

European Regional Development Fund 2007 - 2013

Objective 3:  
European Territorial Cooperation

**URBACT II PROGRAMME MANUAL**  
**(Technical Working Document)**

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Connecting cities  
Building successes



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	<p>The URBACT II Programme 2007 - 2013 Programme Manual</p>	<p>Fact Sheet 1 - The URBACT II Programme</p>
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## 1. URBACT II Context

### **1.1. Cohesion Policy and Cities: the Urban Contribution to Growth and Jobs in the Regions**

Cities are home to most jobs, firms and higher education institutions and their action is decisive in bringing about social cohesion. Cities are home to change based on innovation, entrepreneurial spirit and economic growth. Urban growth or urban innovation strategy should be pursued strengthening the relations between the business sector, the research institutions and the public sector and promoting at the same time an attractive urban environment.

Economic growth is sustainable when it is accompanied by measures designed to reduce poverty, social exclusion and environmental problems. The question of the sustainable character of growth is particularly important in cities most exposed to problems of social exclusion, deterioration of the environment, wastelands and urban sprawl. Cities can register significant differences in economic and social perspectives. There may be spatial inequalities (between neighbourhoods) or social inequalities (between different groups). Frequently, disparities include

both dimensions. The quality of the urban environment may also constitute a factor of attractiveness.

Increasing the attractiveness and competitiveness of cities, where the lion's share of European GDP is generated, is an important component of the Lisbon and Gothenburg strategy. In this context the urban objectives within regional and cohesion policy in the next planning period can be summarized as follows:

- ❖ To increase the added value of Structural Fund interventions on urban issues, promoting an integrated approach to sustainable urban development, ensuring synergy between all the interventions financed by structural funds in the urban context and increasing the effectiveness and visibility of Community intervention.
- ❖ To improve the governance of urban interventions, as a key element for facilitating a successful urban policy. This means engaging all relevant stakeholders, promoting an increased role of municipalities, achieving the right spatial balance and encouraging good planning and management practices.

## **1.2. From the URBAN Community Initiative to the Mainstream**

URBACT I was born from the URBAN Community Initiative. Yet it has developed a life and legitimacy of its own during the last 4 years of operations. The URBAN Community Initiative does no longer exist. Urban issues will now be addressed within the Operational Programmes developed by each Member State or any authority designated by the Member State and will be linked from now on to the urban development in Cohesion policy.

This clearly has important implications for URBACT II both for the definition of its objectives and for the definition of its eligibility criteria. Projects supporting sustainable urban development will be financed in the 'mainstream' and URBACT II will therefore need to ensure strong links to these mainstream programmes.

## **1.3. Cohesion policy and Regions for Economic Change: a new Role for European Territorial Cooperation**

In order to reinforce the "Lisbonisation" of Cohesion Policy, the Commission considered that the existing instruments for exchange of good practice should be reinforced to allow ideas to be put into action at an accelerated pace in the mainstream programmes. For the period 2007-2013, URBACT II will be focused on testing good practices for economic

modernisation and increased competitiveness. The Communication COM (2006) 675 of 8 November 2006: Regions for Economic Change, will further enhance the contribution of European Cohesion Policy to achieving the goals of the renewed Lisbon and Gothenburg agenda.

Under the new initiative, the major novelties are:

- Key themes for economic modernisation have been selected and regions and cities will be asked to conceive and structure their networks and programmes around these themes
- A bridge will be established between the network programmes and the mainstream programmes in order to ensure that the outcome of the networks activities will result in actions plans to be included in the mainstream programmes;
- An enhanced communication effort will be put in place.

Networks with the Fast Track label will provide the opportunity to support testing and rapid dissemination of project's ideas around selected themes for economic modernisation to European programmes assisted by the ERDF and the ESF, the "mainstream" programmes.

## 2. URBACT II Objectives

### 2.1. General objective

Cities have a vital role to play in the achievement of the Lisbon and Gothenburg strategy aims. The URBACT II programme will facilitate this task by allowing cities to exchange experience on key urban policy fields. Given this main task the following overall objective can be stated:

*To improve the effectiveness of sustainable integrated urban development policies in Europe with a view to implementing the Lisbon-Gothenburg Strategy*

The URBACT II programme will bring together actors at local and regional level to exchange and learn in a wide range of urban policy themes which focus on achieving the main objective of improving the effectiveness and impact of such policies at urban level. The programme will include a strong capitalisation and dissemination element with a view to define action plans that can be included in mainstream programmes and to communicate the results as widely and effectively as possible.

## 2.2. Specific objectives

Most EU cities have policies in place to aim to meet the challenges linked to urban sustainable development. However not all policies turn out to be effective in solving problems faced by cities so far, hence the need to exchange experience and learn from good practice in these fields.

As stated in the Operational programme, URBACT II will be driven by the following specific objectives:

- *To facilitate the exchange of experience and learning among city policy makers and practitioners in the field of sustainable urban development among local and regional authorities. Taking into account the acquis of the URBACT I Programme, it will draw lessons to increase their impact on local policies;*
- *To disseminate widely the experiences and examples of good practice collected by the cities, and especially the lessons drawn from these projects and policies, and to ensure the transfer of know-how in the area of sustainable urban development;*
- *To assist policy-makers and practitioners in the cities and managers of operational programmes under the Convergence and Competitiveness Objectives to define action plans on sustainable development of urban areas, which may be selected for Structural Funds programmes.*

## 3. URBACT II Priority axes

The URBACT II programme is structured around 3 priority axes, 2 of which are thematic priorities:

- Priority Axe 1 - Cities, Engines of Growth and Jobs
- Priority Axe 2 - Attractive and Cohesive Cities
- Priority Axe 3 - Technical Assistance

The themes outlined in Priority Axes 1 and 2 will be at the core of the calls for proposals for the creation of thematic networks, Fast Track networks and working groups within URBACT II. They will be further developed in each call for proposals. The following table outlines the percentages of financial resources to be allocated to each priority:

<b>Priority</b>	<b>Budget Share</b>
Priority Axe 1 – Cities, Engines for Growth and Jobs	44%
Priority Axe 2 – Attractive and Cohesive Cities	50%
Priority Axe 3 – Technical Assistance	6%
<b>Total</b>	<b>100%</b>

### 3.1. Priority Axe 1 - Cities, Engines of Growth and Jobs.

There are three themes identified within the Priority Axe 1:

- Promoting Entrepreneurship
- Improving Innovation and Knowledge Economy
- Employment and Human Capital

For each theme, the Operational Programme includes a non-exhaustive list of issues that could be addressed by projects:

Promoting Entrepreneurship	<ul style="list-style-type: none"> <li>- Access to finance and non-financial support to SMEs;</li> <li>- Use of PPP and strategic partnering arrangements to ensure a demand driven and integrated approach</li> <li>- Development of the social economy in deprived areas</li> <li>- Measures to regularize the informal economy</li> <li>- Partnerships with universities as Triple Helix Catalysts (Local governments, university, industry)</li> <li>- Development of clusters of economic activity around new urban opportunities such as culture, care, the environment</li> <li>- Etc.</li> </ul>
Improving Innovation & Knowledge Economy	<ul style="list-style-type: none"> <li>- Strategic policies at city level with regard to ICT.</li> <li>- Access to ICT for all citizens and in particular for disadvantaged groups suffering from the effects of the digital divide</li> <li>- ICT and employment policies (retraining workers in cities, setting up programmes for ongoing training)</li> <li>- Centres of Excellence linked to the knowledge economy</li> <li>- Partnerships (between cities, between cities and private concerns, cities and universities) in order to promote innovation and an entrepreneurial spirit.</li> <li>- Etc.</li> </ul>

<p>Employment &amp; Human Capital</p>	<ul style="list-style-type: none"> <li>- Strategic approach to activation based on people's needs</li> <li>- Integrated pathways into the labour market with a focus on specific target groups</li> <li>- Transition from the informal to the formal economy</li> <li>- A Second chance to those missed by the formal education system</li> <li>- Partnerships with local schools, training establishments and employers</li> <li>- ICT and access to educational resources</li> <li>- Partnerships and the social economy</li> <li>- Targeted support to areas and groups at risk of exclusion to adapt to change and gain access to job in the growing parts of the urban economy</li> <li>- Etc.</li> </ul>
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### 3.2. Priority Axe 2 - Attractive and Cohesive Cities

There are four themes identified within the Priority Axe II:

- Integrated development of deprived areas and areas at risk of deprivation
- Social integration
- Environmental issues
- Governance and Urban Planning

For each theme, the Operational Programme includes a non-exhaustive list of issues that could be addressed by projects:

<p>Integrated development of deprived areas and areas at risk of deprivation</p>	<ul style="list-style-type: none"> <li>- Development of long term, consistent plans for all the different factors promoting sustainable growth and jobs in urban areas.</li> <li>- Urban renewal</li> <li>- Mobilising the key partners – the private sector, the community and NGOs, as well as local, regional and national government</li> <li>- Supporting micro and small enterprises; small-scale loans and micro-credits.</li> <li>- Rehabilitating derelict brownfield sites and renovating public spaces.</li> <li>- Economic Opportunity Zones<sup>1</sup></li> <li>- Etc.</li> </ul>
<p>Social integration</p>	<ul style="list-style-type: none"> <li>- Housing</li> <li>- Migrants and ethnic minorities</li> <li>- Young people and children</li> <li>- Gender equality</li> <li>- Improvement of social services (health services...)</li> <li>- Increased security for citizens</li> <li>- Social exclusion and spatial exclusion</li> <li>- Demographic issues</li> <li>- Cultural Sector</li> <li>- Etc.</li> </ul>

<sup>1</sup> Economic Opportunity Zones are designated areas in which the local authority delivers integrated packages of services aiming at fostering investments and entrepreneurship, ranging from subsidies for investors to public investments aiming at upgrading premises, to training schemes for specific groups and consulting/ coaching for local entrepreneurs.

Environmental issues	<ul style="list-style-type: none"> <li>- Transport, accessibility and mobility</li> <li>- Access to services and amenities</li> <li>- The natural and physical environment (waste management, air quality, water quality and supply, renewable energies, moving to a recycling society, monitoring of the environment)</li> <li>- Cultural heritage</li> <li>- Climate change</li> <li>- Etc.</li> </ul>
Governance & Urban Planning	<ul style="list-style-type: none"> <li>- Tackling the issue of territorial governance when the area in question includes both urban and rural dimensions</li> <li>- Co-ordinating land use policies and Structural and Cohesion Fund investments between urban areas, rural areas, the region and the national level to manage urban sprawl.</li> <li>- Initiatives to make urban areas and city centres attractive places to live</li> <li>- Enlarging networking of cities to networks of clusters to reach a critical size and elaborate common strategies</li> <li>- Exploring the use of partnerships and other decentralized methods of governance for providing more responsive and effective solutions to urban problems.</li> <li>- Etc.</li> </ul> <p><i>For projects on this theme, the participation of the following groups may be considered as a privileged target:</i></p> <ul style="list-style-type: none"> <li>- Resident groups</li> <li>- Women</li> <li>- Young people</li> <li>- The elderly</li> </ul>

### **3.3. Priority Axe 3: Technical Assistance**

Technical assistance covers activities related to the administration of the Programme under Article 46 of Regulation (EC) 1083/06 and in particular:

*"At the initiative of the Member State, the Funds may finance the preparatory, management, monitoring, evaluation, information and control activities of operational programmes together with activities to reinforce the administrative capacity for implementing the Funds [...]"*

Further details on Technical Assistance can be found in Fact Sheet 5.

## 4. URBACT II Operations

**URBACT II will be primarily an instrument for exchange and learning** intended for policy makers, practitioners and other actors actively involved in the development and implementation of city policies. The exchange and learning operation will be implemented through means of thematic networks and working groups. The Programme will particularly focus on the quality of the outputs from exchanges and on the mainstreaming of lessons learnt and good practices identified, especially in policies developed by partner cities. Cities taking part to the URBACT programme will be required to produce local action plans as an output of their activities.

**URBACT II will strengthen its capitalisation pillar** including knowledge based on the exchange of experience among URBACT partners and knowledge developed in other relevant programmes, networks, etc. The needs of capitalisation will be addressed from the earliest stages of exchanges at project level (baseline studies, support from experts, common methodologies and templates for outputs, etc.) and at programme level: creation of Thematic Poles (See Fact Sheet 3a) in charge of supporting the projects and building on their activities to develop capitalisation projects taking into account non-URBACT knowledge and needs, development of thematic dossiers, etc. The creation of Fast Track Networks will depend on the lessons drawn from the two Pilot Fast Track Networks implemented under URBACT I (phase I) and URBACT II (phase II). Nevertheless, the Regions for Economic Change initiative will be implemented, as a first step, in the form of a Fast Track Label allocated to some URBACT II networks by the Commission via an external procedure (See Fact Sheet 2b).

**URBACT II will strengthen its communication and dissemination** policy so as to reach a larger audience of decision-makers and practitioners in cities. This policy will build especially on the enhanced outputs coming from URBACT projects and on a proactive dissemination of practical knowledge with the organisation of Regional Thematic Conferences and agreements with national dissemination points (See Fact Sheet 4a) in the different Member States.

To deliver the URBACT II priority axes, 3 main operations will be implemented, which apply to both Priority Axes 1 and 2:

- Operation 1 – Exchange and Learning
- Operation 2 – Capitalisation
- Operation 3 – Communication and Dissemination

Each of these operations will use a series of tools to implement the selected projects. Further details on each operation are provided in Fact Sheet 2 – Operation 1; Fact Sheet 3 - Capitalisation; Fact Sheet 4 – Communication and dissemination.

## 5. URBACT II Programme area and eligible partners

### 5.1. Programme area

The programme area consists of:

- The EU 27 Member States (so-called Member States)
- Norway and Switzerland (so-called Partner States). Partners from these countries cannot make use of ERDF allocations, but can participate at their own cost.
- Instrument for Pre Accession (IPA) countries. Partners from IPA countries can participate in operations using IPA funding, without receiving ERDF co-financing.
- Other countries. Partners from other countries, anywhere in the world, can participate with their own funding.

### 5.2. Beneficiaries

In Regulation (EC) n°1083/2006, Article 2 (4) the definition of a beneficiary is set out as follows:

*An operator, body or firm, whether public or private, responsible for initiating, or initiating and implementing operations. In the context of aid schemes under Article 87 of the Treaty, beneficiaries are public or private firms carrying out an individual project and receiving public aid.*

The following categories of actors are beneficiaries of the URBACT II Programme:

- Cities (municipalities, infra-municipal bodies and organised agglomerations)<sup>2</sup> of the 27 EU Member States and 2 Partner states;

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<sup>2</sup> As mentioned in the URBACT II Operational Programme, "article 8 of the Regulations 1080 covers urban areas but does not define "city". In the framework of the present programme, the term city is understood in its broadest term: metropolitan areas, cities, towns, neighbourhoods and districts. A "city" can be beneficiary of the URBACT programme as long as it disposes of the legal competencies and frameworks to ensure effective management" (Operational Programme, Annex 6). This principle also applies to the concept of "organised agglomerations". Moreover, the Monitoring Committee (Written procedure n°7 approved on 07/01/2008) has agreed to consider the participation of infra-municipal bodies as partners in URBACT II projects in the following

- Regions and Member states of the 27 EU Member States and 2 Partner States, as far as urban issues are concerned;
- Universities and Research centres of the 27 EU Member States and 2 Partner States, as far as urban issues are concerned.

Among these beneficiaries, partners from the EU 27 only will be eligible to receive ERDF co-financing. Partners from Norway and Switzerland will be co-financed by national contributions.

The beneficiaries must be public authorities and public equivalent bodies<sup>3</sup> for Priority Axes 1 and 2.

Within the framework of the staged procedure defined for project creation under URBACT II (See Fact Sheets 2a, 2b and 2c), will only be allowed to apply as candidate partners for the Development phase (stage of the Declaration of Interest):

- Cities (municipalities, infra-municipal bodies and organised agglomerations) of the 27 EU Member States and 2 Partner states in the case of Thematic network projects;
- Public authorities and public equivalent bodies in the case of Working group projects

### **5.3. Other partners**

In addition to the beneficiaries outlined above, other partners can participate in URBACT II projects, usually at their own cost. Such partners include e.g. national and transnational associations of cities and the private sector (i.e. profitable organisations). Further details of their participation will be outlined Fact Sheet 4b.

In order to maximise the impact of this programme on regional and local policies across the EU, applicants are strongly encouraged to include the

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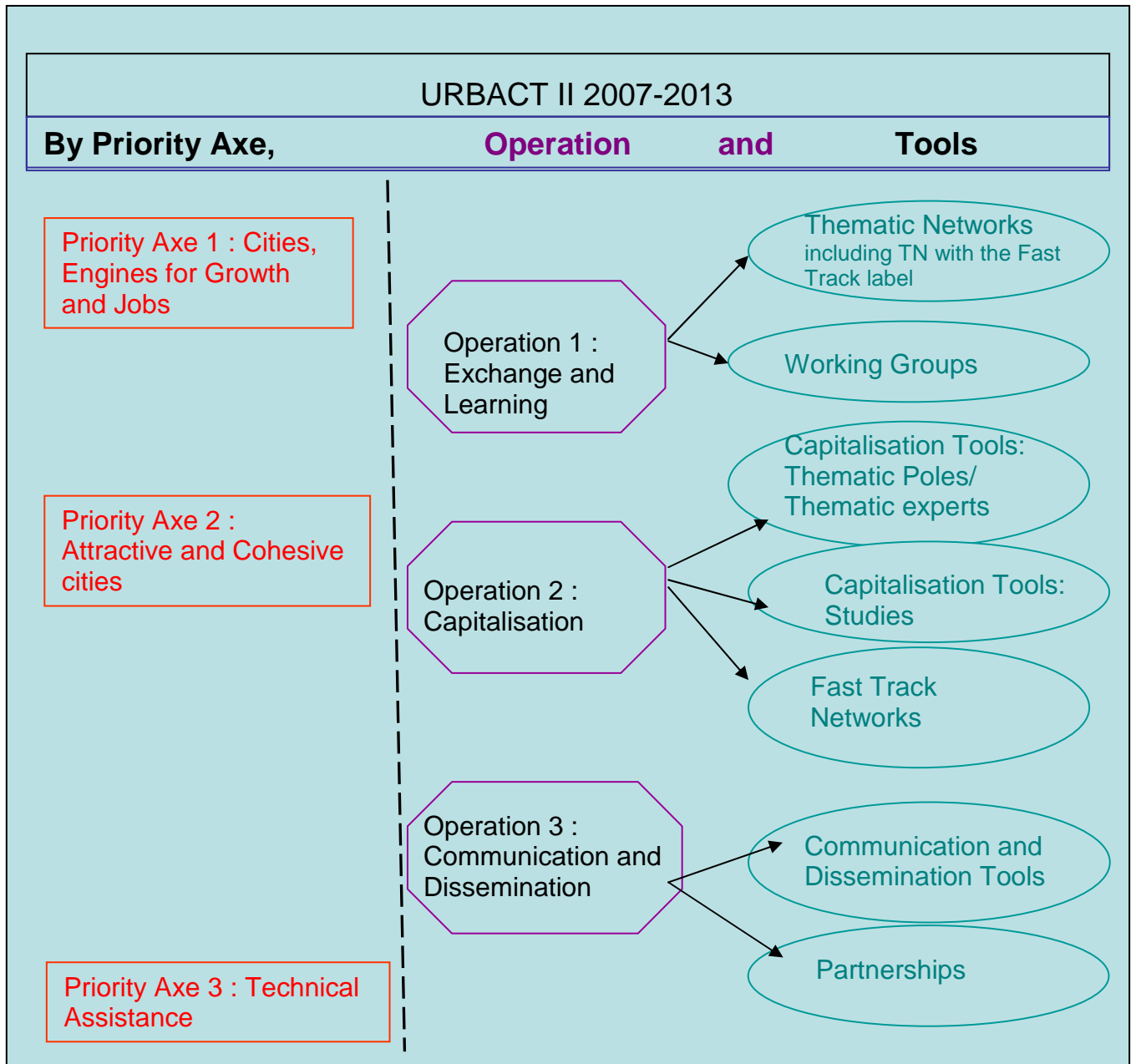
terms: Infra municipal public bodies (districts, neighbourhoods, arrondissements...) can apply as candidate partners only if the central mayor certifies that the specified body has the competences to participate in a thematic network or working group within URBACT II. A certificate signed by the city mayor will be attached to the Declaration of interest (or Final application if the candidate partner joins the project during the Development phase). The participation of an infra municipal body will count in the number of partnership of the city within the URBACT projects.

<sup>3</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) either financed, for the most part, by the State, or regional or local authorities, or other bodies governed by public law/ or subject to management supervision by those bodies/ 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."

relevant and competent regional and local authorities in their operations. Especially, applications having a solid and relevant participation of Managing authorities of Operational programmes in their partnership will be considered with priority in the selection process.

## 6. URBACT II Programme structure





## 7. URBACT II projects – Comparative table


### Main features of Thematic Networks, Thematic Networks with the Fast Track Label and Working Groups in URBACT II

		<b>Thematic Networks<sup>4</sup></b>	<b>TN with Fast Track label<sup>5</sup></b>	<b>Working Groups<sup>6</sup></b>
Number during programme		39		15
<b>Partnership</b>				
Lead partner		City	City	Public body
Maximum number of partners (including Lead Partner)		12	12	8
Minimum no of partners		8	8	6
Minimum number of Member and Partner States		3	3	3
Partner eligibility	Cities	YES	YES	YES
	Regional authorities	YES	YES	YES
	Universities/research centre	YES	YES	YES
	Member states	YES	YES	YES
	Managing Authorities	As many as possible	As many as possible	
	EU 27, Switzerland and Norway	YES	YES	YES
Observer partner cities	Non EU, non Swiss, non Norwegian	2 max	2 max	2 max
Local Support Group		YES	YES	YES
<b>Duration (months)</b>				
Maximum total		36	36	24
Phase I - Development		6	6	4
Phase II - Implementation		30	30	20
<b>Budget</b>				
Maximum total budget		€710 000	€710 000	€300 000
Minimum total budget		€300 000	€300 000	€150 000
Max ERDF co financing	non convergence regions	70%	70%	70%
	convergence regions	80%	80%	80%
Min local co financing	non convergence regions	30%	30%	30%
	convergence regions	20%	20%	20%
Norway / Switzerland	Max co financing from National Partner State	50%	50%	50%
Min budget for ULSG budget category		€70 000	€70 000	€30 000
Min budget for Managing Authority budget category		€40 000	€40 000	n/a
<b>Expertise</b>				
Expertise to project		€125 000	€125 000	€ 50 000
Expertise to programme		€37 500	€37 500	€ 15.000
Expert assistance from the Commission			X	

<sup>4</sup> See Fact Sheet2a on Thematic networks.

<sup>5</sup> See Fact Sheet 2a §7 and 2b on the Fast Track Label.

<sup>6</sup> See Fact Sheet 2c on Working groups.

	<p style="text-align: center;">The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p style="text-align: center;">Fact Sheet 2 - Operation 1: Exchange and Learning</p>
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Allowing and facilitating the exchange of experience between European cities on urban sustainable development policies, the identification of good practices and innovative approaches and their dissemination across Europe are at the core of the URBACT II programme.

The Exchange and Learning Operations will be implemented by two main tools which aim to allow for a wide flow of exchanges to develop among all urban players in projects undertaken in the framework of the programme's Priority Axes 1 and 2 (See Fact Sheet 1):

- Thematic Networks and Thematic Networks with the Fast Track label
- Working Groups

Further information on these 2 tools can be found in the corresponding fact sheets: Fact Sheet 2a – Thematic networks, and Fact Sheet 2c – Working groups.

## 1. Thematic networks

URBACT II will facilitate and finance exchange of experience and learning between European cities in the form of thematic networks. The programme is first and foremost intended for cities and must be managed with their full involvement. Management of the thematic networks will be entrusted, by means of an allocation of funds, to cities which will undertake to coordinate and animate thematic networks with the view to enhancing their local urban policies on the one hand, and issuing policy recommendations for other European cities at the end of the network activity on the other hand. Each partner city in a thematic network will commit to developing its own Local Action Plan as an output of its participation in the network.

Whereas cities are the core target of the programme, National and Regional Authorities having responsibilities in the urban areas concerned should be associated to networking activities as much as possible. More especially, in the view of increasing the impact of the exchanges, priority will be given to projects involving Managing Authorities of operational programmes.

Involvement of relevant partners at local level is a core component of the URBACT II methodology for enhancing urban sustainable development policies. In order to allow for an effective impact of network activities on local policies, each partner in a thematic network will set up an **URBACT Local Support Group** or use as an URBACT Local Support Group an equivalent existing body. The URBACT Local Support Groups will gather the local key stakeholders concerned by the issues addressed within the network and by the city's Local Action Plan to be developed. Their composition will depend on the theme and on the type of project and partner.

In addition each thematic network will have the opportunity to appoint one or more **thematic experts**, among which a "Lead Expert" will follow the activities of the network over its entire duration. The experts will support the partner cities as they develop and implement a working programme (activities related to exchanges, output and dissemination), providing thematic and methodological expertise.

This tool will be implemented by means of calls for proposals. Three rounds of calls for proposal will be organised over the period.

## 2. Thematic Networks with the Fast Track label

The Fast Track label (See Fact sheet 2b) is a specific instrument of the Regions for Economic Change initiative. Its purpose is to foster capitalisation of the results of interregional cooperation, to generate synergies between cohesion policy and other EU policies and to provide for enhanced communication and dissemination. Thematic Networks' activities will actively aim at stimulating the adoption of innovative regional development strategies and best practice in the Convergence or in the Competitiveness and Employment programmes. Through the Fast Track label, the Commission will support those Thematic Networks that with a strong aim to transfer specific urban policy good practices to one or more cities wishing to improve in that specific field.

The Fast Track label will be attributed to Thematic Networks that will put a strong emphasis on involving Managing Authorities of Operational Programmes. The involvement of the partners responsible for policy delivery in the respective Convergence or Competitiveness and Employment programme will be a major criteria for Fast Track labelling since the action plans developed as outputs of networking activities should be implemented in the framework of that programme. The programmes mentioned are recommended to include a specific reference to the Fast Track label or to the wider Regions for Economic Change initiative so as to facilitate making funding available for implementing the action plans elaborated.

Thematic Networks that wish to candidate for the Fast Track label shall address one of the seven urban-related themes defined in the Regions for Economic Change Communication and set out in the URBACT II operational programme. The Commission will indicate to the Programme Monitoring Committee to which networks it intends to offer its support through the Fast Track label on the basis of assessment questions published on the Regions For Economic Change website. These include: the thematic focus on Regions for Economic Change themes, commitment to the 'two-way bridge' including participation of the Managing Authorities and other relevant actors, and enhanced communication and dissemination.

### 3. Working groups

Exchange and learning within URBACT II will also be implemented by means of working groups gathering partners to reflect on urban issues and produce policy documents and practical tools for cities willing to improve their policy for sustainable urban development.


Working groups will bring together, for a limited period of time compared to the thematic networks, a wider range of partners: public bodies (cities, regional and national authorities), field practitioners, experts specialising in the selected theme, universities, research centres, European and national networks and other organisations relevant to the theme. Working Groups will be expected to suggest themes in line with the main fields of activity outlined in Priority Axes 1 and 2. Working groups will spend less time on the exchange element of the work programme and will focus their efforts with the help of experts, to the production of high quality output which can be used by external audiences and in the capitalisation process of the URBACT II Programme.

As for thematic networks, working groups should see that key stakeholders are involved in project activities, especially at local level, in order to increase impact of these activities. Working group partners will be required to set up URBACT Local Support Groups or use as an URBACT Local Support Group an equivalent existing body.

Working groups will be created through Calls for Proposals, or as the need arises through proposals by the Managing Authority. Public bodies or public equivalent bodies will normally act as Lead Partner. In some cases, the Managing Authority will endorse this role.

### 4. Budgetary Details

The total available budget for Operation 1 "Exchange and Learning" is 38 145 553 € (including 685 728 € of estimated budget for the participation of cities from the Partner States to networks and working groups). The allocated ERDF is 28 455 000 €.

	<p style="text-align: center;">The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p style="text-align: center;">Fact Sheet 2a - Thematic Networks</p>
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*"The URBACT Programme is intended for cities and must be managed with their full involvement. Management of the thematic networks will be entrusted, by means of an allocation of funds, to cities which will undertake to coordinate and animate thematic networks with the view to implementing clear policy recommendations at the end of the network activity. National and Regional Authorities having responsibilities in the urban areas concerned could be invited to take part in these networks.*

*The goal is to create at least one thematic network for each of the major themes outlined within the two priority axes of this Programme.*

*Each thematic network partner city will commit to developing its own action plan as an output of its participation in the network.*

*This tool will be implemented by means of calls for proposals. Specifications and terms of reference will be drawn up, explaining the nature of the proposed tasks to be accomplished by networks (exchanges, comparisons of experiences, learning and capacity building, dissemination of good practices, recommendations), and outlining the administrative and financial framework within which the thematic networks are to operate.*

*In addition each thematic network will have the opportunity to appoint one or more thematic experts. At project level, the experts' task is to assist the partner cities as they develop and implement a working programme (activities related to exchanges, output and dissemination), providing thematic and methodological expertise."*<sup>7</sup>

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<sup>7</sup> URBACT Final Operational Programme 5.4.1

## 1. What is an URBACT thematic network?

Thematic networks are the central element of URBACT II. They are expected to result in the development of a flow of exchange among all the actors and stakeholders involved in the related policy field. The themes of the networks must fall within the scope of the Lisbon and Gothenburg strategies.

Each thematic network shall bring together a limited number of cities; it shall be led and managed by a "lead partner" city. The duration of each network is limited. In addition to an operating budget, networks shall receive funds to cover expenses related to assistance from experts.

### **1.1. Outputs**

In the spirit of Regions for Economic Change, and in order to ensure impact of URBACT activities on local policies, each partner city shall commit itself to developing its own Local Action Plan as an output of its participation in the network. Local Action Plans shall be the results of the network's activities and shall be elaborated in close cooperation with the local stakeholders in each partner city.

