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ANNEX 19

Of the Commission Implementing Decision on the 2019 Annual Action programme for the Partnership Instrument

**Action Document for International Urban and Regional Cooperation**

1 **Key identification data**

<table>
<thead>
<tr>
<th>Title of the Action</th>
<th>International Urban and Regional Cooperation (IURC): Sustainable and innovative cities and regions</th>
</tr>
</thead>
</table>
| Country/region/global | Americas: Argentina, Brazil, Canada, Chile, Colombia, Mexico, Peru and the United States  
Asia: China, India, Indonesia, Japan, Malaysia, Republic of Korea, Thailand and Vietnam  
Pacific: Australia and New Zealand |
| Sector of intervention | Sustainable Urban Development, innovation |
| Indicative budget | Total: EUR 12 000 000  
EC contribution: 12 000 000 (100 %)  
Other contributions: NA |
| Duration and target start date of implementation | 36 months – 1st quarter 2021 |
| Method of implementation | Direct management – Grant  
Direct management – Procurement |
| DAC code(s) | 43030 - Urban development and management |

**Markers**

<table>
<thead>
<tr>
<th>General policy objective</th>
<th>Not targeted</th>
<th>Significant objective</th>
<th>Principal objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation development/good governance</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Aid to environment</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Gender equality</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Trade Development</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
</tbody>
</table>

**RIO Convention markers**

| Biological diversity | ☑ | ☑ | ☑ |
| Combat desertification | ☑ | ☑ | ☑ |
| Climate change mitigation | ☑ | ☑ | ☑ |
| Climate change adaptation | ☑ | ☑ | ☑ |
2 RATIONALE AND CONTEXT

2.1 Action summary

The action represents a second phase of the International Urban Cooperation programme (IUC) with a view to taking forward, and developing, the first phase, 2016-2020, as part of a long-term strategy to foster urban diplomacy as an important vehicle of the EU's external relations. Reflecting the interest outside the EU in the EU’s decentralised approach to promoting competitiveness through innovation in a way that takes into account the particular specificities and potential of various territories and therefore the increasing role of inter-regional cooperation in the new phase compared to IUC I, the name has been changed to International Urban and Regional Cooperation (IURC).

The proposed second phase aims to lead and develop international urban and regional co-operation in key partner countries and regions focusing mainly on Asia and the Americas that were prioritized under phase 1, while opening up to countries where previous actions have shown much interest in working with EU in these fields, notably in Republic of Korea, South-East Asia and Australasia on sustainable urban development and China and Japan on regional innovation.

Starting from the principles and priorities underlying the EU model of territorial development – including the Urban Agenda for the EU adopted in 2016 (UAEU) where sectoral initiatives are combined under an integrated, strategic vision - the programme will promote actions that deepen the understanding of this EU model through decentralised cooperation between cities on sustainable urban development and between decentralised authorities on regional (sub-national) innovation. Ultimately this action aims at fostering EU and third country actors to develop and implement mutually beneficial solutions to common challenges or challenges of global concern.

IURC will have two components or thematic strands of cooperation:

- City-to-city cooperation in the field of sustainable urban development, both one-to-one and, primarily, in thematic clusters with a focus on particular urban development themes based on the UN New Urban Agenda and the Urban Agenda for the EU. The clustering will be open in nature allowing cities that wish to develop a more intensive cooperation with a partner city to do so in a one-to-one pairing involving an EU city.

  Priority will be given to involving cities in Asian countries that participated in phase 1, notably China, India, Japan while enlarging participation to cities of Republic of Korea, South East Asia and Australia as countries that have successfully engaged in pilot actions with EU cities; North America (Canada and the United States); Latin America, focusing mainly on those participating under IUC phase 1, notably Brazil and Mexico as the EU strategic partners in the region as well as Argentina, Chile Colombia, and Peru.

  The concrete focus of the cooperation, for both the thematic clusters and the pairings, will be set out in Urban Cooperation Action Plans (U-CAPs), and understood as a shared document where cities have identified during a period of 18-24 months, actions to create in common, to capitalise or improve. The U-CAPs will allow cities to draw up plans to develop policy and practice under their chosen thematic priority1, including joint pilot projects, and to contribute best practices from their own urban planning experience.

