

Explanatory Memo: Intervention Logic of the European Urban Initiative (EUI)

*Annex A to the Call for expression of interest
for indirect management of the EUI*

Glossary

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| Article 7 cities | Article 7 cities refer to the cities that are implementing sustainable urban development in the meaning of Article 7 of the ERDF Regulation in the 2014-2020 period |
| Article 9 cities | Article 9 cities refer to the cities that are implementing sustainable urban development in the meaning of Article 9 of the ERDF/CF Regulation in the 2021-2027 period |
| DGUM | Directors-General on Urban Matters (of the EU Member States) |
| ERDF | European Regional Development Fund |
| ERDF/CF | European Regional Development Fund/Cohesion Fund |
| ESPO | European Territorial Observation Network |
| ETC | European Territorial Cooperation |
| EUI | European Urban Initiative |
| EUI-IA | European Urban Initiative-Innovative Actions |
| MA | Managing Authorities |
| SUD | Sustainable Urban Development |
| UAEU | Urban Agenda for the EU |
| UCP | Urban Contact Point (of the EUI) |
| UDG | Urban Development Group |
| UDN | Urban Development Network |
| UIA | Urban Innovative Actions (in the 2014-2020 period) |

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SECTION 1 – BACKGROUND AND OBJECTIVES

1.1. Background of the EUI

Europe is facing a number of sustainability challenges and transitions – the health crisis and its consequences, societal inequalities and the demographic change, climate and environmental challenges, as well as the digital revolution and rapid technological changes. These transitions are tackled at several policy levels but cities appear the drivers of sustainable development in Europe. To address these complex challenges, an integrated, place-based and participatory approach is required. Cities are places where all the challenges are coming together and where new solutions can be tried and tested in ways that make a difference to people. Urban policymakers and practitioners, as well as citizens in the society as a whole, need support to act and enable the necessary transitions towards sustainable, fair and liveable future for our cities and citizens.

The EU Cohesion policy has a strong sustainable urban development dimension. In the 2014-2020 period, some EUR 115 billion from the Cohesion policy funds were invested in cities. Of these, EUR 17 billion was implemented locally through more than 980 sustainable urban development strategies managed directly by urban authorities. In parallel with these significant urban investments, the Urban Innovative Actions (UIA) initiative provided direct support for cities to experiment with novel innovative ideas. The Urban Development Network (UDN) was set up with the mission to support the dialogue and information exchange between the ‘Article 7 cities’, Urban Innovative Actions cities and the European Commission (hereinafter ‘the Commission’). The URBACT III programme built the capacities of cities to work together and develop integrated solutions to common urban challenges by transnational networking, learning from experiences and identifying good practices to improve sustainable urban development policies and strategies.

For the period 2021-2027, the urban dimension of Cohesion policy has been even strengthened. The five Policy Objectives of Cohesion policy focused on Smarter, Greener, More Connected and More Social Europe as well as a Europe closer to Citizens will mobilise substantial investments in urban areas. A minimum 8% of the ERDF resources in each Member State must be invested in priorities and projects selected by cities themselves and based on their own sustainable urban development strategies. The new Policy Objective ‘a Europe closer to Citizens’ has been introduced to the main policy framework as an enhanced commitment to integrated territorial development and includes a specific objective to foster sustainable urban development. It provides local actors with opportunities to take the lead in identifying and addressing their diverse challenges, and above all, to tap into their local development potentials. The reinforced sustainable urban development dimension of Cohesion policy shows the conviction of the EU that cities have to be involved in the design and implementation of policy responses to their local challenges.

The Pact of Amsterdam, signed in 2016, launched the Urban Agenda for the EU (UA EU) in the frame of intergovernmental cooperation on urban matters. The New Leipzig Charter was adopted in November 2020 and puts forward a revised vision for sustainable urban development in Europe with the emphasis on the transformative power of cities for the common good. This is to be achieved through actions taken within the three thematic dimensions of the Charter – ‘Just, Green and Productive Cities’ – as well as through one cross-sectoral dimension of the Charter ‘Digitalisation’ - that are implemented in a format of multi-level governance. The UA EU is considered as a key vehicle for the implementation of the New Leipzig Charter.

Complex challenges and transitions cannot be solved without strong capacities and innovative thinking at all levels of policy and action, and in particular, at local level. Cities need support in the strategy and policy design and in the implementation in an integrated and participative way. Cities

need to be more innovative and develop new models for the resilient, sustainable and inclusive urban life in the future. New forms of governance need to be promoted between all levels of governance, and also through cooperation between urban and rural areas based on the functional area approach and through involving citizens in the policymaking by bringing closer citizens and local administrations.

It is in this context that the Cohesion policy legislative package for 2021-2027 includes the establishment of a European Urban Initiative (EUI). 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 EU relevance. As the EUI shall support the UA EU, and in addition, it may support the intergovernmental cooperation on urban matters¹ as well, the initiative is also regarded as a concrete EU contribution to multilevel governance and the intergovernmental cooperation in Europe.

The purpose of this document is to give an overview of the content of the EUI. In the following sections, the objectives, the design process, the intervention logic and related work streams as well as the governance, monitoring and reporting of the initiative are explained in a concise manner. The aim of the document is to inform a reader of the initiative's core elements. As an annex to the present call for expression of interest, it also serves as guidance to help eligible candidates for a future Entrusted Entity of the EUI to better understand the content of the initiative as well as the tasks and responsibilities related to the indirect management of the EUI and prepare their expression of interest. As such, the document presents activities to the extent that these can be described at this stage to allow candidates to position themselves but its content should not be read as an exhaustive, definitive and binding presentation of all the underlying tasks for the selected Entrusted Entity. The more detailed description of tasks will depend on the agreed priorities and the outcomes of the governance processes that remain to be further defined and activated in the frame of the EUI's indirect management along the general content presented in this document.

1.2. Overall objectives of the EUI

The legal basis of the European Urban Initiative is included in the European Regional Development Fund/Cohesion Fund Regulation proposal for 2021-2027² that provides for the main content and strategic framework of the initiative. The overall objectives of the EUI are (i) to strengthen integrated and participatory approaches to sustainable urban development, and (ii) to provide a stronger link to EU policies, and in particular to Cohesion policy. The initiative is aimed to offer coherent support to cities to overcome the current fragmented landscape of manifold initiatives, programmes and instruments in support of cities under Cohesion policy.

As part of its strategic approach, the EUI shall cover all urban areas, including large, small and medium-sized cities ('cities of all sizes') as well as functional urban areas. It shall support the Urban Agenda of for the EU, and upon request from one or more Member State(s), the EUI may support the intergovernmental cooperation on urban matters. In this context, the goal is to generate additional effective interconnections and synergies between the activities of the EUI and of the UAEU and the intergovernmental cooperation.

¹ Upon request from one or more Member States and within the limits of EUI resources

² Article 9 on sustainable urban development and Article 10 on the European Urban Initiative of the ERDF/CF Regulation; see annex 1

1.3. Specific objectives of the EUI

The European Urban Initiative includes two strands: (a) support of innovative actions, and (b) support of capacity and knowledge building, territorial impact assessments, policy development and communication.

The specific objectives of the strand (a) support of innovative actions are:

- (i) To identify and support *the testing of transferable and scalable innovative solutions* to address issues relating to sustainable urban development at Union level³;
- (ii) To collect and share *results from experimentations* and support *transfer activities*, in view of *fostering innovation capacities* and *knowledge building* for all EU urban areas and mainstreaming innovative solutions in sustainable urban development, under Article 9 of the ERDF/CF Regulation and beyond.

The specific objectives of the strand (b) support of capacity and knowledge building, territorial impact assessments, policy development and communication are:

Capacity building part (sub-strand b.1)

- (i) To improve *the capacities* of cities in the design of sustainable urban development policies, strategies and practices in an integrated and participative way;
- (ii) To improve the *design and implementation* of sustainable urban development policies, strategies and action plans in cities.

Knowledge building, territorial impact assessments, policy development and communication part (sub-strand b.2)

- (i) To develop into *the knowledge base* in support of better sustainable urban development policy and strategy design, implementation and mainstreaming;
- (ii) To ensure *easier access to horizontal and thematic knowledge* and *share knowhow* on sustainable urban development;
- (iii) To support *the Urban Agenda for the EU*, and upon request of Member State(s), to possibly support *the intergovernmental cooperation* on urban matters.

When designing, initiating and implementing activities of the EUI to reach its specific objectives, the underlying principle is to create an effective value-chain to support innovation, cities' capacity, and knowledge building, capitalisation as well as communication and dissemination for evidence-based policy making on sustainable urban development, involving the two strands (a) and (b). This will result in stronger coordination, synergies and complementarities between the urban support tools of Cohesion policy and beyond for the benefit of cities in Europe (see section 2.1.).

1.4. Crosscutting issues of the EUI

Activities of the European Urban Initiative will be guided by the societal challenges in the overall European policy context and global agendas. In this section, an insight is given into such crosscutting issues⁴.

The Cohesion policy regulatory framework includes a number of crosscutting issues in the area of sustainable urban development that need to be considered for the implementation of the EUI across

³ Recital (49) of the future ERDF/CF Regulation (see Article 10 in annex 1)

⁴ This section is not intended to be an exhaustive overview of a landscape of EU policies, initiatives and programmes in which the EUI will operate but rather to give pointers of the issues involved. Annual EUI Work Programmes will include introductory sections of crosscutting issues to be considered across the implementation of EUI activities in each given year.

its different work streams. As activities implemented by the EUI contribute to sustainable urban development under Cohesion policy, the initiative will incorporate the corresponding principles into its approach, i.e. the principles of integrated, participative and place-based development of cities. According to the Article 9 of the ERDF/CF Regulation on sustainable urban development, integrated territorial development will be supported to tackle the economic, environmental, climate, demographic and social challenges faced by urban areas. These issues will guide the focus of the EUI on the main societal challenges to be addressed by the initiative.

Concerning the societal challenges, as specified in the Article 9 of the ERDF/CF Regulation, special attention will be given to tackling environmental and climate challenges, notably the transition towards a climate-neutral economy by 2050, and to harnessing the potential of digital technologies for innovation purposes. The EUI will contribute to these specific challenge areas. In this context, the support for the development of functional urban areas will be central, while taking into account the promotion of urban-rural linkages. Special attention will be given to small- and medium-sized cities, as the EUI shall cover all urban areas and will therefore provide support to cities of all sizes. These issues will constitute the specific aspects on which the EUI will focus when tackling the societal challenges.

Activities implemented by the EUI will contribute to the five Policy Objectives of Cohesion policy⁵, and in particular, to the new Policy Objective 5 ‘a Europe closer to citizens by fostering the sustainable and integrated development of all types of territories’. This Policy Objective will be central for the EUI, as it fosters under its first specific objective the integrated and inclusive social, economic and environmental development, culture, natural heritage, sustainable tourism, and security in urban areas. Support under the Policy Objective 5 shall be provided through territorial and local development strategies. This Policy Objective constitutes an enhanced commitment to respond to the needs of citizens across European territories and cities as it will offer local actors opportunities to address their diverse challenges, and above all, to tap into their local development potentials.

Activities implemented by the EUI will contribute to territorial impact assessments (TIA), and in particular, under the work streams of the EUI strand (b) focused on capacity and knowledge building, capitalisation and policy development. In this context, the underlying principle is that the EUI will build on the existing TIA tools rather than investing efforts in developing new tools⁶. As for the EUI support to the UAEU and intergovernmental cooperation on urban matters, TIA could be proposed among the specific support areas for the intergovernmental actors. The overarching ambition is that the TIA activities will contribute to promoting urban-rural linkages within functional urban areas⁷. Moreover, the TIA activities of the EUI will contribute to intergovernmental territorial cooperation⁸. Interconnections need to be established between the TIA activities of the EUI and the pertinent European Commission services (especially the Secretary-General), ESPON, the European Committee of the Regions, the Joint Research Centre and the Territorial Agenda 2030 actors.

Activities implemented by the EUI will contribute to the EU strategic objectives⁹. These include the ‘European Green Deal’, the ‘Digital Future’, the ‘Economy that works for people’, the ‘Promotion and strengthening of our European way of life’, the ‘Role of Europe globally’, the ‘Giving of a new push for European democracy’ as well as the recovery from the COVID-19 pandemic. In this context, the

⁵ See Article 2 in annex 1

⁶ TIA activities of the EUI will build on the European Commission’s Better Regulation Toolbox, and in particular, on its toolbox 33 providing an overview of how to assess territorial impacts and existing tools in this area (<https://ec.europa.eu/info/sites/info/files/better-regulation-toolbox.pdf>)

⁷ In this context, cooperation with the European Network for Rural Development could be sought

⁸ One of the Territorial Agenda 2030 pilot actions will focus on ‘Understanding how sector policies shape spatial (im)balances: Region-focused Territorial Impact Assessment’ and is aimed at exploring how one or several policies affect a selected number of places, e.g. urban, rural, declining or cross border areas

⁹ The priorities of the European Commission in 2019-2024 as well as the priorities of the next Commission in 2025-2030

EU's twin transition aimed at greening and digitalisation of our societies will be of particular importance for the EUI as local governments have important roles in these two domains and can realise ambitious measures for a more sustainable future. Another central priority for the EUI will be the 'Economy that works for people' as jobs and local economy are of utmost importance for the sustainable future of cities. Concerning the recovery from the COVID-19 pandemic, the Recovery and Resilience Facility - the centrepiece of Next Generation EU - is designed to help the EU emerge stronger and more resilient from the crisis, and to help shape the right policy measures for the post-pandemic world. As cities have taken a heavy toll during the crisis, the recovery and its support measures will feature across the EUI activities. In this context, a special focus will be on a 'just transition' to ensure that while recovering from the crisis and transforming our European societies towards climate neutrality and digital, no region, city or town will be left behind.

Activities implemented by the EUI will contribute to the objectives of the Renovation Wave for Europe Strategy¹⁰ that aims to double the renovation rates in Europe by 2030. This is expected to result in up to 160,000 additional green jobs and 35 million buildings renovated. Such investments will be central for the green recovery and for cities with their vast building stocks.

