Fact sheet 2</b></p> <p style="text-align: center;">Exchange and Learning Activities</p>
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To enable European cities to work together, to learn from and with each other, to develop effective and sustainable solutions to major urban challenges, is at the heart of the URBACT programme.

In support of the overall strategy of the strategic objectives of the European Cohesion policy and the existing EU 2020 strategy, the URBACT programme builds on transnational exchanges to strengthen the capacity in cities in order to deliver integrated urban strategy and actions on the thematic objectives corresponding to their challenges.

Like URBACT II, URBACT III will keep the focus on networks of cities for exchange and learning as the core engine of the programme; 57% of the total budget of the programme is dedicated to the transnational networks.

Elected officials, officers and other city stakeholders are key targets of the transnational networks.

Among the four specific objectives of URBACT III, three of them are directly linked with Exchange and Learning Activities:

- To improve the capacity of cities to manage sustainable urban policies in an integrated and participative way
- To improve the design of sustainable urban strategies and action plans in cities
- To improve the implementation of sustainable urban strategies and action plans in cities

To implement these objectives, in addition to the Action Planning Networks used by URBACT II, two other types of Networks are proposed in the framework of URBACT III: Implementation Networks and Transfer Networks. This will enable the programme to better answer to the various needs of cities.

According to the operational programme a total of 70 Networks selected through calls for projects will be developed during the programming period: 40 Action Planning Networks, 15 Implementation Networks and 15 Transfer Networks.

The three types of Networks have common features concerning;

- Network development: First phase of 6-months for the development of a complete project and a second phase of 24-months for the implementation of the activities foreseen by the network.
- Partnership: Balance between cities from More Developed and Less Developed<sup>1</sup> regions.
- Expertise: URBACT Programme provides each approved Network with an additional specific budget for the appointment of experts to support partners in implementing their transnational activities with both thematic content and methods for exchange and learning.

<sup>1</sup> Refer to the detailed [map](#) available in the DG Regional and Urban Policy website.

Meanwhile the 3 types of networks have clearly different focus as detailed in the Factsheet 2a (Action Planning Network), 2b (Implementation Networks) and 2c (Transfer Networks):

- **Action Planning Networks** are expected to support an organised process of exchange and learning among peers across Europe, with a view to improving local policies through concrete action planning. Cities willing to get involved in Action Planning Networks shall identify a policy challenge they want to address at local level. Then, they shall commit to develop an Integrated Action Plan that will address this challenge using a participatory approach.
- **Implementation Networks** are targeting cities which have an integrated urban strategy/plan approved by the city council and have secured funding for the implementation of this strategy/plan. By taking part in an Implementation Network, cities with integrated strategies/plans focusing on similar thematic priorities can exchange and share experiences, discuss problems and seek possible solutions and generate new ideas to address challenges related to the different dimensions of the implementation process.
- **Transfer Networks** are expected to support the transfer of good practices within cities in Europe building on the experience of a “giving city” which will be the Lead partner of the Network. It is thus expected that, as a result of the adaptation and re-use of good practices successfully implemented, “receiving cities” of the network as well as the “giving city” improve their integrated urban policies and the delivery of these policies on the ground.

- Section 1 : Main Objectives and expected outputs
- Section 2: Network Development
- Section 3: Partnership
- Section 4: Activities of Action Planning Networks
- Section 5: Budget for Action Planning Networks
- Section 6: Expertise for Action Planning Networks
- Section 7: Capacity Building Activities

## **1. Main objectives and expected results**

Building on the experience of the thematic networks funded under URBACT II (2007/2013), Action Planning Networks are a key element of the Exchange activities of URBACT III (2014/2020).

The main objective of Action Planning Networks is to improve the capacity of cities to manage sustainable urban policies and more especially to strengthen the capacity to design integrated strategies for sustainable urban development.

Action Planning Networks are expected to support an organised process of exchange and learning among peers across Europe, with a view to improving local policies through concrete action planning.

By taking part in an Action Plan Network, cities exchange and share experiences, problems and possible solutions, generating new ideas to address challenges related to sustainable urban development.

As a starting point, cities willing to get involved in Action Planning Networks shall identify a policy challenge they want to address at local level. Then, they shall commit to develop an Integrated Action Plan that will address this challenge. This Integrated Action Plan will thus be both a driver of the exchange and learning activities, and a key concrete output of their participation in the Action Planning network.

Cities willing to get involved in Action Planning Networks shall also commit to work on their policy challenges using a participatory approach that is involving all relevant stakeholders (from within the local administration and also outside, civil society, private sector, associations, etc.) in the action-planning process. These key stakeholders will be gathered in an URBACT Local Group. They will be actively involved in the transnational exchange activities and in the development of the Integrated Action Plan to be produced by the city. The participatory approach shall improve the action-planning process and the subsequent delivery of the local policies (strengthening the evidence base, ensuring ownership of the problems identified and of the solutions/ policies developed, creating the conditions for a successful delivery, etc.).

Through the transnational exchange activities at network level and the production of integrated action plans at local level, cities involved in Action Planning will draw lessons from their experiences, will learn from one another and from URBACT experts. They will thus be expected to share, with the

outside world (beyond the network), this wealth of practical knowledge, policy instruments/ recommendations, good practices, etc.

The URBACT programme provides each Action Planning Network and their partners with a budget for transnational and local activities, as well as with the appointment of experts who support partners in implementing their activities with thematic content and methods/ tools for exchange and learning.

In addition to the activities implemented by the networks themselves, the URBACT programme offers regular training and capacity-building schemes for partners and local stakeholders involved in networks. In doing so, URBACT intends to go beyond individual learning and to support local authorities to improve the way they are working with their communities.

## **2. Network's development**

In order to improve the quality of networks approved for funding, the URBACT Programme foresees a two-phase process for Action Planning Networks. The process includes:

- ✓ **First phase:** a 6-month phase for the definition of the final partnership and the development of a complete project proposal in the form of a Phase 2 Application
- ✓ **Second phase:** a 24-month phase, starting from the approval date by the Monitoring Committee, for the implementation of the activities foreseen by the network

In the framework of Calls for Proposals, interested beneficiaries are requested to submit a Phase 1 Application including information related to network's thematic focus, the general objectives and the initial partnership to be composed by 4 to 6 partners, including a Lead Partner.

Following a first eligibility check and a qualitative assessment of Phase 1 Application, the Monitoring Committee approves the best proposals for phase 1.

The main aim of the **6-month phase** is to provide partners of Action Planning Networks with time and resources to ensure the development of a common vision of the policy challenges/issues to be addressed through the Integrated Action Plan, the definition of a coherent final partnership and the elaboration of a shared methodology for the exchange activities.

**Phase 2 Applications** developed during phase 1 are subject to a second eligibility check and qualitative assessment to get the final approval by the Monitoring Committee.

Approved networks will implement the activities foreseen in the Phase 2 Application, both at transnational and local level. This Phase 2 proposal is an extension of Phase 1 activities. If approved in Phase 2, the APN will cover an eligible period from the start date of Phase 1 to the end date of Phase 2.

Detailed information on the application process is provided in Fact Sheet 2D while the activities to be implemented in the framework of the two phases are described in the section 4 of the present Fact Sheet.

## **3. Partnership**

The following sections describe the eligible beneficiaries that can act as Lead Partners and provides information about the composition of the initial partnership for Phase 1 and the final partnership for Phase 2 for Action Planning Networks.

### 3.1 Lead Partner

In the context of URBACT III, for each project proposal, a Lead Partner shall be appointed by the beneficiaries among themselves. **Only cities<sup>1</sup> from the 28 EU Member States and from Switzerland and Norway (Partner States) can be Lead Partner of an Action Planning Network.**

Lead Partners are key actors of approved Action Planning Networks. They are responsible for project implementation and financial management and for the coordination of the partnership.

**A city may not be Lead Partner in more than one project at a time under the same call.**

Further information on the roles and responsibilities of Lead Partners and partner is available in Fact Sheet 2E “Network Management”.

### 3.2 Initial Partnership for phase 1

Only cities (refer to the definition provided in footnote) can be included in the initial partnership.

At the stage of the Phase 1 Application, the initial partnership must be composed by a minimum of 4 and a maximum of 6 cities (including the Lead Partner) coming together to exchange experiences and practices in order to develop integrated and sustainable Local Action Plans to address local challenges.

Cities shall be from minimum 3 different Member/Partner States

The initial partnership must be balanced with cities from More Developed and Less Developed<sup>2</sup> regions. More especially, the initial partnership (regardless if it is composed by 4 or 6 cities) shall normally include a minimum of 2 cities from Less Developed regions.

**Eligible beneficiaries may participate in no more than 2 URBACT networks under each call for proposals.**

### 3.3 Final Partnership for phase 2

The final partnership for the phase 2 must be composed by a minimum of 8 up to a maximum of 12 partners from at least 3 different Member and Partner States.

The final partnership to be presented in the Phase 2 Application can include a maximum of 3 non-city partners.<sup>3</sup>

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<sup>1</sup> As defined in the the URBACT III Operational Programme, 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.

<sup>2</sup> Refer to the detailed [map](#) available in the DG Regional and Urban Policy website

<sup>3</sup> As defined in the the URBACT III Operational Programme, under URBACT III the list on non-city partners includes:

- 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

Non city-partners included in the final partnership must be public authorities or equivalent public authorities<sup>4</sup>.

The final partnership shall be balanced with candidate partners from More Developed and Less Developed regions. More especially, the final partnership (regardless if it is composed by 8 or 12 partners) shall include a minimum of 4 partners from Less Developed regions.

Detailed information on the role and responsibilities of the partners are provided in the fact sheet 2E.

#### **4. Activities of Action Planning Networks**

The activities to be implemented by Action Planning Networks, in each of the 2 phases, are organized around work packages.

Each work package has specific objectives, defined actions and related expected deliverables.

The organization of the activities in work packages ensures a shared knowledge about the project's structure and objectives among all partners; it increases the capacities of Lead Partners to follow up the implementation of the expected activities and facilitates the procedures for reporting and accounting of expenditure.

The following sections introduce the 2 work packages of Phase 1 and the 4 Work Packages of Phase 2.

##### **4.1 – Work plan for Phase 1**

During Phase 1, the initial partners involved in approved networks will work, with the support of the Lead Expert, on the consolidation of the final partnership, the development of project final proposal (policy challenges/issues to be addressed, focus of the Integrated Action Plan, methodology for the transnational exchange activities, expected deliverables, etc) and the identification of relevant local stakeholders for the co-production of the Integrated Action Plan.

The duration of Phase 1 is 6 months, starting from the official notification of approval, following the final decision of the Monitoring Committee.

Phase 1 of Action Planning Networks shall be structured around 2 Work Packages:

- WP1 – Project Management and coordination
- WP2 – Project Development

##### **- *Work Package 1 – Project management and coordination***

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<sup>4</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."

The activities to be developed under WP1 will be designed to achieve the following aims:

- To set up a strong project management team in order to ensure a sound management and coordination of the project concerning both the overall project management and all aspects linked to the financial management
- To organize the work between the partners by building a strong collaborative relationship. The organization of the partners' responsibilities shall result in the successful submission of all required documents for the Final Application

Activities to be implemented under WP1 shall include the following actions:

- To recruit appropriate staff to ensure efficient project management. For the Lead Partner, the staff required will be significantly more than for a project partner. The Lead Partner shall appoint, already in Phase 1, a project coordinator, a finance officer and a communication officer – these activities will require the equivalent of 2 full time posts (see Fact Sheet 2E Network Management)
- To hold regular management meetings to ensure strong communication between partners concerning project coordination
- To submit the reporting documents requested for Phase 1
- To attend training sessions and other events organized by the URBACT Programme
- To receive and transfer ERDF funds to partners (responsibility of the Lead Partner)

- ***Work Package 2 – Project development***

The activities to be developed under WP2 will be designed to achieve the following aims:

- To complete the initial partnership
- To identify the policy challenges/issues to be addressed by all partners through the Integrated Action plans (including partners' expectations and potential contribution, focus of the Integrated Action Plan, provisional composition of the URBACT Local Groups)
- To design the methodology for exchange activities both at transnational and local level

Activities to be implemented under WP2 shall include the following actions:

- To organize at least two transnational meetings gathering the initial partners and the additional partners that will join the network during the Phase 1
- To complete the Baseline study describing the policy challenge, the local situation and the objectives of the Local Action Plan in each partner, the methodology for the exchange activities.
- To complete and submit the Phase 2 Application form

#### **4.2 – Work Plan for Phase 2**

Phase 2 shall be devoted to the implementation of the activities, at transnational and local level, aiming at the co-production of Integrated Action Plan by each partner involved in approved Action Planning Networks.

The duration of Phase 2 is 24 months, starting from the official notification of approval, following the final decision of the Monitoring Committee.

Phase 2 of an Action Planning Network shall be structured around 4 Work Packages:

- WP1 – Project management and coordination
- WP2 – Transnational exchange activities
- WP3 – Impact on local governance and urban policies
- WP4 – Communication and dissemination

- ***WP1 – Project management and coordination***

As for Phase 1, the main aim of this work package is to ensure a sound management and coordination of the network concerning both the overall project management and all aspects linked to the financial management. All the tasks outlined as requirements for Phase 1 remain relevant for Phase 2.

- ***WP2 – Transnational exchange activities***

Transnational exchange activities are the core actions to be implemented by Action Planning Networks. They are to be conceived as milestones for the network as they allow the exchange of experience among partners and their URBACT Local Group members, the consolidation of knowledge on a specific policy issue, the mutual support between partners (peer support), etc.

The lessons learnt and good practices identified during the transnational activities of exchange are key ingredients of the Integrated Action Plan that each city commits to produce as result of the involvement in Action Planning Networks. The experiences of other cities will inspire partners that will translate and adapt this knowledge at local level to define concrete answers and solutions to the local challenges identifies.

The activities to be developed under this work package will be designed to achieve the following aims:

- Sharing: To foster the exchange of experiences among project partners and identify good practices
- Learning: To strengthen the practical knowledge and skills of partners in the policy area related to the issues addressed by the network
- Mainstreaming: To draw lessons from the exchanges on an ongoing basis and to apply them at local level, especially through the production of the Integrated Action Plans
- Supporting: To support partners in improving their local policies and producing their Integrated Action Plans
- Coordinating project partners at transnational level to respond to administrative questions and ensure efficiency of work

More especially, activities to be implemented under WP2 shall include the following actions:

- Organisation of transnational exchange seminars. Transnational seminars should be a combination of different components including learning sessions, field visits, peer review sessions, local dissemination activities, etc
- Production of thematic outputs (interim and final) capturing the knowledge generated during the transnational seminars and the main findings of the exchange activities.

- ***WP3 – Impact on local governance and urban policies***

In order to foster the impact of the transnational activities on the local policies and governance, each partner joining an URBACT Action Planning network is requested to involve relevant local stakeholders in the design of the Integrated Action Plan to be produced in the framework of the network.

Partners will thus commit to set up and run a URBACT Local Group that will gather civil servants of different department, elected representatives as well as relevant stakeholders (representatives of other tiers of government, local agencies, NGOs, associations, etc.) linked to the policy area concerned by the Integrated Action Plan.

URBACT Local Groups are responsible for the co-production of the Integrated Action Plan in each partner city.

The activities to be developed under this work package are designed to achieve the following aims:

- To support transnational exchange activities through the preparation of input for the network meetings (e.g. case studies, site visits, etc.)
- To foster the impact of transnational exchange activities on local policies
- To strengthen the capacity of local stakeholders in integrated urban policies and participative action-planning
- To develop participative action planning processes for the production of Integrated Action Plans
- To ensure dissemination of lessons learnt (good practices, policy recommendations, etc.) to local stakeholders involved in urban development

More especially, activities to be implemented under WP3 shall include the following actions:

- Setting up and running a URBACT Local Group in each partner city for the co-production of a Integrated Action Plan
- Taking part in the exchange activities at transnational level and contribute to these activities (participation to seminars, organisation of study visits, production of inputs, etc.)
- Taking part to the capacity-building schemes organised by URBACT for core URBACT Local Group members.
- Building cooperation relations with the Managing Authorities of Operational Programme

- ***WP4 – Communication and dissemination***

URBACT projects have to share their results and outputs with their partner cities but also with urban stakeholders, policy and decision makers and practitioners across Europe. Therefore, communication and dissemination shall be key activities for the project.

The activities to be developed under this work package will be designed to achieve the following aims:

- To ensure communication on the network's activities on an ongoing basis, both to network partners and to urban practitioners outside the network
- To ensure dissemination of the project's results and findings, both among project partners and beyond, to the wider community of urban practitioners outside the network

Activities to be implemented under WP4 shall include the following actions:

- Regular updates of the project mini-site on the URBACT website
- Production and Dissemination of material
- Organisation of a final event open to all target groups and dissemination events at partners' level
- Participation to external events to promote the network

## **5. Budget for Action Planning Networks**

### **5.1 - General Budget Information**

The total eligible cost for an Action Planning Network shall be between 600.000€ and 750.000€. The total budget shall be calculated based on the number of project partners and the specific identified

needs of these partners. Action Planning Networks requesting the higher budget allocation shall be required to justify this request by demonstrating a higher number of project partners or increased project activity. The Monitoring Committee can approve a lower than requested budget should they consider this is justified.

Action Planning Networks shall be financed using European Regional Development Fund and local, regional or national contributions from city partners.

The ERDF co-financing rate for an Action Planning network is calculated at network level on the basis of the different co-financing rates for each partner.

- Partners from 'more developed' regions shall be co-financed at up to 70% by ERDF
- Partners from 'less developed' and 'transition' regions shall be co-financed at up to 85% by ERDF
- Partners from Norway shall be co-financed at up to 50% by Norwegian national funds
- Partners from Switzerland shall be co-financed at up to 50% by Swiss national funds

The calls for proposals shall provide detailed instructions for the creation of an Action Planning Network budget and some examples to assist applicants. Further information related to the eligibility of expenditure can be found in Factsheet 2F – Financial Management and Control.

## **5.2 - Action Planning Network Budget**

An Action Planning network shall operate in two phase as outlined in previous sections of this Factsheet. The total eligible cost for the network combining Phases 1 and 2 shall be between 600 000€ and 750 000€ as outlined in the previous section. The Phase 1 total eligible cost shall not exceed 100.000€. Resource which is not used in Phase 1 can be used in Phase 2 if the Network is approved to continue.

Considering the foreseen workload dedicated to the development phase to ensure a well balanced and coherent partnership and a high quality baseline study and final application form the costs incurred for this first phase of work shall be considered eligible for refund regardless of the approval of the project into Phase 2.

The budgets for Phase1 and 2 shall be presented using 5 budget categories as follows:

- i) **Staff costs**  
Expenditure on staff members employed by the partner organisation, who are formally engaged to work on the project
- ii) **Office and Administration Costs**  
Operating and administrative expenses of the partner organisation that support delivery of project activities – Fixed at 3% of staff costs.
- iii) **Travel and Accommodation Costs**  
Expenditure on travel and accommodation costs of **staff of partner organisations** that relate to delivery of the project. This category included travel costs, accommodation costs, costs of meals, visa costs, and/or daily allowances/per diems.
- iv) **External expertise**  
Expenditure for external expertise and services provided by a public or private body or a natural person outside of the partner organisation. This category covers costs paid on the basis of contracts or written agreements and against invoices or requests for reimbursement to external experts and service providers that are requested to carry out certain tasks or activities, linked to the delivery of the project. This category also includes all costs linked to the organisation of meetings as well as Travel & Accommodation costs for any people outside the partner organisation (external experts, speakers, service providers, ULG members).

**v) Equipment**

Expenditure for equipment purchased, rented or leased by a partner, necessary to achieve objectives of the project.

For each cost category, detailed information about the eligibility of costs, the methods for calculation and programme specific rules is available in Factsheet 2F – Financial Management and Control.

## **6. 6. Expertise for Action Planning Networks**

### **6.1. General framework**

The URBACT Programme provides each approved Action Planning Network with an additional specific budget for the appointment of experts. These experts support partners in implementing their transnational activities with both thematic content and methods for exchange and learning. They are expected to work in accordance with the URBACT networking framework and use the tools provided by the URBACT Programme. Dedicated training sessions shall be delivered to URBACT networks experts as needed.

### **6.2. Services to be provided by URBACT experts to networks**

The expertise resource is meant to be made available to the whole partnership. More especially, the expertise envelope should provide partners with a package of services including:

1. Expertise for the design and delivery of transnational exchange and learning activities:

- Definition and delivery, in strong cooperation with the Lead Partner and partners, of the methodology for exchange activities at transnational level to ensure high level of sharing, mutual learning and transfer of knowledge. Appointed experts support the partnership with the definition of the main focus, design of the work plan, definition of the main expected outputs, and they play a key in the delivery of networks transnational activities (including preparation of input, collecting info from partners, designing agenda with appropriate methodology, moderating sessions during meeting, drawing lessons and reporting after meetings).

2. Thematic expertise:

- Definition and delivery of thematic inputs that will nourish the exchange and contribute to the learning process of partners involved
- Production of thematic documentation and outputs in English that will capture and disseminate lessons learnt, good practices, etc, both to network's partners and to an external audience

3. Expertise support to local authorities and other stakeholders in designing and delivering integrated and participatory policies

- Support to partners at local level in involving key stakeholders and in co-producing the main expected local outputs (especially Integrated Action Plans)).
- Support to partners in making use of tools and methods for participatory design and implementation of integrated urban policies/action plans

### **6.3. Lead experts and Ad hoc experts**

In order to improve the efficiency of the support provided by experts to URBACT Networks, expertise will be made available to approved networks as follow:

- A Lead Expert will assist the partnership over the entire duration of the network (Phase 1 and 2) both with expertise for the design and delivery transnational exchange and learning and thematic expertise
- Ad-Hoc Experts may also be recruited to provide support on specific needs identified by the network concerning the methodology for exchange and learning activities, thematic expertise and local support to partners

URBACT network experts are also expected to work in close collaboration with the URBACT Joint Secretariat and contribute to capitalization and dissemination of network results. They shall use the tools and guidance provided by the programme for effective delivery of activities and outputs (eg. related to transnational exchange learning activities, production of network outputs, organization of network seminars, etc.). In this perspective, they shall take part to dedicated information and training sessions organized by the URBACT Joint Secretariat for the network experts. These will part of their main tasks and work programmes.

#### **6.4. Budgetary elements for expertise**

Each network shall have an allocation of € 127 500 maximum to cover the costs of expertise over the lifetime of the project (Phase 1 and Phase 2). This budget available for expertise is additional to the project budget. As the daily expertise fee for URBACT experts is set at 750 euros/ day all taxes included, this budget corresponds to an envelope of 170 days (including participation to training sessions and other activities at Programme level).

For phase 1, the expertise envelope available for each network shall be limited to 30.000 euros (40 days of expertise, including participation to information and training sessions organized by the URBACT Joint Secretariat). In Phase 1, only one single expert, designated as Lead expert, may be appointed. No additional ad hoc experts shall be appointed from the programme envelope. Days not used under phase 1 from the available envelope may be used during phase 2 with the exception of days dedicated to programme events.

For Phase 2, the allocation of days to Lead Expert shall not exceed 80% of the days remaining in the expertise envelop after Phase 1.

The allocation covers days of expertise only. Travel and accommodation costs for URBACT Experts shall be covered by the network budget, in the “External Expertise” budget category.

Action Planning Networks can contract additional experts for specific tasks (e.g. coordination of the URBACT Local Group, local animation, technical assistance, etc.) through the network budget under the category “External Expertise”.

#### **6.5. Appointment of URBACT network experts**

##### **a) The pool of validated URBACT experts**

The additional expertise budget allocated to network mentioned in 6.4 shall be used to appoint experts who have been validated in the pool of URBACT Experts. Network Lead partners and partners will have to select their Lead expert and potential ad hoc experts from this pool.

The pool of validated URBACT Experts shall be created by means of an open Call for URBACT Experts defining the services to be performed to support networks and assessment criteria. An external service provider, to be selected through an open Call for Tender, will support the URBACT Joint Secretariat with the assessment and validation of the applications received by candidates URBACT Experts, following the assessment criteria outlined in the Call for Experts.

The list of all validated URBACT experts will be available on the URBACT website, with a search engine (allowing a search per field of expertise, country of residence, etc.). In cases where network Lead partners and partners do not find the relevant expertise in the pool of validated URBACT experts, they may invite experts to apply for validation following the procedure defined in the open Call for Experts.

#### **b) Appointment of URBACT expert by network Lead partners –Phase 1**

When submitting their Phase 1 Application, applicants are requested to designate the Lead Expert they intend to work with if the network is approved for Phase 1 and who will be in charge of producing the project baseline study. Ideally, this expert shall continue supporting the network as Lead expert in phase 2 if the project is approved for phase 2. Yet this appointment will have to be renewed for phase 2 once the project is approved, based on the Lead partner and partners' request.

The Lead Expert shall be proposed only from the pool of URBACT validated experts. No ad hoc experts may be commissioned during phase 1.

After the approval of the project proposal by the Monitoring Committee for phase 1, Lead Partners shall submit to the Secretariat an Expertise Request Form in which they confirm the expert they wish to commission for phase 1, building on discussions within the initial partnership.

The main tasks to be performed by the Lead expert under phase 1, the expected deliverables and work plan will be standard for all Lead experts, within the available envelope (40 days, 30.000 euros).

Following validation of the Lead partner's request by the URBACT Joint Secretariat, a contract will be established between the expert and the URBACT Managing Authority. The Lead partner shall be responsible for certifying the services performed by the Lead expert and validating the expert's activity reports (including deliverables, number of days claimed, etc.)