These local key stakeholders concerned by the thematic exchanges implemented within the network and by the city's local action plan to be developed shall be gathered together in an URBACT Local Support Group (See section 5.2.).

Non-city partners shall be expected to produce a concrete output with a view to strengthen the impact of the network activities on local policies.

In addition thematic networks shall be expected to prepare case studies and other outputs (policy recommendations, practical guidelines, etc.) to be defined in the call for proposals.

### **1.2. Creation of thematic networks**

It is proposed to set up 46 thematic networks over the duration of the Programme, to be approved by the Monitoring Committee following calls for proposals. Some of these networks will receive the support from the Commission through the Fast Track label (See Fact sheet 2b).

To ensure consistency across the networks, and a robust and efficient management of the Programme, several networks shall be launched and

operated at the same time. Three rounds of calls for proposals shall be launched over the full programme period, with a maximum of 24 thematic networks approved under the first call. The first phase of thematic networks shall operate between 2007 and 2010, and the second between 2009 and 2012. The third call for proposals will be organized in 2011.

The goal is to create at least one thematic network for each of the major themes that shall be selected by the Monitoring Committee and specified in the call for proposals.

### **1.3. Thematic Networks and the Fast Track label**

Within the 46 Thematic Networks, a certain number of networks shall receive the Fast Track label from the Commission. With the Fast Track label, the Commission will decide to provide a specific support to those Thematic Networks that are strongly committed to contribute to the *Regions for Economic Change* initiative, especially by:

- addressing a theme covered by the seven *Regions for Economic Change* themes that may be addressed by URBACT projects;
- involving as many Managing Authorities of Operational programmes as possible in the project

Thematic Networks with the Fast Track label shall bring together cities and their respective Operational Programme management authorities, with a view to a rapid implementation of local action plans financed by European Funds. A wide geographical coverage will be considered as an added-value for the Fast Track labelling and as such included in the assessment questions for labelling (See assessment questions published on the *Regions for Economic Change* website ). Further information on the Fast Track label is available in Fact Sheet 2b.

### **1.4. Links to existing networks**

URBACT II thematic networks shall develop cooperation with other European specialised networks when appropriate, in order to build on their expertise and integrate existing knowledge in their exchange and learning activities (See Fact sheet 4a).

Experts proposed by European and national networks of cities and specialised networks who have been approved within the pool of thematic experts, may be appointed by the Programme for expertise tasks within a network.



Thematic networks created in the framework of URBACT II must be careful not to duplicate the work of existing networks. They should, moreover, demonstrate complementarity with such networks.

## 2. Partnership in Thematic Networks

*"In Regulation (EC) n°1083/2006, Article 2 (4) the definition of a beneficiary is set out as follows:*

*Article 2 of Regulation (EC) N°1083/2006 of 11 July 2006 defines beneficiaries as "an operator, body or firm, whether public or private, responsible for initiating or implementing operations. In the context of aid schemes under Article 87 of the Treaty, beneficiaries are public or private firms carrying out an individual project and receiving public aid".*

*The following categories of beneficiaries can be identified for the URBACT II Programme all of which will be eligible to receive ERDF co-financing:*

- Cities (municipalities and organized agglomerations) of the European Union 27;
- Regions and Member States as far as urban issues are concerned;
- Universities and Research centres as far as urban issues are concerned.

*The beneficiaries must be public authorities and public equivalent bodies for Priority Axes 1 and 2. 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."*

*In addition to the beneficiaries outlined above other partners can participate in URBACT II projects, usually at their own cost. Further details of their participation will be outlined in the Technical Working Document and future calls for proposals. Such partners include e.g. national and trans-national associations of cities and the private sector (i.e. profitable organisations).*

*Moreover, national or trans-national associations of cities can be also partners of the programme normally under the conditions outlined in 5.6.2.*

*In order to maximise the impact of this programme on regional and local policies across the EU, applicants are strongly encouraged to include the relevant and competent regional and local authorities in their operations. Applications having a solid and relevant participation of regional authorities in their partnership will be considered with priority in the selection process."<sup>8</sup>*

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<sup>8</sup> URBACT Operational Programme 5.2

- **2.1. Lead partners**

In the context of URBACT II, Lead Partners are the targets for calls for proposals to be launched under Priority axes I and II. Only public authorities, cities in the case of Thematic network projects, can be Lead Partners.

Lead partners can be from:

- The 27 EU Member States
- Norway and Switzerland. In this case, the Lead Partner acts as "Functional Lead Partner". The financial liability of the operation in this case remains with a formally appointed "Financial Lead Partner" coming from any EU Member State.

Lead Partners enter into subsidy contracts with the Managing Authority and apply for payment on behalf of the partners of thematic networks. Lead Partners are responsible for project implementation and financial management and for the coordination of the partnership. Further information on the roles and responsibilities of Lead Partners and partners is available in Fact sheet 6b.

Technical requirements related to means and resources to be dedicated by the Lead Partner to the management of the network shall be defined in the call for proposals. By means of a joint convention, Lead Partners decide, together with the other partners, how to share their joint responsibilities (See Fact sheet 6b).

A Public Authority (a city in the case of a Thematic network) may not be the Lead Partner in more than one project at a time.

## • 2.2. Partners

Within the URBACT II Programme, all beneficiaries and other partners shall be from the 27 EU Member states (so called Member states) or from Norway and Switzerland (so-called Partner States).

Two main types of partners can be distinguished:

- Beneficiaries of the programme
- Other partners

### **a) Beneficiaries**

The beneficiaries of the URBACT II Programme include the following categories of partners:

- **Cities** (municipalities, infra-municipal bodies and organised agglomerations)<sup>9</sup> of the 27 EU Member States and 2 Partner states;
- **Regional and national authorities** of the 27 EU Member States and 2 Partner states, as far as urban issues are concerned;
- **Universities and research centres** of the 27 EU Member States and 2 Partner states, as far as urban issues are concerned.

Among the beneficiaries of the programme outlined above, only partners of the 27 EU Member States shall be eligible to receive ERDF co-financing. Partners from Norway and Switzerland shall be co-financed by national contributions.

Within the framework of the staged procedure defined for project creation under URBACT II (See section 6.2), will only be allowed to apply as candidate partners in a Thematic network for the Development phase (stage of the Declaration of Interest):

- **Cities** (municipalities, infra-municipal bodies and organised agglomerations) of the 27 EU Member states and 2 Partner states.

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<sup>9</sup> As mentioned in the URBACT II Operational Programme, "article 8 of the Regulations 1080 covers urban areas but does not define "city". In the framework of the present programme, the term city is understood in its broadest term: metropolitan areas, cities, towns, neighbourhoods and districts. A "city" can be beneficiary of the URBACT programme as long as it disposes of the legal competencies and frameworks to ensure effective management" (Operational Programme, Annex 6). This principle also applies to the concept of "organised agglomerations". Moreover, the Monitoring Committee (Written procedure n°7 approved on 07/01/2008) has agreed to consider the participation of infra-municipal bodies as partners in URBACT II projects in the following terms: Infra municipal public bodies (districts, neighbourhoods, arrondissements...) can apply as candidate partners only if the central mayor certifies that the specified body has the competences to participate in a thematic network or working group within URBACT II. A certificate signed by the city mayor will be attached to the Declaration of interest (or Final application if the candidate partner joins the project during the Development phase). The participation of an infra municipal body will count in the number of partnership of the city within the URBACT projects.

## **b) Other partners**

In addition to the eligible partners outlined above, other partners can participate in URBACT II projects, usually at their own cost. Such partners include national and transnational associations of cities and actors from the private sector (i.e. profit-making organisations). In the case of private partners, the Monitoring Committee can decide that, exceptionally, their participation in an URBACT project will be co-financed by the Programme. Participation and co-financing of private partners will be decided on a case per case basis by the Monitoring Committee in the respect of European regulations on State Aids procedure and the rules of public procurement. All results should be available to the public.

A thematic network may also invite up to two cities coming from outside the Member or Partner states, to participate as observers at their own cost.

### **2.3 Composition of partnerships**

Each thematic network shall consist of not more than 12 partners, plus up to 2 observer cities (non Member or Partner State).

Each network shall have at least 8 partners from at least 3 different Member/ Partner States, taking into account the necessity to find a balance between Competitiveness objective and Convergence objective regions. Partners from Partner States will not be taken into account when considering this balance.

At the stage of the Declaration of Interest (project application for Development phase), the initial partnership shall be composed of 5 cities.

In the Final partnership, no more than 3 partners in any thematic network shall be non-city partners (be they beneficiaries of the programme, i.e. regional and national authorities, universities and research centers as defined in section 2.2.a; or other partners as defined in section 2.2.b). These non-city partners will be from 3 different countries.

Eligible public authorities may participate in no more than 2 URBACT projects simultaneously.

Thematic network partners are recommended to associate the Managing Authorities of the Operational programmes in the network activities in order to enhance the impact of these activities on local policies. Managing Authorities may be associated to the network activities by:

- being included in the project as full partners (knowing that, as mentioned above, no more than 3 partners in a thematic network shall be non-city members),

or

- being invited to take part to the network activities and especially to milestones meetings and Local Support Groups activities (knowing that a specific line shall be dedicated within the budget to the participation of Managing authorities – See section 4.2.).

A solid and relevant association of Managing Authorities of the Operational Programmes to the network activities will be considered with priority in the selection and ranking process.

## **2.4. Building the partnership**

Every project proposal shall be submitted to the URBACT Secretariat, in the form of a Declaration of Interest, by an initial core group of 5 cities (including the Lead Partner). Further information on this procedure is available in section 6.3.).

After assessment and ranking by the External Assessment Panel and approval by the Monitoring Committee (see section 6), the Declaration of Interest shall be published by the Secretariat on the URBACT II website, in order to give the opportunity to additional partners to join the initial core group (with a maximum of 12 partners total per network, plus 2 observer cities). After the publication of the Declaration of Interest on the website, the selection of the additional partners shall be managed by the Lead Partner. The definitive list of partners and the list of Managing Authorities to be associated to the network activities shall be included in the Final Application to be submitted to the URBACT II Monitoring Committee for approval at the end of the development phase (see section 7 below). The decisions of the Monitoring Committee shall be final.

## **2.5 Partnership Changes**

Project partners can leave the project by providing a 'letter of de-commitment' specifying the date of withdrawal. In cases where partners do not participate in the project implementation regularly (for example non attendance at transnational meetings, non response to requests from the Lead Partner) the Lead Partner can remove the partner from the project. Firstly the Lead Partner should send an official written warning to the project partner offering the project partner a period of at least 2 months in which to reply. After this warning the Lead Partner can inform the project partner by official letter of their decision to remove the project partner from the project.

In this case the lead partner will state the date of withdrawal and the project partner will present a final certificate of expenditure incurred to that date which should normally not exceed the pro rata calculation based on the time they have been involved in the project.

The Lead Partner shall agree with the remaining partners how the resource made available shall be used.

## **2.6 URBACT Local Support Groups**

Participation at local level is a core component of the URBACT II methodology for developing urban sustainable development. In order to allow for an effective impact of network activities on local policies, each partner in a thematic network shall set up an URBACT Local Support Group (ULSG). The URBACT Local Support Groups shall gather the local key stakeholders concerned by the thematic exchanges implemented within the network and by the city's local action plan to be developed. The URBACT Local Support Groups shall follow the network's activities by receiving reports from the city representatives taking part in the network exchanges, and by supporting the latter in contributing to the network's activities (especially in the validation of case studies and the elaboration of the Local Action Plans).

A specific budget category in each thematic network's budget shall be dedicated to the meetings of the URBACT Local Support Groups and capacity building actions in favour of its members (see Section 4 of this Factsheet).

## 3. Duration and work programme of Thematic Networks

The operational duration of a Thematic Network shall not exceed 36 months.

Thematic Network activities shall be structured in 2 main phases:

- **Phase I – Development phase**

An initial **6-month** period shall be dedicated to project preparation, during which the partners shall especially:

- finalise the partnership,

- carry out a baseline study,
- set up their URBACT Local Support Groups,
- agree a detailed work plan,
- design a detailed project audit trail (see Fact sheet 6b),
- sign all the required contractual agreements between the Lead Partner, partners, and the URBACT II Managing Authority,
- complete their Final Application for the implementation phase (phase II).

This development phase shall receive active support from the technical staff of the Secretariat and must involve the Lead Expert attached to the project.

- **Phase II – Implementation phase**

The next **30 months** shall be dedicated to the main exchange and learning activities of the Thematic Network and to mainstreaming and dissemination.

It is suggested that this phase be structured around two main sets of activities:

- a set of **the exchange and learning activities, through which** partners shall hold a number of exchange meetings, normally supplemented by other mechanisms (workshops, bi-lateral visits, site visits, additional research, etc.) which shall build on partners' contributions and experience so as to draw lessons and recommendations for action;
- **a set of mainstreaming and dissemination activities**, through which partners shall concentrate on the production of their Local Action Plans and on drawing out the key lessons and knowledge from the exchange phase so as to maximize the benefit to the widest audience possible. In order to ensure an effective impact of the networks' activities and mainstreaming of their outputs and findings, it is vital that sufficient time be dedicated both to the production of Local Action Plans and to the dissemination of the outputs related to their exchange and learning experience.

This phased approach is a guideline to activity.

A further 3 months after the end of the project shall be allowed for the administrative and financial closure of the project and for the submission of final documents. Only costs linked to activities implemented between the official starting and closing dates of the project, or concerning the financial and administrative closure of the project, and actually paid and certified by the project's beneficiaries within the three months following the project end date, will be considered eligible to be refunded with ERDF.

## 4. Budgetary details for Thematic Networks

### 4.1. General budgetary information

The total budget for each thematic network shall be no less than € 300 000 and no more than € 710 000. Thematic networks are co-financed by ERDF and national contributions. The average ERDF co-financing rate of a network is calculated on the basis of the different co-financing rates for the single partners.

- The partners from the Convergence regions shall be co-financed at up to 80% by ERDF.
- The partners from the non Convergence 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.

The call for proposals shall provide detailed instruction for the creation of a network budget, along with budget tables. In the total budget, there shall be the two following elements:

- a specific budget category dedicated to the URBACT Local Support Groups, with a minimum financial allocation of € 70.000 per project;
- a specific budget category dedicated to the participation of the Managing Authorities taking part to the network activities and especially to the milestones meetings, with a minimum financial allocation of € 40.000 per project.

Further information related to eligible expenditures, to the budget categories and minimum requirements for a project financial plan are available in Fact sheet 6b.

The declared expenditure shall be reimbursed by the Certifying Authority to the Lead Partner against all the certificates and statements of expenditure of the Lead Partner and the Partners signed by the appointed first level controllers, the summary tables of expenditures, the signed



global payment claim (See Fact sheets 6a and 6b) and the signed Progress report for each reporting period concerned.

#### **4.2. Budget for the 6-month development phase (Phase I)**

Considering the charge of work of the Lead Partner and the 4 initial partners during the 6 months dedicated to the preparation of the project and submission of the Final Application, the costs incurring during phase I shall be considered eligible to be refunded regardless of the approval of the Final Application by the Monitoring Committee.

The maximum eligible total budget shall be € 75.000. This budget should also foresee a reasonable allocation to finance the creation and the first activities of the URBACT Local Support Groups during phase I.

A thematic network shall have the possibility to declare less in phase I than the budget originally approved by the Monitoring Committee, and to reallocate the remaining amount in the budget for phase II.

This shall be possible through a specific section (section 13) in the Final Application Form for phase II where the Lead Partner shall commit the project on the maximum amount of expenditure to be certified at the end of the phase I.

In this section, the Lead partner attests to close the project Phase I with a maximum total and final certified expenditure amount.

If this maximum amount is less than the budget originally approved by the Monitoring Committee, the under spent budget for Phase I can be reallocated in the budget for Phase II.

Given that :

- the sum between the maximum amount of expenditure that will be claimed for Phase I and the proposed budget for the implementation phase (phase II) must not exceed the ceiling established for the maximum budget of a thematic network (i.e. no more than € 710.000);
- the sum between the maximum amount of expenditure that will be claimed in categories 8 and 9 for Phase I and the budget proposed for categories 8 and 9 for Phase II must respect the ceilings foreseen for the URBACT Local Support Groups (i.e. minimum financial allocation of € 70.000) and for the involvement of the Managing Authorities of operational programmes (i.e. minimum financial allocation of € 40.000).

## 5. Expertise in Thematic Networks



Each thematic network shall have the opportunity to appoint one or more thematic experts to support its activities. The Programme shall provide, to each thematic network, a specific budget for the appointment of thematic experts, under specific conditions outlined below. The Lead Partner of each network shall be required to appoint a “**lead expert**” who shall be responsible for supporting the network throughout the whole life of the project (all two phases) and for contributing to programme level activities in the name of the network. A limited number of other thematic experts can be appointed to assist the network with specific tasks. More information is available in Fact Sheet 3b.

- **5.1. Role of Lead expert and thematic experts**

- a) Lead expert

In each network, a Lead expert shall be appointed by the partners to provide them with methodological guidance and thematic input so as to contribute to quality and effectiveness of project implementation. The Lead expert shall accompany the network throughout its whole life cycle.

The Lead expert shall support the partners during the project development phase (phase I), especially with the following tasks: production of the baseline study to be produced as a basis for the Final Application, definition of the issue to be addressed by the network, of the project work programme, of the expected outputs and related methodology, setting up of the URBACT Local Support Groups.

Once the project Final Application has been approved by the Monitoring Committee to enter implementation phase (phase II), the Lead expert shall contribute to the project implementation in cooperation with the Lead Partner and partners, coordinate the intervention of other thematic experts working for the project, support the partners in the organisation of the exchange and learning process, in the production of the expected outputs and their dissemination.

At programme level, as part of his/her contractual agreement with the Managing Authority, the Lead expert shall contribute to capitalisation and dissemination activities on the theme addressed by the network. More especially, the Lead expert shall take part to the activities defined and implemented within the framework of the Thematic Pole to which the network will be assigned (production of case studies, syntheses, thematic notes, etc.). The Lead expert shall be able to contribute, in the name of

the network, to dissemination projects such as the Thematic Regional Conferences.

#### b) Other thematic experts

- Each network shall have the possibility to appoint other thematic experts to complement the Lead expert's contribution. Their task shall be to assist the lead partner and the partner cities as they develop and implement a working programme (activities related to exchange and learning, production of outputs and dissemination). They shall provide the partners with input on specific issues related to the network's theme, with methodological support, animation, production of documents, etc.
- At the level of the URBACT programme, thematic experts may also be invited on a case per case basis to contribute to Thematic Poles' activities and to events and publications coordinated by the URBACT Secretariat.

#### • **5.2. Appointment of thematic experts**

The URBACT Secretariat shall compile a list of thematic experts by means of a call for applicants. Experts in urban policy shall be invited to apply and European and national networks of cities shall also be encouraged to propose experts. In order to be able to benefit from the expertise envelope available for each network from the Programme budget, the Lead Partners shall choose their thematic experts from this list (See Fact sheet 3b). They may also foresee specific expert support from the project budget, by including a line "external expertise" (see Fact Sheet 6b). The rules applying to the expertise envelope available from the programme budget, in terms of selection, flat rate fee, allocation of days and contracting, do not apply to this "external expertise" provision.

#### • **5.3. Budget for expertise and allocation of days**

Each network shall have an allocation of € 125 000 maximum to cover the costs of expertise over the lifetime of the project (Development phase **and** Implementation phase). This budget available for expertise is additional to the project budget. As the daily expertise fee for URBACT thematic experts is set at 750 euros/ day all taxes included, this budget corresponds to an envelope of 166 days.

The budget for thematic experts shall be managed at Programme level.

Thematic experts will contract with the URBACT II Managing authority, on the basis of a request submitted by the project lead partner, mentioning the number of days requested, the tasks and deliverables expected from

the expert (form provided by the URBACT Secretariat). The request shall be validated by the URBACT Secretariat (with regard to relevance of days allocated, work programme and deliverables) before the contract with the expert is established. The Lead partner will be responsible for certifying the service provided by the expert to the project.

Taking into account the phasing of projects, the use of the expertise envelope shall abide by the following rules:

- During the Development phase, a thematic network may benefit from the support of one thematic expert only. This expert shall be the Lead expert as requested above.
- The number of days allocated to the Lead expert during the Development phase shall be between 35 and 45 days (out of the 166 days available for both phases), in order to allow for a sufficient expertise support during both phases.

In the case of expertise provided to the project and to project partners, related travel and subsistence costs for thematic experts shall be covered in the network's budget (to foresee when establishing the budget for each phase). This is especially important during the Development phase as the Lead expert is expected to visit city partners so as to complete the baseline study. In the case of expertise provided to the Programme and requested by the Programme, travel and subsistence costs for thematic experts shall be covered by the programme's budget.

## 6. Application procedures for Thematic Networks

### • 6.1. Calls for proposals

Thematic networks shall be implemented by means of calls for proposals. The nature of the proposed tasks to be accomplished by networks (exchanges, analysis of experiences, learning and capacity building, dissemination of good practices, elaborate action plans and recommendations), and the administrative and financial framework within which the thematic networks are to operate shall be outlined in the calls for proposals.

Calls for proposals shall be approved by the Monitoring Committee. Thematic networks shall reflect the Commission's priorities in the themes

they address, and they shall integrate input from monitoring of Operational Programmes and from the work of the Inter-service Group on Urban Development led by DG Regio.

All URBACT II thematic networks should deal with issues related to urban sustainable development as defined in the Priority axes I and II of the programme (See Fact Sheet 1).

## **6.2. Staged application procedure**

Projects for which funding is requested in the framework of each URBACT II call for proposals, shall be subjected to a selection process. Each project shall be submitted twice to the Monitoring Committee: a first time in the form of the Declaration of Interest, before the development phase (phase I, see section 3), and the second time in the form of the final "Application form" at the end of the development phase. Decisions by the Monitoring Committee shall be final.

Selection will take place in several stages:

### **STAGE 1 - Submission of Declaration of Interest**

The Declaration of Interest shall be submitted to the URBACT II Secretariat within the deadline fixed in the call for proposals, along with all requested annexed documents. The applicants should specify whether they are interested in the Fast Track label. The Declarations of Interest shall be available to all URBACT II Monitoring Committee members.

### **STAGE 2 - Eligibility check**

At this stage, proposals shall be checked by the URBACT Secretariat for formal compliance with the eligibility criteria listed below (See section 6.3.). After the eligibility check, the URBACT Secretariat shall notify the Lead Partner of the results and transfer the eligible projects to the External Assessment Panel (See section 6.5.) for proposals to be assessed. The Commission services will be informed of which eligible projects are interested in the fast track label.

### **STAGE 3 – Project assessment**

The External Assessment Panel (see section 7.5. below) shall proceed to the assessment and ranking of eligible projects, to be submitted to the Monitoring Committee for approval for Phase I (Development phase). The assessment criteria for project proposals shall be provided in the call for proposals. The External Assessment Panel will more especially check that the issues addressed in the different proposals do not overlap significantly. At that stage, the

Commission will indicate to which networks it intends to offer its support through the Fast Track labelling, on the basis of assessment questions published on the Regions for Economic Change website. These include: the thematic focus, commitment to the “two-way bridge” including participation of the Managing Authorities and other relevant actors, and enhanced communication and dissemination.

#### **STAGE 4 – Submission of projects to the Monitoring Committee**

Following the assessment and ranking of project proposals by the External Assessment Panel, and informed of the intentions of the Commission, the Monitoring Committee shall decide on the approval of projects to enter development phase (phase I). Decisions by the Monitoring Committee shall be final.

Following the approval of the Declarations of Interest by the Monitoring Committee, the new Lead Partners and their lead experts shall attend a training session organised by the Secretariat to familiarise them with URBACT II working methods (organisation of exchanges, product standards) and aspects of administrative and financial management.

#### **STAGE 5 – Development of Final Application during Phase I**

The project proposals approved by the Monitoring Committee shall go through an initial **6-month** development period, which shall lead to the submission of a Final Application to the Monitoring Committee. This mandatory 6-month period is meant to allow partners time to prepare their work programme with due care. This stage is aimed at finalising the partnership (by expanding from an initial 5 partners to a maximum of 12 and by involving the respective Managing Authorities), agreeing a detailed work plan, carrying out a baseline study, setting up URBACT Local Support Groups in partner cities, designing and submitting a detailed project audit trail, preparing a Final Application and signing all the required contractual agreements between the Lead Partner, partners and the URBACT Secretariat.

Approval by the Monitoring Committee to proceed to the 6-month development phase does not however lead to an automatic approval of the Final Application. The Final Application shall be checked for compliance with eligibility criteria by the URBACT Secretariat. The eligible applications shall then be assessed by the External Assessment Panel before being submitted to the Monitoring Committee for final approval.

#### **STAGE 6 – Eligibility check for Final Applications**

At the end of the Development Phase, the URBACT II Secretariat receives all Final Applications. The URBACT Secretariat shall check

the Final Applications submitted within the deadline, for compliance with eligibility criteria defined in the call for proposals.

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

At this stage of the application procedure, only Project Partners and Lead Partners which are based in Member/Partner States who:

- have signed the Memorandum of Understanding with the Managing Authority and the Certifying Authority,
- have submitted a description of the control system without reserve,

shall be considered eligible to be involved in phase II of the project. Project Partners and Lead Partners whose Member States have not accomplished the above mentioned requirements before the submission of the Final Application, can not be refunded with ERDF for the costs incurred during their participation in the project development phase (phase I)

### **Stage 7 – Final Application Assessment**

The External Assessment Panel (see section 7.5. below) shall proceed to the assessment of eligible Final Applications, to be submitted to the Monitoring Committee for approval for Phase II (implementation phase). The assessment criteria for Final Applications shall be provided in the call for proposals.

At that stage, on the basis of the results of the development phase with regard to the finalised partnership, the thematic focus and the work programme proposed in the Final Application, the Commission shall decide whether it confirms its intention to support a project through the Fast Track label.

### **STAGE 8 – Submission of Final Application to the Monitoring Committee**

Based on the final assessment by the External Assessment Panel, the Secretariat submits the Final Applications to the Monitoring Committee for the definitive approval of thematic networks and for the launch of implementation phase.

Approved applications shall receive a subsidy contract which marks the final stage of approval of the project. Additional information on the subsidy contract are available in fact sheet 6b. The project shall then be fully operational and can start working on Phase II.

Guidelines to project applications shall be provided with the call for proposals.

### **6.3. Declaration of Interest and eligibility criteria**

Following the publication of the call for proposals, cities are invited to send Declarations of Interest for the constitution of a Thematic Network. Candidates shall make use of the templates provided with the call for proposals (template for the Declaration of Interest and templates for letters of commitment).

Each Declaration of Interest must bring together 5 cities total (belonging to at least 3 Member/ Partner States), taking into account the necessity to find a balance between Competitiveness objective and Convergence objective. Partners from Partner States will not be taken into account when considering this balance.

The projects that are candidate for the Fast Track label should specify it in their Declaration of Interest.

Eligibility criteria for Declarations of Interest are minimum requirements, all of which must be fulfilled before a project can be declared eligible. They cover organisational, administrative and commitment requirements.

The proposals submitted within the deadlines in an electronic and paper version to the URBACT Secretariat (which will be available to all URBACT II Monitoring Committee members) will be checked for compliance with the eligibility criteria listed below:

- the proposal is submitted within the deadline set in the call for proposals
- the proposal is complete in terms of number of documents required and includes the Declaration of Interest, the financial tables, 5 letters of commitment (one letter for the candidate lead partner and 4 letters for the candidate partners), the CV of the project coordinator and the CV of the proposed Lead Expert
- the proposal is complete in terms of information and data required in the documents (all sections in the DOI and letters of commitment have been properly filled in according to the instructions)
- all the documents required are signed, dated and stamped by the candidate partners
- the proposal refers to a project bringing together 5 cities (as defined in section 2.2.) from at least 3 Member/ Partner States, which have designated one of the authorities as candidate lead partner
- the proposed initial partnership is balanced in terms of geographical origin with candidate partners from both Convergence objective



regions and Competitiveness objective regions (partners from Partner States will not be taken into account in the balance check)

- the candidate Lead partner is candidate Lead partner in one proposal only
- the theme of the proposal corresponds with the requirements included in the call for proposals in terms of thematic coverage.

The eligible Declarations of Interest shall be assessed by the External Assessment Panel for ranking. The Commission services will be informed of which eligible projects are interested in the Fast Track label for assessment in view of their possible labelling. Assessed projects will then be submitted to the Monitoring Committee. After approval by the Monitoring Committee, the Declaration of interest shall be published on the URBACT II website to give the opportunity to other potential partners to join the project. The complete partnership shall be finalised during the development phase of the project.

#### **6.4. Final Application**

The Lead Partner shall be invited to submit a Final Application to the URBACT Secretariat at the end of the development phase, within 6 months after the approval of the Declaration of Interest by the Monitoring Committee.

The content of the Final Application, along with templates and list of requested documents, shall be provided to Lead partners once their project has been approved for Development phase. The Final Application shall include, amongst other things, a detailed definition of the network objectives and expected outputs, a work programme including a plan for the use and management of thematic experts, a communication plan and a budget. The Final Application shall be based on a standard Application Form to be signed by an elected representative of the Lead Partner and submitted to the URBACT Secretariat by a stated deadline, 6 months after the approval of the project for Development phase.

In the assessment process, special attention shall be paid to

- the proposed working methods,
- the objectives of the project,
- the expected outputs
- the ways in which the network proposes to disseminate these outputs
- the ways in which the network proposes to involve Managing Authorities of Operational Programmes, local decision/ policy-makers, economic and social partners of the cities as well as

representatives of local residents (especially through the URBACT Local Support Groups).

- the methodology by which the results of the projects will be transformed into transferable knowledge and into concrete projects liable to be inserted into the operational programmes shall also be important.

## **6.5. External Assessment Panel**

An External Assessment Panel (EAP) shall be composed of 7 members in charge of assessing the eligible projects received by the URBACT Secretariat after each call for proposals. The 7 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. Candidates shall be independent from the cities and from national and European networks. The EAP chair shall be appointed by the Monitoring Committee among the 7 selected members.