- Region-to-region cooperation in the field of innovation (between EU and, on the one hand, selected regions in Brazil, Mexico, Argentina, Chile, Peru and Colombia and, on the other, with selected regions in China and Japan). As for the city-to-city component, cooperation between

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1 For each priority/cooperation theme, cities would have to designate specific objectives supported by result indicators to facilitate follow up. The U-CAP will be designed to include activities even if they are implemented in only one city, but the relation with the pairing city or cities must be clearly detailed.
regions will be one-to-one and in thematic clusters. A limited number of regions (sub-national entities) will be selected to work together through partnership to improve and to internationalise their respective regional innovation strategies and clusters, including participation of SMEs in the innovation sector and promoting international value chains. The concrete focus of the cooperation, for both the thematic clusters and the pairings, will be set out in Regional Cooperation Action Plans (R-CAPs). In a similar way to the U-CAPs, the R-CAPs aim to be road maps for region-to-region cooperation (sub-national level).

2.2 Background/Context/Rationale for PI funding

The programme contributes to the delivery of international commitments articulated in the 2030 Agenda for Sustainable Development, supports the external dimension of “Europe 2020”, while contributing to the development of EU’s own regional and urban policy agenda based on external experience, and of the ten-year vision of the Member States in the Rome Declaration of 2017, notably with regard to the objective of a ‘prosperous and sustainable Europe’.

The win-win nature of this initiative as well as its high visibility will strengthen the position of the EU as an international actor on key global challenges and in the realisation of the Sustainable Development Goals, notably SDG 11 for sustainable and resilient cities. Both UN and EU recognize that the implementation of the 2030 Agenda requires a strategic, integrated and area-based approach that takes into account different territorial contexts.

As stated in the reflection paper “Towards a sustainable Europe by 2030”, « ultimately, to be most successful in the green and inclusive economic transition, we have to get our global partners on board too and make the case that a global sustainable development model based on our core values and principles is the best way to achieve shared prosperity and a sustainable world. The EU’s internal work on the SDGs and its external projection are therefore two sides of the same coin. It is in the EU’s interest to play a leading role in the implementation of the UN 2030 Agenda also globally through its external action. »

The same paper also states that all levels of government have to be fully involved in the implementation of SDGs3. It should be noted that around 65% of the 169 targets of Agenda 2030 need local and regional engagement and action in order to be achieved. Moreover, there is a strong interest in localising SDGs by a very large number of cities and regions around Europe but also globally.

a) Cooperation in the fields of sustainable urban development

The urbanisation process constitutes a clear global trend. More than 50% of the global population is urban. The corresponding figure for Europe is about 75%. 60% of the global GDP is generated by 600 urban centres. The economic growth of China and India is occurring in tandem with rapid urbanisation and there is a large demand for European expertise in urban policy and practice, which represents a market for European producers.

EU cities have made great strides in the development of a model where sectoral and transversal challenges (including governance issues) are tackled together in an integrated manner. The role-model recognition gained by many European cities refers to this integrated approach, as well as to the excellence of the technological/sectoral solutions applied.

2 It also highlights that « by helping and encouraging others to follow our actions, the EU can push for a level playing field, where all compete under the same conditions. Furthermore, sharing EU solutions abroad leads to more jobs and higher sustainable growth, not only in partner countries, but also within the EU itself. »

3 « Action is needed at all levels. EU institutions, Member States and regions will have to be on board. Cities, municipalities and rural areas should all become drivers of change. Citizens, businesses, social partners and the research and knowledge community will have to team up. »
Urbanisation is an area of large economic and investment potential. The global urbanisation perspectives are huge. Urban renovation in order to achieve low-carbon city models includes the sectors of new and refurbished buildings, local transport, local energy-related infrastructures, nature-based solutions, and urban planning. Those sectors are in all evidence the most investment intensive sectors for the foreseeable future.

b) Cooperation in the field of innovation

Innovation has become a key factor for sustainable competitiveness and growth of cities and regions. Regional development is driven by the capacity of regional economies to adapt, change and innovate. Experience from the EU shows that regions are the place where knowledge is transferred, innovation systems are built and competition takes place to attract investments and talents.