Activities implemented by the EUI will contribute to the implementation of the New Leipzig Charter¹¹ adopted in November 2020. The Charter puts forward a revised vision for sustainable urban development in Europe and considers the Urban Agenda for the EU as a key vehicle for its implementation. The Charter places the emphasis on the transformative power of cities for the common good. This is to be achieved through actions taken within the three thematic dimensions - 'Just, Green and Productive Cities' - as well as through one cross-sectoral dimension 'Digitalisation' that are implemented in a format of multi-level governance. The Charter enshrines the five EU principles of good urban governance that comprise 'policy for the common good', 'integrated approaches', 'multi-level governance', 'place-based approaches' and 'participation and co-creation'.

Activities implemented by the EUI will to the extent possible take into account the content of the Implementing Document of the New Leipzig Charter¹². This document operationalises and links the strategic principles of the Charter with the continuation of the UAEU and calls on the Commission in the area of support. In this context, the document welcomes *"the European Urban Initiative under Cohesion Policy as an instrument to support the Urban Agenda for the EU and the inter-governmental cooperation on urban matters, and to strengthen integrated and participatory approaches and their sustainability as well as to foster coherence between EU policies, programmes and initiatives in the area of sustainable urban development"*. The document calls on the Commission *"to continue facilitating the implementation of the Urban Agenda for the EU through the provision of support of the European Urban Initiative, in close cooperation with the Member States and by ensuring the engagement of the relevant Directorates-General in the process"*.

Activities implemented by the EUI will contribute to the UN Sustainable Development Goals (SDGs) of the 2030 Agenda¹³, and in particular, to Goal 11 'Make cities inclusive, safe, resilient and sustainable'. In line with the Article 10 of the ERDF/CF Regulation, special attention will be given to the challenges of 'localising' the SDGs on the ground across EU cities and regions, in particular, regarding capacity building and strategic correlations between Cohesion policy, SDGs and the key principles laid out by the New Urban Agenda¹⁴.

¹⁰ https://ec.europa.eu/energy/sites/ener/files/eu_renovation_wave_strategy.pdf

¹¹ https://ec.europa.eu/regional_policy/en/newsroom/news/2020/12/12-08-2020-new-leipzig-charter-the-transformative-power-of-cities-for-the-common-good

¹² The Implementing Document annexed to the New Leipzig Charter

¹³ <https://sdgs.un.org/2030agenda>

¹⁴ <https://unhabitat.org/sites/default/files/2019/05/nua-english.pdf>

1.5. Design process of the EUI

The design process of the EUI started in 2018 with the publication of the Cohesion policy legislative proposals for 2021-2027. In March 2019, the Commission published an ‘Explanatory Memo on the EUI’¹⁵ that described the planned intervention logic and the governance structure of the initiative as proposed by the Commission at the time. Further to its publication, the Memo was disseminated to a wide urban stakeholder community at European, national and local levels.

In 2019-2020, the Commission continued its preparatory activities of the EUI together with the main stakeholders. An external Expert was appointed for the period of 15 months to assist the Commission in the designing of the EUI. The Expert’s work focused on the further development of the EUI intervention logic as presented in the Explanatory Memo. The ‘EUI Expert Working Group’¹⁶ was established in 2019 to support the Commission in the design of the EUI. The Expert Working Group convened four times in 2019-2020. During that time, in the centre of the group’s expertise provision was the further refinement and validation of the EUI intervention logic together with the Commission.

The Commission launched a mid-term assessment study of the Urban Innovative Actions (UIA) 2014-2020 in January 2020 to undertake a first assessment on the performance of the initiative. The purpose of the study was to assess whether the initiative is achieving its goals and to analyse how it can be improved and/or simplified in view of its renewal as a central component of the EUI strand (a) support of innovative actions. The external Expert completed the study in December 2020¹⁷. It points out to a number of areas where the reform of the UIA model, as strand (a) of the EUI¹⁸ should concentrate: a closer definition of impacts and of types of innovation targeted; a stronger focus on sustainability, scalability and transfer as well as operational readiness of projects, with the ultimate goal to optimise the added value of supported experimentations for the ERDF and Cohesion policy as a whole.

As for developing a governance structure for the EUI, an external Expert was appointed in 2020 to provide advice to the Commission concerning the EUI Steering Group and its rules of procedure. In 2020, external expertise was also commissioned to assist the Commission in preparing the conceptual specifications for the build-up of a Knowledge Sharing Platform of the EUI.

The other Commission services were regularly informed of the EUI design process through the Inter-service Group on Territorial Cohesion and Urban Development managed by Directorate-General for Regional and Urban Policy. The contribution of other services was sought, in particular, for the knowledge part of the EUI. In this context, the Commission compiled an internal mapping of the urban-focused policies, programmes and initiatives across the Commission services based on the input of all the pertinent services.

In 2019-2021, the draft content of the EUI was presented at a series of outreach and consultation events, workshops and meetings to inform on the progress made and to collect feedback from a range of external stakeholders, in particular, from Member States, regions and cities as well as from key actors of the intergovernmental cooperation on urban matters. These events comprised, *inter alia*:

¹⁵ https://ec.europa.eu/regional_policy/sources/docgener/brochure/explanatory_memo_eui_post_2020_en.pdf

¹⁶ Includes representatives from the management bodies of URBACT and the UIA, European city networks (Council of European Municipalities & Regions and EUROCITIES), the JRC and the European Committee of the Regions

¹⁷ Main recommendations of the mid-term assessment study are included in annex 4. The final report and its annex are available at https://ec.europa.eu/regional_policy/en/information/publications/studies/2021/assessment-study-of-the-urban-innovative-actions-2014-2020-final-report

¹⁸ See sections 3.1.1. and 3.1.2.

European Weeks of Regions and Cities; Territorial Cohesion and Urban Matters Expert Group meetings; Cities Forum; inter-governmental meetings of the Urban Development Group and the Directors-General of Urban Matters; European Dialogue meetings on the New Leipzig Charter; Urban Agenda for the EU Coordinators' and Action Leaders' meetings, EUROCITIES and CEMR working groups, URBACT Stakeholders' consultation, Urban Development Network webinars, and a range of other stakeholder meetings.

Since the launch of the Urban Agenda for the EU in 2016, the Commission has supported the implementation of the partnerships of the UAEU by providing funding for a Secretariat and by contributing to the work of the 14 thematic partnerships¹⁹. To assess progress, and to propose further action, the Commission launched an external assessment study in 2018²⁰. The study concluded that the UAEU has been a qualified success, and there is a strong case for its continuation, albeit not necessarily in the exact same form. The future development of the UAEU will be agreed in the frame of the intergovernmental cooperation between Member States, city organisations and European institutions as well as other participating stakeholders. The further deepening of the UAEU will therefore follow the New Leipzig Charter and its Implementing Document endorsed in November 2020 that puts forward a common vision and frame for sustainable urban development in Europe.

In the first quarter of 2021, the design of the EUI continued with the support of key stakeholders. Among the important outreach milestones were, inter alia, a series of webinars 'Urban Innovative Actions, Achievements and Perspectives' organised by the Commission and the UIA Secretariat in the frame of the Urban Development Network in February 2021. Intensive interaction and dialogue took also place between the URBACT managing bodies and the Commission to ensure the coordination and complementarities between URBACT IV and the EUI.

¹⁹ DG REGIO is the facilitator of the UAEU, and in this role, it mobilises the participation and support of other DGs

²⁰ https://ec.europa.eu/regional_policy/en/information/publications/studies/2019/assessment-study-of-the-urban-agenda-for-the-european-union-uae

SECTION 2 – UNDERSTANDING THE EUI INTERVENTION LOGIC

2.1. Main elements of the EUI intervention logic

The intervention logic of the EUI responds to the strategic ambition as well as to the overall and specific objectives of the EUI²¹. The strategic ambition is to offer coherent support to cities to overcome the current landscape of manifold initiatives, programmes and instruments in support of cities under Cohesion policy. In this context, specific goals are to maximise synergy and complementarity with URBACT IV and to create a linkage between activities of the EUI and Article 9 cities of the ERDF/CF as well as mainstream Cohesion policy programmes. The aim is also to better interconnect the activities of the EUI and the Urban Agenda for the EU, and to provide a stronger link to other EU policies, programmes and initiatives with an urban dimension.

The EUI intervention logic includes ten work streams (figure 1). They are embedded in the two EUI strands: (a) support of innovative actions and (b) support of capacity and knowledge building, territorial impact assessments, policy development and communication²². As a last component, the EUI governance brings together the strategic advisory and management aspects of the initiative.

The underlying principle of the EUI intervention logic is the creation of an effective value chain between the two strands and the corresponding work streams of the EUI that surfaces as links and input/output flows. In concrete terms, this means a systematic uptake (as inputs) of those outputs produced by the different work streams of the EUI intervention logic.

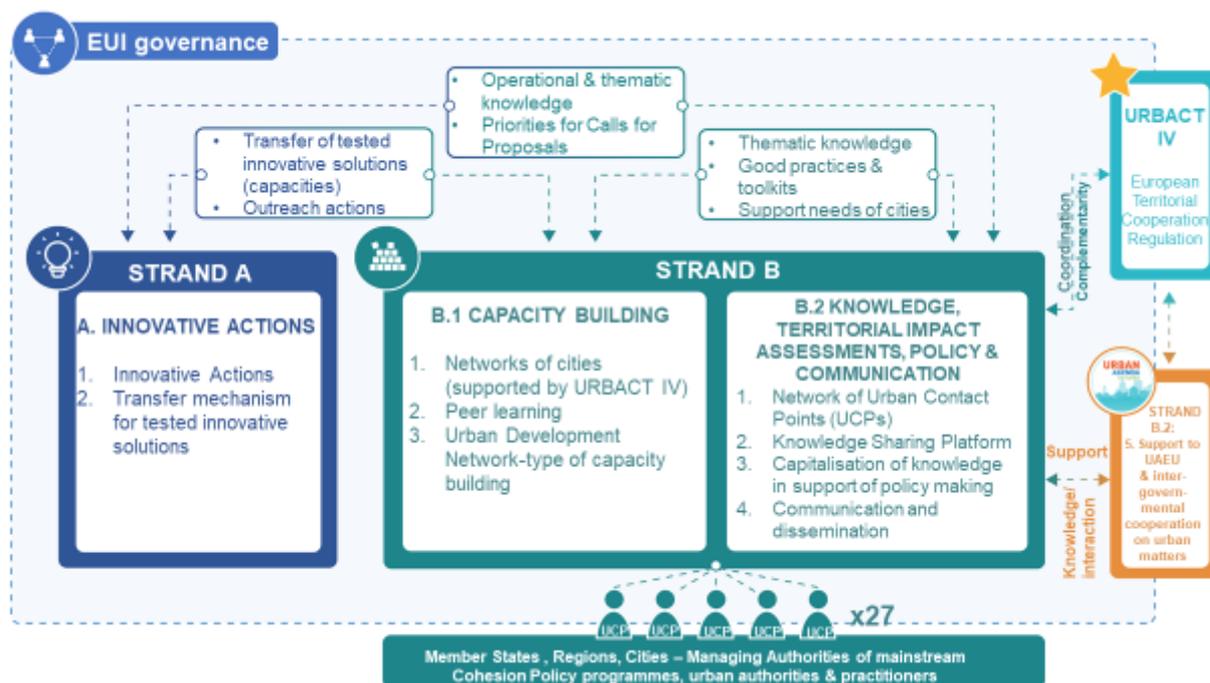


Figure 1. Main elements of the EUI intervention logic.

One further imperative principle of the EUI intervention logic is the strengthening of the value chain between the EUI and Article 9 cities of the ERDF/CF as well as other cities benefiting from the mainstream Cohesion policy funds. This principle is pertinent for all the work streams. It is

²¹ See sections 1.2. and 1.3.

²² Coordination and complementarities between the EUI and URBACT IV are embedded in the work stream of 'Networks of cities supported by URBACT IV' under the sub-strand (b.1) support of capacity building (see sections 2.2. and 3.2.1.)

particularly relevant for the work streams on the capacity building as the EUI aims to improve capacities of cities in the design and implementation of sustainable urban development strategies, and therefore, helps cities to upgrade their local strategies and implementation. Enhancing the interconnection between the EUI and Article 9 cities of the ERDF/CF as well as mainstream Cohesion policy programmes is also highly important for the work streams on the EUI-Innovative Actions and the related UIA/EUI-Innovative Actions Transfer Mechanism. These two work streams are aimed at enhancing the transfer/replication and the scaling up of tested innovations through mainstream Cohesion policy programmes. Moreover, the aim of the two work streams is to inspire and inform the mainstream Cohesion policy programmes of novel ways to support urban innovation. In the same vein, the network of Urban Contact Points works towards this goal by reaching out to Managing Authorities for good practice exchange and for involving Managing Authorities in the activities of the EUI.

Concerning the operationalisation of the EUI work streams, the future EUI Entrusted Entity will prepare annual Work Programmes for the EUI²³. A Work Programme will define on an annual basis how the EUI delivers operationally its activities and results. It will describe how an effective value-chain between the two strands and their work streams functions. In the following, some examples are given on the value chain between the different activities of the EUI:

The annual EUI Work Programme will include, on the one hand, activities that take into account the progress made in the implementation of Innovative Actions. Such activities will serve to tailor (i) the capacity-building offer to cities (under the EUI strand b.1), and (ii) the knowledge building & sharing as well as capitalisation offer to cities (under the EUI strand b.2). The communication and dissemination activities of the EUI strand b.2 will be used to raise awareness on calls for proposals of EUI-Innovative Actions and possibly to improve the geographical coverage of applicants. These activities may also serve as a ‘feedback loop’ to consult cities on emerging urban trends that could trigger new calls or the testing of new formula within EUI-innovation actions, as needed²⁴.

On the other hand, the annual EUI Work Programme will include activities that the guide Innovative Actions of the strand (a) to address (through calls for proposals) pressing urban challenges. These activities refer to the outputs produced by the work streams of the EUI strand b.2 knowledge building, territorial impact assessments, policy development and communication. Such outputs will originate from the knowledge collected and consolidated by the Knowledge Sharing Platform, the Capitalisation of Knowledge activities and/or by the interactions with the network of Urban Contact Points²⁵. For example, the knowledge consolidated by the Knowledge Sharing Platform from sources such as the implementation of the New Leipzig Charter, and in particular, the Urban Agenda for the EU, and the EU strategic objectives will constitute an important source of information for defining the call topics of the EUI-Innovative Actions. In the same vein, the biennial forward-looking survey²⁶ on pressing urban challenges and support needs of cities carried out in the context of the Knowledge Sharing Platform will contribute to the content of EUI-Innovative Actions.