Lead Experts cannot be appointed to support more than one network at a time (whatever the type of network).

#### **c) Appointment of URBACT expert by network Lead partners –Phase 2**

After the approval of the project proposal by the Monitoring Committee for phase 2, Lead Partners shall submit to the URBACT Joint Secretariat an Expertise Request Form which defines the main tasks of the proposed Lead Expert, the deliverables expected, the work plan of the Expert and the number of days to be allocated. These components shall be discussed and agreed with project partners. Changes of Lead expert between phase 1 and 2 are possible, depending on phase 1 experience and achievements. A special request must be submitted to the Joint Secretariat with justification.

For Phase 2, the allocation of days to Lead Expert shall not exceed 80% of the days remaining in the expertise envelope after Phase 1.

Lead Experts cannot be appointed to support more than one network at a time (whatever the type of network).

Ad-Hoc Experts can be appointed by approved networks under phase 2 using the remaining 20% of the envelope, at the beginning of phase 2 or during the network life cycle as needs emerge. The procedure for appointment shall be similar as the one outlined above for Lead experts.

Lead experts and ad hoc experts shall be selected from the pool of validated URBACT Experts, only.

Following validation of the Lead partner's request by the URBACT Joint Secretariat, a contract will be established between the expert and the URBACT Managing Authority. The Lead partner shall be responsible for certifying the services performed by the Lead expert and validating the expert's activity reports (including deliverables, number of days claimed, etc.)

## **7. Capacity-building activities**

In addition to the activities implemented by Action Planning Networks, the URBACT Programme offers regular training and capacity-building schemes to local stakeholders in order to improve the capacity of cities to manage sustainable urban policies and practices in an integrated and participative way.

Doing so, URBACT intends to go beyond individual learning and to allow local authorities to improve the way they are working with their communities.

Partners of Action Planning Networks may be invited to participate in the following capacity-building activities (refer to Fact Sheet 3 for details about Capacity-Building):

- Ad Hoc training for Lead Partners and Lead Experts as well as relevant stakeholders to ensure efficient delivery of networking activities. This training will focus on “technical issues” such as project development, URBACT method, network management, Communication, certification and audit, etc.
- National capacity-building seminars – this tool, tested under URBACT II, provides tools and methods to enhance capacities of local stakeholders to co-produce integrated and participatory strategies for sustainable urban development. National seminars are delivered in national languages. Member/Partner States are strongly involved in these sessions, which foster dialogue between national and local players on urban policies and allow project partners to better understand the national context in which they are operating.
- 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 partnerships at city level.
- Other ad hoc capacity-building actions based on established needs will 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.).

- Section 1: Main objectives and expected results
- Section 2: Network development
- Section 3: Partnership
- Section 4: Activities of Implementation Networks
- Section 5: Budget for Implementation Networks
- Section 6: Expertise for Implementation Networks
- Section 7: Capacity-Building Activities

## **1. Main objectives and expected results**

As stated in the URBACT III Operational Programme<sup>1</sup>, 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. This is true for all cities in Europe mobilizing public or private, local, regional or national resources.

The URBACT programme has a role to play in providing cities with the support needed to improve the implementation and delivery of their integrated urban action plans.

Moreover, an increased importance is being placed on the urban dimension of EU structural funds, in particular article 7 of the ERDF regulation<sup>1</sup> which requires a minimum of 5% of the national ERDF allocation to be allocated to integrated sustainable urban development actions.

Implementation Networks are a new URBACT tool designed to assist cities in an organized process of exchange and learning across Europe. The main aim of these networks is to improve the implementation of integrated strategies/plans for sustainable urban development.

### Key Features of Implementation Networks

Participation in Implementation Networks will be limited to cities which have an integrated urban strategy/plan approved by the city council and have secured funding for the implementation of this strategy/plan.

By taking part in an Implementation Network, cities with integrated strategies/plans focusing on similar thematic priorities can exchange and share experiences, discuss problems and seek possible solutions and generate new ideas to address challenges related to the different dimensions of the implementation process.

Cities should start by identifying the main challenges of the implementation process they wish to address in the framework of an Implementation network

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<sup>1</sup> ERDF Regulation 1301/2013

Challenges cities face during the implementation of integrated urban strategies/plan can relate to:

- **Horizontal, vertical and territorial integration**
- **Involvement of key local stakeholders in the implementation process (focusing on a participatory approach using appropriate partnership mechanisms)**
- **Measuring impact, monitoring and evaluation procedures (evaluation planning, establishing appropriate monitoring tools and results framework)**
- Shift from a strategy to an operational plan
- General project management (including re-organisation of municipal structures and creation of cross-department teams, organisation of the delivery chain)
- Building the project pipeline (project selection, support and monitoring)
- Public procurement
- Communication on the actions being implemented
- Funding and financial engineering.

According to the local context, cities may decide to focus on those challenges of the implementation process that are relevant for them. Nevertheless cities involved in Implementation Networks will be expected to have a strong focus on the challenges related to the integrated approach, the involvement of stakeholders and measuring the impact of their urban strategies/ action plans. These challenges are considered compulsory and have to be addressed by the networks.

Cities willing to get involved in Implementation Networks shall also commit to work on the different dimensions of the implementation process involving all key local stakeholders concerned by the integrated strategy for sustainable urban development (from within the local administration and also outside, civil society, private sectors, associations, Managing Authorities, etc.). These key stakeholders will be gathered in an URBACT Local Group. They will be actively involved in the transnational exchange activities of the network.

#### Main outcomes and results

As result of their participation in an Implementation Network, city shall commit to produce an Operational Framework for implementation with concrete solutions and policy instruments to effectively address the identified challenges in relation to the implementation process. The Operational Framework for implementation will thus be both a driver of the exchange and learning activities, and a key concrete output of their participation in the Implementation Network. The URBACT Local Group should be actively involved in the development of this Operational Framework.

Through the transnational exchange activities at network level and the production of the Operational Framework for implementation, cities involved in Implementation Networks will draw lessons from their experience; will learn from one another and from URBACT experts. Building on the transnational exchange and learning activities, networks will thus be expected to share, with the outside world (beyond the network), this wealth of practical knowledge, policy instruments and recommendations, good practices, etc.

#### Support at Programme level

The URBACT Programme provides each Implementation Network and their partners with a budget for transnational and local activities. In addition, each network will have a budget for the appointment experts to support partners in implementing their activities focusing on thematic content and methods/tools for exchange and learning.

In addition to the activities implemented by the network themselves, the URBACT Programme offers regular training and capacity-building actions for partners and local stakeholders involved in

networks. In doing so, URBACT intends to go beyond individual learning and support authorities to improve the way they are working with their communities for the effective implementation of integrated strategies/plans for sustainable urban development.

## **2. Network development**

In order to improve the quality of networks approved for funding, the URBACT Programme foresees a two-phase process for Implementation Networks. The process includes:

- ✓ **First phase:** a 6-month phase for the definition of the main challenges of the implementation process to be addressed by the network and the development of a complete project proposal in the form of a Phase 2 Application
- ✓ **Second phase:** a 24-month phase, starting from the date of the approval by the Monitoring Committee, for the implementation of the exchange activities, at transnational and local level and the production of the expected outputs

In the framework of Calls for Proposals, interested beneficiaries are invited to submit a Phase 1 Application including information related to the network's thematic focus (building on the thematic focus of the partners' integrated strategy/plan), a first definition of the challenges of the implementation process to be addressed, the proposed partnership to be composed by 7 to 9 cities and the rationale about why and how partners are willing to address the identified challenges .

Following a first eligibility check and a qualitative assessment of Phase 1 Applications, the Monitoring Committee approves the best proposals for Phase 1.

The main aim of the 6-month phase is to provide partners of Implementation Networks with time and resources to ensure the development of a common vision of the challenges related to the implementation process of integrated strategies/plan to be addressed through the Operational Framework for implementation, the identification of potential contributions and complementarities among partners as well as the elaboration of a shared methodology for the exchange activities.

Phase 2 applications developed during phase 1 are subject to a new eligibility check and qualitative assessment to get the final approval by the Monitoring Committee and be funded for the 24-month Phase 2. This Phase 2 proposal is an extension of Phase 1 activities. If approved in Phase 2, the APN will cover an eligible period from the start date of Phase 1 to the end date of Phase 2.

Detailed information on the application process is provided in Fact Sheet 2D -Network Creation as well as in the Terms of Reference of the Call for Proposals for Implementation Networks.

## **3. Partnership**

The following sections describe eligible beneficiaries that can act as Lead Partners and provides information about targeted beneficiaries to be involved in the partnership for Implementation Networks.

### 3.1 Targeted eligible beneficiaries

Eligible targeted beneficiaries for Implementation Networks are only cities<sup>2</sup> fulfilling the following specific criteria:

- Strategy/Plan: Having an integrated strategy/plan for sustainable urban development, addressing all three dimensions of sustainable development (social, economic and environmental sustainability), including a participative approach in its design and implementation and having received formal approval by the city council
- Funding: Having secured funds for a significant proportion of projects/actions listed in the action plan in order to demonstrate that the city is ready to enter/has entered the implementation phase

For Implementation networks eligible targeted beneficiaries include cities implementing integrated strategies/plans for sustainable urban development in the framework of Article 7 and 8 of the ERDF Regulation for 2014-2020.

Further details on the criteria for the definition of eligible targeted beneficiaries may be provided in the Terms of Reference of the Calls for Proposals for Implementation Networks.

### 3.2 Partnership of Implementation Networks

The partnership of Implementation Networks shall include minimum 7 and maximum 9 eligible targeted beneficiaries (including the Lead Partner).

The proposed partnership shall be composed right from the start, already at the stage of phase 1 application. Projects approved and funded for phase 1 shall make the most of the 6-month development phase to test the initial partnership, partners' commitment and capacity to address the identified challenges related to the implementation process of integrated strategies/plans for sustainable urban development.

The Implementation Network partnership shall:

- Be composed by cities from at least 3 different Member/Partner States
- Be balanced with cities from More Developed, Less Developed and Transition Regions<sup>3</sup>. Networks composed by 7 partners shall include at least 3 cities from Less Developed Regions. Networks composed by 8 or 9 partners shall include at least 4 cities from Less Developed Regions.

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<sup>2</sup> As defined in the the URBACT III Operational Programme, 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.

<sup>3</sup> Refer to the detailed [map](http://ec.europa.eu/regional_policy/en/policy/how/is-my-region-covered/) available in the DG Regional and Urban Policy website ([http://ec.europa.eu/regional\\_policy/en/policy/how/is-my-region-covered/](http://ec.europa.eu/regional_policy/en/policy/how/is-my-region-covered/))

Phase 1 shall be used to consolidate the partnership. During Phase 1 it may happen that partners withdraw from the projects. In any case, the partnership proposed for phase 2 shall be composed of minimum 7 and maximum 9 partners including the Lead partner city, and respect the above principles.

Eligible beneficiaries may participate in no more than 2 URBACT networks under each call for proposals.

Detailed information on the role and responsibilities of partners are provided in Fact Sheet 2E Network Management.

### **3.3 Lead Partners of Implementation Networks**

In the context of URBACT III, for each project proposal, a Lead Partner shall be appointed by the beneficiaries among themselves.

Only cities (see definition provided above) from the 28 EU Member States and from Switzerland and Norway (Partner States) can be Lead Partner of an Implementation Network.

Lead Partners are key actors of approved Implementation Networks. They are responsible for project implementation and financial management and for the coordination of the partnership.

A city may not be Lead Partner in more than one project at a time under the same call.

Further information on the roles and responsibilities of Lead Partners and partners is available in fact Sheet 2E "Network Management"

## **4. Activities of Implementation Networks**

The activities to be implemented by Implementation Networks, in each of the 2 phases, are organized around work packages. Each work package has specific objectives, defined actions and related expected deliverables.

The organization of the activities in work packages allows partners to develop a shared understanding about the project's structure, activities, objectives and expected results; it increases the capacity of Lead Partners to follow up the implementation of the expected activities and facilitates the procedure for reporting and accounting of expenditure.

The following sections describe the 2 work packages of Phase 1 and the 4 Work Packages of Phase 2.

### **4.1 Work plan for Phase 1**

During phase 1, partners involved in approved networks will work, with the support of the Lead Expert, on the development of the project final proposal for Phase 2 including: detailed definition of the main challenges of the implementation process to be addressed, baseline situations of all cities involved including detailed description of integrated strategies/plans, methodology for the exchange activities, expected results, etc.

The duration of Phase 1 is 6 months, starting from the official notification of approval that follows the decision by the Monitoring Committee.

Phase 1 of an Implementation Network shall be structured around 2 Work Packages:

- WP1 – Project Management and coordination
- WP2 – Project Development

- **Work Package 1 – Project management and coordination**

The activities to be developed under WP1 will be designed to achieve the following aims:

- To set up a strong project management team in order to ensure a sound management and coordination of the project concerning both the overall project management and all aspects linked to the financial management.
- To organize the work between the partners by building a strong collaborative relationship. The organization of the partners' responsibilities shall result in the successful submission of all required document for the phase 2 application.

Activities to be implemented under WP1 shall include the following actions:

- To recruit appropriate staff to ensure efficient project management. For the Lead Partner, the staff required will be significantly more than for a project partner. The Lead Partner shall appoint, already in Phase 1, a project coordinator, a finance officer and a communication officer – these activities will require the equivalent of 2 full posts.
- To hold regular management meetings to ensure strong communication between partners concerning project coordination
- To submit the reporting documents requested for Phase 1
- To attend training sessions and other events organized by the URBACT Secretariat
- To receive and transfer ERDF funds to partners (responsibility of the Lead Partner)

- **Work Package 2 – Project development**

The activities to be developed under WP2 will be designed to achieve the following aims:

- To consolidate the final partnership
- To identify the main challenges related to the implementation process to be addressed by each partner through the Operational Framework for implementation (including partners' expectations and potential contribution, focus of the Operational Framework for implementation, provisional composition of the URBACT Local Groups)
- To design the methodology for exchange activities both at transnational and local level

Activities to be implemented under WP2 shall include the following actions:

- To organize at least two transnational meetings gathering all partners
- To complete the Baseline study describing the local context and the nature of the integrated strategy/plan for each partner, the alignment of the policy issues of each strategy/plan with those of the wider network, the main challenges related to the implementation process each partner wants to address (as described in section 1 and further detailed in the Call for Proposals), the focus of the Operational Framework for implementation to be produced, the methodology for the exchange activities.
- To complete and submit the Phase 2 Application

## **4.2 Work Plan for Phase 2**

Phase 2 shall be devoted to the implementation of the activities, at transnational and local level, aiming at improving the capacities of each city involved to implement integrated strategies/plans for sustainable urban development.

The duration of Phase 2 is 24 months, starting from the official notification of approval, following the final decision of the Monitoring Committee.

Phase 2 of an Implementation Network shall be structured around 4 Work Packages:

- WP1 – Project management and coordination
- WP2 – Transnational exchange activities
- WP3 – Impact on local governance and urban policies
- WP4 – Communication and dissemination
  
- **WP1 – Project management and coordination**

As for Phase 1, the main aim of this work package is to ensure a sound management and coordination of the network concerning both the overall project management and all aspects linked to the financial management. All the tasks outlined as requirements for Phase 1 remain relevant for Phase 2.

- **WP2 – Transnational exchange activities**

Transnational exchange activities are the core actions to be carried out by Implementation Networks. They are to be conceived as milestones for the network as they allow the exchange of experience among partners and their URBACT Local Group members, the consolidation of knowledge on specific dimensions of the implementation process of integrated strategies/plans, the mutual support between partners (peer support), etc.

The lessons learnt and good practices identified during the transnational activities of exchange are key ingredients of the Operational Framework for implementation that each city commits to produce as result of the involvement in Implementation Networks.

The experiences of other cities will inspire partners that will translate and adapt this knowledge at local level to define concrete answers and solutions to the challenges for an effective implementation of integrated strategies/plans for sustainable urban development.

The activities to be developed under this work package will be designed to achieve the following aims:

- To foster the exchange of experiences among project partners and identify good practices related to the implementation of integrated strategies/plans
- To strengthen the practical knowledge and skills of partners in the policy area addressed by the integrated strategy/plan as well as related to the dimensions of the implementation process addressed by the network
- To draw lessons from the exchanges on an ongoing basis and to apply them at local level, especially through the production of the enhanced Implementation Plan.
- Coordinating project partners at transnational level to respond to administrative questions and ensure efficiency of work

More especially, activities to be implemented under WP2 shall include the following actions:

- Organisation of transnational exchange seminars focussing on specific challenges related to the implementation process. Transnational seminars should be a combination of different components including learning sessions, field visits, peer review sessions, local dissemination activities, etc
- Production of thematic outputs (interim and final) capturing the knowledge generated

during the transnational seminars and the main findings of the exchange activities focussing on solutions and tools addressing the main challenges related to the implementation process of integrated urban strategies/plans.

- **WP3 – Impact on local governance and urban policies**

In order to foster the impact of the transnational activities on the local capacity to implement integrated strategies/plans for sustainable urban development, each partner joining an Implementation network is required to involve relevant local stakeholders.

Partners will thus commit to set up and run a URBACT Local Group that will gather civil servants of different department, elected representatives as well as relevant stakeholders (representatives of other tiers of government, Managing Authorities, local agencies, NGOs, associations, etc.) concerned by the implementation of the integrated strategy/plan.

Local stakeholders involved in the URBACT Local Group will play a key role in the production of the Operational Framework for Implementation that each city commits to produce.

The activities to be developed under this work package are designed to achieve the following aims:

- To ensure a participative approach in the different dimensions of the implementation process of integrated urban strategies/plans
- To strengthen the capacity of local stakeholders in the implementation of integrated urban strategies/plans
- To support transnational exchange activities through the preparation of inputs for the network meetings (e.g. case studies, site visits, etc.)
- To ensure dissemination of lessons learnt (good practices, policy recommendations, etc.) to local stakeholders involved in urban development

More especially, activities to be implemented under WP3 shall include the following actions:

- Setting up and running a URBACT Local Group in each partner city
- Associating key stakeholders to the steering process of the implementation of integrated urban strategies/plans
- Involving key stakeholders in the production of the Operational Framework for implementation
- Taking part to the exchange activities at transnational level and contribute to these activities (participation to seminars, organisation of study visits, production of inputs, etc.)
- Taking part to the capacity-building activities organised by URBACT for core URBACT Local Group members.
- Building cooperation relations with the Managing Authorities of Operational Programme

- **WP4 – Communication and dissemination**

URBACT projects have to share their results and outputs with their partner cities but also with urban stakeholders, policy and decision makers and practitioners across Europe. Therefore, communication and dissemination shall be key activities for the project.

The activities to be developed under this work package will be designed to achieve the following aims:

- To ensure communication on the network's activities on an ongoing basis, both to network partners and to urban practitioners outside the network
- To ensure ongoing dissemination of the network's results and findings, both among network partners and beyond, to the wider community of urban practitioners outside the network

Activities to be implemented under WP4 shall include the following actions:

- Regular updates of the network web page on the URBACT website
- Production and dissemination communication material
- Organisation of a final event open to all target groups and dissemination events at partners' level
- Organisation of local dissemination events by each partner
- Participation to external events to promote the network

Approved projects will be expected to respect the URBACT programme graphic charter.

## **5. Budget for Implementation Networks**

### **5.1 General Budget Information**

The total eligible cost for an Implementation Network shall be between 600.000€ and 750.000€. The total budget shall be calculated based on the number of project partners and the specific identified needs of these partners. Implementation Networks requesting the higher budget allocation shall be required to justify this request by demonstrating a higher number of project partners or increased project activity. The Monitoring Committee can approve a lower than requested budget should they consider this is justified.

Implementation Networks shall be financed using European Regional Development Fund and local, regional or national contributions from city partners.

The ERDF co-financing rate for an Implementation Network is calculated at network level on the basis of the different co-financing rates for each partner.

- Partners from 'more developed' regions shall be co-financed at up to 70% by ERDF
- Partners from 'less developed' and 'transition' regions shall be co-financed at up to 85% by ERDF
- Partners from Norway shall be co-financed at up to 50% by Norwegian national funds
- Partners from Switzerland shall be co-financed at up to 50% by Swiss national funds

The calls for proposals shall provide detailed instructions for the creation of an Implementation network budget and some examples to assist applicants. Further information related to the eligibility of expenditure can be found in Factsheet 2F - Financial management and control.

### **5.2 Implementation Network Budget**

An Implementation network shall operate in two phase as outlined in previous sections of this Factsheet. The total eligible cost for the network combining Phases 1 and 2 shall be between 600 000€ and 750 000€ as outlined in the previous section. The Phase 1 total eligible cost shall not exceed 150.000€. Resource which is not used in Phase 1 can be used in Phase 2 if the Network is approved to continue.

Considering the foreseen workload dedicated to the phase 1 to ensure a well-balanced and coherent partnership and a high quality baseline study and phase 2 application form the costs incurred for this first phase of work shall be considered eligible for refund regardless of the approval of the project into Phase 2.

The budgets for Phase 1 and 2 shall be presented using 5 budget categories as follows:

- i) Staff costs**  
Expenditure on staff members employed by the partner organisation, who are formally engaged to work on the project
- ii) Office and Administration Costs**  
Operating and administrative expenses of the partner organisation that support delivery of project activities – Fixed at 3% of staff costs.
- iii) Travel and Accommodation Costs**  
Expenditure on travel and accommodation costs of staff of partner organisations that relate to delivery of the project. This category included travel costs, accommodation costs, costs of meals, visa costs, and/or daily allowances/per diems.
- iv) External expertise**  
Expenditure for external expertise and services provided by a public or private body or a natural person outside of the partner organisation. This category covers costs paid on the basis of contracts or written agreements and against invoices or requests for reimbursement to external experts and service providers that are requested to carry out certain tasks or activities, linked to the delivery of the project. This category also includes all costs linked to the organisation of meetings as well as Travel & Accommodation costs for any people outside the partner organisation (external experts, speakers, service providers, ULG members).
- v) Equipment**  
Expenditure for equipment purchased, rented or leased by a partner, necessary to achieve objectives of the project.

For each cost category, detailed information about the eligibility of costs, the methods for calculation and programme specific rules is available in Factsheet 2F – Financial Management and Control.

## **6. Expertise for Implementation Networks**

### **6.1 General framework**

The URBACT Programme provides each approved Implementation Network with an additional specific budget for the appointment of experts. These experts support partners in implementing their transnational activities with both thematic content and methods for exchange and learning. They are expected to work in accordance with the URBACT networking framework and use the tools provided by the URBACT Programme. Dedicated training sessions shall be delivered to URBACT networks experts as needed.

### **6.2 Services to be provided by URBACT experts to networks**

The expertise resource is meant to be made available to the whole partnership. More especially, the expertise envelope should provide partners with a package of services including:

1. Expertise for the design and delivery of transnational exchange and learning activities:

- Definition and delivery, in strong cooperation with the Lead Partner and partners, of the methodology for exchange activities at transnational level to ensure high level of sharing, mutual learning and transfer of knowledge. Appointed experts will support the partnership with the definition of the main focus, design of the work plan, definition of the main expected outputs, and they play a key in the delivery of networks transnational activities (including preparation of input, collecting information from partners, designing agenda with appropriate methodology, moderating sessions during meeting, drawing lessons and reporting after meetings)

2. Thematic expertise:

- Definition and delivery of thematic inputs that will nourish the exchange and contribute to the learning process of partners involved
- Production of thematic documentation and outputs in English that will capture and disseminate lessons learnt, good practices, etc, both to network's partners and to an external audience

3. Expertise support to local authorities and other stakeholders in designing and delivering integrated and participatory policies

- Support to partners at local level in involving key stakeholders and in co-producing the main expected local outputs (especially Operational Framework for Implementation).
- Support to partners in making use of tools and methods for participatory design and implementation of integrated urban policies/action plans

### **6.3 Lead experts and Ad hoc experts**

In order to improve the efficiency of the support provided by experts to URBACT Networks, expertise will be made available to approved networks as follow:

- A Lead Expert will assist the partnership over the entire duration of the network (Phase 1 and 2) both with expertise for the design and delivery transnational exchange and learning and thematic expertise
- Ad-Hoc Experts may also be recruited to provide support on specific needs identified by the network concerning the methodology for exchange and learning activities, thematic expertise and local support to partners

URBACT network experts are also expected to work in close collaboration with the URBACT Joint Secretariat and contribute to capitalization and dissemination of network results. They shall use the tools and guidance provided by the programme for effective delivery of activities and outputs (eg. related to transnational exchange learning activities, production of network outputs, organization of network seminars, etc.). In this perspective, they shall take part to dedicated information and training sessions organized by the URBACT Joint Secretariat for the network experts. These will be part of their main tasks and work programmes.

## **6.4 Budgetary elements for expertise**

Each network shall have an allocation of € 127 500 maximum to cover the costs of expertise over the lifetime of the project (Phase 1 and Phase 2). This budget available for expertise is additional to the project budget. As the daily expertise fee for URBACT experts is set at 750 euros/ day all taxes included, this budget corresponds to an envelope of 170 days (including participation to training sessions and other activities at Programme level).

For phase 1, the expertise envelope available for each network shall be limited to 30.000 euros (40 days of expertise, including participation to information and training sessions organized by the URBACT Joint Secretariat). In Phase 1, only one single expert, designated as Lead expert, may be appointed. No additional ad hoc experts shall be appointed from the programme envelope. Days not used under phase 1 from the available envelope may be used during phase 2 with the exception of days dedicated to programme events.