EU regions’ experience in policy setting, implementation and management with respect to clusters, Small and Medium Enterprise (SME) innovation inducing policies and Smart Specialisation Strategies (S3 or RIS3) is particularly valued in Latin America where most countries aim to diversify their commodities-driven economies through innovation.

Inter-regional and trans-national collaboration in research and innovation is a key component of RIS3. The importance of the global economy, the international value chains and the innovation networks calls for a regional innovation policy that goes beyond borders. Inter-regional collaboration enables regions to combine complementary strengths, exploit their competences in research and innovation, obtain necessary support for building research capacity, overcome lack of critical mass and fragmentation and access the global value chains.

Knowledge will also be harnessed through valuable best practices and know-how from the H2020 EU funding of 3.1 billion euro on “Smart and Sustainable cities”, and the High Level Expert Group report on “The human centred city: opportunities for citizens through Research & Innovation”, which places emphasis on Social innovation and inclusion and a more holistic view of urban development, whereby citizens are seen as key actors of open innovation in urban resilience, their health and well-being.

c) Value of the Partnership Instrument

The PI is the only EU external action financial instrument that can be accessed to implement global cooperation of the nature envisaged in this proposal in an effective and comprehensive way.

2.3 Lesson learnt

The first phase has demonstrated the profound interest at the level of decentralised authorities inside and outside the EU to cooperate on territorial development themes leading to improved mutual understanding and new policy development while generating new commercial opportunities.

Experience highlights the need to approach the cooperation with non-EU countries in the sectors targeted by this programme through a multidisciplinary and multi-stakeholder approach involving public authorities at various levels (in the framework of policy dialogues) as well as academia, research and business communities. Therefore, under this approach, business cooperation takes place in the framework of an official regional and urban policy peer-level dialogue and exchange and is well embedded in national and regional urban and/or innovation strategies.

Experience, as well the Mid-Term Review of IUC, shows the importance of the existing IUC sharing knowledge platform and networking facilities and actions to facilitate cooperation and to support the implementation of the multilateral aspect of the programme as well as the organisation of the thematic city clusters. It also stressed that particular attention should be paid to ensure high visibility for

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4 RIS3 stands for Research and Innovation Strategies for Smart Specialisation.
programme outcomes through the organisation of global events and the presentation of IUC in key cities’ events (before new calls are launched) to enhance certainty and visibility for external stakeholders. Assistance provided to city pairings by pairing managers, thematic experts have been also crucial to deliver sound and high-quality action plans.
2.4 Coherence and complementarity

The programme proposal is global and aims at supporting the EU’s policies and position internationally by tackling the global challenges of ensuring that urbanisation is sustainable, while promoting new opportunities and employment at the regional (sub-national) level through innovation and the development of international value chains.

On top of the overall scope, there are country specific considerations to be mentioned: the programme will be a key action to reinforce the EU-China Urbanisation Partnership and is a key support mechanism for the the Joint Declaration between the Government of India and the EU on a Partnership for Smart and Sustainable Urbanisation (2017). The EU-Latin America and the Caribbean (LAC) and most recent EU-Community of Latin American and Caribbean States (CELAC) Summits included innovation and cohesion as a bi-regional priority area together with the need to enhance economic linkages and investments.

This is also reflected in the new EU Strategy for Latin America and the EU-Brazil, EU-Chile and EU-Mexico Strategic Partnerships, as well as in agreements/arrangements established by the EU with other LAC countries, both at bilateral and regional levels. In their Strategic Partnership Agreement (2019) the EU and Japan foresee among other things the strengthening of cooperation on sustainable and integrated urban policies and practices. The new EU-Canada Strategic Partnership Agreement aims to advance EU-Canada sectoral cooperation, as well as to provide a platform for joint action on the international stage.

The programme will seek synergies to the maximum extent possible with other relevant initiatives. The programme will ensure coordination with a number of complementary EU actions. EU Delegations will be asked also to coordinate locally to look for these synergies with other actions.

Complementarity will be ensured with DG DEVCO-funded programmes on sustainable urbanisation and innovation in Asia and Americas. These include SWITCH Asia programme and EC-LINK.