A representative of the Commission shall also be able to take part in the work of the EAP.

The EAP shall be charged with studying the proposals for thematic networks, shall check that they fit in to the spirit and objectives of the programme and call for proposals, that they are not too similar in terms of thematic coverage. The assessors shall seek clarification from the candidate Lead Partners as necessary. On the basis of the assessment criteria listed in the call for proposals, the EAP shall proceed to a ranking of projects and shall submit proposals for the acceptance, rejection or modification of thematic network proposals to the Monitoring Committee.

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

- a) The EAP shall assess the Declarations of Interest 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 improvement of projects.
- b) The EAP shall also be asked to assess the Final Applications elaborated by the partners at the end of the 6-month development phase, and to provide recommendations for the improvement of projects, before they are submitted to the Monitoring Committee for approval.

The URBACT II Programme shall finance the costs related to the External Assessment Panel creation and functioning. The Secretariat shall provide secretarial backing for the EAP.

## 7. Pilot Fast Track Networks

Following the decisions of the Monitoring Committee meeting of the 15 March, 25 June and 23 July 2007, two pilots have been launched as a test for Fast Track Networks, which first phase was to be implemented and financed within URBACT I and second phase to be developed and financed within URBACT II. As planned, the two Pilot Fast Track Networks approved by the URBACT I Monitoring Committee, MILE and URBAMECO, shall submit their Application Form for the second phase of their project (implementation phase) as a result of the first phase (development phase). This application shall be submitted to the URBACT II Monitoring Committee for approval so as to allow these two projects to enter the implementation phase.


Taking into consideration the lessons learnt during phase I of the Pilot Fast Track Networks, phase II of these projects shall have a duration of maximum 18 months in the framework of URBACT II. The total duration of the Pilot Fast Track Networks shall thus be of 24 months maximum, including the six-month phase I that has been financed in URBACT I.

The budget for phase II shall be maximum 670 000 € (including ERDF and local contributions) minus the budget actually spent and certified in phase I. For this reason, at the end of phase I, the Lead Partners of the Pilot Fast Track Networks shall officially declare to the Secretariat the total maximum amount which will be certified in phase I. This declaration shall be submitted together with the Final Application for phase II. On the basis of this declaration, the Secretariat shall check that the total budget (phase I plus phase II) stays within the limit of 670 000 €.

In the budget for phase II, there must be a minimum allocation of 70 000 € for the URBACT Local Support Groups. This budget shall be allocated in a dedicated budget category. The costs to be accounted in this budget category concern mainly the organisation of meetings and training sessions (further details are available in section 2.5 of fact sheet 2a and in sections 4 and 4.8 of fact sheet 6b).

The participation of the Managing Authorities shall be financed through a separate project as it has been the case for phase I. The Lead Partner shall submit a separate Final Application concerning only the activities and the budget relating to the participation of the Managing Authorities to the activities of the Pilot Fast Track Networks. The budget for this project shall be 40 000 € maximum and shall be completely financed by the

Programme (90% ERDF contribution and 10% ex ante contribution). The costs to be accounted in this project shall concern mainly travel, accommodation and subsistence.

	<p style="text-align: center;">The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p style="text-align: center;">Fact Sheet 2b - Fast Track Label</p>
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*"Fast Track networks are a specific instrument of the Regions for Economic Change initiative. The main purpose is to capitalise on the results of interregional cooperation and generate synergies between cohesion policy and other EU policies. Such activities will actively stimulate the adoption of innovative regional development strategies and best practice in the Convergence or in the Competitiveness and Employment programmes.*

*The Fast Track Network is targeted at the direct transfer of a specific urban policy good practice to one or more cities which are wishing to improve in that specific field.*

*Fast Track Networks will be set up, bringing together cities and regions and related specialist bodies, having a specific expertise in a certain field with those wishing to improve in that field. The expected outcome would be a concrete action plan for each of the participating cities.*

*An important prerequisite for participation of a city in a Fast Track Network is the involvement of the partners responsible for policy delivery in the respective Convergence or Competitiveness and Employment programme, since the action plan developed is then to be implemented in the framework of that programme. The programmes mentioned are recommended to include a specific reference to the Fast Track Network or to the wider Regions for Economic Change initiative so as to facilitate making funding available for implementing the action plan elaborated. In this way the good experiences developed in URBACT I networks will have a very direct impact on the policies and actions of other cities and regions in Europe, notably the ones who need them the most.*

*Each Fast Track Network shall address one of the themes set out in the Regions for Economic Change Communication. The Monitoring Committee will take the decision on the approval and the funding for the Fast Track Networks on the basis of selection criteria established by the Programme. The main difference with other networks will be that the Commission will actively accompany and participate in the networks.<sup>10</sup>*

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<sup>10</sup> URBACT Final Operational Programme 5.5.2

## 1. What is a Thematic Network with the Fast Track Label?

Regions for Economic Change and the Fast Track label are a new element to the 2007-2013 funding programmes proposed by the European Commission. The first communication about the initiative from 8th November 2006 provides the following description regarding Regions For Economic Change:

- A new element for 2007-2013 to allow cities and regions to work more closely on questions of economic modernisation and Lisbon and Gothenburg Agenda.
- Regions for Economic Change shall be dedicated to discovering best practice in economic modernisation in particular in relation to projects clearly contributing to Union's jobs and growth agenda.

The URBACT 2007-2013 Programme shall be one of the two delivery mechanisms for the networking activities of the Regions For Economic Change initiative.

Among the Thematic Networks set up and implemented within the framework of URBACT II, some will be labeled as "Fast Track" by the Commission. A Thematic Network with the Fast Track Label shall be a tool to introduce best practice ideas in the mainstream through the Operational Programmes. It does not include an investment budget but aims to link projects to the finance available in the Operational Programmes approved at regional level. That is why the participation of the relevant Managing Authorities is very important and why representatives from the European Commission (DG Regio and other relevant DGs) shall also participate in the work of the Thematic Networks with the Fast Track Label.

The priority themes to be addressed by Thematic Networks so as to be labelled "Fast Track" shall be determined by the European Commission building on those themes defined by the Communication on the Regions For Economic Change initiative (COM (2006) 675 on 8 November 2006) that touch upon urban issues. The list of themes under "Regions for Economic Change" (Commission Staff Working Paper SEC (2006) 1432) to be implemented in the framework of the URBACT II Programme is composed of the followings: Making healthy communities; Integrated policies on urban transport; Developing sustainable and energy-efficient housing stock.; Integrating marginalised youth; Managing migration and facilitating social integration; Achieving sustainable urban development; Re-using brownfield and waste disposal sites.

Thematic Networks with the Fast Track Label shall be formed by cities and Managing Authorities of the corresponding Operational Programme working together in pairs and in respect to the national procedures concerning the regional competitive and employment programmes. They shall exchange on a theme with a view to creating and implementing projects and action plans at a local level using local Structural funding programmes.

The Commission will indicate to the Programme Monitoring Committee to which Thematic Networks it intends to offer its support through the Fast Track label on the basis of assessment questions published on the Regions For Economic Change website. These include: the thematic focus, commitment to the 'two-way bridge' including participation of the Managing Authorities and other relevant actors, and enhanced communication and dissemination. Especially important will be that:

- the Thematic Network addresses a theme included in the 7 out of 30 Regions for Economic Change's themes that have been defined as being URBACT themes (as listed above);
- the partnership includes as many Managing Authorities as possible.

A wide geographical coverage will be considered as an added-value for the Fast Track labelling and as such included in the assessment questions (See assessment questions published on the Regions For Economic Change website).

## 2.Outputs

In the spirit of Regions for Economic Change, and in order to ensure impact of URBACT activities on local policies, each partner city in a Thematic Network with the Fast Track label shall, as in other Thematic Networks, commits itself to developing its own Local Action Plan as an output of its participation in the network. Local Action Plans shall be the results of the network's activities and shall be elaborated in close cooperation with the local stakeholders in each partner city and with the Managing Authority of the Operational Programme and in respect to national procedures concerning the regional competitive and employment programmes.

The main outputs from the Thematic Networks with the Fast Track label are the Local Action Plans elaborated by each partner city as a result of the networking activities, follow-up of the implementation of these Local

Action Plans and dissemination and communication of their results. The Local Action Plans shall be further defined through the exchanges and reflections among partners during the development phase. It should be underlined that these Local Action Plans should:

- Provide the city with a concrete roadmap and range of solutions to tackle the problem identified at the start of the Network (in relation with the core theme);
- Be drawn up in close cooperation with the Managing authorities so that the opportunity for funding through the operational programmes be maximised. This will happen in respect to national procedures concerning the regional competitive and employment programmes


Like other Thematic Networks, Thematic Networks with the Fast Track label shall also be expected to prepare case studies and other outputs (i.e. policy recommendations) to be defined in the call for proposals.



### 3. Fast Track labelling

A number of Thematic Networks shall be labeled Fast Track over the duration of the Programme for the seven themes listed in the Communication of 8 November 2006 that will be implemented in the framework of the URBACT II Programme. Applicants to URBACT II following the call for proposals will be asked to specify whether they are interested in the fast track label.

Thematic Networks that may be labelled Fast Track by the Commission shall be among the projects approved by the Monitoring Committee following the URBACT Call for proposals.. The Commission will indicate to the Programme Monitoring Committee which networks it intends to offer its support as Thematic Networks with the Fast Track label, on the basis of assessment questions published on the Regions For Economic Change website. These include: the thematic focus, commitment to the 'two-way bridge' including participation of the Managing Authorities and other relevant actors, and enhanced communication and dissemination.

	<p style="text-align: center;">The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p style="text-align: center;">Fact Sheet 2c - Working groups</p>
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*"Public bodies or public equivalent bodies may act as Lead Partner for working groups on specific topics and with a limited duration, bringing together public bodies (cities, regional and national authorities), field practitioners, experts specialising in the selected theme, universities, research centres, European and national networks and other organisations relevant to the theme. Working Groups will be expected to suggest themes in line with the main fields of activity outlined in the main priority axes.*

*These working groups will have a different focus to thematic networks; they will have different kinds of participants and will be expected to produce different results. Working groups will spend less time on the exchange element of the work programme and will focus their efforts with the help of experts, to the production of high quality output which can be used by external audiences and in the capitalisation process of the URBACT II Programme."<sup>11</sup>*

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<sup>11</sup> URBACT Final Operational Programme 5.4.2

## 1. What is an URBACT Working Group?

Within the framework of the Operation "Exchange and learning", the URBACT programme will fund working groups on specific topics related to urban sustainable development and in line with the themes defined in Priority Axes I and II. Public bodies or public equivalent bodies may act as Lead Partner for these working groups which will bring together public bodies (cities, regional and national authorities), field practitioners, experts, universities, research centres, European and national networks and other organisations relevant to the theme.

The working groups, with a shorter duration and different kinds of partners compared to the thematic networks, will address issues with a different approach and will be expected to produce different outputs. Working groups will spend less time on the "exchange and learning" process to focus on the production of high-quality outputs which can be used by external audiences (especially in the view of enhancing the impact of the Programme on policy-making) and in the capitalisation process of the URBACT II programme (especially in the view of complementing the Thematic Poles' activities).

It is proposed to create 15 working groups over the duration of the Programme. The Monitoring Committee of URBACT will approve the creation of working groups as the need arises through Calls for Proposals, or arising from proposals by the Managing Authority.

## 2. Partnership

*"In Regulation (EC) n°1083/2006, Article 2 (4) the definition of a beneficiary is set out as follows:*

*"an operator, body or firm, whether public or private, responsible for initiating or initiating and implementing operations. In the context of aid schemes under Article 87 of the Treaty, beneficiaries are public or private firms carrying out an individual project and receiving public aid".*

*The following categories of beneficiaries can be identified for the URBACT II Programme all of which will be eligible to receive ERDF co-financing:*

- *Cities (municipalities and organized agglomerations) of the European Union 27;*
- *Regions and Member States as far as urban issues are concerned;*
- *Universities and Research centres as far as urban issues are concerned.*

*The beneficiaries must be public authorities and public equivalent bodies for Priority Axes 1 and 2. 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*
  - 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."*

*In addition to the beneficiaries outlined above other partners can participate in URBACT II projects, usually at their own cost. Further details of their participation will be outlined in the Technical Working Document and future calls for proposals. Such partners include e.g.national and transnational associations of cities and the private sector (i.e. profitable organisations).*

*Moreover, national or transnational associations of cities can be also partners of the programme normally under the conditions outlined in 5.6.2.*

*In order to maximise the impact of this programme on regional and local policies across the EU, applicants are strongly encouraged to include the relevant and competent regional and local authorities in their operations. Applications having a solid and relevant participation of regional authorities in their partnership will be considered with priority in the selection process."<sup>12</sup>*

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<sup>12</sup> URBACT Final Operational Programme 5.2

## 2.1. Lead partners

The Lead Partner for a working group will be a Public Authority or, exceptionally, the Managing Authority. In the case of a Public Authority, Lead Partners can be from:

- the 27 EU member states
- Norway and Switzerland. In this case, the Lead Partner will act as "Functional Lead Partner". The financial liability of the operation will in this case remain with a formally appointed "Financial Lead Partner" coming from any EU Member State.

Lead Partners enter into subsidy contracts with the Managing Authority and apply for payment on behalf of the partners of working groups. Lead Partners are responsible for all the funds allocated to their project, and also for the financial management and coordination of the partnership. Lead Partners assume legal and financial responsibility vis-à-vis the Managing Authority. Technical requirements related to means and resources to be dedicated by the Lead Partner to the management of the working group will be defined in the call for proposals. By a joint convention, Lead Partners decide, together with the other partners, how to share their joint responsibilities.

A Public Authority may not be the Lead Partner in more than one project at a time.

## 2.2. Partners

Within the URBACT II Programme, all beneficiaries and other partners shall be from the 27 EU Member states (so called Member states) or from Norway and Switzerland (so-called Partner States).

Two main types of partners can be distinguished:

- Beneficiaries of the programme
- Other partners

### **a) Beneficiaries**

The beneficiaries of the URBACT II Programme include the following categories of partners:

- **Cities** (municipalities, infra-municipal bodies and organised agglomerations)<sup>13</sup> of the 27 EU Member and 2 Partner states;

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<sup>13</sup> As mentioned in the URBACT II Operational Programme, "article 8 of the Regulations 1080 covers urban areas but does not define "city". In the framework of the present programme, the term city is understood in its broadest term: metropolitan areas, cities, towns, neighbourhoods and districts. A "city" can be beneficiary of the URBACT programme as long as it disposes of the legal competencies and frameworks to ensure effective

- **Regional and national authorities** of the Member and Partner states, as far as urban issues are concerned;
- **Universities and research centres** of the Member and Partner states, as far as urban issues are concerned.

Among the beneficiaries of the programme outlined above, only partners of the EU 27 Member States will be eligible to receive ERDF co-financing. Partners from Norway and Switzerland will be co-financed by national contributions.

Within the framework of the staged procedure defined for project creation under URBACT II (See section 6), will only be allowed to apply as candidate partners in a Working group for the Development phase (stage of the Declaration of Interest):

- Public authorities and public equivalent bodies

### **b) Other partners**

In addition to the eligible partners outlined above, other partners can participate in URBACT II projects, usually at their own cost. Such partners include national and transnational associations of cities and actors from the private sector (i.e. profit-making organisations). In the case of private partners, the Monitoring Committee can decide that, exceptionally, their participation in an URBACT project will be co-financed by the Programme. Participation and co-financing of private partners will be decided on a case per case basis by the Monitoring Committee in the respect of European regulations on State Aids procedure.

A working group may also invite up to two cities to participate as observers at their own cost, coming from outside the Member and Partner states.

## **2.3 Composition of partnerships**

Working groups will have at least 6 partners and no more than 8 partners from at least 3 different Member/ Partner states, taking into account the necessity to find a balance between Competitiveness and Convergence

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management" (Operational Programme, Annex 6). This principle also applies to the concept of "organised agglomerations". Moreover, the Monitoring Committee (Written procedure n°7 approved on 07/01/2008) has agreed to consider the participation of infra-municipal bodies as partners in URBACT II projects in the following terms: Infra municipal public bodies (districts, neighbourhoods, arrondissements...) can apply as candidate partners only if the central mayor certifies that the specified body has the competences to participate in a thematic network or working group within URBACT II. A certificate signed by the city mayor will be attached to the Declaration of interest (or Final application if the candidate partner joins the project during the Development phase). The participation of an infra municipal body will count in the number of partnership of the city within the URBACT projects.

regions. Partners from Partner States will not be taken into account when considering this balance.

Each working group may consist of not more than 8 partners, plus up to 2 observer cities (non EU, non Norwegian nor Swiss). The initial partnership proposed at the stage of the Declaration of Interest (project application for Development phase) shall be composed of 4 public authorities or equivalent public bodies.

Two partners minimum shall be cities (unless the Monitoring Committee decides otherwise for specific projects). These city partners will be from 2 different countries.

Working group partners are recommended to associate the Managing Authorities of the Operational programmes in the working group activities in order to enhance the impact of these activities on local policies. In any case, Managing Authorities of the Operational Programmes shall be invited to take part to milestone meetings.

Eligible Public Authorities may participate in no more than 2 URBACT projects simultaneously.

#### **2.4. Forming the partnership**

The first 4 partners (including the Lead Partner) shall constitute the initial group. They shall be public authorities or equivalent public bodies and be selected by the Lead Partner. The 4 partners shall complete the Declaration of Interest that shall be presented by the Lead Partner willing to apply for funding as defined in the call for proposals.

Once they have been checked for eligibility, the Declarations of interest shall be assessed and ranked by the External Assessment Panel for submission to the Monitoring Committee (See section 6). The approved Declarations of Interest shall be published by the URBACT Secretariat on the URBACT website, in order to give the opportunity to additional partners to join the initial group (up to 8 partners total, plus 2 observer cities). The selection of the additional partners will be managed by the Lead Partner. The final list of partners will be included in the Application form to be submitted to the URBACT Monitoring Committee for approval at the end of the development phase (see section 6).

#### **2.5. URBACT Local Support Groups**

Participation at local level is a core component of the URBACT methodology for developing urban sustainable development. In order to

allow for an effective impact of working group activities on local policies, each partner in a working group shall set up an URBACT Local Support Group. The URBACT Local Support Groups shall gather the local key partners concerned by the exchanges within the working group. The URBACT Local Support Groups shall follow the working group's activities by receiving reports from the representatives taking part in the working group exchanges, and by supporting the latter in contributing to the working group's activities.

A specific budget category shall be included in each working group's budget to allow for capacity building among the URBACT Local Support Groups, and for their functioning.

<h3>3. Duration</h3>
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Working Groups shall have a maximum duration of 24 months. This normally shall be split into two phases as outlined below:

- Phase I: an initial **4-month** development period following approval of Declarations of Interest shall be dedicated to finalising the working group structure, agreeing a detailed work plan, carrying out a baseline study, setting up URBACT Local Support Groups, designing and submitting a detailed project audit trail, submitting a full project application and signing all the required contractual agreements between the Lead Partner, partners, and the URBACT Secretariat. The full application form shall then be submitted to the Monitoring Committee for approval.
- Phase II: the next **20 months** shall constitute the main exchange and production phase of the working group, during which partners shall hold a limited number of exchange meetings. The main objective of the working group in this phase is the production of high quality outputs. For a working group lasting a total of 24 months, a minimum of 6 months shall be spent on the dissemination of these results.

This phased approach is a guideline to activity, which should flow from one phase to another.

A further 3 months after the end of the project shall be allowed for the administrative and financial closure of the project and for the submission of final documents. Only costs linked to activities implemented between the official starting and closing dates of the project, or concerning the financial and administrative closure of the project, and actually paid by



the final beneficiary within the three months following the project end date, will be considered eligible.

## 4. Budgetary details

### • 4.1. General budgetary information

The total budget for any single working group shall be no less than € 150 000 and no more than € 300 000, to be co-financed by ERDF and national contributions. The rate of co-financing by ERDF in the total budget will depend on the different rates of co-financing for working group partners:

- Partners from the Convergence regions can be financed at up to 80% by ERDF.
- Partners from the non Convergence regions will be financed at up to 70% by ERDF.
- Partners from Norway will be financed at up to 50% by Norwegian funds.
- Partners from Switzerland will be financed at up to 50% by Swiss funds

The call for proposals shall provide detailed instruction for the creation of a working group budget, along with budget tables. In the total budget, there shall be a specific budget category dedicated to the URBACT Local Support Groups, with a minimum financial allocation of € 30.000 per project.

Each lead partner will be responsible for the financial management of the working groups. Expenditure will be reimbursed to the lead-partner local authority against certified statements of expenditure and a payment claim.

The call for proposals shall provide detailed instruction for the creation of a working group's budget, along with budget tables . Further information related to eligible expenditures, to the budget categories and minimum requirements for a project financial plan are available in Fact sheet 6b.

### • 4.2. Budget for the 4-month development phase (Phase I)

Considering the charge of work of the Lead Partner and the 3 initial partners during the 4 months dedicated to the development of the project and submission of the final application, the costs incurring during phase I

shall be considered eligible to be refunded regardless of the approval of the Final Application by the Monitoring Committee.

The maximum total eligible cost shall be € 50.000.

This budget should also foresee a reasonable allocation to finance the creation and the first activities of the URBACT Local Support Group during phase I.

A working group shall have the possibility to declare less in phase I than the budget originally approved by the Monitoring Committee, and to reallocate the remaining amount in the budget for phase II.

This shall be possible through a specific section in the Final Application Form for phase II where the Lead Partner shall commit the project on the maximum amount of expenditure to be certified at the end of phase I.

In this section, the Lead partner attests to close the project Phase I with a maximum total and final certified expenditure amount.

If this maximum amount is less than the budget originally approved by the Monitoring Committee, the under spent budget for Phase I can be reallocated in the budget for Phase II.

The sum between the maximum amount of expenditure that will be claimed for Phase I and the proposed budget for the implementation phase (phase II) must not exceed the ceiling established for the maximum budget of a working group (i.e. no more than € 300.000).

## 5. Expertise in Working groups

Each working group will have the opportunity to appoint one or more experts to support its activities. The Programme shall provide, to each working group, a specific budget for the appointment of thematic experts, under specific conditions outlined below. The Lead Partner of each working group will be required to appoint a "*Lead expert*" who will be responsible for supporting the working group throughout the life of the project (all along two phases) and for contributing to programme level activities in the name of the working group. A limited number of other thematic experts can be appointed to assist the working group with specific tasks.

### **5.1. Role of Lead expert and thematic experts**

#### **a) Lead expert**

In each working group, a Lead expert shall be appointed by the partners to provide them with methodological guidance and thematic input so as to contribute to quality and effectiveness of project implementation. The Lead expert shall accompany the working group throughout its whole life cycle.

The Lead expert shall support the partners during the project development phase (phase I), especially with the following tasks: production of the baseline study to be produced as a basis for the Final Application, definition of the issue to be addressed by the network, of the project work programme, of the expected outputs and related methodology, setting up of the URBACT Local Support Groups (see section 6.4.).

Once the project Final Application has been approved by the Monitoring Committee to enter exchange-learning and mainstreaming phases (phase II), the Lead expert shall contribute to the project implementation in cooperation with the Lead Partner and partners, coordinate the intervention of other thematic experts working for the project, support the partners in the organisation of the exchange and learning process, in the production of the expected outputs and their dissemination.

At programme level, as part of his/her contractual agreement with the Managing Authority, the Lead expert shall contribute to capitalisation and dissemination activities on the theme addressed by the working group. More especially, the Lead expert shall take part to the activities defined and implemented within the framework of the Thematic Pole to which the working group will be assigned (production of case studies, syntheses, thematic notes, etc.). The Lead expert shall be able to contribute, in the name of the working group, to dissemination projects such as the Thematic Regional Conferences.

## **b) Other thematic experts**

- Each working group shall have the possibility to appoint other thematic experts to complement the Lead expert's contribution. Their task shall be to assist the lead partner and the partners as they develop and implement a working programme (activities related to exchange and learning, production of outputs and dissemination). They shall provide the partners with input on specific issues related to the network's theme, with methodological support, animation, production of documents, etc.
- At the level of the URBACT programme, thematic experts may also be invited on a case per case basis to contribute to Thematic Poles'

activities and to events and publications coordinated by the URBACT Secretariat.

## **5.2. Appointment of thematic experts**

The URBACT Secretariat will compile a list of thematic experts by means of a call for applicants. Experts in urban policies will be invited to apply to be approved on this list, and European and national networks of cities will also be encouraged to propose experts. In order to be able to benefit from the expertise envelop available for each network from the Programme budget, the lead Partners shall choose their experts from this list (See Fact Sheet 3b). They may also foresee specific expert support from the project budget, by including a line "external expertise" (see Fact Sheet 6b). The rules applying to the expertise envelope available from the programme budget, in terms of selection, flat rate fee, allocation of days and contracting, do not apply to this "external expertise" provision.

## **5.3. Budget for expertise and allocation of days**

Each working group shall have an allocation of € 50 000 maximum to cover the costs of expertise over the lifetime of the project (Development phase **and** Implementation phase). This budget available for expertise is additional to the project budget. As the daily expertise fee for URBACT thematic experts is set at 750 euros/ day all taxes included, this budget corresponds to an envelop of 66 days.

The budget for thematic experts shall be managed at Programme level.

Thematic experts will contract with the URBACT II Managing authority, on the basis of a request submitted by the project lead partner, mentioning the number of days requested, the tasks and deliverables expected from the expert (form provided by the URBACT Secretariat). The request shall be validated by the URBACT Secretariat (with regard to relevance of days allocated, work programme and deliverables) before the contract with the expert is established. The Lead partner will be responsible for certifying the service provided by the expert to the project.

Taking into account the phasing of projects, the use of the expertise envelop shall abide by the following rules:

- During the Development phase, a working group may benefit from the support of one thematic expert only. This expert shall be the Lead expert as requested above.
- The number of days allocated to the Lead expert during the Development phase shall be between 15 and 25 days (out of the 66

days available for both phases), in order to allow for a sufficient expertise support during both phases.

In the case of expertise provided to the project and to project partners, related travel and subsistence costs for thematic experts shall be covered by the working group's budget (to foresee when establishing the budget for each phase). This is especially important during the Development phase as the Lead expert is expected to visit partners so as to complete the baseline study.

In the case of expertise provided to the Programme and requested by the Programme, travel and subsistence costs for thematic experts shall be covered by the programme's budget.

## 6. Application procedure

### **6.1. Calls for proposals**

Working groups will be created as the need arises through Calls for Proposals, or arising from proposals by the Managing Authority. The nature of the proposed tasks to be accomplished by working groups and the administrative and financial framework within which the working groups are to operate will be outlined in the calls for proposals.

Calls for proposals will be approved by the Monitoring Committee. They will reflect the Commission's priorities in the themes they address, and will integrate input from monitoring of Operational Programmes and from the work of the Inter-service Group on Urban Development led by DG Regio.

All URBACT II working groups should deal with issues related to urban sustainable development as defined in the Priority axes I and II of the programme (See Fact Sheet 1).

### **6.2. Staged application procedure**

The procedure for the application and selection of projects for the creation of working groups is detailed below. Projects for which funding is requested in the framework of each URBACT II call for proposals, shall be subjected to a selection process. Each project shall be submitted twice to the Monitoring Committee: a first time in the form of the Declaration of Interest, before the development phase (phase I, see section 3), and the second time in the form of the final "Application form" at the end of the development phase. Decisions by the Monitoring Committee shall be final.

The projects arising from proposal by the Managing Authority and managed by the Managing Authority will normally enter the procedure directly at Stage 5, once the declaration of interest has been approved by the Monitoring Committee.

## **6.1 Staged application procedure**

Projects for which funding is requested in the framework of each of the calls for proposals will be subject to a classification system. Selection will take place in several stages:

### **STAGE 1 – Submission of Declaration of Interest**

The Declaration of Interest shall be submitted to the URBACT Secretariat within the deadline fixed in the call for proposals, along with all requested annexed documents.

### **STAGE 2 - Eligibility check**

At this stage, proposals shall be checked for formal compliance with the eligibility criteria listed below (See section 6.3.). After the eligibility check, the URBACT Secretariat shall notify the Lead Partner of the results and transfer the eligible projects to the External Assessment Panel (See section 6.5.) for proposals to be assessed.

### **STAGE 3 – Project assessment**

The External Assessment Panel (see section 7.5. below) shall proceed to the assessment and ranking of eligible projects, to be submitted to the Monitoring Committee for approval for Phase I (Development phase). The assessment criteria for project proposals shall be provided in the call for proposals. The External Assessment Panel will more especially check that the issues addressed in the different proposals do not overlap significantly.

### **STAGE 4 – Submission of projects to the Monitoring Committee**

Following the assessment and ranking of project proposals by the External Assessment Panel, the Monitoring Committee shall decide on the approval of projects to enter development phase. Decisions by the Monitoring Committee shall be final.

Following their approval by the Monitoring Committee, the new Lead Partners and their lead experts shall attend a training session organised by the Secretariat to familiarise them with URBACT II working methods (organisation of exchanges, product standards) and aspects of administrative and financial management.

### **STAGE 5 – Development of Final Application during Phase I**

The project proposals approved by the Monitoring Committee shall go through an initial **4-month** development period, which shall lead to the submission of a Final Application to the Monitoring Committee. This mandatory 4-month period is meant to allow



partners time to prepare their work programme with due care. This stage is aimed at finalising the partnership (by expanding from an initial 4 partners to a maximum of 8), agreeing a detailed work plan, carrying out a baseline study, setting up URBACT Local Support Groups by the partners, designing and submitting a detailed project audit trail, preparing a Final Application and signing all the required contractual agreements between the Lead Partner, partners and the URBACT Secretariat.

Approval by the Monitoring Committee to proceed to the 4-month development phase does not however lead to an automatic approval of the Final Application. The Final Application shall be checked for compliance with eligibility criteria by the URBACT Secretariat, The eligible applications shall then be assessed by the External Assessment Panel before being submitted to the Monitoring Committee for final approval.