The intervention logic of the EUI corresponds to the Cohesion policy legislative package 2021-2027 politically agreed by the co-legislators in 2020. It integrates the recommendations of the Urban Innovative Actions’ mid-term assessment study and the available outcomes of the URBACT IV programming process and, to the extent possible, the future developments of the Urban Agenda for the EU as well as the advice provided by the EUI Expert Working Group.

²³ See section 6.3.

²⁴ See section 3.1.1.

²⁵ The network of Urban Contact Points informs the EUI of the needs expressed as well as policies and strategies of local, regional and national levels

²⁶ The network of Urban Contact Points will be tasked to promote biennial surveys across the Member States

2.2. Coordination between the EUI intervention logic and URBACT IV

The URBACT IV programme will continue its activities under the European Territorial Cooperation Regulation in the post-2020 period. As specified in the regulatory framework of Cohesion policy, URBACT IV should complement the EUI in a coordinated way²⁷. Effective coordination and complementarity have to be established between the EUI and URBACT IV, and in particular, between the capacity and knowledge building activities of the two instruments.

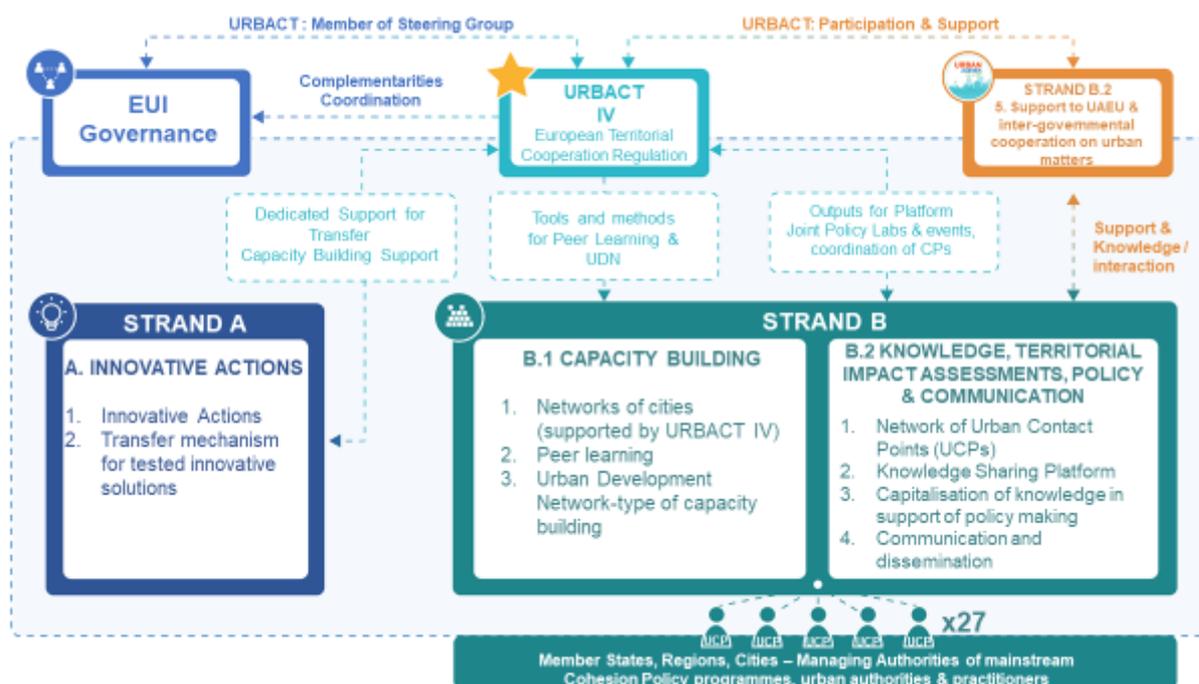


Figure 2. Interconnections between URBACT IV and the EUI intervention logic.

Transnational networking of cities will remain the focus of the URBACT IV programme in the 2021-2027 period, and the core of such activity will be the exchange of experiences, innovative approaches and capacity building in relation to the identification, transfer and capitalisation of urban good practices on integrated and sustainable urban development²⁸. Therefore, the intervention logic of the EUI includes a work stream 'Networks of cities supported by URBACT IV' under its sub-strand (b.1) Capacity building (figure 2). The specific objective of this work stream is to create a strong interconnection between the EUI and URBACT IV, and in particular, between the EUI and the URBACT IV transnational networks of cities (table 1).

Table 1. Complementarities of URBACT IV in relation to the two strands (a) and (b) and the related work streams of the EUI²⁹.

| Proposed aims of the URBACT IV and links with the EUI |
|---|
| <p>URBACT IV aim 1: Network exchange and learning</p> <ul style="list-style-type: none"> <p>Focus: to support transnational networks to improve the capacity of European cities to (i) co-design and implement integrated Action Plans linked to common sustainable urban development challenges; (ii) adapt and reuse established urban good practices; and (iii) design investment plans for replicating elements of</p> |

²⁷ Article 10 of the ERDF/CF Regulation and Article 3 of the ETC Regulation (see annex 1 and 2 for the draft legal texts)

²⁸ Article 3 (4)b of the ETC Regulation

²⁹ See a comparison table of the EUI and URBACT IV activities in annex 3

Urban Innovative Actions (2014-2020). **Activities:** support of transnational networks (bottom-up thematic approach). **Target audience:** cities of all sizes.

- **Links with the EUI:** transnational networks of URBACT IV will be open for participation of Article 9 cities of the ERDF/CF. An UIA/EUI-IA Transfer Mechanism proposed under URBACT IV will specifically aim at cities that seek to develop an investment plan to replicate elements of an UIA 2014-2020 project or of an EUI-IA using, ideally Cohesion policy programmes and/or other sources of funding³⁰. It will contribute to the EUI strand (a) support of innovative actions' specific objectives. In addition, URBACT IV and the EUI have complementary approaches to innovation that allow cities of all sizes to improve their innovation capacity and profile as part of their policy design through the exchange of good practice.

URBACT IV aim 2: Capacity building at programme level

- **Focus:** to improve the capacity of the URBACT community to design and implement sustainable urban policies and practices in an integrated, participative and place-based way. **Activities:** programme-level capacity-building activities focused on the design and implementation of integrated Action Plans for sustainable urban development strategies (URBACT University & Campus, tools and methods, green, digital & gender capacity building, support to Lead Partners and Lead Experts, ad-hoc support). **Target audience:** beneficiaries of all URBACT networks, local stakeholders (local action groups), elected officials.
- **Links with the EUI:** URBACT IV tools and capacity building methods will complement the EUI, and in particular, its sub-strand (b.1) capacity building. The URBACT beneficiaries and community will participate in and use the support offered by the peer learning and Urban Development Network-type of capacity building activities of the EUI. Where relevant, activities will also be organised jointly by the EUI and URBACT IV that bring together actors from Article 9 cities of the ERDF/CF, Innovative Actions, URBACT IV and the UAEU.

URBACT IV aim 3: Knowledge sharing

- **Focus:** to ensure that URBACT knowledge and practice are made accessible to urban practitioners and policymakers, and to feed into regional, national and European urban policies, with a particular focus on the EUI and the UAEU. **Activities:** clustering and exploiting of knowledge from transnational city networks, establishment of Communities of Practice for on-going networks, coordination with the National URBACT Points³¹, and cooperation with other programmes. **Target audience:** urban practitioners and policymakers, in particular those who are not yet involved in URBACT activities (especially smaller cities), regional and national authorities to the extent required to tackle an urban policy topic in question.
- **Links with the EUI:** URBACT IV aims to influence urban policies by contributing to the EUI for increased impact. URBACT IV will support the EUI strand (b.2) and its knowledge and policy development activities, and in particular, the capitalisation of knowledge for evidence-based policymaking (Policy Labs) and the Knowledge Sharing Platform. URBACT IV will also support national activities of the EUI Urban Contact Points and coordination will be ensured between the EUI Urban Contact Points and the National URBACT Points. The web-portals of URBACT IV and the EUI Knowledge Sharing Platform will be interconnected. The feasibility of compiling merged databases containing experts and/or good practices of both URBACT IV and the EUI will be explored. In addition, URBACT IV will support the UAEU with dedicated knowledge activity.

Additional links between URBACT IV and the EUI:

- **Communication and dissemination:** Combined outreach and coordinated/joint communication plan will be established between URBACT IV and the EUI. URBACT IV will be invited to contribute to the communication and dissemination activities of the EUI (e.g. biennial Cities Forum, the European Week of Regions and Cities), and equally, the EUI will feed into the activities of URBACT IV.

³⁰ See section 3.1.2.

³¹ The URBACT IV Programming Committee decided to maintain the National URBACT Points in the 2021-2027 period. The optimal set up of these different networks of Contact Points, preferably combining the EUI Urban Contact Points, the National URBACT Points and the National Contact Points as referred to in the Implementing Document of the New Leipzig Charter will need to be developed in the most efficient way for cities, including a fitness check of Contact Points.

SECTION 3 – CONTENT OF THE EUI INTERVENTION LOGIC

3.1. Support of Innovative Actions

The central ambition of the EUI strand (a) support of innovative actions is fostering the transformative role of cities and the deployment of proof-tested urban innovations across the EU through a better use of Cohesion policy investments 2021-2027.

Building on the findings and recommendations of the mid-term assessment study of the Urban Innovative Actions 2014-2020 (hereinafter ‘midterm assessment study’)³², the goal is to bring the current UIA model, launched as a pilot ERDF initiative in 2014-2020, to a new level by pursuing the following two specific objectives:

- (i) To identify and support the testing of transferable and scalable innovative solutions to address issues relating to sustainable urban development at Union level.
- (ii) To collect and share results from experimentations and support transfer activities, in view of fostering innovation capacities and knowledge building for all EU urban areas and of mainstreaming innovative solutions in sustainable urban development, under the Article 9 of the ERDF/CF Regulation and beyond.

Two work streams described in the following sub-sections will contribute directly to achieving these specific objectives. The other work streams of the EUI under its strand (b), focused on capacity building, knowledge, capitalisation as well as communication and dissemination on sustainable urban development will also serve as a value chain to consistently address the second specific objective³³.

3.1.1. Identification and support for the testing of transferable and scalable innovative solutions

Rationale. Cities as public domain are drivers of thoughtful innovation, within which institutional, socio-economic players and the wider civil society interact. Urban authorities across the EU have a fundamental transformative role to play within this ecosystem and need support to identify and test new solutions to address the always complex and fast evolving urban challenges of our times. Urban practitioners and policymakers should have possibilities to take risks, to experiment creative ideas, new products, services and/or ways to operate them. To counterbalance solutions driven by the technology push only, they should be supported to check how these work in ‘real life’ conditions and at urban scale, how targeted users or the wider population react before deploying them further. Otherwise, potential novel solutions might not be put into practice due to the lack of experimentation.

Specific aims and target audience. The specific aim of this work stream is to identify and provide support within a maximum of EUR 5 million ERDF contribution per project, for the testing of transferable and scalable innovative solutions to address issues relating to sustainable urban development at Union level. Any EU urban authority of a local administrative unit defined according to the degree of urbanisation as a city, town or suburb – or a grouping of such authorities, e.g. as a functional urban area – and comprising at least 50 000 inhabitants, will be eligible to apply for support.

The EUI-Innovative Actions (EUI-IA) should be designed and operated as an evolution of its predecessor the Urban Innovative Actions (UIA). The parameters on which the UIA is operating³⁴

³² Op. cit. see Section 1.5. and annex 4 (summary of findings and recommendations)

³³ See section 3.2.

³⁴ See the Commission’s delegated regulation No 522/2014 of 11.03.2014 (OJEU L 148 OF 20.05.2014) as modified by Commission’s delegated regulation No 201/2056 of 22.08.2017 (OJEU L 294 OF 11.11.2017) and the UIA Guidance available at <https://www.uia-initiative.eu/en/call-proposals/guidance>

should thus be kept as a starting point for the design of EUI-IA to guarantee a certain level of predictability for future applicants. These must, however, be upgraded to the extent needed to implement the recommendations put forward in the mid-term assessment study for each EUI-IA delivery step as a grant scheme (table 2). Moreover, a number of options for a deeper reform, flagged as a ‘one step further scenario’ (see figure 3), also worth considering but that may be more complex or resources-intensive to put in place, remain under reflection by the Commission. The EUI’s Entrusted Entity will be charged to undertake as part of its conceptualisation work, a comprehensive opportunity and feasibility analysis, in view of these options being endorsed, in full or in part, by the Commission, if and when deemed appropriate.

Table 2. Recommendations of the UIA midterm assessment to be considered per EUI-IA delivery step.

| Pointers from the UIA mid-term assessment study | EUI-IA calls | EUI-IA selection procedure/criteria | EUI-IA funding and implementing rules |
|--|--------------|-------------------------------------|---------------------------------------|
| Better targeted urban innovations | X | X | |
| Better defined impacts | X | X | X |
| Greater emphasis on sustainability/scaling-up of project proposals | | X | |
| Enhanced transferability | | X | X |
| Improving operational readiness | | X | X |
| Optimising added value for Cohesion policy | X | X | X |

❖ Calls for proposals of the EUI-Innovative Actions

In continuity with the current UIA model, EUI-IA calls will be carried out at the EU level based on topics identified by the Commission building on the New Leipzig Charter and the Commission’s priorities presenting a cross-sectorial dimension, such as the green and digital transitions. The early announcement of these topics aligned with Charter’s thematic pointers (green, just, productive cities) or principles of good urban governance of direct relevance for Cohesion policy objective ‘a Europe closer to citizens’ (place-based, integrated, participatory approaches) will enhance predictability for applicants. In order to raise the readability of EUI-IA projects with regard to Cohesion policy and facilitate their subsequent scaling-up and/or replication with ERDF funding, calls will also specify the policy objective(s) or specific objective(s), as appropriate, targeted. A list of binding indicators (i.e. to be used and monitored together with other indicators that project promoters would set for themselves) will also be defined in the calls to facilitate the understanding of desired effects at project level, and aggregation of results at policy area and/or Initiative’s level.

