

EUROPEAN  
U R B A N  
INITIATIVE

# Terms of Reference

## EUROPEAN URBAN INITIATIVE – INNOVATIVE ACTIONS

SECOND CALL FOR PROPOSALS  
31/05/2023 – 05/10/2023

31st May 2023



Co-funded by  
the European Union



# Table of contents

<b>1.</b>	<b>INTRODUCTION .....</b>	<b>3</b>
<b>2.</b>	<b>ELIGIBLE AUTHORITIES – WHO CAN APPLY.....</b>	<b>4</b>
2.1	FIRST CATEGORY .....	5
2.2	SECOND CATEGORY .....	5
2.3	THIRD CATEGORY .....	7
2.4	COMMON REQUIREMENTS FOR ELIGIBLE URBAN AUTHORITIES.....	7
<b>3.</b>	<b>THEMATIC COVERAGE FOR THE SECOND EUI-IA CALL FOR PROPOSALS .....</b>	<b>9</b>
3.1	GREENING CITIES.....	9
	OVERALL DEFINITION AND CONTEXT OF THE TOPIC ‘GREENING CITIES’ .....	9
	RELEVANCE FOR AND ROLE OF URBAN AUTHORITIES .....	11
	PROMPTS FOR URBAN AUTHORITIES .....	12
	COHESION POLICY TARGETS .....	13
	RESULT AND OUTPUT INDICATORS.....	13
3.2	SUSTAINABLE TOURISM .....	15
	OVERALL DEFINITION AND CONTEXT OF THE TOPIC ‘SUSTAINABLE TOURISM’ .....	15
	RELEVANCE FOR AND ROLE OF URBAN AUTHORITIES .....	17
	PROMPTS FOR URBAN AUTHORITIES .....	18
	COHESION POLICY TARGETS .....	19
	RESULT AND OUTPUT INDICATORS.....	19
3.3	HARNESSING TALENT IN SHRINKING CITIES .....	21
	OVERALL DEFINITION AND CONTEXT OF THE TOPIC ‘HARNESSING TALENT IN SHRINKING CITIES’ ..	21
	RELEVANCE FOR AND ROLE OF URBAN AUTHORITIES .....	22
	PROMPTS FOR URBAN AUTHORITIES .....	23
	COHESION POLICY TARGETS .....	24
	RESULT AND OUTPUT INDICATORS.....	25
<b>4.</b>	<b>PROJECT PHASES.....</b>	<b>27</b>
<b>5.</b>	<b>FUNDING PRINCIPLES .....</b>	<b>28</b>
<b>6.</b>	<b>PROJECT GENERATION AND DEVELOPMENT .....</b>	<b>29</b>
6.1	PARTNERSHIP.....	29
6.2	PROJECT INTERVENTION LOGIC AND WORK PLAN .....	33
6.3	SUPPORT OF EXPERTS.....	34
6.4	TRANSFER.....	35
6.5	COST CATEGORIES .....	37
<b>7.</b>	<b>APPLICATION PROCESS .....</b>	<b>38</b>
<b>8.</b>	<b>SELECTION PROCESS.....</b>	<b>39</b>

8.1	ELIGIBILITY CHECK.....	40
8.2	STRATEGIC ASSESSMENT.....	41
8.3	OPERATIONAL ASSESSMENT .....	42
8.4	ASSESSMENT SCORING SYSTEM .....	43
8.5	EXCLUSION CRITERIA FOR GRANT APPLICANTS .....	43
9.	INITIATION PHASE AND CONTRACTING.....	45
10.	HOW TO GET ASSISTANCE .....	46
11.	KEY DATES.....	46

# 1. INTRODUCTION

The Cohesion policy legislative package for 2021-2027 includes the establishment of the European Urban Initiative (set out in Article 12 of Regulation No 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<sup>1</sup> - ERDF/CF Regulation) – an instrument of the European Union, **successor of the Urban Innovative Actions Initiative implemented during the 2014-2020 programming period**. This novel Initiative is an essential tool to support cities of all sizes, to build capacity and knowledge, to support innovation and develop transferable and scalable innovative solutions to urban challenges of European Union (EU) relevance. The ultimate goal is to inspire the use of mainstream Cohesion policy programmes in urban areas with proof-tested innovations, especially those receiving support from the European Regional Development Fund (ERDF) on specific objectives defined in Article 3 of ERDF/CF Regulation<sup>2</sup>, and to strengthen the innovation capabilities of cities as beneficiaries or intermediaries in the management of these Funds.

One of the main objectives of the European Urban Initiative (EUI), and especially its Innovative Actions Strand (EUI-IA), is to continue support initiated by the Urban Innovative Actions Initiative by **providing urban authorities throughout Europe with space and resources to identify and experiment (via pilot projects) new innovative answers to the interconnected and complex local challenges related to sustainable urban development**. Through the EUI-IA, urban authorities will have the possibility to test how new and unproven solutions work in practice and how they respond to the complexity of real life. Processes and results of experimentation will be followed by partner cities from other countries (Transfer Partners) in order to support and strengthen transferability and replicability of the tested innovative solutions across EU.

Urban authorities should seize the opportunity offered by EUI-IA to try out innovative approaches and working methods outside the scope of “normal projects” (that could be financed through “traditional” sources of funding, including mainstream ERDF programmes). EUI-IA allows cities to turn ambitious and creative ideas into prototypes that can be tested in real urban settings. In other words, EUI-IA supports pilot projects that are too risky to be funded by traditional sources of funding, provided that they are highly innovative and experimental.

**EUI-IA projects are selected through Calls for Proposals on one or more topics proposed by the European Commission (EC). The EUI has a total ERDF budget of EUR 450 million, 75% of which is earmarked to support the EUI-IA Strand. Each project can receive up to a maximum of EUR 5 million ERDF co-financing and project implementation should take place within a maximum period of 3,5 years.**

---

<sup>1</sup> 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: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32021R1058>. The ERDF specific objectives targeted will be specified in each individual European Urban Initiative – Innovative Actions Call for Proposals.

<sup>2</sup> *Ibidem*.

The EUI is managed by the EC's Directorate-General for Regional and Urban Policy (DG REGIO) via indirect management. The EC has designated the Region Hauts-de-France (France) as Entrusted Entity, for the implementation of EUI. The EUI Permanent Secretariat has been created to assist the Entrusted Entity and to ensure the day-to-day management of EUI.

**With the present Terms of Reference, the Entrusted Entity is inviting eligible authorities to submit project proposals in the framework of the second EUI-IA Call for Proposals. For this Call for Proposals, an indicative budget of EUR 120 million ERDF is allocated.**

The present document sets out the requirements and process to follow for the second EUI-IA Call for Proposals. It should be read in conjunction with the EUI-IA Guidance, the Application Form Courtesy Working Document and other documents published on the EUI website related to the Call.

## 2. ELIGIBLE AUTHORITIES – WHO CAN APPLY

The following authorities may apply for support to undertake the EUI-IA:

- **First category:** Any urban authority of a local administrative unit defined according to the degree of urbanisation (DEGURBA) of Eurostat as city, town or suburb (corresponding to DEGURBA code 1 or DEGURBA code 2 of Eurostat) comprising at least 50 000 inhabitants.
- **Second category:** An association or grouping of urban authorities with legal status of organised agglomeration composed by Local Administrative Units, where the majority (at least 51%) of inhabitants lives in Local Administrative Units defined according to the degree of urbanisation (DEGURBA) of Eurostat as cities, towns or suburbs (corresponding to DEGURBA code 1 or DEGURBA code 2) and where the total combined population is at least 50 000 inhabitants.
- **Third category:** An association or grouping of urban authorities without legal status of organised agglomerations where all the urban authorities involved (Main Urban Authority and Associated Urban Authorities) are Local Administrative Units defined according to the degree of urbanisation (DEGURBA) of Eurostat as cities, towns or suburbs (corresponding to DEGURBA code 1 or DEGURBA code 2) and where the total combined population (Main Urban Authority and Associated Urban Authorities) is at least 50 000 inhabitants.

Only eligible urban authorities as defined above can submit an Application Form in the framework of EUI-IA Call for Proposals.

The definition of Local Administrative Units as well the classification according to the degree of urbanisation and the figures on the number of inhabitants are based on information provided in the

EUI-IA Correspondence table (“EUI-IA\_Call2\_Correspondence\_table”: [https://www.urban-initiative.eu/sites/default/files/2023-05/EUI-IA\\_Correspondence\\_table.xlsx](https://www.urban-initiative.eu/sites/default/files/2023-05/EUI-IA_Correspondence_table.xlsx)). This table will be used as the main reference document for the Eligibility Check. Applicants are invited to refer to Correspondence table to verify their eligibility and provide information on the Local Administrative Units included in their administrative borders and the figures concerning the number of inhabitants. Carrying out an eligibility self-assessment (based on the abovementioned Correspondence table) before filling in the Application Form is strongly recommended. In case of gaps, inconsistencies or doubts concerning the interpretation of the data included in the EUI-IA Correspondence table, applicants are advised to contact the Permanent Secretariat before filling in and submitting the Application Form. During the selection procedure the Permanent Secretariat will perform its eligibility check exclusively on the basis of the information filled in the Application Form. In cases where the applicant’s status as eligible candidate is uncertain, the Permanent Secretariat will liaise with all relevant partners, including Eurostat, to determine the eligibility.

## 2.1 FIRST CATEGORY

- Municipality/city councils/districts whose administrative borders correspond to a single Local Administrative Unit. In this case the Local Administrative Unit shall be classified as city, town and suburbs according to the degree of urbanisation (code 1 and/or 2 in the Correspondence table – column Degree of Urbanisation) and have at least 50 000 inhabitants.
- Municipality/city councils whose administrative borders include several Local Administrative Units. This is the case for municipalities/city councils in Portugal, Ireland, Greece, Malta and Latvia where the Eurostat definition of Local Administrative Unit does not correspond to municipalities/city councils but to infra-municipal units (parishes) or statistical units (electoral wards). In this case the municipality/city council can be eligible only if it has a total of 50 000 inhabitants and if the majority (at least 51% of the inhabitants) live in Local Administrative Units classified as cities, towns or suburbs according to the degree of urbanisation (code 1 and/or 2 in the Correspondence table – column Degree of Urbanisation).

## 2.2 SECOND CATEGORY

Organised agglomerations which are an association/grouping of urban authorities fulfilling the following criteria:

- To be officially recognised as a tier of local government (different from the regional and provincial level) by national law with the obligation for municipality/city councils to join the supra-municipal organisation (therefore in this category are not included associations that are composed on a voluntary basis, for a specific purpose and/or with a limited duration).

- To be composed only by municipality/city councils (therefore in this category are not included associations involving other institutions such as universities, chambers of commerce, etc.).
- To have specific competences, fixed by national law, delegated by the municipalities involved for policy areas relevant for the EUI-IA project. Associations are invited to provide precise reference to the national legal framework. Organised agglomerations shall have exclusive competences for the design and implementation in policy areas relevant for the EUI-IA project.
- To have a specific political (with indirect representation of the municipalities involved) and administrative (dedicated staff) structure.

Examples of eligible organised agglomerations in the framework of the EUI-IA are:

- France: Métropoles, Communautés Urbaines, Communautés d'Agglomération, Etablissements Publics Territoriaux (EPT) and Communautés de Communes.
- Italy: Città Metropolitane and Unione di Comuni only. Please note that Consorzi, Gruppi di Azione Locale (GAL), Convenzione dei Comuni or any other organised agglomeration that are not considered local authorities by the Italian national legislation (Testo Unico degli Enti Locali) are not eligible.
- Germany: Landkreis.
- Spain: Mancomunidades and Area Metropolitana Barcelona. Please note that "Diputaciones provinciales" (provincial governments) are considered as provincial bodies and therefore they are not recognized as eligible organised agglomerations.
- Portugal: Comunidades Intermunicipais (CIMs).