## **STAGE 6 – Eligibility check for Final Applications**

At the end of the Development Phase, the URBACT Secretariat shall receive all Final Applications. The URBACT Secretariat shall check the Final Applications submitted within the deadline, for compliance with eligibility criteria defined in the call for proposals. The Secretariat shall transfer eligible Final Applications to the External Assessment Panel.

At this stage of the application procedure, only Project Partners and Lead Partners which are based in Member/Partner States who:

- have signed the Memorandum of Understanding with the Managing Authority and the Certifying Authority,
- have submitted a description of the control system without reserve,

shall be considered eligible to be involved in phase II of the project. Project Partners and Lead Partners whose Member States have not accomplished the above mentioned requirements before the submission of the Final Application, can not be refunded with ERDF for the costs incurred during their participation in the project development phase (phase I)."

## **STAGE 7 – Final Application Assessment**

The External Assessment Panel (see section 7.5. below) shall proceed to the assessment of eligible Final Applications, to be submitted to the Monitoring Committee for approval for Phase II (Implementation phase). The assessment criteria for Final Applications shall be provided in the call for proposals.

## **STAGE 8 – Submission of Final Application to the Monitoring Committee**

Based on the final assessment by the External Assessment Panel, the Secretariat submits the Final Applications to the Monitoring Committee for the definitive approval of working groups and for the launch of Phase II (Implementation phase).

Approved applications shall receive a subsidy contract, which marks the final stage of approval of the project. Additional information on the subsidy contract are available in fact sheet 6b. The project shall then be fully operational and can start working on Phase II.

Guidelines to project applications shall be provided with the call for proposals.

### **6.3. Declaration of interest and eligibility criteria**

Following the publication of the call for proposals, public authorities or public equivalent bodies are invited to send declarations of interest for the constitution of a working group. Each declaration of interest must bring together 4 public authorities or public equivalent bodies belonging to at least 3 different Member/ Partner States.

The information to be supplied in the Declaration of Interest will be described in the calls for proposals.

Eligibility criteria for Declarations of Interest are minimum requirements, all of which must be fulfilled for a project to be declared eligible. They cover organisational, administrative and output requirements.

The proposals submitted within the deadlines in electronic and paper versions to the URBACT Secretariat (which will be available to all URBACT II Monitoring Committee members) will be checked for compliance with the eligibility criteria listed below:

- the proposal is submitted within the deadline set in the call for proposals
- the proposal is complete in terms of number of documents required and includes the Declaration of Interest, the financial tables, 4 letters of commitment (one letter for the candidate lead partner and 3 letters for the candidate partners), the CV of project coordinator and the CV of the proposed Lead expert
- the proposal is complete in terms of information and data required in the documents (all sections in the DOI and letters of commitment have been properly filled in according to the instructions)

- all the documents required are signed, dated and stamped by the candidate partners
- the proposal refers to a project bringing together 4 public bodies, from at least 3 Member/ Partner States, which have designated one of the authorities as candidate lead partner
- the proposed initial partnership is balanced in terms of geographical origin with candidate partners from both Convergence objective regions and Competitiveness objective regions (partners from Partner States will not be taken into account in the balance check).
- the candidate Lead partner is candidate Lead partner in one proposal only
- the theme of the proposal corresponds with the requirements included in the call for proposals in terms of thematic coverage

The eligible Declarations of Interest shall be assessed by the External Assessment Panel for ranking and then submitted to the Monitoring Committee. Once approved by the Monitoring Committee (see above 6.2.), each Declaration of interest, shall be published by the URBACT Secretariat on the URBACT website in order to give the opportunity to additional partners to join the project (up to 8 partners maximum plus 2 observer cities, see section 2).

#### **6.4. Application Form**

Following approval of the initial Declaration of Interest, the Lead Partner of a working group will be invited to submit a Final Application to the URBACT II Secretariat within 4 months.

The requirements and documents related to the Final Application will be provided to the Lead partner once the project has been approved by the Monitoring Committee for Development phase, and will include, amongst other things, a detailed definition of the working group objectives and expected outputs, a work programme, a communication plan and a budget. The Final Application shall be based on a standard form to be submitted to the URBACT Secretariat by a stated deadline, 4 months after the approval of the Development phase by the Monitoring Committee.

In the assessment process, special attention will be paid to the proposed working methods, to the definition of objectives and to the ways in which the working group proposes to involve Managing Authorities of Operational Programmes, local decision/ policy-makers, economic and social partners of the cities as well as representatives of local residents. The methodology by which projects will be transformed into transferable

knowledge and into concrete projects liable to be inserted into the operational programmes will also be important.

## **6.5. External Assessment Panel**

An External Assessment Panel (EAP) shall be composed of 7 members in charge of assessing the eligible projects received by the URBACT Secretariat after each call for proposals. The 7 members shall be recruited through a call for applicants. An external consultancy, recruited through a call for tender, shall be in charge of selecting the candidates. Candidates shall be independent from the cities and from national and European networks. The EAP chair shall be appointed by the Monitoring Committee among the 7 selected members.


A representative of the Commission will also be able to take part in the work of the EAP.

The EAP will be charged with studying the proposals for working groups, will check that they fit in to the spirit and objectives of the programme and the terms of reference in the call for proposals, will seek clarification from the candidate lead partners as necessary, and will submit proposals for the acceptance, rejection or modification of working group proposals to the Monitoring Committee.

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

- c) The EAP will assess the Declarations of Interest once they have been declared eligible by the URBACT Secretariat. Along with the ranking of projects, the assessors will be asked to provide recommendations for the improvement of projects.
- d) The EAP will also be asked to assess the final Applications forms elaborated by the partners at the end of the 4-month development phase and to provide recommendations for the improvement of projects before they are submitted to the Monitoring Committee for approval.

The URBACT Programme will finance the costs related to the External Assessment Panel creation and functioning. The URBACT Secretariat will provide secretarial backing for the EAP.

	<p style="text-align: center;">The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p style="text-align: center;">Fact Sheet 3 - Operation 2: Capitalisation</p>
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Building on the URBACT I experience, URBACT II will strengthen the capitalisation process at project level by providing expert support and methodological frameworks, and at programme level by developing additional and complementary activities on issues addressed by several URBACT projects. URBACT II will put a stronger emphasis on capitalisation 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 projects/ programmes. Linked to the capitalisation process is the dissemination of this new knowledge in the view to foster mainstreaming of good practices and policy recommendations. This will be implemented through a series of tools described below and through the Fast Track labelling by the Commission (See Fact sheet 2b). The creation of Fast Track Networks will depend on the lessons drawn from the two Pilot Fast Track Networks implemented under URBACT I (phase I) and URBACT II (phase II). Nevertheless, the Regions for Economic Change will be implemented, as a first step, in the form of a Fast Track Label allocated to some URBACT II networks by the Commission via an external procedure (See Fact Sheet 2b).

## 1. Tools for capitalisation in URBACT II

The following tools have been identified to support capitalisation and dissemination at programme level:

- Thematic poles
- Thematic experts
- Studies

### **Thematic Poles (See Fact Sheet 3a)**

At programme level, capitalisation will be organised by Thematic Poles. All URBACT networks and working groups will be attached to one of the Thematic Poles which will, under the supervision of a Pole manager, develop a range of activities such as: creation and coordination of ad hoc working groups of experts, creation and coordination of thematic files, organisation of/ contribution to dissemination events, production of studies, etc.

### **Thematic Experts (See Fact Sheet 3b)**

Within the URBACT II Programme, thematic experts will support networks and working groups with thematic and methodological input. In each project, a "Lead Expert" will be responsible for overseeing a project over its entire duration, from project development to the implementation of activities and production of outputs. At programme level, thematic experts will take part in capitalisation and dissemination activities, especially those undertaken by the Thematic Poles. The Lead Experts, along with the Lead Partners, will be members of the Thematic Poles, while other thematic experts may be called in to contribute on specific topics or missions. In general, thematic experts will act as relays connecting networks to the relevant Thematic Poles in the context of the development of thematic files, the organisation of dissemination, communication and information events, and so forth.

### **Studies (See Fact Sheet 3c)**

In order to support and enhance the capitalisation process, additional knowledge will be produced in the form of practical research, synthesis of existing material coming from the URBACT projects and from outside URBACT, etc. This tool will be implemented with a view to complement URBACT projects' findings or to make up for potential gaps in the networks/ working groups' outputs on specific urban policy experiences and practices.

## 2. Budgetary Details Operation 2

The total available budget for Operation 2 "Capitalisation" is 14 034 446 € (including 300 000 € of estimated budget for the participation of cities from the Partner States to the fast-track networks). The allocated ERDF is 11 945 019 €.



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Fact Sheet 3a -  
Thematic Poles

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*"At programme level, capitalisation will be organised by Thematic Poles. Each project will be attached to one of the Thematic Poles which will, under the supervision of a Pole manager, develop a range of activities such as: creation and coordination of groups of experts, creation and coordination of thematic files, production of studies"<sup>14</sup>.*

## 1. What is a Thematic Pole?

Along with exchange of experience and learning among cities, capitalisation and dissemination of practical knowledge are a core mission of the URBACT programme. Based on the experience of the previous programme, URBACT II builds on a series of "Thematic Poles" as the main tool for improving both the effectiveness of exchange and learning at project level and of the capitalisation process at programme level.

Each URBACT project (networks and working groups) is assigned to one of the Thematic Poles. Each Thematic Pole is composed of the Lead Partners and Lead experts of URBACT projects assigned to it, and of a Thematic Pole manager in charge of coordinating and contributing to the pole's activities. These activities shall relate to the Thematic Poles' core tasks, which are two-fold:

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<sup>14</sup> URBACT Final Operational Programme 5.5.1.



- 1) Support to and monitoring of the URBACT projects, aiming to provide lead partners and lead experts with thematic and methodological support, and to organise capitalisation at programme level building on the URBACT projects' outputs.
- 2) Implementation of capitalisation and dissemination activities on a specific theme, at programme level, aiming to produce practical knowledge based not only on URBACT projects activities but also on knowledge coming from non-URBACT relevant projects, and to make it available to the wider community of urban policy makers and practitioners at different levels (city, regional, national, EU).

The Thematic Poles aim to operate as reference arenas, both for URBACT projects and for urban policy-makers and practitioners at local, regional, national and EU levels. This shall be implemented through the development and dissemination of practical knowledge and policy recommendations relating to sustainable urban development issues.

It is foreseen to establish up to 7 thematic poles over the lifetime of the URBACT II Programme. A first series of 3 Thematic Poles shall be set up at the very beginning of the programme so that all projects approved for development phase be assigned to one of the poles from the start. The first Thematic Poles shall cover the following themes:

- Cities, engines of growth and job creation
- Cities and Social integration
- Integrated and sustainable urban development

## 2. Functions and activities of the Thematic Poles

### 2.1. Functions of the Thematic Poles

The main functions of the Thematic Poles are:

- To provide a platform where different URBACT projects and cities can share, contrast and learn from their respective work in relation to a particular theme. With this regard, the Thematic Poles will provide thematic and methodological support to the URBACT projects assigned to it.
- To contrast this work with information and analysis from outside the programme in order to enrich it and strengthen its relevance and usefulness.
- In this context, to identify the most promising approaches, lines of work, tools, products, experiences and recommendations coming out of URBACT cities and projects.
- To carry out a chain of interlinked actions which reinforces the work of URBACT networks and cities and enhances its impact on urban policy and practice. These complementary activities can include the animation of a thematic space on the URBACT website, production of additional knowledge to fill identified gaps in the existing material so far, the organisation of workshops and events (such as the Thematic Regional Conferences), articles, thematic leaflets, reports, tools, case studies and so on.
- To draw lessons on methods for exchange-learning-transfer activities as well as on urban policy-making and formulate recommendations at local, regional, national and European levels.

### 2.2. Work plans of the Thematic Poles

Each Thematic Pole shall fulfil its missions on the basis of work plans building on URBACT projects' activities and on the European agenda with regard to urban issues.

The Thematic Poles' work plans shall be elaborated as follows:

- Following each round of call for proposals and during the development phase the approved projects will go through (See Fact sheets 2a and 2b), each Thematic Pole shall carry out a similar programme of activities designed to support the projects assigned to it. This support shall especially aim at helping projects to carry out their baseline studies and produce their work programme and application form.
- Over this period the Thematic Pole manager shall also carry out a scoping exercise designed to identify the main policy opportunities for the outputs of the Thematic Pole and other potentially useful contributors both in and outside the URBACT programme
- On this basis, the Thematic Pole manager, after discussion with the members of the pole, shall produce an annual work plan. The Monitoring Committee shall be informed of the pole's work plan and their implementation.
- These work plans shall highlight the most promising potential outputs of URBACT projects, the main opportunities for transferring the results, and the activities proposed by the pole to bring this about. After the initial stage, the work plans of different poles can vary considerably. It shall be up to the URBACT Secretariat to decide on priorities and expected outputs, and to ensure that the sum total of their activities is feasible, complementary and has the maximum impact on urban policy and practice.

The Thematic Poles shall meet on a regular basis (3-4 times a year) in order for the networks and working groups to benefit from an ongoing support by the pole members and for the Thematic Pole managers to monitor the implementation of the work plans (even though activities shall be implemented on a continuous basis in between meetings).

### 3. Actors involved in the Thematic Poles

The URBACT projects are at the core of the Thematic Poles. As a consequence, two main categories of actors shall be involved in the Thematic Poles activities besides the Thematic Pole manager:

- the Lead Partners of the URBACT projects;
- the Lead Experts attached to each URBACT project.

With regard to the URBACT projects participation, the following elements should be taken into consideration:

- During the development phase of the approved URBACT projects, projects working on a similar theme are assigned to each pole. The Lead Partners and Lead Experts of these projects shall be able to use the pole to discuss common problems and get advice. They shall also be able to take part in the design of the first work plan of the Thematic Pole.
- At the end of the development phase, it is important to review the situation and ensure that the projects are assigned to poles with work plans which most suit their interest.
- Other URBACT cities and projects may have a particular interest in one or more elements of the work plan of a Thematic Pole. They may, therefore, either participate voluntarily or be called on to contribute with the aid of further programme resources to cover time and travel.
- The Lead experts working for the different projects are required, as part of their contractual engagement for the URBACT programme, to dedicate part of their time to programme level activities and especially within the frame of the Thematic Poles. They are thus invited to contribute to the implementation of the Thematic Poles' work plans (primarily the one they are assigned to but it can happen that they are invited to contribute to another pole's activities depending on the issue addressed).
- Thematic Poles also have the possibility to call on other thematic experts working for the different projects for specific missions and ad hoc contributions on a theme, such as the production of thematic syntheses, case studies, etc.

Simultaneously, the Thematic Poles may also call in additional experts from outside URBACT, such as representatives of other EU projects, specialised networks, associations, etc., or urban policy makers who can help with the work plans. The Poles shall gradually become reference points and centres of excellence for urban policy makers and practitioners in the field.

## 4. Expertise in the Thematic Poles

Along with the input from cities through the participation of Lead Partners, expertise constitutes a major pillar of the Thematic Poles. As mentioned above, the contribution of experts to the poles' activities are implemented through the participation of:

### **a) URBACT thematic experts**

The Lead Expert of each network affiliated to a Thematic Pole shall take part to the activities of the pole, as part of his/ her contractual engagement with the URBACT programme (a part of the expert's time will be allocated to network activities and another part shall be dedicated to programme level activities and especially poles' activities).

As a core member of a pole's team, Lead Experts may be in charge, based on the agreed work plan of the pole, of providing a specific contribution building on his/ her network activities or cutting across several networks and including external material (written document, contribution to a conference, animation of an ad hoc working group, etc.).

Other URBACT thematic experts may be called upon for a similar tasks on the basis of their expertise/ knowledge on the theme covered.

### **b) External experts**

A limited number of external experts can be appointed to assist the Thematic Pole with specific tasks (written contribution, participation to a seminar or conference, etc.), on an ad hoc basis, because of their experience and knowledge on a specific issue (e.g. experts from specialized EU networks, other EU programmes/ DGs, international/ national specialised associations, etc.).

The Thematic Poles also have the possibility to commission studies (See Fact Sheet 3c) in order to fill in gaps of knowledge on a specific topic/ issue.

The expertise resources shall be managed by the URBACT Secretariat, based on proposals made by the pole managers in relation with the poles' work plans.

## 5. Management and animation of the Thematic Poles

### 5.1. Management of the Thematic Poles at programme level

The Thematic Poles are created at the initiative of the Managing Authority and managed by the URBACT Secretariat (organisation of meetings, commission of pieces of work to experts, translations, etc.)

The activities of the Thematic Poles shall be coordinated by the URBACT Secretariat in order to ensure consistency between the poles' work plans as well as circulation of information between the poles and the URBACT Secretariat. Coordination meetings shall be organised every 2-3 months by the URBACT Secretariat, gathering the Thematic Poles managers in order to facilitate monitoring of poles' work plans and the exchange of experience (both on contents and methods) between the pole managers.

The Thematic Pole should not be seen as a permanent committee or working group. Rather it is a flexible task force of the most relevant people - both in and outside the URBACT programme - in relation to the goals set in the agreed work plans. The participants in the Thematic Pole activities come together to share ideas, make recommendations and produce a set of outputs. The Thematic Pole manager shall define, in coordination with the URBACT Secretariat, the priorities, division of labour, allocation of resources and time table related to the poles' work plans.

The intellectual property right of all outputs and work of the thematic pole belongs to the URBACT Programme which shall naturally credit all contributors.

## **5.2. Animation of Thematic Poles**

Each Thematic Pole is coordinated by a person working part-time for the programme and recruited through a call for applicants. An external consultancy, recruited through a call for tender, shall be in charge of the selection of candidates.

The Thematic Pole manager is in charge of a series of core tasks, which vary in content and intensity during the different phases of the projects' life. These core tasks are related to 2 main missions: a) monitoring and supporting of URBACT projects; b) capitalisation and dissemination at programme level.

The development phase of the projects (See Fact sheets 2a and 2c) shall involve a set of common tasks for all pole managers, focused on supporting and monitoring projects' development. The tasks involved in the subsequent phases depend ultimately on the nature of the theme, the main projects involved in it and the pole work plan agreed with the URBACT Secretariat.

### **a) Monitoring and supporting of URBACT projects**

The Thematic Pole manager shall be responsible for monitoring and supporting a number of URBACT projects, working on issues particularly close to the pole's theme. Support shall be ensured in terms of methodology and content (especially upon request by a network lead partner or expert).

The pole manager monitors and passes on to the other pole managers information and material that could be of interest for their activities. He/she also receives and deals with information about other networks which could be relevant for the theme.

These tasks have two objectives:

- to support and help improve the activities and outputs of the projects themselves (this is particularly important in the development phase and in the production stage of the projects);
- to keep abreast of all the activities which could provide raw material for capitalisation at programme level.


### **b) Capitalisation and Dissemination at programme level**

Equally important is the role of the Thematic Poles in the capitalisation process at programme level, building primarily on the activities of the projects assigned to the Pole but also of other URBACT projects when relevant as well as on external material/ expertise.

The aim of the capitalisation process at programme level is not simply to provide a platform for displaying these outputs but to “mix” them creatively to produce and disseminate new knowledge which addresses the key challenges being faced by urban policy makers and practitioners in Europe.

As a consequence, the Thematic Pole Manager shall contribute beyond the thematic approach, to support the URBACT Secretariat in ensuring that the programme has a significant impact on urban development policies. He/ she shall assist the Secretariat in the production of common methodological guidelines, templates and procedures for project activities (case studies, reports, project website, etc.). He/ she shall also contribute to certain common procedures for monitoring of URBACT project activities (e.g. monitoring the transfer of practices or policy ideas among project partners).



	<p style="text-align: center;">The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p style="text-align: center;">Fact Sheet 3b – Lead Experts and Thematic Experts</p>
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*"At the level of the Programme, thematic experts are responsible for overseeing a project over its entire duration but shall also take part in capitalisation activities undertaken by thematic units. In particular, they will act as relays connecting networks to the relevant thematic units in the context of the development of thematic files, the organisation of dissemination, communication and information events, and so forth."<sup>15</sup>*

## 1. Thematic experts within the URBACT II programme

The experience of the URBACT I Programme has confirmed the need to support the cities in the implementation of their projects by making available expert resources. Experience has also shown that such support is most effective and meaningful when a single expert accompanies the network over the entire period of the project, from initial design to closure, ensuring continuity through the various stages of implementation of exchange activities and production of related materials.

Expert support will be made available to the URBACT thematic networks and working groups as follows:

- one "Lead expert" will assist the Lead Partner of each network or working group over the entire duration of the project in the development and implementation of a work programme and the production of outputs;
- a limited number of other thematic experts will be available to provide assistance on an ad hoc basis on specific issues related to implementation of each project's work programme.

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<sup>15</sup> URBACT Final Operational Programme 5.5.1.

## 2. Thematic experts' tasks

Assistance from thematic experts can be required at two levels:

- at the level of URBACT projects, and
- at the level of the URBACT programme as a whole.

At project level, the experts' task is to assist the partner cities as they develop and implement a working programme (activities related to exchanges, drafting of action plans, production of outputs and dissemination), providing thematic and methodological expertise. At the level of the Programme as a whole, their task is to contribute to the development of the capitalisation and dissemination activities and outputs of the URBACT programme, especially within the framework of the Thematic Poles (see Fact Sheet 3a).

### **2.1 The role of the "Lead expert" and thematic experts**

#### **a) The specific role of the Lead expert**

The role of the Lead expert within each Thematic Network and Working Group will consist in assisting the partners for overseeing the project over its entire duration; in particular he/she will be responsible for the following tasks:

- **Development phase:** The Lead expert will support the partners in defining issues and problems to be addressed; identifying the expectations and potential contributions of each partner city; developing a programme of activities and products to be delivered; defining methods and approaches, etc. The "lead expert" will also be responsible for the production of the baseline study (See fact Sheet 2a).
- **Implementation phase:** The Lead expert will support the partners in the implementation of the work programme, ensuring consistency among all activities, and supporting the partners with the organisation of the exchange and learning process (in terms of thematic and methodological input), and with the production of interim and final outputs. The Lead experts shall provide guidance to the lead partner for the quality of the team dynamics

among the network partners and with the team of ad hoc “thematic experts”.

## **b) Tasks to be performed by the Lead expert or thematic experts**

The following tasks can be achieved by the Lead expert or, under his/her supervision, by thematic experts:

- Implementation of exchange and learning activities: preparation of seminars (inputs, organisation, methods); search for complementary expertise; assistance to cities for the preparation of their contributions to exchange activities; facilitation during seminars organised in the framework of the project; drafting of minutes, reports and other products emerging from seminars, etc.
- Support to partners for setting up and managing the URBACT Local Support Groups.
- Production and drafting of case studies.
- Support to partner cities for the production of Local Action Plans.
- Dissemination: assistance to partner cities in defining dissemination targets and objectives as well as the actual dissemination activities within each city.

## **2.2 The role of the “Lead expert” and the “Thematic experts” at the Programme level**

At the level of the Programme, the **Lead expert** responsible for overseeing a project over its entire duration shall also take part in capitalisation and dissemination activities undertaken by the URBACT Thematic Poles. In particular, he/she shall act as relays connecting networks to the relevant Thematic Poles in the context of the development of thematic dossiers, the organisation of dissemination, communication and information events, and so forth.

Following the approval of Declarations of Interest by the Monitoring Committee, the new Lead Partners and their lead experts shall attend a training session organised by the Secretariat to familiarise them with URBACT II working methods (organisation of exchanges, product standards) and aspects of administrative and financial management.

**Thematic experts** providing assistance to projects on an ad hoc basis may also be called upon to contribute to programme level activities. In particular, they may be involved in Thematic Poles’ activities (working groups, written contributions building on their network’s activities, etc.), dissemination events (the Annual Conference of URBACT cities, the Regional Thematic Conferences, conferences organised by other networks and European programmes, etc.).

### 3. Selection of Lead & Thematic experts

A pool of thematic experts shall be set up, from which the Lead Partners shall be required to choose their Lead and thematic experts. Projects will be able to access this pool of experts if they require assistance on issues of methodology and thematic content.

Thematic experts, including experts proposed by European and national networks, will be selected by means of calls for applicants. Thematic experts who were approved under URBACT I must submit a new application if they wish to be included in the URBACT II pool of experts.

The initial selection of these experts shall be carried out by an external consultancy to be chosen through a call for tender.

In order to be able to benefit from the expertise envelope available for each thematic network and working group, from the Programme budget, the Lead Partners shall choose their thematic experts from this list (See Fact sheet 3b). They may also foresee specific expert support from the project budget, by including a line "external expertise" (see Fact Sheet 6b). The rules applying to the expertise envelope available from the programme budget, in terms of selection, flat rate fee, allocation of days and contracting, do not apply to this "external expertise" provision.

### 4. Management of Lead & Thematic experts

The Lead & Thematic experts will be coordinated and managed by the URBACT Secretariat. In addition to their assignments supporting the projects to which they are attached, the Lead expert's tasks shall include attendance at a joint training session at the start of each round of projects, and participation to the meetings of the thematic Pole. Thematic experts may also be requested to attend the annual meeting of URBACT thematic experts, to take part in Thematic Poles' activities, meetings, etc. (mandatory for the "Lead experts"), carrying out specific tasks at the

request of the secretariat, and taking part in the annual URBACT conference.

At the conclusion of each round of selection of projects, selected Lead experts will participate in a common training session designed to familiarise them with the objectives and operating procedures of the Programme. This is intended to ensure that experts integrate the requirements and tools of capitalisation operating within the URBACT II programme from the earliest stages of project development.

Lead experts and thematic experts whenever needed will be expected to attend an annual meeting organised by the URBACT Secretariat concerning the way the programme is working, problems, and suggestions for improving support to projects, exchange practices, production of outputs, etc.

The budget for thematic experts shall be managed at Programme level.

Thematic experts will contract with the URBACT II Managing authority, on the basis of a request submitted by the project lead partner, mentioning the number of days requested, the tasks and deliverables expected from the expert (form provided by the URBACT Secretariat). The request shall be validated by the URBACT Secretariat (with regard to relevance of days allocated, work programme and deliverables) before the contract with the expert is established. The Lead partner will be responsible for certifying the service provided by the expert to the project.

## 5. Thematic experts: Budgetary elements and allocation of days

### **Thematic networks**

A budget of € 125 000 will be available to each network for expertise contributing to the network activities.

An additional allocation of € 37 500 will be available to each network, to cover the participation of the network thematic experts in capitalisation activities at the Programme level (in particular, activities convened by the Thematic Poles).

### **Working groups**

A budget of € 50.000 will be available to each working group for expertise contributing to the working group activities.

An additional allocation of € 15.000 will be available to each working group, to cover the participation of the working group thematic experts in capitalisation activities at the Programme level (in particular, activities convened by the Thematic Poles).

### **Fee per day**

The fee per day for expertise amounts to € 750 all tax included.

### **Travel and accommodation expenses**


In the case of expertise provided to the project and to project partners, related travel and subsistence costs for thematic experts shall be covered by the working group's budget (to foresee when establishing the budget for each phase). This is especially important during the Development phase as the Lead expert is expected to visit partners so as to complete the baseline study.

In the case of expertise provided to the Programme and requested by the Programme, travel and subsistence costs for thematic experts shall be covered by the programme's budget.

### **Allocation of days**

Taking into account the phasing of projects, the use of the expertise envelop shall abide by the following rules:

- During the Development phase, a project may benefit from the support of one thematic expert only. This expert shall be the Lead expert as requested above.
- The number of days allocated to the Lead expert during the Development phase shall be between 35 and 45 days in the case of a thematic network, and between 15 and 25 days in the case of a working group in order to allow for a sufficient expertise support during both phases.

	<p style="text-align: center;">The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p style="text-align: center;">Fact Sheet 3c - Studies</p>
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*"The Monitoring Committee may decide on the launching of studies on specific topics and research projects on urban policy experiences and initiatives, designed to strengthen the process of capitalisation of the results of URBACT II projects. The details of this tool and how it can be used will be outlined in more detail in the Technical Annex to the Operational Programme."<sup>16</sup>*

The Managing Authority may propose studies on specific topics and research projects on urban policy experiences and initiatives. While URBACT programme is not meant to finance studies as a core activity, capitalisation activities may require additional ad hoc knowledge on a specific issue/ sub-theme/ experiment, etc. Studies financed by the programme will be designed to strengthen the capitalisation process and as such, will be closely related to the topics and results of URBACT II projects (thematic networks, Fast Track networks and working groups as well as thematic poles at programme level). Projects funded under the studies may include research activities and workshops.

The Managing Authority will submit proposals for studies to the Monitoring Committee for approval. Studies will be implemented by means of calls for tender.

The Managing Authority (through the URBACT Secretariat) will be in charge of the administrative and technical management of these projects, and of the coordination of activities.

Studies will be financed at 100% by the URBACT programme. The maximum budget for a study is 50.000.€

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<sup>16</sup> URBACT Final Operational Programme 5.4.1



The URBACT II Programme  
2007 – 2013  
Programme Manual

Fact Sheet 4 - Operation  
3: Communication and  
dissemination

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*"5.6.1 Tools for Communications and Dissemination*

*The development of an ambitious Communication and Dissemination Strategy is necessary to disseminate the know how and knowledge acquired by the Programme and to ensure that those individuals within cities who can implement new policies are reached. 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.*

*To facilitate the communication and information process, a series of tools will be made available for the benefit of the cities and their partners as well as a wider public and they will be updated and complemented over the course of the programme implementation. A summary of these tools can be found below:*

**Website** - *As a central and most widely accessible media, the website will remain at the centre of the dissemination activities.*

**Annual Conference** - *The programme will bring together all actors of urban sustainable development once a year.*

**Printed thematic publications in local languages** - *short analysis of information extracted from the thematic units, will be produced.*

**Thematic Regional Conferences** - *these events will take place in European 'regions' and will be open to a broad audience of policy makers and practitioners who wish to get the state of the art on a particular theme."*<sup>17</sup>

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<sup>17</sup> Operational Programme, section 5.6.1.



