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ANNEX

ANNEX

to the

COMMISSION DECISION

**on the financing of the European Urban Initiative supported by the European Regional
Development Fund and the adoption of the work programme for 2023-2024**

ANNEX

Work programme for 2023-2024 for the European Urban Initiative

1. Introduction

The European Urban Initiative (EUI) constitutes a part of Cohesion policy's support to sustainable urban development in the 2021-2027 period. The objectives of the EUI are to strengthen integrated and participatory approaches to sustainable urban development and to provide a stronger link to EU policies and, in particular, to Cohesion policy.

On the basis of the objectives set out in Regulation (EU) 2021/1058, and in particular Article 12 thereof, this multiannual work programme contains the actions to be financed and the budget breakdown for the years 2023 and 2024 as follows:

a) for actions implemented under indirect management: point 2.

Legal basis

Article 12 of Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund

Budget line

05.0203 – European Urban Initiative

Objectives pursued

The EUI aims to provide coherent support to cities by supporting innovative actions, capacity and knowledge building, territorial impact assessments, policy development and communication in the area of sustainable urban development.

The EUI also supports the Urban Agenda for the European Union. Upon request from one or more Member States, it may also support intergovernmental cooperation on urban matters.

The support covers all urban areas, including functional urban areas. The final beneficiaries are mainly urban policymakers and practitioners at all levels of government, and in particular cities of all sizes and functional urban areas.

In accordance with Regulation (EU) 2021/1058, the work programme for 2023-2024 will involve activities on the following two strands of the EUI:

- (a) support of innovative actions;
- (b) support of capacity and knowledge building, territorial impact assessments, policy development and communication.

Strand (a) targets the testing of transferable and scalable innovative solutions to address issues relating to sustainable urban development at Union level. It also aims at collecting and sharing results from these experimentations, and at supporting transfer activities with the goal to foster innovation capabilities and knowledge building for all EU urban areas and to mainstream proof-tested innovative solutions to sustainable urban development challenges, as referred to in Article 11 of Regulation (EU) 2021/1058.

Strand (b) targets two areas of activities. **The support of capacity building (sub-strand b.1)** is focused on improving the capacities of cities in the design of sustainable urban development policies, strategies, and practices in an integrated and participative way. It also

improves the design and implementation of sustainable urban development policies, strategies, and action plans in cities. **The support of knowledge building, territorial impact assessments, policy development and communication (sub-strand b.2)** are centred on the development of a knowledge base in support of better sustainable urban development policy and strategy design, implementation and mainstreaming. It also ensures easier access to horizontal and thematic knowledge and shares know-how on sustainable urban development. In addition, support to the Urban Agenda for the EU, and possible support to the intergovernmental cooperation on urban matters are foreseen under sub-strand b.2.

When implementing activities under strands (a) and (b), the aim is to create an effective value-chain between them in view of achieving stronger coordination, synergies and complementarities between the urban support tools for the benefit of cities in the EU.

The EUI takes into account that appropriate coordination and complementarities with the dedicated programme URBACT IV under Article 3, point (3)(b), of Regulation (EU) 2021/1059 (Interreg Regulation) dealing with sustainable urban development need to be ensured. This work programme also seeks complementarities and synergies with the other pertinent EU initiatives.

Expected results

The activities of the EUI will contribute to the strengthened integrated and participatory approach to sustainable urban development, and to the creation of a stronger link to EU policies and, in particular, to Cohesion policy.

The support of innovative actions will result in the increased innovation capabilities and profiles of cities in Europe as well as in the improved deployment and transfer of proof-tested urban innovations across the EU. The work programme for 2023-2024 sets out in particular the initiation, grant contracting and starting of implementation for the projects selected as a result of the first two calls for proposals from the EUI Innovative Actions, i.e. the first call in support to the New European Bauhaus with the closing date in January 2023 and the second call in support to cities' greening, sustainable tourism and harnessing talent in shrinking cities with the closing date in October 2023. A third call for proposals will also be launched in the course of 2024.