European Grouping of Territorial Cooperation (EGTC) whose partnerships are composed only of urban authorities (as defined above) and with specific competencies for policy design and implementation relevant for the EUI-IA Call are considered as organised agglomerations and therefore they can apply in the framework of EUI-IA Calls for Proposals as Main or Associated Urban Authorities. EGTCs whose partnerships include other organisations (e.g.: Member States, regional authorities, associations, universities, etc.) are not considered as organised agglomerations and cannot apply as Main or Associated Urban Authorities but they can join as Delivery Partners in a proposal submitted by an eligible urban authority.

In the framework of the EUI-IA, organised agglomerations are considered as a single urban authority representing all the municipality/city councils involved. For this reason, in a project proposal submitted by an organised agglomeration, this shall be indicated as Main Urban Authority. To verify the eligibility of organised agglomerations, the Permanent Secretariat will check that the total number of inhabitants is at least 50 000 and that the majority (at least 51% of inhabitants) live in Local Administrative Units involved in the agglomeration that are classified as cities, towns or suburbs according to the degree of urbanisation.

## 2.3 THIRD CATEGORY

Any association of urban authorities (national/regional associations of urban authorities, territorial pacts, development districts, etc.) as well as individual urban authorities without formalised cooperation agreements but willing to jointly apply, can apply identifying a Main Urban Authority among the municipalities/city councils involved and list the others as Associated Urban Authorities.

To be eligible, all urban authorities involved (Main and Associated Urban Authorities) shall be recognised as Local Administrative Units and be classified as cities, towns or suburbs according to the degree of urbanisation of Eurostat (DEGURBA code 1 or DEGURBA code 2). In case of urban authorities whose administrative borders include more than one Local Administrative Unit, the same rules for the definition of the degree of urbanisation described under section 2.1 apply. The relationship between the Main and the Associated Urban Authorities does not need to be formalised at the time of submitting the Application Form. In case the proposal is approved and supported, the relationship will have to be formalized in a form of the Partnership Agreement (Permanent Secretariat will provide the Main Urban Authority with a template).

Previous experiences show that single projects delivered by associations or grouping of cities without a status of organised agglomeration, comprising more than 3 urban authorities (Main and Associated Urban Authorities) without territorial contiguity, risk losing coherence and having difficulties in delivering meaningful results. As such, it is recommended that associations and/or groupings of urban authorities (without a status of organised agglomerations) who wish to apply should be territorially contiguous and seek to limit the number of Associated Urban Authorities involved.

## 2.4 COMMON REQUIREMENTS FOR ELIGIBLE URBAN AUTHORITIES

In addition to the principles outlined above for each specific category of eligible urban authorities, the following principles apply to all eligible urban authorities in the framework of the EUI-IA:

- All urban authorities shall be located in an EU Member State.
- Only eligible urban authorities as defined above may submit an Application Form in the framework of the EUI-IA Call for Proposals. An Application Form submitted by a Delivery Partner will be declared ineligible.
- Urban authorities (as defined above) can be listed in a project proposal only as Main and/or Associated Urban Authorities. The category of Delivery Partners is reserved only to institutions and/or organisations that are not recognised as urban authorities in the framework of the EUI-IA.
- If innovative solutions require an urban-rural interface or functional area approach, it is possible to include Local Administrative Units defined as rural according to their degree of urbanization



(DEGURBA code 3 of Eurostat) as Delivery Partners. Please note that their number of inhabitants does not count to reach the minimum eligibility threshold of 50 000. The reason for including Local Administrative Units defined as rural must be clearly presented and justified in the Application Form.

- An urban authority or an organised agglomeration can be involved in only one project proposal in the framework of each Call for Proposals (even if these project proposals are submitted under different topics in the same Call for Proposals). The rule applies also to the Associated Urban Authorities (a municipality can be involved in only one project proposal whether it is as Main Urban Authority or as Associated Urban Authority).
- Urban authorities already supported in an approved project by the EUI-IA in the framework of a previous Call for Proposals cannot submit a new Application Form on the same topic over the entire duration of the Initiative.
- Urban authorities must comply with the requirements on exclusion from access to funding (more details are provided below in the Section 8.5 “Exclusion criteria for grant applicants” and in the EUI-IA Guidance, Chapter 3.3 “Exclusion criteria for grant applicants”).

Agencies and companies (e.g.: in the field of energy/waste management, economic development, touristic promotion, etc.) fully or partially owned by the municipality/city council are not considered as Local Administrative Units and therefore cannot be recognised as eligible urban authorities. Nevertheless, these organisations can be involved in the Partnership as Delivery Partners (more details on the roles and responsibilities of Delivery Partners are provided in the EUI-IA Guidance, Chapter 2.1.2 “Typology of the European Urban Initiative – Innovative Actions Partners”).

Please note that, in the case of associations or grouping of urban authorities with legal status of organised agglomerations (second category of eligible authorities – see above for the details), the institution, including all the other urban authorities involved, is considered as a single urban authority in the framework of the EUI-IA and therefore the agglomeration shall be listed as the Main Urban Authority. In the case of associations or groupings of urban authorities without legal status of organized agglomeration (third category of eligible authorities – see above for the details), the urban authorities involved are requested to identify one municipality as Main Urban Authority and the other municipalities as Associated Urban Authorities.

# 3. THEMATIC COVERAGE FOR THE SECOND EUI-IA CALL FOR PROPOSALS

EUI was established as one of the tools supporting the implementation of the Urban Agenda for the EU – a key vehicle for the implementation of the New Leipzig Charter. In continuity with the Urban Innovative Actions approach, EUI-IA Calls for Proposals will be organised on topics defined by the EC building on the New Leipzig Charter and on EC's priorities presenting a cross-sectorial dimension, such as the green and digital transitions. In order to raise the readability of EUI-IA projects with regard to Cohesion policy and facilitate their subsequent upscale and/or replication with ERDF funding, EUI-IA Calls for Proposals also specify the Cohesion policy specific objectives targeted by the Call. Applicants will have to pay a particular attention to demonstrate the Cohesion policy relevance of solutions they propose to test in the light of the specific objectives presented. A list of indicators (i.e. to be used and monitored together with other indicators that Project Partners will set for themselves) are also defined to facilitate the understanding of desired effects at project level, and allow for aggregating results at policy area and/or EUI-IA's level.

**For the second Call for Proposals, applicants can submit project proposals focussing on one of the three topics: Greening Cities, Sustainable Tourism, or Harnessing talent in shrinking cities.**

## 3.1 GREENING CITIES

### OVERALL DEFINITION AND CONTEXT OF THE TOPIC 'GREENING CITIES'

Europe and the world are facing the intrinsically linked biodiversity, climate, pollution and resource crises. Climate change accelerates the destruction of the natural world through droughts, flooding and wildfires, while the loss and unsustainable use of nature are in turn drivers of climate change<sup>3</sup>. Pollution affects our health and environment, and scarce resources are wasted in a linear economy. The climate emergency calls for urgent action to radically cut emissions to stay on track to limit earth's warming to 1.5°C, and at the same time, to make adaptation to climate change smarter, swifter and more systemic<sup>4</sup>. Further to climate change, other key drivers of biodiversity loss – changes in land and sea use, overexploitation, pollution, and invasive alien species – are making nature disappear quickly.

---

<sup>3</sup> EU Biodiversity Strategy for 2030 (2022)

<sup>4</sup> IPCC Report Analysis (2022), EU strategy on adaptation to climate change (2021)

European cities are at the forefront of experiencing the impacts of these multiple crises. Green urban spaces often lose out in the competition for land as the share of the population living in the EU urban areas continues to rise. One in eight of Europeans living in cities are exposed to levels of air pollutants exceeding WHO recommendations. Cities generate about 70% of the global GHG emissions, and at the same time, are particularly vulnerable to the impacts of climate change such as more frequent and prolonged heatwaves, droughts, flooding or water scarcity.

Tackling jointly the biodiversity, pollution, resource and climate challenges provides the entry point on how 'greening cities' supports ecosystems and builds resilience. In this context, the enhanced focus on solutions in the area of green and blue infrastructure<sup>5</sup> (hereafter referred as 'green' infrastructure) offers an effective and efficient approach to address these challenges in cities.

While green infrastructure is important, it alone is not sufficient for achieving a healthy and green urban environment. Therefore, the integration of green infrastructure into other sectors – beyond the protection of biodiversity and addressing the climate challenge – is of high relevance. In the same vein, as greening cities is a holistic concept, it is important to approach the theme in a more integrated manner and make connections to a wider set of policy areas. Links should be developed between green infrastructure and other policy areas such as zero pollution of air, water and soil, sustainable mobility, renovation of buildings, energy, water management, circular economy and public health.

Under the topic 'Greening Cities', projects will be funded to experiment and deliver tangible innovative solutions on green infrastructure across European cities, for better addressing the biodiversity, pollution, resource and climate challenges, including synergy development with other key policy areas. The innovative solutions tested under the funded projects are expected to contribute to Cohesion policy investments related to the green and just transition, and will embrace the issue of being affordable to all.

The topic 'Greening Cities' contributes to and has interconnections with a number of EU policies and initiatives such as EU Green Deal, EU Biodiversity Strategy, EU Forest Strategy, EU Soil Strategy and Nature Restoration Law proposal, EU Strategy on Adaptation to Climate Change, EU Green Infrastructure Strategy, EU Zero Pollution Action Plan, New European Bauhaus Initiative, EU Renovation Wave Strategy, Affordable Housing Initiative, New European Urban Mobility Framework, EU Missions on Climate-Neutral and Smart Cities and Adaptation to Climate Change, European Partnership Driving Urban Transitions of Horizon Europe, Covenant of Mayors for Climate and Energy, Green City Accord, European Green Capital and Leaf Awards, and Intelligent Cities Challenge.

In addition, the topic contributes to and has interconnections with the Urban Agenda for the EU Thematic Partnership 'Greening Cities'. The Partnership focuses on green and blue infrastructure in an

---

<sup>5</sup> In the EU Green Infrastructure Strategy, green infrastructure is defined as a strategically planned network of natural and semi-natural areas with other environmental features designed and managed to deliver a wide range of ecosystem services. It incorporates green spaces and other physical features in terrestrial (including coastal) and marine areas, and on land, green infrastructure is present in urban and rural settings. Blue infrastructure is similar to the one of green infrastructure and covers natural and semi-natural areas including aquatic ecosystems, coastal and marine areas. Peri-urban areas are of high relevance for the development of green infrastructure, and the concept of such infrastructure can be enriched with nature-based solutions.

urban context and will create links to other policy sectors. The topic 'Greening Cities' is also consistent with the 'Green City' theme of the New Leipzig Charter, which puts forward a vision for the sustainable urban future in Europe, also with the emphasis on the social and economic aspects ('the just city' and 'the productive city').

The European Commission aims at reaching a balanced portfolio of projects meeting the highest quality standards while reflecting the geographical, spatial and demographic diversities of European cities. Project proposals are expected to be highly experimental, consequently not likely to be funded by traditional or mainstream sources of funding.

## RELEVANCE FOR AND ROLE OF URBAN AUTHORITIES

Tackling jointly biodiversity, pollution, resource and climate challenges through green infrastructure solutions is an area with significant potential for cities. Innovative responses to biodiversity, pollution, resource and climate challenges materialise by concrete actions at local level. The topic 'Greening Cities' with the focus on green infrastructure connects a number of authorities, types of initiatives and regulatory measures on the ground. Urban authorities are well-placed to bridge across different authorities and departments, while experimenting with innovative solutions to existing and/or new green infrastructure, and in doing so, improving the knowledge base for the theme. They tend to enjoy also the trust of the citizens which is essential in gaining local acceptance for green infrastructure projects particularly through participatory stakeholder involvement.

