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ANNEX 1

**ANNEX**

*to the*

**Commission Decision**

**concerning the adoption of a financing decision and work programme for 2014 in the framework and for the implementation of the Preparatory Action "World cities: EU - third countries cooperation on urban development" to be financed under budget line 13 03 77 15**

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### ANNEX

## **Preparatory Action: world cities: eu-third countries cooperation on urban development (Budget article 13 03 77 15)**

### ***1. INTRODUCTION***

#### **1.1. Budget line: 13 03 77 15**

#### **1.2. Basic Act: Not applicable**

#### **1.3. Policy context**

The international dimension of EU regional and urban policy gains on importance over the last years. Memoranda of Understanding on regional cooperation have been signed with China, Russia, Brazil and Ukraine; further cooperation has been developed with Moldova, Georgia, Chile, Argentina, Peru, South Africa and Japan. The dialogue in the field of regional and urban policy, being one of the components of the Union's diplomatic relations with third countries, requires further support. Moreover, the cooperation with third countries should focus on certain issues in relation to the reform of cohesion policy, namely its enhanced urban dimension.

#### **1.4. General objectives of the preparatory action:**

The objectives of the work under the Preparatory Action will be to:

- Support EU global relations and cooperation on urbanisation matters with strategic partners outside the EU as China (EU-China Urbanisation Partnership), India (new EU-India Joint Action Plan) or Japan (an EU-Japan urban policy dialogue was launched at the last EU-Japan Summit);
- support the implementation of the Eastern Partnership, in close cooperation with the EEAS, DG DEVCO and EU Delegations in the concerned countries, in particular the new Association Agreements with Georgia and Moldova;
- share the benefit of the EU's experience of how regional and urban development policies underpin the process of economic and political integration with main partners outside the EU, regional organisations and world regions;
- pool international responses and experience to the benefit of EU regions and cities on the challenges faced by countries and regions worldwide, challenges that have a strong "territorial" dimension and that require action at local and regional level and provide networking opportunities to EU regional and local authorities.

The Preparatory Action will help the Commission to deepen and widen its activities and to bring real help to third countries in their efforts to improve public policy in regional and urban development, and regional and local governance issues.

The Preparatory Action will help, as well, to test innovative approaches on cooperation on urbanisation with EU strategic partners, which could be taken forward from 2015 through other instruments as the Partnership Instrument, which has identified urbanisation as a priority area for intervention, or other EU external policy instruments.

## **2. ACTIONS/ TYPE OF FINANCIAL INTERVENTION**

In 2014 the preparatory action will be implemented through the use of specific contracts under framework contracts, direct contracts, cost reimbursements or indirect management. The actions supported will include the organisation of events, information activities, study visits, networking, technical assistance and studies as well as the development of an internet based tool kit enabling EU cities and towns to look for cooperation partners in third countries.

### **2.1. ACTION 1:**

#### **2.1.1. Indirect management - Technical assistance**

The project URBELAC (Urban network on knowledge transfer for sustainable development) would continue to be supported (indirect management with the Inter-American Development Bank (IDB)) with limited resources and in close cooperation with DG DEVCO, in case no other financial instrument is available to support URBELAC objectives at a larger scale.

The budget implementation tasks related to the URBELAC project are entrusted to the (IDB) which applies standards offering guarantees equivalent to internationally accepted standards in its accounting, audit, internal control and procurement procedures in accordance with Article 60(2) of the Financial regulation. The objective of this project is to contribute to improve the quality of life in Latin-American and European cities through the establishment of a mechanism for knowledge exchange among cities on specific thematic areas to include competitiveness and technological innovation, employment and income generation, urban environment, urban rehabilitation and institutional strengthening.

On one hand, URBELAC aims to contribute to improve the quality of urban life by facilitating new approaches and methodologies of urban interventions and the exchanging information on sustainable and integrated urban development between Europe and Latin America. On the other hand, the program intends to assist city policy-makers, practitioners and managers of the participating Latin-American cities in defining action plans, which, will be the concrete output of the cooperation programme. A second output will be the establishment of partnerships among cities.

The following activities will be implemented by IDB:

- Identification of priorities of intervention: Cities, with the support of consulting services, will analyze their situation and needs and will define their priorities and concrete possibilities of intervention.
- EU/International cities clusters organization: The cities will work in clusters, organized by thematic areas.
- Exchange: Participation in seminars and work meetings organized by clusters.
- Development of action plans.
- Validation with local stakeholders: Presentation and discussion of action plans with municipal departments, public and private institutions and citizen's representatives.
- Final seminar with cities' teams.
- Dissemination of good practices and lessons learned.

That part of the cost of the project URBELAC to be met from the budget of the preparatory action will be a maximum of EUR 240 000.

## **2.1.2. Direct management- Studies and technical assistance**

The EU-China Urbanisation Partnership was launched in 2012 and became operational in 2013. In the framework of the EU-China regional policy dialogue, both sides agreed in 2013 to strengthen cooperation to promote sustainable urban development and enable cities to work together to develop pragmatic solutions to major urban challenges (such as planning and implementation of investment programmes which embody a low-carbon, or carbon neutral approach, mobility, energy efficiency).