The support of capacity building will improve the capacities of cities in the design and implementation of sustainable urban development policies and strategies in an integrated and participative way. These sustainable urban development strategies should take into account their impact and spill over effects in the surrounding territories. Capacity building activities will also result in the enhanced quality of sustainable urban development policies and strategies and related investments. The work programme for 2023-2024 foresees the completion of the design phase for different capacity building activities, in particular, for city2city exchanges and peer reviews, and their rollout for implementation.

The support of knowledge building, territorial impact assessment, policy development and communication will improve the access of urban policymakers and practitioners to consolidated knowledge for evidence-based policymaking. The activities will also result in the maximised profile and visibility of the EUI by communicating its activities to the widest possible audience. More cities of all sizes, especially small and medium-sized cities, will know about the EUI support available and will benefit from its services. The work programme for 2023-2024 foresees the finalisation of the strategies for knowledge management and communication, the establishment of the Urban Contact Point network across the EU-27, the rollout of the first version of the Knowledge Sharing Platform titled

'Portico' as well as a series of capitalisation activities and effective continuation of communication.

The progress in implementing the work programme 2023-2024 will be measured with indicators in the following overarching dimensions:

- Innovative actions
- Capacity building
- Knowledge building and policy development
- Support to the Urban Agenda for the EU and possible support to intergovernmental cooperation on urban matters
- Communication
- Value chain between different parts of the EUI (strands (a) and (b)) and urban areas as under Article 11 of Regulation (EU) 2021/1058.

Pursuant to Article 12(2) of Regulation (EU) 2021/1058, a first biennial report on the EUI implementation will be submitted to the European Parliament and Council in the second semester 2024.

Climate and biodiversity mainstreaming

In accordance with point (b) of Article 5(1) of Regulation (EU) 2021/1060 (the CPR), the EUI (as supported by the ERDF) shall 'support the policy objective of a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility'.

Also, as a support to the Urban Agenda for the EU, the EUI shall support participation of local authorities in the thematic partnerships under the Urban Agenda for the EU, thus contributing to partnerships with themes addressing green priorities.

As the actions of the EUI, in accordance with the CPR, are designed to support the objectives of the Funds, in combination with the objectives of the Urban Agenda to the EU, they will contribute to the establishment of climate and biodiversity mainstreaming.

2. *Actions implemented in indirect management*

2.1. European Urban Initiative implemented under indirect management

Implementing entity

The EUI is implemented under indirect management in accordance with Article 7(2) of Regulation (EU) 2021/1060, Article 12(1) of Regulation (EU) 2021/1058 and point (c) of Article 62(1) of Regulation (EU, Euratom) 2018/1046.

In compliance with Article 154(1) of the Financial Regulation, the Commission organised a call for expressions of interest¹ for the indirect management of the EUI between 5 May and 5 July 2021. As the entrustment of indirect management tasks requires the designated entity to have proper financial and operational capacities, and in the specific case of the EUI, a

¹ As published on 5 May 2021 on [Publication o calls for expressions of interest - DG REGIO - Regional Policy - European Commission \(europa.eu\)](#)

demonstrated track record in managing resources from the ERDF in several countries, the call was restricted to managing authorities of interregional and/or transnational ERDF programmes of the 2014-2020 period.

On 23 July 2021, the French Region Hauts-de-France was selected as a result of this call. Upon compliance with the ex-ante pillar assessment referred to in Article 154(4) of the Financial Regulation, a contribution agreement was signed between the Commission and the Region Hauts-de-France on 29 August 2022, entrusting the Region with tasks for the indirect management of the EUI.

Description

Strand a - Support of Innovative Actions

Under this strand, the entrusted entity will organise calls for proposals taking into account themes defined by Commission services on a regular basis, in view of the Urban agenda for the EU and of the EU strategic priorities, such as the green and digital transitions.

The following authorities are eligible to apply for EUI support under the European Regional Development Fund (ERDF):

- any urban authority of a local administrative unit defined according to the degree of urbanisation as city, town or suburb and comprising at least 50 000 inhabitants;
- any association or grouping of urban authorities of local administrative units defined according to the degree of urbanisation as city, town or suburb where the total population is at least 50 000 inhabitants. This can include functional urban areas and cross-border associations or groupings, associations or groupings in different regions and/or Member States.