As a ‘one-step further’ scenario, the EUI’s Entrusted entity should explore the opportunity and feasibility of:

- (i) Calls geographically targeted to tackle urban challenges specific to some areas³⁵;
- (ii) Modalities allowing some of the topics of future calls to be identified in partnership with cities (through consultations organised within the EUI, e.g. via forward-looking surveys³⁶)

³⁵ See table 3 on urban innovations targeted by EUI-IA

³⁶ See sections 3.2.4. and 3.2.5.

and/or for a permanent call open for spontaneous project proposals on non-predefined matters, in a stricter ‘bottom-up’ logic.

Table 3. Types of urban innovations to be targeted by the EUI-Innovative Actions.

What types of urban innovations will be targeted by the EUI-IA?

Demarcation and complementarity between the EUI-IA and other EU budget opportunities in support of innovation deriving from the 2021-2027 Multiannual Financial Framework are to be thought as a key element of the EUI-IA intervention logic. The urban innovations targeted by the EUI cannot be defined according to characteristics of outputs (e.g. technological readiness levels) as some other Research & Innovation programmes might do, but more in view of core objectives that single it out from others. In this perspective, focus should be placed on:

- **Urban innovations for/led by cities:** the mid-term assessment study demonstrated that the importance of the role of cities varies, and may not be preeminent in some UIA projects. EUI-IA will fix this by giving priority to cities’ ownership on solutions tested and associated skills (e.g. strategic thinking, leadership and staffing, resources and funding);
- **Cross-cutting innovations applying methods embodying Cohesion policy objective ‘a Europe closer to citizens’:** place-based, integrated, participatory, multi-stakeholders approaches in projects’ delivery;
- **Innovations more relevant to the ERDF,** assessed in view of the added value of the project proposals with targeted policy objectives and/or specific objectives, and of their scale-up/replication potential in view of priorities from regional, national or transnational and interregional Cohesion policy programmes
- **Innovation capabilities linked to urban megatrends** highlighted in the Article 9 of the future ERDF/CF Regulation, i.e. green and digital transitions (open data, carbon neutral public services, etc.);
- **Innovations in view of specific local contexts** (optional): as suggested by the mid-term assessment study, innovation sometimes has more to do with the characteristics of a given geographical area within which a solution is tested, rather than with the solution tested itself. There could be thus some scope to target urban areas suffering specific natural, demographic or other types of handicaps, with underdeveloped innovation ecosystems, or where fewer powers are devolved to the local level.

❖ **Selection procedure and criteria of the EUI-Innovation Actions**

The mid-term assessment study offers a number of reasons to be satisfied with current UIA’s selection procedure. It has generated very few complaints, and settles on processes and criteria positively assessed by applicant cities. Some re-engineering is, nevertheless, necessary to step it up.

Eligibility checks: it is not envisaged to modify the rules applicable under the current UIA as concerns the eligibility of applicant urban authorities (i.e. cities, towns and suburbs and/or their grouping comprising at least 50 000 inhabitants)³⁷ to future EUI-IA calls. Promoting further the suitability of these rules for applications from groups of municipalities within a functional urban area approach is however desirable.

Selection procedure and criteria³⁸: divided in two sequences under the UIA: a strategic assessment (80% weighting) leading to a shortlist of proposals qualifying for an operational assessment (remaining 20% weighting) at the end of which the best-scored proposals were selected. While keeping these two consecutive procedural phases, a minimum upgrade should result in the following:

- (i) **Strategic assessment:** reorganised in five (instead of the current four) selection criteria³⁹:
 - a. **Urban innovativeness:** it will remain central to the assessment⁴⁰. The valid elements against which proposals were assessed in the past (e.g. solution first time tested at

³⁷ For details on these eligibility rules, see section 1.4. of the UIA guidance (op. cit)

³⁸ For details on these rules and procedure, see section 3.2. of the UIA guidance (op. cit)

³⁹ Precise weighting of these criteria is not proposed at this stage and will be decided by the Commission based on the proposal from the EUI’s Entrusted Entity during the conception phase of the EUI-IA

⁴⁰ Weighting of 40% in the current UIA model

- ‘real scale’ in the EU, adding value to the policy area, building on previous experimentations) will be complemented by new sub-criteria on prioritised forms of innovation⁴¹;
- b. **Partnership and co-creation:** while a stronger focus will be placed on innovation processes led by cities, it is as crucial to keep mobilising around tested solutions relevant public and private actors of the local ecosystem, i.e. to put in practice, at project level, internal connections that have long been the trademark of innovation policy (quadruple helix). The partnership criterion will thus be maintained, with a more explicit emphasis on co-creation/participation with target groups and/or citizens;
 - c. **Measurability of results:** applications will continue to be assessed according to the robustness of their methodology to measure expected impacts. Applicants will remain free to define their own indicators and targets. The novelty will be that proposed baselines and targets will also be assessed against binding indicators, predefined in the calls⁴²;
 - d. **Sustainability and scaling-up:** establishing stronger guarantees from project promoters that tested solutions are sustained and scaled-up if successful, requires the definition of a new, dedicated, specific selection criterion. Application forms should be adjusted accordingly to allow for further elaboration on identified sources of funding, in particular from Cohesion policy, and/or from private capital possibly taking over further investment at lower technical/financial risk as a result of the experimentation;
 - e. **Transferability:** assessed as a standalone criterion and not together with the scaling-up criterion as in the current UIA procedure. Consistent with the rationale on sustainability and scaling-up, transferability should be measured more explicitly in view of projects’ potential for replicability with Cohesion policy (in particular ERDF programmes). Such an assessment will be more tangible, i.e. organised around the scrutiny of transnational transfer partnerships proposed as a new integral part of EUI-IA projects⁴³.
- (ii) Operational assessment: it should be streamlined towards a better screening of projects’ readiness. According to the mid-term assessment study, this implies as a minimum:
- a. Removing or refining criteria that overlap with the strategic assessment (e.g. value for money, monitoring of results);
 - b. Considering other slight adjustments: increasing the weighting of this phase (20% vs. 80% for the strategic assessment currently), establish a minimum operational score, or stop combining scores from both phases.

As a ‘one-step further’, the EUI’s Entrusted Entity should explore the opportunity and feasibility of:

- (i) Switching to a two-stage application and selection procedure (taking inspiration from other EU programmes, e.g. the Widening Actions (Teaming) under Horizon 2020; LIFE+ pilot projects⁴⁴). This option could enable to support the most promising/innovative ideas for their concept development (first stage/grant) while reserving the biggest

⁴¹ See table 3 on urban innovations targeted by EUI-IA

⁴² See the previous point on EUI-IA calls for proposals

⁴³ See next point on EUI-IA implementation rules

⁴⁴ See the mid-term assessment study for more details on such examples, in particular, its sections 4.2.5. (including table 26) and 6.1. (including table 31). Other EU programmes applying such a two-stage approach could also serve as inspiration for investigations to be carried out by EUI’s Entrusted Entity.⁴⁵ This refers to EUI-IA applications that did not receive direct funding due to the limited resources available under the EUI⁴⁶ As an indication, one transfer network of 3-4 partners under URBACT III programme amounts to around EUR 500 000

financial allocations (second stage/grant) to projects that are better prepared and with the greatest scale-up/transfer potential.

- (ii) On request from the Commission, introducing in the selection procedure minimum standards contributing to the creation of a ‘EUI Seal of Excellence’ as a quality label to favour the financing of good EUI-IA applications⁴⁵ by alternative funding sources.

❖ Funding and implementing rules of the EUI-innovative actions

A key novelty in comparison to the existing UIA model should be to organise the embedment of transnational transfer networks as an integral part of future EUI-IA projects (taking inspiration from EU programmes such as the Widening Actions (Teaming) and the Smart Cities and Communities Lighthouse of Horizon 2020 as well as the URBACT method ‘*understand, adapt, reuse*’). The aim of the EUI-IA will remain the testing of new solutions in a given locality but the resulting experimentation should also be followed by partner cities from other countries. These will learn by being in the contact of innovation leaders to build viable investment plans to replicate tested solutions, and ultimately, raise their technical expertise and own innovation potential. The transformative role of ‘lead’ cities in their own place and elsewhere in the EU, will be further recognised, as well as their knowledge transfer obligations, in return for the grant received. The budgetary implications of such a change will have to be calibrated by EUI’s Entrusted Entity⁴⁶, within the limit of a maximum EUR 5 million from the ERDF envelope per project. In this perspective, it should be specified that embedded transfer partnerships will not cater for ‘hard’ investment costs in partner cities, except possibly allowing them to carry out small scale replication/testing. The principle is that the main outcome of the embedded transfer partnerships will be the co-design and approval by partner cities of investment plans (identifying corresponding funding sources, including possibly from Cohesion policy programmes), that would translate into a different local context the solutions tested by lead cities in the main experimentation site. The collaborative process of co-creation of investments plans is as important as the actual replication in terms of innovation capacity building. Still, the long-term commitment from partner cities, i.e. to rollout defined investment plans, if not during the lifetime of the embedded transfer partnerships, within a few years from its end, should be among the parameters of the ‘transferability’ criterion of EUI-Innovative Actions selection procedure⁴⁷, contributing to the specific objective of mainstreaming innovation within Cohesion policy.

Beyond this, it is proposed to keep stability on the funding and implementing rules as these currently apply under the UIA (e.g. EUR 5 million maximum grant from the ERDF per project, 50% first advance payment, maximum duration of 4 years). Since these rules were defined by analogy with the Common Provision Regulation and the ERDF Regulation for the 2014-2020 period in terms of eligibility of expenditure, ownership and durability, etc.⁴⁸, the EUI’s Entrusted Entity will assess the extent to which these must be updated in light of the corresponding regulations for the 2021-2027 period. In the same way, any change in the applicable EU regulations (e.g. on public procurement or state aid) will have to be properly referred to in the EUI-IA guidance to be developed by the Entrusted Entity. Moreover, the initiation and contracting phases⁴⁹ should be screened and possibly re-tailored to optimise the readiness of projects before the signature of subsidy contracts. The procedure allowing for ‘major changes’⁵⁰, systematically used in the past will be streamlined, i.e.

⁴⁵ This refers to EUI-IA applications that did not receive direct funding due to the limited resources available under the EUI⁴⁶
As an indication, one transfer network of 3-4 partners under URBACT III programme amounts to around EUR 500 000

⁴⁶ As an indication, one transfer network of 3-4 partners under URBACT III programme amounts to around EUR 500 000

⁴⁷ See point e of the strategic assessment above

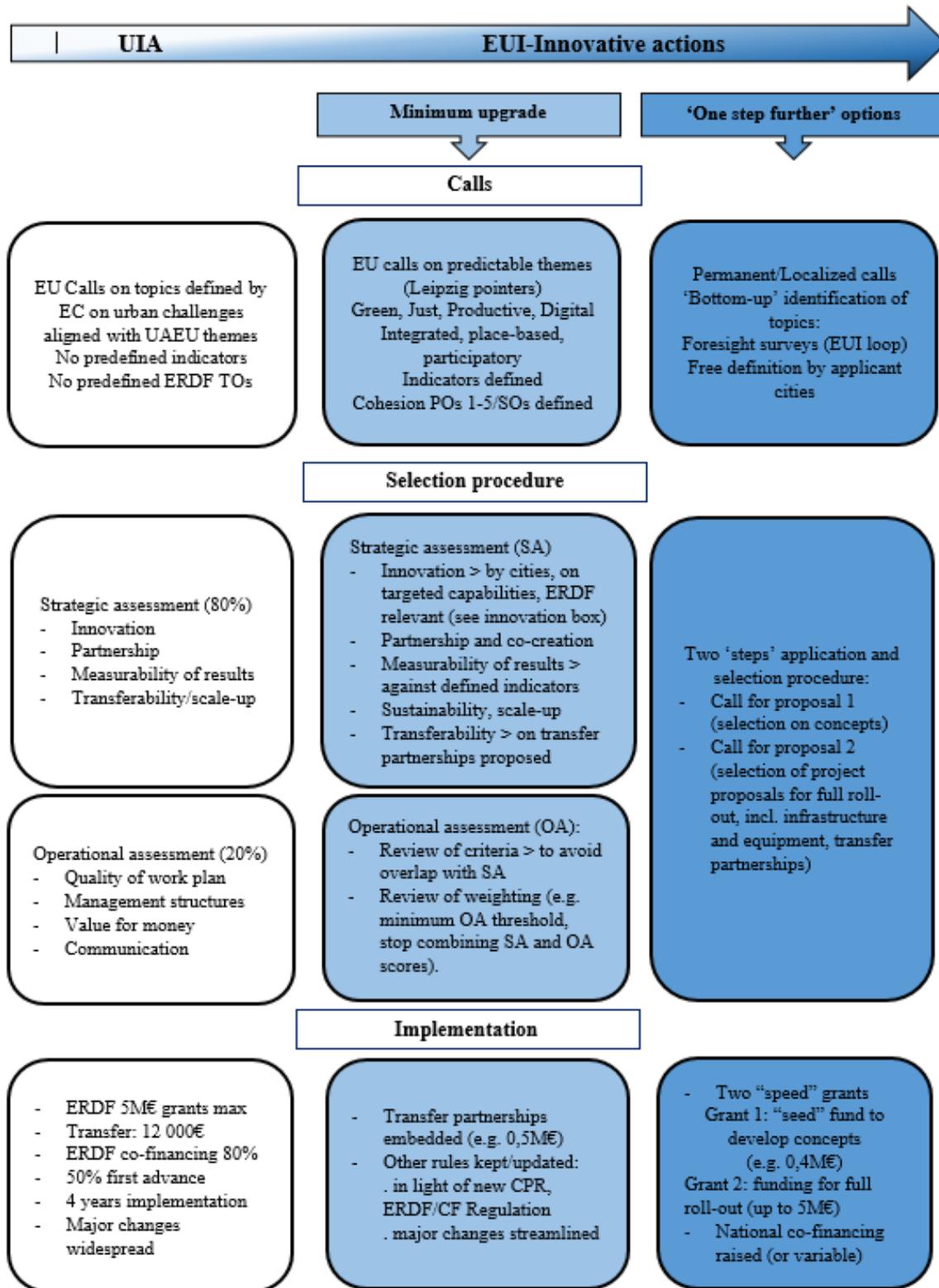
⁴⁸ See section 4 of the UIA Guidance (op.cit)

⁴⁹ See section 6.1. of the UIA Guidance (op.cit)

⁵⁰ See section 6.4.2. of the UIA Guidance (op.cit) and the findings of the UIA mid-term assessment study (in section 4.3.2.)

reserved to the most justified circumstances and subject to the supervision from the Commission on general conditions, rather than through consultations on individual requests.