## 1. Tools for Communications and Dissemination

The development of an ambitious Communication and Dissemination Strategy is necessary to disseminate the know how and knowledge acquired by the Programme and to ensure that those individuals within cities who can implement new policies are reached. 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.

To facilitate the communication and information process, a series of tools will be made available for the benefit of the cities and their partners as well as a wider public and they will be updated and complemented over the course of the programme implementation. A summary of these tools can be found below:

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**Printed thematic publications in local languages** - short analysis of information extracted from the Thematic Poles, will be produced.

**Thematic Regional Conferences** – these events will take place in European 'regions' and will be open to a broad audience of policy makers and practitioners who wish to get the state of the art on a particular theme.

The URBACT Secretariat organised an Audit of the Communication Strategy of URBACT I and elaboration of the communication plan of the URBACT II programme. The results of the audit will be used to define the Communication strategy for URBACT II and means of implementation. The Communication Strategy for URBACT II will be submitted to the first Monitoring Committee of 2008.

## 2. Budgetary details

The total available budget for Operation 3 "Communication and dissemination" is 10 800 000 €. The allocated ERDF is 9 720 000 €.

	<p>The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p>Fact Sheet 4a - National Dissemination Points</p>
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*"The URBACT Programme has a double need, which is on the one hand, the dissemination of URBACT thematic information in local languages, via appropriate websites, to all relevant actors in their respective countries. In addition there is a need to collect interesting information emanating from the work of cities within other countries. The specific role of National Dissemination Points is therefore to provide a two way communication as well as disseminating information and knowledge. The structure of these National Dissemination Points can differ between Member States based on the different opportunities available. They will be selected based on a Call for Tenders organised by the Managing Authority."*<sup>18</sup>

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<sup>18</sup> URBACT Final Operational Programme (5.6.2)

## 1. What is a National Dissemination Point?

The URBACT programme neither needs, nor wants to create new specific structures. The National Dissemination Point should be created using existing national structures and organisations capable of responding to the terms of reference. A National Dissemination Point shall be a public or a private body in charge of supporting dissemination of URBACT material to relevant stakeholders within the country and providing input related to local urban issues to the URBACT programme.

### **1.1 Dissemination and translation**

The National Dissemination Points shall provide the URBACT programme with great potential for disseminating knowledge. This can be achieved by:

- Offering a website in the national language, which enables the National Dissemination Point to reach all interested actors (policy makers at national, regional and local level, and practitioners).
- Translating and disseminating URBACT products in the form of a monthly URBACT report of 8-10 pages in the national language giving information on URBACT activities and outputs and drawing attention to material available on the URBACT website.
- Reaching, mobilising and engaging with their audience more actively. Due to their national position they have access to targeted groups of urban professionals on all levels, both in and outside government. They have and maintain an adequate list of email addresses, as well as names and postal addresses for more limited, targeted groups of policy makers and practitioners.
- Supporting the URBACT Programme in disseminating knowledge and outputs through events and conferences organised by national/ local authorities or the URBACT Managing Authority.

## **1.2. Providing input to the URBACT II programme**

The contribution of the National Dissemination Points to the URBACT II-programme can be described with a twofold objective:

- National Dissemination Points shall contribute to thematic dossiers by providing good practices, analyses, etc. in the field of sustainable urban development. They could provide thematic networks within the URBACT II programme with baseline studies (containing a state of the art overview of relevant knowledge documents and suggesting topics to be explored within the thematic network).
- National Dissemination Points shall also contribute to a yearly updated presentation of their national urban policies.

The contribution of National Dissemination Points may evolve over the duration of the URBACT II programme.

## **1.3. Quality aspects**

Each National Dissemination Point shall sign with URBACT II a quality agreement. This quality agreement shall be defined in the call for tenders for the selection of National Dissemination Points, issued by the Managing Authority.

# 2. Budgetary details

URBACT II will contract for a service with each National Dissemination Point based on terms of reference for a period of two years (following European and national procurement regulations).

After these two years, the services provided by the National Dissemination Point will be evaluated. If they perform adequately the contract may be extended for a new period.

If National Dissemination Points have not performed adequately, the contract will not be renewed and a new tender will be organised.


The annual amount of financing by the URBACT II Programme will be fixed in the Terms of Reference. The services provided under point 1. Dissemination and Translation will be financed as a lump sum of € 10 000 per year. Services provided under point 1.2 (Providing Input to the

URBACT II programme) will be financed based on the number of tasks proposed.

### 3. Selection of National Dissemination Points

The URBACT Managing Authority will organise a call for tenders with terms of reference describing precisely services to be provided by the National Dissemination Points and these will be assessed using quality criteria.

The final choice of each National Dissemination Point will be submitted to the relevant National Authority represented on the URBACT Monitoring Committee for agreement.

	<p style="text-align: center;">The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p style="text-align: center;">Fact Sheet 4b - Partnerships with national and international networks and programmes dealing with urban issues</p>
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The Managing Authority may enter into partnership agreements with European and national specialised networks, with a view to develop capitalisation and dissemination measures integrating reflections and activities taking place outside the URBACT Programme.

*Such partnerships may involve contributions such as expert assistance (participation by members of specialised networks) in activities taking place in the framework of thematic units (steering groups, thematic files, organisation of regional conferences, etc.). It may also involve dissemination activities (joint organisation of events, sponsorship of content, etc.).<sup>19</sup>*

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<sup>19</sup> URBACT Final Operational Programme (5.6.2)

## 1. Partnership at project level

Within the framework of the URBACT II programme, partnerships and informal links with national/ international networks or programmes dealing with urban issues shall be fostered at project level, within Thematic Networks and Working Groups.

Networks of cities and national/ international thematic networks dealing with issues related to urban sustainable development, as well as national networks of local authorities can be partners in URBACT II networks and working groups. They shall be considered as "non-city partners".

They are not eligible to co-financing, unless a specific decision is made by the Monitoring Committee (See Fact sheets 2a and 2c). They shall bear responsibilities of project partners with regard to project implementation and administration tasks (See Fact sheet 6b).

## 2. Partnership at Programme level


National/ international networks of local authorities, thematic networks or programmes dealing with urban issues and sustainable urban development can sign partnership agreements with the URBACT programme, on proposal of the URBACT Secretariat. Informal links can also be developed with relevant partners through participation in events or conferences. Such informal links are ad hoc and will not necessitate a signed partnership agreement.

Such partnerships can include :

- Provision of expertise within the framework of the Thematic Poles' activities and work programmes ;
- Membership of a Thematic Pole and participation to the pole's activities;
- Dissemination of information and knowledge coming from the URBACT programme, to the programme's target groups, via a website, written media or events such as Regional Thematic Conferences.



A model of partnership agreement shall be submitted to the Monitoring Committee for approval. Any project of partnership agreement with a European network of cities, a European thematic network dealing with issues related to urban sustainable development, or a national network of local authorities shall be submitted to the Monitoring Committee for approval.

	<p style="text-align: center;">The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p style="text-align: center;">Fact Sheet 5 - Technical Assistance</p>
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*The role of technical assistance will be to contribute to the preparatory, management, monitoring, evaluation and control activities of the Programme, in accordance with Article 46 of Regulation (EC) 1083/06.*

*The sum of the ERDF amount allocated to this Priority is 3,19 M€ (corresponding to 6% of the total ERDF amount of the programme, according to paragraph 1 b) of art 46, regulation (EC) 1083/06. The eligible national contributions in technical assistance corresponds to 2,62 M€. In addition to this, Norway will contribute with 33.466 €, and the Helvetic Confederation with 53.670 €, of non-eligible funding.*

*Technical assistance covers activities related to the administration of the Programme under Article 46 of Regulation (EC) 1083/06 and in particular:*

*"At the initiative of the Member State, the Funds may finance the preparatory, management, monitoring, evaluation, information and control activities of operational programmes together with activities to reinforce the administrative capacity for implementing the Funds [...]"<sup>20</sup>*

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<sup>20</sup> URBACT II Operational Programme, paragraph 4.3

# 1 The Technical Assistance budget

## 1.1 From URBACT 2002-2006 to URBACT II

In the URBACT I Community Initiative Programme (period 2002 – 2006), the Technical Assistance (TA) budget has been split into two headings. One covered costs for personnel, office administration, travel and accommodation of the Secretariat, Monitoring Committee meetings, bank accounts management, audit and financial control. This heading (Measure 3.1 of the URBACT 2002-2006 budget) was submitted to the ceiling rule foreseen by Regulation 448/2004<sup>21</sup> The second heading (Measure 3.2 the URBACT 2002-2006 budget) covered other expenditure such as evaluation costs, computerised management systems and communication costs and there was no ceiling (other than what has been approved in the programme financial tables).

In the URBACT II Operational Programme (period 2007 – 2013) the TA budget shall not be split in this way and the limit for ERDF allocation in Technical Assistance shall be 6% of the total ERDF of the Programme budget.<sup>22</sup>

## 1.2 Technical Assistance in URBACT II

The total eligible budget of Priority Axe 3 “Technical Assistance” is 5.823.604 € (corresponding to 8,59% of the total Programme budget), made up of 3.199.151,00 € of ERDF (corresponding to 6% of total ERDF) and 2.624.453 € of national contribution (*ex ante*). In addition to this, the total budget for Technical Assistance is incremented by the Partner States’ funds of Norway (corresponding to 33.466 €) and of Switzerland (corresponding to 53.670 €).

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<sup>21</sup> Rule No 11 of annex “Eligibility Rules” of Commission Regulation (EC) 448/2004 states that: “*For Community Initiatives, innovative actions and the Peace II special programme, the limit shall be 5 % of the Structural Funds’ total contribution. Where such assistance involves the participation of more than one Member State this limit may be increased to take account of higher costs of management and implementation and will be fixed in the Commission’s decision.*”

<sup>22</sup> According to paragraph 1 b) of art 46, regulation (EC) 1083/06.

## 2 Activities financed under Technical Assistance

The budget for Technical Assistance (TA) shall be structured into several budget categories. Every year, at the beginning of the year, the Secretariat shall submit to the Monitoring Committee the TA budget. This can be revised and adjusted on the basis of the real expenditures incurred in the previous years. Every proposal of reprogramming shall be submitted to the Monitoring Committee for approval. A brief description of the budget categories follows here below.

### **2.1 Project co-ordination**

This budget category shall finance:

- Running costs (including premises and daily expenditures, mobile phones, contribution in kind, overheads, installation, postal services, telephone, etc.)
- bank accounts costs (management of the ERDF and ex-ante contributions accounts, other costs incurring by the Certifying Authority in the implementation of its tasks as required by the Regulations).

### **2.2 Personnel**

Part of TA budget shall finance the personnel costs of the URBACT II Secretariat. Further details on the structure of the Secretariat team are available in section 2 of fact sheet 6a.

### **2.3 Meetings organisation**

The main activities financed under this budget category are:

- Monitoring Committee meetings (including venue, interpretation, catering and other organisation costs such as printing of materials, etc.);
- Meetings of the Group of Auditors (including venue, interpretation, catering and other organisation costs such as printing of materials, etc.);
- Meetings organised in the framework of the Programme starting up

## **2.4 Travel and accommodation**

This budget category shall finance the following costs in the framework of audit activities:

- travel and subsistence costs of the Joint Technical Secretariat;
- travel and subsistence costs incurred in relation with Programme starting up activities.
- travel and subsistence costs incurred in relation with the Programme evaluation activities (if necessary)

## **2.5 Communication and dissemination**

The main actions financed under this budget category shall concern the Information and Publicity requirements. Further details are available in section 5 of fact-sheet 6a.


## **2.6 External expertise**

This budget category is dedicated to:

- second level audit costs
- quality control
- mid-term evaluation
- costs for Programme starting up;

## **2.7 Equipment**

This budget category is dedicated to duly justified costs for equipment.

	<p style="text-align: center;">The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p style="text-align: center;">Fact Sheet 6 - Programme management, monitoring and control</p>
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*"The Member States have agreed to set up the URBACT II Programme in application of Regulation EC No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and Regulation EC n° 1080/2006 specifically on the European Regional Development Fund.*

*Member States participating in the Programme have designated the French Ministry for Urban Affairs (Secrétariat Général Comité Interministériel à la Ville) to act as Managing Authority on their behalf, in compliance with Article 14 of Regulation EC n°1080/2006. They have also appointed the Caisse des Dépôts et Consignations as the Certifying Authority, in application of the same above mentioned regulation.*

*A partnership agreement, called Memorandum of Understanding will be signed between the Member States and the Managing Authority defining the ways in which funding and responsibilities related to financial management and monitoring of programme implementation will be shared.*

*The bodies responsible for programme management are the Monitoring Committee, the Managing Authority, the Certifying Authority and one single Audit Authority.*

*These bodies will be supported in their tasks by a joint technical secretariat, known as the URBACT Secretariat.<sup>23</sup>*

*"Procedures for calls for tenders and calls for proposals will be submitted to the decision of the Monitoring Committee:*

*Following the approval of the Programme, the Managing Authority shall submit to the Monitoring Committee an annual work programme with a budget and an annual implementation schedule for 2007-2013.*

*Pursuant to art. 71 of Regulation (EC) n° 1083/2006, before the submission of the first interim application for payment or at the latest within twelve months of the approval of each operational programme, the Member States shall submit to the Commission a description of the systems, covering in particular the organisation and procedures of:*

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<sup>23</sup> Chapter 6 of the URBACT Operational Programme

- *the managing and certifying authorities and intermediate bodies;*
- *the audit authority and any other bodies carrying out audits under its responsibility.*

*[...]*

*Pursuant to Regulation (EC) n° 8750/06 and Regulation (EC) n° 1083/2006, art. 58, 70-71, Member States shall specify in their agreement with the Managing Authority the procedure by which they will ensure that funds provided by the Programme for projects where the lead-partner city is located in their territory are properly managed. This will allow the Managing Authority and the Certifying Authority to implement the Programme and to ensure that Community funds and national contributions are used efficiently and correctly, that management of technical assistance complies with Community rules, in accordance with principles of good financial management. Member States shall provide the Managing Authority with a detailed description of their management and control systems.*

*[...]*

*In carrying out first level controls, URBACT II will improve the control system developed by the Member States for the URBACT I Programme. Member States must provide adequate information on the organisation of first level controls to the Managing Authority and to the Commission.*

*In the framework of first level controls, management and control systems provide procedures designed to verify that co-funded products and services have actually been delivered, that declared expenditures have been paid out, and that Community rules have been respected.*

*In case of irregularities found through first level controls, the Member States in question will be expected to correct and adjust the system, in cooperation with the Managing Authority.*

*[...]*

*In compliance with Article 62 of Regulation (EC) 1083/2006, the audit authority shall ensure that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared.”<sup>24</sup>*

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<sup>24</sup> Paragraph 6.7 of the URBACT Operational Programme

## 1 A new legal framework for the period 2007-2013

The URBACT II Programme shall be implemented in the framework of the programming period 2007-2013. The new regulations have established a legal framework where some peculiarities of the period 2000-2006 have been kept but several new actors, procedures and requirements have been defined.

Fact sheets 6a, 6b and 6c provide some detailed information about the main Programme actors/institutions, procedures for project management, financial monitoring and control. It is important to notice, among the others,

- the involvement of 27 Member States plus 2 Partner States (Norway and Switzerland) in URBACT II;
- the role and responsibilities of the Certifying Authority (no more called *Paying Authority*);
- the new requisites for the elaboration of the Communication Plan;
- the Lead Partner Principle and the responsibilities of the Project Partners;
- a new definition of the project eligibility period;
- the new N+2 / N+3 rule;
- the new requirement in relation with first level control;
- the new requirement in relation with second level control.

The reference documents of these new rules and procedures are:

- Regulation (EC) No 1083/2006,
- Regulation (EC) No 1080/2006,
- Regulation (EC) No 1828/2006,
- the URBACT II Operational Programme,
- the rules laid out in the Programme Manual itself,
- the calls for proposals.



## 2 Programme management: structure and features

The URBACT II Operational Programme is structured into three Priorities:

- Priority 1 Cities, Engines of Growth and Jobs
- Priority 2 Attractive and Cohesive Cities
- Priority 3 Technical Assistance

Priorities 1 and 2 shall be implemented through three different Operations:

1. Exchange and Learning
2. Capitalisation
3. Communication and Dissemination

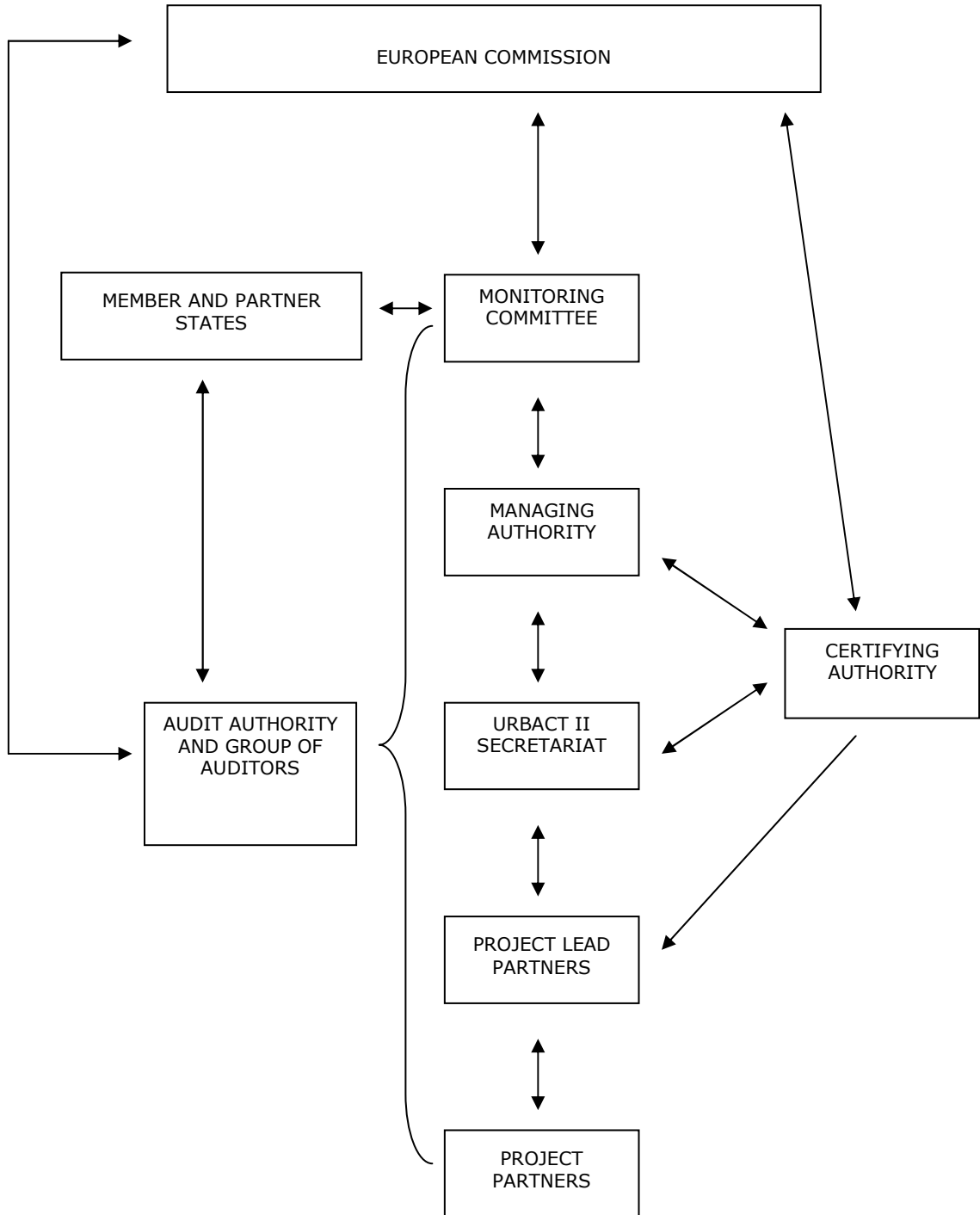
If Operation 1 is mainly implemented through means of thematic networks and working groups, the actions and activities financed within Operations 2 and 3, and within Priority 3 Technical Assistance, are led under the responsibilities of the Managing Authority and the Monitoring Committee.


About 50 % of the total URBACT II budget is managed by the beneficiaries involved in Thematic Networks and Working Groups. The remaining budget is managed directly by the Managing Authority.

As outlined in § 7 of the Memorandum of Understanding, for Technical Assistance and expenditure incurred by the Managing Authority for the implementation of actions under Priorities 1 and 2, the liability will be borne by the Managing Authority for administrative related irregularities and will be jointly borne by the Member States and Partner States proportionally to their contributions to the Operational Programme in any other case.

The URBACT II Operational Programme structure is outlined in the following scheme and is explained in detail in Fact Sheets 6a, 6b and 6c of this document.

## URBACT II PROGRAMME STRUCTURE



	<p>The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p>Fact Sheet 6a - Programme management</p>
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## 1 The Managing Authority

The Member States participating in URBACT have designated the Secrétariat Général – Comité Interministériel à la Ville - 194 avenue du Président Wilson 93217 Saint Denis la Plaine CEDEX - to act as Managing Authority of the Programme on their behalf, in accordance with Article 14 of Regulation (EC) n° 1080/2006.

### 1.1 Role of the Managing Authority

In accordance with Article 60 of Regulation (EC) n° 1083/2006, the Managing Authority is responsible for the implementation of the Programme, for its coordination and consistency, for the legal and financial correctness of management procedures. In particular, the Managing Authority shall:

- a. ensure that projects are selected for funding in compliance with criteria applicable to the Operational Programme and be consistent, throughout the entire period of their implementation, with applicable national and Community rules;
- b. ensure that expenditures incurred by each recipient participating in a project are certified by the first level controller provided for under paragraph 1 of Article 16 of Regulation (EC)1080/2006;
- c. ensure that there is a system for recording and storing in computerized form the accounting records of each project under the Operational Programme, and that data on implementation necessary for financial management, monitoring, verification, audits and evaluation is collected;
- d. ensure that recipients and other bodies participating in the implementation of assistance use either separate accounting systems, or an appropriate accounting code for all transactions relating to the assistance, without prejudice to national accounting rules;
- e. ensure that evaluations of the Operational Programme provided for under paragraph 3 of Article 48 are carried out in accordance with Article 47 of Regulation EC No 1083/2006;
- f. set up procedures to ensure that all documents related to expenditures and audits required to ensure an adequate audit trail are held in accordance with the requirements of Article 90 of Regulation EC No 1083/2006;

- g. ensure that the Certifying Authority receives all information on procedures followed and controls carried out in respect of expenditures for the purposes of certification;
- h. guide the work of the Monitoring Committee and provide it with the documents required to permit the quality of the implementation of the Operational Programme to be monitored in the light of its specific goals;
- i. produce an annual activity report and a final implementation report, and submit them to the Commission following approval by the Monitoring Committee;
- j. ensure compliance with obligations as regards information and publicity referred to in Article 69;

## **1.2 Procedure for projects' application and selection**

URBACT II projects shall be selected by means of calls for proposals. In order to ensure that projects are selected for funding in compliance with certain defined criteria, the projects' application and selection procedure in the framework of the URBACT II Programme goes through several steps:

### **STAGE 1 - Submission of Declaration of Interest**

The Declaration of Interest shall be submitted to the URBACT II Secretariat within the deadline fixed in the call for proposals, along with all requested annexed documents.

### **STAGE 2 - Eligibility check**

Proposals are checked for formal compliance with the eligibility criteria. After the eligibility check, the URBACT II Secretariat shall notify the Lead Partner of the results and transfer the eligible projects to the External Assessment Panel for proposals to be assessed.

### **STAGE 3 – Project assessment**

The External Assessment Panel shall proceed to the assessment and ranking of eligible projects, to be submitted to the Monitoring Committee for approval for Phase I (Development phase). The assessment criteria for project proposals shall be provided in the call for proposals. The External Assessment Panel will more especially check that the issues addressed in the different proposals do not overlap significantly.

#### **STAGE 4 – Submission of projects to the Monitoring Committee**

Following the assessment and ranking of project proposals by the External Assessment Panel, the Monitoring Committee shall decide on the approval of projects to enter development phase.

#### **STAGE 5 – Development of Final Application during Phase I**

The project proposals approved by the Monitoring Committee shall go through an initial development period which shall lead to the submission of a Final Application to the Monitoring Committee.

#### **STAGE 6 – Eligibility check for Final Applications**

At the end of the Development Phase, the URBACT II Secretariat receives all Final Applications in response to one particular call for proposals. The URBACT II Secretariat shall check the Final Applications submitted within the deadline, for compliance with eligibility criteria defined in the call for proposals. At this stage of the application procedure, only Project Partners and Lead Partners which are based in Member States who:

- have signed the Memorandum of Understanding with the Managing Authority and the Certifying Authority,
- have submitted a description of the control system which has received an unqualified opinion by the Audit Authority,

shall be considered eligible to be involved in phase II of the project. Project Partners and Lead Partners whose Member States have not accomplished the above mentioned requirements before the submission of the Final Application, can not be refunded with ERDF for the costs incurred during their participation in the project development phase (phase I).

After stage 6, the Secretariat shall transfer eligible Final Applications to the External Assessment Panel.

#### **Stage 7 – Final Application Assessment**

The External Assessment Panel shall proceed to the assessment and ranking of eligible Final Applications, to be submitted to the Monitoring Committee for approval for phase II (implementation). The assessment criteria for Final Applications shall be provided in the call for proposals.

## **STAGE 8 – Submission of Final Application to the Monitoring Committee**

Based on the final assessment by the External Assessment Panel, the Secretariat submits the Final Applications to the Monitoring Committee for the definitive approval of projects and for the launch of phase II (implementation).

### **1.3 Roles and responsibilities of the Managing Authority in the financial control**

#### **a) Description of Management and Control System**

The Managing Authority shall submit the Description of the Management and Control System (according to Article 71(1) of Regulation 1083/2006 and Articles 21 to 24 of Regulation 1828/2006) to the European Commission. In order to describe the procedures for verification of projects and the process of applications for reimbursement (cf. Sections 2.2.4 and 2.2.5 of Annex XII to Regulation (EC) 1828/2006), the Managing Authority depends on the descriptions of the national control systems set up in each Member State in accordance with Article 16(1) of Regulation (EC) 1080/2006.

In order to provide the Member States with further guidance on how to satisfy the requirements resulting from the Article 16 and the European Commission's comments quoted above, the URBACT II Secretariat has developed the following documents, in coordination with the INTERREG IVC and ESPON 2013 programmes and taking into account the advice of the CICC and the IGF Luxemburg as, respectively, URBACT II and ESPON 2013 Audit Authorities:

- a questionnaire on the description of the control systems set up by Member States participating in the Operational Programme;
- a guidance note for the organisation of first level control at the level of the Member States;

The questionnaire shall be filled in by each Member and Partner State in order to have detailed, assessable and comparable information.

#### **b) First Level Control**

Once a Declaration of Interest and an Application Form are submitted to the Monitoring Committee for approval, they shall indicate the proposed first level controllers of the Lead Partner and Project Partners in the relevant section.

The Partners, whose Member States have set up a decentralised first level control system, shall propose a local first level controller in the Declaration

of Interest and in the Application Form. The proposed first level controllers must be approved by the Member States concerned following the procedures outlined in the description of the control system set up according to Article 16 of Regulation (EC) 1080/2006.

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 16 of Regulation (EC) 1080/2006.

In case Member States have opted for a decentralised control system, National Authorities responsible for 1<sup>st</sup> level control, and in charge of the approval of the local first level controllers, shall be responsible for reviewing the functioning and the quality of the first level controller's work. The Managing Authority (through the URBACT II Secretariat) shall reserve the right to participate in these checks.

In case of a centralised control system, the Managing Authority (through the URBACT II Secretariat) shall review the functioning and quality of the first level control during the Managing Authority Quality Checks (described below in section c) in association with the national representative in the Monitoring Committee, notwithstanding that the final responsibility of the functioning of the control system will remain with the Member State in question.

In both centralised and decentralised systems the Managing Authority carries out administrative checks on all the 1<sup>st</sup> level control certificates.

In the case of projects led by the Managing Authority, the administrative check shall be undertaken by the Certifying Authority with the support of the URBACT II Secretariat.

#### c) Managing Authority Quality Checks

In accordance with the URBACT II Description of Management and Control Systems approved by the European Commission on 19<sup>th</sup> March 2009 the URBACT Managing Authority is required to carry out Quality Checks on operations financed by the URBACT II Programme.

The Managing Authority (through the URBACT Secretariat) will implement quality checks on files about the management and control procedures implemented by operation (2-3 controlled operations per year).

The files that will be selected using several main criteria which are:

- Coverage of Operations in all Priorities-axes.
- Coverage of simple and complex Operations and different types of LP institutions
- Coverage of Operations with different budget size



- Geographical coverage considering the areas where the Lead Partner is legally located.
- Control on Operations not yet audited in the framework of other controls (like second level controls and quality controls by the Certifying Authority).
- Control on projects where First Level Control weaknesses have been identified.

The objectives of the quality checks will be to verify the respect of the procedures and to contribute to improve the effectiveness of the system put in place.

There will be three levels of controls:

- control on the completeness of the files, archiving of the documents and audit trail;
- control on the organization and methods of global management of the ERDF subvention;
- control the functioning and quality of the first level control

All Member States ensure that the recommendations resulting from the quality checks will be followed and implemented. The Managing Authority reserves the right to temporary withhold payments to those beneficiaries located in the Member States which quality checks have showed serious deficiencies.

#### **1.4 A tool for ensuring reliability and control: the IT monitoring and management system PRESAGE-CTE**

In order to ensure a high level of reliability and control on the expenditure declared to the Commission and on the administrative management of the projects, the URBACT II Operational Programme shall make use of the IT monitoring and management system PRESAGE-CTE. This shall also be the URBACT II system for recording and storing in computerized form the accounting records of each project, and to ensure that data on implementation necessary for financial management, monitoring, verification, audits and evaluation is collected.