Inextricable links exist between biodiversity, pollution, resource and climate challenges, and there is the need to focus on green infrastructure solutions that resolve them holistically. However, in practice, they are quite often addressed in their own domains, and hence, by bringing green infrastructure solutions together in an urban perspective, there is an opportunity for promoting a more holistic approach. Innovative solutions tested by urban authorities that simultaneously address synergies between biodiversity protection, zero pollution objectives and mitigating/adapting to climate change, while also considering social impacts, offer the opportunity to maximize co-benefits and help meet development aspirations for all.

Urban authorities are well-positioned to experiment with innovative solutions to bring forward the multiple benefits of green infrastructure, while making thematic links to a wider set of policy areas such as zero pollution of air, water and soil, sustainable mobility, green renovation of buildings, clean energy transition, water management and public health. Project proposals under the topic should therefore have a focus on green infrastructure solutions with clear and strong links to other policy areas. For example, innovative ideas tested in cities could address climate change mitigation directly through carbon sequestration, or indirectly by reducing energy demand, and provide important co-benefits such as reducing pollution, e.g. through green infrastructure-related active mobility modes, such as cycling and walking. Such ideas could support climate adaptation as well, e.g. mitigating heat island effects in cities, and reducing the needs for cooling and heating of buildings through green roofs and green walls. Moreover, many studies have demonstrated the positive link between green infrastructure and human health, and through innovative solutions, urban authorities could test novel cost-efficient solutions to public health issues. Furthermore, while capital cities and bigger agglomerations may have more

capacity to incorporate cutting-edge innovation in their approaches, including new solutions never tested before in the EU, innovation is important for cities of all sizes.

Project proposals should not be elaborated in isolation from medium to long term action aimed at tackling challenges in the areas of biodiversity, pollution, resource scarcity and climate and are expected to be embedded in existing strategic and systematic approaches towards greening and/or climate neutrality of a city. Such approaches<sup>6</sup> may, for example, include sustainable urban development strategies of Cohesion policy<sup>7</sup> or Climate City Contracts prepared by the cities involved in or adhered to the EU Mission on Climate-Neutral and Smart Cities, or activities of the cities which have signed or endorsed the Mission Charter of the EU Mission on Adaptation to Climate Change. Such an embedding in relevant urban strategies and plans will be evaluated in project proposals' strategic assessment<sup>8</sup>.

### PROMPTS FOR URBAN AUTHORITIES

Without being prescriptive in terms of response expected, that may vary significantly from one city to the other in view of their size, inner characteristics and challenges, applicants are invited to consider the themes and issues listed below when preparing their project proposals<sup>9</sup>. Testing measures linked to more than one of these themes and issues, in an integrated manner, is also possible and highly recommended for the topic of this call.

- **Developing and enhancing urban green spaces** by focusing on projects that contribute to halting biodiversity loss, to verifiably and significantly reducing air pollution and to combatting heat waves, and at the same time, to achieving climate objectives and improving health and well-being of citizens.
- **Constructing green mobility corridors** with the help of green infrastructure within urban areas and between urban centres and peri-urban areas that contribute to reducing air and soil pollution and noise, using artificial intelligence for traffic management systems, promoting sustainable multimodal urban mobility including active mobility modes such as cycling, and at the same time, to achieving climate objectives and improving health and well-being of citizens.
- **Preventing droughts and flooding** via projects that focus on sustainable water management, including rainwater, in urban areas, with the help of green infrastructure that contribute to preventing droughts and flooding as well as to improving water quality, and at the same time, to reducing disaster risks and land take.
- **Designing and renovating buildings and their surrounding areas, particularly in socially deprived quarters with nature-based solutions** by integrating green infrastructure and nature-based solutions in the design and/or renovation of buildings and in their surrounding areas, including

---

<sup>6</sup> List of strategic/systemic approaches is exemplary

<sup>7</sup> Article 11 of the 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

<sup>8</sup> See section 3.2 of the [EUI-HA Guidance for applicants](#) for further details on the selection procedure

<sup>9</sup> Throughout the document, the phrase 'green infrastructure' refers to *both green and blue* infrastructure

efficient resource management, also by using recycled construction material. Such solutions should improve energy efficiency and reduce greenhouse gas and air pollutant emissions of buildings, further contribute to achieving climate objectives through e.g. provision of climate adaptation and carbon storage and sequestration opportunities.

By focusing on the above prompts, project proposals are expected to create multiple economic, social and environmental benefits such as contributing to a healthier and more resilient urban environment, introducing new business models and practices (e.g. green innovative procurement) as well as novel approaches and tools for capacity building towards greener and more sustainable cities, for citizen engagement, and for greening city financing/budgeting practices. In view of the transition objectives, when addressing the prompts, project proposals are expected to integrate in their concepts measures that advance the green energy transition and lead to a reduced dependency on fuel imports (e.g. the introduction of clean, non-combustion renewable energy sources, practical energy saving actions). In the same vein, project proposals are expected to introduce measures that promote the transition to a circular and resource efficient economy (e.g. by reducing waste and pollution with repair, reuse and reduction).

### COHESION POLICY TARGETS

- Specific objective 2.1 for a greener Europe by *“promoting energy efficiency and reducing greenhouse gas emissions”*,
- Specific objective 2.4 for a greener Europe by *“promoting climate change adaptation and disaster risk prevention and resilience, taking into account eco-system based approaches”*
- Specific objective 2.5. for a greener Europe by *“promoting access to water and sustainable water management”*
- Specific objective 2.7 for a greener Europe by *“Enhancing nature protection and biodiversity, green infrastructure in particular in the urban environment, and reducing pollution”*;
- Specific objective 2.8 for a greener Europe by *“promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy”*
- Specific objective 5.1 for a Europe closer to citizens by *“fostering the integrated and inclusive social, economic and environmental development, culture, natural heritage, sustainable tourism and security in urban areas”*.

### RESULT AND OUTPUT INDICATORS

Project proposals will be assessed, among other criteria, on their ability to achieve credible results and on the soundness of their methodology to measure these results.

In the context of the present topic in particular, urban authorities are invited to define a set of indicators capturing in an integrated way all the interconnected biodiversity and climate objectives, and links of green infrastructure with sectoral policies.

In their applications, urban authorities may refer to any of the indicators listed below, whenever relevant for their project ideas. The list is not prescriptive or exhaustive. It includes indicators that are not exclusively specific to the topic on Greening Cities but which can be of help to express tangible results and are thus worth considering. Such indicators should be complemented by indicators relevant to the specific project.

Urban authorities remain free to define their own project specific indicators, while considering those listed, in order to reflect in the clearest and most convincing way the changes which their project has the potential to accomplish.

### Output indicators

- New products and services created (*measurement unit: new products/services*);
- Infrastructure supported (new, renovated, reconverted or modernised) (*measurement unit: supported infrastructures*);
- New equipment created and/or supported (*measurement unit: new equipment*);
- People supported (trained, upskilled, accompanied or assisted) (*measurement unit: persons*);
- Dwellings with improved energy performance (*measurement unit: dwellings*);
- Public buildings with improved energy performance (*measurement unit: square metres*);
- Coastal strip, river banks and lakeshores, and landslide protection newly built or consolidated to protect people, assets and the natural environment (*measurement unit: hectares*);
- Green infrastructure built for adaptation to climate change (*measurement unit: hectares*);
- Surface area of green infrastructure supported in urban areas (*measurement unit: square meters*);
- Surface area of rehabilitated land supported (*measurement unit: hectares*);
- Systems for monitoring air pollution installed (*measurement unit: number of systems<sup>10</sup>*);
- Stakeholders involved in the preparation and co-implementation of the project (*measurement unit: participations of stakeholders*);
- Citizens involved in the preparation and co-implementation of the project; (*measurement unit: persons*);

---

<sup>10</sup> The measurement stations shall meet the quality requirements set up in EU Clean Air legislation, namely 2008/50 and 2004/107, and are duly reported to the European Environment Agency in line with Decision 2011/850.

- Open space created or rehabilitated in urban areas (*measurement unit*: square metres);
- Urban spaces available for people, accessible green areas for sports, recreational activities (*measurement unit*: hectares).

### Result indicators

- Jobs created in supported entities (*measurement unit*: annual FTEs);
- Users of new and upgraded digital services, products and processes (*measurement unit*: users/year);
- Annual final energy consumption reduced (*measurement unit*: percentage of the reduction in comparison to the previous year);
- Estimated greenhouse emissions (*measurement unit*: tonnes of CO<sub>2</sub>eq/year);
- Improvement of air quality (*measurement unit*: fine particulate matter (PM<sub>2.5</sub> concentrations));
- Rehabilitated land used for green areas and protected biodiversity (*measurement unit*: hectares);
- Increase of population using options for active mobility (*measurement unit*: percentage of the local population);
- Population benefiting from flood protection measures (*measurement unit*: percentage of the local population protected);
- Population benefiting from protection measures against climate related natural disasters (other than floods and forest fires) (*measurement unit*: percentage of the local population protected);
- Level of participation achieved in the engagement with local communities (information, consultation, co-creation, co-decision) (*measurement unit*: percentage of the local population engaged).

## 3.2 SUSTAINABLE TOURISM

### OVERALL DEFINITION AND CONTEXT OF THE TOPIC 'SUSTAINABLE TOURISM'

European tourism is a vibrant ecosystem that, prior to the COVID-19 crisis, contributed to close to 10% of EU GDP, generated nearly 12% of the total EU employment and has made the EU as the world's leading tourism destination. For many regions and cities across the EU, tourism is a key contributor to the economic and social fabric, providing jobs and income, often concentrated in regions with no



alternative sources of employment and involving low-skilled workers. At the same time, tourism can be a powerful tool in fighting economic decline, unemployment and depopulation of destination areas, stimulating basic public infrastructure and services improvements, valorising natural and cultural heritage, and driving the digital and green transformation along the value chain.

The COVID-19 pandemic caused an unprecedented crisis for the tourism industry and destinations, exposing the vulnerability of the ecosystem towards internal and external shocks. The loss of revenue was especially detrimental for regions dependent on the sector, putting at risk millions of jobs<sup>11</sup>, thus weakening its transformative potential. The capacity of the tourism ecosystem to rebound and invest has been greatly weakened by the pandemic, with the highest investment gap estimated among all industrial ecosystems. In addition to the revenue loss, skilled labour shortages in tourism is another challenge aggravated as a consequence of the pandemic. The current global context of the recession and energy crisis, caused by the Russian aggression on Ukraine, is also impacting significantly tourism businesses, SMEs in particular.

Aside from immediate crisis responses, mainly based on short-term employment schemes and liquidity support to SMEs, the recovery process is being driven by efforts addressing more structural vulnerabilities of the current tourism models as well as ensuring the sector's long-term competitiveness, sustainability and resilience to the current and future shocks. Such longer-term measures are necessary to maintain Europe as a world-leading quality, sustainable, inclusive and innovative destination as well as to ensure the social and environmental sustainability and quality of life in touristic cities, towns and regions. Challenges such as high degree of seasonality and unequal geographical distribution in some destinations determine the fluctuation of revenues, employment and the under- or over-utilisation of infrastructure, services and resources. These have potential negative effects for host communities, the climate and the environment, firms in the sector. At the same time, both the fast changing expectations and demands of consumers as well as readiness of the businesses to transform are an opportunity to shift towards more sustainable, digital and inclusive ecosystem.

Tourism businesses and destinations should engage in climate action, for example, by applying circularity models, reducing environmental footprint, ensuring climate adaptation, applying sustainability schemes). Data-driven tourism services and stepping up the digital capacities of SMEs is essential for competitive businesses. Additional considerations towards equal opportunities, accessibility, affordability and creating a positive impact on local communities should shape the sector's social dimension.