The entrusted entity selects the innovative actions on the basis of the recommendations of an expert panel and in agreement with the Commission. The EUI support granted to each innovative action shall not exceed EUR 5 000 000 and projects must be implemented within a maximum period of four years. Part of the EUI support is dedicated to the financing of transnational partnerships between benefiting urban authorities and three other EU cities, at least two coming from less developed or transition regions, in view of the transfer of knowledge and experience, and of the replication, in full or in part, of the tested innovations in other EU urban contexts. A 'Seal of excellence' type of quality label may be granted to facilitate access to alternative sources of funding (in particular from Cohesion policy programmes) to positively assessed proposals not selected due to insufficient budgets under the EUI calls.

Under this strand, the entrusted entity will also work in close cooperation with the managing authority of URBACT IV for the establishment and functioning, with funding from that interregional programme, of a transfer mechanism of successful Urban Innovative Actions (2014-2020) and EUI-IA (2021-2027) in view of their wider transnational deployment across the EU.

The first EUI Innovative Actions (EUI-IA) call for proposals with the closing date in January 2023 led to selection of 14 projects exemplifying the New European Bauhaus values and having the potential to inspire Cohesion policy in urban areas.

Following a six-months initiation phase for ex-ante audits and operational readiness checks by the entrusted entity, individual grant agreements will be signed, triggering first advance payments to approved projects. Local partnerships between benefiting urban authorities and delivery partners, and transnational partnerships with associated EU cities will be established, as part of the actual implementation's start for these projects.

The same will be applied for the projects selected as a result of the second EUI-IA call for proposals with the closing date in October 2023. The call will support innovative projects that should develop and test new solutions focusing on the three following themes: a) greening cities; b) sustainable tourism; and c) harnessing talent in shrinking cities. The implementation of EUI-IA projects is scheduled to start in 2024 upon successful completion of the initiation phase and grant contracting.

Finally, a third EUI-IA call for proposals will be launched in the course of 2024.

Strand b.1. - Support of capacity building

1. Establishment of a technical coordination mechanism with URBACT IV

Under this activity area, the entrusted entity will continue to carry out activities concerning cooperation with the URBACT IV managing authority that enables the coordination and complementarities between the EUI and URBACT IV in the operational delivery of the two instruments. Such preparatory activities will result in a 'technical coordination mechanism' which is put in place between the EUI and URBACT IV by the end of 2023. In this context, the key actions are expected to comprise the coordination and working together on annual work planning resulting in joint and complementary activities, in particular in the areas of innovation transfer, capacity and knowledge building as well as setting up and coordinating the network of EUI Urban Contact Points.

2. Peer learning

Under this activity area, the entrusted entity will continue preparations concerning the content and procedural practices of peer learning activities. As an outcome, the tools/modules for peer learning activities will be finalised. The entrusted entity will then rollout peer learning activities by launching calls for city2city exchanges and peer reviews targeting urban authorities for a pilot period until the end of 2023. The entrusted entity will assess the experience gained from the pilot period in view of integrating potential improvements to peer learning activities that are subject to further calls in 2024.

3. Urban Development Network (UDN)-type of capacity building

Under this activity area, the entrusted entity will continue preparations concerning the Urban Development Network (UDN)-type of capacity building activities. The entity will then rollout activities by launching calls for multi-country and country-specific events targeting urban authorities for the pilot period lasting until the end of 2023. In this context, the entrusted entity will also prepare the supporting material (handbooks, toolkits, videos, etc.) aimed at building the capacities of cities as well as benchmarking good practices. In addition, cities and urban practitioners participating in capacity building activities will be invited to become members of the capacity building community hosted by the Knowledge Sharing Platform "Portico" and to be established by the end of 2023. The entrusted entity will assess the experience gained from the pilot period in view of integrating potential

improvements to capacity building activities that are subject to further calls in 2024.