The procedures for the accounting and certification of the expenditure and for drafting the Progress reports are done through the PRESAGE-CTE. The Managing Authority (through the URBACT II Secretariat) shall be in charge to provide the projects' and programme's users with a personal login and password. This system shall ensure the reliability of the information contained providing only the users officially designated by the projects with an access (i.e. personnel indicated in the Declaration of Interest/Final Application) and by the Member States (, responsible bodies for first and second level controls, Monitoring Committee representatives, national authorities).

Each Project Partner, Lead Partner and first level controller shall have a personal access to the system. The features of this access are:

- it is personal. This means that each PRESAGE-CTE profile shall be linked to a single person who is responsible of the actions foreseen by that profile. For example, the access to PRESAGE-CTE for the project coordinator of a Lead Partner shall not be linked to the Lead Partner's institution but to the person itself who has been indicated as project coordinator in the application form. The same applies for the first level controllers.
- It is provided by the URBACT II Secretariat. This represents a guarantee of safety and reliability of the system. The URBACT II Secretariat shall provide access only to:
  - People indicated in the Declaration of Interest/Final Application as key persons in the framework of the project management system (e.g. coordinator, finance manager, communication manager);
  - First level controllers that have been formally designated by the related Member States;
  - Programme institutions (Managing Authority, Certifying Authority, Audit Authority);
  - Representatives of the Member States (in the framework of first and second level controls, Monitoring Committee representatives, national authorities).

Particularly, in order to ensure a safe and reliable application of the control systems set up by the Member States, each first level controller shall be provided with a personal login and password only if:

- the Managing Authority has received the completed questionnaire by the Member State concerned with description of the control system set up according to Article 16 of Regulation (EC) 1080/2006;
- the control system chosen by the Member State concerned has received an unqualified opinion by the Audit Authority. The Audit Authority reserves the right to qualify its opinion on the description of the control systems set up by Member States should the system and/or the supporting documents and annexes provided be deemed insufficient (refer to § 2 of URBACT II Memorandum of Understanding);
- In the case of a decentralised control system with approbation of the first level controllers by a central body at national level, the Managing Authority has received by the Member State the official approbation of the first level controller proposed by the Partner/Lead Partner.

The main functionalities of the IT monitoring and management system PRESAGE-CTE were developed by early 2009. The URBACT II Secretariat

has provided all URBACT II beneficiaries with several user guides listed below:

- Guide for Project Creation
- Guide for Certifying Expenditure
- Guide for entering expenditure
- Guide for creating a Payment Claim
- Guide for Group of Auditors Members
- Guide for Monitoring Committee Members

These documents are available on the URBACT website.

## 2 The URBACT II Secretariat

The URBACT II Secretariat shall assist the Managing Authority, the Monitoring Committee, and, where appropriate, the Audit Authority, in carrying out their respective duties.<sup>25</sup>

The role of the URBACT II Secretariat is two-fold:

- It ensures the administrative and financial management of the Operational Programme, and the implementation and monitoring of the projects set out. It prepares the work of the Monitoring Committee and assists it in the fulfilment of its functions.
- It coordinates the work of thematic poles, thematic networks, working groups and studies.

The URBACT II Secretariat shall act under the supervision of the Managing Authority, who shall undertake the necessary steps to ensure the appropriate conditions for the hosting of the URBACT II Secretariat. The URBACT II Secretariat is based at the Secrétariat Général – Comité Interministériel à la Ville - 194 avenue du Président Wilson 93217 Saint Denis la Plaine CEDEX.

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<sup>25</sup> Article No 14.1 of Regulation (EC) No 1080/2006.

In order to fulfil his tasks, the URBACT II Secretariat shall involve 10 persons as follows:

1 Head of Secretariat

1 Projects & Capitalisation Manager

1 Finance Manager

1 Communication Manager

1 Office Manager

1 Project Officer

1 Finance Officer

3/4 Technical Assistants

The staff of the URBACT II Secretariat will be recruited through calls for candidates published on URBACT website.

The head of the URBACT II Secretariat will be proposed by the Managing Authority and approved by the Monitoring Committee.

The personnel costs of the URBACT II Secretariat team shall be paid with the budget of Technical Assistance.

In addition to this, the Programme shall externalise two additional posts (1 Communication Officer and 1 Capitalisation Officer) whose activities shall be strictly connected to the coordination of service providers and thematic experts in the framework of communication and capitalisation activities.

According to the regulations, the URBACT II Secretariat is not meant to provide support to the Certifying Authority since the Certifying Authority would normally be working on payment claims prepared by the URBACT II Secretariat. However, if the Certifying Authority issues a request for information, the URBACT II Secretariat is of course required to provide all necessary information to the Certifying Authority in order for it to carry out its work correctly.

### 3 The Certifying Authority

The Caisse des Dépôts et Consignations - 15 Quai Anatole France, 75700 PARIS SP - has been designated to act as Certifying Authority in compliance with Article 14 of Regulation (EC) 1080/2006.

### **3.1 Role of the Certifying Authority**

In accordance with Art 61 of Regulation (CE) n°1083/2006, the Certifying Authority at the level of the Operational Programme is in charge of:

1. Drawing up and submitting to the Commission certified statements of expenditure and applications for payment;
2. Certifying that:
  - a. the statement of expenditure is accurate, results from reliable accounting systems, and is based on verifiable supporting documents;
  - b. the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and national rules;
3. Ensuring, for the purposes of certification, that it has received adequate information from the Managing Authority on the procedures and verifications carried out in relation to expenditures included in statements of expenditure;
4. Taking into account, for certification purposes, the results of all audits carried out by, or under the responsibility of, the Audit Authority;
5. Maintaining accounting records in computerised form of expenditure declared to the Commission;
6. Keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for a project. Amounts recovered shall be repaid to the general budget of the European Union prior to the closure of the Operational Programme by deducting them from the next statement of expenditure.

### **3.2 The main tasks of the Certifying Authority**

According to Article 60 (g) of Regulation (EC) 1083/2006 the Managing Authority shall ensure that the Certifying Authority receives all the necessary information on the procedures and verifications carried out in

relation to expenditure for the purpose of certification so that the sufficiency of the control system and audit trail can always be taken into account before a statement of expenditure is presented to the European Commission. The Certifying Authority (through the URBACT II Secretariat) can request at any moment additional information and supporting documents to final beneficiaries to perform its certifying tasks.

For the purpose of certification, the Certifying Authority shall ensure that it takes account of the results of all audits carried out in relation to expenditure and of all audits carried out by or under the responsibility of the Audit Authority.

The Certifying Authority plays a key role in payment procedures and also acts as a final control body before claims are made to the Commission. The main tasks are as follows:

#### Certification

The Certifying Authority certifies accuracy and standards used to calculate statement of expenditure. In general, guarantees uniform quality standards in certification of expenditure and payment requests to the Commission as well as clarifies the nature and quality of the information these requests are based on.

#### Quality control

In accordance with Article 61 of EC Regulation 1083/2006 the Certifying Authority should carry out Quality Controls on URBACT operations (2-3 controlled operations per year).

#### Managing programme funds and transactions with the Commission

The Certifying Authority draws up claims to the Commission; maintains computerized accounting records of expenditure declared to the Commission and payments received; receives funds from the Commission and makes payments to Lead Partners; keeps separate programme bank accounts for ERDF and ex-ante contributions.

#### Recovering incorrectly paid funds

The Certifying Authority recovers funds unduly paid to the Project Partners (together with Lead Partners and Member States). The Certifying Authority administers the programme bank accounts (one for ERDF and one for ex-ante contributions). It gathers projects' claims for payment from the Managing Authority and compiles these into claims to the Commission – generally two or three times a year.

The accounting records it keeps shall cover the claims made, amounts received from the Commission and payments actually made to projects. Separate records held by the Managing Authority shall record the amounts claimed by projects and any deductions made as a result of control work.

The key role of the Certifying Authority is “certification of expenditure” and it must define how it will achieve sufficient certainty about the standards in place to make this certification. The Certifying Authority is responsible for *certifying* the claims to the Commission by carrying out a control of the information behind the claim. The nature of these checks by the Certifying Authority must include a review of:

- Measures taken to prevent, detect and correct irregularities, and to report them to the Commission;
- The expenditure declared was incurred and paid within the period of eligibility, and is supported by evidence;
- The projects complied with the relevant provisions of the assistance as adopted by the Commission Decision and went through the proper selection procedures;
- requirements such as public procurement, publicity and environment have been complied with;
- Recoveries made since the last certificate and statement of expenditure have been deducted from the present certificate and statement of expenditure, and the amounts recovered are indicated in an annex.

## 4 The Monitoring Committee

The Monitoring Committee is established, within three months from the date of the notification to the Member States of the decision approving the Operational Programme, in pursuance of Article 63 of Council Regulation (EC) n°1083/2006. As Monitoring Committee, it has the two-fold tasks of monitoring and programming. It is the policy-making body and decision-making body of the Programme.

The Monitoring Committee is composed of two representatives from each Member and Partner State<sup>26</sup>. Member and Partner States may also be represented by a city, a network of cities or any other public authority, local or regional. Representatives of the European Commission<sup>27</sup> (Directorate General for Regional Policy), two representatives of the Committee of Regions as well as representatives of the Managing Authority, URBACT II Secretariat and Certifying Authority, shall also attend with no voting rights.

In the case of Belgium, the duties of Member State authorities in respect of URBACT II shall be fulfilled by specially designated authorities. This applies to all references in this document to Member State authorities or national authorities.

In view of the specificities of the URBACT II Operational Programme, some representative of the Lead Partner cities may be invited to attend the meetings of the Monitoring Committee without the right to vote.

The Monitoring Committee designates a chairman by consensus each year for a one year term of office.

The URBACT II Member and Partner States have decided to set up a Task Force in order to prepare and facilitate the work of the Monitoring Committee. The tasks of the Task Force are detailed in the Monitoring Committee Rules of Procedures.

#### **4.1 Role of the Monitoring Committee**

In accordance with Article 65 of Regulation (CE) n°1083/2006, as a rule, the Monitoring Committee shall meet three times a year to fulfil orientation and monitoring tasks. In particular, the Monitoring Committee shall satisfy itself as to the effectiveness and quality of the implementation of the Operational Programme, in accordance with the following provisions:

- it shall consider and approve the criteria for selecting the projects financed within six months of the approval of the Operational Programme and approve any revision of those criteria in accordance with programming needs;

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<sup>26</sup> The names and details of the representatives shall be indicated in § 13 of the Memorandum of Understanding and shall be officially communicated to the US within the 1<sup>st</sup> December 2007. Any change on the names or contact details of the MC representatives shall be communicated by the MS concerned to the US as soon as the information is available. Further details on the composition of the MC are available in the MC rules of procedures.

<sup>27</sup> The Commission (DG Regio) is a member of the Monitoring Committee with an advisory capacity. As regards strategic orientations and operations financed at a 90% rate by structural funds, the members of the Monitoring Committee will seek the approval of the representatives of the Commission.



- it shall select the projects and projects submitted by the Managing Authority (through the URBACT II Secretariat);
- it shall periodically review progress made towards achieving the specific targets of the Operational Programme on the basis of documents submitted by the Managing Authority;
- it shall examine the results of implementation, particularly the achievement of the targets set for each priority axis and the evaluations referred to in Article 48(3) of Regulation (CE) n°1083/2006;
- it shall consider and approve the annual and final reports on implementation referred to in Article 67 of Regulation (CE) n°1083/2006;
- it shall be informed of the annual control report, or of the part of the report referring to the Operational Programme concerned, and of any relevant comments the Commission may make after examining that report or relating to that part of the report;
- it may propose to the Managing Authority any revision or examination of the Operational Programme likely to make possible the attainment of the Funds' objectives referred to in Article 3 of Regulation (CE) n°1083/2006 or to improve its management, including its financial management;
- it shall consider and approve any proposal to amend the content of the Commission decision on the contribution from the Funds.

The Monitoring Committee shall draw up its Rules of Procedure and adopt them in agreement with the Managing Authority (Art 63, par. 2, of Regulation (CE) n°1083/2006).

The Monitoring Committee is assisted by the URBACT II Secretariat in the preparation of meetings and documents and in the implementation of decisions.

Documents submitted to the Monitoring Committee shall usually be produced in English and French.

The Programme shall cover travel expenses to meetings of the Monitoring Committee only for members of the URBACT II Secretariat and Lead Partners invited to present their projects.

## **4.2 Responsibilities of Member and Partner States**

Each Member State and Partner State is ultimately responsible for all activities carried out on its own territory. Further responsibilities can be divided into four groups:

### Information:

Member and Partner States must provide the Managing Authority, Certifying Authority and Audit Authority with access to the information they need to carry out their functions.

### Management and Control:

Member and Partner States are responsible for setting up effectively functioning management and control systems; Member and Partner States shall establish procedures for ensuring that all documents in the audit trail meet national audit requirements; Member (and, if it is the case, Partner) States shall designate the first level controllers in the framework of the first level control and ensure that the appointed first level controllers complete the certification of expenditure within the deadlines specified in paragraph 9.3 of fact sheet 6b "Project management" of this document; Member (and, if it is the case, Partner) States, through the first level controllers, shall ensure that all expenditure incurred by Project Partners and Lead Partners in their territory complies with Community and national rules; Member and Partner States must delegate the representatives (maximum three per Member/Partner State) to sit on the Group of Auditors (GoA) assisting the Audit Authority.

### Eligibility:

Member and Partner States must provide the national eligibility rules in use in the framework of URBACT II. These rules shall apply to determine the eligibility of expenditure except where Community rules are laid down.

### Irregularities:

Member States shall reimburse to the Certifying Authority any irrecoverable amounts unduly paid to Project Partners and Lead Partners on the Member State's territory; Member States shall report to the Commission each quarter on any irregularities which have been the subject of a primary administrative or judicial finding. Even if no irregularities have been reported, Member States still need to submit this report; Member States shall follow up in each quarterly report on actions taken as a result of previously reported irregularities.


## 5 Publicity and information

The Managing Authority shall designate a contact person to be responsible for information and publicity and informs the European Commission of those designated. This person shall actively participate in Community network which might be set up according to Article 10 of Regulation (EC) 1828/2006. To support the Managing Authority, the Member and Partner States shall take all the appropriate administrative steps to ensure effective application of all arrangements that rest upon Regulation (EC) 1828/2006 Section 1 and to collaborate with the European Commission.

The Managing Authority shall ensure that all projects comply with the publicity and information requirements laid down in the Commission Regulation (EC) No 1828/2006 (amended Articles 8 and 9) of 8 December 2006 and the amendment thereof Regulation 846/2009 of 1<sup>st</sup> September 2009.

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 EU logo should be at least the same size as the other logos being used (like the URBACT II Programme's or the project's own logo).

	<p>The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p>Fact Sheet 6b - Project management</p>
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## 1. Roles and responsibilities of Lead and Project Partners

The URBACT 2002-2006 experience has shown the importance of clarifying from the beginning roles and responsibilities of the different partners in a network or a working group. The Lead Partner bears the responsibility of the project implementation towards the other partners and the Managing Authority. In this framework, it is essential that the Lead Partner define in detail the financial and administrative organisation of the project that needs to be agreed and implemented by all project partners. The Joint Convention and the Audit Trail are the tools for the definition of the tasks and responsibilities of each single actor in the project.

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 Convergence regions shall be co-financed at up to 80% by ERDF;
- Partners from the non Convergence 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.

### 1.1 URBACT II Lead Partners

#### 1.1.1 The lead Partner Principle (LPP)

Specification of the Lead Partner Principle (LPP) for the 2007-2013 period can be found in Regulation (EC) 1080/2006 on the European Regional Development Fund. This Regulation requires the appointment of a Lead Partner in each project during the 2007-2013 programming period. Article 20 of the ERDF Regulation (EC) No 1080/2006 sets out that:

*1. For each operation, a **lead beneficiary** shall be appointed by the beneficiaries among themselves. The lead beneficiary shall assume the following responsibilities:*

- (a) It shall lay down the arrangements for its relations with the beneficiaries participating in the operation in an agreement comprising, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid;*
- (b) It shall be responsible for ensuring the implementation of the entire operation;*
- (c) It shall ensure that the expenditure presented by the beneficiaries participating in the operation has been incurred for the purpose of implementing the operation and corresponds to the activities agreed between those beneficiaries;*
- (d) It shall verify that the expenditure presented by the beneficiaries participating in the operation has been validated by the controllers[i.e. first level controllers];*
- (e) It shall be responsible for transferring the ERDF contribution to the beneficiaries participating in the operation.*

*2. Each beneficiary participating in the operation shall:*

- (a) Assume responsibility in the event of any irregularity in the expenditure which it has declared;*
- (b) Inform the Member State in which it is located about its participation in an operation in the case that this Member State as such is not participating.*

The Lead Partner represents a key element in the management of the URBACT II projects. It bears overall financial and legal responsibility and its role is therefore critical to the success of a project.

The Lead Partner acts as an administrative link between the project and the programme, and its tasks are summarised below in accordance to the different phases of a project life:

- **Project creation**

- To complete, sign and submit the Declaration of Interest to the URBACT II Secretariat within the deadline fixed in the call for proposals, along with all requested annexed documents;
- To sign a subsidy contract with the Managing Authority concerning the development phase (phase I, see Fact sheets 2a and 2c);

- **project development**

- To be responsible for the development of the project during the development phase: finalising the partnership, organising the work among the partners, completing the baseline study, gathering all documents requested from the partners in order to proceed to the submission of the Final Application, completing the Final Application (including the budget, the definition of the outputs, of the methodological framework and work programme);
- To submit the Final Application to the URBACT II Secretariat, along with all requested annexed documents, at the end of the development phase (including the Joint Convention signed by all partners);
- To sign a subsidy contract with the Managing Authority for the total amount of the subsidy for the Development phase;

- **Project implementation**

- To sign a subsidy contract with the Managing Authority for the total amount of the subsidy for the Implementation phase;
- To ensure the implementation of the work programme and the production of outputs as defined in the final application;
- To be responsible for the division of tasks among the partners involved in the project;
- To ensure the coherence between activities defined in the work programme and the allocated budget;
- To ensure an efficient internal management and control system;
- To ensure that partners' tasks are fulfilled in compliance with the Application Form, the Joint Convention and the Subsidy Contract;
- To request and receive payments of programme funding according to the procedures detailed in section 9 of this document;
- To transfer programme funding to the partners in compliance with the amounts reported in the progress report (according to the financial management system set

up – further details are available in section 7 of this document);

- To take part to the activities of the Thematic Pole to which the project will be assigned (which includes especially taking part to the Thematic Pole meetings – See Fact sheet 3a);
- To ensure participation to activities at Programme level (i.e. annual Lead Partner meetings, annual conference of URBACT cities, Thematic Regional Conferences, etc.)
- To ensure that the URBACT Local Support Groups are set up by each Project Partner ;
- To ensure production and dissemination of project's results and findings within the local authority administration and to local relevant stakeholders as well as to the wider community of European urban policy-makers and practitioners.

- **Project reporting**

- To deliver, within the deadlines, progress reports and all other required documentation to the Secretariat on behalf of the project, in compliance with section 9 below;
- To make sure that final progress report and final administrative closure report are submitted to the Secretariat within the administrative closure date of the project (further details are available in section 5 below).
- To ensure that the project's final outputs as defined in the Final Application shall be handed in to the Managing Authority/URBACT Secretariat in paper and electronic formats (both Word and PDF versions), and uploaded on the project's space on the URBACT website within 4 weeks after the final conference at the latest.

- **Project Communication**

When it comes to the project communication and dissemination, the Lead Partner's obligations are the following:

- To implement the communication plan presented in the Final Application Form in accordance with the guidance provided by the URBACT Secretariat in particular ;To ensure production and dissemination of project's results and findings within the local



authority administration, to the media, to local relevant stakeholders as well as to the wider community of European urban policy-makers and practitioners;

- To use the URBACT website as the main internet tool to communicate on the project and to regularly update the space dedicated to the project (once every 3 month minimum). The Project has to fill in all the editorial sections proposed in the mini-site frame. All the outputs produced by the Project have to be posted. All the external events have to be mentioned with the presentation of the conclusions;
- When it comes to the web-site, the project budget can finance only actions related to the use of the URBACT web-site. When it comes to collaborative tools and virtual platforms/ communities of practice, the project budget cannot finance any collaborative tool different from the one provided by the URBACT Programme on the official web-site;
- In public statements (reports, publications etc.) to point out that the project was implemented through financial assistance from funds of European Regional Development Fund within the framework of URBACT II Programme in accordance with Chapter II, section 1, of Commission Regulation (EC) No 1828/2006, and with URBACT II Programme Manual (See Fact sheet 6a – section 5 and Fact sheet 6b – section 10.2.). It must be clearly stated that the project has been co-financed by European Regional Development Fund through the URBACT II Operational Programme in addition to using the European flag and Programme logo and slogan.

### **1.1.2 Lead Partner's resources**

The Lead Partner bears several duties and responsibilities for ensuring the project's implementation. Particularly, the Lead Partner takes over the responsibility for management, communication, implementation and co-ordination of activities among the involved partners. As a consequence, the Lead Partner shall be supported by a team specifically in charge of implementing different tasks related to the Lead Partner Principle, mainly the coordination, implementation and communication of the project. The Lead Partner team shall ensure the implementation of the following activities:

- Project coordination: a coordinator shall be responsible for the organisation of the project's work, of the implementation of the work programme, of the production of all expected outputs as defined in the Application Form. The coordinator should be able to act as a driving force in the partnership and to mobilise the partners

in order to achieve the objectives laid down in the application within the given time. The coordinator should also ensure the relationship with the thematic experts, the thematic poles and the Secretariat. He/ she shall personally take part to the activities of the Thematic Pole to which the project will be assigned. He/ she shall ensure representation of the project in related communication/ dissemination events.

- Administrative and financial management: a financial manager is responsible for the accounts, financial reporting, the internal handling of ERDF funds and national co-financing. The financial manager should work in close contact with the coordinator and the partners in order to enable efficient financial management of the operation. The financial manager should be familiar with accounting rules, international transactions, EU and national legislation for the management of ERDF, public procurement and financial control. He/she shall deal with the on-line monitoring and accounting system PRESAGE-CTE (further details on PRESAGE –CTE are available in paragraph 1.1.3 of fact-sheet 6a "Programme management).
- Communication and dissemination: A person shall be responsible of the relationships with partners, the Secretariat (particularly the Communication manager) and other external institutions and organisations when it comes to communication and dissemination objectives; he/ she should also be in charge of the coordination and implementation of communication activities (newsletter, brochures, etc.), the coordination of dissemination actions (participation to conferences and events, production of dissemination tools, etc.), the respect and implementation of the publicity rules (See Fact sheet 6a). A webmaster shall be responsible of the management and update of the project's space on the URBACT II website.

It is strongly requested that the administrative and financial management be led internally by the Lead partner. In case of an externalisation, the External Assessment Panel will check the liability and the proximity of the external body with the Lead Partner administration. Yet the Lead Partner can in no way delegate the financial and legal responsibility for the project. All cases of externalisation of Lead Partner responsibilities should be informed directly to the URBACT Secretariat in order to ensure proper procedures have been established to avoid potential problems at time of audit. In all cases of externalisation a detailed contract should be established between the entities involved. This contract should clearly outline the responsibilities of each party and should also note the procedure for paying costs incurred for the project management. 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.

## **1.2 URBACT II partners**

The Lead Partner shall be administratively, legally and financially responsible for the project vis-à-vis the Secretariat/ Managing Authority. 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 on the mandatory Joint Convention in which the legal agreements between project partners 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 within the end of the development phase (phase I).

Being a project partner in URBACT II implies a strong commitment with regard to a series of role and tasks. These relate to:

- **Administrative tasks:**

- To provide all requested documents for the completion of the Declaration of Interest and Final Application;
- To sign the documents related to the creation and implementation of the project such as the Joint Convention and the letter of commitment;
- To provide the Lead Partner with the required information for the redaction of Progress reports;
- To account in PRESAGE-CTE the expenditure incurred by the Partner's institution in the framework of its participation to the project;
- To set up and implement the first level control (certification of the expenditure) and to submit the signed certificate and statement of expenditure to the Lead Partner within the fixed deadlines.

- **Project development:**

- To contribute to the realisation of the baseline study
- To contribute to the elaboration of the Final Application, including the work programme and the definition of outputs.

- **Project implementation:**

- To contribute to the implementation of the work programme and to the production of expected outputs in compliance with the calendar and methodological framework defined in the Final Application;
- To set up an URBACT Local Support Group (See Fact sheets 2a, 2b and 2c), which shall contribute to the project activities and allow for an impact of these activities on local policies, especially through contributing to the production of the Local Action Plans;
- To actively take part to the exchange and learning activities such as project seminars, site visits, peer reviews, etc., by preparing input, sending delegates who are in a position to contribute to the exchange (both in terms of language skills and content), by ensuring reporting back to the URBACT Local Support Group, etc.
- To produce the outputs expected from each partner as defined in the Final Application (especially case studies and the Local Action Plan) and contribute to the production of all collective project outputs.

### **1.3 Beneficiaries from Norway and Switzerland**

Beneficiaries from Norway and Switzerland shall be financed up to 50% by the national funds of the respective countries. The refunding system of Norway and Switzerland shall be managed directly by them, without involving the Programme institutions for what concerns the control and payment procedures.

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

Beneficiaries from Norway and Switzerland can act as "Functional Lead Partner". The financial liability of the operation in this case remains with a formally appointed "Financial Lead Partner" coming from any EU Member State.

## 2 Calls for proposals and applicants pack

When a call for proposals is launched, the Secretariat provides the applicants with the official forms and additional information for the submission of the required documents. The calls for proposals shall be published on the URBACT web-site.

### **2.1 Calls for proposals**

In the call for proposals, the following information shall be available:

- Opening and closing dates of the call;
- Thematic coverage;
- Assessment criteria for Declarations of Interest;
- Assessment criteria for Final Applications to be submitted at the end of the Development phase;
- Procedure for the creation and selection of URBACT II projects;
- Information on project development (i.e. beneficiaries and partnerships, expertise, work programme, expected outputs, financial matters)

### **2.2 Applicants pack**

In addition to this, each call for proposal shall include an applicants pack containing:

- Template for Declaration of interest and Template for Final Application (including structure of the work programme and financial tables)
- 2 models of Letters of Commitment (one for the Lead Partner and one for partners)
- 2 models of Subsidy Contract (one for phase I and one for phase II)
- Model of Joint Convention
- Model of audit trail
- Guide for Applicants
- Note on selection procedure and External Assessment Panel

## 3 The legal framework

### 3.1 Subsidy Contract

Article 20.1 of Regulation (EC) No 1080/2006 sets out that a final beneficiary shall be appointed for each operation.

This final beneficiary, or Lead Partner, shall be responsible for ensuring the implementation of the entire operation. In turn, Article 15.2 of Regulation (EC) No 1080/2006 of the European Parliament and of the Council mentions that *"The Managing Authority shall lay down the implementing arrangements for each operation, where appropriate **in agreement with the lead beneficiary**"*.

Within the framework of URBACT II, the Lead Partner shall represent all project Partners towards the Managing Authority.

The latter shall sign a Subsidy Contract with the Lead Partner. This agreement stipulates the rights and obligations of the Lead Partner and serves as a basis for the checks carried out and for possible amicable and contentious disputes.

The subsidy contract defines, among others, the amount of the subsidy (i.e. ERDF funding), the deadlines for the submission of progress reports, the rules and procedures established for a correct implementation of the project.

Following the approval of the Declaration of Interest by the Monitoring Committee, a first Subsidy Contract shall be signed between the Lead Partner and the Managing Authority for the implementation of the development phase (phase I). This contract shall be the legal basis for the subsidy of the development phase and shall define the duties, responsibilities and obligations of Lead Partner and Managing Authority.

A second Subsidy Contract shall be signed between the Lead Partner and the Managing Authority after the approval of the Final Application by the Monitoring Committee, at the end of the development phase.

### 3.2 Joint Convention

The Joint Convention is a mandatory document in which the legal agreements between project partners in order to define their mutual cooperation are established formally. It is important that sound agreements are made between the Lead Partner and other partners, since the Lead Partner is ultimately responsible for the management of the

project. Such contracts are an important basis for a successful cooperation between all partners and form a solid foundation for the project implementation and financial management.

A standard model of Joint Convention shall be provided by the URBACT II Secretariat to the Lead Partner. It is highly important that the Lead Partner, in accordance with the project partners, adapts the document on the basis of the project structure and peculiarities.

The partnership agreement allows the Lead Partner to extend the arrangement of the Subsidy Contract to the level of each partner. Such an agreement should include the following information:

- role and obligations of the individual partners in the project implementation,
- financial (local) contribution of each Project Partner and related ERDF funding,
- a detailed budget allocation by budget category for each project partner
- budgetary principles (payment forecast, budget reallocation),
- type of project financial management (centralised or decentralised) and related roles/responsibilities of partners,
- financial management provisions for accounting, reporting, financial control, receipt of ERDF payments,
- liability in case of failures in project delivery and project spending,
- the partner's financial liability and provisions for the recovery of funds in case of amounts incorrectly reported and received by the partner,
- definition of timing and procedures for the refunding of ERDF from the Lead Partner to the Project Partners,
- information and publicity requirements,
- resolution of conflicts in the partnership,
- working language of the partnership.

The Joint Convention signed by all partners shall be submitted by the Lead Partner to the Secretariat together with the Final Application

### **3.3 Letters of Commitment**

The Letters of Commitment guarantee that each Lead Partner and Project Partner will provide a set amount of funding to the project. They are required for the full amount of co-financing. A template shall be available in the Applicants Pack.

## 4 Project budget and eligible costs

Both the Declaration of Interest and the Final Application shall include, among other documents, a detailed budget. The budget of the Declaration of Interest shall concern only the development phase (phase I) while the budget in the Final Application shall concern only the implementation phase (phase II).

The budgets must respect the formats as established by the financial tables included in the official templates (Declaration of Interest and Final Application), be clear and understandable, and be balanced (in terms of allocated funds towards actions and budget categories).

In order to face the charge of duties required by the project management (in terms of administrative and financial follow up, strategic management, dissemination and mainstreaming) the Lead Partner shall set up a dedicated team which represents also the referent contact point for the Secretariat (see section 1 "Roles and responsibilities of Lead and project Partners"). The project budget shall foresee the reasonable financial resources for the payment of personnel working at Lead Partner level in order to ensure a performing project implementation and management.