Synergies will also be sought with Low Carbon Climate Action Projects in Republic of Korea, Mexico or Brazil, as well as with the Global Covenant of Mayors for Climate and Energy initiative.

DG RTD has an Innovation Dialogue with China, and a sectoral dialogue on Nature-based solutions and urbanisation with Brazil, which this programme will aim as far as possible to complement and build upon. Close coordination with DG GROW business promotion initiatives will be ensured as well as with DG JRC initiatives and platforms on sustainable urban development and smart specialisation strategies.

2.5 EU added value

The EU has much to offer in terms of urban policy and practice, with a diversity of urban situations and urbanisation models across the Union. EU urban policy has led to the creation of many networks of European cities offering a variety of experience in policy and practice.

It is clearly within the interest of the EU to strengthen its relations with its key partners by highlighting the European experience and drawing from theirs, and taking advantage of the European leadership in sustainable urban development and regional innovation, as well as promoting business links access in both investment fields. EU regions will also have the opportunity to finance projects developed under IURC with non-EU countries in the framework of EU regional development programmes.

Both the EU and countries outside the EU are bound together as signatories of the New Urban Agenda of the United Nations (NUA) adopted at the Habitat III Conference in Quito in 2016. In Quito, the EU committed to fostering cooperation between cities in the field of sustainable urban development with particular reference to IUC.
2.6 Cross-cutting issues

The project will contribute to project the EU model of regional and urban development based on key principles such as: working with the market (competition rules, public procurement); equal opportunities; sustainable development, including fostering decent work; participative democracy. The project contributes also to fundamental EU principles and values as multilateralism through its multi-stakeholder approach, involving local and regional authorities. It is the ownership on the ground on the part of regional and local authorities, the private sector, the research community and civil society that holds the key to the understanding of the realities and the formulation of effective responses to current global challenges.

Through IURC, the EU will further share its experience in promoting innovation at the regional level. In addition, IUC aim to build resilience through developing more innovative capacity in sub-national, regional economies.

3 ACTION DESCRIPTION

3.1 Objectives

The general objective is to lead and develop a form of decentralised international urban and regional co-operation whose main axes of activity would be two-fold: sustainable urban development and innovation in key partner countries and regions in line with the external dimension of "Europe 2020".

Specific objectives:

Specific Objective 1: Develop cooperation between EU and non-EU participating cities in order to improve and feed EU cities' practices on sustainable urban development

Specific Objective 2: Develop innovation cooperation between EU and, on the one hand, selected regions in Brazil, Mexico, Argentina, Chile, Peru and Colombia and, on the other, with selected regions in China and Japan.

Both objectives are solidly grounded in the EU economic and social model based, among other things, on a decentralised and integrated approach to sustainable urban development, regional diversification, and competitiveness. The cooperation will increase the reach of EU policies and actions in the relevant areas as well as multiply urban diplomacy.

The programme will be embedded in the EU’s political dialogue with partner countries and includes an important element of EU economic growth through promotion of business opportunities.

Implementation will be organised under three components:

a) Sustainable urban development

b) Innovation cooperation; and

c) Central services, divided into sub-components:

    c1) Coordination, overall networking and support for implementation, including EU cities and regions selection, cross-platform learning and communication,

c2) Advisory and expert services
The specific objectives will be attained through the following framework results and activities framework:

**Expected results and Main activities:**

Result 1: EU programme on innovative and sustainable cities established and promoted

Result 2: Cooperation on Urban Cooperation Action Plans and Regional Cooperation Action Plans developed and implemented

Result 3: Peer-level (city-to-city/region-to-region) information sharing and exchange of best practice enhanced with a focus on the creation of thematic clusters of cities/regions

Result 4: EU business opportunities promoted

Main indicative activities, under the respective results, can include:

**Result 1. EU programme on innovative and sustainable cities established and promoted**

1.1) Design/set-up of programme structures, platforms and technical implementation teams.
1.2) Define competitive selection criteria for participation (components 1 and 2)
1.3) Map potential participants including from private sector
1.4) Design and delivery of communication and outreach activities
1.5) Select participants and conclude bilateral and/or multilateral governance arrangements for pairing/partnerships