The Commission supports the long-term green and digital transformation and resilience of the tourism ecosystem as described in the [Transition Pathway for Tourism](#). Following a co-creation process, the Commission published this strategic roadmap for the sector at the start of 2022, describing the measures and outputs needed to accelerate the green and digital transitions and improve the resilience of the tourism ecosystem and inviting tourism stakeholders to engage and play their part in the initiative. Building on the report, the Council of the EU adopted conclusions setting out the [European](#)

---

<sup>11</sup> UNWTO (2020), 'World Tourism Barometer', Volume 18, Issue 6, October 2020,

[Agenda for Tourism 2030](#) and a corresponding multi-annual EU work plan to support Member States, public authorities and relevant stakeholders.

Other EU policy initiatives particularly important in boosting tourism competitiveness are the [European Green Deal](#), the [EU Pact for Skills](#) and the [EU Data Strategy](#).

EU cohesion policy, in particular through the European Regional Development Fund, has been traditionally an ally of the European regions in their efforts to add value to geographical assets and the cultural and historical heritage and support tourism in an efficient and sustainable manner. In the 2021-2027 programming period, Cohesion Policy continues to offer a broad scope of support for sustainable tourism and an opportunity to support digital and green transformation, strengthening resilience and long-term sustainability of the sector under all Policy Objectives in view of the Transition Pathway for Tourism, and introduced specific objective dedicated to tourism (see below).

In addition, the topic contributes to and has interconnections with the Urban Agenda for the EU Thematic Partnership 'Sustainable Tourism'. The Partnership focuses on issues related to tourism in cities that is a crucial component of a sustainable development of the urban economies.

The European Commission aims at reaching a balanced portfolio of projects meeting the highest quality standards while reflecting the geographical, spatial and demographic diversities of European cities. Project proposals are expected to be highly experimental, consequently not likely to be funded by traditional or mainstream sources of funding.

## RELEVANCE FOR AND ROLE OF URBAN AUTHORITIES

Sustainable urban tourism can be a driver for local development, contributing to all 17 UN Sustainable Development Goals, from fostering job creation, to contributing to sustainable and inclusive growth, bringing in investments and shifting to innovative and greener practices, to name a few. Such contributions ultimately reflect how a city develops and presents itself and improves conditions for both residents and visitors.

However, urban authorities are not only tasked to address the impact of COVID-19 in the sector and structural changes towards more sustainable tourism models but are faced with specific challenges posed in the context of sustainable urban tourism, such as the careful balance of needs of visitors and residents, congestion of tourism flows in cities, accessibility of public spaces and services, and specific environmental and social challenges brought by "over-tourism". These challenges vary with the size of the city and their position in the industrial landscape and have implications for the wider region of the city and its connections (transport, public services, culture, network integration) with the surrounding area. Furthermore, while capital cities and bigger agglomerations may have more capacity to incorporate cutting-edge innovation in their approaches, including new solutions never tested before in the EU, innovation is important for cities of all sizes.

Sustainable tourism strategies in urban centres need not be limited to the city itself but may also actively enhance connections with smaller surrounding areas and towns, thereby reducing pressures on the urban centres and creating more opportunities for the entire region. Nevertheless, cities are in a

unique position within the tourism ecosystem landscape, also applying wider policy and legislative frameworks to boost the recovery and transformation of the tourism sector towards more sustainable and resilient models. On the one hand, cities as tourism destinations in themselves encompass unique tourism ecosystems and bring together a network of tourism stakeholders, multiple attractions and diverse types of visitors within a comparatively small area. On the other hand, urban authorities can complement existing tourism policy and regulatory environment by implementing place-based tourism policies within an overall vision for urban development. By introducing unique solutions and comprehensive policies for the promotion and management of sustainable tourism, cities can set an example for smaller towns, villages and regions that are more dependent on tourism for their economy, particularly in terms of reducing overdependence on a single sector and combining tourism economic activities with other investments and job creation efforts for diversification to other sectors.

### PROMPTS FOR URBAN AUTHORITIES

Without being prescriptive in terms of response expected, that may vary significantly from one city to the other in view of their size, inner characteristics and challenges, applicants are invited to consider the themes and issues listed below when preparing their project proposals. Testing measures linked to more than one of these themes and issues, in an integrated manner, is also possible and highly recommended for the topic of this call.

- Diversifying the tourism product towards varied forms of smart, sustainable and accessible tourism, digitising tourism services, expanding its geographical and seasonal outreach for a more balanced annual economic and cultural cycle, and catering to a wider range of types of visitors, as well as contributing to the livelihoods of local communities;
- Driving the green and digital transformation of the tourism sector within the urban setting, including the transition towards circular economy, smart tourism business models, and climate adaptation, in close cooperation with digital and green upskilling and reskilling opportunities, matching skills and qualifications sought in tourism;
- Fostering social inclusion and innovation through tourism, including by supporting accessibility and affordability measures, and social economy tourism enterprises that facilitate the creation of resilient and sustainable jobs with a special focus on the inclusion of vulnerable and marginalised groups;
- Innovative destination management models based on real-time data of tourism flows, especially in view of addressing overcrowded tourism sites and achieving a more balanced and distributed approach, including through collaborative digital platforms and innovative, sustainable and inclusive urban tourism routes;
- Strengthening the role of cities as gates into the wider tourism regional setting, especially in lesser-known regions with high tourism potential, through fostering urban-rural linkages in the tourism context, including by capitalising on cultural assets and heritage sites in the proximity of urban centres and surrounding areas;

- New tourism governance models, including participatory and collaborative tools to enhance local and stakeholder participation, crisis management measures, innovative data collection mechanisms, systems to manage the pressure on public resources and public services, and measures addressing social and housing needs, cost and quality of living considerations.

## COHESION POLICY TARGETS

- Specific objective 4.6 for a more social and inclusive Europe by “*Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation*”;
- Specific objective 5.1 for a Europe closer to citizens by “*fostering the integrated and inclusive social, economic and environmental development, culture, natural heritage, sustainable tourism and security in urban areas*”.

## RESULT AND OUTPUT INDICATORS

Project proposals will be assessed, among other criteria, on their ability to achieve credible results and on the soundness of their methodology to measure these results.

In their applications, urban authorities may refer to any of the indicators listed below, whenever relevant for their project ideas. The list is not prescriptive or exhaustive. It includes generic indicators that do not correlate explicitly with the subject matter of the call but which use can be of help to express tangible results. Such indicators should be complemented by indicators relevant to the specific project.

Urban authorities remain free to define their own project specific indicators, while considering those listed, in order to reflect in the clearest and most convincing way the changes which their project has the potential to accomplish.

### Output indicators

- Number of cultural and tourism sites supported (*measurement unit: cultural and tourism sites*)
- Enterprises supported (of which: micro, small, medium, large) (*measurement unit: enterprises*)
- Destination management organisations supported (*measurement unit: organisations*)
- Value of digital services, products and processes developed for enterprises (*measurement unit: euro*)
- Infrastructure supported (new, renovated, reconverted or modernised) (*measurement unit: supported infrastructures*);
- New equipment created and/or supported (*measurement unit: new equipment*);

- Population covered by projects in the framework of integrated actions for socio-economic inclusion of marginalised communities, low-income households and disadvantaged groups (*measurement unit: persons*);
- Participations in joint actions promoting gender equality, equal opportunities and social inclusion (*measurement unit: participations*);
- People supported (trained, upskilled, accompanied or assisted) (*measurement unit: persons*);
- Stakeholders involved in the preparation and co-implementation of the project (*measurement unit: participations of stakeholders*).

### Result indicators

- Visitors of cultural and tourism sites supported (*measurement unit: visitors/ year*);
- Percentage of visitor attractions that are accessible to people with disabilities and/or participating in recognised accessibility schemes (*measurement unit: percentage of attractions accessible*);
- Jobs created in supported entities (*measurement unit: annual FTEs*);
- SMEs introducing product, process, marketing or organisational innovation (*measurement unit: enterprises*);
- New enterprises surviving in the market (*measurement unit: enterprises*);
- Number of enterprises supported to register to EMAS (*measurement unit: enterprises*);
- Number of enterprises supported to apply for EU Ecolabel or other EN ISO 140024 type I ecolabels or equivalent voluntary labels, which are independent, multi-criteria based and third party verified (*measurement unit: enterprises*);
- SMEs participating in destination governance activities (*measurement unit: participations*);
- Users of new and upgraded digital services, products and processes (*measurement unit: users/year*);
- Level of participation achieved in the engagement with local communities (information, consultation, co-creation, co-decision) (*measurement unit: percentage of the local population engaged*).

### 3.3 HARNESSING TALENT IN SHRINKING CITIES

#### OVERALL DEFINITION AND CONTEXT OF THE TOPIC 'HARNESSING TALENT IN SHRINKING CITIES'

Demographic trends of last decades, notably ageing and declining birth rates not compensated by inward migration, are reshaping European Union's growth and territorial development prospects. While all EU regions experience a shrinking of their working age population, many are more acutely concerned.

In the [Communication 'Harnessing talent in Europe's regions'](#) published on 17 January 2023, the European Commission identifies 82 regions in 16 Member states, accounting for almost 30% of the EU population, most severely impacted by this decline of the working age population, combined with low and stagnant share of tertiary education graduates, or by a net out-migration of their 15-39 age population.

These regions are in, or risk falling into, a **talent development trap** that could deepen their specific structural challenges (e.g. inefficiencies in the labour market, limited economic diversification or over-reliance on declining sectors, low performance on innovation reducing the demand for highly skilled workers, poorer social outcomes and a more restricted access to essential services) and seriously hamper their sustainable growth and attractiveness potential. If left unaddressed, this process will trigger new and growing territorial disparities, and the feeling of inhabitants and communities from these regions, of being left behind.

As the Communication highlights, tackling these challenges will require the mobilisation of a wide range of existing EU instruments and policies to support the economic revitalisation and development of the right skills to attract high-potential activities and a dedicated talent booster mechanism has been set up. **Cohesion policy will be naturally at the forefront** of these coordinated efforts by helping regions to enhance their attractiveness for talents, by diversifying their economies, upgrade accessibility to services, boosting the efficiency of public administrations and ensuring the involvement of local and regional authorities through dedicated local strategies.

In this context, the European urban initiative (EUI) is enlisted as part of the talent booster mechanism through this new call for proposals on innovative actions to support cities particularly in the above-mentioned regions, to **test new solutions to retain and attract talent**. The call is seeking to identify placed-based and integrated pilot projects, i.e. involving local communities in experimentations at the urban scale and addressing the economic, social and environmental dimensions of the faced demographic challenges, in a way that could **inspire the use of Cohesion policy programmes in these urban areas**. In particular, knowledge capitalisation and transfer as well as the replication and/or upscale of most successful experiences with European Regional Development Fund (ERDF) investments under the specific objectives listed in the 'Cohesion policy targets' (see section below) can, thus contribute to the more systematic revitalisation process in the longer term.

The European Commission aims at reaching a balanced portfolio of projects meeting the highest quality standards while reflecting the geographical, spatial and demographic diversities of European cities.

## RELEVANCE FOR AND ROLE OF URBAN AUTHORITIES

Whether or not pertaining to regions that are in, or risk falling into, a talent development trap, cities faced by a rapid shrinking of the working age population and failing to attract and/or retain younger and/or more qualified residents, are confronted to a direct threat of shrinking, with emigration of their skilled labour force and skills and labour shortages hampering their competitiveness. Factors such as the ageing of the remaining population, the relative increase in the ratio of workers to dependents, as well as proportion of less skilled and low-income groups that is often associated with shrinking, can have mutually reinforcing effects.

The deficit of skilled workers constitutes a brake to economic diversification and/or the settlement of more competitive industries. It also translates into lower fiscal revenues for city administrations and greater per capita costs to maintain local services and infrastructure which the 'captive' population is in crucial need of. On the longer term, the quality of public spaces, service levels of well-being facilities, such as education, employment, public transports or health, may suffer. The whole urban environment can also deteriorate from the decline of economic prosperity (e.g. closure of former commercial or industrial production sites turning into brownfields), distilling overall a negative image of the city, leading to even more people and businesses moving out<sup>12</sup>.