The experience from URBACT 2002-2006 has shown that the working load 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 II must involve a level of internal human resources corresponding to minimum 2 full-time posts for the project administrative management. It is strongly requested that the administrative and financial management be led internally by the Lead partner. In case of an externalisation, the External Assessment Panel will check the liability and the proximity of the external body with the Lead Partner administration. 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.

Realistic costs for management activities at Partner level should be taken into account to ensure an active engagement from all Partners.



In the project budget, two separate financial budget categories shall be dedicated to the following elements:

- In all networks and working groups a specific budget category shall be dedicated to the URBACT Local Support Groups (ULSG), with a minimum financial allocation of € 70.000 for Thematic Networks and €30.000 for Working Groups (as a total for phases I and II);
- Only in the thematic networks a specific budget category shall be dedicated to the participation of the Managing Authorities taking part to the network activities and especially to the milestones meetings, with a minimum financial allocation of € 40.000 (as a total for phases I and II).

The budget table in the Application Form foresees a sub-division into the following budget categories:

1) Project coordination (incl. Overheads)	General costs, administrative costs, legal costs, etc.
2) Personnel	Costs for the personnel employed by the partner/lead partner's institutions officially listed in the AF
3) Meeting organisation	Costs for the organization of meetings, conferences and seminars (venue, interpretation, catering, etc.)
4) Travel and accommodation	Costs for travel and accommodation of personnel and experts involved in project activities
5) Communication and dissemination	Costs for newsletter, brochures, other communication and dissemination tools
6) External expertise	Costs for external experts (excluding thematic experts)
7) Equipment	Small scale investments in equipment that is strictly necessary for the implementation of the project
8) ULSG	Costs for funding the ULSG (meetings, training sessions, etc.)
9) Managing Authorities	Costs for the participation of the Managing Authorities taking part to the network activities and especially to the milestones meetings

A budget reallocation within the 20% from a budget category to another shall be possible. A reallocation over 20% of the initial amount shall be possible only through a reprogramming procedure (see section 8 below) to be approved by the Monitoring Committee. The budget reallocation shall respect the ceilings applying to budget categories 8 and 9.

In the following sections a detailed 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 Secretariat recommends to follow as strictly as possible these indications in order to ensure a coherent and balanced budget. It could happen that some particular costs are justifiable in more than one category (e.g. the payment for a service provider working on the logistic organisation of a meeting could be accounted either in category 3 "meetings organisation" or in category 6 "external expertise"). In any case, all costs must be duly justified and the lead partner must take the responsibility of supporting any decision which could represent a slight deviation from the following indications.

#### **4.1 Project coordination**

Costs for project co-ordination comprise administrative costs that are incurred in relation to the overall management of the network project. They cover for instance legal fees (e.g. for partnership contracts), fees for bank guarantees, insurance fees, courier services, etc.

If the costs for project coordination exceed the 5% of the total budget, they need to be itemized in detail. Project coordination costs both within and above the 5% of the total budget, must be duly justified as explained below.

##### **4.1.1 Administration costs**

Administration costs may include cost items such:

- stationary
- photocopying
- mailing
- telephone, fax and internet
- heating, electricity
- office furniture, maintenance
- office rent
- other administration expenditure absolutely necessary for the successful completion of the operation and clearly resulting from project implementation

These costs may be direct or indirect general costs. While direct general costs can be identified as belonging directly to the project, indirect general costs (overheads related to the project activities) are calculated on a pro-rata basis.

Administration costs linked to services provided by external experts must be included in the budget category "External expertise".

#### **4.1.2 Reporting administration costs**

Administration costs have to fulfil the following criteria:

- To be eligible according to national rules and European regulations (in particular Regulations (EC) no. 1083/2006 Art. 56; no. 1080/2006 Art. 7; no.°1828/2006 Art. 48 to 53; Regulation (EC) no. 846/2009 amendment to Article 52 of Regulation (EC) no. 1828/2006);
- To be calculated on the basis of actual costs and capable of verification, i.e. based on factual elements in the accounting system which can be verified by an auditor. No lump sums, overall estimations or arbitrary keys are allowed.
- To show a direct link to the operation's activities;
- To have not already been financed from other EU-funds;
- To have not already been included in other budget categories or cost items.

In the case of indirect general costs (overheads related to the operation's activities) this means that the calculation is done pro-rata on the basis of the actual costs according to a duly justified, fair and equitable method that should remain the same during the whole implementation period. This means that the costs are charged to the operation to the extent that they represent a fair apportionment of the organisation's actual administration costs and have been necessary for the successful completion of the operation.

The allocation of the organisation's eligible administration costs to the operation could be done on the basis of the following keys (depending on which key reflects best the type of cost):

- the ratio "number of people working for the operation / number of people working in the organisation or department" or
- the ratio "number of hours worked on the operation / number of hours worked in total in the organisation or department"
- the ratio "surface used by the personnel working for the operation/surface of the organisation or department"

The Regulation (EC) no. 1828/2006 Art. 52 provides also the possibility to use an average rate, which, for operations approved before 13/10/2009, cannot exceed 25% of the costs which directly affect the level of the overhead (e.g. staff costs). This average rate should nevertheless be properly documented and periodically reviewed. For operations approved after this date the Regulation (EC) no. 1080/2006 and its amendment Regulation (EC) no. 397/2009 Article 7 (4) will apply.

In any case, when it comes to reporting these costs, it has to be demonstrated that the administration costs reflect only costs which:

- were really borne by the organisation, and
- were necessary for project implementation.

## **4.2 Personnel**

Budget category 2 involves personnel costs for the time that the Partner/Lead Partner's organisation's staff spends on carrying out the project activities in accordance with the Declaration of Interest and the Final Application (full-time or a certain percentage of total working time).

The persons whose staff costs are budgeted and later on reported must be directly employed by the Partner/Lead Partner's organisation officially listed in the Declaration of Interest and the Final Application (e.g. internal project coordinator, financial manager, etc.; in compliance with country specific control requirements). If there are several people working on the project implementation their names should be communicated to the URBACT Secretariat via e-mail in order to ensure that their costs can be considered eligible.

It is strongly requested that the administrative and financial management be led internally by the Lead partner. In case of an externalisation, the External Assessment Panel will check the liability and the proximity of the external body with the Lead Partner administration. 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.

### **4.2.1 Reporting staff costs**

While for budgeting purposes, it is possible to use average rates and estimates, the reporting of staff costs has to follow the principles outlined below:

- the calculation has to be based on the actual salary rate (employee's gross salary + employer's charges in accordance with the national legislation) of the individual employee who is actually involved in the

project activities. The calculation excludes any administration overheads.

- if the staff is working less than 100% of its actual working time for the operation, the calculation must be based on the hourly rate resulting from the actual salary rate divided by the total number of hours worked by the staff member for the Partner/Lead Partner's institution (as registered in institution's time recording system). This hourly rate is then multiplied by the number of hours actually worked on project activities.
- staff costs must be supported by documents that permit the identification of the employment relationship with the Partner/Lead Partner's organisation (working contract), for staff already employed by the partner organisation, an internal note signed by the employer delegating responsibility for the work on the project to the people listed in the application, the real costs by employee (pay slips, payment proofs, calculation evidence for the determination of the staff time value/hourly rate), the overall working time (time recordings) and the time spent on carrying out activities in the context of the operation (record of tasks, project specific time sheets). It is important that salaries paid to employees can be traced back to the real payment. The audit trail is timesheet to show hours worked on the project (template available), payslip provided to the employee and proof of payment i.e bank statement, payroll document etc.

Staff costs are considered as a cash contribution (and not in-kind contribution) as they are actually paid by the partner institution.

### **4.3 Meetings organisation**

This budget category shall include an estimation of the costs for the logistic organisation of events, seminars, workshops, conferences in the framework of the project activities.

Costs to be accounted in budget category 3 can be related to hiring the venue, rental of equipment, documents, translators and interpreters and meals if not covered by daily allowances. The fees of trainers, speakers, facilitators should be mentioned under the "external expertise" header.

For each event, the budget description shall clearly specify the purpose, target group, location, duration, number of participants, and number of languages in which interpretation is provided.

Whenever the logistic organization of an event implies a purchase of services, goods, equipment, etc., public procurement rules must be adhered to, including European public procurement rules as well as the relevant national and internal rules of the partner responsible for

subcontracting. Further details are available below within the section “public procurement”.

#### **4.4 Travel and accommodation**

This cost category refers to travel and accommodation costs for personnel and experts related to their participation in meetings, seminars, conferences taking place on the territory of the URBACT II Operational Programme. Any trip must be clearly motivated by the project activities and necessary for the successful project implementation. All proof of travel must be provided to certify the costs incurred i.e boarding passes, train tickets etc. The most economic form of travel must be adopted.

Travel and accommodation costs for partners for travelling outside the territory of the URBACT II Operational Programme can be eligible. If partners plan to do trips outside the territory of the URBACT II Operational Programme, it is important to specify them already in the budgets included in the Declaration of Interest and in the Final Application. Costs for such trips may only be reported if they:

- either result from meetings with partners outside the territory of the URBACT II Operational Programme that are officially listed in the Declaration of Interest/Final Application and/ or
- are explicitly mentioned and justified in the Declaration of Interest/Final Application.

Travel and accommodation costs for partners from countries outside the territory of the URBACT II Operational Programme travelling to the territory of the URBACT II Operational Programme can also be co-financed from ERDF in the context of the project if the costs are budgeted, paid and definitely borne by one of the partners inside territory of the URBACT II Operational Programme.

Travel and accommodation costs should be budgeted taking account of the national and/or internal rules of the respective Partner/Lead Partner’s organisation for reporting these costs later on. As a general rule the most economic way of transport and accommodation has to be chosen. Daily allowances for travel and accommodation are possible as long as the allowance is actually paid by the Partner/Lead Partner’s body to the employee and this is in line with the national or institutional conditions set for this Partner/Lead Partner’s body.

Allowances are intended to cover accommodation, meals and sundry expenses. Per diem rates shall not exceed those paid to experts on missions undertaken in the course of an EC-funded external aid contract. For the effective rate (related to the State where the mission is undertaken) the partner’s institution shall refer to:

[http://ec.europa.eu/europeaid/work/procedures/implementation/per\\_dies/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/per_dies/index_en.htm)

## **4.5 Communication and dissemination**

Taking into account that the final phase of a project life has to be dedicated to the production and dissemination of results, it is highly important to structure this budget category on the basis of a solid communication and dissemination strategy which can be implemented through the whole project duration.

Here the budget description should specify the nature of promotion activities, publications communication and dissemination tools that must be justified in relation to the project activities.

For each important communication and dissemination activity, the budget line's description shall provide information on the target group, tools, expected outcome, deliverables, etc.

For each important publication, the budget line's description shall specify the purpose, target group, number of copies, language(s) used, etc. It shall also indicate the total budget per document including costs for editing, translation, printing, mailing, etc.

Costs for personnel in charge of communication and dissemination shall be accounted either in budget category 2 "personnel costs" (if they are directly employed by the Partner/Lead Partner's organisation) or in budget category 6 "External expertise" (if they are external service providers, see section "External expertise" below).

When it comes to general project management and implementation, the Lead Partner's shall use the URBACT website as the main internet tool to communicate on the project and to regularly update the space dedicated to the project (once every 3 month minimum).

When it comes to the web-site, the project budget can finance only actions related to the use of the URBACT web-site.

When it comes to collaborative tools and virtual platforms/ communities of practice, the project budget cannot finance any collaborative tool different from the one provided by the URBACT Programme on the official web-site.

## **4.6 External expertise**

### **4.6.1 General rules**

The term "external expertise" is applied to expenses paid by the partners on the basis of :

- contract/agreement and
- invoice/request for reimbursement

to external service providers who carry out certain tasks for the project because the partners lack the skills and/or resources to carry them out themselves.

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),
- 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),
- studies and surveys.

This budget category does not concern expertise fees for the URBACT II thematic experts since their payments are managed directly by the Programme (See Fact sheets 2a and 2c). Nevertheless, the travel and accommodation costs of URBACT II thematic experts, which should be borne by the project budget, must be accounted in budget category 4 “travel and accommodation”.

Each contract should be detailed including its content, total budget, expected outcomes and the procedure for selection of contractor.

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 budget line description shall specify the nature of external expertise.

#### **4.6.2 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.

The Lead Partner is responsible for compliance with public procurement requirements for the entire partnership. It is therefore strongly recommended to include this issue in the Joint Convention. Projects which cannot document compliance with European, national and their internal public procurement rules risk losing ERDF and/or Norwegian/Swiss funding.

#### **4.7 Equipment**

In the context of URBACT II, this category usually refers to IT equipment such as a computer or a printer necessary for project coordination and financial management purposes. The purchase has to respect public procurement rules. The equipment features/functions should be in line with the actual context of use. Due to the nature of the URBACT II projects, cost for equipment shall be moderate and clearly justified in the Declaration of Interest/Final Application.

Equipment costs that have been initially planned in the Declaration of Interest/Final Application can be reported only for items that:

- have not already been financed by other subsidies (e.g. EU, national or regional) and
- have not already been depreciated
- are not already included in another category (e.g. budget category 1 "project coordination")
- are strictly necessary to the project implementation.

Generally, the purchase should be done well before the end of the project.

The amount for equipment has to reflect the actual use of these items in the context of the project. If it is not exclusively used for project purposes, only a share of the actual cost can be allocated to the project. This share has to be calculated according to a fair, justified and equitable method.

An inventory of the purchased items as well as the documentation of the method for reporting them has to be kept for accounting, control and audit purposes.

As the purchase of equipment cannot be a core element in an URBACT II project, it should remain exceptional.

## **4.8 URBACT Local Support Groups**

In order to allow for an effective impact of project activities on local policies, each partner in a project shall set up an URBACT Local Support Group. The activities related to the URBACT Local Support Groups shall be financed only in this budget category. In order to cover the costs required by the setting up and functioning of the URBACT Local Support Groups, this budget may be split into some sub-categories such as:

- meetings and seminars,
- organisation of training sessions for the group members (for capacity building purposes),
- travel and accommodation for LSGs members to participate in project meetings,
- communication and dissemination for products connected to LSGs activities and local dissemination

This budget can be used only for the purposes of the URBACT Local Support Groups.

There should be a specific budget category dedicated to this item in each project budget. For the Thematic networks, the specific budget category dedicated to the URBACT Local Support Groups must have a minimum financial allocation of € 70.000 and €30.000 for Working Groups.

The accounting and reporting procedures for costs related to the URBACT Local Support Groups must follow the rules outlined above for each specific item.

## **4.9 Managing Authorities**

Only for thematic networks, a specific budget category shall be dedicated to the participation of the Managing Authorities taking part to the network activities and especially to the milestones meetings, with a minimum financial allocation of 40.000 €.

This budget category shall cover mainly the costs for travel, accommodation and subsistence incurring for the participation of the Managing Authorities to the network's activities along the project's life. The accounting and reporting procedures for costs related to the participation of the Managing Authorities must follow the rules outlined above for each specific item.

#### **4.10 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 1083/2006, Art. 56,
- Regulation (EC) No 1080/2006, Art. 7;
- Regulation (EC) No 1828/2006 Articles 48 to 53 and
- the rules laid out in the Technical Working Document
- the calls for proposals.

In this context, the following points should be highlighted:

##### **4.10.1 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.

##### **4.10.2 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. Fines, financial penalties and foreign exchange losses are not eligible.

##### **4.10.3 In-kind contribution**

In kind contribution is regulated by Art. 51 of Regulation (EC) No 1828-2006. Staff costs for personnel working in the Partner/Lead Partner's institution on the basis of an employment contract and receiving a regularly salary do not count as in-kind contribution, but as a cash contribution, since the staff is actually paid by the Partner/Lead Partner's institution.

##### **4.10.4 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.

#### **4.10.5 Expenditure already supported by other EU or other national or regional subsidies**

Expenditure which is already co-financed from another EU-funding source is not considered to be eligible cost in the context of the URBACT II projects. If an expenditure item is already fully supported by another national or regional subsidy, it is also not considered eligible as it would result in double-financing.

Additional detailed information concerning the different budget categories as well as the minimum criteria for the creation of a balanced and coherent budget can be found in the calls for proposals.

#### **4.10.6 Partners Budgets**

The Lead Partner is responsible for outlining the eligible programmed budget per partner in the Joint Convention. This should be in line with that approved in the final application form section 11.1. If there are differences due to shared costs these should be explained in the Joint Convention.

As outlined in the Subsidy Contract (except projects approved for Call 1) the partner budget as programmed in the approved application form cannot be exceeded. Should any changes to this budget be required, the Lead Partner is required to explain these changes and seek approval prior to their implementation.

## 5 Eligibility period

### 5.1 General rules

For the development phase, projects' costs are eligible only from the date of approval of the Declaration of Interest by the Monitoring Committee.

For the implementation phase, projects' costs are eligible from:

- the date of approval of the Final Application by the Monitoring Committee

The project's eligibility period shall last until the end of the 3 months following the project closing date indicated in the approved Declaration of Interest/Final Application.

The maximum duration of a project (which does not include the additional 3 months following the project closing date indicated in the Application Form) includes phases I and II of the project, and shall be calculated from the starting date of the eligibility period.

During the 3 months after the closing date indicated in the Declaration of Interest/Final Application, the project shall do the administrative and financial closure and submit all the required documents (last Progress reports, last certificates and statements of expenditures, last payment claim, final report, final administrative closure report).

Shall be considered eligible to be refunded with ERDF only expenditures:

- linked to activities implemented between the project's starting date and the closing date (as indicated in the Declaration of Interest/Final Application), or concerning the administrative and financial closure of the project;
- actually paid and certified by the Partners/Lead Partner and included in the certificates and statements of expenditures issued by the Partners/Lead Partner within the 3 months following the project closing date (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. The date when the invoice was issued, recorded or booked in the accounting system does not count as payment date).

It is important that in the redaction of the project work programme, Project Partners and Lead Partner take into consideration that all payments have to be made, certified and included in the certificate of the Partners/Lead Partner before the end of the last 3 months dedicated to the administrative and financial closure of the project.

According to Regulation (EC) 1083/2006 Article 56, the programme has to end on 31 December 2015. URBACT II projects thus have to end by 31 September 2014 at the latest (excluding the 3 months for the administrative and financial closure) so that there is sufficient time for the submission and monitoring of the projects' last reports and for the Secretariat/Managing Authority to close the programme in 2015.

## **5.2 Funding for the Development phase (phase I)**

Considering the charge of work of the Lead Partner and initial core Partners during the period dedicated to the development of the project and to the completion of the Final Application, the costs incurring during the development phase shall be considered eligible to be refunded regardless of the approval of the Final Application by the Monitoring Committee.

At the end of the development phase, only Project Partners and Lead Partners which are based in Member States who:

- have signed the Memorandum of Understanding with the Managing Authority,
- have submitted a description of the control system which has received an unqualified opinion by the Audit Authority,

shall be considered eligible to be involved in phase II of the project. Project Partners and Lead Partners whose Member States have not accomplished the above mentioned requirements before the submission of the Final Application, can not be refunded with ERDF for the costs incurred during their participation in the project development phase (phase I).

The maximum total eligible costs shall be 75.000 € for Thematic Networks and 50.000 € for Working Groups.

This budget should also foresee a reasonable allocation to finance the creation and the first activities of the URBACT Local Support Groups during the development phase.

## 6. The payment forecast

Programmes need to know how much will be claimed and when for two purposes.

1. According to Article 75 of Council Regulation (EC) No 1083/2006, every year on 30 April, the Secretariat has to provide the European Commission with a spending forecast.

2. The URBACT II programme financial tables indicate the ERDF allocations per year, which have to be spent within a certain time frame or will otherwise be lost (decommitment rule).

### **6.1 Payment forecasts**

The projects' payment forecasts (as part of the financial tables in the Final Application) give information on the contribution each project will make towards meeting the financial targets each year. If sufficient ERDF commitments are made already at an early stage of the programme and the projects report as forecasted, the programme should not have any major problems in meeting these targets.

### **6.2 The decommitment Rule (n+3/n+2)**

At the beginning of every year the Commission allocates a certain ERDF amount to the URBACT II programme. According to Article 93 of Council Regulation (EC) No 1083/2006, for the allocations of the years 2007 to 2010, the ERDF amounts have to be spent within four years of the year when it is committed (n+3, where 'n' is the year of commitment)

For the allocations of the years 2011 to 2013, the ERDF amounts have to be spent within three years of the year when it is committed (n+2).

Any of these allocations which at the end of 3/2 years are not covered by programme expenditure will be lost. If this loss results from certain projects lagging behind their spending targets, the programme will be obliged to reduce the budget of these projects. Therefore, the payment forecast becomes part of the Subsidy Contract.

The first year of potential decommitment for the URBACT II programme is 2010.

The spending forecasts should take into consideration the following elements:

- the reporting periods run from January to June and from July to December each year.
- the spending forecast should be an estimation of the actual payments to be done in a certain period. Therefore, it only partly reflects the activities taking place in a certain period. Indeed, if an

activity is carried out close to the end of a reporting period, the related payment risks to be done only in the following period and the costs should thus be budgeted only for the following reporting period.

Projects will be monitored on the basis of the payment forecast. If the programme does not meet its annual spending target because some projects are lagging behind their spending forecast or do not report in full and in time, it is likely that these projects will lose funds. It is therefore important that projects:

- carefully prepare a realistic spending forecast in the Final Application (financial tables),
- are ready to start project implementation very quickly after project approval,
- monitor this effectively during implementation and
- ensure regular, timely and full reporting.

## 7 Project financial management

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

There are three main types of administrative and financial management:

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

### **7.1 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 PRESAGE-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 PRESAGE-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 the majority of the expenditure.

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

- the respect of the eligibility rules and requirements for ERDF funded expenditure defined by the EU regulations,
- the respect of national eligibility rules,
- a detailed description of the chosen system in the Audit Trail and 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 valorisation of staff contributions;
- the creation and funding of the URBACT Local Support Groups by all Project Partners
- Records are kept about the costs incurred on behalf of project partners and these shared costs are presented at each 6-monthly reporting period (except Call 1 when this information will be supplied in the final reporting period) using the Financial Contributions Summary sheet supplied for this purpose.

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. This can be done either through a direct payment or through a reimbursement of the costs paid by the partners. It is not acceptable that partners pay for some costs and the Lead Partner accounts those costs in PRESAGE-CTE without having previously refunded the partners for 100% of their costs.

For this reason, the Lead Partner shall centralize all financial contributions of its partners according to the amounts indicated in the letters of commitment.

In a centralized system, the Lead Partner pays and becomes responsible of 100% of the project's expenditure. For this reason, the first level control on the expenditure shall be done only at the level of the Lead Partner.

## **7.2 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 in PRESAGE-CTE its own expenditures. The first level control on the expenditure shall be done at the level of each partner.

Since in the framework of the URBACT II Programme there are not "partner budgets" (in fact each project has a unique budget that is made up by all local, national and ERDF contributions), this system requires an effective follow up by the Lead 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. This must be sent within 2 months after the end of each six-months reporting period to allow the Lead Partner to produce a global payment claim within the fixed deadlines;
- 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% in each budget category).

In order to guarantee the contribution in staff by the Project Partners and the funding of the URBACT Local Support Groups at Project Partners' level, a mixed system could be assumed. If this is the case, the majority of expenditures will be managed by the Lead Partner while the expenditures incurring by the Project Partners (e.g. contributions in staff and costs for the URBACT Local Support Groups) shall be accounted in PRESAGE-CTE by the Project Partners and certified by the designated first level controllers at Project Partners' level.

Both in a centralised, decentralised and mixed financial management system, the Lead Partner shall be able to inform the Secretariat on:

- the level of ERDF underspending;
- systemic or non-systemic irregularities found at partners' level;

- weak management and control systems set up at partners' level;
- other information which could be relevant to the well functioning of the project management and control system.

### **7.3 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 Support Groups) shall be accounted in PRESAGE-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 and the Financial Contributions Summary Sheet shall be completed for each 6-monthly reporting period (except projects from Call 1 when this information will be supplied in the final reporting round) to allow a correct calculation of ERDF payment for each partner..

## 8 Reprogramming of the Final Application

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. The URBACT II Secretariat is responsible for the practical administration of changes within the running operations.

All minor changes (e.g. change in contact information, rescheduling of activities, small budget deviation) shall be reported to the Secretariat through the six-month progress report.

Any major changes related to partnership (e.g. drop out or replacement of partners), to activities (e.g. extension of duration) and to budget should as much as possible be avoided. However, when duly justified, these changes may be approved by the Monitoring Committee through a reprogramming procedure.

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

### **8.1 Reprogramming procedure**

All major changes can be done through a reprogramming procedure. There shall be one reprogramming session per year, normally in

September. In case of specific extraordinary reasons, additional reprogramming sessions shall be allowed.

The deadline for the submission of the reprogramming proposals by the Lead Partner shall be fixed each year by the Secretariat according to the date of the last Monitoring Committee meeting of the same year. In case a new partner is replacing a dropout partner, a letter of commitment from the new partner has to be attached to the reprogrammed Application Form. Whenever a new partner replaces a dropout partner, the Secretariat shall verify the eligibility of the new partner.

The change enters into force only when the official notification is sent to the Lead Partner.

## **8.2 Flexibility rule**

During the life of the project, there could be the need to revise the project financial tables. The URBACT II Programme gives some budget flexibility, keeping in mind that:

- changes in budget categories are allowed as long as the maximum amount of ERDF, Norwegian and Swiss funding awarded remains the same;
- the project is entitled to exceed or reduce the budget categories up to maximum 20% of each budget category concerned (respecting the ceiling foreseen for budget categories 8 and 9).

The annual payment forecasts of a project (see section 6 of fact-sheet 6b of this Programme manual) can be modified, under condition that changes in the spending forecasts requested through a project reprogramming submitted on year N affect the annual forecasts of years N and following. If the reprogramming is submitted in the framework of an extraordinary reprogramming session after the 30 September of year N, the change of annual forecasts can affect only years N+1 and following. The last year of project implementation, the annual payment forecasts cannot be modified.

# 9 Certification of expenditures and progress reports

## **9.1 Reporting**

The project duration is subdivided into six-month periods running from

- January to June
- July to December

For each six-month period, one progress report has to be submitted to the Secretariat. This procedure shall be done by the Lead Partner directly on the web-based monitoring and accounting system PRESAGE-CTE (unless other procedures are exceptionally established by the Secretariat). All documents should be submitted in original format, in exceptional circumstances and with prior agreement it can be possible to accept scanned versions. The progress report has to be filled in electronically, printed, signed and sent to the Secretariat within three months after the end of the reporting period i.e.

- within the 30 September for the reporting period January to June
- within the 31 March for the reporting period July to December

Exceptionally, only for the project's development phase, the reporting period shall be unique and shall cover the entire duration of phase I. The progress report for phase I shall be submitted within three months from the end of phase I (e.g. in the case of a thematic network, phase I lasts 6 months and the unique progress report shall submit within three months after the six-month phase).

The progress reports have to be done using the format available in PRESAGE-CTE. Any other format will not be considered acceptable by the Secretariat unless required by the Secretariat itself in exceptional situations.

The reporting procedure can be summarised as follows:

- a) Each Project Partner sends to the Lead Partner the relevant information for the redaction 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 PRESAGE-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 printed, signed and sent to the Secretariat 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 it and if necessary shall send clarification requests to the Lead Partner. Once all points have been clarified, the report is approved.

## **9.2 Accounting of the expenditure**

During implementation phase, the certificates and statements of expenditure have to be filled in electronically, printed, signed and sent to the Secretariat within three months after the end of the reporting period i.e:

- within 30 September of year N for the expenditure paid before 30 June of year N
- within 31 March of year N+1 for the expenditure paid before 31 December of year N

In addition, an extra claim round is possible i.e:

- within the 31 November of year N for the expenditure paid before 31 October of year N

The accounting and certification of expenditures shall be done through PRESAGE-CTE.

Each Project Partner, Lead Partner and first level controller shall be provided by the Secretariat with personal login and passwords to have access to the system. Additional details on the procedures to obtain the login and password can be found in section 1.1.3 of fact sheet 6a and shall be available in the guidelines for the use of PRESAGE-CTE.

The basic and fundamental principle is that every partner and Lead Partner can declare in PRESAGE-CTE ONLY the expenditure paid by itself. The Lead Partner cannot account in PRESAGE-CTE the expenditure paid by other partners on the basis of copies of invoices and internal statements (unless the Lead Partner has previously refunded 100% of the expenditure to the partners).

If a Lead Partner accounts in PRESAGE-CTE the expenditure of its partners without having previously refunded 100% of the expenditure to the partners, the Lead Partner does not comply with the requirements of Article 16 of Regulation (EC) 1080/2006 that clearly states the responsibility of each Member State on its own expenditure.

Each Partner and Lead Partner shall enter into PRESAGE-CTE the expenditures paid by its own institution. All expenditures entered into PRESAGE-CTE must have been paid for project activities and be supported by all the required documents. Particularly, expenditure can only be accounted in PRESAGE-CTE if the following principles are fulfilled:

- The calculation is based on actual costs;
- 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. 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.

The accounting process in PRESAGE-CTE can be done regardless the deadlines of the six-months reporting period. 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 (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. The date when the invoice was issued, recorded or booked in the accounting system does not count as payment date).

When some new expenditure has been entered in PRESAGE-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 its side. The Lead Partner shall check the new expenditure in PRESAGE-CTE before giving its validation. The Lead Partner has the right to require additional information or to ask for some corrections. After the validation by the Lead Partner, the expenditure can be certified by the Partner's first level controller.

### **9.3 Accounting rules**

The accounting of the expenditure by Project Partners and Lead Partner shall be made in EUR. If the project activities imply that some expenditure should be paid in a different currency, the Partner's institution accounting the expenditure shall convert the expenditure into EUR using the monthly accounting exchange rate of the Commission in the month during which the expenditure has been paid, according to article 81 of Regulation (EC) 1083/2006 (keeping in mind that expenditure is considered to be paid when amount is debited from the partner institution's bank account).