For Phase 2, the allocation of days to Lead Expert shall not exceed 80% of the days remaining in the expertise envelop after Phase 1.

The allocation covers days of expertise only. Travel and accommodation costs for URBACT Experts shall be covered by the network budget, in the “External Expertise” budget category.

Implementation Networks can contract additional experts for specific tasks (e.g. coordination of the URBACT Local Group, local animation, technical assistance, etc.) through the network budget under the category “External Expertise”.

## **6.5 Appointment of URBACT network experts**

### **a) The pool of validated URBACT experts**

The additional expertise budget allocated to network mentioned in 6.4 shall be used to appoint experts who have been validated in the pool of URBACT Experts. Network Lead partners and partners will have to select their Lead expert and potential ad hoc experts from this pool.

The pool of validated URBACT Experts shall be created by means of an open Call for URBACT Experts defining the services to be performed to support networks and assessment criteria. An external service provider, to be selected through an open Call for Tender, will support the URBACT Joint Secretariat with the assessment and validation of the applications received by candidates URBACT Experts, following the assessment criteria outlined in the Call for Experts.

The list of all validated URBACT experts will be available on the URBACT website, with a search engine (allowing a search per field of expertise, country of residence, etc.). In cases where network Lead partners and partners do not find the relevant expertise in the pool of validated URBACT experts, they may invite experts to apply for validation following the procedure defined in the open Call for Experts.

### **b) Appointment of URBACT expert by network Lead partners –Phase 1**

When submitting their Phase 1 Application , applicants are requested to designate the Lead Expert they intend to work with if the network is approved for Phase 1 and who will be in charge of producing the project baseline study. Ideally, this expert shall continue supporting the network as Lead expert in phase 2 if the project is approved for phase 2. Yet this appointment will have to be renewed for phase 2 once the project is approved, based on the Lead partner and partners’ request.

The Lead Expert shall be proposed only from the pool of URBACT validated experts. No ad hoc experts may be commissioned during phase 1.

After the approval of the project proposal by the Monitoring Committee for phase 1, Lead Partners shall submit to the Secretariat an Expertise Request Form in which they confirm the expert they wish to commission for phase 1, building on discussions within the initial partnership.

The main tasks to be performed by the Lead expert under phase 1, the expected deliverables and work plan will be standard for all Lead experts, within the available envelope (40 days, 30.000 euros).

Following validation of the Lead partner's request by the URBACT Joint Secretariat, a contract will be established between the expert and the URBACT Managing Authority. The Lead partner shall be responsible for certifying the services performed by the Lead expert and validating the expert's activity reports (including deliverables, number of days claimed, etc.)

Lead Experts cannot be appointed to support more than one network at a time (whatever the type of network).

### **c) Appointment of URBACT expert by network Lead partners –Phase 2**

After the approval of the project proposal by the Monitoring Committee for phase 2, Lead Partners shall submit to the URBACT Joint Secretariat an Expertise Request Form which defines the main tasks of the proposed Lead Expert, the deliverables expected, the work plan of the Expert and the number of days to be allocated. These components shall be discussed and agreed with project partners. Changes of Lead expert between phase 1 and 2 are possible, depending on phase 1 experience and achievements. A special request must be submitted to the Joint Secretariat with justification.

For Phase 2, the allocation of days to Lead Expert shall not exceed 80% of the days remaining in the expertise envelope after Phase 1.

Lead Experts cannot be appointed to support more than one network at a time (whatever the type of network).

Ad-Hoc Experts can be appointed by approved networks under phase 2 using the remaining 20% of the envelope, at the beginning of phase 2 or during the network life cycle as needs emerge. The procedure for appointment shall be similar as the one outlined above for Lead experts.

Lead experts and ad hoc experts shall be selected from the pool of validated URBACT Experts, only.

Following validation of the Lead partner's request by the URBACT Joint Secretariat, a contract will be established between the expert and the URBACT Managing Authority. The Lead partner shall be responsible for certifying the services performed by the Lead expert and validating the expert's activity reports (including deliverables, number of days claimed, etc.)

## **7. Capacity-building activities**

In addition to the activities implemented by Implementation Networks, the URBACT Programme offers regular training and capacity-building schemes to local stakeholders in order to improve the capacity of cities to manage sustainable urban policies and practices in an integrated and participative way.

Doing so, URBACT intends to go beyond individual learning and to allow local authorities to improve the way they are working with their communities.

Partners of Implementation Networks may be invited to participate in the following capacity-building activities (refer to Fact Sheet 3 for details about Capacity-Building):

- Ad Hoc training for Lead Partners and Lead Experts as well as relevant stakeholders to ensure efficient delivery of networking activities. This training will focus on “technical issues” such as project development, URBACT method, network management, Communication, certification and audit, etc.
- National capacity-building seminars – this tool, tested under URBACT II, provides tools and methods to enhance capacities of local stakeholders to co-produce and implement integrated and participatory strategies for sustainable urban development. National seminars are delivered in national languages. Member/Partner States are strongly involved in these sessions, which foster dialogue between national and local players on urban policies and allow project partners to better understand the national context in which they are operating.
- 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 and implement 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 partnerships at city level.
- Other ad hoc capacity-building actions based on established needs will 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.).

- Section 1 : Main Objectives and expected results
- Section 2: Network Development
- Section 3: Partnership
- Section 4: Main Activities
- Section 5: Budget
- Section 6: Expertise
- Section 7: Capacity Building Activities

## **1. Main objectives and expected results**

The URBACT III Operational Programme foresees that the programme shall aim to “improve the implementation of integrated plans for sustainable urban development” in European cities (Specific objective n°3). To deliver on this objective, transnational exchange and learning networks shall be implemented, to foster the transfer of good practice in the field of sustainable urban development.

It is thus expected that, as a result of the adaptation and re-use of good practices successfully implemented, European cities improve their integrated urban policies and the delivery of these policies on the ground.

## **2. Network Development**

### **2.1 Open calls for proposals**

Transfer networks shall be set up by means of open calls for proposals. The calls will invite cities to submit network proposals aimed at transferring a good practice, building on partnerships in which the “giving city” will be the Lead partner.

The call for proposals will normally be opened for cities to transfer a number of good practices that shall be identified ex ante by means of an open call for good practices in the field of sustainable urban development. The terms of reference of the call for good practices, including selection criteria and process, shall be approved by the URBACT Monitoring Committee.

### **2.2 A two-phase approach**

In order to improve the quality of networks approved for funding, the URBACT Programme foresees a two-phase process for Transfer Networks. Following the publication of the call for proposals, applicants submit a first project proposal. If they are successful, they receive funding to develop a full project proposal. The process includes:

- ✓ **Phase 1:** a 6-month phase for the definition of the final partnership and the development of a complete project proposal in the form of a **Phase 2 application**

- ✓ **Phase 2:** a 24-month phase, starting from the approval date by the Monitoring Committee, for the implementation of the activities foreseen by the network

In the framework of Calls for Proposals, interested beneficiaries are requested to submit a Phase 1 application, including information related to the good practice identified, the proposed partnership composed of 6-8 partners including the Lead Partner city, rationale about why and how partners are willing to transfer it in their own cities.

Following a first eligibility check and a qualitative assessment of Phase 1 Applications, the Monitoring Committee approves the best proposals for Phase 1.

The main aim of the **6-month phase** is to provide partners of Transfer Networks with time and resources to develop a common understanding of the good practice to be transferred, to explore the conditions and requirements for a successful transfer in the local context, and the definition of the methodology for transfer activities. This process has to be documented and feed into the phase 2 application to be submitted at the end of phase 1.

**Phase 2 applications** developed during phase 1 are subject to a new eligibility check and qualitative assessment to get the final approval by the Monitoring Committee and be funded for the 24-month implementation phase. This Phase 2 proposal is an extension of Phase 1 activities. If approved in Phase 2, the APN will cover an eligible period from the start date of Phase 1 to the end date of Phase 2.

Detailed information on the application process is provided in Fact Sheet 2D while the activities to be implemented in the framework of the two phases are described in the section 4 of the present Fact Sheet.

### **3. Partnership**

The following sections describe the eligible beneficiaries that can act as Lead Partners and provides information about the composition of the initial partnership for Phase 1 and the final partnership for Phase 2 for Transfer Network.

#### **3.1 Lead Partner**

In the context of URBACT III, for each project proposal, a Lead Partner shall be appointed by the beneficiaries among themselves. Only cities<sup>1</sup> from the 28 EU Member States and from Switzerland and Norway (Partner States) can be Lead Partner of a Transfer Network.

In the case of Transfer Networks, the Lead partner city shall be the city “holding/ giving the good practice” to be transferred.

Lead Partners are key actors of approved Transfer Networks. Beyond their key role in supporting the transfer of the good practice across the partnership, they are responsible for project implementation and financial management and for the coordination of the partnership. Further information on the

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<sup>1</sup> As defined in the the URBACT III Operational Programme, 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.

roles and responsibilities of Lead Partners and partners is available in Fact Sheet 2E - Network Management”.

A city may not be Lead Partner in more than one project at a time under the same call.

### 3.2 Partnership of Transfer Networks

The Transfer Network partnership shall include minimum 6 and maximum 8 partners (including the Lead Partner). The proposed partnership shall be composed right from the start, already at the stage of phase 1 application. Projects approved and funded for phase 1 shall make the most of the 6-month development phase to test the initial partnership, partners’ commitment and capacity to transfer the good practice.

The partnership shall include the city where the good practice has been successfully implemented (Giving city) in the position of Lead partner, and partners willing to transfer the practice in their own local contexts (Receiving partners).

The Transfer Network partnership shall:

- be composed of partners from at least 3 different Member/ Partner States;
- be balanced with partners from More Developed, Transition and Less Developed<sup>2</sup> regions and include at least 3 partners from Less Developed regions;

Maximum 3 non-city partners<sup>3</sup> may be included in the proposed partnership. Non city-partners must be public authorities or equivalent public authorities<sup>4</sup>.

Phase 1 shall be used to consolidate the initial partnership. Building on the baseline exercise completed across the partnership in phase 1, it may happen that partners withdraw from the projects. In any case, the partnership proposed for phase 2 shall be composed of minimum 6 and maximum 8 partners including the Lead partner city, and respect the above principles.

Eligible beneficiaries may participate in no more than 2 URBACT networks under each call for proposals.

Detailed information on the role and responsibilities of partners are provided in Fact Sheet 2E.

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<sup>2</sup> Refer to the detailed [map](#) available in the DG Regional and Urban Policy website

<sup>3</sup> As defined in the the URBACT III Operational Programme, the list of non-city partners includes:

- 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

<sup>4</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>4</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.”

## **4 Activities of Transfer Networks**

The activities to be implemented by Transfer Networks, in each of the 2 phases, are organized around work packages. Each work package has specific objectives, defined actions and related expected deliverables.

The organisation of the activities in work packages allows partners to develop a shared understanding about the project's structure, activities, objectives and expected results; it increases the capacities of Lead Partners to follow up the implementation of the expected activities and facilitates the procedures for reporting and accounting of expenditure. The following sections describe the 2 work packages of Phase 1 and the 4 Work Packages of Phase 2.

### **4.1 Work plan for Phase 1**

During phase 1, partners involved in approved networks will work, with the support of the Lead Expert, on the development of the project final proposal (detailed description of the good practice to be transferred, baseline situations of all cities involved including first review of conditions for transfer, methodology for the transfer activities, expected results, etc.), the identification of relevant local stakeholders to be involved for an effective transfer of the good practice at local level and a consolidated partnership.

The duration of Phase 1 is 6 months, starting from the official notification of approval that follows the decision by the Monitoring Committee. Phase 1 of a Transfer Network shall be structured around 2 Work Packages:

- WP1 – Project Management and coordination
- WP2 – Project Development

#### **- *Work Package 1 – Project management and coordination***

The activities to be developed under WP1 will be designed to achieve the following aims:

- To set up a strong project management team in order to ensure a sound management and coordination of the project concerning both the overall project management and all aspects linked to the financial management.
- To organize the work between the partners by building a strong collaborative relationship. The organization of the partners' responsibilities shall result in the successful submission of all required document for the phase 2 application.

Activities to be implemented under WP1 shall include the following actions:

- To recruit appropriate staff to ensure efficient project management. For the Lead Partner, the staff required will be significantly more than for a project partner. The Lead Partner shall appoint, already in Phase 1, a project coordinator, a finance officer and a communication officer – these activities will require the equivalent of 2 full posts.
- To hold regular management meetings to ensure strong communication between partners concerning project coordination
- To submit the reporting documents requested for Phase 1
- To attend training sessions and other events organized by the URBACT Secretariat
- To receive and transfer ERDF funds to partners (responsibility of the Lead Partner).

#### **- *Work Package 2 – Project development***

The activities to be developed under WP2 will be designed to achieve the following aims:

- To develop a shared understanding of the good practice to be transferred
- To identify, in each Receiving city, the conditions and requirements for an effective transfer of the practice in the local context (including the identification of relevant local stakeholders to be involved)
- To consolidate the partnership
- To design the methodology for transfer activities both at transnational and local level

Activities to be implemented under WP2 shall include the following actions:

- To organize at least 1 transnational meeting gathering all partners
- To complete the Baseline study presenting the good practice to be transferred, the baseline situation in each “Receiving partner organization” and the methodological framework for the transfer activities
- To complete and submit the phase 2 application including activities to be implemented by the network, expected outputs, work plan, financial plan, etc.

## **4.2 Work Plan for Phase 2**

Phase 2 shall be devoted to the implementation of the activities, at transnational and local level, aiming at the effective transfer of the good practice in each of the “Receiving partner organizations” involved in approved Transfer Networks.

Phase 2 of a Transfer Network shall be structured around 4 Work Packages:

- WP1 – Project management and coordination
- WP2 – Transnational transfer activities
- WP3 – Impact on local governance and urban policies
- WP4 – Communication and dissemination

The duration of Phase 2 shall normally be 24 months, starting from the official notification of approval that follows the decision by the Monitoring Committee.

### **- WP1 – Project management and coordination**

As for Phase 1, the main aim of this work package is to ensure a sound management and coordination of the network concerning both the overall project management and all aspects linked to the administrative and financial management.

### **- WP2 – Transnational transfer activities**

Partners involved in Transfer Networks work together at transnational level to facilitate the adaptation and transfer of the good practice in their own local context.

Transnational activities shall be planned and designed so as to allow “Receiving partners” to understand all dimensions of the practice to be transferred and to receive support from the “Giving city” for a possible adaptation of the practice and effective transfer at local level. The transfer activities should also allow the “Giving city” to reflect on their own practice and improve the way they have implemented it so far.

The activities to be developed under this work package will be designed to achieve the following aims:

- To foster the transfer of the good practice from the “Giving City” to the “Receiving partners”
- To strengthen the practical knowledge and skills of partners in the field of integrated sustainable urban development
- To draw lessons from the transfer activities on an on-going basis and identify key elements of success for the transfer, and possible implications of the good practice itself (possible

- improvements, specific dimensions related to specific local contexts, etc.)
- Coordinating project partners at transnational level to respond to administrative questions and ensure efficiency of work

The activities to be implemented under WP2 shall include the following actions:

- Organisation of transnational study visits to the “Giving City”
- Organisation of transnational transfer sessions in all “Receiving partners” (peer-reviews, living labs, etc.)
- Production of outputs that capture the learning from all cities involved in the Transfer Network in relation to the good practice transferred, including improvements to enhance the practice and recommendations for cities outside the partnership

#### **- WP3 – Impact on local governance and urban policies**

The involvement of key local stakeholders is crucial to ensure an effective transfer at local level of the good practice identified.

Partners will thus commit to set up and run a URBACT Local Group that will gather civil servants from different departments of the local administration, elected representatives as well as relevant stakeholders (representatives of other tiers of government, local agencies, NGOs, associations, etc.) linked to the policy area concerned by the good practice to be transferred.

The activities to be developed under this work package are designed to achieve the following aims:

- To foster the impact of transnational transfer activities on local policies ensuring an effective transfer and implementation of the good practice identified
- To strengthen the capacity of local stakeholders in integrated urban policies and participative action-planning
- To develop participatory processes for the transfer and implementation of good practices in the field of integrated sustainable urban development
- To ensure dissemination of lessons learnt (good practices, policy recommendations, etc.) to local stakeholders involved in urban development

Activities to be implemented under WP3 shall include the following actions:

- Setting up and running a URBACT Local Group for the transfer and implementation of the good practice identified in each partner organisation
- Taking part in the exchange activities at transnational level and contribute to these activities (participation to seminars with relevant delegates, organisation of study visits, production of inputs, etc.)
- Taking part in the capacity-building activities organised by the URBACT Secretariat for local stakeholders involved in URBACT Local Groups.
- Building cooperation relationships with managing Authorities of Operational Programmes when relevant

#### **- WP4 – Communication and dissemination**

URBACT projects have to share their results and outputs across their partners but also with urban practitioners and policy-makers across Europe. Therefore, communication and dissemination shall be key activities of the networks and their partners.

The activities to be developed under this work package will be designed to achieve the following aims:

- To ensure communication on the network's activities on an on-going basis, both to network partners and to urban practitioners outside the network
- To ensure dissemination of the network's results and findings, both among project partners and beyond, to the wider community of urban practitioners outside the network

Activities to be implemented under WP4 shall include the following actions:

- regular updates of the project mini-site on the URBACT website (every 2 month minimum)
- production and dissemination of communication material
- organisation of a final network event open to all target groups and organisation of local events at partners' level
- Participation to external events to promote the network

## **5. Budget for Transfer Networks**

### **5.1 General Budget Information**

The total budget shall be calculated based on the number of project partners and the specific identified needs of these partners. Transfer Networks requesting the higher budget allocation shall be required to justify this request by demonstrating a higher number of project partners or increased project activity. The Monitoring Committee can approve a lower than requested budget should they consider this is justified.

Transfer Networks shall be financed using European Regional Development Fund and local, regional or national contributions from city partners.

The ERDF co-financing rate for a Transfer Network is calculated at network level on the basis of the different co-financing rates for each partner.

- Partners from 'more developed' regions shall be co-financed at up to 70% by ERDF
- Partners from 'less developed' and 'transition' regions shall be co-financed at up to 85% by ERDF
- Partners from Norway shall be co-financed at up to 50% by Norwegian national funds
- Partners from Switzerland shall be co-financed at up to 50% by Swiss national funds

The calls for proposals shall provide detailed instructions for the creation of a Transfer Network budget and some examples to assist applicants. Further information related to the eligibility of expenditure can be found in [Factsheet 2F - Financial management and control.](#)

### **5.2 Transfer Network Budget**

A Transfer Network shall operate in two phase as outlined in previous sections of this Factsheet. The total eligible cost for a Transfer Network combining phase 1 and phase 2 shall be between 600.000€ and 750.000€. The phase 1 total eligible cost shall not exceed 100.000 €.Resource which is not used in Phase 1 can be used in Phase 2 if the Network is approved to continue.

Considering the foreseen workload dedicated in phase 1 to ensure a well balanced and coherent partnership and a high quality baseline study and final application form, the costs incurred for this first phase of work shall be considered eligible for refund regardless of the approval of the project into Phase 2.

The budgets for Phase 1 and 2 shall be presented using 5 budget categories as follows:

- i) Staff costs**  
Expenditure on staff members employed by the partner organisation, who are formally engaged to work on the project
- ii) Office and Administration Costs**  
Operating and administrative expenses of the partner organisation that support delivery of project activities – Fixed at 3% of staff costs.
- iii) Travel and Accommodation Costs**  
Expenditure on travel and accommodation costs of staff of partner organisations that relate to delivery of the project. This category included travel costs, accommodation costs, costs of meals, visa costs, and/or daily allowances/per diems.
- iv) External expertise**  
Expenditure for external expertise and services provided by a public or private body or a natural person outside of the partner organisation. This category covers costs paid on the basis of contracts or written agreements and against invoices or requests for reimbursement to external experts and service providers that are requested to carry out certain tasks or activities, linked to the delivery of the project. This category also includes all costs linked to the organisation of meetings as well as Travel & Accommodation costs for any people outside the partner organisation (external experts, speakers, service providers, ULG members).
- v) Equipment**  
Expenditure for equipment purchased, rented or leased by a partner, necessary to achieve objectives of the project.

For each cost category, detailed information about the eligibility of costs, the methods for calculation and programme specific rules is available in Factsheet 2F – Financial Management and Control.

## **6 Expertise for Transfer Networks**

### **6.1 General framework**

The URBACT Programme provides each approved Transfer Network with an additional budget for the appointment of experts. These experts support partners in implementing their transnational activities with both thematic content and methods for transnational exchange, learning and transfer of good practice. They are expected to work in accordance with the URBACT networking framework and use the tools provided by the URBACT Programme. Dedicated training sessions shall be delivered to URBACT networks experts as needed.

### **6.2 Services to be provided by URBACT experts to networks**

The expertise resource is meant to be made available to the whole partnership. More especially, the expertise envelope should provide partners with a package of services including:

1. Expertise for the design and delivery of transnational exchange and learning activities:
  - Definition and delivery, in strong cooperation with the Lead Partner and partners, of the methodology for exchange activities at transnational level to ensure high level of sharing, mutual learning and transfer of knowledge. Appointed experts support the partnership with the definition of the main focus, design of the work plan to ensure efficient transfer of good practice, definition of the main expected outputs, and they play a key in the delivery of networks transnational activities (including preparation of input, collecting info from

partners, designing agenda with appropriate methodology, moderating sessions during meeting, drawing lessons and reporting after meetings)

- Definition, in strong cooperation with the Lead Partner and partners, of the methodology for transfer activities at transnational level, building on a detailed description of the good practice identified and on a clear identification of the main conditions for an effective transfer in the local contexts of Receiving Cities
- Design and delivery of transfer seminars building on study visits in Giving cities and transfer workshops in Receiving cities (designing the agenda, identifying relevant local stakeholders to be involved, defining appropriate methodology to ensure high level of sharing and transfer, moderating sessions during meeting, drawing lessons and reporting after meetings)

## 2. Thematic expertise:

- Definition and delivery of thematic inputs that will nourish the exchange and contribute to the learning and transfer process among partners involved
- Production of thematic documentation and outputs in English that will capture and disseminate lessons learnt from the transfer experience, enhanced good practice, etc., both to network partners and to an external audience

## 3. Expertise support to local authorities and other stakeholders in transferring the good practice building on a participatory approach:

- Support to partners at local level in involving key stakeholders and in co-producing the main outputs expected at local level (identifying conditions for transfer, adapting the good practice to the local context, supporting the transfer process and ensuring learning from transnational activities is embedding in this transfer)
- Support to partners in making use of tools and methods for participatory transfer of good practice

### **6.3 Lead experts and Ad hoc experts**

In order to improve the efficiency of the support provided by experts to URBACT Networks, expertise will be made available to approved networks as follow:

- A Lead Expert will assist the partnership over the entire duration of the network (phase 1 and 2) with expertise for the design and delivery of transnational exchange dedicated to support the transfer of good practice, and thematic expertise
- Ad-Hoc Experts may also be recruited to provide support on specific needs identified by the network concerning the methodology for exchange and learning activities, thematic expertise and local support to partners with the transfer of good practice

URBACT network experts are also expected to work in close collaboration with the URBACT Joint Secretariat and contribute to capitalization and dissemination of network results. They shall use the tools and guidance provided by the programme for effective delivery of activities and outputs (eg. related to transnational exchange learning activities, production of network outputs, organization of network seminars, etc.). In this perspective, they shall take part to dedicated information and training sessions organized by the URBACT Joint Secretariat for the network experts. These will be part of their main tasks and work programmes.

### **6.4 Budgetary elements for expertise**

Each network shall have an allocation of € 127 500 maximum to cover the costs of expertise over the lifetime of the project (Phase 1 and Phase 2). This budget available for expertise is additional to the

project budget. As the daily expertise fee for URBACT experts is set at 750 euros/ day all taxes included, this budget corresponds to an envelope of 170 days (including participation to training sessions and other activities at Programme level).

*For phase 1*, the expertise envelope available for each network shall be limited to 30.000 euros (40 days of expertise, including participation to information and training sessions organized by the URBACT Joint Secretariat). In Phase 1, only one single expert, designated as Lead expert, may be appointed. No additional ad hoc experts shall be appointed from the programme envelope. Days not used under phase 1 from the available envelope may be used during phase 2 with the exception of days dedicated to programme events.

*For phase 2*, the allocation of days to the Lead Expert shall not exceed 80% of the days remaining in the expertise envelop after phase 1.

The allocation covers days of expertise only. Travel and accommodation costs for URBACT Experts shall be covered by the network budget, in the “External Expertise” budget category.

Transfer Networks can contract additional experts for specific tasks (e.g. coordination of the URBACT Local Group, adapting the practice to local context, technical assistance, etc.) through the network budget under the category “External Expertise”.

## **6.5 Appointment of URBACT network experts**

### **a) The pool of validated URBACT experts**

The additional expertise budget allocated to network mentioned in 6.4 shall be used to appoint experts who have been validated in the pool of URBACT Experts. Network Lead partners and partners will have to select their Lead expert and potential ad hoc experts from this pool.

The pool of validated URBACT Experts shall be created by means of an open Call for URBACT Experts defining the services to be performed to support networks and assessment criteria. An external service provider, to be selected through an open Call for Tender, will support the URBACT Joint Secretariat with the assessment and validation of the applications received by candidates URBACT Experts, following the assessment criteria outlined in the Call for Experts.