Capital cities, bigger agglomerations and/or regional centres, because they host a concentration of economic activities and associated job opportunities and services<sup>13</sup>, are less likely to be exposed to these threats than small and medium size cities<sup>14</sup>. Furthermore, while capital cities and bigger agglomerations may have more capacity to incorporate cutting-edge innovation in their approaches, including new solutions never tested before in the EU, innovation is important for cities of all sizes. It will be thus paramount for applicants to **demonstrate that their city is affected by the combination of demographic challenges and difficulties to attract, retain or develop the talents, skills and qualifications** needed to mitigate this impact, as referred to in the Communication on Harnessing Talent in Europe's Regions whether or not pertaining to the listed NUTS-2 regions<sup>15</sup>. Shrinking small and medium size cities are particularly encouraged to apply as these hold a great potential to boost the attractiveness of surrounding predominantly rural regions, facing a talent development deficit. Individually or as a grouping, in partnership with socio-economic partners (universities, research facilities, vocational

---

<sup>12</sup> See European Commission Joint-Research Centre [Policy Brief "Shrinking cities"](#) of 1/11/2022.

<sup>13</sup> All cities with at least 250 000 inhabitants in the EU and all regional centres, understood as largest settlements within a 45-minutes car drive, have an hospital, a secondary school and access to number of services (e.g. cinemas, banks, retail) whereas many other urban areas lack these services. Only 50% of the cities with between 50 000 and 250 000 inhabitants have a university, whereas 90% of the regional centres of this size have one (See the [Eighth Report on Economic, Social and Territorial Cohesion](#) for more details).

<sup>14</sup> This justification will be taken into account in particular as part of the strategic assessment on 'urban innovativeness and relevance' of their proposals (see section 3.2 of the [EUI-IA guidance for applicants](#) for further details on the selection procedure).

<sup>15</sup> See the [annex](#) of the Communication for the full list of concerned NUTS-2 regions.

training institutions, companies and small business clusters), such cities can display a number of functions to stimulate the participation of prime-aged people into the local workforce and attract new residents, better connecting urban and rural areas in terms of supply of services and amenities and thus contribute to improve the quality of life and the rejuvenation of surrounding territories.

With proper strategies and combined innovative approaches, some of the above-mentioned issues can also be turned into opportunities. As population decreases, the housing supply may exceed demand, leading to an increase in vacant properties and a decrease in property value that can be appealing to investors and/or attract younger people and families looking for more affordable housing and a better environmental quality in comparison to urban centres. Brownfields can be transformed into housing and/or green areas, abandoned buildings into co-working spaces, multi-purposes functions, kindergartens, theatres, etc., reducing urban sprawl and transport distances. The availability of new means of communication, such as high-speed internet, combined with less congestion may also attract online businesses and/or nomad workers. These cities could also be more prompt to testing novel approaches and new social experiments, like regrouping the population to densify specific areas (to comply with 'compact city' model) or involving citizens in related decision-making and/or in the co-design and/or coproduction of services most needed to attract or retain talents.

### PROMPTS FOR URBAN AUTHORITIES

Without being prescriptive in terms of response expected, that may vary significantly from one city to the other in view of their size, inner characteristics and challenges, applicants are invited to consider the themes and issues listed below when preparing their project proposals. Testing measures linked to more than one of these themes and issues, in an integrated manner, is also possible and highly recommended for the topic of this call.

Boosting the demand for younger and qualified talent in cities including by:

- **Encouraging the economic diversification of targeted urban areas**, by focusing on emerging sectors with greater added value but also potential in view of local economy's characteristics, possibly in the light of entrepreneurial discovery processes and smart specialisation approaches;
- **Reinforcing local entrepreneurship of young people** through innovative financial schemes supporting the creation of start-ups or spin-offs by resident students and/or recently graduated workers (and in particular women), related incubation, mentorship and associated business services.

Boosting the supply of young and qualified talent and attractiveness of cities, including by:

- **Fostering new alliances** between urban authorities, enterprises, academia, research institutions and/or vocational training centres *inter alia* to:
  - develop curricula, scholarships, on-the-job trainings and associated financial assistance such as youth guarantees in the view of bridging skills mismatches between business



demand and available labour forces, as well as in view of the mastering of competences associated to the green and digital transitions;

- encourage women (equal access to) qualifications and employment;
- promote and organise the integration of EU and non-EU high-skill workers.
- **Developing services favouring labour force participation and the quality of life of inhabitants**, including through community-based projects increasing social capital and adapting the offer of services to local needs (retirees, families), initiatives contributing to rejuvenate public spaces, the associative, cultural and/or creative community life and/or promoting gender balance and inter-generational solidarities;
- **Enhancing the access to affordable housing and/or facilitating the settlement and/or resettlement of young workers** and their families and/or of researchers and/or post-graduates that may be indispensable to sustain a vivid innovation ecosystem;
- **Renewing and/or rightsizing the built environment and urban space as well as public infrastructure and associated services** through:
  - measures to renovate and/or repurpose vacant housing, historical or industrial buildings, or to reconvert brownfields and similar abandoned sites into green spaces, also contributing to the EU Green Deal targets towards carbon neutrality;
  - new governance and financial models, mutualisation of means within functional area dynamics, to better connect urban and rural areas and/or run collectively infrastructures and services better calibrated, at the appropriate critical mass of population and benefiting from economies of scale, for the cities and their surrounding territories;
  - measures to modernise and to improve the quality of the public administrations, of basic services offered to the population as well as to improve the transparent and participative involvement of citizens in decision-making.

## COHESION POLICY TARGETS

- Specific objective 1.1 for a more competitive and smarter Europe by “developing and enhancing research and innovation capacities and the update of advanced technologies”;
- Specific objective 1.2 for a more competitive and smarter Europe by “reaping the benefits of digitalisation to citizens, companies, research organisations and public authorities”;
- Specific objective 1.3 for a more competitive and smarter Europe by “enhancing sustainable growth and competitiveness of *SMEs and job creation in SMEs, including by productive investments*”;

- Specific objective 1.4 for a more competitive and smarter Europe by “*developing skills for smart specialisation, industrial transition and entrepreneurship*”;
- Specific objective 4.1 for a more social and inclusive Europe by “*enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy*”;
- Specific objective 4.2 for a more social and inclusive Europe by ‘*improving equal access to inclusive and quality services in education, training and lifelong learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training*’;
- Specific objective 4.3 for a more social and inclusive Europe by ‘*promoting the socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups, including people with special needs, through integrated actions, including housing and social services*’;
- Specific objective 4.4 for a more social and inclusive Europe by ‘*promoting the socio-economic integration of third country nationals, including migrants through integrated actions, including housing and social services*’;
- Specific objective 5.1 for a Europe closer to citizens by “*fostering the integrated and inclusive social, economic and environmental development, culture, natural heritage, sustainable tourism and security in urban areas*”.

## RESULT AND OUTPUT INDICATORS

Project proposals will be assessed, among other criteria, on their ability to achieve credible results and on the soundness of their methodology to measure these results.

In their applications, urban authorities may refer to any of the indicators listed below, whenever relevant for their project ideas. The list is not prescriptive or exhaustive. It includes indicators that do not correlate explicitly with the subject matter of the call on harnessing talent in shrinking cities but which can be of help to express tangible results and are thus worth considering. Such indicators should be complemented by indicators relevant to the specific project.

Urban authorities remain free to define their own project specific indicators, while considering those listed, in order to reflect in the clearest and most convincing way the changes, which their project has the potential to accomplish.

### Output indicators

- New products and services created (*measurement unit: new products/services*);
- Infrastructure supported (new, renovated, reconverted or modernised) (*measurement unit: supported infrastructures*);

- New equipment created and/or supported (*measurement unit: new equipment*);
- People supported (trained, upskilled, accompanied or assisted) (*measurement unit: persons*);
- Enterprises supported (of which: micro, small, medium, large) (*measurement unit: enterprises*);
- New enterprises supported (*measurement unit: new enterprises*);
- Enterprises cooperating with research organisations (*measurement unit: enterprises working with research organisations*);
- Capacity of new or modernised social housing (*measurement unit: persons*);
- Stakeholders involved in the preparation and co-implementation of the project (*measurement unit: participations of stakeholders*);
- Citizens involved in the preparation and co-implementation of the project (*measurement unit: persons*).

### **Result indicators**

- Jobs created in supported entities (*measurement unit: annual FTEs*);
- Users of new and upgraded digital services, products and processes (*measurement unit: users/year*);
- New enterprises surviving in the market (*measurement unit: enterprises*);
- SMEs introducing product, process, marketing or organisational innovation (*measurement unit: enterprises*);
- Trademark and design applications (*measurement unit: trademark and design applications*);
- Apprenticeships supported in SMEs (*measurement unit: persons*);
- SMEs staff completing training for skills for smart specialisation, for industrial transition and entrepreneurship (by type of skill: technical, management, entrepreneurship, green, other) (*measurement unit: participants*);
- Annual users of new or modernised facilities for employment service (*measurement unit: users/year*);
- Annual users of new or modernised childcare facilities (*measurement unit: users/year*);
- Annual users of new or modernised education facilities (*measurement unit: users/year*);

- Annual users of modernised and/or buildings reconverted in social housing (*measurement unit: users/year*);
- Annual users of new or modernised temporary reception facilities (*measurement unit: users/year*);
- Annual users of new or modernised health and/or social care facilities (*measurement unit: users/year*);
- Level of participation achieved in the engagement with local communities (information, consultation, co-creation, co-decision) (*measurement unit: percentage of the local population engaged*).

## 4. PROJECT PHASES

EUI-IA project lifespan consist of 4 phases (see EUI-IA Guidance for details):

- i. **Project Preparation** (covered by a lump sum) comprises all activities related to the elaboration of the project application and ends with the approval of the project for funding by the EUI Authorities.
- ii. **Project Initiation Phase** (covered by a lump sum) lasts 6 months and it starts after the project's official approval. It is disconnected from the Implementation phase, conducted before the official start of the project implementation and dedicated solely to project readiness check (including ex-ante audit), as well as for the project management activities to create the conditions for a smooth start and implementation of project activities.
- iii. **Project Implementation** phase lasts 3,5 years; it starts after the project's successful completion of the Initiation Phase and lasts until the approved project implementation end date.

Please note, that there are certain differences regarding the length of the project Work Packages implemented during the Implementation phase:

- **“Horizontal” Work Packages: Project Management, Monitoring and Evaluation, Communication and Capitalisation last for the entire period of the Implementation phase (3,5 years).** It is expected that during the last 6 months of the Implementation phase (after piloting of the innovative solution, i.e. implementation of the Thematic Work Packages, is completed) “horizontal” Work Packages will be focused on: summarising and evaluating project activities; preparing project conclusions; further communicating, disseminating and capitalising on project's results and lessons learnt; preparing the legacy of the project by reflecting on prospects to continue and upscale the tested solutions proved to be successful once the EUI-IA funding is over, adapting

tested innovative solution in the Transfer Partners' cities and its further replication across Europe; as well as on the final reporting.

- **Thematic Work Packages can last up to a maximum of 3 years and should end 6 months before the Implementation phase end date**, in order to – as presented above – allow for a proper evaluation of the project implementation and experimented innovative solution towards the achievement of objectives and expected results, foster transfer activities and further capitalise on the project's achievements. The evaluation of the performance of the project and the tested innovative solution is crucial for allowing the scale up in the project's urban area and the replicability in further cities across Europe, therefore a 6-month period after the experimentation should be dedicated to evaluation activities.
  - **Transfer Work Package starts the latest 12 months after the project start date and lasts until the end of the Implementation phase.** The start of this Work Package should be decided by the MUA and the Transfer Partners after analysing the most feasible and beneficial moment to launch the cooperation. It should allow Transfer Partners to become involved at the most opportune moment already during the initial stages of implementation of a project.
- iv. **Administrative Closure** phase (covered by a lump sum) lasts 3 months and is related to all administrative activities taking place after the Implementation phase in order to close the project and obtain validation of the narrative and financial reporting documents. Please note that it is expected that during this phase, EUI-IA project representative(s) are still available to take part in the knowledge capitalisation and dissemination activities initiated by the Permanent Secretariat.