Figure 3. Illustration of the EUI-Innovative Actions evolution⁵¹.



⁵¹ Budgets for EUI-Innovation actions presented in this illustration are indicative.

As a ‘one-step further scenario’, the EUI’s Entrusted Entity should explore the opportunity and feasibility of:

- (i) The two-stage application and selection procedure in view of its repercussions on the implementation modalities, mostly by creating:
 - a. Two types/intensities of grants: Grant 1 (e.g. EUR 0,4 million⁵²); Grant 2 (max EUR 5 million);
 - b. Two distinct implementation periods: Phase 1 (e.g. 1 year); Phase 2 (up to 4 years).
- (ii) Increasing the partners (national) co-financing rates (beyond 20% of total eligible costs as it is the case under the current UIA) or modulating it depending on the region of origin of project proposals⁵³ could reinforce ownership of projects and/or optimise the impact of the limited EUI-IA budget.

Inputs. The EUI-Innovative Actions will build on the legacy of the Urban Innovative Actions pilot initiative (2014-2020), and in particular, on the findings of the mid-term assessment study. The UIA knowledge capitalisation activities of the transition phase⁵⁴ – a period of transitioning from the UIA towards the EUI-Innovative Actions in 2021 – will also provide inputs for this work stream. In the same vein, the UIA Knowledge Management Strategy⁵⁵ provides strategic pointers and acts as a testbed for some orientations linked to future EUI-IA. Evidently, the work stream will use as inputs the tools and methods ‘understand, adapt, reuse’ produced by URBACT. Once set up and functional, the Knowledge Sharing Platform of the EUI will provide inputs for this activity area, and in particular, for the definition of future call topics. The principles and the Policy Objectives of Cohesion policy, the New Leipzig Charter, the priorities of the Commission and the UAEU will drive the content of EUI-IA⁵⁶.

Activities. As a first step, the future Entrusted Entity will prepare a concept for organising the EUI-Innovative Actions calls, selection procedure and delivery cycle based on the minimum upgrade scenario of the UIA model as described above. The Entrusted Entity will also prepare an opportunity and feasibility analysis to go one-step further in the reform of that model (‘one-step further scenario’) as described above. Once operational, the Entrusted Entity will deliver the activities of the work stream. In broad lines, the tasks of the Entrusted Entity will comprise the organisation of calls for proposals, selection and award procedures for proposals received under the calls, the administrative, financial and content management of the funded projects as well as information, guidance and training activities⁵⁷.

⁵² Indicative: benchmark from Phase 1 of Teaming projects (the Widening Actions of Horizon 2020)

⁵³ For instance, by applying the co-financing rates foreseen per category of region in Art. 106 of Common Provisions Regulation for 2021-2027 ([COM\(2018\) 375 final of 29.5.2018](#))⁵⁴ The UIA capitalisation of knowledge activities in 2021 include, inter alia, a series of UDN webinars ‘From UIA to EUI’ that took place in February 2021 (see <https://udn-urbaninnovativeactions.tw.events/en/presentations>), a study on the Policy Objective 5-related contributions from the UIA projects and seminars and publications on just and green transition policy responses by the UIA projects. Activities are sought at Article 7 cities of the ERDF, with possible implications from URBACT and UAEU communities

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⁵⁵ The UIA Knowledge Management Strategy provides a framework for the capitalisation of knowledge, dissemination and transfer activities of UIA projects and will feed into the other pertinent work streams of the EUI; https://www.uia-initiative.eu/sites/default/files/2020-07/UIA_knowledge_management_strategy_0.pdf

⁵⁶ See section 1.4.

⁵⁷ The list of tasks is non-exhaustive (see section 2.4. of the call for expression of interest); the other EUI work streams will deliver part of these tasks

Outputs. The work stream will finance a portfolio of EUI-Innovative Actions with the transnational transfer of novel solutions embedded in each project. The number of projects supported will depend on the final budget allocation to this work stream⁵⁸ as well as on possible different grant intensities that could be decided (see the options of the ‘one step further scenario’ above). The outputs of the work stream will also comprise both the thematic and the horizontal knowledge of experimenting and replicating tested novel solutions that feed into the Knowledge Sharing Platform and the capitalisation activities as well as into the activities of the EUI capacity building⁵⁹. These work streams will help in a wider outreach and dissemination of the outputs.

Impact. Tailoring the EUI-Innovative Actions calls for proposals, selection procedure and delivery cycle as described above, will result in achieving the full potential of each individual project supported under strand (a) for the benefit of EUI as a whole (figure 1). The expected impact of the EUI-IA is the increased innovation capacities and profiles of cities in Europe and the deployment of proof-tested urban innovations across the EU, ideally through a better use of Cohesion policy investments 2021-2027. The most promising concepts for new urban solutions are rigorously selected for their contribution to build innovation capacities of cities, the EU urban policy guidelines and Cohesion policy objectives 2021-2027. Tested innovative solutions are put into practice that respond to the complex urban challenges of EU relevance. The transnational transfer element is successfully embedded in projects contributing to close the innovation divide between lead and less advanced cities. The innovative solutions are increasingly sustained, scaled-up and replicated across cities in Europe, ideally with the support of mainstream Cohesion policy programmes and/or other public and/or private funding sources.

3.1.2. Establishment and functioning of an Urban Innovative Actions/EUI-Innovative Actions Transfer Mechanism

Rationale. In the 2014-2020 period, the Urban Innovative Actions pilot initiative has supported innovations that have the potential to be transferred and replicated by other European cities with mainstream Cohesion policy funds and/or with other funding sources. UIA projects are, however, not sufficiently equipped, nor financially incentivised⁶⁰, to undertake this process alone. There is a need for a support mechanism enabling for a more structured and systematic knowledge transfer from successful urban innovative actions to other urban realities across Europe. In addition, although transfer will become part of EUI-Innovative Actions, these projects when successfully implemented should be offered further deployment opportunities, with a wider set of partner cities benefiting, through a dedicated transfer mechanism. As a pioneer in experimenting transfer networks of cities within Cohesion policy, URBACT has developed a unique expertise that can be applied to the operationalisation of such a transfer mechanism. Its support to transfer solutions at the exit of UIA and EUI-IA projects will be consistent with the focus of URBACT IV in the 2021-2027 period and a meaningful way to be complementary to the EUI, as a single value chain⁶¹. The funding of this work stream is thus planned to be provided by URBACT IV according to financing intensities and modalities subject to the approval of the programme’s managing authorities. However, close cooperation between URBACT IV and the EUI will be sought to operationalise the transfer mechanism towards the greatest mutual benefits.

⁵⁸ The objective is to allocate a minimum of 75% of the total EUI budget share from the ERDF to the strand (a) of the EUI, see section 7 of this document and the call for expression of interest (section 2.4.)

⁵⁹ Peer learning and Urban Development Network-type of capacity building

⁶⁰ Support to knowledge transfer under the UIA is included within an ERDF lump sum of EUR 12 000 covering both knowledge transfer and closure in a same work package (see section 2.2.6 of the UIA guidance, op. cit.). For more detailed findings on the limitations of the current UIA model in terms of knowledge transfer, see sections 3.5. and 3.6. of the UIA mid-term assessment study (op.cit.).

⁶¹ See section 2.2.

Specific aims and target audience. The specific aims of the work stream are to (i) enable the transnational transfer and replication of successful Urban Innovative Actions (2014-2020) and EUI-Innovative Actions, ideally with support of Cohesion policy funds (and/or other funding sources), and to (ii) contribute to the capacity building of Cohesion policy beneficiaries, especially cities, by enhancing innovation capacities and profiles. The target audience of this activity are cities, which have interest in replication of successful innovative ideas, and in particular, URBACT IV, Article 9 cities of the ERDF/CF Regulation as well as other beneficiary cities of the mainstream Cohesion policy and the UAEU community.

Inputs. The completed Urban Innovative Actions projects and the EUI-Innovative Actions that have successfully tested their solutions to urban challenges of Union's relevance, and the associated supporting material (e.g. publications, websites, final reports, and evaluations) will constitute a core and incremental input for this work stream. In the same vein, the lessons learnt from the pilot transfer mechanism developed and implemented by URBACT III and UIA in 2020-2021⁶² and from previous URBACT III transfer networks⁶³ will contribute to its timely design.

Activities. The UIA/EUI-IA transfer mechanism will build on the success of the URBACT Transfer Networks model and will thus take inspiration from the URBACT method 'understand, adapt, reuse'. Calls for Proposals will be published under URBACT IV in regular intervals targeting a set of UIA projects, and subsequently, EUI-IA as these are completed⁶⁴. The promoters of the completed UIA/EUI-IA projects will be invited through the calls to form transfer networks with partner cities interested in transfer/replication. The selected networks will be supported in using of the URBACT's method to transfer/replicate the tested innovation of an UIA city. With the support of an 'exporting UIA/EUI-IA city' and the technical expertise mobilised by URBACT IV, 'importing partner cities' will develop investment plans to replicate the innovative solution in their own city, ideally by using the mainstream Cohesion policy funding and/or other funding sources. In the same way as embedded transfer partnerships within EUI-IA, the transfer mechanism supported by URBACT IV is not intended to accommodate for 'hard' investments costs (beyond small scale testing) in 'importing' cities, and such investment costs will have to be ensured from other funding sources identified in co-designed transfer investment plans. The EUI-IA that have successfully tested their innovative solutions might also be included in the transfer mechanism towards the second half of the 2021-2027 programming period.

Under this work stream, the Entrusted Entity will work in close cooperation with the managing authorities responsible for URBACT IV, and with the UIA Permanent Secretariat (2014-2020) to the extent needed for the establishment and implementation of a transfer mechanism at the exit of UIA projects (2014-2020) and EUI-IA (2021-2027). As a first step, the Entrusted Entity will contribute to the upgrade of an 'UIA/EUI-IA transfer mechanism' by building on lessons learnt from the ongoing pilot and from earlier transfer networks supported by URBACT III. The Entrusted Entity will also contribute to the planning of timely calls for proposals of the transfer mechanism (within the overall EUI-URBACT IV programming and implementation cycle as well as the scheduled completion dates for UIA/EUI-IA projects). While URBACT IV remains fully empowered for and leading the activities of the transfer mechanism, the Entrusted Entity will contribute on demand to the preparation of calls

⁶² The pilot UIA Transfer Mechanism will support 15 European cities to learn from completed (call 1) UIA projects and to co-create investment plans to fund the replication of corresponding innovations (five networks will run from March 2021 to September 2022, see <https://urbact.eu/uia-transfer-mechanism-five-pilot-projects-ready-take>)

⁶³ See *inter alia* the URBACT transfer study from December 2020 at <https://urbact.eu/lessons-urbact-study-transfer-networks>

⁶⁴ Ideally, 2-3 calls for proposals could be organised, subject to the final decision by the URBACT IV Programming Committee

for proposals, to the selection of supported networks as well as to the communication, guidance and training activities⁶⁵.

Outputs. The outputs of the transfer mechanism will comprise (i) the implementation of a number of transnational transfer networks targeting the UIA projects (2014-2020) and EUI-Innovative Actions (2021-2027), and (ii) the co-design and approval by importing cities associated to these networks of as many transfer investment plans⁶⁶ aimed at the replication UIA/EUI-IA tested innovations, ideally with the support from mainstream Cohesion policy programmes. The exact number of transnational transfer networks and corresponding transfer investment plans will depend on the final budget allocated to this work stream under URBACT IV.

Impact. The expected impact of the UIA/EUI-Innovative Actions Transfer Mechanism is a more systematic transnational transfer of successful solutions tested under the Urban Innovative Actions (2014-2020) and the EUI-Innovative Actions (2021-2027) to other cities across the EU. Complementing the effects of embedding transfer networks within future EUI-IA projects, it will contribute to foster the transformative role of cities in their own place and beyond and to close the innovation divide between lead and less advanced cities across Europe. As a result of these concerted efforts under strand (a), the innovative solutions are increasingly replicated, ideally with the support of mainstream Cohesion policy programmes and/or other public and/or private funding sources.

3.2. Support of capacity and knowledge building, territorial impact assessments, policy development and communication

Sub-strand 1 - Capacity building

The specific objectives of the EUI strand (b) and its sub-strand (b.1) focusing on capacity building are (i) to improve capacities of cities in design of sustainable urban development strategies, policies and practices in an integrated and participative way, and (ii) to improve design and implementation of sustainable urban development strategies, policies and action plans. Three work streams of the EUI intervention logic contribute towards the achievement of these specific objectives and they are explained in the broad terms in the following sections.

3.2.1. Networks of cities supported by URBACT IV

Rationale. The ambition of the work stream on the networks of cities supported by URBACT IV is to provide an interface between the EUI and URBACT IV, and in particular, the transnational networking activities of URBACT. The rationale for including this work stream in the EUI intervention logic is to ensure an effective coordination, complementarities and interconnection between the two instruments.