The list of all validated URBACT experts will be available on the URBACT website, with a search engine (allowing a search per field of expertise, country of residence, etc.). In cases where network Lead partners and partners do not find the relevant expertise in the pool of validated URBACT experts, they may invite experts to apply for validation following the procedure defined in the open Call for Experts.

### **b) Appointment of URBACT expert by network Lead partners –Phase 1**

When submitting their Phase 1 Application , applicants are requested to designate the Lead Expert they intend to work with if the network is approved for Phase 1 and who will be in charge of producing the project baseline study. Ideally, this expert shall continue supporting the network as Lead expert in phase 2 if the project is approved for phase 2. Yet this appointment will have to be renewed for phase 2 once the project is approved, based on the Lead partner and partners’ request.

The Lead Expert shall be proposed only from the pool of URBACT validated experts. No ad hoc experts may be commissioned during phase 1.

After the approval of the project proposal by the Monitoring Committee for phase 1, Lead Partners shall submit to the Secretariat an Expertise Request Form in which they confirm the expert they wish to commission for phase 1, building on discussions within the initial partnership.

The main tasks to be performed by the Lead expert under phase 1, the expected deliverables and work plan will be standard for all Lead experts supporting Transfer Networks, within the available envelope (40 days, 30.000 euros).

Following validation of the Lead partner's request by the URBACT Joint Secretariat, a contract will be established between the expert and the URBACT Managing Authority. The Lead partner shall be responsible for certifying the services performed by the Lead expert and validating the expert's activity reports (including deliverables, number of days claimed, etc.)

Lead Experts cannot be appointed to support more than one network at a time (whatever the type of network).

### **c) Appointment of URBACT expert by network Lead partners –Phase 2**

After the approval of the project proposal by the Monitoring Committee for phase 2, Lead Partners shall submit to the URBACT Joint Secretariat an Expertise Request Form which defines the main tasks of the proposed Lead Expert, the deliverables expected, the work plan of the Expert and the number of days to be allocated. These components shall be discussed and agreed with project partners. Changes of Lead expert between phase 1 and 2 are possible, depending on phase 1 experience and achievements. A special request must be submitted to the Joint Secretariat with justification.

For Phase 2, the allocation of days to Lead Expert shall not exceed 80% of the days remaining in the expertise envelop after Phase 1.

Lead Experts cannot be appointed to support more than one network at a time (whatever the type of network).

Ad-Hoc Experts can be appointed by approved Transfer networks under phase 2 using the remaining 20% of the envelope, at the beginning of phase 2 or during the network life cycle as needs emerge. The procedure for appointment shall be similar as the one outlined above for Lead experts.

Lead experts and ad hoc experts shall be selected from the pool of validated URBACT Experts only.

Following validation of the Lead partner's request by the URBACT Joint Secretariat, a contract will be established between the expert and the URBACT Managing Authority. The Lead partner shall be responsible for certifying the services performed by the Lead expert and validating the expert's activity reports (including deliverables, number of days claimed, etc.)

## **7 Capacity-building activities for Transfer Networks**

In addition to the activities implemented by Transfer Networks, the URBACT Programme shall offer regular training and capacity-building schemes to local stakeholders of network partners in order to enhance the capacities of urban practitioners to manage sustainable urban policies and practices through integrated and participatory approaches. Doing so, URBACT intends to go beyond individual learning and to allow local authorities to improve the way they are working with their communities.

Partners of Transfer Networks may be invited to participate in the following capacity-building activities (refer to Fact Sheet 3 for details about Capacity-Building):

- Ad Hoc training for Lead Partners and Lead Experts as well as relevant stakeholders to ensure efficient delivery of networking activities. This training will focus on "technical issues" such as project development, URBACT method, network management, Communication, certification and audit, etc.

- National capacity-building seminars – this action developed at national level, in national language, aims to provide tools and methods to enhance capacities of local stakeholders to co-produce and implement integrated and participatory approaches to urban development. National Authorities are strongly involved in these actions, so as to foster 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 Summer Universities, which consist of a large transnational capacity-building event aiming to provide urban practitioners and local stakeholders with tools and methods to develop integrated and participatory approaches to sustainable urban development policies. Project partners from all URBACT networks come together to “learn by doing”, share good practices and test different tools they can apply at city level within their local partnership work.
- Other ad hoc capacity-building actions based on specific needs may 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.).

- Section 1: Call for Proposals
- Section 2: Staged application procedure
- Section 3: External Assessment Panel (EAP)

## **1. Call for Proposals**

URBACT Networks (Action Planning, Transfer and Implementation networks) shall be selected by means of call for proposals.

The nature of proposed tasks to be implemented by URBACT networks, and the administrative and financial framework within which the networks are to operate shall be outlined in the calls for proposals

Call for Proposals shall be approved by the URBACT Monitoring Committee.

Call for Proposals are published on the URBACT website and disseminated through different communication tools (dedicated webpage in the URBACT website, newsletters, news on partner websites, National Infodays, social media, etc.)

## **2. Staged application procedure**

The URBACT Programme, in order to increase the quality of networks approved for funding, foresees a two phase process with a first 6-month phase for the consolidation of the project proposal and a second 24-month phase for the implementation of the exchange and transfer activities.

Cities willing to set up an URBACT network are requested to submit a 1<sup>st</sup> proposal to get funding for Phase 1, in the form of a Phase 1 Application.

If the proposal is approved for Phase 1, networks will have 6 months to prepare and submit a complete project proposal in the form of a Phase 2 Application.

Each phase is subject to eligibility check by the Secretariat, assessment by an external panel of experts (External Assessment Panel, see section 3 below), and approval by the Monitoring Committee. The decision of the Monitoring Committee is final.

The staged application procedure can be summarized as follows:

<b>Call for Proposals</b>	
Stage 1	Submission by the Lead Partner of the Phase 1 Application using on-line tool and additional requested documents to the Secretariat
Stage 2	Eligibility check of the Phase 1 Application by the Secretariat
Stage 3	Assessment of the Phase 1 Application by the External Assessment Panel (EAP)
Stage 4	Decision of the Monitoring Committee on the basis of the proposal for approval submitted by the URBACT Managing Authority. Best ranked networks are approved for the 6-month Phase 1.
<b>Phase 1 (6 months)</b>	
Stage 5	At the end of Phase 1, creation and submission of the Phase 2 Application and additional requested documents
Stage 6	Eligibility check of the Phase 2 Application by the Secretariat
Stage 7	Assessment of the Phase 2 Application by the External Assessment Panel (EAP). The EAP may seek clarification from the candidate Lead partners and Lead experts by means of interviews and provide recommendations for improvements if necessary.
Stage 8	Approval by the Monitoring Committee on the basis of the proposal submitted by the URBACT Managing Authority. Approved networks are fully operational and can start implementing the activities foreseen in the work plan for Phase 2. Networks not approved for phase 2 will be refunded for the costs incurred in phase 1.
<b>Phase 2 (24 months)</b>	

In the following pages, details are provided for each of the stages summarized above.

### **Stage 1 – Submission of the Phase 1 Applications**

Potential Lead Partners wishing to apply in the framework of a Call for Proposals shall fill in in English and submit within the fixed deadline a Phase 1 Application.

Phase 1 Application shall include information related to the partnership, the network's focus, the general objectives, description of the main activities to be implemented during Phase 1. Detailed information on the content to be provided with the Phase 1 Application shall be available in the Call for Proposals.

Phase 1 Application shall be created online through the Synergie-CTE tool

Along with the Phase 1 Application, applicants shall submit the additional required documents. The list of additional required documents shall be provided in the Call for Proposals (these normally include Letters of Commitment from all cities involved in the partnership, the CV of the project coordinator at Lead Partner, the CV of the proposed URBACT expert).

## **Stage 2 – Eligibility check of Phase 1 Applications**

Phase 1 Applications submitted within the fixed deadline shall be checked by the URBACT Secretariat against the eligibility criteria listed in the Calls for Proposals. Eligibility criteria are minimum requirements, all of which must be fulfilled before a proposal can be declared eligible.

They usually refer to rules to respect in terms of procedure, respect of deadline, completeness of application and partnership.

Other eligibility criteria may apply depending on the focus and specificities of the Call for Proposals. These criteria will be included in the Terms of Reference of the Call for Proposals, to be approved by the Monitoring Committee.

## **Stage 3 – Assessment of Phase 1 Applications**

The External Assessment Panel (EAP, see section 3 below) shall proceed with the assessment of eligible proposals.

The assessment criteria for project proposals for Phase 1 shall be provided in the Call for Proposals to be approved by the Monitoring Committee. They can refer to the relevance of the topic, the coherence of the approach, the quality of the partnership, as well as other qualitative aspects of the overall application.

The EAP shall proceed to the assessment of each eligible proposal and elaborate recommendations for approval. Based on this input, the URBACT Managing Authority shall submit a proposal of networks to be approved to the Monitoring Committee.

## **Stage 4 – Decision of the Monitoring Committee for Phase 1**

The Monitoring Committee is the decision-making body of the URBACT Programme. It is composed of two representatives from each Member and Partner State and the European Commission.

Following the assessment and ranking of project proposals by the EAP, and considering the proposal of the Managing Authority, the Monitoring Committee shall decide on the approval of networks to enter Phase 1. The decision of the Monitoring Committee shall be final.

Project applicants can appeal the decision of the Monitoring Committee in accordance with Article 74 (3) EU Regulation 1303/2013. The procedure for appeal will be outlined in the Call for Proposals.

## **Stage 5 - Creation and submission of the Phase 2 Applications**

At the end of Phase 1, the Lead Partner and partners, with the support of the Lead expert, shall complete and submit the Phase 2 Application for the project to go to Implementation phase.

Phase 2 Application shall include, amongst other things, a detailed definition of the project objectives and expected outputs, a detailed presentation of the partnership, a description of the main actions to be implemented under the 4 work packages for Phase 2 and a budget.

At the beginning of Phase 1, the URBACT Secretariat shall organise a Training Session in order to provide Lead Partners and Experts with an intensive support and advice on how to define and build effective work packages for Phase 2. When appropriate this session can be extended to other partners.

Phase 2 Application shall be created through the online tool Synergie-CTE.

Along with the Phase 2 Application, applicants shall submit the additional required documents. The list of additional required documents shall be provided in the Call for Proposals (these normally include Letters of Commitment from all cities involved in the partnership).

#### **Stage 6 – Eligibility check of Phase 2 Applications**

The URBACT Secretariat shall check the Phase 2 Application submitted within the deadline, for compliance with eligibility criteria for Phase 2 Application defined in the Call for Proposals.

The Secretariat shall transfer eligible Phase 2 Applications to the External Assessment Panel.

#### **Stage 7 – Assessment of Final Applications**

The External Assessment Panel shall assess the eligible Phase 2 Applications. The assessment criteria for Phase 2 Applications shall be provided in the Call for Proposals to be approved by the Monitoring Committee.

They can refer to the relevance of the topic, the coherence of the approach, the quality of the partnership, as well as other qualitative aspects of the overall application.

With a view to ensuring the funding of good proposals, the EAP may seek clarification from the candidate Lead partners and proposed Lead experts by means of interviews and provide recommendations for improvements if necessary.

The EAP shall proceed to the assessment of each eligible proposal and elaborate recommendations for approval. Based on this input, the URBACT Managing Authority shall submit a proposal of networks to be approved to the Monitoring Committee

#### **Stage 8 – Decision of the Monitoring Committee for Phase 2**

Following the assessment of Phase 2 Application by the EAP, and considering the proposal of the Managing Authority, the Monitoring Committee shall decide on the approval of networks to enter Phase 2. The decision of the Monitoring Committee shall be final.

Project applicants can appeal the decision of the Monitoring Committee in accordance with Article 74 (3) EU Regulation 1303/2013. The procedure for appeal will be outlined in the Call for Proposals.

Lead partners of approved projects shall receive and sign a subsidy contract, which marks the final stage of approval of the project. Additional information on the subsidy contract is available in the Fact Sheet 2E. The project shall then be fully operational and start working on.

### **3. External Assessment Panel (EAP)**

The External Assessment Panel (EAP) which can be recruited specifically for each call, shall normally be composed of up to 7 members in charge of assessing the eligible projects received by the URBACT Secretariat after. The members shall be recruited through a call for applicants. An external consultancy, recruited through a call for tender, will be in charge of selecting the candidates according to following criteria:

- Proven track record in similar work (i.e. of assessing applications for transnational cooperation projects)
- Good knowledge of issues related to sustainable urban development.
- Understanding and experience of exchange and transfer of experience at European level

- Independence from cities, national authorities, and National or European networks involving local authorities

The EAP chair shall be appointed among the selected members.

A representative of the European Commission and the URBACT Managing Authority shall also be invited to attend the meetings of the EAP as observer.

The EAP shall review eligible applications against the assessment criteria outlined in the Calls for Proposals


Members of the EAP will proceed to the assessment of projects. Normally the methodology of the EAP will be developed along the following principles:

- Each project will be assessed by 2 different assessors (in case of divergent assessment a third assessor will review the proposal).
- The EAP shall seek consensus among assessors and produce single network assessment sheet for each project.
- The allocation of project proposals will be done by the URBACT Secretariat considering the thematic expertise of assessors as well as their nationalities (assessors will not assess project proposals with candidate Lead Partners from their own country).
- Members of the EAP will meet physically to share the results of their individual assessment and elaborate the final assessment report and recommendations.
- The assessors shall seek clarification from the candidate Lead Partners as necessary.

The assessment procedure shall involve the EAP at two different stages:

- a) The EAP shall assess the Phase 1 Applications once they have been declared eligible by the URBACT Secretariat. Along with the ranking of projects, the assessors shall be asked to provide recommendations for the improvements of networks.
- b) The EAP shall also be asked to assess the Phase 2 Applications elaborated by the partners at the end of Phase 1, and to provide recommendations for the improvements of networks, before they are submitted to the Monitoring Committee for approval.

The URBACT Programme shall finance the costs related to the External Assessment Panel creation and functioning. The Secretariat shall coordinate the activities and provide secretarial backing for the EAP (e.g. allocation of project proposals for assessment, set up of an online tool to facilitate the work of the EAP, regular meetings with assessors, etc).

	<p style="text-align: center;"><b>URBACT III</b></p> <p style="text-align: center;"><b>Programme Manual</b></p>	<p style="text-align: center;"><b>Fact Sheet 2E</b></p> <p style="text-align: center;"><b>Network Management</b></p>
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- Section 1 : Roles and Responsibilities of Lead and Project Partners
- Section 2: Legal Framework
- Section 3: Project Financial System
- Section 4: Project Monitoring, Reporting and Archiving
- Section 5: Reprogramming and Budget Flexibility
- Section 6: ERDF refunding
- Section 7: Project Closure
- Section 8: SYNERGIE-CTE
- Annex 1: List of useful documents

## **INTRODUCTION**

This Fact Sheet shall provide the rules, deadlines and procedures which must be followed by all approved URBACT III networks. It will provide information about different roles and responsibilities concerning management of the network, programme requirements concerning resources to be dedicated to the network for successful management, the legal documents necessary for approved URBACT networks, network monitoring and reporting requirements as well as claiming ERDF.

It sets out the key important points which all network lead partners and project partners **MUST** be aware of.

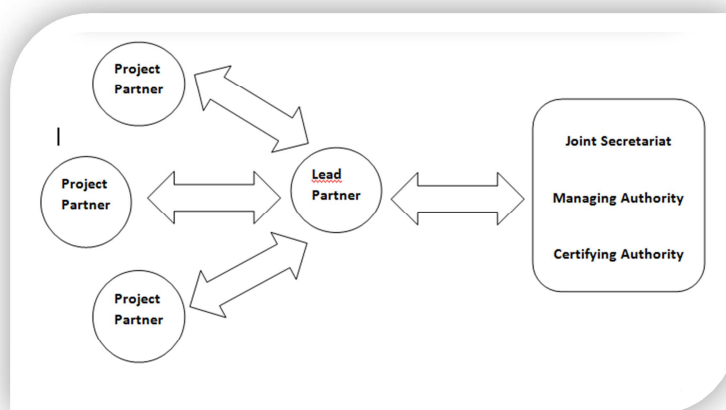
## 1. Roles and responsibilities of Lead and Project Partners

### 1.1 URBACT III Lead Partners Responsibilities

Specification of the Lead beneficiary's (Lead Partner) responsibilities for the 2014-2020 period can be found in Article 13 of Regulation (EU) 1299/2013. It states that where there are two or more beneficiaries of an operation a lead partner should be identified. The Lead Partner is responsible for:

- Setting out an agreement with all partners to guarantee sound financial management
- Taking responsibility for the implementation of the project
- Ensuring that expenditure incurred corresponds to the activities agreed between partners as outlined in the Subsidy Contract
- Ensuring that expenditure presented by partners has been checked and certified by the nominated first level controller

The Lead Partner represents a key element of success for URBACT III projects. With overall administrative, co-ordination, management, implementation, financial and legal responsibility for the project, the Lead Partner acts as the link between the Managing Authority and the project partners.



### 1.2 More information about the role of the Lead Partner can be found in the “Guide to Network Management”, available on the Programme website. **Lead Partner Resource**

For a Lead Partner the management of a transnational project is a challenging and time-consuming task. Therefore sufficient resource should be allocated to ensure suitable project management. The project staff should have experience in the management of transnational projects, be able to handle the challenges of different languages and cultures and have skills to animate the partnership.

The Lead Partner should appoint a full time **project coordinator**. The project coordinator should have a sound knowledge of the issues addressed by the project and be able to work as a driving force to the partnership and people around it in order to achieve the objectives laid down in the application form. The project coordinator should be present at each network transnational meeting in order to hold a session on network management with partners during each one of these meetings.

Proper coordination of project activities is not the only aspect that needs to be ensured by the lead partner. Professional financial management at project level is also essential. Each lead partner should therefore appoint a skilled **financial officer**, who is responsible for an adequate and orderly accounting practice and the proper management of the project budget (usually a half time post).

Each project also has to comply with the EU requirements on information and communication and visibility of actions. Therefore, the lead partner should appoint a **communication officer** responsible for implementation of information and communication measures (usually a half time post).

In terms of Communication, the Lead Partner (LP) is responsible for:

- Agreeing on how to communicate using the “why-how-what” model;
- Communicating and promoting project work and achievements;
- Building up a network of relevant contacts to promote use of project outputs;
- The Managing Authority/JS shall ensure that all projects comply with the publicity and information requirements laid down in the Article 115-117 of the Regulation (EU) No 1303/2013.
- The use of the EU logo shall be obligatory on all communication materials and tools produced within the framework of the co-financed projects. It is also necessary to indicate on all documents/products/reports a reference to the contribution of the ERDF funding.
- The projects web-pages must contain reference to the contribution of the European Union and the ERDF funding. Use of the EU logo is also obligatory when using any other logo.

The tasks of the project coordinator, financial and communication officers are crucial throughout the project duration and their importance should not be underestimated. As English is the official language of the Programme, all contact with the Joint Secretariat should be in English.

In addition, as a project partner in the network it is also important for the Lead Partner to appoint a **Local Coordinator** who should work with the URBACT Local Group (ULG).

### 1.3

A Guide about Network Communication and use of the URBACT visual identity is currently under development.

### 1.4 URBACT III Project Partners

The Lead Partner shall be administratively, legally and financially responsible for the project, nevertheless, each partner shall commit to the success of the project and contribute to its implementation and completion. Moreover, each partner remains liable for the sound financial management of its own expenditure.

Roles and responsibilities of the project partners are clarified in the mandatory Joint Convention (see section 2) in which the legal agreements between project partners and the Lead Partner are established formally in order to define their mutual cooperation. The Lead Partner is responsible for ensuring that the Joint Convention is drafted and signed by all partners by the end of phase 1 of the project.

### 1.5 Project Partner Resource

Each partner should appoint a **project coordinator**. The project coordinator for each project partner should have a sound knowledge of the issues addressed by the project and be able to actively participate in the network activities in English. This person could also coordinate activities at local level (ULG meetings) if these tasks are not externalised. A half time position should be foreseen for project coordinator at partner level.

**Finance** reporting and registering of costs can be a time-consuming task. Project partners should also foresee sufficient staff in peak periods to ensure that deadlines are respected. It is strongly recommended that a further half time position be made available for these aspects.

## **2. The legal framework**

It is imperative to clarify, from the beginning, roles and responsibilities of the different partners in a network. The Lead Partner is responsible for the project implementation and signs a Subsidy Contract with the Managing Authority to formalise this work. In order to be able to respect this contract the project partners are crucial players. It is, therefore, essential that the Lead Partner defines in detail the financial and administrative organisation of the project in agreement with all project partners. The Joint Convention is the tool for the definition of the tasks and responsibilities of each single actor in the project (see below).

### **2.1 Project Approval**

In accordance with Article 12 of Regulation (EU) No 1299/2013, the selection of projects will be made by the URBACT III Monitoring Committee based on the results of the quality assessment.

This decision will be notified to all Lead Partners soon after the meeting of the Monitoring Committee. Lead partners of unsuccessful projects will receive a notification letter with a summary of the quality assessment results. They will therefore be informed about the reasons why their application failed.

All Lead Partners of approved projects will receive an official notification letter stating the decision of the Monitoring Committee along with a summary of the financial assistance approved.

In some cases, the decision may include certain conditions deriving from the results of the quality assessment. A precise deadline for fulfilling these conditions will be set in the notification letter. Only after these conditions are fulfilled can the subsidy contract be concluded.

### **2.2 Contracting documents:**

- ***Subsidy Contract***

Article 12 (5) Regulation (EU) No 1299/2013 states that the Managing Authority shall provide the lead partner with a document setting out the conditions for support, including the outputs to be delivered, the financing plan and the time-limit for execution.

The contractual document for the URBACT III programme is called a subsidy contract. Following the approval of the project by the Monitoring Committee, a Subsidy Contract shall be signed in French and English between the Lead Partner and the Managing Authority. This agreement stipulates the rights and obligations of the Lead Partner and the Managing Authority, the scope of activities to be carried out, the amount of the ERDF subsidy, and deadlines and requirements for reporting and financial controls.

The Subsidy Contract shall be signed and returned within 1 month of the date of receipt, after this date the contract can be cancelled. The Subsidy Contract shall be prepared for Phase 1 and amended subject to approval of Phase 2.

- ***Joint Convention***

In accordance with Article 13.(2) (a) of Regulation (EU) No 1299/2013 the Lead Partner shall draft an agreement with all other partners. The agreement in the URBACT III Programme is called a Joint Convention.

The Joint Convention is a mandatory document covering mutual duties and responsibilities for sound project and financial management and recovery of funds. It is the legal agreement between the lead partner and project partners to define their mutual cooperation.

A standard model of Joint Convention shall be provided by the URBACT III programme. The Lead Partner, in consultation with the project partners, can adapt the content of the document to reflect the project specificities.

The Joint Convention signed by all partners shall be submitted by the Lead Partner within 2 months of project approval. The Joint Convention shall normally be updated following any changes to the project and re-submitted within 15 working days of the approval of the changes.

More information about contractual documents can be found in the “Guide to Network Management”, available on the Programme website.

### **2.3 Complaint procedure**

Complaints against decisions of the programme Managing Authority / Joint Secretariat during project implementation will follow the rules laid down in the subsidy contract that is concluded between the Managing Authority and the Lead Partner. Complaints related to first or second level control have to be lodged against the responsible national authority according to the applicable national rules.

## **3. Project Financial System**

Lead Partner and Project Partners shall jointly decide the type of project financial management to be set up.

There are three main types of administrative and financial management:

- 1) Centralised management
- 2) Decentralised management
- 3) Mixed management

- ***Centralised management***

A centralised management consists in a centralisation of the local financial contribution of the Project Partners. Partners are asked to transfer their contributions directly to the Lead Partner, who shall take up also the majority of responsibilities linked to the project financial follow up (collection of partners' co-financings; payment or reimbursement of the organization costs related to the meetings; accounting and certifying procedures through SYNERGIE CTE).

This kind of system simplifies:

- the project management, since the Lead Partner is the major responsible body to deal with the accounting, reporting and monitoring procedures through SYNERGIE CTE;

- the implementation of the first level control (and the related designation of the first level controllers by the Member States), since the Lead Partner first level controller will be responsible to certify all of the expenditure.

Nevertheless, the application of a centralised financial management must guarantee:

- the respect of the eligibility rules and EU regulations,
- the respect of national eligibility rules,
- a detailed description of the chosen system in the Joint Convention: it must be clear how the system has been set up, which agreements have been undertaken between Project Partners and Lead Partner, how and when the contributions should be transferred to the Lead Partner, how the main responsibilities and liabilities of all partners are respected;

The Joint Convention shall also clearly define the Project Partners' and Lead Partner's responsibilities in case of irregularities.

In the framework of a centralised financial management system, the Lead Partner shall pay 100% of the project expenditure. For this reason, the Lead Partner shall centralize all financial contributions of its partners according to the amounts indicated in the application forms.

- ***Decentralised management***

The second system consists in a decentralised financial management where all partners keep, spend and certify their own costs.

Every project partner spends and accounts one's own expenditures in SYNERGIE CTE. The first level control on the expenditure shall be done at the level of each partner.

In particular, the Lead Partner shall ensure that each partner:

- spends, accounts and certifies its own contribution in compliance with the national and EU regulations and respecting the Programme internal rules;
- spends, accounts and certifies its own contribution according to the project's payment forecast;
- provides the Lead Partner with the certificate and statement of expenditures signed by the appointed first level controllers during each reporting period;
- Ensures that the expenditure accounted and certified by the partners is entered into the correct budget categories without exceeding the maximum available amount (keeping in mind the flexibility of 20% (see section 5 below) between budget categories and between partners' budgets).