## 5. FUNDING PRINCIPLES

### Total costs principle

EUI-IA follows the total costs principle. This means that **whilst the project receives ERDF co-financing up to 80% of the eligible costs, every Partner (Main and Associated Urban Authorities, Delivery Partners and Transfer Partners) receiving ERDF needs to secure 20% at least of public or private contribution to complete its budget either from its own resources or from other sources** (but not from another EU funding source). The Partners contribution can be in the form of cash and/or in-kind.

### ERDF payments

EUI-IA payment scheme is mainly based on the principles of advance ERDF payments and ultimately of reimbursement of costs that were actually incurred:

- **A first ERDF (advance) payment** corresponding to 50% of the ERDF grant is made to the Main Urban Authority within 90 days from the successful completion of the Initiation Phase. This first advance payment also covers the two lump sums for Work Package Project Preparation and Initiation Phase. This overall lump sum of EUR 100 000 total eligible costs (corresponding to EUR 80 000 ERDF) consists of the lump sum of EUR 25 000 (corresponding to EUR 20 000 ERDF) for project preparation and the lump sum of EUR 75 000 (corresponding to EUR 60 000 ERDF) for the Initiation Phase.
- **A second ERDF (advance) payment** corresponding to 30% of the ERDF grant is made to the Main Urban Authority after the submission and approval of a Financial Claim 1 that includes project expenditure validated by the First Level Control. Prior to the validation by the First Level Control, the reported expenditure must reach at least 35% of the total project budget. In case the project expenditure validated by the First Level Control falls below 35% of the total eligible costs, the second ERDF advance payment is paid on a pro-rata basis.
- **A third ERDF payment** corresponding to maximum 20% of the ERDF grant is made to the Main Urban Authority after the approval of the (final) 4<sup>th</sup> Annual Progress Report, the approval of the Final Qualitative Report, and the validation of project expenditure in the Financial Claim 2 by the First Level Control. The final Annual Progress Report shall be submitted at the latest 1 month after the Implementation phase, and the (final) Financial Claim 2 shall be submitted together with the Final Qualitative Report at the end of the Administrative Closure phase. In case the project expenditure validated by the First Level Control falls below 100% of the total eligible costs of the project, the third ERDF payment is paid on a pro-rata basis. It is important to note that the third payment is no more based on the principle of advance payment but on the principle of reimbursement of incurred and paid costs. Therefore, Project Partners need to pre-finance their expenditure during the last phase of project implementation (not covered by the 80% of advance payment received). The third payment also covers the lump sum of EUR 20 000 total eligible cost (corresponding to EUR 16 000 ERDF), which covers the project Administrative Closure phase.

## 6. PROJECT GENERATION AND DEVELOPMENT

### 6.1 PARTNERSHIP

As presented in the section 2 “Eligible authorities – who can apply”, only eligible urban authorities can submit an Application Form in the framework of a EUI-IA Call for Proposals. Within the EUI-IA, the Main Urban Authority is expected to be directly involved in the experimentation and to play a strategic

leading role in the development of the EUI-IA project by establishing and chairing a strong Project Partnership to make it technically, scientifically, and financially viable.

#### **Project Partnership involves:**

- **Delivery Partners** – key institutions and organisations able to contribute to the implementation of the project, having an active role in the implementation and funding of the project activities by providing financial contribution to the project (the share of the budget ensured by a Project Partner, i.e. co-financing rate);
- **Transfer Partners** – cities interested in learning from the experimentation and replicating the innovative solution, following the project implementation and providing the Main Urban Authority with an external perspective related to the transferability and replicability of the experimented innovative solution;
- (if applicable) **Associated Urban Authority(ies)**.

All Project Partners (Main or Associated Urban Authorities, Delivery Partners and Transfer Partners) benefiting from the ERDF allocation must secure their own contribution.

All Partners must be located in the European Union (it is possible to involve Delivery Partners from different countries, provided they are based in EU Member States and that there is a clear justification in terms of added value for the project). All Partners involved are also expected to formalize their cooperation by signing a Partnership Agreement.

#### **Main Urban Authority**

Projects should demonstrate a clear ownership of the urban authority being actively involved in the implementation of activities and in the local partnership. The EUI-IA functions on the basis of a Main Urban Authority responsible for the overall implementation and management of the entire project. The Main Urban Authority bears the entire financial and juridical responsibility vis-à-vis the Entrusted Entity. Other Project Partners keep their own responsibility vis-à-vis the Main Urban Authority. The responsibilities of the Partnership represented by the Main Urban Authority are described in a Subsidy Contract between the Main Urban Authority and the Entrusted Entity and in the Partnership Agreement to be signed by all Partners involved after the approval of the project (and Transfer Partners after they are selected). The Main Urban Authority should ensure the involvement of all Project Partners in the design and implementation of the project.

#### **Associated Urban Authorities**

Any existing association of urban authorities (national/regional associations of urban authorities, territorial pacts or associations, development districts etc.) with or without legal status of organised agglomeration as well as individual urban authorities without a formalised cooperation agreement but willing to jointly apply in the framework the EUI-IA shall list in the Application Form one Local Administrative Unit as Main Urban Authority and the other Local Administrative Units as Associated

Urban Authorities. The Associated Urban Authorities are responsible for the delivery of specific activities and the production of related deliverables/outputs. Associated Urban Authorities have a share of the project budget and report the costs incurred for the delivery of the activities. Detailed information on the Associated Urban Authorities (including legal status, experience and competencies, contact persons, etc.) shall be provided in the Application Form.

It is recommended that associations and/or groupings of urban authorities (without a status of organised agglomerations) who wish to apply should be territorially contiguous and seek to limit the number of Associated Urban Authorities involved.

Associated Urban Authorities formalise the contractual relation with the Main Urban Authority by signing the Partnership Agreement, as other Project Partners, following the approval of the project.

Proposing new forms of cooperation, of mutualising means to reach the desired critical mass for a joint purpose and thus applying to a EUI-IA Calls for Proposals as a group of urban authorities is possible and sometimes highly desirable to foster functional urban area dynamics.

### **Delivery Partners**

The development of strong partnerships between public bodies, the private sector and civil society (including citizens and inhabitants) is widely recognised as a cornerstone of sustainable urban development. Depending on the issue to be addressed and based on the local context and previous experiences, Main Urban Authorities should involve a different mix of relevant Partners (institutions, agencies – even if fully owned by municipality/city councils, higher education institutes, private sector partners, investors, research institutions, NGOs, etc.), that are needed to deliver the proposed innovative solution, to achieve the project's objectives and ensure longer term effects as concerns sustainability and scale-up. Delivery Partners should have a relevant experience and expertise to complement that within the Main Urban Authority and to add value to the entire project. If projects are to address the challenges perceived as the most pressing by the stakeholders and target groups, if they are to be truly bold on innovation and committed to apply tested solutions at wider scale once the project is completed, then they should seek to benefit from the knowledge and expertise that exists outside of the urban authorities in the local ecosystem as well as of the support from public and/or private investors interested to be associated.

The Partnership should be balanced and complementary in terms of policy and thematic competences. Partnerships should seek to promote horizontal (including actors dealing with the different dimensions of the urban challenge to be addressed) and vertical integration (including different levels of governance). There is no "one size fits all" solution. Applicants should be aware that Partnerships with more than 10 partners may require extra efforts and resources to ensure an effective management.

Any organisation having legal personality can have the role of a Delivery Partner in a EUI-IA project. Delivery Partners shall have an active role in the design and implementation of the project and are responsible for the delivery of specific activities and the production of the related deliverables/outputs. Delivery Partners have a share of the project budget and report the costs incurred for the delivery of the activities. Delivery Partners should be selected in respect of the principles of transparency and equal



treatment. Consultancy firms having as primary objective, the development and management of European projects and organisations with no staff budgeted (only declaring external expertise costs) are not entitled to participate in a project as Delivery Partners. Detailed information on Delivery Partners (including legal status, experience and competencies, contact persons, etc.) must be provided in the Application Form. In principle a Delivery Partner can be involved in several project proposals in the framework of the same Call for Proposals provided that the contribution and the added value in the different projects are clearly justified.

Please note, that urban authorities cannot be considered and listed as a Delivery Partner but only as Main Urban Authority or Associated Urban Authority, provided they fulfil the eligibility criteria listed above.

### **Transfer Partners**

Transfer Partners are urban authorities which join the Project Partnership in order to follow and learn from the experimentation. It is expected that each EUI-IA project will have 3 Transfer Partners originating from other Member States than the Main Urban Authority.

Any urban authority of a local administrative unit defined according to the degree of urbanisation (DEGURBA) of Eurostat as city, town or suburb (corresponding to DEGURBA code 1 or DEGURBA code 2 of Eurostat) and located in the European Union can become a Transfer Partner. There is no minimum number of inhabitants required (cities of all sizes can become Transfer Partners).

The logic behind Inviting Transfer Partners to the Project Partnership is to foster the adaptability of the tested solution to other urban contexts in the EU and then enhance its chances to be replicated abroad and deployed at wider scale in the longer term, possibly with funding from mainstream Cohesion policy programmes and from the ERDF in particular. Additionally, it may also contribute to support knowledge exchange between the EU cities and build long-term relations between them. Being involved in the experimentation will allow Transfer Partners to reinforce their own innovation potential and increase their capacity for implementing innovative solutions (both in terms of content and process) and prepare the process of adapting and replicating, in all or in part, the tested innovative solution in their own cities by participating in the transfer activities and benefiting from a solution they will see materialising and bringing results, but also overcoming problems and obstacles that pave the way to innovation.

Transfer Partners must be identified and selected and are expected to commit to the Project Partnership the latest during the Initiation Phase. The transfer cooperation, implemented through the Work Package Transfer, must start no later than 12 months from the start of the project implementation. Transfer Partners will have a fixed budget allocated to them.

### **Involvement of target groups and of wider stakeholders**

When developing the EUI-IA project and throughout all project phases, it is necessary to identify and involve **the wider stakeholders' group, depending on the character of the project: local communities, social partners, business, NGOs, experts, institutions, organisations, individuals etc., as well as project's target groups (i.e. depending on the projects: citizens, trainees, job seekers, vulnerable groups and/or**

marginalised communities, users of a given service or administration), that may influence or be influenced by the project. Identifying stakeholders, understanding their influence on the EUI-IA project, and balancing their needs and expectations are critical to the success of the project. Therefore, urban authorities should bring all relevant stakeholders around the table to better frame the problems and needs, agree on a shared vision or desired change that the EUI-IA project should contribute to achieve, and design concrete solutions and actions that will tackle the problems and lead to the desired change. The wider group of stakeholders benefit directly and/or indirectly but has no direct role in the EUI-IA project implementation and should not be considered as partners of the EUI-IA project. Therefore, they have no specific budget allocated, neither explicit responsibilities in the project implementation but are considered relevant and should be actively involved (co-creation) to ensure a smooth and effective delivery of the project.

## 6.2 PROJECT INTERVENTION LOGIC AND WORK PLAN

The Intervention Logic of the EUI-IA project is a representation of clear and well-thought-out understanding how planned actions are expected to lead to the desired change and intended results. It is a way of describing the logical sequence between initial needs, inputs, projects activities, outputs, results and ultimate impact. It is a tool to structure complex interventions and to prepare the evaluation of a project. The Intervention Logic describes: What is the rationale for the intervention/project? What are the challenges/needs that triggered the intervention? What problems is the intervention meant to solve? What is the "desired change"? How are these changes to be achieved?