The official EC rate is published electronically each month at:  
<http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>

Concerning exchange rate calculations the Lead Partner or Project Partner is responsible when entering the expenditure for outlining the calculation

method. There should always be a reference to the original invoice amount and to the rate used. This should be made in the comments box and will facilitate the certification of the costs.

The Lead Partner and the Project Partners must ensure that all accounting documentation related to the project is available and filed separately. It is the Lead Partner's responsibility to ensure an adequate audit trail which implies that the Lead Partner has an overview of

- who paid
- what was paid and
- who verified
- where the related documents are stored.

The Lead Partner must ensure that all partners store the documents related to the project in a safe and orderly manner at least until 31 December 2020 (i.e. a period of three years following the closure of the programme) if there are not national rules that require an even longer archiving period. The documents are archived either as originals or as certified copies (in compliance with national regulations).

#### **9.4 Certification of the expenditure**

In a centralized system, the Lead Partner pays and becomes responsible of 100% of the project's expenditure. For this reason, the first level control on the expenditure shall be done only at the level of the Lead Partner.

In a decentralized/mixed system, every project partner spends and accounts in PRESAGE-CTE its own expenditures. The first level control on the expenditure shall be done at the level of each partner.

Only the expenditure that has been validated by the Lead Partner can be certified by the first level controller of the Project Partner. The certification of the expenditure shall be done through PRESAGE-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 16 of Regulation (EC) 1080/2006).

The procedures for the certification of expenditure shall be outlined in the guidelines for the use of PRESAGE-CTE.

In addition, the Partners/Lead Partner's first level controller 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 PRESAGE-CTE.

The signed certificates and statements of expenditure produced by the Partner's first level controllers shall be sent to the Lead Partner together with the inputs for the progress report. These documents shall be sent to the Lead Partner within 2 months after the end of each six-months reporting period. Only for the extra-ordinary session of certification of expenditure scheduled for November of each year, the partners shall submit to the Lead Partner their certificates within 2 weeks after the end of the extra claim period (i.e. two weeks after 31 October). In the extra claim period, no progress report is required.

Within 3 months after the end of each reporting period and within 1 month after the end of the extra claim period, the Lead Partner's first level controller shall produce its own 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 .

The signed certificates and statement of expenditure (including the annexed summary tables) and the global project payment claim shall be sent by the Lead Partner to the Secretariat together with the filled in and signed progress report (except for the extra claim round for which no Progress report has to be submitted) and the Financial Contributions Summary (except for project which have selected a decentralised management systems). These documents shall be sent to the Secretariat within 3 months<sup>28</sup> after the end of each reporting period (see also paragraph 9.1 "reporting") and within 1 month after the end of the extra claim period.

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

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<sup>28</sup> According to art. 16 of Regulation (EC) No 1080/2006, during the implementation of the first level control "each Member State shall ensure that the expenditure can be validated by the controllers [i.e. first level controller] within a period of three months". For this reason, each Member State and Partner State shall ensure that the expenditures can be validated by the first level controllers in a due time after receipt of documents in order to allow the Lead partner to submit the progress report within 3 months after the end of each reporting period and the Managing Authority (through the URBACT II Secretariat) to declare regularly expenditure to the Commission. For this purpose, the first level controllers of the Project Partners shall submit a signed certificate and statement of expenditure to the Lead Partner within 2 months after the end of each six-months reporting period.

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.

## **9.5 Accounting documents**

The following list gives an overview of the documents that should be available for financial control and audit purposes and retained at least until 31 December 2020:

- approved Declaration of Interest;
- approved Final Application;
- Subsidy Contract (one for phase I and one for phase II);
- Joint Convention;
- Letters of Commitment;
- Partners' audit trail documents (including modifications incurred during the project duration);
- relevant project correspondence (financial and contractual);
- Progress Reports (with activity and financial information);
- Signed certificates and statements of expenditure (including annexed summary tables);
- 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;
- method used by all partners outside the EURO-zone for converting national currency into EUR;
- 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 administrative costs, proof and records of costs included in overheads;
- 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.

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.

## 10 ERDF Refunding

### **10.1 Development Phase I Refunding**

For Development Phase I 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 11 of this Factsheet concerning project closure.

For such projects one ERDF refund will be made based on the real declared expenditure by partner. The Lead Partner should provide a financial contributions summary which should outline the real contributions from each partner, including any cash transfers for 'mixed' management projects.

Based on this information, the URBACT Secretariat will calculate the amount of ERDF due to the project. In accordance with Factsheet 6b section 1 the Lead Partner will be responsible for transferring the correct amount of ERDF to the project partners.

Once the transfers have been made the Lead Partner is required to input this information into the Presage-CTE system.

### **10.2 Implementation Phase II**

For Implementation Phase II projects which have a longer timeframe, several reporting rounds will be held as outlined in section 9 of this Factsheet.

#### **10.2.1 – Projects from Call 1**

Each interim reporting period will be treated by the URBACT Secretariat and will be paid based on the average project intervention rate. In accordance with Factsheet 6b section 1 the Lead Partner will be responsible for transferring the correct amount of ERDF to the project partners.

At the end of the project, the final reporting documents will be produced by the Lead Partner in accordance with section 11 of this Factsheet. The Lead Partner should provide a financial contributions summary which

should outline the real contributions from each partner, including any cash transfers for 'mixed' management projects.

Based on this information, the URBACT Secretariat will calculate the amount of ERDF due to the project. The final payment will be calculated based by taking the amount of ERDF due to the project minus the amount already paid.

Should the amount already paid to the Lead Partner be more than what is due, the Lead Partner is required to repay the difference.

For those projects operating a decentralised system it is possible to pay based on the real incurred costs per partner for each period and when possible this will be done.

### **10.2.2 – Projects in Call 2**

Each interim reporting period will be treated by the URBACT Secretariat and will be paid based on the real costs incurred by each partner using their approved intervention rate. In accordance with Factsheet 6b section 1 the Lead Partner will be responsible for transferring the correct amount of ERDF to the project partners.

Each interim reporting period will be treated by the URBACT Secretariat and will be paid based on the certified costs per project partner. The Lead Partner will be responsible for transferring the correct amount of ERDF to the project partners. 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 financial contributions summary 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.

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.

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

In accordance with Factsheet 6b section 1, 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 Presage CTE. A guide on how to do this is available. 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 Presage 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 Presage system.

## 11 Project closure

### 11.1 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 PRESAGE-CTE. It should summarise all the completed activity and note 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 PRESAGE-CTE;
- **Final Certificates and Statements of Expenditure**  
The final certificates and statements of expenditure shall be produced through the PRESAGE-CTE system 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;
- **Financial Contributions Summary**  
A summary of the contributions and costs from all partners shall be completed including any cash transactions which have occurred for a 'mixed' management project;
- **Project's final outputs**  
The project outputs as defined in the Declaration of Interest/Final Application shall be handed in to the URBACT II Secretariat in paper and electronic formats, and uploaded on the project's space on the URBACT website.

All of these documents shall be submitted to the URBACT II Secretariat no later than 3 months after the project's official end date (indicated in the Declaration of Interest/Final Application).

## **11.2 Financial and publicity requirements**

In addition to this, with regards to project closure, it is important to be aware of the following points:

- End date for the eligibility of expenditure. Shall be considered eligible to be refunded with ERDF only expenditures:
  - linked to activities implemented between the project's starting date and the closing date (as indicated in the application form),
  - actually paid and certified by the Partners/Lead Partner's institution and included in the certificate and statement of expenditures issued by the Lead Partner within the 3 months following the project closing date (expenditure is considered to be paid when amount is debited from the Partners/Lead Partner's institution's bank account. The payment is usually proven by the bank statements. The date when the invoice was issued, recorded or booked in the accounting system does not count as payment date).
- Information and publicity requirements (see also section 5 of fact sheet 6a): the rules laid down in Regulation (EC) 1828/2006 Articles 8 and 9 (and its amendment) on information and publicity must be respected for all products produced with the assistance from URBACT II, also after closure of the project.

## **11.3 Archiving of documents**

The Lead Partner is at all times 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 2020. Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected.



## 12 Project audit trail

The 'audit trail' basically consists in keeping the records to show how the budget has been spent. Each Lead Partner shall keep a record of where all of documents supporting the expenditure are stored so that financial controllers always know where to check if they have questions.

All proofs of payment, invoices and other documents supporting the expenditure declared to the Commission have to be kept until three years after the formal closure of the programme (i.e. until 31 December 2020, if there are not national rules that require an even longer archiving period) as it is still possible for European audit bodies to carry out checks until then.

There are, however, some costs for which it is not possible to show an individual project invoice (e.g. overheads). In this case documents of 'equivalent probative value' need to be provided. This means that they provide reliable proof of how the money was spent accomplishing with EU and national regulations.

Finally, it is not always enough to prove that the money has been spent. In many cases proof also needs to be supplied that value for money principles have been observed. The most common requirement is for evidence of public procurement procedures showing that attempts have been made to find the cheapest suppliers.

Generally speaking, original documents are needed for the audit trail. In the period 2007-2013 each Member State and Partner State shall draw up national standards to be met if copies, electronic versions or other formats are used.

In order to assist Lead Partners and Project Partners in setting up a project audit trail, the URBACT II Secretariat shall provide a template to be filled in with some basic information concerning financial management, separation of functions, archive and storing of supporting documents. This template shall be part of the applicants packs for each call for proposals, and it shall be filled in and signed by each Lead Partner and Project Partner participating to an URBACT II project. The filled in template for each Partners/Lead Partner's institution shall be one of the documents that need to be submitted by the Lead Partner to the URBACT II Secretariat with the Final Application (at the end of the development phase).

The audit trail template shall be structured in three main sections.

Section A "Financial management " concerns the type of financial management system set up. In this section the partner shall also outline how the local financial contribution will be spent (e.g. either spent directly by the partner or transferred by the partner to the Lead Partner, etc.).

Section B "Entities in charge of different functions" shall ask for some information at the level of each partner about the different departments/units/offices responsible for the following tasks:


1. **Managing project:** this is normally mentioned in the DoI/Final Application as the referent and contact department/unit/office for the partner
2. **Ordering payments:** in many cases, this unit is the same as the one in charge of project management. But if there is a different unit in charge of ordering payments, it must be indicated here.
3. **Executing payments:** this is the unit which executes payments after reception of an order of payment.
4. **First level controller (certifying body):** this is the unit in charge of first level control. This unit must be separated and independent from the project management.
5. **Archiving documents:** this unit is in charge of archiving all project's documents according to the audit trail requirements (i.e. application forms, contracts, invoices, proofs of payments, timesheets, overheads calculation, certificates of expenditure, payment claims, etc.) at least until 31 December 2020, according to section 10.3 of this Programme manual.

Some partners can have atypical structures or internal administrative peculiarities which could lead to slightly amend the audit trail document and to adapt it to the reality. If this is the case, the partner shall contact the URBACT Secretariat to agree about the required modifications before submitting the audit trail document.

Section C "VAT" must be filled in only in the case that the partner spends and declares some expenditure. In this section, the partner is required to state if the expenditure claimed through PRESAGE-CTE will be VAT included. Afterwards, the partner is required to state if it owns a status of "VAT recoverable": if VAT is recoverable it means that the partner can recover VAT. In this case the VAT cannot be considered eligible and the expenditure declared in PRESAGE-CTE must be VAT excluded.

The audit trail document must be signed by the partner's responsible person in the project (e.g. the project coordinator / project manager) and

must be updated when changes occur. The Lead Partner is responsible for informing the URBACT Secretariat of all audit trail amendments and supplying a revised original where necessary.

	<p>The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p>Fact Sheet 6c - Financial management and control</p>
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## 1. Payment procedures and responsible bodies

### **1.1 The circuit of payments**

The circuit of payments in the framework of the URBACT II Operational Programme goes through different responsible bodies, such as:

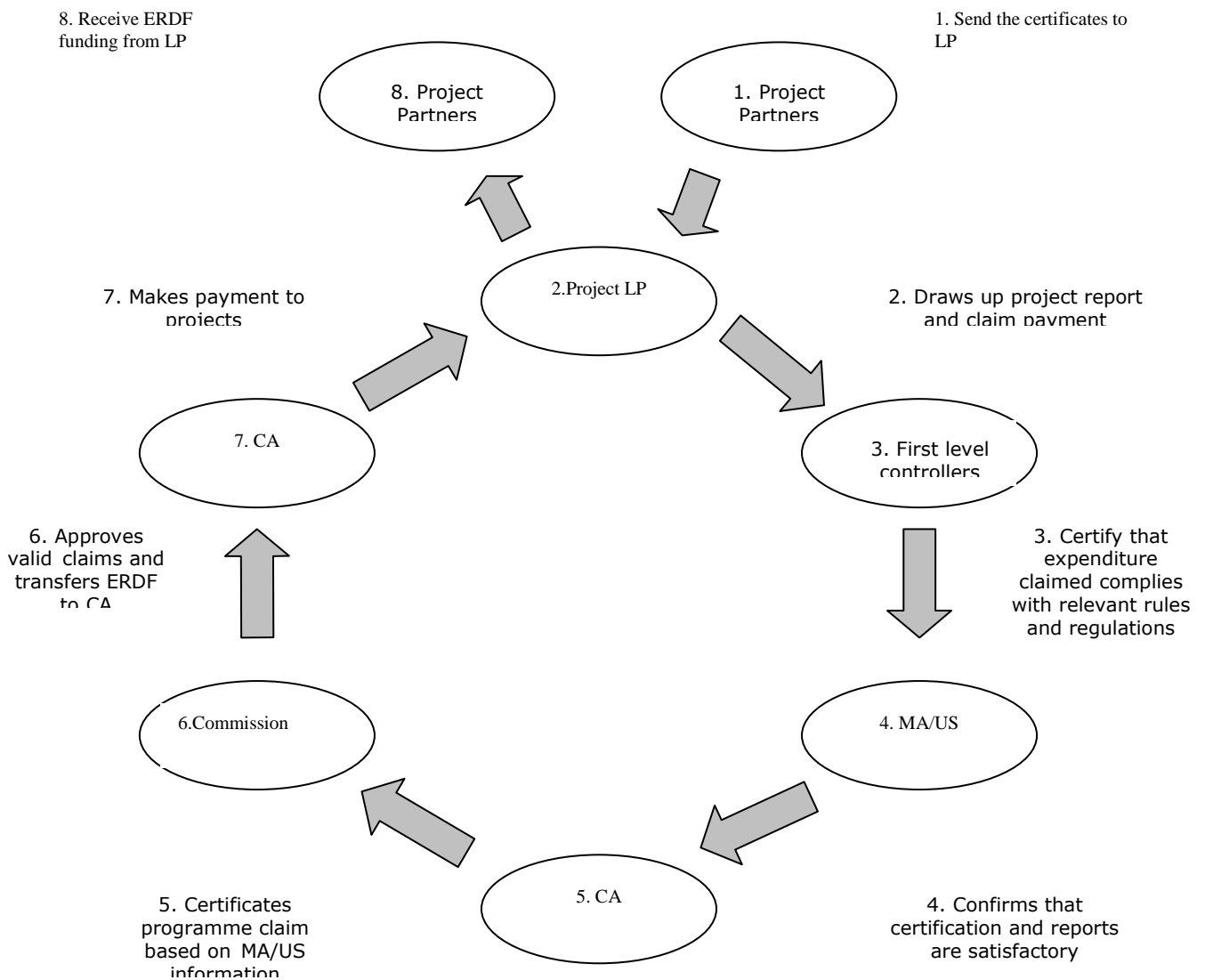
- the Project Partners
- the Lead Partners
- the responsible for the first level control at national level
- the first level controllers
- the Managing Authority and the URBACT II Secretariat
- the Certifying Authority
- the European Commission

As described in fact sheet 6b, paragraph 9, the Lead Partner shall submit to the Secretariat a Progress report every six months. In addition to this, the Lead Partner shall declare to the Secretariat the expenditure incurred by the project during the reporting period. This operation shall be done through the production of unique project payment claim with, in annex, the signed certificates and statements of expenditure produced by the designated first level controllers of Lead Partner and Project Partners. All these documents must be submitted by the Lead Partner to the Secretariat within the 3 months following the end of the reporting period and shall be drafted using the official models available in PRESAGE-CTE. The certificates and statements of expenditure shall include only the expenditure actually paid by the end of the reporting period concerned (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. The date when the invoice was issued, recorded or booked in the accounting system does not count as payment date).

Once the Secretariat has received the report and certificates and statements of expenditure, it shall check them verifying the coherence of the reported information and, if necessary, shall send clarification requests to the Lead Partner. If all points have been clarified, the report are approved and the certificates and statements of expenditure can be sent to the Certifying Authority. The Secretariat sends to the Certifying

Authority the certificates and statements of expenditure received in relation to one reporting period. The certificates shall be sent all together before the Certifying Authority can issue the payment claim to the Commission (2 or 3 times per year). The Secretariat sends to the Certifying Authority only the certificates that have been checked and approved, together with a certificate and statement of expenditure supporting the costs paid by the Managing Authority in the framework of the projects of dissemination, capitalisation and technical assistance. The Certifying Authority shall certificate the Programme claim basing on the information received by the Managing Authority (through the Secretariat). The key role of the Certifying Authority is "certification of expenditure" and it must define how it will achieve sufficient certainty about the standards in place to make this certification (further details are available in fact sheet 6a, paragraph 3.1.1).

Once the Programme claim is submitted, the Commission shall approve the valid claims and transfer the ERDF contribution to the Certifying Authority (CA). The Certifying Authority shall transfer the ERDF contribution to the Lead Partner (LP) on the basis of the payment claim of each project. The refunding of ERDF contribution shall be made by the Certifying Authority following an order of payment issued by the Managing Authority (MA), through the URBACT II Secretariat (US). This circuit of payment corresponds to the following diagram:



## 1.2 The advance payment

A part of the ERDF allocated to the URBACT II Operational Programme shall be paid into the Programme's account at the start. This advance payment shall be used to cover the Programme's start-up costs and to make the first payments to projects.

The URBACT II Operational Programme shall receive an advance payment of 7%, where 2% shall be paid in the first year, 3% in the second year and 2% in the third year.

## 2 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 short list,
4. decentralised control through internal or external first level controllers proposed by the Project Partner/Lead Partner and approved at national level.

Once a Declaration of Interest and a Final Application are submitted to the Monitoring Committee for approval, they shall indicate the first level controllers of the Lead Partner and Project Partners in the apposite section.

The Partners whose Member States have set up a decentralised first level control system shall propose a local first level controller in the Declaration of Interest and in the Application Form. The proposed first level controllers must be approved by the Member States concerned following the procedures outlined in the description of the control system set up according to Article 16 of Regulation (EC) 1080/2006.

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 16 of Regulation (EC) 1080/2006. Further details are available in section 1.1.2 of fact sheet 6a.

Control costs may be considered as eligible costs (internal independent control should be included under the budget category 'personnel'; external independent control in the budget category 'external expertise'). It is therefore advised to foresee a budget for these controls (the indicative cost for a controller is 1250 €/day) 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 Declaration of Interest and Final 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, using the official model available in PRESAGE-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 have been received by 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 I (meetings, study visits, brochures, guidebooks), where investment even on a small scale is rather exceptional, 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 to obtain sufficient evidence, on-the-spot checks are required. Such checks will have to be carried out taking into consideration Commission guidance on this matter.

## 3 Audit Authority

In accordance with Art 14 of Regulation (CE) n°1080/2006, Member States participating in an Operational Programme shall appoint a single Managing Authority, a single Certifying Authority and a single Audit Authority, the latter being situated in the Member State of the Managing Authority.

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 duties provided for in Article 62 of Regulation (EC) No 1083/2006. 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 participating Member and Partner States may decide by unanimity that the Audit Authority is authorized to carry out directly the duties provided for in Article 62 of Regulation (EC) No 1083/2006 in the whole of the territory covered by the Programme without the need for a Group of Auditors as defined in the first subparagraph.

The Audit Authority of the URBACT II Operational Programme is the CICC - Commission Interministérielle de Coordination des Contrôles - (Immeuble Atrium, 5, Place des Vins de France, 75573 Paris Cedex 12, France).

### **3.1 Role of the Audit Authority**

In accordance with Art 62 of Regulation (CE) n°1083/2006, 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;
- Presenting to the Commission within nine months of the approval of the URBACT II Operational Programme an audit strategy covering the bodies which will perform the audits and checks referred to

under points a) and b), the methods to be used, the sampling method for audits on operations and the indicative planning of audits and checks to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period;

- drawing up the 'Winding up declaration'.

The Audit Authority shall also perform the following functions by 31 December each year from 2008 to 2015:

- Submitting to the Commission an annual control report setting out the findings of the audits and checks carried out during the previous 12 month period ending on 30 June of the year concerned in accordance with the audit strategy of the URBACT II Operational Programme, and reporting any shortcomings found in the systems for the management and control of the Programme. The first report to be submitted by 31 December 2008 shall cover the period from 1 January 2007 to 30 June 2008. The information concerning the audits and checks carried out after 1 July 2015 shall be included in the final control report supporting the closure declaration referred to in point e);
- Issuing an opinion, 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;
- Submitting, where applicable under Art. 88 of Regulation (CE) n°1083/2006, a declaration for partial closure assessing the legality and regularity of the expenditure concerned.

### **3.2 The main tasks and responsibilities of the Audit Authority**

The Audit Authority is based in the same country as the Managing Authority, and it shall be assisted by a Group of Auditors with maximum three representatives from each participating country (Member States and Partner States). The Audit Authority plays a vital role in programme start-up, implementation and closure.

#### Programme start-up

The Description of the Management and Control System will be examined by the Audit Authority according to Article 71(2) of Regulation (EC) 1083/2006. Member States and Partner States engage themselves to provide the Managing Authority (through the URBACT II 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. In the implementation of these tasks, the Audit Authority and the Group of Auditors shall be assisted by the URBACT II Secretariat.

In URBACT II the actual audit visits to projects shall be sub-contracted to an external company.

#### Programme closure

At programme closure, it is also the Audit Authority that is responsible for drawing up the 'Winding up declaration'. This is a document confirming that the necessary checks have been carried out and all corrective actions required have been completed. It is used by the Commission to make the decision to close the Operational Programme and make the final payment.

## 4 Second level control

### **4.1 The Group of Auditors**

In compliance with Article 14 of Regulation 1080/2006, 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 62 of Regulation (EC) 1083/2006. 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 II 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 16 of Regulation 1080/2006, 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 approving the Operational Programme with the help of a form developed by the Managing Authority (through the URBACT II Secretariat). The contact details of the respective representative shall be listed in the Memorandum of Understanding. 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 Regulation (EC) 1828/2006 Annex XII.

The Group of Auditors shall support the Audit Authority in implementing its tasks as detailed in Article 62 of Regulation (EC) 1083/2006 and according to the provisions of Articles 16, 17 and 18 of Regulation (EC) 1828/2006.

#### **4.2 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 16 of Regulation (EC) 1083/2006 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.

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 62 of Regulation (EC) 1083/2006 and Articles 16-17 of Regulation (EC) 1828/2006, audits should be carried out on the basis of an appropriate sample of expenditure. The technical parameters of the sample shall be determined in accordance with Annex IV of Regulation (EC) 1828/2006.

## 5 Eligibility rules

### **5.1 Basic principles of eligibility**

Expenditure shall be eligible for a contribution from ERDF funds if it has been incurred between 1 January 2007 and 31 December 2015.

Expenditure shall be eligible for funding only where incurred for projects decided on by the Monitoring Committee.

Member States and Partner States shall publish their national eligibility rules within 12 months of approval of the Operational Programme and to make them easily accessible.

Additional information on eligibility rules are available in section 4 of fact sheet 6b of this document and in the following regulations:

- Regulation (EC) No 1083/2006, Art. 56,
- Regulation (EC) No 1080/2006, Art. 7 and its amendment Regulation (EC) No. 397/2009 Article 7 (4);
- Regulation (EC) No 1828/2006 Articles 48 to 53 and Regulation (EC) No. 846/2009 amendment to Article 52 of Regulation (EC) No. 1828/2006

### **5.2 key principles**

The set up of financial management and control systems is based on a number of key principles. Proposals for systems and procedures shall always comply with these principles:

*Partnership:* The countries and regions participating in a programme need to cooperate on finding optimal solutions.

*Proportionality:* Expenditure on financial management and control should be limited in relation to the funds available to the Programme. The Programme shall find cost effective solutions that can still deliver the necessary quality.

*Subsidiarity:* Functions should not be centralised but should instead be carried out by a competent body at the most appropriate level.

*Transparency:* Information on all systems, procedures and requirements should be freely available along with evidence that these systems, procedures and requirements are being consistently applied.

*Additionality:* Programme funding shall not replace national, regional and/or local funding. Programme funding shall not be used to fund activities that participating organisations have a statutory requirement to carry out.

## 6 Irregularities

The following is stipulated in the Memorandum of Understanding (MoU) between the Member States (MS), the Managing Authority (MA) and the Certifying Authority (CA) on the implementation of the URBACT II programme (see section 7 of the MoU):

“According to Article 28 of Regulation (EC) 1828/2006, each MS hosting a beneficiary is responsible for reporting irregularities detected in compliance with Article 28,29,31 and 36 or Regulation (EC) 1828/2006 to the European Commission and at the same time to the MA, CA and Audit Authority (AA) as well as reporting of procedures instituted with respect to all irregularities previously notified and of important changes resulting from them in compliance with Article 30 and 31 of Regulation (EC) 1828/2006. MS engage anyhow to communicate promptly to the MA/ Secretariat, CA and AA any information of detected irregularities relating to amounts of less than EUR 10.000 of ERDF funding.”

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. The place of jurisdiction is the Administrative Tribunal of Cergy-Pontoise (Tribunal Administratif de Cergy-Pontoise).

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, it shall demand repayment of subsidy in whole or in part. The MA shall inform the MS and the CA concerned of this proceeding. 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 application for payment 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 EU-MS 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 17 of Regulation (EC) 1080/2006, the MS shall bear liability in connection with the use of the Programme ERDF funding as follows:

- a. Each MS and Partner States bears the possible financial consequences of irregularities committed by the partners located on its national territory in compliance with Article 17 of Regulation (EC) 1080/2006.
- 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 Priorities 1 and 2, the liability shall be borne by the MA and/or the CA for administrative related irregularities and shall be jointly borne by the MS and Partner States proportionally to their contributions to the URBACT II Operational Programme in any other case.

The MA shall demand repayment of the irrecoverable amounts to the EU-MS in compliance with Article 102 of Regulation (EC) No 1083/2006. The EU-MS shall then reimburse the amount within one month following the official demand of the MA. If necessary and in consultation with the State concerned, the MA shall exercise its right for terminating the Subsidy Contract and/or going into litigation.

Any irregularity that has been the subject of a primary and administrative or judicial finding<sup>29</sup> shall be reported by the MS to the Commission if its

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<sup>29</sup> “primary administrative or judicial finding” means a first written assessment by a competent authority, either administrative or judicial, concluding on the basis of specific facts that an irregularity has been committed, without prejudice to the possibility that this conclusion may subsequently have to




amount is over EUR 10,000 ERDF. This report shall be done no later than two months following the end of each quarter and shall comprise the information as detailed in Article 28 (1) of Regulation (EC) No 1828/2006 and in the amended Regulation (EC) No. 846/2009. Any information that could not be provided in the initial report shall be submitted in the following quarterly report of irregularities.

The MS shall also inform the MA/Secretariat, the AA and the CA of this reporting procedure.

No later than two months after the end of each quarter, the MS shall provide the Commission with a follow-up report of these irregularities and the remedial action taken as required in Article 30(1) of the Regulation (EC) No 1828/2006 and in the amended Regulation (EC) No. 846/2009.

In case the amount is not recoverable, the MS shall submit to the Commission a report detailing the reasons why it is estimated that the amount paid cannot be recovered according to the Article 30(2) of the Regulation (EC) No 1828/2006 and in the amended Regulation (EC) No. 846/2009.

If the loss of EU-funds results from a fault or a negligence of the MS, the MS shall reimburse the whole amount of the irregularity.

	<p style="text-align: center;">The URBACT II Programme 2007 – 2013 Programme Manual</p>	<p style="text-align: center;">Glossary</p>
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**MoU:** stands for Memorandum of Understanding.

**OP:** stands for Operational Programme.

**Programme manual:** it is the document to be approved by the Monitoring Committee outlining the rules and procedures for the selection, management and control of operations, and for the implementation of the Operational Programme.

**Operation:** stands for project.

**MS:** stands for Member States.

**PS:** stands for Partner States.

**MA:** stands for Managing Authority.

**CA:** stands for Certifying Authority.

**AA:** stands for Audit Authority.

**MC:** stands for Monitoring Committee.

**TF:** stands for Task Force of the Monitoring Committee.

**US:** stands for URBACT II Secretariat.

**LP:** stands for Lead Partner, equivalent of the term "lead beneficiary" used in the Regulations.

**PP:** stands for Project Partner, equivalent of the term "other beneficiary" used in the Regulations.

**GoA:** the Group of Auditors as established by Art. 14 (2) of Regulation (EC) no 1080/2006 of the European Parliament and of the Council. This group comprises a maximum of three representatives of each Member and Partner State participating in the Operational Programme and carries out the duties listed in Art. 62 of Council Regulation (EC) No 1083/2006.

**First level controllers:** those bodies or individuals performing the controls listed in Art.16 of Regulation of the European Parliament and Council (EC) No 1080/2006. They are the controllers designated by the Member States to certify the expenditure declared by each beneficiary participating in a project.

**First level control:** the financial control implemented by the first level controllers according to Art.16 of Regulation of the European Parliament and Council (EC) No 1080/2006.

**Second level control:** the audits carried out on operations on the basis of an appropriate sample to verify the expenditure declared, according to Art. 62, (1), c of Council Regulation (EC) No 1083/2006.

**Controlled beneficiary:** it refers to the terminology used by Art. 16 (1) of Regulation (EC) no 1080/2006 of the European Parliament and of the Council. With the term beneficiary we thus address both Lead Partner and Project Partners.