Specific aim and target audience. The specific aim of this work stream is to ensure an effective coordination, complementarities and interconnection between the EUI and URBACT IV, and in particular, between the EUI and the URBACT IV transnational networks of cities⁶⁷. As for the specific objectives of URBACT IV, the first objective is to support transnational networks to improve the capacity of European cities to co-design and implement integrated Action Plans linked to common sustainable urban development challenges; to adapt and reuse established urban good practices; and

⁶⁵ See section 2.4. of the call for expression of interest for further reference on the tasks of the EUI Entrusted Entity on this work stream

⁶⁶ One transfer investment plan per each importing city of a transfer network (in total, 3-4 cities in the light of the current URBACT experience)

⁶⁷ See section 2.2. Coordination between the EUI intervention logic and URBACT IV

to design investment plans for replicating elements of Urban Innovative Actions (2014-2020)⁶⁸. The second objective is to improve the capacity of the URBACT community at the programme level to design and implement sustainable urban policies and practices in an integrated, participative and place-based way. The third objective is to ensure that URBACT knowledge and practice are made accessible to urban practitioners and policymakers, and to feed into regional, national and European policies, with a particular focus on the EUI and the Urban Agenda for the EU. Cities of all sizes including the Article 9 cities of the ERDF/CF Regulation will be the target audience of URBACT IV as well as other local stakeholders (members of URBACT Local Groups). The two instruments, the EUI and URBACT IV, will thus target the same audience, and this implies the need for strong coordination and complementarities between the activities pursued.

Inputs. URBACT IV will build on the experiences of the previous programming periods including the evaluations and surveys collecting the feedback from city beneficiaries. The activities of the EUI – support of Innovative Actions as well as the capacity and knowledge building, territorial impact assessments, policy development and communication – will provide inputs for URBACT IV.

Activities. Transnational networking remains the core focus of URBACT IV⁶⁹, and at the centre of such activity is the exchange of experiences, innovative approaches and capacity building in relation to the identification, transfer and capitalisation of urban good practices on integrated and sustainable urban development. The programme will finance Action Planning Networks and Transfer Networks with dedicated expert support. It will also support the Transfer Mechanism that is a new tool building on the experience of URBACT Transfer and Implementation Networks⁷⁰. URBACT IV will also undertake capacity-building activities at the programme-level on the design and implementation of integrated Action Plans for sustainable urban development strategies. Furthermore, knowledge sharing and brokering activities will be supported. As a first step, the Entrusted Entity will prepare the cooperation with the URBACT IV Managing Authority that enables the technical coordination and complementarities between the two instruments in the operational delivery of activities. Such preparatory activities are expected to result in a ‘technical coordination mechanism’ between the EUI and URBACT IV. As the next step, the Entrusted Entity and the URBACT IV Managing Authority will implement the activities of this technical coordination mechanism that directs both bodies to deliver operationally the EUI and URBACT IV in a coordinated and complementary manner.

Outputs. The output of this work stream is, firstly, the jointly developed EUI – URBACT IV technical coordination mechanism, and secondly, the implementation of the mechanism that ensures operationally the coordinated and complementary delivery of the two instruments. As for its programme specific outputs, URBACT IV will finance a number of Action Planning Networks and Transfer Networks as well as the Transfer Mechanism for UIA projects and possibly for EUI Innovative Actions (as these get completed) as per the second work stream of strand (a). The outputs of URBACT IV will also include a series of capacity building activities as well as activities in the area of knowledge sharing. The outputs of the EUI under its two strands and related work streams will contribute to the activities of URBACT IV.

Impact. The expected impact at the operational implementation level is that URBACT IV complements in a coordinated way the EUI. The outputs and results from the transnational networks of cities as well as from the other capacity building and knowledge sharing activities of URBACT IV feed into the EUI strands on support of innovative actions, capacity and knowledge building as well as policy development and communication, and conversely, the activities of the EUI contribute to the implementation of URBACT IV. As for the expected programme-specific impacts of URBACT IV, they

⁶⁸ See section 3.1.2. for further details on the UIA/EUI-IA Transfer Mechanism

⁶⁹ Article 3 (4)b of the ETC Regulation

⁷⁰ See section 3.1.2.; subject to a final decision by the URBACT IV Programming Committee

include the improved capacity of urban authorities and practitioners to design and implement integrated Action Plans linked to sustainable urban development challenges. The capacities of urban authorities and practitioners to reuse good practices originating from URBACT, UIA (2014-2020) and EUI-IA (2021-2027) are enhanced. The UIA/EUI-IA Transfer Mechanism supports the objectives of the EUI.

3.2.2. Peer learning

Rationale. In the framework of the Urban Development Network activities in 2014-2020, a series of peer reviews were implemented. Under the EUI, the work stream on peer learning will build on the experiences gained, develop further and enhance this activity area. The peer learning activities will need to be developed and implemented in a coordinated and complementarity manner with the other capacity building activities of the EUI, and in particular, with URBACT IV.

Specific aims and target audience. The specific aims of the peer learning work stream are (i) to provide targeted and short-term support for challenges linked to the implementation of sustainable urban development under Cohesion policy, and (ii) to facilitate exchange of knowledge, good practices and solutions on sustainable urban development among urban practitioners, i.e. ‘peers’ working in cities of different Member States. The target audience is cities, which are active or participating in the design and/or implementation of sustainable development strategies under the Article 9 of the ERDF/CF Regulation (including Managing Authorities) and beyond in the mainstream Cohesion policy programmes, UIA/EUI-Innovative Actions, URBACT IV and the UAEU, as well as cities which are not yet active or participating in the afore-mentioned programmes and initiatives.

Inputs. As for the inputs, the work stream on peer learning will build on the outputs of the TAIEX-REGIO Peer 2 Peer instrument of 2014-2020 and on the peer reviews implemented as part of the Urban Development Network in 2014-2020. The peer-review methodology developed and updated by the Commission (DG REGIO jointly with the JRC) will be the main tool for the organisation of peer review activities. In addition, the work stream will use as inputs the outputs/products resulting from the broader capitalisation activities of thematic/horizontal knowledge under the EUI. The network of Urban Contact Points, the EUI expert pool, and other benchmarking schemes will also provide contributions to this activity area.

Activities. The activities of the peer learning work stream will be demand-driven: cities interested in the activity can express their interest in organising a peer learning activity⁷¹. The content of a peer learning activity will correspond to the implementation cycle of Cohesion policy investments as the needs for and interest in peer learning vary depending on the milestones of the policy cycle. As a first step, the detailed content of peer learning activities will be defined by the EUI Entrusted Entity, and in this context, the existing peer learning tools will be reviewed. Based on this inventory, the Entrusted Entity will design modules for peer learning activities and will prepare the required procedural set-up. As the next step, the Entrusted Entity will implement the activities.

The peer learning activities will be built around two activity areas: (i) city2city exchanges, and (ii) peer reviews. As for the city2city exchanges (i.e. ‘twinning of cities’), they will consist of two arrangements. The visits to a ‘host city’ include an activity where civil servants (or equivalent⁷²) from one urban authority - which requested for the city2city exchange - visit a ‘host city’ in another

⁷¹ The Peer Learning Activities will be initiated by cities (e.g. Article 9 cities of the ERDF/CF Regulation, UIA, URBACT, UAEU and beyond)

⁷² Civil servants are the main target group, but private bodies’ practitioners who are implementing Cohesion policy funds may participate as well in peer learning activities

Member State to learn new working methods and innovative approaches in the area of sustainable urban development. The visits to a 'requesting city' involve the visits of civil servants (or equivalent) from a 'host city', i.e. from an urban authority with the experience and located in another Member State, to provide peer advice and support on working methods and innovative approaches related to sustainable urban development. With regard to the peer reviews, they will take the form of workshops in which cities will be peer reviewed by other cities and relevant stakeholders. Two types of peer reviews are envisaged: (i) country-specific peer-reviews tailored to respond to the specific needs and challenges of cities in one Member State, and (ii) a cluster of Member State peer reviews tailored to respond to the specific needs and challenges of cities in a cluster of Member States.

Outputs. As for the outputs of the peer learning work stream, they will comprise the design of peer learning methods and tools as well as the procedural set-up, a number of implemented city2city exchanges and peer reviews based on the expressions of interest by cities. In addition, the outputs will include benchmarking schemes⁷³ for peer learning activities to allow cities evaluate their processes against the identified best practices.

Expected impact. The expected impact of the peer learning work stream is increased capacity and know-how of urban practitioners on sustainable urban development. The activity area improves the quality of design, implementation and impact of sustainable urban development policies and strategies as integrated and participatory approaches are strengthened. The benchmarking of sustainable urban development is enhanced at the EU level.

3.2.3. Urban Development Network-type of capacity building

Rationale. In the period 2014-2020, the Urban Development Network (UDN) supported information exchange between cities implementing integrated strategies under the sustainable urban development part of Cohesion policy as well as between cities leading the Urban Innovative Actions. The network promoted direct dialogue between the Commission and the cities involved. In the context of the EUI, the work stream on the UDN-type of capacity building will continue these efforts in an upgraded format based on the experience gained. The UDN activities will need to be developed and implemented in a coordinated and complementarity manner with the other capacity building activities of the EUI, and in particular, with URBACT IV.

Specific aims and target audience. The specific aims of the UDN work stream are (i) to develop a 'capacity building community' (in long-term) and space for exchange on sustainable urban development with all the relevant stakeholders, (ii) to provide support and access to knowledge and know-how on this topic, and (iii) to showcase synergies between Cohesion policy, UIA/EUI-Innovative Actions, URBACT IV and the UAEU. The target audience will include primarily local, regional and national authorities (including Managing Authorities) involved in the Article 9 of the ERDF/CF Regulation and in the mainstream Cohesion policy and in UIA/EUI-Innovative Actions, and secondarily, stakeholders from URBACT IV and the UAEU.

Inputs. As for the inputs, the UDN work stream will build on the outputs of the UDN activities implemented in the period 2014-2020. It will also integrate in the activities those outputs/products resulting from the broader capitalisation of thematic/horizontal knowledge under the EUI including the needs analysis of urban policy makers and practitioners⁷⁴. The network of Urban Contact Points and the EUI expert pool will also provide contributions to this work stream.

⁷³ Benchmarking means assisting local urban authorities in the evaluation of various aspects of their processes/metrics in relation to best-practice processes/metrics, usually within a peer group defined for the purposes of comparison

⁷⁴ Based the biennial forward-looking survey carried out by the Knowledge Sharing Platform

Activities. As a first step, the EUI Entrusted Entity will prepare the UDN activities. The content and delivery of the UDN activities will correspond to the implementation cycle of Cohesion policy investments as the needs for and interest in the UDN exchange vary depending on the milestones of the policy cycle. As the next step, the Entrusted Entity will implement the activities. The UDN activities will include the setting up of a ‘space for exchange’⁷⁵ on sustainable urban development with all the relevant stakeholders and the organisation of events that are either country specific, cluster of Member States specific, or EU-wide⁷⁶. The preparation and publication of handbooks, toolkits, videos, etc. aimed at building capacities of cities will also be part of the activities.

Outputs. As for the outputs, the UDN work stream will result in a collaborative ‘space for exchange’ on sustainable urban development with all the relevant stakeholders. The outputs will include a number of events organised (country specific, cluster of Member States specific, or EU-wide) as well as a compilation of toolkits on good practices and innovative actions in view of benchmarking. Additional and/or complementary outputs, such as handbooks, massive open online courses (MOOC), webinars and other online tutorials as well as social media products are also envisaged as part of the UDN capacity building.

Expected impact. The expected impact of the UDN work stream is the improved capacity of cities to design and implement sustainable urban development strategies and innovative actions. Cities improve their practices of investing the compulsory 8% urban earmarking of the ERDF/CF Regulation in an innovative, integrated and participative way. The dialogue between cities, Managing Authorities, Member States and the Commission is enhanced.

Sub-strand 2 - Knowledge building, territorial impact assessments, policy development and communication

The specific objectives of the EUI strand (b) and its sub-strand (b.2) on knowledge building, territorial impact assessments, policy development and communication are (i) to develop into knowledge base in support of better sustainable urban development policy and strategy design, implementation and urban mainstreaming, and (ii) to ensure easier access to horizontal and thematic knowledge and share knowhow on sustainable urban development. Four work streams of the EUI intervention logic contribute towards the achievement of these specific objectives and are explained in the broad terms in the following sections. In addition, this sub-strand (b.2) includes as a fifth work stream the support to the Urban Agenda for the EU, and upon request of Member State(s), the possible support to the intergovernmental cooperation on urban matters⁷⁷.

3.2.4. Establishment and functioning of a network of Urban Contact Points

Rationale. There is a need to have a single network of contact points in Member States operating in a national language(s) and providing coherent information support to urban policymakers and practitioners at local, regional and national levels, as highlighted in the Implementing Document of the New Leipzig Charter⁷⁸. If such a single contact point network was established, it should share information on all urban knowledge and support tools available within Cohesion policy, and in particular, within the EUI, as well as within national urban policies, initiatives and programmes. This

⁷⁵ The space for exchange will be hosted by the Knowledge Sharing Platform of the EUI

⁷⁶ The topic of territorial impact assessments will be included in this work stream and will take a format of dedicated awareness raising/training sessions (as part of events with a wider scope) at which the exchange of good practices is pursued on TIA tools (either developed by the Commission or in use by Member States)

⁷⁷ See section 4

⁷⁸ “We therefore regard National Contact Points as pivotal to support the relevant capitalisation, communication and dissemination activities. Hereby, the principles of subsidiarity and proportionality need to be safeguarded and the duplication of structures should be avoided” (page 4 of the Implementing Document)

would include UIA/EUI-Innovative Actions, URBACT IV, Article 9 cities of the ERDF/CF Regulation and the UAEU⁷⁹. As for the ambition of the network of Urban Contact Points (UCPs) to be established in the framework of the EUI, it is to function as an ‘information and knowledge sharing nexus’ between the actors from national, regional and local levels and the EUI.

Specific aims and target audience. The specific aims of the EUI network of Urban Contact Points (UCPs) work stream are: (i) to increase the number of urban policymakers and practitioners at local, regional and national levels in the EUI activities of sustainable urban development, (ii) to improve the capacities of urban policymakers and practitioners at local, regional and national levels in sustainable urban development, and (iii) to incentivise stakeholders, in particular, Managing Authorities, to benefit from the support and opportunities offered by the EUI. The target audience of the activity includes Member States, more specifically, urban policymakers and practitioners at local, regional and national levels. In particular, among the target groups will be local authorities interested or active in UIA/EUI-Innovative Actions, URBACT IV, Article 9 cities of the ERDF/CF Regulation and related Managing Authorities as well as cities benefitting from the mainstream Cohesion policy funds and the UAEU community.