The Intervention Logic is composed of strategic, operational, and monitoring and evaluation components:

- Strategic components include: overall objective, specific objectives and expected results.
- Operational components include: project Work Plan, Work Packages, activities, deliverables and outputs.

**Project Work Plan** explains the "how" of your project. It's a roadmap representing the guide for implementing your project if it gets funded. The Work Plan is a breakdown of the project into major steps called Work Packages, and Work Packages are broken down into smaller steps called activities. Activities lead to deliverables and each Work Package leads to one or more outputs.

**Work Packages** are building blocks of the Work Plan, they represent the main pillars of the project and are composed of related project activities required to deliver specific components of the project and produce project outputs. To structure the EUI-IA project the following set of Work Packages should be used:

- Work Package Preparation and Initiation Phase

- Work Package Project Management
  - Work Package Monitoring and Evaluation
  - Work Package Communication and Capitalisation
  - Work Packages Thematic
  - Work Package Transfer
  - Work Package Closure
- Monitoring and evaluation components include: output indicators and result indicators.

### 6.3 SUPPORT OF EXPERTS

Each project financed in the framework of the EUI-IA will benefit from the support of a EUI Expert. More specifically, EUI Experts will provide projects with:

- Advice and guidance at a strategic and operational level on the project and its implementation.
- Assistance in the development of project documentation and outputs that will capture and disseminate achievements and post-implementation prospects (sustainability, scale-up and transferability potential), lessons learnt and good practices, to a wider audience in view of facilitating the deployment of the most successful innovations in other EU cities.
- Participation and contribution to capitalisation and dissemination activities.
- Assistance in the implementation of the Transfer Work Package.

The support and advice will be provided by the EUI Experts on an ongoing basis throughout the implementation process of projects as well as during the closing phase.

EUI Experts are individuals with in-depth knowledge of the urban topics of relevance for each Call for Proposals; experience in working with urban authorities on projects involving public investments and their physical realisation; as well as a good understanding of the Cohesion policy framework and proven experience in supporting urban experimentation and innovation.

The EUI-IA directly covers all costs related to the activities of EUI Experts (including costs for travel and accommodation). Therefore, applicants should not foresee any budget for that purpose in their Application Form.

## 6.4 TRANSFER

A key novelty in comparison to the Urban Innovative Actions projects financed during the 2014-2020 programming period is the embedment of the transnational transfer component as an integral part of EUI-IA projects.

It is important to underline that the primary focus of the EUI-IA projects remains on the testing of new innovative solutions in a given locality, but with this new component it is expected that the processes and results of experimentation will be followed by partner cities from other countries (Transfer Partners). A dedicated Transfer Work Package is now included in all EUI-IA projects, with specific activities, budgets, deliverables and outputs.

EUI-IA is established to identify and support the testing of transferable and scalable innovative solutions to address issues relating to sustainable urban development at the European Union level. It also aims at collecting and sharing results from experimentations (also via supporting transfer activities) to foster innovation capacities and knowledge building for all EU urban areas. The objective is that EUI-IA project outputs are used (replicated, scaled up) by other EU cities increasing the impact of the whole Initiative, contributing to urban policymaking on different levels, as well as supporting cooperation between European urban areas.

Incorporation of the transfer component should focus on:

- allowing Transfer Partners to follow the planning and piloting of the tested innovative solution,
- allowing Transfer Partners to analyse their local urban contexts in order to better understand how the innovative solution can be adapted to meet local needs and conditions,
- exchange of knowledge and experience between all the Project Partners,
- sharing critical inputs that can both bring the external perspective to the EUI-IA project and inspire Transfer Partners,
- the preparation, by Transfer Partners, of a documentation that can serve them for the future replication of the innovative solution (Replication Feasibility and Opportunity Study and investment documentation),
- the preparation, by the Main Urban Authority and its Project Partners, of the legacy of the EUI-IA project in the form of a EUI - Innovative Solution Model to be used by other EU cities interested in the innovative solution.

The above activities can be realised using the following **palette of working methods**: site visits, on-line or off-line workshops/meetings/discussions, peer review activities, own work of the Transfer Partners

allowing them to further capitalise on learnings coming from the transfer exchange but also to prepare for future replication of the innovative solution, and other desired forms of work and cooperation.

Transfer Partners are expected to prepare the following learning and investment deliverables and outputs: **Transfer Capacity Survey, Replication Feasibility and Opportunity Study** – (one per each Transfer Partner). They are also allowed to finance **investment documentation and the implementation of a small-scale pilot investments**.

The Main Urban Authority is expected to prepare an **EUI - Innovative Solution Model** – a final document focused on the transferability and scaling up of the tested innovative solution in order to allow others (not only Transfer Partners but also all interested EU cities) to learn about the findings of the experimentation and receive some guidance on how to approach replication.

The total budget of the Work Package Transfer is to be decided by the EUI-IA applicant and should include:

- a budget allocated to the Main Urban Authority and relevant Delivery Partners supporting implementation of the Transfer Work Package;
- budgets for each Transfer Partner in a form of a lump sum (simplified cost option) amounting to EUR 150 000 (corresponding to EUR 120 000 ERDF and own contribution of EUR 30 000).

The Main Urban Authority holds the responsibility for the identification and selection of the Transfer Partners it wishes to integrate into the Partnership. The process of identifying Transfer Partners should start already at the application stage, when applicants are asked to identify other European urban areas that could benefit from replicating the proposed solution in view of the favourable conditions for transfer (similar characteristic, contexts) or of increasing their innovation potential; to elaborate on how the most suitable Transfer Partners will be identified and specify potential Transfer Partners, if already identified, together with the underlying motivations/rationale. Since one of the EUI-IA's objectives is that project outputs will be used by other cities, increasing the impact of the whole Initiative and that the ambition of the EUI-IA is to increase the replicability of the innovative solutions developed by the projects, it is important that projects at application stage can demonstrate a well-elaborated process, rationale and motivation behind the selection of the most suitable Transfer Partners.

**Transfer Partners must be identified at the latest during the Initiation Phase and successful completion of the Initiation Phase is conditioned by Transfer Partners signing, as minimum, letters of intent.**

The selection of the Transfer Partners should allow: (i) to maintain a good balance in terms of variety of cities involved in the Partnership (their size (small, medium-sized, large cities) and localisation (less-developed, transition and more developed regions)), and (ii) to gather the most relevant Transfer Partners for the quality of the replication activities. Therefore, **the selection of the Transfer Partners will follow some guiding principles:**

- Transfer Partners come from different EU Member States;

- At least two of the four cities involved (the Main Urban Authority + the 3 Transfer Partners) are located in less developed or transition regions <sup>16</sup>;
- The partnership includes cities of different sizes.

## 6.5 COST CATEGORIES

The following cost categories can be used by the EUI-IA projects:

- Staff
- Office and administration
- Travel and accommodation
- External expertise and services
- Equipment
- Infrastructure and construction works

For each cost category, in the EUI-IA Guidance, a definition is provided as well as guidance for budgeting and reporting. Project Partners are strongly recommended to seek advice from the Permanent Secretariat if there is any issue related to the eligibility of expenditure that is not answered by the present rules. Please note that Transfer Partners' expenditures are covered by a lump sum.

Expenditure, declared by the project, must be audited by a First Level Control. The independent First Level Control opinion must cover the legality and regularity of the expenditure declared, the delivery of the products and services, the soundness of the expenditure declared and the compliance of expenditure and operations with the EUI-IA, EU and national rules. As the First Level Control is directly appointed and paid by the EUI-IA, no control (audit) costs should be foreseen by the Project Partnership when setting up the project budget. On-the-spot controls on the projects will also be organised by the First Level Control. On-the-spot control means that the **First Level Control will actually visit the project and verify that certain activities, purchases of services and products as well as investments have actually taken place in accordance with the approved Application Form during the implementation, and that related regulations have been respected.**

As stated in the funding principles, the EUI-IA projects follow the "total costs" principle: a project is co-financed by the ERDF up to 80% of the total eligible costs, and each Project Partner (Main or Associated Urban Authority, Delivery Partner and Transfer Partner) receiving ERDF must secure a financial

---

<sup>16</sup> <https://ec.europa.eu/eurostat/web/regions/background>

contribution to complete its budget up to the contribution target (20% of the Partner eligible costs at least).

When such contributions stem from private sources, they fall outside the context of State aid law. When contributions stem from public sources and in so far as the project activities are non-economic, funding for such activities will not constitute State aid. However, when there are contributions from public resources of a Member State to projects which involve "economic activities", i.e. offering goods and services on the market, then such projects must be designed in a way that any public contributions comply with State aid rules at all levels, that is either at the level of the owner, constructor and/or operator of the project or facility. In such cases, the public funding provided should be in line with the requirements of the De Minimis Regulation, or with conditions set in the General Block Exemption Regulation (GBER) or the SGEI Decision for Services of General Economic interest.

Detailed information on public procurement and State aid are provided in the EUI-IA Guidance.

## 7. APPLICATION PROCESS

The **application pack** for the EUI-IA second Call for Proposals consists of the following:

- The present **Terms of Reference** available in all EU languages. However, in case of discrepancies, please note that the English version prevails.
- **EUI-IA Guidance (available only in English)** which needs to be extensively consulted regarding the overarching rules of the Initiative.
- **Technical guidance for the Electronic Exchange Platform (EEP)**.
- Detailed **instruction on how to fill in the Application Form available online** in all EU languages on the EEP system. However, in case of discrepancies, please note that the English version prevails.
- **Application Form Courtesy Working Document** (a working version of the Application Form and the Confirmation Sheet – a Word document available only in English) as a tool to help in the application drafting process.

All documentation can be found on the EUI website.

The application process is 100% paperless through the use of the EEP (<https://eep.urban-initiative.eu/>).

The application consists of:

- **Application Form:** The Application Form must be filled in using the online EEP platform. It is composed of sections presenting the project idea and the rationale (including information on

the innovativeness of the proposal), the Partnership (including the Main Urban Authority, the Delivery Partners, Transfer Partners, and if relevant the Associated Urban Authorities), the main objectives and expected results, the proposed Work Plan and budget. Editing and submission is only possible during an open Call for Proposals. The application includes a number of automatic links, formulas and checks. These features mean that error messages appear in the form if it is not properly filled in (including missing Confirmation Sheet), and it cannot be submitted. This helps to significantly reduce the risk of submitting ineligible applications.

- **Annex:** Applicants can upload one annex in the EEP system that will be attached to the Application Form. This could be a map presenting the area of intervention, a graph, an infographic, etc. The type and size of the file to be annexed are specified in the EEP Guidance.
- **Confirmation Sheet:** The Confirmation Sheet is automatically generated by the online platform when the Application Form is being completed or after its completion. It must be printed, signed by a legal representative of the Main Urban Authority, scanned and uploaded in the Application Form Part H “Confirmation Sheet”. The Application Form cannot be submitted without the Confirmation Sheet.

It is strongly recommended that applicants fill in the Application Form in clear English, although it may also be submitted in any of the official EU languages. It should be noted that the Strategic and Operational Assessments will be done on the basis of the English version of the Application Form (translated in English by an external provider contracted by the Permanent Secretariat, in case the Application Form is submitted in another language). The quality of the translation will not be guaranteed by the Permanent Secretariat and therefore is at the applicants’ risk. Moreover, the Subsidy Contract, project management, formal reporting, key deliverables and all communication with the Entrusted Entity and the Permanent Secretariat will have to be in English.