- ***Mixed management***

The mixed system is a system where the majority of expenditures shall be managed by the Lead Partner while the expenditures incurred by the Project Partners (e.g. contributions in staff and costs for the URBACT Local Groups) shall be accounted in SYNERGIE CTE by the Project Partners and certified by the designated first level controllers at Project Partners' level.

In this case, records should be kept by the Lead Partner who will be asked to provide a specific document outlining information concerning the amounts and the breakdown per budget categories and per partner.

It should be noted that mixed management requires additional follow up of all 'shared costs' and can be an administrative and financial burden on the Lead Partner. It is also necessary to outline in the Joint Convention arrangements in the case that the full budget is not spent or where a project partner withdraws from the network.

In a mixed Management System it is possible for the Lead Partner to request each partner to advance an amount of their local contribution. It should be noted that this can be difficult to manage and as such the following points should be respected:

- the amount of advance payment should not exceed 50% of the local contribution of the partner concerned to avoid over-payment;
- full details of the amount of advance payment and the use thereof by the Lead Partner should be presented in the Joint Convention;
- full details of the arrangements made for considering the treatment of the advance payment as part of the refunds to each partner should be presented in the Joint Convention (especially in the case that the full project budget is not spent);
- an explanation of the arrangements to be made if a project partner withdraws from the network should be presented in the Joint Convention.

#### **4. Project Monitoring, Reporting and Archiving**

This section describes the monitoring and reporting procedures to be followed by the projects approved by the Monitoring Committee as well as the tools to be used to monitor the projects and the requirements concerning archiving and document retention.

The Lead Partner (LP) is responsible for monitoring and reporting on the project's progress. In order to ensure effective and efficient management of the project, the LP should set up a proper system for monitoring outputs and expenditure within the project. It is also the responsibility of the LP to follow up on the work of project partners' and have an overview of the overall progress of the project.

##### **4.1 Project Monitoring**

Project monitoring must be planned as an integral part of the day-to-day management. Monitoring is a task that needs to be carried out throughout the lifetime of a project. It provides information to help identify and solve implementation problems and assess progress.

The URBACT III Programme shall use the IT monitoring and management tool SYNERGIE CTE for programme and project management. This shall also be the Programme system for recording and storing in computerized form the accounting records of each project.

The system shall be used for project submission, accounting and certifying expenditure, reporting and monitoring. All key reporting documents shall be produced via the SYNERGIE CTE system.

The system will allow lead partners to regularly review project progress in terms of activity and expenditure. It should be the main monitoring tool used for project updates.

A Synergie Guide is available on the Programme website to assist project partners and First level Controllers who have to use the system.

## 4.2 Reporting Requirements

According to the subsidy contract concluded between the LP and the Managing Authority, one of the LP's obligations is to regularly report on the progress of the project. The reporting to the JS is carried out through progress reports to be submitted in 6-month reporting periods.

Approved projects will be required to report officially on their project activity on a six-monthly basis. Two periods shall be fixed for project reporting and should occur as follows:

- 01 January – 30 June each year (deadline for submission 30 September)
- 01 July – 31 December each year (deadline 31 March of following year)

Exceptionally the period can be extended especially at the beginning or at the end of the project should this be considered appropriate to simplify the reporting periods and avoid excessive reporting. Lead Partner and First Level Controllers will be informed of such changes in a timely manner.

Reporting should be well organised and should not be managed at the last minute.

## 4.3 Reporting Documents

Reporting documents must be produced through SYNERGIE CTE. Other formats will not be accepted. The compulsory documents to be submitted for each reporting round include:

- Payment claim document signed and stamped by the LP - scan to be sent via email ;
- Certificates of expenditures and related checklist of certified expenditure provided and signed by the first level controllers - scan to be sent via email ;
- Progress report (PR), signed and stamped – scan to be sent via email , with relevant information concerning the activities corresponding to the amount of declared and certified expenditure with reference to the relevant implementing period. The PR is composed of:
  - Activity part: related to activities implemented in the considered semester, involvement of the partners, problems encountered, solutions envisaged, results and delays. This part shall be coherent with the activities, the objectives, results and timeline schedule described in the application form. If not, related motivations for eventual deviation and envisaged activities to catch up with the delays shall be provided.
  - Financial part: related to the expenditure occurred during the concerned semester, per budget lines, work packages and project partner. The financial part also includes the cumulative amounts of the expenditure declared with previous PR and the remaining budget.

Along with the mandatory reporting documents mentioned above, Lead Partners are asked to send relevant documents related to the activities described, for example: agenda and attendance sheets from meetings, reports, blogs or other outputs from the period concerned.

Whenever possible, Lead Partners are requested to send the annexes in electronic version.

## 4.4 Reporting Procedure

The reporting procedure can be summarised as follows:

- a) Each Project Partner sends to the Lead Partner the relevant information for the preparation of the progress report within the deadlines agreed with the Lead Partner. This information

shall concern both the activities undertaken and the financial management implemented by the partners.

- b) On the basis of this information, the Lead Partner compiles the progress report for the whole project in SYNERGIE-CTE (or in other format if required by the Secretariat itself in exceptional situations).
- c) For the audit trail the Lead Partner shall retain the inputs to the progress report received from the Project Partners.
- d) The progress report shall be completed and submitted in SYNERGIE CTE and the scan sent via email within the three months after the end of the reporting period. The progress report shall be signed by the representative of the Lead Partner (normally the project coordinator) and also by the first level controller of the Lead Partner.
- e) The Secretariat shall check all the reporting documents listed in previous section and if necessary shall send clarification requests to the Lead Partner. Once all points have been clarified, the report is approved.

#### **4.5 Archiving and Record Keeping**

All partners are obliged to retain for audit purposes all files, documents and data about the project on customary data storage media in a safe and orderly manner at least until 31 December 2025. Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected.

### **5. Budget Flexibility and Reprogramming**

#### **5.1 Budget flexibility rule**

During the project life, there could be the need to be flexible with the project financial tables.

The budget flexibility rule allows the project to spend the available budget with a flexibility of up to 20% of the amount approved for each budget category and each partner's budget, whenever it is needed (not only once) as long as the maximum amount of ERDF, Norwegian and Swiss funding awarded remains the same.

For example, if the budget of budget category 3 – travel and accommodation costs is 150,000 EUR, then that budget line can be exceeded with a maximum amount of 30,000 EUR, if other categories are under consuming to an equivalent amount.

Under the budget flexibility rule it is not possible to make changes to the project total budget. However a budget reallocation of up to 20% from a budget category to another or from one partner to another shall be possible. Budget deviations under the “flexibility rule” are not considered as project changes: the original approved budget does not change.

The deviations performed under the flexibility rule must be reported to the Joint Secretariat together with the respective progress report and are subject to clarifications that usually take place in the course of the monitoring.

## **5.2 General principles**

According to the Subsidy Contract, the Lead Partner shall be obliged to request approval from the Managing Authority if the partnership, the activities or the budget of the project change.

As a basic rule, Lead Partners should inform the Joint Secretariat as soon as they are aware of a possible change in their project.

## **5.3 Reprogramming Procedure**

All minor changes (e.g. change in contact information, in bank details, rescheduling of activities, small budget deviation within the 20% budget flexibility rule as described above) can be done when relevant at any time during the lifetime of the project as they do not have any impact on the Application Form or the Subsidy Contract. In case of any doubt, the Lead Partner shall ask for confirmation from the Joint Secretariat.

The Lead Partner can inform the JS at any point of these changes but they should anyway be notified in the 6-monthly Progress Report. The JS takes note and makes updates when relevant.

Major changes to partnership, activities and budget (e.g. drop out or replacement of partners, extension of duration, change to the total project costs or ERDF, changes to partner allocations), when duly justified, require a decision from the Monitoring Committee and shall be managed by a formal reprogramming session. The session shall usually take place at the mid-point of the project implementation. Lead Partners shall consult all project partners to ensure all changes have been taken into consideration and shall submit the official request by the deadline specified by the Secretariat. The proposed changes will be considered by the next scheduled Monitoring Committee.

Requests should be made by official letter (send by e-mail or post) and should clearly outline the changes required section by section of the application form. A revised budget per category and per partner should be provided.

Requests that do not meet the deadline or provide suitable information will not be considered.

Exceptionally additional reprogramming sessions can be organised by the Secretariat if considered necessary before project closure.

## **6. ERDF Refunding**

The lead partner shall open a separate bank account or set up an accounting code to which the Programme will transfer the ERDF co-financing and from which the project partners will be reimbursed. This will ensure that project funds are explicitly separated from the lead partner's general budget and can be clearly identified, as well as properly monitored and managed.

All project partners should also set up a separate bank account or accounting code to ensure that all incurred expenditure is easily traceable and to receive ERDF refunds from the Lead Partner.

### **6.1 Network ERDF intervention rates**

The average ERDF co-financing rate of a project is calculated on the basis of the different co-financing rates for the single partners.

- Partners from the Less Developed & Transition regions shall be co-financed at up to 85% by ERDF;
- Partners from the More Developed regions shall be co-financed at up to 70% by ERDF;
- Partners from Norway shall be co-financed at up to 50% by Norwegian national funds;
- Partners from Switzerland shall be co-financed at up to 50% by Swiss national funds.

## **6.2 Phase 1 ERDF Refunding to Lead Partner**

For Phase 1 projects there will be one unique reporting period which will have a deadline of 3 months after the official end date of the project.

Each project will be expected to follow the procedure outlined in section 4 of this factsheet.

Approved projects will have one ERDF refund which will be made based on the real declared expenditure by partner.

For 'mixed' management projects the Lead Partner should provide a note outlining the amounts and the breakdown per budget categories and per partner.

Based on this information the URBACT Secretariat will calculate the amount of ERDF due to the project. The Lead Partner will be responsible for transferring the correct amount of ERDF to the project partners where appropriate.

Once the transfers have been made the Lead Partner is required to input this information into the SYNERGIE CTE system. Project partners are required to acknowledge receipt of payments by inputting the date in SYNERGIE-CTE.

## **6.3 Phase 2 Refunding to Lead Partner**

For Phase 2 projects which have a longer timeframe, several reporting rounds will be held.

Each interim reporting period will be treated by the URBACT Joint Secretariat and will be paid based on the real costs incurred and certified by each partner using their approved intervention rate. The Lead Partner will be responsible for transferring the correct amount of ERDF to the project partners.

For Mixed Management systems, for each reporting period the Lead Partner shall provide details about the redistribution of shared costs for the period in the form of a predefined excel table.

At the end of the project, the Lead Partner will provide a note which will outline the real certified expenditure from each partner, taking into consideration the project shared costs and any cash transfers for 'mixed' or 'centralised' management projects. This note should also outline information concerning the amounts and the breakdown per budget categories and per partner.

Based on this information, the URBACT Secretariat will calculate the amount of ERDF due to the project. The final payment will be calculated based on the information provided by the Lead Partner. For this final payment, the Lead Partner will be responsible for transferring the correct amount of ERDF to the project partners.

In order to close the project all partners should acknowledge receipt of payments by inputting the dates in SYNERGIE-CTE.

## **6.4 Transfer of ERDF to Project Partners**

For all payments, the Lead Partner will be responsible for transferring the correct amount of ERDF to the project partners.

The payments to project partners should be entered into SYNERGIE CTE. A guide on how to use Synergie is available on the Programme website.

If refunds do not correspond to the exact amount due to the partner, it is necessary to make a comment in the box provided to explain this. If no transfer is to be made to the partner due to internal agreements then one payment should be entered into SYNERGIE CTE for an amount of 0.00 and a comment should be added to note this fact.

Once the payment is received by the partner they are responsible for entering the date of receipt in the SYNERGIE CTE system. All information on payment transfers should be complete before further payments can be made.

## **6.5 Refunds to Swiss and Norwegian Partners**

Swiss and Norwegian cities are eligible within the URBACT III Programme. They can participate as partners in URBACT networks.

The Norwegian national funds are refunded by the URBACT III programme following the submission and acceptance of the projects' progress reports using funds transferred from Norway into a dedicated bank account.

The refunding system of Switzerland shall be managed directly by them, without involving the Programme institutions for what concerns the control and payment procedures. Further information can be requested through the Swiss representative in the URBACT Monitoring Committee.

This system does not imply that Norwegian and Swiss beneficiaries are treated differently than those coming from Member State, except for what concerns the procedures of financial flow and control.

## **7. Project Closure**

The main actions taking place at this stage are:

- Finalising the agreements for the dissemination of results after the end of the project;
- Ensuring that all partners are made aware in good time of what is expected by the end date of the project;
- Drafting the final report about achievements and submit it to the Programme;
- Reporting all final costs for the project ensuring the approved budget is respected;
- Completing transfer information.

### **7.1 Final documents and reports**

When a project comes to an end, there are some important steps to be aware of in order to ensure a smooth close down for the project. Particularly, with regards to project closure, the Lead Partner shall submit the following documents within the fixed deadlines:

- Final Progress Report

The final progress report is the same as the interim reports generated in SYNERGIE CTE. It should summarise all the completed activity and outline all the outputs produced. It should also be completed to highlight any important financial matter/problem and state the final amount of costs incurred and certified by the project;

- Final Payment Claim

The final payment claim shall state the amount of costs incurred for this final claim and shall request the ERDF amount to be refunded – this template shall be available in SYNERGIE CTE;

- Final Certificates and Statements of Expenditure

The final certificates and statements of expenditure shall be produced through SYNERGIE CTE and shall include the total costs incurred by the project Partners/Lead Partner;

- Final Administrative Closure Report

A short administrative closure report shall be completed to cover the points outlined within the Subsidy Contract;

- For mixed management systems: a note outlining information concerning the amounts and the breakdown per budget categories and per partner.

- Network's final outputs

The network's outputs as defined in the Application shall be submitted to the URBACT III Joint Secretariat during each reporting round and at the end for the final network products. Wherever possible Lead Partners are requested to send the outputs in electronic version, and upload them on the project's space on the URBACT website.

All of these documents shall be submitted to the URBACT III Joint Secretariat no later than 3 months after the project's official end date (indicated in the Application) or by the final date fixed by the programme if this differs.

## **8. Synergie-CTE online monitoring tool**

An online tool has been developed and provided by France to manage and monitor the ETC programmes and projects.

Details about the system can be found in a series of guidance notes, listed below, that have been developed by the Joint Secretariat to assist users involved in URBACT networks.

### **APPLICATION**

- Guidance Note N° 1 – APN Application Form (Phase 1)
- Guidance Note N° 2 – APN Application Form (Phase 2)
- Guidance Note N° 3 – IN Application Form (Phase 1)

### **PROJECT MANAGEMENT & MONITORING**

- Guidance Note N° 1 – First Level Controller Approval for Partners
- Guidance Note N° 2 - First Level Controller Approval by National Authorities
- Guidance Note N° 3 – Accounting and Validating Expenditure
- Guidance Note N° 4 – Producing a Payment Claim
- Guidance Note N° 5 – Producing a Progress Report

- Guidance Note N° 6 – First Level Control Certification
- Guidance Note N° 7 – Payments and Transfers
- Guidance Note N° 8 – Monitoring and Exporting

### **List of Useful Reference Documents**

#### **Project Management**

Guide to Network Management:  
[http://urbact.eu/sites/default/files/guide\\_to\\_network\\_management\\_v1\\_06102015\\_formated.pdf](http://urbact.eu/sites/default/files/guide_to_network_management_v1_06102015_formated.pdf)

#### **SYNERGIE-CTE**

Compendium of Synergie Guidance Notes:  
[http://urbact.eu/sites/default/files/compendium\\_synergie\\_guidance\\_notes\\_vf.pdf](http://urbact.eu/sites/default/files/compendium_synergie_guidance_notes_vf.pdf)

- Section 1 : Project Budget and Eligible Costs
- Section 2: Accounting of Expenditure
- Section 3: Certification of Expenditure
- Section 4: Audit and Control
- Section 5: Irregularities
- Annex 1: Table of Eligible Costs

## **INTRODUCTION**

This Fact Sheet shall provide the rules and procedures which must be followed by all approved URBACT III networks concerning financial and control matters. It will provide information about the eligibility of costs as well as programme requirements concerning control and audit.

It sets out the key important points which all network lead partners and project partners **MUST** be aware of.

In addition to this more official programme manual fact sheet, a Guide to Network Management has been developed to provide more detailed information on the practical application of these rules to an URBACT network.

## **1. Project Budget and Eligible Costs**

Both the Phase 1 and Phase 2 Application shall include, among other documents, a detailed budget. The budget shall be developed for Phase 1 and shall be updated for the Phase 2 application.

The budget must respect the format as established by the financial tables included in the official templates, be clear and understandable, and be balanced (in terms of allocated funds towards budget categories and partners).

In order to fulfil the duties required for sound project management (in terms of administrative and financial follow up, strategic management, and communication and dissemination) the Lead Partner shall set up a dedicated team which represents also the referent contact point for the Secretariat (see Fact Sheet 2E). The project budget shall foresee reasonable financial resources for staff working at Lead Partner level in order to ensure efficient project implementation and management.

The experience from previous URBACT programmes has shown that the workload resulting from the tasks and responsibilities of a Lead Partner requires an investment in human resources which corresponds to at least 2 full-time posts. Therefore, in order to efficiently ensure its role of project coordinator, each Lead Partner in URBACT must involve a level of internal human resources corresponding to minimum 2 full-time posts for the project management. It is strongly requested that the administrative and financial management be led internally by the Lead partner. In case of an externalisation, the Lead Partner administration will need to demonstrate strong linkages and outline working methods in the application form to allow the External Assessment Panel to assess the impact of this arrangement. Yet the Lead Partner can in no way delegate the financial and legal responsibility for the project. For the project coordination and administrative/financial management, the level of human resources mobilised by the Lead Partner should correspond to 2 full-time posts. For a project partner one full time equivalent should be foreseen.

Realistic costs for management activities at Partner level should be taken into account to ensure an active engagement from all Partners. A half time position should be foreseen for project coordinator at partner level. It is strongly recommended that a further half time position be made available for finance reporting and registering of costs.

The Lead Partner is responsible for outlining the eligible programmed budget per partner in the Joint Convention (see fact Sheet 2E). This should be in line with that approved in the final application form. If there are differences due to shared costs these should be explained in the Joint Convention.

As outlined in the Subsidy Contract the partner budget as programmed in the approved application form cannot be exceeded besides the 20% flexibility allowed (see factsheet 2F for details). Any change to the budget within the flexibility must be explained by the Lead Partner.

### **1.1 Budget Categories**

The budgets for Phase 1 and 2 shall be presented using 5 budget categories as follows:

BUDGET CATEGORY	SHORT DESCRIPTION
1) Staff costs	Expenditure on staff members employed by the partner organisation, who are formally engaged to work on the project <b>and</b> normally listed in the SYNERGIE system.
2) Office and Administration Costs	Operating and administrative expenses of the partner organisation that support delivery of project activities (fixed rate of 3% of declared staff costs).
3) Travel and Accommodation Costs	Expenditure on travel and accommodation costs of staff of partner organisations that relate to delivery of the project. This category included travel costs, accommodation costs, costs of meals, visa costs, and/or daily allowances/per diems.
4) External expertise and services costs	Expenditure for external expertise and services provided by a public or private body or a natural person outside of the partner organisation. This category covers costs paid on the basis of contracts or written agreements and against invoices or requests for reimbursement to external experts and service providers that are requested to carry out certain tasks or activities linked to the delivery of the project. All additional costs related from external experts (e.g. travel and accommodation expense for external experts) should be recorded under this budget category. This category also includes all costs linked to the organisation of meetings.
5) Equipment expenditure	Expenditure for small items of equipment purchased, rented or leased by a partner, necessary to achieve the objectives of the project.

A budget reallocation of up to 20% from a budget category to another or from one partner to another shall be possible. Such changes should be clearly documented and explained in the 6-monthly progress report even if they have no impact on the Subsidy Contract or the Application Form. A reallocation over 20% of the initial amount shall be possible only through a reprogramming procedure (see Fact Sheet 2E) to be approved by the Monitoring Committee.

In the following sections a short description of each budget category is provided. For each category, an explanation of the type of costs concerned by the given category together with some clarifications about the way to forecast, calculate and account the expenditure are also outlined.

The URBACT Joint Secretariat would recommend following as closely as possible these indications in order to ensure a coherent and balanced budget in the project application.

### **Budget Category 1 - Staff Costs**

Staff costs are defined as expenditure on costs of **staff members** employed by the partner organisations, who are formally engaged to work on the project on a full time or part time basis.

**Costs for project management (staff and external expertise combined) should not normally exceed 40% of the total project budget.**

All the staff employed by partners shall be clearly identified in the application form or as a contact within the partner team in a list held by the Joint Secretariat.

### **General principles**

- Staff costs must relate to activities which the partner organisation would not carry out if the project was not undertaken.
- Overheads and any other office and administration costs cannot be included under this budget line.
- Daily allowances and any other travel and accommodation costs cannot be included under this budget line.
- Appointed staff for the project shall not normally be eligible to be recruited as external experts for the same project (some national rules apply in such cases so please consult the JS for further clarification).
- The URBACT Programme does not operate flat rate for staff costs as the percentage permitted within the regulations is not sufficient.
- Staff costs are recommended to be declared and refunded based on the method outlined below.

### **Claiming Staff Costs**

- Staff costs cover real costs paid out based on a payslip or a document of equivalent probative value. Data from the organisation's accounting system may be accepted, in line with the controllers' professional judgement regarding reliability of the system.
- The following costs are eligible components of staff costs:
  - Salary payments fixed in the employment/work contract, an appointment decision or by law. Any other costs directly linked to the salary payments, incurred and paid by the employer, such as employment taxes and social security including pensions as long as they are fixed in the employment document, they are in accordance with the legislation and standard practices in the country and/or organisation and they are not recoverable by the employer.
- The salary payments must relate to responsibilities specified in a job description of the individual staff member concerned.
  - Taxable benefits linked to salary payments are eligible as long as they are in line with the employment policy of the partner organisation, e.g. lunch vouchers, bonus payments, relocation benefits. Holidays, sick leave and annual or maternity leave as resulting

from normal employer's obligations are eligible as far as they are paid and not refunded by the social security system. The cost forms part of the gross employment cost. If the personnel employed by the partner/lead partner institution works less than 100% on the project, a pro rata calculation must be made.

- Overtime is eligible, provided it is in conformity with the national legislation and the employment policy of the partner organisation, and it is actually paid to the staff member.
- Staff costs must be calculated individually for each staff member.

For staff employed full time on a project no registration of the working time is required.

For all staff not employed full time on a project working time must be recorded (e.g. timesheets providing information on the number of hours spent per month on the project and covering all other activity to ensure that there is no double funding) throughout the duration of the action. The records should be certified at least once a month by the line manager of the staff claiming costs.

The timesheet shall:

- be filled in separately for each employee involved in the project;
- contain information on a monthly basis about the total hours worked by the employee AND the hours worked specifically for the project;
- state briefly the activities performed within the project (a template can be provided on request by the Joint Secretariat.);
- in the case of part-time employment for the project: the timesheet must indicate activities performed outside the project (e.g. "work for another EU financed project", "statutory tasks" etc.);
- be signed by the employee and his/her supervisor.

The URBACT programme proposes to use the method for calculation of the hourly rate according to Article 68(2) of Regulation (EU) No 1303/2013 the calculation method shall be the last documented annual gross employment cost divided by 1720 hours. The annual gross employment cost should be documented in the work contract or other appropriate document for newly appointed staff (for example in the work contract of another appointed staff employed at the same position) in order to allow costs to be claimed in the first year of operation.

Member/Partner States may, if they wish, apply national or sub-national guidance for the application of the calculation methodology set by Article 68(2) of Regulation (EU) No 1303/2013. This guidance should be made available to the Joint Secretariat and provided to all potential applicants at national level.

The hourly rate should be multiplied by the number of hours actually worked on the project and costs can be reported on a monthly, quarterly or six-monthly basis.

Staff costs are considered as a cash contribution (and not in-kind contribution) as they are actually paid by the partner institution. In kind staff contributions refer specifically to unpaid work as outlined in Article 69 (1) of EU Regulation 1303/2013.

Allowances paid to elected representatives are normally considered to be not eligible costs. In some countries specific rules for elected representatives apply which can mean that such costs are considered to be equivalent to a salary. It is necessary to discuss these cases with the Secretariat prior to their certification.

The following documents must be available for control purposes:

- Employment/work contract or an appointment decision/contract considered as an employment document.
- Job description providing information on responsibilities related to the project.
- Payslips or other documents of equivalent probative value.
- Proof of payment of salaries and the employer's contribution.
- Data from the working time registration system, e.g. time sheets, providing information on the number of hours spent per month on the project. The time registration system must cover 100% of the actual working time of the individual.

<b>Staff costs – eligible costs summary</b>
Salary payments
Employment taxes
Sickness benefits*
Maternity and equivalent paternity benefits*
Invalidity benefits
Old-age benefits*
Survivors' benefits
Benefits in respect of accident at work and occupational diseases
Death grants
Unemployment benefits
Pre-retirement benefits*
Family benefits*
Pensions
Relocation benefits
Bonus payments
Lunch vouchers
Holidays
Overtime (provided it is in conformity with the national legislation and the employment policy of the partner organisation, and it is actually paid to the staff member)

\* Costs falling into the scope of social security branches covered by Regulation (EC) No 883/2004 of the European Parliament and of the Council

## **Budget Category 2 - Office and Administration Costs**

Expenditure on office and administration covers operating and administrative expenses of the partner organisations that support delivery of project activities.