**Result 2: Cooperation on Urban Cooperation Action Plans and Regional Cooperation Action Plans developed and implemented**

2.1) Support the identification of common themes for action planning
2.2) Implement inclusive planning strategies
2.3) Support the validation of planning results
2.4) Assist with the identification of pilot projects and sources of funding
2.5) Provide thematic and expert support for project delivery: provide information and updates, organise technical level meetings/study visits/workshops

**Result 3: Peer-level (city-to-city/region-to-region) information sharing and exchange of best practice enhanced**

3.1) Facilitate peer-level knowledge management, exchange and sharing
3.2) Organise yearly networking global events and specific thematic meetings.
3.3) Update the existing sharing knowledge platform to meet demands

**Result 4: EU business opportunities promoted (components 1 and 2)**

4.1) Gather representative business and individual expert data. This activity might require a communication campaign to be launched through appropriate avenues (business associations)
4.2) Develop and implement a business and expert data database attached to platforms
4.3) Promote business matchmaking
4.4) Promote international clusters cooperation, technology transfer and international value chains (component 2).

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3 Coffey International Development Sp z o.o, p50
3.2 Stakeholders

1) Cooperation in the field of Sustainable Urban Development

EU and non-EU cities, associations of cities and city networks, local and regional authorities and stakeholders. European and non-EU companies. Representatives of all those groups that have contributed to the success of preparatory programmes in targeted non-EU countries. International Financial Institutions including the European Investment Bank (EIB).

Cities having participated in IUC I can participate in IURC in case they want to cooperate with another region/country or on a different topic. Pairings established under phase I remain eligible for further support provided, on the one hand, they have achieved sufficient progress and, on the other hand, IURC support is essential to ensure the sustainability of the cooperation.

2) Cooperation in the field of innovation

European and non-EU companies. The different regional partners or players in the regional innovation system, such as research institutes, universities, technology transfer agencies, chambers of commerce, financing institutions, investors, government departments, individual firms as well as company networks and industry clusters.

3.3 Risk assessment and management

In order to guarantee smooth implementation of the action and to cope with the political, implementation and financial risks identified below, cooperation with the local authorities shall be sought and encouraged through the EU Delegations. In addition, the EU Delegations will make sure that all relevant stakeholders are associated to the implementation process.

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Risk level (High, Medium, Low)</th>
<th>Mitigating measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interference by national governments changes, which may for one reason or another be reluctant to allow cities signing international commitments</td>
<td>L/M</td>
<td>Support from central governments should be obtained in advance</td>
</tr>
<tr>
<td>Changes with the selected local governments or within the national government partners in terms of personnel or political priorities</td>
<td>L</td>
<td>Flexibility in reaction and finding appropriate and individual solutions. Try to engage technical staff in the activities to ensure continuity beyond changes at political level</td>
</tr>
<tr>
<td>Unwillingness or poor collaboration of regional and local stakeholders</td>
<td>L/M</td>
<td>Appropriate selection process and intensification of efforts to support the regions and cities during implementation</td>
</tr>
<tr>
<td>Uneven quality of contractors, insufficient deliverables for some contracts</td>
<td>M</td>
<td>The Commission and the EUD are well prepared to address this project management risk. Close monitoring of contract implementation and swift reaction in case of delays encountered</td>
</tr>
<tr>
<td>No funding is for drafting action plans, nor for the investments needed for their</td>
<td>L</td>
<td>The cities must be able to raise funds from other sources or to get in close co-</td>
</tr>
</tbody>
</table>
implementation is included. | operation with financial institutions. This is a risk but also the opportunity for the sustainability of the action

| Low EU visibility | L | Ensuring EU’s visibility in all actions, signing contracts including visibility conditions with the contractor, develop a logo and a visual identity for the action to be used at all occasions |

3.4 Communication and EU visibility

Communication and visibility of the EU is a legal obligation for all external Actions funded by the EU. This Action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation. Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action⁶, which came into force on 1 January 2018, shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Communication will be a key element of the programme. A communication plan, which will ensure EU visibility, will be prepared. IURC will improve the visibility of the EU as a foreign policy actor and will result in better political positioning of the EU in the international arena.