**The final deadline for the submission of the Application Form and Confirmation Sheet is  
05/10/2023, 14h00 CEST**

## 8. SELECTION PROCESS

Following submission, each application is subject to a selection process organised along the following steps:

1. Eligibility check
2. Strategic Assessment



### 3. Operational Assessment

## 8.1 ELIGIBILITY CHECK

Upon closure of the EUI-IA Call for Proposals, the Permanent Secretariat carries out an eligibility check on all submitted project applications before the Call deadline. The purpose of the eligibility check is to verify the compliance of the received Application Forms and their annexes with the formal eligibility criteria; avoid further assessment of ineligible applications; and ensure equal treatment of all proposals to be selected for funding.

The EUI-IA eligibility criteria are the following:

1. The Application Form has been submitted electronically via the EEP before the deadline indicated in the Terms of Reference of the Call for Proposals.
2. The Application Form is completely filled in.
3. The applicant is a single urban authority of a Local Administrative Unit defined according to the degree of urbanisation as city, town or suburb (corresponding to DEGURBA code 1 or DEGURBA code 2 of Eurostat) and comprising at least 50 000 inhabitants.

#### OR

The applicant is an association or grouping of urban authorities with legal status of organised agglomeration composed by Local Administrative Units, where the majority (at least 51%) of inhabitants lives in Local Administrative Units defined according to the degree of urbanisation (DEGURBA) of Eurostat as cities, towns or suburbs (corresponding to DEGURBA code 1 or DEGURBA code 2) and where the total combined population is at least 50 000 inhabitants.

#### OR

The applicant is an association or grouping of urban authorities without legal status of organised agglomerations where all the urban authorities involved (Main Urban Authority and Associated Urban Authorities) are Local Administrative Units defined according to the degree of urbanisation (DEGURBA) of Eurostat as cities, towns or suburbs (corresponding to DEGURBA code 1 or DEGURBA code 2) and where the total combined population (Main Urban Authority and Associated Urban Authorities) is at least 50 000 inhabitants.

4. The eligibility period is respected: the end date of the project respects the Call and the Initiative requirements.
5. The maximum budget requirements (maximum EUR 5 million ERDF) and the co-financing principle (minimum 20% of contribution secured by the Partnership) are respected.

6. All Partners involved (Main Urban Authority, Associated Urban Authorities and Delivery Partners) are from EU Member States.
7. In case of an association or grouping of urban authorities without a legal status of organised agglomeration, a Main Urban Authority and the Associated Urban Authorities are presented in the Application Form.
8. Applying urban authorities (Main Urban Authorities and/or Associated Urban Authorities) are involved in only one project proposal in the framework of the same Call for Proposals.
9. Applying urban authorities (Main Urban Authorities and/or Associated Urban Authorities) have not been selected and funded on the same topic from a previous EUI-IA Call for Proposals.
10. An unmodified Confirmation Sheet duly signed by the Main Urban Authority's legal representative is uploaded in the EEP, in the Application Form Confirmation Sheet Section.

**If not all requirements set out above are complied with, the application is deemed ineligible and no further assessment is undertaken.** Applicants will be notified at the end of the Eligibility check of the decision regarding their application (going forward or not).

## 8.2 STRATEGIC ASSESSMENT

Applications that are declared eligible and admissible will be subject to a Strategic Assessment carried out by a Panel of External Experts. The Strategic Assessment accounts for **70%** of the weighting given to the overall project assessment and consists of the following criteria:

- **Innovativeness and relevance** (30%) To what extent is the applicant able to demonstrate that the project proposal is a new solution that has added value in relation to the topic of the Call? To what extent is the solution relevant to the local context and to Cohesion Policy objectives?
- **Partnership and co-creation** (12%) To what extent is the Partnership relevant and solid to implement the proposed solution and achieve expected results. To what extent the proposal allows meaningful participation and co-creation from stakeholders, target groups and citizens?
- **Measurability of results and impact** (12%) To what extent are expected results specific and realistic, and reflecting project expected impact on the local context, as well as beneficiaries/end users?
- **Sustainability and up scaling** (8%) To what extent will the project provide a durable contribution to address the identified challenge? To what extent the proposed solution will be self-sustainable beyond its end date and has the potential to be up scaled if proven successful?

- **Transferability** (8%) To what extent will the project have the potential to be transferable to other urban areas across Europe?

The indicative assessment questions for each criterion are presented in the EUI-IA Guidance, Chapter 3.2 “Selection process”.

As a result of the Strategic Assessment, the Panel of External Experts elaborates an assessment of the applications and ranks them based on their Strategic Assessment scoring. In agreement with the EC, short listed applications in the overall ranking move forward to the Operational Assessment. Applicants are notified at the end of the Strategic Assessment process of the decision regarding their application (going forward or not).

### 8.3 OPERATIONAL ASSESSMENT

The Operational Assessment is carried out by the Permanent Secretariat and accounts for **30%** of the weighting given to the overall project assessment. The main objective of the Operational Assessment is to assess the robustness of the proposal i.e.: is it justified, realistic, consistent and coherent, complete, ready to be managed effectively and implemented swiftly and if it demonstrates value for money. The following criteria are under evaluation during the Operational Assessment:

- **Project Design and Logic** (12%) To what extent are Work Plan elements (activities, deliverables, outputs, indicators) complete, realistic, consistent and coherent? To what extent will the proposed project design lead to the achievement of objectives and expected results?
- **Project feasibility and operational readiness** (8%) To what extent the proposal demonstrates to be feasible (to be implemented within the given time-frame) and operationally ready?
- **Organisational arrangements and operational capacity** (5%) To what extent are management and communication activities appropriate and supporting the overall implementation of the project?
- **Budget** (5%) To what extent is the budget coherent and proportionate?

The indicative assessment questions for each criterion are presented in the EUI-IA Guidance, Chapter 3.2 “Selection process”.

After the Operational assessment, a Selection Committee makes the final selection. Applicants will be notified at the end of the Operational Assessment process of the decision.

## 8.4 ASSESSMENT SCORING SYSTEM

A scoring system is used to help in the decision-making process. A score of 1 to 10 is attributed to each weighted criterion; it results in an average score per project. The following scoring scale is used:

9-10 – excellent

7-8 – good

5-6 – adequate

3-4 – poor

1-2 – very poor

Please note that if a project scores less than or equal to 4 under any assessment criterion, it is automatically rejected and will not be further processed.

The scoring system is applied taking into account not only the specific merits of each project proposal but also in the spirit of a competitive process considering comparatively the other project proposals submitted in the framework of the same Call for Proposals. For this reason, applicants of project proposals not shortlisted for the Operational Assessment or not finally approved are not provided with their respective scores but with detailed comments for all criteria assessed.

Project applicants should note that being a selected project at the outcome of the selection process does not entitle them automatically to receive the corresponding EU grant. Should the conditions defined during the project Initiation Phase not be met (considering the project is not ready enough to be operationalised), the Entrusted Entity reserves the right to terminate the project and remove it from the list of the EUI-IA approved projects (for more details, see EUI-IA Guidance, Chapter 4 “Initiation Phase and Contracting”).

## 8.5 EXCLUSION CRITERIA FOR GRANT APPLICANTS

In accordance with Financial Regulation<sup>17</sup>, applicants may be excluded from the grant award procedure if the Main Urban Authority or persons having powers of representation, decision-making or control

---

<sup>17</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012: <https://eur-lex.europa.eu/eli/req/2018/1046/oj>

within the Main Urban Authority, or persons who are essential for the implementation of the project are in one or more of the following exclusion situations:

- bankruptcy, insolvency or winding-up procedures,
- breach of obligations relating to the payment of taxes or social security contributions,
- grave professional misconduct, including misrepresentation,
- fraud,
- corruption,
- conduct related to a criminal organisation,
- money laundering or terrorist financing,
- terrorist offences or offences linked to terrorist activities,
- child labour and other trafficking in human beings,
- irregularity,
- creating or being a shell company.

During the application process, all applicants must submit with the Application Form a declaration confirming that the Main Urban Authority and the Project Partners does not fall under one of the exclusion criteria above mentioned. This declaration is included in the Confirmation Sheet attached to the Application Form in the EEP. Please note that the Confirmation Sheet must be duly signed by the Main Urban Authority's legal representative for the application to be considered eligible during the Eligibility Check.

During the selection procedure and prior to the final decision of the Selection Committee on the grant award, the Permanent Secretariat checks applicants in the Early Detection and Exclusion System (EDES), the system established by the European Commission to reinforce the protection of the Union's financial interests and to ensure sound financial management<sup>18</sup>. If a Main Urban Authority is detected in the EDES, the Permanent Secretariat notifies the applicant, who has then the opportunity to present a defence before the final decision of the Selection Committee, in compliance with the principle of proportionality.

---

<sup>18</sup> Article 142, Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union.

## 9. INITIATION PHASE AND CONTRACTING

The Initiation Phase covers the first 6 months before the project Implementation phase. Its purpose is to ensure that all administrative conditions are met for a smooth and efficient start of the project implementation and to provide guarantees on the level of readiness of the project (project management, project implementation, risk management). The main aspects addressed during this phase are trainings on the project management (including introduction to the reporting and monitoring framework), the fulfilment of administrative and legal requirements for the project start, the integration of the Selection Committee recommendations, the ex-ante audit and readiness check. The Initiation Phase also aims at establishing a fruitful cooperation between the project and the Permanent Secretariat.

**The project readiness check is a process embedded in the Initiation Phase to prevent as much as possible major unexpected issues during the project implementation.** The project readiness check is carried out both by the First Level Control during the ex-ante audit and by the Permanent Secretariat and covers the whole scope of management, administrative, financial, and operational issues likely to affect the sound execution of the project and the achievement of targeted project results. The readiness check examines also if the project has a reliable strategy and sufficient anticipation with regard to the topics addressed in the Application Form "Risk management" Section (i.e. project management, human capacity to implement project, readiness in procurement procedures, realistic timeline, legal environment for project implementation, investments-related documentation, location and administrative authorizations...).

**If the Initiation Phase is not successfully completed within the proposed timeframe of 6 months (any of the above-mentioned steps not finalized, or negative outcome of the ex-ante audit and/or readiness check), the Entrusted Entity has the right to terminate the project** (considering the concept is not ready enough to be operationalized) and remove it from the list of the EUI-IA approved projects. In that case, only the two lump sums for Project Preparation and Initiation Phase are paid to the project. If the Initiation Phase is interrupted before being completed (e.g., the project drops out), only the lump sum foreseen for Project Preparation costs will be released to the Main Urban Authority.

A successfully completed Initiation Phase is the sine qua non condition for receiving the ERDF funding for implementation and start of the project Implementation Phase.

## 10. HOW TO GET ASSISTANCE

The Permanent Secretariat staff will be ready to assist applicants with any technical questions they may have during the EUI-IA Call for Proposals - details can be found on the EUI website. In addition:

- The Permanent Secretariat will organise Applicants Seminars in different cities across Europe. Dates and venues of the Applicants Seminars can be found on the EUI website. During these seminars, participants will have the possibility to book bilateral meetings with members of the Permanent Secretariat and/or representatives of the EC to discuss their project idea.
- On-line webinars on specific aspects of the project development and submission will be organised.
- Online Q&A section is provided on the EUI website and bilateral on-line consultations will be held.
- The application pack (consisting of: the Terms of Reference, EUI-IA Guidance, Technical guidance for the Electronic Exchange Platform (EEP), detailed instruction on how to fill in the Application Form available online in all EU languages on the EEP system, and Application Form Courtesy Working Document) are available on the EUI website.

## 11. KEY DATES

- **31/05/2023** – launch of the second EUI-IA Call for Proposals
- **06/2023 – 09/2023** – Applicant Seminars and online consultations
- **05/10/2023 (14h00 CEST)** – deadline for the submission of the Application Forms
- **05/2024** – indicative date for the final decision for the approval of projects
- **11/2024** – end date of the Initiation Phase
- **01/12/2024** – start date of implementation for all approved projects

We look forward to reading your project proposals soon!