### **General principles**

- No cost item can be taken into account twice as direct and indirect, i.e. no double funding is permissible (ref: Article 65(11) Common Provisions Regulation (EU) No 1303/2013)
- Office equipment, IT hardware and software, and furniture and fittings cannot be included under this budget line; the cost must be reported as equipment expenditure. This does not include IT system support of an administrative nature; the cost falls under the office and administration budget line.
- External expertise and services purchased for the purpose of the project control and audit cannot be included under this budget line; they must be reported as external

expertise and services costs.

In the URBACT programme office and administration costs shall be reimbursed by the programme as a flat rate of 3% of staff costs for all networking projects.

Claiming office and administration costs

Office and administration costs shall be calculated as a flat rate of 3% of staff costs.

This flat rate calculation is made automatically in the SYNERGIE CTE system based on the staff costs presented. No expenditure falling into this category shall be reported in the SYNERGIE-CTE system.

$$\text{Office and administration costs} = 3\% \text{ eligible staff costs}$$

The flat rate covers all office and administration costs, i.e. there is no distinction between direct and indirect costs. By applying the 3% flat rate option, partners do not need to document that the expenditure has been incurred and paid, or that the flat rate corresponds to the reality.

An all-inclusive list of cost elements covered under the office and administration category of costs is provided in Article 4 of the Commission Delegated Regulation (EU) No 481/2014. A summary table outlining costs which can be considered relevant for URBACT within the 3% flat rate is outlined below:

<b>Office and administration – eligible costs summary</b>
Office rent
Insurance related to the buildings where staff is located
Insurance related to the equipment of the office (e.g. fire, theft insurance)
Taxes related to the buildings where staff is located
Electricity
Heating
Water
Other utilities
Office supplies (pens, paper, photocopy toner)
General accounting in the organisation
Archives
Maintenance
Cleaning
Repairs
Security
IT systems
Telephone
Fax
Internet
Postal services
Business cards
Bank charges for opening and administrating the account(s) where separate account is required
Charges for transnational financial transactions
Coffee/biscuits for small project meetings
Education/guidance books

### **Budget Category 3 - Travel and Accommodation Costs**

Expenditure on travel and accommodation covers costs of staff employed in the partner organisation to deliver the project. They cover travel costs (e.g. tickets, travel and car insurance, fuel, car mileage, toll and parking fees, accommodation costs, costs of meals, visa costs, and/or daily allowances).

#### **General principles**

- Travel and accommodation costs must clearly link to the project and be essential for effective delivery of the project activities.
- Costs must be definitely borne by the partner organisation. Direct payment by a staff member of the partner organisation must be supported by a proof of reimbursement from the employer.
- The principle of sound financial management should apply to the choice of transport and accommodation. The most economic mode of transport should be used; public transport should normally be used whenever possible and justified if not used. Partners should check rules applicable locally and nationally regarding use of other means of transportation such as taxi.
- Any expenditure item defined as travel costs, accommodation costs, costs of meals or visa costs that is already covered by a daily allowance, cannot be eligible in addition to the daily allowance, i.e. no double funding is permissible (ref: Article 65 (11) Common Provisions Regulation (EU) No 1303/2013).
- Daily allowances can be eligible in accordance with national rules on daily allowances.
- Travel and accommodation costs for members of the URBACT Local Groups, in case they are not employed by the partner organisation, cannot be included under this budget line; they must be reported as external expertise and services costs.
- Travel and accommodation costs of external experts, natural persons (e.g. speakers, chairpersons, teachers, etc.) and service providers cannot be included under this budget line; they must be reported as external expertise and services costs.

#### **Claiming travel costs**

- Costs of travel and accommodation related to activities outside the Union are only eligible, if incurred in accordance with article 20(2) of Regulation No 1299/2013 and if they have been included in the approved Application Form or approved by the programme Secretariat following a request for travel. In all cases, benefits of such activities to the programme area must be demonstrated.
- Maximum daily rates for hotel and subsistence should be respected, in accordance with the national legislation and/ or internal policy of the partner organisation.
- Travel and accommodation costs should be properly documented in line with the national legislation or internal policy of the partner organisation. In very exceptional cases national rules concerning missing/lost documents may be accepted.
- Travel and accommodation costs shall be justified for control purposes using paid invoices, travel tickets, proof of travel (boarding passes), proof of payment, agenda, signed attendance list or similar meeting documents

Project partners may refer to the maximum eligible rates in EUR for hotel and daily subsistence allowance according to Council Regulation (EC, Euratom) No 337/2007 of 27 March

2007 <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32007R0337&from=EN>  
should they not be required to apply the national thresholds.

The following main documents must be available for control purposes:

1. Agenda or similar of the meeting/seminar/conference along with a report of the session, if appropriate;
2. Signed attendance sheet where available;
3. Paid invoices (e.g. hotel bills, travel tickets);
4. Daily allowance claims;
5. Proof of payment including advance payments, if appropriate.

An all-inclusive list of cost elements covered by the travel and accommodation category of costs is provided in Article 5 of the Commission Delegated Regulation (EU) No 481/2014. A summary table relevant for URBACT is outlined below:

<b>Travel and accommodation – eligible costs summary</b>
Travel tickets (public transport)
Flight ticket - economy class
Taxi
Travel insurance / Car insurance
Fuel
Car mileage
Toll
Parking fees
Costs of meals
Cost of alcohol beverages (eligibility may vary based on national or local rules)
Accommodation
Visa
Daily allowance/per diem (maximum rates may vary based on EU, national or local legislation)

#### **Budget Category 4 - External expertise and services costs**

This category covers expenditure for the financing of external expertise and services provided by a public or private body or a natural person outside of the partner organisation. External expertise and services covers costs paid on the basis of contracts or written agreements and against invoices or requests for reimbursement from external experts and service providers that are required to carry out certain tasks or activities linked to the delivery of the project.

These might include, for example:

- external experts or speakers involved in meetings and seminars,
- external independent financial control (in compliance with country specific control requirements),
- verifications under Article 125(4)(a) of Regulation (EU) No 1303/2013 and Article 23(4) of Regulation (EU) No 1299/2013,
- translations,
- writing, lay out, printing of promotion material such as newsletter,
- external event organisation (if the organisation of the event is sub-contracted to an external service provider including rent, catering or interpretation),

- studies and surveys,
- support for project management or local coordination (these costs must be taken into account along with staff costs for the calculation of the 40% allowed for management costs in the network budget)
- support at programme level for certification or audit matters
- travel and accommodation for external experts, speakers, chairpersons of meetings, ULG members not directly employed by the partner organisation and service providers as part of a contract or with separate justification.

### General principles

- The work by external experts and service providers must be essential to the project.
- Each partner organisation is responsible for ensuring that EU and national public procurement rules are respected and that all contracts comply with the basic principles of transparency, non-discrimination and equal treatment as defined in the EC Treaty and the Commission Interpretative Communication on the Community law applicable to contract awards below the EU thresholds.  
([http://ec.europa.eu/internal\\_market/publicprocurement/docs/keydocs/communication\\_en.pdf](http://ec.europa.eu/internal_market/publicprocurement/docs/keydocs/communication_en.pdf))
- No sub-contracting between project partners is allowed.
- No contracting of employees of the partner organisations as external experts, e.g. as freelancers, is allowed.
- As a general rule, gifts are ineligible, except those not exceeding EUR 50 per gift where related to promotion, communication, publicity or information.

### Claiming Expertise Costs

- All additional costs related to external experts (e.g. travel and accommodation expenses for external experts) should be recorded under this budget line.
- External expertise and services purchased for the purpose of the project control, audit, and communication should be included under this budget line.
- Expertise costs shall be justified for control purposes by providing evidence of selection process, in line with national procurement rules or the EU public procurement rules depending on the amount contracted; a contract or written agreement laying down the services to be provided and clearly mentioning the project concerned as well as the daily rate and the number of days contracted; all changes to the initial contract should be documented; invoices requesting payment; proof of the work carried out and evidence of the deliverables and finally proof of payment.
- There are no fixed rates or ceilings established by the programme for budgeting and reporting external expertise costs. Normal market rates resulting from public procurement procedures apply.

The following main documents must be available for control purposes:

1. Evidence of the selection process, in line with national procurement rules or the EU public procurement rules depending on the amount contracted ensuring the strictest rules are applied.
2. A contract or a written agreement laying down the services to be provided with a clear reference to the project. For experts paid on the basis of a daily fee, the daily rate together with the number of days contracted and the total amount of the contract must be

provided. Any changes to the contract must comply with the public procurement rules and must be documented.

3. An invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules.
4. Outputs of the work of external experts or service deliverables.
5. Proof of payment.

A list of cost elements covered under the external expertise and services category of costs is provided in Article 6 of the Commission Delegated Regulation (EU) No 481/2014. A summary is provided below:

<b>External expertise and services – eligible costs summary</b>
Studies and surveys
Evaluations
Strategies
Concept notes
Design plans
Handbooks
External researchers
Trainings
Translations
Promotion, communication, publicity, information
Design, edit, print, distribution of project brochures, leaflets, publications, bags, etc.
Publishing of promotion articles, inserts in newspapers, press releases, etc.
Organisation and implementation of events or meetings
External speakers
Rent of venue
Catering
Interpretation
Registration fee
Financial management provided by external service providers*
Project coordination provided by external service providers*
Legal consultancy
Notarial services
Technical expertise
Financial expertise*
Other accountancy services*
Intellectual property rights
Control and audit of the project
External first level controllers
Travel and accommodation for experts/ speakers / chair / service providers
Advance payments to providers, if in line with national rules and agreed in the contract

\*Costs in grey should be taken along with staff costs into account for the calculation of the 40% allowed for management costs within the network budget.

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## **Budget Category 5 – Equipment expenditure**

This category covers expenditure for the financing of equipment purchased, rented or leased by a partner, necessary to achieve objectives of the project. This includes costs of equipment already in possession by the partner organisation and used to carry out project activities.

In the context of the URBACT programme, this category usually refers to IT equipment such as a computer, laptop or a printer necessary for project coordination and financial management purposes. Due to the nature of the URBACT III projects, cost for equipment shall be moderate and clearly justified in the Application form.

Usually, the purchase should be made in the first 6 months of the project Phase 2. As the purchase of equipment cannot be a core element in an URBACT project, it should remain exceptional.

### **General principles**

- Costs of equipment are eligible if they have been approved by the programme.
- Costs of equipment are eligible if no other EU funds have contributed towards financing of the same expenditure item, i.e. no double funding is permissible (ref: Article 65(11) Common Provisions Regulation (EU) No 1303/2013).
- All costs are subject to applicable public procurement rules and each partner organisation is responsible for ensuring that these rules have been respected.

### **Claiming equipment costs**

- Purchase cost of equipment is eligible, if it is used solely for the purpose of the project or the target group in line with objectives of the project and incurred and paid within the eligible period.
- For equipment that has been purchased before the project approval but used solely for the project or equipment purchased during the project lifetime but used partially for the project, only a pro rata cost related to the project (duration, degree of use) is eligible. This share has to be calculated according to a justified and equitable method in line with the legislation or general accounting policy of the partner organisation.
- Depreciation applies if the economic life-time of equipment exceeds the duration of the project (ref. Article 69.2 Common Provisions Regulation (EU) 1303/2013). The cost has to be calculated in accordance with the legislation and general accounting policy of the partner organisation.
- Full purchase cost of equipment that is not depreciable (e.g. low-value asset) is eligible. Purchase cost of second-hand equipment is eligible, provided the equipment complies with applicable norms and standards and its price does not exceed the generally accepted price on the market.
- As a general rule, provision of equipment as in-kind contribution is eligible (ref: Article 69.1 Common Provisions Regulation (EU) No 1303/2013), provided that the value of the contribution does not exceed the generally accepted price on the market and it can be independently assessed and verified. However, some countries may establish in their national control guidelines that no in-kind contribution is eligible under this budget line.

The following main documents must be available for control purposes:

1. Evidence of the procurement process (announcement, selection, award) in line with the national procurement rules or the EU procurement rules depending on the amount of the contract;
2. Contract for equipment;
3. Invoice (or a supporting document having equivalent probative value to invoices, in the case of depreciation) providing all relevant information in line with the applicable accountancy rules;
4. Calculation scheme of depreciation;
5. Proof of payment.

A list of cost elements covered by the equipment category of costs is provided in the Commission Delegated Regulation (EU) No 481/2014. A summary table is outlined below:

<b>Equipment – eligible costs summary</b>
Office equipment
Computers
Monitors
Printers
Scanners
Digital projectors
Digital/video cameras
IT software
Office furniture
Fittings
Exhibition equipment

A full list covering all budget categories is attached in Annex 1 of this Fact Sheet. It outlines examples of eligible costs for the URBACT programme and lists a number of costs which are not considered eligible according to the EU regulations.

## **1.2 Other Eligibility Considerations**

When projects prepare their budget, it is important to take into account the eligibility rules for ERDF funded expenditure defined in:

- Regulation (EC) No 1301/2013
- Regulation (EC) No 1303/2013
- Regulation (EC) No 1299/2013
- Commission Delegated Regulation (EU) 481/2014
- the rules laid out in the Programme Manual and in other Programme documents
- the Calls for Proposals
- the Operational Programme adopted on 12 December 2014
- the relevant national control guidelines and internal rules of the Partner/Lead Partner

### Public Procurement

Whenever a project purchases services, goods, equipment, etc. externally, public procurement rules must be adhered to, including European public procurement rules as well as the relevant national and internal rules of the Partner/Lead Partner responsible for subcontracting. As the national rules result from a transposition of the EU directives on public procurement into national law, the rules may vary between the countries.

The fundamental principles of public procurement (transparency, non-discrimination, equal treatment and effective competition) also apply to purchases of services and goods below the EU-threshold values. The procurement requirements below and above the thresholds mainly differ with regards to the set of formal procedures that a sub-contracting body has to go through (e.g. requirements for publication of the tender documents, minimum duration of the publication). The adherence to public procurement procedures should be well documented. Documents such as public procurement note, terms of reference, offers/quotes, order form, contract have to be available for financial control and audit purposes. In cases where procurement is below the EU threshold, each partner organisation is responsible for ensuring that all contracts comply with the basic principles of transparency, non-discrimination and equal treatment as defined in the EC Treaty and the Commission Interpretative Communication on the Community law applicable to contract awards not or not fully subject to the provisions of the Public Procurement Directives.

#### Value Added Tax (VAT)

VAT does not constitute eligible expenditure unless it is genuinely and definitely borne by the Partner/Lead Partner's institution. VAT which is recoverable by whatever means cannot be considered as eligible even if it is not actually recovered by the Partner/Lead Partner's institution. In the Application Form, partners will be asked to provide a confirmation about their VAT status: partners shall declare if they pay VAT or not and if this VAT is recoverable or not (partially or fully). Rules on VAT vary between the countries, detailed specific national VAT legislation and restrictions apply. Therefore in the financial report, first level controllers shall check if the controlled partner has declared or deducted VAT in compliance with its VAT status. First Level Controllers shall also check if the VAT status of the partner has changed during the project life.

#### Financial Charges

Charges for transnational financial transactions are eligible but interest on debt is not. Where the implementation of an operation requires a separate account to be opened, the bank charges for opening and administering the account shall also be eligible. The above costs are comprised in the budget category Office and Administration within the 3% flat rate. They are therefore eligible but not to be reported and claimed separately. Fines, financial penalties and foreign exchange losses are not eligible according to Article 2 Commission Delegated Regulation (EU) No 481/2014.

#### In-kind contribution

In kind contributions are regulated by Article 69.1 Common Provisions Regulation (EU) 1303/2013. Such contributions are rarely present with URBACT projects.

#### Revenue

If a project generates revenue for example through services, conference participation fees, sales of brochures or books, it must be deducted from eligible costs in full or pro-rata depending on whether it was generated entirely or only partly by the co-financed operation. The ERDF funding is calculated on the basis of the total cost after deduction of the revenue. When relevant, revenue shall be reported in the SYNERGIE-CTE system for each project partner, providing details of the amounts and the explanation of the source.

#### Expenditure already supported by other EU, national or regional subsidies

Expenditure which is already co-financed from another EU-funding source is not considered an eligible cost for this Programme.

If an item of expenditure is already fully supported by another national or regional subsidy, it is not considered eligible, as this would result in double-financing.

### 1.3 Eligibility Period

For the Phase 1 application project costs are eligible from the date of approval by the Monitoring Committee or the date fixed by the JS as official start date/date recorded in the Application Form and Subsidy Contract. For approved Phase 2 applications project costs can be considered eligible from the original date of approval of the Phase 1 application allowing for continuity in project management between these two phases. This means that the period in between the end of Phase 1 and the approval of Phase 2 is considered as eligible for those projects approved in Phase 2.

The start and end dates for the eligibility of expenditure is indicated in the subsidy contract signed between the Lead Partner and the Managing Authority. The project's eligibility period shall normally last until the end of the 3 months following the project closing date indicated in the approved application form. During these 3 months the project shall undertake the administrative and financial closure and submit all the required final documents.

Project activities can be divided into two groups - 1) activities related to the project implementation and 2) activities related to project financial and administrative closure.

Activities related to the project implementation have to be completed between the official start date and end date of the project. It means that activities have to be started and finished before the project end date and costs related to these activities have to be contracted by the project closing date. The costs have to be paid and certified by the end of the 3-months closure period.

However, exceptionally and only after consultation with the URBACT Secretariat activities started before the project end date can be finished within the 3-months closing period (partners will have to justify why the activity could not be finished by the project end date).

Such activities have to be:

- contracted and started before the project end date and
- finished by the end of the 3-months closing period
- Cost related to them has to be incurred (i.e. invoice issued), paid and certified by the end of the 3-month closing period.

**No new activity related to the project implementation can be started after the project closing date.**

Attendance at activities organised at programme level (annual conference, thematic seminars etc.) within the closure period can be considered eligible with prior notification from the URBACT Secretariat. Other dissemination activities can also be carried out in the closure period.

Activities related to the project financial and administrative closure can also be implemented in the 3-month period following the project closing date. Examples of these costs are: staff or expertise costs involved in the project closure (e.g. writing final reports), first level control costs, where necessary.

## **2. Accounting of Expenditure**

### **2.1 Accounting of the expenditure**

All expenditure must be accounted in the SYNERGIE-CTE electronic project management system.

Each Project Partner, Lead Partner and First Level Controller shall be provided with a personal login and password to have access to the system.

The basic and fundamental principle is that every partner and Lead Partner can declare in SYNERGIE-CTE ONLY their incurred expenditure. The Lead Partner cannot account in SYNERGIE-CTE the expenditure paid by other partners.

All expenditure entered into SYNERGIE-CTE must have been paid for project activities and be supported by all the required documents. In particular, expenditure can only be accounted in SYNERGIE-CTE if the following principles are fulfilled:

- The calculation is based on actual costs or flat rates were applicable;
- The costs are definitely borne by the Partner/Lead Partner's body and would not have arisen without the project;
- The expenditure has actually been paid out. Expenditure is considered to be paid when amount is debited from the Partner/Lead Partner's institution's bank account. The payment is usually proven by the bank statements. Special attention should be made to internal recharges which need to respect particular rules. The date when the invoice was issued, recorded or booked in the accounting system does not count as payment date;
- The expenditure is directly linked to the project. Costs related to activities that are not described in the Application Form are generally ineligible;
- All supporting documentation (invoices, contracts, etc.) is properly marked with the project acronym and name of the programme.

**The accounting process in SYNERGIE-CTE can be done at any time regardless of the reporting period deadlines.** Nevertheless, the certificate and statement of expenditure of each reporting period shall consider only the expenditure actually paid by the end of the reporting period concerned, except for the final reporting in which the expenditure can be paid after the project end date during the 3-month closing period.

For reporting procedures, additional information is available in the Fact Sheet 2E on Network Management as well as in the Guide to Network Management available on the Programme website.

When new expenditure has been entered in SYNERGIE-CTE, the Partner shall validate the operation. After the validation, the Partner shall inform the Lead Partner about it and ask for a validation from them. The Lead Partner shall check the new expenditure to ensure it is foreseen in the project application before giving its validation. This validation should be done within a reasonable timeframe and in no circumstances take more than 5 working days. The role of the Lead Partner is crucial here in order to ensure a smooth flow for the certification of expenditure, in particular for countries not using the Euro (see below). In case the deadline for Lead Partner validation is not respected, the JS can intervene.

The Lead Partner has the right to request additional information or to ask for some corrections. After the validation by the Lead Partner, the expenditure is available for certification by the Partner's first level controller.

## 2.2 The use of the Euro (€)

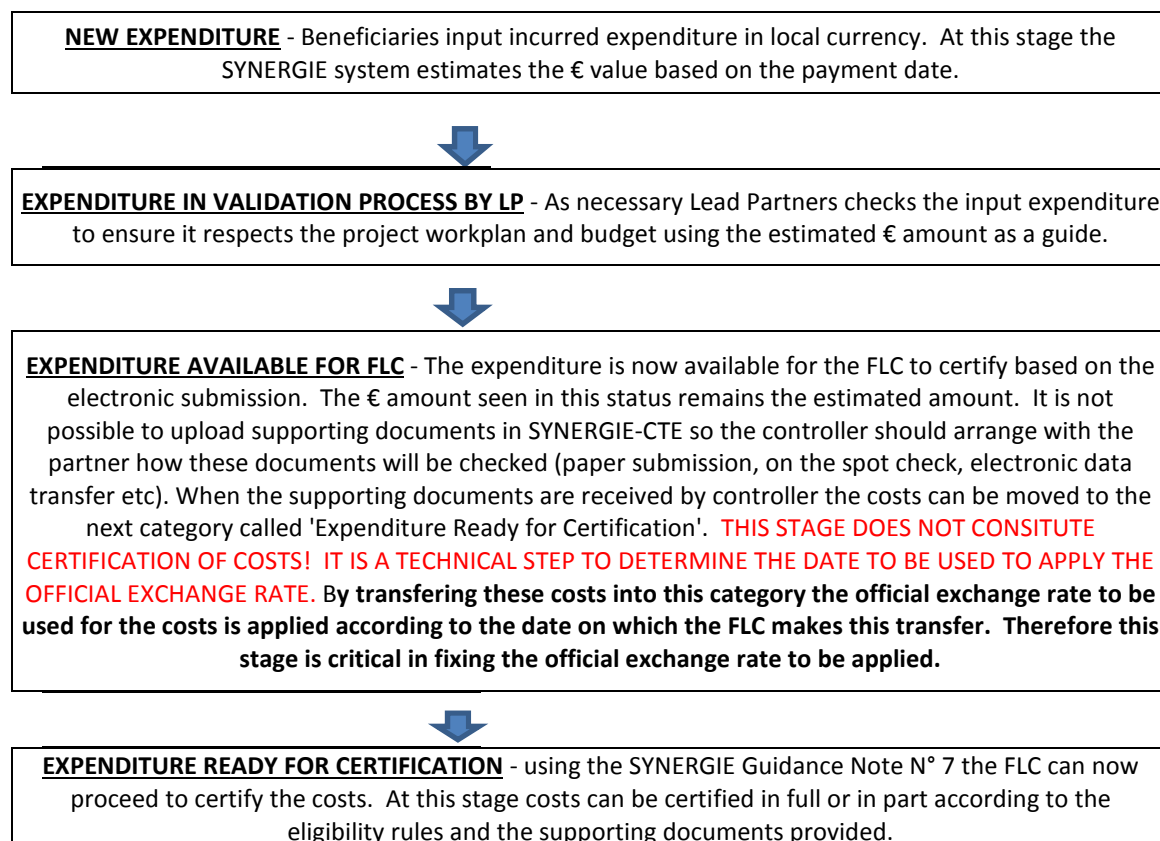
The accounting of the expenditure in SYNERGIE-CTE by Project Partners and Lead Partner shall be made in EUR. This rule applies also to those partners that are based in Member States not belonging to the EURO-zone. If the project activities imply that some expenditure should be paid in a different currency, 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 Regulation (EU) No 1299/2013. The URBACT programme selected option is therefore in accordance with Article 28 of Regulation (EU) No 1299/2013 paragraph (b).

The official EC rate is published electronically each month at:

<http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>

The method chosen has been set out in the Operational Programme (section 5.5) and is applicable to all partners. The conversion shall be verified by the First Level Controller in the Member/Partner State where the beneficiary is located.

This procedure requires some clarification and can be explained by the following flowchart:



It is the responsibility of each FLC to agree the definition of the date of submission. The date of submission can be considered as the date of the electronic submission or the date when the paper version of the supporting documents (invoices, proofs of payment) is received. The definition of the

date to apply is likely to vary from one partner to another partner. The First Level Controller will be responsible for switching the category during the month of the submission, according to this definition. In case of holidays or other engagements, the JS can intervene. In case of correction, the FLC must also decide which date of submission shall apply, as defined above.

This procedure requires that LP react quickly when validating costs so PP are reminded of the importance of informing the LP when their costs are ready for validation.

There is also need for clear communication channels between PP and FLC particularly when these are at national level. It is recommended that PP contact the FLC to fix a date which is mutually acceptable for the documents to be sent. This will help to avoid problems in transferring the costs from “available for FLC” to “Ready for certification” which will apply the official exchange rate.

The programme secretariat shall investigate technical possibilities to allow to FLC to manually adjust the date to be used for the official application of the exchange rate, in the rare cases in which it is necessary. This flexibility will help to respond to some concerns linked to the absence of FLC at the time the documents are submitted.