In Latin America in 2012-2013, a number of actions on cross-border cooperation were organised (study visits, workshops, technical assistance) to discuss opportunities and problems that may arise in the implementation of European experiences in the light of Latin American local reality. It is intended to give appropriate follow up to some of the recommendations that could be formulated in some of the outputs of these actions (action plans, final reports, handbooks, practical guides) for further technical assistance depending on concerned Latin American regions and cities expressing an interest.

A number of studies and technical assistance actions could for example cover the following topics:

- China: Technical assistance to help the development of the necessary capacity in selected Chinese cities and develop pragmatic solutions to major urban challenges.
- India: Technical assistance to selected Indian cities to help the development of the necessary capacity to participate in global urban initiatives sponsored by the EU.
- Brazil: comparative study on international good practices on legislative and policy arrangements and instruments in twin cities.
- Follow up cross-border cooperation in Latin America: support to specific cooperation actions in Central American, Brazilian or Peruvian border areas or any other border through the establishment for example of action plans proposing working lines for enhancing the collaboration between the cities in the border area with concrete actions and measures;
- Cross-border regional innovation strategies in Latin America: support the improvement of the management of the regional innovation systems in selected border regions and cities through the establishment of technical guidelines and training of officials and experts;

That part of the cost of the direct management to be met from the budget of the preparatory action will be a maximum of EUR 760 000.

Total indicative budget for action 1: EUR 1 000 000.

## **2.2. ACTION 2: Programmes exchanges (study visits and seminars)**

Seminars are an important means of exchanging information and promoting mutual understanding with third countries. There is an increasing demand from third countries for direct experience of the implementation of EU regional and urban policy on the ground in different contexts. The preparatory action makes this possible, by assuming travel and accommodation costs incurred by nominated experts and third country participants.

A number of seminars and training programmes could be supported to be held in main partner countries or in EU on topics such as: strategic and governance issues, integrated urban approach, urban-rural partnership, sustainable urban development, cross-border cooperation, etc. For example:

- China: High-level seminar on EU-China regional and urban policy cooperation;

- South-East Asia: seminar on urban planning and development (Vietnam), participation of representatives of Singapore in EU events.
- Brazil: integrated urban development, networks of cities;
- Brazil and/or other Latin American countries: Targeted training and capacity building actions for urban cross-border cooperation actors; exchanges of good practices on urban cross-border cooperation (twin cities) and urban-rural cooperation;
- Open Days seminars and communication events on regional and urban policy co-operation with countries having a dialogue on regional and urban policy or cooperation on regional and/or urban development policy;

A number of programme exchanges could take place, namely for representatives from countries having a dialogue with the EU on regional and urban policy and EU national and regional officials. Mexico and South Africa could also participate in these exchange visits depending on them expressing an interest. Following the exchanges and visits, participants will be asked to report and provide concrete feedback on lessons learnt, good practices, possibly tips and relevance of the European experience for their respective areas of competence. Some of the following actions could be supported:

- Japan: EU-Japan Urbanisation Platform (knowledge transfer for sustainable and integrated urban development), including networks of cities on selected topics as urban development and renovation and environmentally sensitive urban development, a database on good practices and an on-line platform to facilitate the exchange of information.
- China: continuation of the Chinese European Training on Regional Policy (CETREGIO) and exchange programme for Chinese and EU representatives on sustainable urban development and innovation.
- Eastern and Southern neighbourhood: programme of visits by officials from partner countries to examine issues of integrated urban development, governance and urban cross border co-operation in EU regions. After each such visit, a report and a handbook of good practice will be put together by participants and organisers;
- Brazil: Regional and urban development programme exchange for representatives from Brazil and EU, visits to EU/Brazilian regions and cities and joint seminar;

Other programme exchanges, including expert visits from third countries to Europe or to other third countries or from European regional policy experts to third countries, in particular to those countries with a proven experience on regional and urban policy issues (e.g. Canada, United States) could take place depending on specific interests.

Indicative budget: EUR 970 000

### **2.3. ACTION 3: Support to information and communication tools**

In order to increase the visibility of the activities and priorities of regional and urban policy, it is important to prepare, and translate into other languages, information and communication products. Furthermore, the Commissioner and/or DG REGIO are frequently called upon to make presentations, together with the provision of stands at conferences all over the world. Since we cannot satisfy all these requests it makes sense to prepare ready-made visual or audio visual material which could be shipped to these destinations.

This action will be implemented via a service contract.

Indicative budget: EUR 30 000

**3. TOTAL BUDGET: EUR 2 000 000**

**4. INDICATIVE CALENDAR FOR PROCUREMENT PROCEDURES**

The public procurement procedures for the implementation of the 2014 work programme will be launched on the 2nd quarter of 2014. All specific and direct contracts are expected to have been signed by end 2014. Indicative number of specific contracts is one and direct contracts will be four.