Inputs. The network of UCPs will use the outputs of the other EUI work streams, in particular, the products developed as part of the EUI knowledge building activities (outputs of the capitalisation of knowledge and the Knowledge Sharing Platform). The UCP work stream will build on the outputs of the UIA/EUI-Innovative Actions and capacity building that feed into the EUI knowledge building part. Moreover, the UAEU will feed into the information and knowledge sharing activities of the UCP network through the EUI knowledge building part.

Activities. As a first step, the EUI Entrusted Entity will prepare Terms of Reference for the establishment of the UCP network that describes the detailed tasks of the UCPs and the coordination with the National URBACT Points. Each Member State will, after a ‘fitness check’⁸⁰, appoint an UCP entity based on the specific national institutional context that best enables the selected entity to fulfil its tasks as part of the network. In parallel with the appointment process of the UCPs, the Entrusted Entity will prepare the activities of the UCP network. As the next step, the Entrusted Entity will manage and support the activities of the network. The network will inform, match needs and disseminate the EUI activities and outputs to national, regional and local levels. It will also feed the EUI on national, regional and local contexts. The activities of the UCPs will comprise, inter alia, the outreach and communication on the EUI, and in particular, the awareness raising of the EUI-Innovative Actions Calls for Proposals as well as of rules to apply/benefit in view of achieving the widest diversity of urban areas and of geographical origins for project proposals⁸¹. The UCPs are foreseen to organise and/or assist in the organisation of capacity building and capitalisation activities for local, regional and national actors that also target Managing Authorities. The UCPs will also be tasked to set up and maintain country-specific websites as sub-pages of the EUI Knowledge Sharing Platform. Biennial forward-looking surveys conducted in the frame of the Knowledge Sharing Platform will be promoted by the UCPs across the Member States.

Outputs. As for the outputs of the UCP work stream, they will be defined in the Terms of Reference of the network. The expectation is that they will comprise, inter alia, country-specific events, seminars, meetings and webinars and/or publications that aim to increasing the share of urban

⁷⁹ The URBACT IV Programming Committee decided to maintain the National URBACT Points in the 2021-2027 period. The optimal set up of these different networks of Contact Points, preferably combining the EUI Urban Contact Points, the National URBACT Points and the National Contact Points as referred to in the Implementing Document of the New Leipzig Charter will need to be developed in the most efficient way for cities, including a fitness check of the Contact Points.

⁸⁰ Candidates for an Urban Contact Point entity must have the professional competencies as well as appropriate positions in the national context necessary to deliver the activities foreseen

⁸¹ For example, national info days, guidance, training events, project results, etc.

policymakers and practitioners (including Managing Authorities) who know of, understand and make use of the support provided by the EUI. The outputs will also cover the contributions of the UCPs to other general and specific events organised under the EUI. Moreover, communication and dissemination materials tailored for the national contexts are envisaged to be produced by the UCPs. The set-up and updates of the country-specific sub-webpages of the Knowledge Sharing Platform as well as biennial forward-looking surveys on pressing urban challenges and support needs of cities will be among the anticipated outputs.

Impact. The expected impact of the network of UCPs is the more coherent and integrated approach to knowledge sharing, capacity building and dissemination on sustainable urban development between the EU and national, regional, and local levels. The share of urban policymakers and practitioners that make use of the EUI support is increased and the link with the Managing Authorities of Cohesion policy programmes is ensured. The information and knowledge sharing among all the actors and levels including the UAEU is improved. The sustainable urban development in the EU is enhanced generally, as the network of UCPs helps increasing the capacities of urban policymakers and practitioners particularly at local, regional and national levels.

3.2.5. Establishment and functioning of a Knowledge Sharing Platform

Rationale. The rationale for setting up the Knowledge Sharing Platform is to tackle the wealth and diversity of existing urban knowledge as well as the fragmentation of such knowledge sources to offer more coherent knowledge-based support for urban actors at all levels. In the context of this work stream, an interactive Knowledge Sharing Platform that congregates the outputs/products of the other work streams will be established.

Specific aims and target audience. The specific aims of the work stream are (i) to develop into the knowledge base in support of better urban policy and strategy design, implementation and mainstreaming, and (ii) to ensure access to horizontal and thematic urban knowledge as well as know-how. The target audience of the activity is urban policymakers and practitioners at all levels, especially local authorities active or interested in UIA/EUI-Innovative Actions and URBACT IV, Article 9 cities of the ERDF/CF Regulation and related Managing Authorities and other cities benefitting from the mainstream Cohesion policy programmes as well as the UAEU community.

Inputs. In the short to medium term, the priority focus of the Knowledge Sharing Platform will be the consolidation of knowledge produced by Cohesion policy on sustainable urban development, i.e. UIA/EUI-Innovative Actions, capacity building (peer learning, UDN-type of capacity building, URBACT IV) as well as Article 9 cities of the ERDF/CF Regulation (particularly through the outputs of URBADEV⁸²). The Platform will also build on the knowledge produced by ESPON and on other pertinent knowledge originating from Cohesion policy (e.g. INTERREG, International Urban and Regional Cooperation Programme) as well as on the data hosted by the other platforms of Cohesion policy. The Knowledge Management Strategy of the Urban Innovative Actions (2014-2020) will also provide important inputs for this work stream⁸³. In the short to medium term, knowledge products and activities of the UAEU will be incorporated into the frame of the Platform. In the medium to long term, it is envisaged that the Knowledge Sharing Platform will interconnect gradually with the other most significant urban knowledge initiatives and programmes in the EU and internationally.

⁸² URBADEV is a joint initiative of DG REGIO and the JRC that has developed several tools aimed at supporting urban authorities and Managing Authorities by promoting policy learning and evidence-based policymaking. Such tools include the Urban and Territorial Dashboard 'STRAT-Board Plus', the Handbook of Sustainable Urban Development and related peer-learning events.

⁸³ https://www.uia-initiative.eu/sites/default/files/2020-07/UIA_knowledge_management_strategy_0.pdf

Activities. As a first step, the EUI Entrusted Entity will undertake the technical design of the Platform based on the conceptual specifications prepared by the Commission⁸⁴. The conceptual specifications provide the basic parameters for the set-up of the Platform. They will address a number of key issues that include, for example, the strategic framework of the Platform, the degree of centralisation of knowledge to this Platform vs. inter-connecting the Platform with other existing web-portals, the main functionalities (methods for knowledge aggregation, types of interactive functions, feasibility of compiling merged databases of experts and good practices, curation of the Platform's content, etc.). The Knowledge Management Strategy of the Urban Innovative Actions (2014-2020) will be one important reference document for the preparation of the conceptual specifications of the Platform. This strategy should be updated and further elaborated for the use of the knowledge sharing activities of the EUI. As for the time line, the aim is that a first 'mock web-portal version' of the Knowledge Sharing Platform is operational within the first 12 months after the appointment of the Entrusted Entity.

As the next step, the Entrusted Entity will implement the activities of the Knowledge Sharing Platform. The activities of the Platform will focus on further developing and maintaining an 'urban knowledge facility' that hosts the outputs of the other EUI work streams and provides inputs for them, carries out knowledge collection, consolidation and data mining as well as information and knowledge sharing. The Platform will provide a virtual interactive community for the network of the Urban Contact Points (UCPs) and hosts the country-specific sub-webpages prepared and maintained by the UCPs in national languages. It will foster interconnections between UIA/EUI-Innovative Actions, capacity building, capitalisation of knowledge, territorial impact assessment tools and policy development regarding the mainstream Cohesion policy, national urban policies and practices, other EU policies, initiatives and programmes at the EU level and beyond (internationally). Through the Platform, the Urban Agenda Thematic Partnerships will be able to access and capitalise on the existing urban support tools concerning knowledge and data as well as feed in the knowledge produced in the UAEU context.

Outputs. The main output of the work stream is the establishment and functioning of the Knowledge Sharing Platform. As for the specific outputs, in the frame of the Knowledge Sharing Platform, a forward-looking survey will be conducted every two years that is aimed at urban policymakers and practitioners to identify pressing urban challenges and knowledge gaps as well as support needs, and in particular, in view of Cohesion policy implementation⁸⁵. The Platform will also interconnect with an 'Urban & territorial dashboard'⁸⁶ as well as with a 'Handbook on Sustainable Urban Development Strategies'⁸⁷, both developed by the JRC in collaboration with DG REGIO. Among the outputs of the Platform will be databases of urban experts and good practices as well as toolkits and guidance on territorial impact assessments. In the medium to long term, the anticipation is that the Platform will host a 'European Urban Knowledge Panorama' that gradually interconnects the Platform with the other (most important) knowledge-related urban initiatives and programmes in the EU and internationally.

⁸⁴ The conceptual specifications will be prepared by the Commission with the support of external expertise by the end of 2021

⁸⁵ The conceptual specifications of the Knowledge Sharing Platform will include the basic parameters of this survey; the network of urban Contact Points will be tasked to promote the survey across Member States

⁸⁶ The dashboard refers to the STRAT-Board Plus tool that contains information and data of Article 7 cities and related strategies of the ERDF (2014-2020) in a searchable format (<https://urban.jrc.ec.europa.eu/strat-board/>); further to providing information on future Article 9 cities of the ERDF/CF Regulation (2021-2027), its functionalities could be extended to include the information and data on UIA/EUI-Innovative Actions, URBACT and the UAEU

⁸⁷ The Handbook on Sustainable Urban Development Strategies is available at <https://urban.jrc.ec.europa.eu/urbanstrategies/>

Impact. The expected impact of the Knowledge Sharing Platform is the enhanced access of urban policymakers and practitioners to knowledge on sustainable urban development in the EU. A structured, interactive and user-friendly urban knowledge base is in place that tackles the wealth, diversity and fragmentation of knowledge available, and serves the knowledge needs and sharing of urban actors at local, regional, national and European levels.

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

Rationale. The ambition of the work stream on the capitalisation of knowledge in support of evidence and experience-based policymaking is to capture, consolidate and enable the uptake of outputs and results produced by the different activity areas of the EUI. This refers to the outputs and results of UIA/EUI-Innovative Actions, capacity building (including URBACT IV) as well as Article 9 cities of the ERDF/CF Regulation, the mainstream Cohesion policy programme investments in urban areas and the UAEU.

Specific aims and target audience. The specific aim of the capitalisation of knowledge work stream is to provide urban policymakers and practitioners with consolidated knowledge in a format assisting them in evidence-based policymaking and in quality of programming as well as in designing and implementing public investments, in particular, under Cohesion policy. The target audience of the activity will be Cohesion policy stakeholders, urban policymakers and practitioners. Particular efforts will be invested in reaching out to small and medium-sized cities that have not yet sufficient access to the existing experience and knowledge.

Inputs. As for the inputs, the capitalisation of knowledge activity area will build on the knowledge outputs of the other EUI work streams as well as on Article 9 cities of the ERDF/CF Regulation, and more generally, the sustainable urban development part of Cohesion policy. The Knowledge Management Strategy of the Urban Innovative Actions (2014-2020) will also provide important inputs for this work stream. In addition, the knowledge generated beyond Cohesion policy – in the context of the UAEU, national or regional urban policies and initiatives/programmes as well as territorial impact assessments and other pertinent EU and international urban initiatives/programmes – will provide inputs for this work stream.

Activities. As a first step, the EUI Entrusted Entity will prepare and design the detailed content of the capitalisation of knowledge activities. The activities will take a format of different capitalisation exercises, carried out typically through dedicated policy labs (Knowledge for Policy Labs, Focused Policy Labs, and Thematic Reviews for Policy)⁸⁸. The activities will follow the sequence of the different knowledge outputs produced by the other EUI work streams. During the first phase of the EUI capitalisation activity, the outputs of the EUI-related activities undertaken in the period 2014-2020 will be used as the inputs.

Outputs. The outputs of the capitalisation of knowledge work stream will include a series of 'Knowledge for Policy Labs' (exercises extending over a period of a few months) and 'Focused Policy Labs' (one-off exercises). The outputs will also comprise a compilation of policy briefs in a format of 'Thematic Reviews for Policy', consolidating the outcomes of the policy lab exercises and integrating other pertinent knowledge inputs.

Impact. The expected impact of the capitalisation of knowledge work stream is the improved design, quality and results of sustainable urban development strategies, in particular in Article 9 cities of the ERDF/CF Regulation and in other urban areas supported by Cohesion policy, by providing easier

⁸⁸ Territorial impact assessments will be included in this work stream, and the organisation of a series of Thematic Policy Labs / Focused Policy Labs will include TIA as a topic and will also feed into the production of Thematic Reviews for Policy (policy briefs) on this topic

access and tools to targeted information and consolidated knowledge. The quality of Cohesion policy investments in urban areas is increased due to the enhanced application of the integrated and participatory approaches. The coherence of priorities and policies at EU and national or regional levels that have an urban dimension is also improved.

3.2.7. Communication and dissemination

Rationale. The ambition of the work stream on the communication and dissemination is to ensure that the EUI is known and visible, first for the direct and potential beneficiaries of the initiative – urban policymakers and practitioners at all levels – and second, for a broader audience in the EU and internationally.

Specific aims and target audience. The specific aims of the communication and dissemination work stream are (i) to increase awareness of urban policymakers and practitioners at all levels of the EUI, of its support tools and knowledge available in the area of sustainable urban development, and (ii) to communicate and disseminate effectively the outputs and results the EUI is producing. The overall goal of the work stream is thus to raise awareness of the initiative's support tools and impact on sustainable urban development under Cohesion policy and beyond. The target audience of the activity will be Cohesion policy stakeholders and urban policymakers and practitioners at local, regional, national, and EU levels (also internationally), the UAEU community as well as the public at large.

Inputs. The outputs/products of all the other EUI work streams will be used as inputs for the communication and dissemination. Among the inputs will be the outputs of UIA/EUI-Innovative Actions that consist of both thematic and horizontal knowledge produced as well as other products related to future projects, events, workshops, etc. In this context, the Knowledge Management Strategy of the Urban Innovative Actions (2014-2020) will provide important inputs for this work stream, and in particular, in relation to the outputs of UIA projects. The communication and dissemination activities will also build on the outputs of the EUI capacity building part and URBACT IV (peer learning, UDN-type of capacity building, joints events). The capitalisation of knowledge activities will produce consolidated knowledge for policymaking, and will feed into the communication and dissemination work stream. As for the national context, the network of Urban Contact Points will offer not only a significant source of material for this activity area but will also help to customise the content of communication and dissemination for audiences at local, regional and Member State levels, and in particular, in national languages. Moreover, the communication and dissemination activities will promote the outputs of the Knowledge Sharing Platform.