### **3. Certification of Expenditure**

#### **3.1 Certification of Expenditure**

When a project selects a centralized management system, the Lead Partner pays and becomes responsible of 100% of the project's expenditure. As the sole partner incurring costs in this centralised system, the Lead Partner alone is responsible for getting these costs certified by the approved body according to article 23(4) of Regulation (EU) No 1299/2013 at local or national level.

In a decentralized/mixed management system, every project partner spends and accounts one's own expenditure in SYNERGIE-CTE. The first level control on the expenditure shall be done at the level of each partner (See Fact Sheet 2E for a description of each management system).

Only expenditure that has been checked to be in line with the project application and validated by the Lead Partner can be certified by the first level controller of the Project Partner. The certification of the expenditure shall be carried out using SYNERGIE-CTE respecting the fixed deadline for each reporting period. The expenditure must be certified only by the first level controller officially designated and approved by the competent national authority (according to Article 23(4) of Regulation (EU) 1299/2013).

In addition, the Partners/Lead Partner's First Level Controller especially has to carry out the verifications under article 125(4)(a) of Regulation (EU) No 1303/2013, has to check the eligibility of the expenditure taking into consideration the accounting system, the compliance with the project budget, the eligibility rules, the internal control system, the respect of national and community rules especially with regards to information and publicity, public procurement, equal opportunities and protection of environment by filling in a checklist in annex to the certificate and statement of expenditure, using the official model available in SYNERGIE-CTE.

The signed certificates and statements of expenditure and related checklist produced by the Partner's First Level Controllers through SYNERGIE-CTE shall be signed by the controllers and a scanned version sent by email to the Lead Partner.

The Lead Partner's First Level Controller shall also produce a certificate and statement of expenditure (including only the expenditure incurred by the Lead Partner). The Lead Partner shall also produce the unique project payment claim. The total amount of this unique project payment claim shall include the expenditure certified both by the Project Partners' first level controllers and by the Lead Partner's first level controller. Before including the Project Partners' expenditure in the unique project payment claim, the First Level Controller of the Lead Partner has the responsibility to verify that the duly signed certificates and statements of expenditures of the Project Partners have been received by the Lead Partner in electronic version.

The signed certificates and statement of expenditure and the global project payment claim shall be submitted by the Lead Partner to the Secretariat together with the signed progress report and a pre-defined document explained the distribution of shared costs where necessary (for details see Fact Sheet 2E – Section 6.3)). These documents shall be submitted to the Secretariat via email by the deadline fixed at programme level (see also "Project monitoring, reporting and archiving" in Factsheet 2E on Network Management).

In order to have the ERDF refunded in a due time the Lead Partner shall produce and submit the above mentioned documents and reports within the fixed deadlines and using the format established by the Secretariat. If a document is submitted in a different format (word, excel, etc) than the one established by the Programme, the Lead Partner is obliged to re-submit the progress report in the correct format. Any infraction in terms of timing and format used for the submission of the progress reports shall represent a source of delay in the refunding procedures.

### **3.2 Accounting Documents**

All partners are obliged to retain for audit purposes all files, documents and data about the project on customary data storage media in a safe and orderly manner at least until 31 December 2025. Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected. The following list gives an overview of the documents that should be available for financial control and audit purposes:

- approved Application form and amendments;
- Subsidy Contract;
- Joint Convention;
- Letters of Commitment;
- relevant project correspondence (financial and contractual);
- Progress Reports (with activity and financial information);
- Signed certificates and statements of expenditure;
- Project payment claims;
- bank account statements proving the reception and the transfer of EU funds;
- original invoices;
- bank account statements / proof of payment for each invoice;
- staff costs: calculation of hourly rates, information on actual annual working hours, labour contracts, payroll documents and time records of personnel working for the project (including timesheets);
- list of subcontracts and copies of all contracts with external experts and/or service providers;
- calculation of office and administration costs;
- documents relating to public procurement, information and publicity (including the legal references);
- public procurement note, terms of reference, offers/quotes, order form, contracts;

- proofs for delivery of services and goods (studies, brochures, newsletters, minutes of meetings, translated letters, participants' list, travel tickets and boarding cards, etc.);
- record of assets, physical availability of equipment items purchased in the context of the project control by on the spot check where appropriate.

It must be possible to clearly identify which expenditure has been allocated and reported in the context of the project and to exclude that expenditure is reported twice (in two different budget categories, reporting periods, projects/funding schemes). This clear identification is usually ensured through

- the opening of a specific bank account for the project payments and/or
- the introduction of project specific cost-accounting codes to record project costs by budget category, component and payment date/reporting period in the accounting system and/or
- recording costs in expenditure lists by budget category, component and reporting period and/or noting the allocation (project title, budget category and additional comments) on the invoices.
- Ensuring that all invoices/ contracts are clearly marked with the name of the project and the programme

#### **4. Audit and Control**

##### **4.1 First Level Control**

Before submission to the Secretariat, each Progress report and certificate and statement of expenditure must be verified and signed by the independent First Level Controller. For this purpose Project Partners and Lead Partners have to follow national specific control requirements set up by each Member State.

In principle there are four general models:

1. centralised control at Member State level through a public administrative body;
2. centralised control at Member State level through a private audit firm;
3. decentralised control through first level controllers selected by the Project Partner/Lead Partner from a central shortlist and approved at national level;
4. decentralised control through internal or external first level controllers proposed by the Project Partner/Lead Partner and approved at national level.

Once a Phase 1 Application and a Phase 2 Application are approved by the Monitoring Committee, the Lead Partner and Project Partners whose Member States have set up a decentralised First Level Control system shall indicate the First Level Controllers they propose in the appropriate section in SYNERGIE-CTE. They shall propose a local First Level Controller using the format established in SYNERGIE-CTE (some countries may require additional documentation). The proposed first level controllers must then be approved by the Member States concerned following the procedures outlined in the description of the control system set up according to Article 23 (4) of Regulation (EU) No 1299/2013.

The Partners, whose Member States have set up a centralised first level control system, shall indicate the responsible body at national level for the implementation of the First Level Control, according to Article 23 (4) of Regulation (EU) No 1299/2013.

Further details on FLC designation and approbation are available in the Guide to Network Management available on the Programme website.

Control costs may be considered as eligible costs (internal independent control should be included under the budget category 'staff'; external independent control in the budget category 'external expertise and services'). It is therefore advised to foresee a budget for these controls depending on the control arrangement applicable in the relevant Member State for each of the Project Partners.

The First Level Controllers' task is to verify that:

- the costs are eligible;
- the conditions of the Operational Programme, the approved Application, the Subsidy Contract and Joint Convention have been observed and followed;
- the invoices and payments are correctly recorded and sufficiently supported;
- the activities have actually taken place;
- the national and community rules have been respected especially with regards to information and publicity, public procurement, equal opportunities and protection of environment.

For this purpose, each First Level Controller has to fill in a checklist in annex to the certificate and statement of expenditure to confirm that the checks have been carried out, using the official model available in SYNERGIE-CTE.

In addition, the Lead Partner First Level Controller has to check and confirm that Project Partners' certificates and statements of expenditure have been signed by the designated first level controllers and that a scanned version has been sent to the Lead Partner.

First Level Controllers who will be assigned or approved by the Member States will conduct on-the-spot checks at partner level following a methodology that they will develop. These on-the-spot checks will be recorded at Programme level (URBACT Secretariat) via the checklist in annex to the certificates and statements of expenditure where the First Level Controllers need to report them.

Due to the specific nature of the activities under URBACT (meetings, study visits, brochures, guidebooks), where investment even on a small scale is not eligible, evidence of the delivery of services, goods and works can often be obtained through administrative checks (through checking meeting agenda, travel documents such as boarding passes, participants' lists, the existence of brochures) and on-the-spot checks would not provide any additional insight. However, if administrative checks do not allow obtaining sufficient evidence, on-the-spot checks are required. Such checks will have to be carried out taking into consideration guidance from the European Commission (EC) on this matter.

## **4.2 Second Level Audit**

### Audit Authority

The Audit Authority is based in the same country as the Managing Authority. The Audit Authority plays a vital role in programme start-up, implementation and closure.

The Audit Authority for the Operational Programme shall be assisted by a Group of Auditors comprising representatives of each Member and Partner State participating in the Operational Programme and carrying out the functions provided for in Article 127 of Regulation (EU) No 1303/2013. The Group of Auditors shall be set up at the latest within 3 months of the decision approving the Operational Programme. It shall draw up its own Rules of Procedure. It shall be chaired by the Audit Authority for the Operational Programme.

The Audit Authority of the URBACT III Operational Programme is the CICC - Commission Interministérielle de Coordination des Contrôles portant sur les opérations cofinancées par les fonds européens.

In accordance with Article 127 of Regulation (EU) No 1303/2013, the Audit Authority shall have in particular the following functions:

- Ensuring that audits are carried out to verify the effective functioning of the management and control system of the Operational Programme;
- Ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditures declared;

The Audit Authority shall present to the European Commission, within eight months of the adoption of the URBACT III Operational Programme,:

- an audit strategy covering the bodies which will perform the audits,
- the audit methodology,
- the sampling method for audits on operations and
- the indicative planning of audits in relation to the current accounting year and the two subsequent accounting years.

The audit strategy shall be updated annually from 2016 until and including 2024.

The Audit Authority shall also perform the following functions by 31<sup>st</sup> December each year from 2016 until and including 2025:

- Submitting to the European Commission an annual control report setting out the main findings of the audits carried out in accordance with paragraph 1 of Article 127 of Regulation (EU) No 1303/2013, including findings with regard to deficiencies found in the management and control systems, and the proposed and implemented corrective actions. The first report to be submitted by 31<sup>st</sup> December 2016 shall cover the period from 2014 to 2016;
- Issuing an opinion, in accordance with the second subparagraph of Article 59(5) of the Financial Regulation, on the basis of the controls and audits carried out under its responsibility, as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the Commission are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular.

#### Programme start-up

After designation at national level of the Managing Authority and the Certifying Authority, the Audit Authority will examine the Description of the Management and Control System in accordance with Article 127 of Regulation (EU) No 1303/2013.

Member States and Partner States agree to provide the Managing Authority (through the URBACT III Secretariat) and the Audit Authority with all the information and supporting documents needed to ensure an unqualified opinion on the Description of the Management and Control System. The Audit Authority reserves the right to qualify its opinion on the description of the control system set up by individual Member (and, if it is the case, Partner) States should the system and/or the supporting documents and annexes provided be deemed insufficient.

## Programme implementation

During implementation, the Audit Authority is responsible for organising the execution of system audits and sample checks. In particular, the Audit Authority, in cooperation with the Group of Auditors, should verify the effective functioning of programme management and control systems and control an appropriate sample of operations. The Audit Authority shall draw up the audit strategy and decide, together with the Group of Auditors, which projects should be checked on the basis of a representative sample and, as a general rule, on statistical sampling methods.

In URBACT III the actual audit visits to projects shall be sub-contracted to an external company.

### **4.3 The Group of Auditors**

In compliance with Article 25 of Regulation 1299/2013, a Group of Auditors will be set up at the start of the Operational Programme to assist the Audit Authority in carrying out the duties provided for in Article 127 of Regulation (EU) No 1303/2013. This group will be chaired by the Audit Authority and shall comprise a maximum of three representatives of each Member State and Partner State participating in the URBACT III Operational Programme. At its first meeting, the Group of Auditors shall approve independently its Rules of Procedure.

The representatives in the Group of Auditors have to be independent of the Monitoring Committee members, of the responsible for the first level control according to Article 23 of Regulation 1299/2013, and of the first level controllers designated at national level. Representatives in the Group of Auditors shall be entitled to engage Member and Partner States for the decision under its competencies. Each Member State and Partner State shall inform the Managing Authority of their representative in the Group of Auditors within 3 months of the decision adopting the Operational Programme with the help of a form developed by the Managing Authority (through the URBACT III Secretariat). The contact details of the respective representative shall be listed in the Member/Partner state agreement. The information on the representation in the Group of Auditors shall also be included in the Description of the Management and Control System according to Guidance for the Commission and Member States on a common methodology for the assessment of management and control systems in the Member States.

The Group of Auditors shall support the Audit Authority in implementing its tasks as detailed in Article 127 of Regulation (EC) 1303/2013.

### **4.4 Second level control process**

For the implementation of the audit strategy an external auditor shall be contracted and its services paid under the Technical Assistance budget. However, the Technical Assistance budget shall not cover the costs of additional audit:

- a. resulting from an increased size of the sample due to non satisfactory audit results,
- b. requested, in addition, by a Member State and/or Partner State.

The additional audit costs under point a) shall be shared among the Member States where the irregularities have been found and this proportionally to the importance of the financial corrections finally decided. The higher the quality of the control system set up according to Article 125 of Regulation (EU) 1303/2013 the lower the risk of additional audit costs as defined under point a).

The additional audit costs under point b) will be covered by the requesting Member State and/or Partner State selecting additional audits due to national needs in addition to the sample agreed by the Group of Auditors.

Results of checks and controls shall be sent to the Managing Authority/Secretariat for coordination

purposes and the Monitoring Committee shall be informed of the results (and follow-up actions if necessary).

According to Article 127 of Regulation (EU) 1303/2013 audits should be carried out on the basis of an appropriate sample of expenditure.

## **5. Irregularities**

In compliance with Article 122 of Regulation (EU) 1303/2013, each Member State 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 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. MS engage anyhow to communicate promptly to the Managing Authority/Joint Secretariat, CA and AA any information of detected irregularities relating to amounts of less than EUR 10.000 of ERDF funding.

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.

The EU MS ensure that the MA is entitled, according to the provisions of the Subsidy Contract, to terminate the Subsidy Contract and to demand repayment of subsidy from the LP in any case of irregularities detected or breach of contract or of infringement of provisions it is based on.

If the CA, the MA and the Secretariat become aware of irregularities, they shall without any delay inform the liable MS.

In the case where the MA discovers irregularities during the day to day management of an operation or is notified of such irregularities after the payment of the ERDF contribution, it shall demand repayment of the irregular amount. The MA shall inform the MS and the CA concerned of this proceeding. Should any significant or controversial amount be found then the JS shall inform the MC member and seek advice on how to manage the irregularity. The repayment amount can be calculated against the next payment to the LP or, where applicable, remaining payments can be suspended. In case of repayment, the repayment of funds is due within one month following the date of the letter by which the MA asserts the repayment claim. The due date will be stated explicitly in the order for recovery. Amounts received from the recourse of subsidy will be credited to the programme. The following statement of expenditure submitted to the Commission will be corrected.

In case the MA is not able to recover unjustified funding by the above means from the LP, it shall without delay inform the MS/PS concerned.

As MS have the overall liability for the ERDF support granted to partners located on their territories, they shall seek to recover any amounts lost as a result of an irregularity or negligence committed by a beneficiary located in their territory. When appropriate, MS may also charge interest on late payments.

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.

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 MA 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 statement of expenditure submitted 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.

## Annex 1 – Eligibility of Costs

The Commission Delegated Regulation (EU) No 481/2014 establishes specific rules on eligibility of expenditure as regards: *Staff costs, Office and administration, Travel and accommodation, External expertise and services, and Equipment*. It defines lists of costs that are eligible under the 5 categories of expenditure. In a number of cases these lists include costs, which are of a broader character and for which examples of different cost items can be identified. In other words, some of the cost elements listed in the Delegated Act can be further broken down into more specific examples of costs. Furthermore, with regard to *External expertise & services, and Equipment* the defined lists of costs are not exhaustive; other costs of expertise & services, and equipment needed for the project may be eligible.

This Annex consists of a list covering all budget categories. It outlines examples of eligible costs for the URBACT programme and lists a number of costs which are not considered eligible according to the EU regulations.

Staff costs	Office and administration (3% of staff costs as a flat rate)	Travel and accommodation	External expertise and services	Equipment
Salary payments	Office rent	Travel tickets (public transport)	Studies and surveys	Office equipment
Employment taxes	Insurance related to the buildings where staff is located	Flight ticket - economy class	Evaluations	Exhibition equipment
Sickness benefits <sup>1</sup>	Insurance related to the equipment of the office (e.g. fire, theft insurance)		Strategies	Computers
Maternity and equivalent paternity benefits <sup>2</sup>	Taxes related to the buildings where staff is located	Taxi	Concept notes	Monitors
Invalidity benefits	Electricity	Travel insurance	Design plans	Printers
Old-age benefits <sup>2</sup>	Heating	Car insurance	Handbooks	Scanners
Survivors' benefits	Water	Fuel	External researchers	Digital projectors
Benefits in respect of accident at work and occupational diseases	Other utilities	Car mileage		Digital/video cameras
Death grants	Office supplies (pens, paper, photocopy toner)	Toll		IT software
Unemployment benefits	General accounting in the organisation	Parking fees		Fittings
Pre-retirement benefits <sup>2</sup>	Archives	Costs of meals	Trainings	Office furniture
Family benefits <sup>2</sup>	Maintenance	Cost of alcohol beverages	Translations	

\* Costs falling into the scope of social security branches covered by Regulation (EC) No 883/2004 of the European Parliament and of the Council


		(eligibility may vary based on national or local rules)		
Pensions	Cleaning	Accommodation		
Relocation benefits	Repairs	Visa		
Bonus payments	Security	Daily allowance/per diem (maximum rates may vary based on EU, national or local legislation)		
Lunch vouchers	IT systems		Promotion, communication, publicity, information	
Holidays	Telephone		Design, edit, print, distribution of project brochures, leaflets, publications bags etc	
Overtime (provided it is in conformity with the national legislation and the employment policy of the partner organisation, and it is actually paid to the staff member)	Fax		Publishing of promotion articles, inserts in newspapers, press releases, etc.	
	Internet		Organisation and implementation of events or meetings	
	Postal services		External speakers	
	Business cards		Rent of venue	
	Bank changes for opening and administrating the account(s) where the implementation of the project requires a separate account to be opened		Catering	
	Charges for transnational financial transactions		Interpretation	
	Coffee/biscuits for small project meetings		Registration fees to attend conferences	
	Education/guidance books		Financial management provided by external service providers	
			Project coordination provided by external service providers	

			Legal consultancy	
			Notarial services	
			Technical expertise	
			Financial expertise	
			Other accountancy services	
			Intellectual property rights	
			Control and audit of the project	
			External first level controllers	
			Travel and accommodation for experts/ speakers/ chair / service providers	
			Advance payments to external service providers, provided this is in line with national rules and has been agreed in the contract	

### Ineligible costs

The list includes examples of costs that are not eligible in ETC programmes. This is not an exhaustive list.

- Ineligible expenditure according to Article 2 Commission Delegated Regulation (EU) No 481/2014:
  - Fines, financial penalties and expenditure on legal disputes and litigation.
  - Costs of gifts, except those not exceeding EUR 50 per gift where related to promotion, communication, publicity or information.
  - Costs related to fluctuation of foreign exchange currency.
- Ineligible expenditure according to Article 69.3 Common Provisions Regulation (EU) No 1303/2013:
  - Interest on debt.
  - Recoverable VAT.
- Charges for national financial transactions.
- Consultant fees between partners for services and work carried out within the project.
- Contracting of employees of the partner organisations as external experts, e.g. as freelancers.
- Advance payments not foreseen in the contract and/or not supported with an invoice or another document of probative value.

	<p style="text-align: center;"><b>URBACT III</b> <b>Programme Manual</b></p>	<p style="text-align: center;"><b>Fact Sheet 3</b> Capacity-building</p>
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### 1. Main objectives and expected results

As stated in the URBACT III Operational Programme<sup>1</sup>, URBACT shall aim to “*improve the capacity of cities to manage sustainable urban policies and practices in an integrated and participative way*” (Specific Objective 1).

It is expected that, as a result of capacity-building activities developed by the programme, “urban practitioners in cities have increased their knowledge and capacity in relation to integrated approaches to sustainable urban development”<sup>2</sup>. More especially URBACT capacity-building activities shall provide participants with knowledge and enhanced capacities in the field of sustainable urban development, in relation to 4 main areas:

- integrated approach (horizontal, vertical and territorial integration)
- participatory action-planning,
- project management and delivery,
- sustainable urban development and policy approaches to tackle challenges European cities face today (environmental, social, economic, etc.)

While the URBACT learning process will be implemented through transnational exchange activities in the three types of networks, specific capacity-building actions at programme level will complement this learning experience.

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<sup>1</sup> URBACT III Operational Programme, section 2. Priority Axes.

<sup>2</sup> Idem.

## 2. Capacity-building activities

Capacity-building activities shall be initiated by the URBACT Secretariat, taking into account the needs of URBACT beneficiaries. They shall support successful delivery of networking activities by enhancing capacities to deliver these activities, and complement these activities by enhancing capacities of urban players for the design and implementation of integrated urban policies. Capacity-building will mainly be structured around 2 strands of activities:

- 1) Capacity-building activities related to the design and implementation of integrated urban policies
- 2) Ad hoc trainings to support programme delivery

### **2.1. Capacity-building activities related to the design & implementation of integrated urban policies**

The programme will develop actions to enhance the capacity of beneficiaries and key urban players in the field of integrated and participatory approaches to sustainable urban development. Such actions will focus on the use of policy 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. They shall also enhance capacities of targeted stakeholders in developing innovative responses to specific policy challenges they face in relation with urban development (environmental, social and economic challenges, etc.). Subsequently, good practices, innovative policy approaches will also be at the core of capacity-building activities.

The main eligible targets of such training activities are:

- Cities from EU 28 Member States, Norway and Switzerland involved in URBACT networks, and more especially urban players such as policy-makers, decision-makers, elected representatives, 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<sup>3</sup>.
- Other key players in sustainable urban development at national, regional or local level involved in the design and implementation of integrated urban strategies/ action plans even though not formal beneficiaries of URBACT networking activities.

Tools will include training seminars, webinars, production of guidance and toolkits supporting capacity-building activities. Key activities will include the following:

- National seminars - This tool, which was tested under URBACT II, normally aims to reach out stakeholders in network partner cities, in national language within a specific country or jointly across several countries language permitting. Member States should be involved in such actions as they provide an interesting opportunity to foster dialogue between national and local players on urban policies and allow project partners to better understand the national context in which they are operating.

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<sup>3</sup> Priority target as outlined in the URBACT OP – Section 2.A.3 / 1.a)

- URBACT Universities – This tool proved highly successful under URBACT II (2011 and 2013). It consists of a large transnational capacity-building event aiming to provide URBACT partners and their local stakeholders with tools and methods to develop integrated and participatory approaches for the design and implementation of urban policies. Project partners from all URBACT networks come together to “learn by doing”, share good practices and test different tools they can apply more especially in the work of their local support groups at city level.
- Other ad hoc capacity-building actions based on an established need may 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.).

National URBACT Points may support the delivery of such activities at national level (see Programme Manual Fact Sheet 4B – National URBACT Points).

## **2.2. Ad hoc trainings to support programme delivery**

To ensure efficient delivery of programme activities, and more especially networking activities, the URBACT Secretariat may develop trainings on “technical issues” such as project development (eg in line with specific calls for proposals, during network phase 1, etc.), network management (reporting, finance, partnership management), certification and audit, etc. Such trainings may also focus on the “URBACT method”, communication (eg social media, digital communication) to train key stakeholders in charge of supporting the delivery of programme level activities such as communication, capitalisation, or even capacity-building as such.

Main targets of such training activities shall include:

- Potential applicants
- Lead partners of approved networks
- First Level Controllers
- Network experts (lead experts and ad hoc experts)
- National URBACT Points
- Trainers recruited to deliver capacity-building activities
- Sponsors and others

Tools will include training seminars, webinars, production of guidance and toolkits supporting trainings. Priority shall be given to transnational activities that can reach stakeholders across countries. Nevertheless, building on the identification of needs in a specific country, the URBACT Secretariat may organise activities at national level. National URBACT Points may support the delivery of such activities at national level (see Programme Manual Fact Sheet 4B – National URBACT Points).

Capacity-building activities will be developed over the course of the programme implementation. Capacity-building actions and related budget shall be approved on an ongoing basis by the URBACT Monitoring Committee.


Capacity-building activities shall be delivered using the resources available under:

- Managing Authority Operation 1 – Expertise for networks and coordination (Programme experts, Strategic expertise)
- Managing Authority Operation 2 – Capacity-building

### **3. Budgetary elements**

The URBACT programme budget is split between networking activities (52% of the programme ERDF) and programme level support activities (42% of the programme ERDF).

All activities linked to capacity-building shall be covered in the programme level support budget. Individual actions and related budget shall be approved on an ongoing basis by the URBACT Monitoring Committee.

	<p style="text-align: center;"><b>URBACT III</b> <b>Programme Manual</b></p>	<p style="text-align: center;"><b>Fact Sheet 4A</b> <b>Capitalisation</b></p>
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3.	Budgetary elements .....	3

### 1. Main objectives and expected results

As stated in the URBACT III Operational Programme<sup>1</sup>, URBACT shall “*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*” (Specific Objective 4).

URBACT III is expected to facilitate the access and up-take of URBACT results and knowledge at all relevant levels playing a role in the design and implementation of sustainable urban policies. Facilitated access 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. It is expected that the programme develops 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 (URBACT III OP – Section 2A3/1d).

URBACT III will thus put a strong emphasis on capitalization activities, understood as the production of new knowledge building on existing experience and knowledge coming not only from the URBACT partners but also from similar or complementary European and international projects/ programmes. These capitalisation activities shall aim to “*reach urban players beyond the URBACT beneficiaries: cities not involved in URBACT networks as well as the different levels of government involved in sustainable urban development (regional, national, European)*” (URBACT III OP – Section 2A3/1d).