Strand b.2. - Support of knowledge building, territorial impact assessments, policy development and communication

1. Establishment and functioning of a network of Urban Contact Points (UCPs)

Under this activity area, the entrusted entity will continue preparations for the establishment of the Urban Contact Points (UCP) network, including the finalisation of the Terms of Reference for the activity. Once the preparatory phase is completed, each Member State will be requested to appoint an entity to participate in the UCP network that is best capable at national level to fulfil its tasks. In parallel with the UCP appointment and contracting process that is expected to be finalised for most of the Member States by the end of 2023, the entrusted entity will prepare the operationalisation of the UCP network, including the official launch of the network. The entrusted entity will then manage the activities of the network and provide support to the appointed UCPs in the course of 2024.

2. Establishment and functioning of a Knowledge Sharing Platform

Under this activity area, the entrusted entity will continue the design and set up a EUI web-portal section for the Knowledge Sharing Platform titled “Portico” and will deliver the first version of the Platform by the end of 2023. The entity will then maintain and progressively develop further the Platform that hosts outputs of the EUI activities and provides inputs for them, undertakes knowledge collection, consolidation and data mining from other pertinent knowledge sources as well as carries out information and knowledge sharing, also in a format of hosting a EUI community of practice. The entrusted entity will also design and implement a forward-looking biennial survey on the pressing urban challenges and support needs of cities in the course of 2024.

3. Capitalisation of knowledge in support of evidence and experience-based policymaking

Under this activity area, the entrusted entity will continue preparations for the capitalisation of knowledge activities, including the drafting of a EUI Knowledge Management Strategy and methodologies for capitalisation activities by the end of 2023. The entity will then rollout the activities, which comprise the organisation of a series of ‘Knowledge for Policy Labs’ and ‘Focused Policy Labs’, as well as the preparation of ‘Thematic Reviews for Policy’ (policy briefs).

4. Communication and dissemination

Under this activity area, the entrusted entity will finalise the EUI communication and dissemination strategy and will then rollout the communication and dissemination activities in a full scale (e.g., organisation of the EUI launch event/other events, contributions to the CITIES Forum 2023, organisation of a series of workshops at EU Regions Week, maintenance and further development of the EUI web-portal, preparation of generic and specific communication and dissemination material).

5. Support to the Urban Agenda for the EU and the intergovernmental cooperation on urban matters

Under this activity area, the entrusted entity will continue preparations for operationalising the support to the Urban Agenda for the EU and to the intergovernmental cooperation on urban matters. The entrusted entity will then rollout the support activities in a full scale. In this context, the entrusted entity prepares and implements ex-ante assessments for novel Partnerships prior to their launch and organises related calls for selecting members of the

Partnership, provides support for on-going Partnerships, undertakes communication and dissemination activities as well as monitors activities of all the active Partnerships and supports the creation of synergies between them.

Horizontal activities: Setting up of the EUI monitoring system and reporting

Under this activity area, the entrusted entity will continue preparations concerning the setting up of the EUI monitoring system for the 2021-2027 programming period with the goal of having the first electronic version in place by the end of 2023. As the EUI is a new initiative with activities still under development, the monitoring system will be designed incrementally, and will further evolve in 2024. The monitoring system will capture, through its key performance indicators, the outputs, results and impacts of the EUI in relation to its overall and specific objectives. As part of the established reporting system (provision of annual EUI work programmes and implementation reports), the entrusted entity will also contribute to feed the Commission's first biennial report to the European Parliament and to the Council on developments in connection with the EUI scheduled for 2024.

Governance system

Under this activity area, the entrusted entity continues the activities of a secretariat which has been set up for the indirect management of the initiative, and which is now fully operational to carry out the day-to-day activities of the EUI including the support to the EUI governance structure. The two EUI governance bodies, which were set up in 2022, will meet at least once a year, i.e. i) the Steering group sought to provide strategic advice for the implementation of the initiative and composed of representatives of Member States from the EU Trio Presidency, the European Committee of the Regions, EU level city associations (CEMR and EURO CITIES) and the managing authority and technical secretariat from URBACT IV, and ii) the Supervisory Board involving more closely the Entrusted entity and the Commission for the operational management and execution of entrusted tasks.

The EUI secretariat also continues to deliver the support to the Urban Agenda for the EU, and to the intergovernmental cooperation on urban matters within the scope defined by the Commission.