Under the first phase of the project, a logo and a visual identity for the action have been already developed. The contractors will be responsible to provide high visibility for programme outcomes, including through the organisation of annual global networking events and presentations and for communication and dissemination activities, including management and update of websites, development of blog, social community management in all major social networks, production of videos and streamline material, media partnership and monitoring, including production of press releases.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Method of implementation

Procurement (direct management)

(a) The programme will be implemented via a service contract.

Programme implementation will be procured through a global service tender with lots. This would allow for centralised procurement but tailor-made lots for each specific geographic area targeted. This option would also favour cross-platform exchanges. The management of the individual contracts would be de-concentrated except for the central support contract.

The lots under the global tender would be:

- Lot 1: North America platform - managed by EUDEL US or Canada (component 1).
- Lot 2: LAC platform- managed by FPI Regional Team Americas or EUDEL Mexico (components 1 and 2).
- Lot 3: China platform - managed by EUDEL China (components 1 and 2)

b) Indicative timing:

The call(s) for tender are expected to be launched in the first Quarter 2020.

Grants (direct management)

(a) Purpose of the grant(s)

The purpose of the grant is to support cooperation and bilateral and/or multilateral agreements between regions in the EU and in Japan. The grant agreement will be concluded indicatively during Q1 of 2021. It will be managed by the EUDEL Japan.

(b) Type of applicants targeted

The EU-Japan Centre for Industrial Cooperation\(^7\) possesses specific characteristics to implement activities under component 2 in Japan: region-to-region cooperation in the field of innovation.

(c) Justification of a direct grant

Under the responsibility of the Commission’s authorising officer responsible, the grant may be awarded without a call for proposals to EU-Japan Centre for Industrial Cooperation. Under the responsibility of the Commission’s authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified in accordance with the provisions of Article 195(1) (f) FR.

Under the responsibility of the Commission’s authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified for the reasons hereafter. Notably, the specific characteristics of the activities under component 2 in Japan require established, close and regular contact with the national and regional authorities of the country. The EU-Japan Centre for Industrial Cooperation, being a joint initiative between the European Commission and the Japanese Government established already in 1987 to promote industrial, trade and investment cooperation between the EU and Japan, has a special institutional access to the Japanese prefectures by virtue of its unique role and mandate. Further, the EU-Japan Centre for Industrial Cooperation features a high degree of specialisation and technical competence in terms of facilitating exchanges of experience and know-how between EU and Japanese businesses and in terms of fostering EU-Japan cooperation in industry, trade, investment, innovation, and people mobility. It is thus uniquely positioned to facilitate region-to-region cooperation between the EU and Japan in the field of innovation.

4.2 Indicative budget

<table>
<thead>
<tr>
<th>Method of Implementation</th>
<th>Amount in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement (direct management)</td>
<td>11.25</td>
</tr>
<tr>
<td>Grant (direct management)</td>
<td>0.75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12.00</strong></td>
</tr>
</tbody>
</table>

\(^7\) Article 195(1) (f) FR - Exceptions to calls for proposals (awarding grants without call for proposals)
4.3 Organisational set-up and responsibilities

The programme will be steered by a steering committee representing the cross-sectorial nature of the action and involving at least Commission and EEAS. Within the Commission, the following services should play a leading role: REGIO, and FPI. Other services, such as CLIMA, DEVCO, ENER, ENV, GROW, JRC, NEAR, EMPL and RTD should as well be involved in following up developments and benefiting from outcomes.

4.4 Performance monitoring

The day-to-day technical and financial monitoring of the implementation of this Action will be a continuous process and part of the implementing entity’s responsibilities. To this end, the implementing entity shall establish a permanent internal, technical and financial monitoring system for the Action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the Action, difficulties encountered, changes introduced, as well as the degree of achievement of its results. The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of core and corporate indicators.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the Action. The final report, narrative and financial, will cover the entire period of the Action implementation.

The Commission may undertake additional Action monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

4.5 Evaluation and audit

For this Action, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this Action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” rule applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.4. above, will be funded from sources other than those allocated to this specific Action.