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<sup>1</sup> URBACT III Operational Programme, section 2. Priority Axes

## 2. Capitalisation activities

Capitalisation activities shall be initiated by the URBACT Secretariat taking into account the needs of URBACT beneficiaries and sponsors (Member and Partner States, European Commission, programme Managing Authority). They shall support successful delivery of networking and capacity-building activities to be developed by the programme (both in terms of thematic content and methods). They shall also contribute to priorities defined at European level in relation to urban development (eg European Urban Agenda). While knowledge coming from URBACT networks will be at the core of the capitalisation process, the programme shall also capitalise on content coming from non-URBACT sources such as other EU initiatives and networks (eg the Urban Development Network, Eurocities, EnergyCities, etc.), European and international organisations dealing with sustainable urban development (eg UN-Habitat, OECD), etc.

Capitalisation activities and tools will include:

- **Studies**

Studies will be used to support URBACT network's activities and ensure capitalisation and dissemination of their results, to support the delivery of capacity-building activities, and more generally to respond to specific needs from beneficiaries and sponsors that may arise in the course of the programme implementation. Studies may focus on specific urban topics, as well as on the results of programme activities (networking, capacity-building, etc.). Studies will normally be outsourced to service providers selected by means of open calls for tender.

- **Thematic clustering**

Thematic clustering will be implemented in a flexible way to capitalise on results coming from URBACT networks, to foster capitalisation across URBACT networks working on similar/ close topics, and to ensure exchange of knowledge and capitalization between URBACT networks and relevant organizations/ networks/ programmes outside of URBACT. Thematic clustering may take the form of thematic workstreams (groups of experts, practitioners, etc. commissioned to deliver thematic outputs), thematic seminars, thematic publications, etc. Related projects may be delivered by URBACT experts (eg network experts, Programme level experts, etc.) and/ or outsourced to service providers selected by means of open calls for tender/ calls for applicants.

- **Programme level experts**

Programme level experts will support the programme with the development and delivery of capitalisation activities at programme level. They will more especially be commissioned to work on URBACT themes, to capture knowledge coming from URBACT networks and foster dissemination of their results, to support URBACT networks with thematic input, to produce new urban knowledge in the format of reports, articles, blogs, etc., to contribute to URBACT and non URBACT events dedicated to sustainable urban development, etc. Programme Level Experts shall be recruited by means of open calls for applicants, with the support of an

external service provider commissioned to support the URBACT Secretariat with the selection process.

- **Ad hoc capitalisation experts**

The programme may also commission experts to deliver ad hoc capitalisation products (eg articles, blogs for the web, contributions to thematic seminars, etc.). In particular, network experts (Lead experts and ad hoc experts<sup>2</sup>) will be expected to contribute to such capitalisation activities. Ad hoc capitalisation experts shall normally be commissioned from the URBACT III pool of validated experts.

Additional capitalisation activities will be developed over the course of the programme implementation. Capitalisation actions and related budget shall be approved on an ongoing basis by the URBACT Monitoring Committee.

Capitalisation activities shall be delivered using the resources available under:

- Managing Authority Operation 1 – Expertise for networks and coordination (Programme experts, Strategic expertise)
- Managing Authority Operation 3 – Capitalisation


### **3. Budgetary elements**

The URBACT programme budget is split between networking activities (52% of the programme ERDF) and programme level support activities (42% of the programme ERDF).

All activities linked to capitalisation shall be covered in the programme level support budget. Individual actions and related budget shall be approved on an ongoing basis by the URBACT Monitoring Committee.

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<sup>2</sup> See Fact Sheets 2B, 2C and 2D

	<p style="text-align: center;"><b>URBACT III Programme Manual</b></p>	<p style="text-align: center;"><b>Fact Sheet 4B</b></p> <p style="text-align: center;"><b>National URBACT Points</b></p>
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- Section 1. National URBACT Points in the URBACT III Operational programme: context and objective
- Section 2. Role of National URBACT Points and target audiences
- Section 3. Services to be performed by National URBACT Points
- Section 4. Framework for implementation
- Section 5. Budgetary elements

## **1. National URBACT Points in the URBACT III Operational programme: context and objective**

The URBACT III Operational Programme foresees that National URBACT Points shall contribute to the delivery of Specific Objective 4, related to capitalization and dissemination. As stated under Specific Objective 4, URBACT shall *“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”* (OP section 2.A.1.)

Actions shall be developed 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 dissemination actions will also aim to reach players beyond the URBACT beneficiaries: cities not involved in URBACT networks, as well as the different levels of government involved in urban development (regional, national, European). These actions shall foster the up-take of knowledge on sustainable urban development in urban policies, and increase the opportunities of exchange on urban issues, building on URBACT results, at local, regional, national and EU level.

The Operational Programme outlines National URBACT Points are a key component of the activities to be implemented under Specific Objective 4, 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)”* (OP section 2.A.3.1.D). They shall do so by *“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.”* (OP section 2.A.3.1.D).

## **2. Role of National URBACT Points and target audiences**

The National URBACT Points shall play an active role, at national level, in:

- 1) Communicating on the URBACT programme (objectives, activities, etc.) and informing potential beneficiaries (more especially in relation to the open calls for network proposals)
- 2) Disseminating programme results (network results, capitalisation outputs, etc.) to urban practitioners and policy-makers at local, regional, national and EU level, with a specific emphasis on reaching out to urban players outside the URBACT community
- 3) Enhancing the dialogue between local, regional and national authorities to support the design and delivery of sustainable integrated urban policies
- 4) Supporting the URBACT Secretariat in enhancing capacities of urban practitioners and policy-makers in designing and delivering integrated and participatory urban policies

The National URBACT Points shall target their activities to the following audiences:

- urban practitioners and policy-makers at local, regional, national and EU level (including Managing Authorities of ERDF and ESF Operational Programmes)
- potential beneficiaries, with a focus on local authorities
- the national “URBACT community” (network partners, experts, etc. involved in URBACT networks)

## **3. Services to be delivered by National URBACT Points**

### **3.1. Communication and information on the URBACT programme**

The National URBACT Points shall contribute to the implementation of the URBACT Communications strategy, more especially by ensuring communications on the URBACT programme (objectives, activities, etc.) and informing potential beneficiaries (more especially in relation to the open calls for network proposals). This shall be done, on the basis of content provided by the URBACT Joint Secretariat, by means of different communications activities in national language including:

- a) Appointing a contact person who will be in a position to provide information, in national language, on URBACT objectives, activities, calls for network proposals, etc. and dispatch specific requests to the URBACT Secretariat as needed;
- b) Delivering national communications using digital tools and print material when relevant;
- c) Providing contributions related to the activities of URBACT partners in the country or content related to sustainable integrated urban development in the country, to feed into the URBACT communications tools such as the website (national pages, blog), the Newsletter, etc.
- d) Organising dedicated infodays to present the programme, the open calls for network proposals and how to join, etc.;
- e) Organising dedicated events to support potential beneficiaries in joining the programme and beneficiaries in delivering their activities (eg training on network management);

- f) Supporting the URBACT Joint Secretariat with the identification of opportunities to foster communication on the URBACT programme, calls for network proposals, etc. (eg events organized by other players on urban matters), and using these opportunities to foster URBACT's visibility and outreach (eg organizing and holding an URBACT stand, ensuring presence of URBACT material, organizing and delivering URBACT contributions/ speakers in events, etc.).

### 3.2. Dissemination of URBACT results

The National URBACT Point shall support the dissemination of programme results (network results, capitalisation outputs, etc.) to urban practitioners and policy-makers at local, regional, national and EU level, with a specific emphasis on reaching out to urban players outside the URBACT community. This shall be based on content and documents provided by the URBACT Joint Secretariat. NUPs may also propose to produce specific content to support dissemination of programme results at national level (eg focusing on results achieved by URBACT partners in the country, on a capitalization topic of specific importance at national level, etc.). This shall be done by means of different activities, in national language, including:

- a) Delivering national communications using digital tools and print material when relevant;
- b) Providing contributions related to the results achieved by URBACT partners in the country or content related to sustainable integrated urban development in the country, to feed into the URBACT communications tools such as the website (national pages, blog), the Newsletter, etc.
- c) Organising dedicated events to share the results coming from networks involving national partners, URBACT capitalization results, etc.;
- d) Identifying opportunities to disseminate programme results (eg events organized by other players on urban matters), and using these opportunities to foster URBACT's visibility and outreach (eg organizing and holding an URBACT stand, ensuring presence of URBACT material, organizing and delivering URBACT contributions/ speakers, etc. in events).

### 3.3. Supporting dialogue between local, regional and national authorities on sustainable integrated urban development in relation with URBACT objectives, activities and results

The National URBACT Point shall support and enhance the dialogue between local, regional and national authorities on the design and delivery of sustainable integrated urban policies, in relation with URBACT objectives, activities and results. This shall be done by means of different activities, in national language, including:

- a) Ensuring ongoing dialogue among URBACT partners through communications on networks and partners' activities and results (eg by means of social media campaigns, dedicated meetings, networking URBACT partners in the country, etc.);
- b) Organising and contributing to events gathering players from all levels so as to allow them to exchange on all issues related to sustainable integrated urban development, building on URBACT activities and results, in accordance with national urban agendas and priorities;
- c) Targeting all key urban players ( at local, regional, national levels, Managing Authorities of Operational Programmes, etc.) in activities related to communication on the programme and dissemination of programme results;
- d) Identifying opportunities for URBACT to support national activities/ initiatives/ schemes dedicated to promote sustainable integrated urban development and

support cities and Managing Authorities of Operational Programmes with the design and delivery of integrated projects/ strategies, etc; and supporting the URBACT Secretariat in contributing to these national activities/ initiatives/ schemes.

### 3.4. Supporting the delivery of URBACT capacity-building actions

National URBACT Points shall support the URBACT Joint Secretariat with the delivery of URBACT capacity-building actions dedicated to urban practitioners and policy-makers for the design and implementation of integrated and participatory urban policies. This shall be done by means of different activities including:

- a) Supporting the URBACT Secretariat with the organization and delivery of capacity-building events for programme beneficiaries (eg national capacity-building seminars for URBACT partners, URBACT Summer University taking place in their countries, etc.) with logistics (eg providing venue for events, supporting registration process), identification of service providers (eg interpretation, trainers, speakers), relaying information/ invitation emails, etc.;
- b) Supporting the URBACT Secretariat with the identification of capacity-building needs related to integrated and participatory approaches to urban development (eg relaying surveys among URBACT partners, reporting back to the Secretariat relevant information the NUP may have gathered on capacity-building needs related to sustainable urban development);
- c) Identifying opportunities for URBACT to support national activities/ initiatives/ schemes dedicated to build capacities of cities and Managing Authorities of Operational Programmes with the design and delivery of integrated projects/ strategies, etc; and supporting the URBACT Secretariat in contributing to these national activities/ initiatives/ schemes (with logistics, identification of trainers, etc.).

## **4. Mandatory and optional activities under the different services**

National URBACT Points shall operate to provide all services listed above under section 3:

- 1. Communication and information on the URBACT programme
- 2. Dissemination of URBACT results
- 3. Supporting dialogue between local, regional and national authorities on sustainable integrated urban development in relation with URBACT objectives, activities and results
- 4. Supporting the delivery of URBACT capacity-building actions

Under each category of services, some activities shall be mandatory and other optional so as to take into account national contexts, resources and needs. The following table outlines mandatory versus optional activities:

MAIN SERVICES	DESCRIPTION OF SERVICES	MANDATORY/ OPTIONAL ACTIVITIES
<b>1.Communication &amp; Information on the URBACT programme</b>	Info-point/ contact person in a position to provide relevant and updated information (especially on open calls, how to join, etc.)	Mandatory: 1 person to be appointed as “URBACT contact person”, who will be in a position to provide information, in national language, on URBACT objectives, activities, calls for network proposals, etc. and dispatch specific requests to the URBACT Secretariat as needed
	Organization of infodays/ ad hoc meetings	Mandatory: 1 event minimum to be organised per year*
	National communications relaying URBACT news related to calls, important events, etc. using digital tools and print material when relevant	- Mandatory: Dissemination of URBACT news related to calls, important events, by means of emails, newsletter, social media, etc. - Mandatory: Regular updates the “national page” on the URBACT website (minimum once every 2 months)
	Providing contributions related to the activities of URBACT partners in the country or content related to sustainable integrated urban development in the country, to feed into the URBACT communications tools such as the website (national pages, blog), the Newsletter, etc.	Optional
	Others (to be defined with NUP, national authority and agreed by URBACT MA)	Optional
<b>2.Dissemination of URBACT results (network results, capitalization results, etc.)</b>	Organization of events dedicated to the dissemination of URBACT results in the country, or contribution to relevant national events organized by other institutions and targeting relevant audiences in the country	Mandatory: 1 event minimum to be organised per year*
	Support to the URBACT Secretariat with the organization of dissemination events	Optional
	National communications relaying URBACT content related to the dissemination of programme results (from networks, from capitalization), etc. using digital tools and print material when relevant	- Mandatory: Dissemination of URBACT content, by means of digital tools such as emails, newsletters, social media, etc. - Mandatory: Regular updates the “national page” on the URBACT website (minimum once every 2 months)
	Others (to be defined with NUP, national authority and agreed by URBACT MA)	Optional
<b>3. Supporting the dialogue between local, regional &amp; national authorities on sustainable</b>	Organization of events or contribution to relevant national events organized by other institutions	Mandatory: 1 event minimum to be organised per year*
	National communications campaign relaying	Optional

<b>integrated urban development</b>	URBACT content and national priorities/ agenda related to sustainable integrated urban development, using digital tools	
	Others (to be defined with NUP, national authority and agreed by URBACT MA)	Optional
<b>4.Supporting the delivery of URBACT capacity-building actions</b>	Supporting the URBACT Secretariat with the organization and delivery of URBACT capacity-building events for programme beneficiaries (eg logistics, identification of trainers, etc.)	Mandatory: Support to URBACT Joint Secretariat with the organisation of capacity-building actions foreseen in the country (1 event every 2years on average)
	Contributing to the identification of capacity-building needs (eg by means of surveys)	Optional
	Monitoring of capacity-building schemes developed at national level and identifying opportunities for URBACT input/ contribution	Optional
	Others (to be defined with NUP, national authority and agreed by URBACT MA)	Optional
<b>5. NUP Coordination</b>	Reporting on NUP activities (incl. monitoring results indicators, providing information for performance review, etc.)	Mandatory: 1 activity report every 6 months, 1 annual report for performance review
	Participating in coordination meetings, trainings, etc. organised by the URBACT Secretariat for all NUPs	Mandatory: participation in 2 physical meetings per year minimum
	Coordinating with national authorities responsible for URBACT in the country to raise awareness on NUP activities, ensure alignment between NUP activities and national priorities/ needs related to sustainable integrated urban development, etc.	Mandatory: 1 physical meeting per year minimum
	Others (eg translation of documents from EN to national language in the framework of the delivery of the above services - to be defined with NUP, national authority and agreed by URBACT MA)	Optional

*\* These events may be organised so as to deliver on one or several categories of services simultaneously, including sessions for communication/ information purposes, for dissemination of results, for capacity-building purposes, to support dialogue between local, regional and national authorities on sustainable integrated urban development. NUPs may also embed dedicated URBACT sessions in major events organized by other institutions, as long as the target audience is relevant for NUP activities (see section 2).*

All activities (mandatory and optional) shall be included in a work plan to be discussed with the URBACT Secretariat and possibly with the national authority responsible for URBACT in the country, and validated by the URBACT Secretariat.

The URBACT Secretariat shall provide all the necessary guidance, information, material, training for National URBACT Points to deliver the above services.

## 5. Framework for implementation

### 5.1 Provisions in the URBACT III Operational Programme

As stated in the URBACT III Operational Programme, *“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 (...) 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”* (OP section 2.A.3.1.D).

### 5.2 Procedure for the appointment by national authorities

Member/ Partner states willing to appoint their National URBACT Points shall submit a “form for the appointment of National URBACT Point”. In this form, they shall present the proposed organization, outline the experience and capacities of the organization against the services to be delivered, and explain why the organization is in a strong position to perform the role of National URBACT Points in their country. It will be possible that 2 or several countries appoint a joint NUP (eg in countries with a shared language).

Following the validation of the proposed National URBACT Point by the URBACT Managing Authority (against the NUP selection criteria, see section 4.4.), an agreement shall be signed between the URBACT Managing Authority and the appointed organization (OP section 2.A.3.1.D). The agreement will define the activities to be performed by the National URBACT Point under each category of services (see section 3), the expected deliverables and results, as well as the conditions for delivery (administrative and financial conditions, calendar for delivery of the activities, etc.). It will include a framework for an annual performance review (see 4.5.).

The agreement shall cover a two-year period. It can be automatically renewed twice (2 other two-year periods). The annual performance review may lead to the appointment of a new National URBACT Point after the 2-year initial period of the contract. The framework for the annual performance review and the conditions for renewal of the appointed NUP shall be defined in the agreement.

#### a. Procedure for the selection by means of open calls for tender

As stated in the URBACT III Operational Programme foresees, should a Member/ Partner State not be able to appoint such a body or should no such suitable public body exist, the URBACT Managing Authority shall launch an open call for tender to select the National URBACT Point. This shall be done building on the criteria for the selection of National URBACT Points outlined in the Programme Manual (see section 4.4.).

The terms of reference of the tender will define the services to be performed by the National URBACT Point, the expected deliverables and results, as well as the conditions for delivery (administrative and financial). The national authorities responsible for URBACT in the concerned country will normally take part in the selection of the service provider.

Following selection of the service provider, a contract shall be established for two years, renewable twice, each time for 1 year, and include an annual performance review (see 4.5.). After the 2-year initial period, performance review may lead to a new tendering procedure for the selection of a new National URBACT Point in case the service provider is not performing according to the result indicators and expected deliverables set in the contract.

#### b. Criteria for the selection of National URBACT Points

National URBACT Points shall be selected against the following criteria:

- Experience with sustainable integrated urban development and knowledge of EU and national policy framework and instruments in this area;
- Capacity to dedicate, in a sustainable way, a reference person with the necessary skills to act as a contact person for URBACT in the country (more especially good understanding of sustainable urban development and EU policy framework, good communications skills – both oral and written, fluent in English);
- Capacity to reach out, in national language, to a large audience of urban practitioners and policy-makers at local, regional and national level (existing database of relevant contacts, partnerships with relevant organizations, etc.);
- Capacity to communicate, in national language, relevant content targeting various audiences through digital communications tools (webpage, newsletters, social media, etc.) and other communications tools (print, participation in events, stand management, partnerships, etc.); capacity to mobilize appropriate staff needed for the delivery of communications activities;
- Capacity to organize and deliver events as well as support the organization and delivery of events at national level (eg URBACT info days, National Capacity-building seminars, etc.) including designing programmes, inviting speakers, managing registration, etc.
- Capacity to access and dialogue with national authorities responsible for urban policies (relevant ministries, Managing Authorities of Operational Programmes, etc.);

As stated under section 4.2., in case of appointment by the National Authorities, the National URBACT Point shall be a public or equivalent or not for profit body.

#### c. Management and coordination of National URBACT Points

The National URBACT Points shall establish a 2-yearl work plan in cooperation with the URBACT Secretariat. The national authority responsible for URBACT can take part in this process. The 2-year work plan shall be validated by the URBACT Secretariat.

A person within the URBACT Secretariat will be dedicated to the coordination of National URBACT Points and monitoring of their activities.

Coordination of National URBACT Points shall be based on:

- regular coordination meetings between the URBACT Secretariat and all NUPs (at least twice a year),
- ongoing flow of information on programme and networks activities,
- ad hoc trainings to support service delivery,
- participation of National URBACT Points in key URBACT activities when relevant (eg. Programme level events such as conferences, summer universities, etc),
- ongoing networking among National URBACT Points, etc..

The National URBACT Points shall be accountable to the URBACT Managing Authority. The URBACT Secretariat will report on NUPs activities and performance to the Monitoring Committee. The


URBACT Secretariat shall define and implement a reporting and performance management framework, which will be included in the agreement/ contract signed with the National URBACT Point. This framework shall include:

- regular reporting on delivery of services,
- a set of indicators to monitor delivery of the different services;
- an annual performance review;
- meetings with the URBACT Secretariat (at least once a year)
- minimum one annual meeting (physical or online) gathering National URBACT Point, a representative of the national authority responsible for URBACT and the URBACT Secretariat (to agree work plan, monitor progress in service delivery, review performance, adjust work plan, etc.);

## **6. Budgetary elements**

The budget for National URBACT Points' services shall not exceed 50.000 euros per year per country (all taxes included).

For the appointed NUPs, the budget for mandatory activities (see section 3.5.) shall normally not exceed 30.000 euros per year per country. For the NUPs selected through tendering process, the 50.000 € budget is global and covers mandatory and optional activities. The agreement/ contract will include the allocated budget building on the activities (mandatory and optional) listed in the work plan. The budget shall cover all costs related to the delivery of the expected activities, except travel and accommodation costs incurred for participation in coordination meetings with the URBACT Secretariat that will be directly covered by the Programme budget.

	<p style="text-align: center;"><b>URBACT III</b> <b>Programme Manual</b></p>	<p style="text-align: center;"><b>Fact Sheet 4C</b> <b>Communication</b></p>
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### 1. Main objectives and expected results

As stated in the URBACT III Operational Programme<sup>1</sup>, URBACT shall “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” (Specific Objective 4).

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, including the national level, in national languages as much as possible. This will as a consequence help cities to improve their urban development policies, and practitioners and decision makers of all levels to share common knowledge and practices. Communication activities are key in achieving this expected result.

The programme shall 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. As outlined in the Operational Programme, mainstreaming of URBACT knowledge and results shall aim to “reach urban players beyond the URBACT beneficiaries: cities not involved in URBACT networks as well as the different levels of government involved in sustainable urban development (regional, national, European)” (URBACT III OP – Section 2A3/1d).

### 2. URBACT Communication Strategy

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<sup>1</sup> URBACT III Operational Programme, section 2. Priority Axes

As laid down in the EU Regulations<sup>2</sup>, a Communication strategy shall be drawn up by the Managing Authority and approved by the programme Monitoring Committee. Such a strategy is one of the necessary and elementary components of all structural funds programmes. The Communication Strategy shall apply the principle of flexibility as actions are driven by changing policy demand.

The *URBACT III Communication strategy*<sup>3</sup> was thus elaborated to support the URBACT programme in achieving its overall operational objectives and publicising funding opportunities widely to potential beneficiaries and all interested parties. It more especially aims to increase access of practitioners and decision-makers at all levels (EU, national, regional and local) to URBACT thematic knowledge and share know-how on all aspects of sustainable urban development in order to improve urban policies.

The URBACT III Communication strategy outlines 4 key objectives:

- Objective 1: To raise awareness of the programme to a wider group of beneficiaries (direct, indirect and potential)
- Objective 2: To promote the thematic content to beneficiaries (direct, indirect and potential) and interested organisations to ensure uptake of knowledge.
- Objective 3: To share knowledge about the urban themes, sustainable urban development and how the EU is approaching urban development to wider public, media.
- Objective 4: To ensure that the beneficiaries and internal stakeholders play an active role in communication.

To reach these objectives, Communication activities shall be carried at three levels:

- Programme level – Communication aimed at sponsors and influencers, besides beneficiaries (direct and indirect) and potential beneficiaries; communication support and coordination by the Secretariat for network partners, and all internal stakeholders.
- National level – Coordination and support for the National URBACT Points (NUPs)
- Network level – Coordination and support for communication officers of URBACT networks.

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<sup>2</sup> Article 116 and Annex XII of Regulation (EU) 1303/2013 [CPR]

<sup>3</sup> URBACT III Communication Strategy, approved by the Monitoring Committee on 03 July 2015

### 3. Activities

The URBACT III Communication strategy shall be implemented for the benefit of cities, other indirect beneficiaries and the wider public by means of various Communication activities and tools.

Communication activities will include:

- **Visual and verbal identity**
- **Website** – Designed as a knowledge portal on urban topics, the website will be at the centre of the communication activities, with an enhanced focus on thematic content and national entries into the programme; it will also ensure institutional communication on the programme, its activities, beneficiaries, etc.
- **Digital community platform** – An on-line platform to host webinars and e-learning events dedicated to the URBACT community will be set up to foster networking and the exchange and dissemination of URBACT knowledge.
- **Social media**
- **Publications** - The URBACT results (outputs, policy instruments, etc.) will be disseminated by means of publications.
- **Events** –Events will be organised to serve Communication and dissemination purposes, as well as objectives related to other strands of activities of the programme such as capacity-building and capitalisation.
- **Media relations**
- **Partnerships** with other ETC programmes and international organisations and associations working on sustainable urban development.
- **National URBACT Points (NUPs)** – See Programme Manual Fact Sheet 4B.

Additional communication activities will be developed over the course of the programme implementation.

Communication activities shall be delivered in accordance with the regulatory requirements (Article 116 and Annex XII of Regulation (EU) 1303/2013 [CPR]).

Communication activities shall be delivered using the resources available under the Managing Authority Operation 4 – Communication and Dissemination (Website & Digital tools, Graphic Design and Editorial support, Events, Printing, Translation, and Strategic Communication & expertise).

### 4. Budgetary elements

The URBACT programme budget is split between networking activities (52% of the programme ERDF) and Programme level Support Activities (42% of the programme ERDF).

All activities linked to communication and dissemination at programme level shall be covered in the related Support Activities budget. Individual actions and related budget shall be approved on an ongoing basis by the URBACT Monitoring Committee.