Activities As a first step, the EUI Entrusted Entity will prepare a communication and dissemination strategy accompanied with an annual activity plan. These documents will outline both the strategic aims and operational activities that capture the communication and dissemination needs in relation to the overall initiative and its different work streams. The Knowledge Management Strategy of the Urban Innovative Actions (2014-2020) will contribute to the preparation of this strategy and activity plan. As the next step, the Entrusted Entity will implement the activities. The setting up and maintenance of the EUI website as an interface of the initiative, the organisation of biennial CITIES Forum as well as sessions at the annual European Week of Regions and Cities will be among the core activities of the work stream. The communication and dissemination activities are also expected to include the effective promotion of the EUI through events organised by other EU initiatives and programmes at the EU level. Besides the events, an important activity area will be the production of generic and specific communication and dissemination material, including social media, audio-visual content, etc.

Outputs. The outputs of the communication and dissemination work stream will be a well-functioning and appealing website, a series of events organised (e.g. CITIES Forum provisionally in

2024 and 2026, and annual sessions at the European Week of Regions and Cities). The outputs will also include the generic and specific communication and dissemination material (newsletters, factsheets, articles, briefs, etc.) that cover social media and audio-visual content.

Impact. The expected impact of the communication and dissemination work stream is the maximised profile and visibility of the EUI by promoting its activities in a coherent manner to the widest possible audience, which consists of urban policymakers and practitioners at all levels in the EU (also internationally) as well as the public at large. The expected impact also is to have more cities of all sizes, especially small and medium-sized cities, to know about the EUI and its support available.

SECTION 4 – SUPPORT TO THE URBAN AGENDA FOR THE EU AND INTERGOVERNMENTAL COOPERATION ON URBAN MATTERS

Rationale. The Urban Agenda for the EU (UAEU)⁸⁹ was officially launched in May 2016 by the Pact of Amsterdam⁹⁰, in the scope of intergovernmental cooperation on urban matters. It is an innovative multi-level working method promoting cooperation between Member States, cities, the European Commission as well as the other EU institutions and stakeholders, to stimulate growth, liveability and innovation in the cities of Europe and to identify and successfully tackle urban challenges. The agenda is aimed at increasing the involvement of cities as well as the urban dimension in the design and implementation of policies at the EU and national levels leading to better regulation, better funding and better knowledge for cities in Europe.

The EU Presidencies support the intergovernmental cooperation on urban matters. The UAEU is working with multilevel governance structure⁹¹. In the frame of this cooperation, the New Leipzig Charter was adopted by the Member States in November 2020⁹². The Charter puts forward a revised vision for sustainable urban development in Europe with the emphasis on the transformative power of cities for the common good. This is to be achieved with actions taken within the three dimensions of ‘Just, Green and Productive Cities’ as well as within one cross-sectoral dimension of ‘Digitalisation’, and implemented in a format of multi-level governance. The UA EU is considered as a key vehicle for the implementation of the Charter. The Implementing Document of the Charter identifies the EUI as one of the instruments to provide support to the UAEU partnerships and to the intergovernmental cooperation on urban matters.

As stipulated in the Cohesion policy regulatory framework for 2021-2027, the EUI shall support the UAEU, and upon request from one or more Member States, it may also support the intergovernmental cooperation on urban matters. Such support will depend on the strategic orientations put forward by the afore-mentioned multilevel-governance structure as well as on the regulatory framework of the EUI under Cohesion policy. The strategic orientations will resonate the principles identified in the New Leipzig Charter and in its Implementing Document. The main principles of the support to the UAEU and to the intergovernmental cooperation on urban matters are presented in broad terms in the following section.

Specific aims and target audience. The specific aims and the future scope of the EUI support to the UAEU will reflect the principles identified in the Pact of Amsterdam, in the New Leipzig Charter as well as in the regulatory framework of the EUI under Cohesion policy. Three specific objectives appear as crucial: (i) to operationalise the principles of the New Leipzig Charter for the EU level; (ii) to continue developing the UAEU by involving urban authorities of all sizes in achieving Better Regulation, Better Funding and Better Knowledge to improve the consideration of the urban dimension in EU policies; and (iii) to better interlink the work done under the UAEU with the other urban-related activities under Cohesion policy, notably, through the EUI, and beyond. While working towards these objectives, the aim is also to valorise and build on the work of the 14 Partnerships that have been launched since 2016. Special attention will be given to supporting the participation of local authorities in the Thematic Partnerships and other possible forms of multilevel governance cooperation.

The scope of the support to the UAEU will be delimited taking into consideration the final proposed budget of the EUI, the final provisions of the Cohesion policy regulatory framework regarding

⁸⁹ <https://ec.europa.eu/futurium/en/urban-agenda>

⁹⁰ https://ec.europa.eu/regional_policy/sources/policy/themes/urban-development/agenda/pact-of-amsterdam.pdf

⁹¹ Directors-General on Urban Matters (DGUM) and Urban Development Group (UDG)

⁹² https://ec.europa.eu/regional_policy/sources/docgener/brochure/new_leipzig_charter/new_leipzig_charter_en.pdf

sustainable urban development and the EUI and the outcome of the ongoing deliberations on the operationalisation of the Implementing Document of the New Leipzig Charter. The focus of future Partnerships should be on the priorities and themes set for sustainable urban development and the EU policies. The activities of the UAEU should feed into the value chain of the EUI (i.e. into the different work streams), together with the other sustainable urban development activities of Cohesion policy, to generate stronger linkages and benefits for all actors involved.

In addition, and based on the identified needs, the EUI may support intergovernmental cooperation on urban matters, if such support is requested by Member State(s) and if agreed upon between Member State(s) and the Commission. Such support should have an EU added value and it should aim at (i) strengthening multi-level cooperation on sustainable urban development, and (ii) reinforcing the link between the EU and the urban policies at the appropriate level in the different Member States. It would exclude administrative and logistical support. Special attention will be given to cooperation aimed at capacity building at local level to achieve the UN Sustainable Development Goals of the 2030 Agenda for Sustainable Development.

The target audience of the EUI support to the UAEU and to the intergovernmental cooperation on urban matters will include the members active in the two groupings. This consists of a variety of stakeholders working on urban policies at different levels, i.e. cities of all sizes, regions, Member States, Managing Authorities from Cohesion policy programmes, EU institutions, city associations and networks, civil society, businesses, knowledge institutions, Partner States and other urban practitioners.

Inputs. The support to the UAEU and to the intergovernmental cooperation on urban matters will build on the outputs from the previous years of work and implementation, and will seek to integrating as much as possible elements of the relevant urban-related initiatives and programmes as well as the work streams of the EUI.

Activities. The support to the UAEU and to the intergovernmental cooperation on urban matters will be delivered by the EUI Secretariat. As a first step, the Entrusted Entity will prepare and frame the support to be granted together with the Commission and the UAEU actors. This will be based on Commission's commitments as part of the new parameters of the UAEU. The activities in support of the UAEU are envisaged to include (i) the setting up of new Partnerships (including the ex-ante assessments of Partnership proposals) or other forms of multilevel governance cooperation; (ii) the implementation of the UAEU through Partnerships or other forms of multilevel governance cooperation; and (iii) the setting up of capitalisation, communication and dissemination activities on the outcomes/results of the UAEU. The specific scope of the activities will be discussed with the DGUM. The UAEU community will also benefit from activities taking place in the scope of the other EUI work streams. As for the activities in support of the intergovernmental cooperation, the specific scope of such activities will be discussed between the Commission and intergovernmental actors including the DGUM. The support should have EU added value and could include (i) support to intergovernmental cooperation in tasks which are relevant for the UAEU and/or the EUI (technical and thematic expertise), and (ii) support to intergovernmental cooperation in relation to the EU work programme in areas which are relevant for the UAEU and/or the EUI.

Outputs. As for the UAEU, the EUI support will result in the facilitation of different forms of multi-level governance cooperation (Partnerships or other forms). It will also contribute to the implementation of actions/recommendations towards better regulation, better funding, and better knowledge related to EU policies. The outputs will comprise products originating from capitalisation activities related to thematic and topical knowledge for the use of the UAEU, UIA/EUI-Innovative Actions, URBACT IV and Article 9 cities of the ERDF/CF Regulation. As for the intergovernmental cooperation on urban matters, the EUI support could result in a variety of studies, recommendations, pilots, assessments feeding into the UAEU and/or the EUI.

Expected impact. The expected impact of the EUI support to the UAEU – as an aggregate result of the UAEU implementation – is the increased capacity of all the actors involved to work in a multilevel cooperation environment. The positioning of cities within EU policymaking (including legislative processes) is improved. Cities take increasingly part in the multilevel cooperation to capitalise their knowhow within mainstream Cohesion policy and other EU programmes and initiatives. The knowledge base and exchange about the EU and national legislation, policy and developments with an urban dimension are enhanced between different governmental levels, civil society, businesses and knowledge institutions. Support to the implementation of the UN Sustainable Development Goals and the New Urban Agenda is strengthened. The expected impact of the EUI support to the intergovernmental cooperation on urban matters is the strengthened multilevel governance on sustainable urban development and the secured continuity as regards the UAEU and the EUI.

SECTION 5 – GOVERNANCE STRUCTURE OF THE EUI

An effective governance structure will be established for the EUI. It will ensure the proper strategic steer and advice as well as operational implementation of all the different work streams of the EUI. It will allow for delivering on synergies in the intervention logic of the EUI. The governance structure will aim at ensuring (i) a participatory process for the strategic direction of the initiative by involving the relevant stakeholders, and (ii) an operational management for the execution of tasks. Two bodies will be established: (i) a Steering Group, and (ii) a Supervisory Board. In the functioning of these bodies, the Commission will ensure the appropriate conversion of activities from the strategic level to the operational one.

The composition of the Steering Group will be as follows: one representative per Member State from the EU Trio Presidency, one representative of the Commission, one representative of the EUI Entrusted Entity, one representative of the European Committee of the Regions and two representatives of the EU level city associations (CEMR and EUROCITIES). In addition, the Managing Authority and the Secretariat of URBACT IV will be invited to the Steering Group to ensure effective coordination and complementarities between the EUI and URBACT IV. Other observers may also be invited to join the meetings on an ad-hoc basis. The Steering Group is envisaged to convene at least once a year.

The Steering Group will provide strategic advice to the initiative, and in this role, it will function as a consultative body. Such role will require inputs from cities on their most pressing needs and future challenges (bottom-up), from national governments, as well as from EU institutions to link the EUI with other policies affecting cities at national, regional and EU levels (top down). This will also increase the impact of Cohesion policy implementation on the ground.

As for the main tasks of the Steering Group, it will provide advice for the implementation of the two strands of the EUI. In parallel, the Urban Agenda for the EU and the intergovernmental cooperation on urban matters will continue to be governed under the multilevel governance structure put forward by the Pact of Amsterdam⁹³ and the EUI will support these activities based on an agreed list of services. Given the provisions of the ERDF/CF Regulation 2021-2027, the essential role of the Steering Group will be to provide for a multi-level dialogue platform for cities, regions, Member States and the Commission, also aimed at ensuring coordination and complementarity with URBACT IV as well as synergies with the activities of the UAEU. The final specifications of the EUI governance structure will be completed when the Entrusted Entity and the EUI Secretariat are in place, and they will include, inter alia, the rules of procedure for the Steering Group.

The role of the EUI Supervisory Board is to oversee efficient and qualitative implementation of the EUI, e.g. the overall objectives and specific objectives as well as related activities of the initiative. It will also ensure that the strategic advice of the EUI Steering Group is integrated, where relevant, in operational activities. The EUI Supervisory Board will consist of the representatives of the European Commission, the Entrusted Entity and the Secretariat⁹⁴.

For implementing day-to-day operational activities of the EUI work streams, and as a first step, the Entrusted Entity will establish a dedicated EUI Secretariat. As an operational structure, it will provide the main interface for the EUI. The Secretariat must have adequate infrastructural resources as well

⁹³ The activities of the UAEU are coordinated by the Urban Development Group (UDG) and the Directors-General on Urban Matters (DGUM) and tasks of these governance bodies are described in the Pact of Amsterdam (2016); https://ec.europa.eu/regional_policy/sources/policy/themes/urban-development/agenda/pact-of-amsterdam.pdf

⁹⁴ Such cooperation between the Commission and the Entrusted Entity does not affect respective responsibilities in relation to delegated administrative tasks that are to be defined in the Contribution Agreement and that comply with provisions on indirect management in the EU Financial Regulation 2018/1046.

as professional competencies and appropriate qualifications necessary to implement the activities of the EUI. As the next step, the Entrusted Entity will ensure the operational delivery of the EUI activities by the Secretariat. In this context, the Secretariat will prepare annual EUI Work Programmes and Implementation Reports subject to the approval by the Commission as well as will provide the information needed for the biennial report to the European Council and the Parliament⁹⁵. The Secretariat will also support the preparation and organisation of meetings of the EUI governance structure. In addition, the Secretariat will be partly dedicated to support the UAEU, and the intergovernmental cooperation on urban matters.

The official language of correspondence between the Commission and the Entrusted Entity as well as the EUI Secretariat shall be English. The Secretariat should also have the ability to translate communication material into other official EU languages to assist applicants, final beneficiaries and stakeholders across the EU in understanding the material.

⁹⁵ To be submitted by the European Commission every two years

SECTION 6 – MONITORING AND REPORTING OF THE EUI

6.1. Setting up of the monitoring system for the EUI

A monitoring system will be set up for the EUI that effectively measures the performance of the EUI at the level of the initiative and at the levels of its two strands (a) and (b). As a first step, the Entrusted Entity will develop a proposal for such a monitoring system to be approved by the Commission. The Entrusted Entity will manage the system that captures, through its key performance indicators, the outputs, results and impacts of the EUI in relation to its overall and specific objectives. The monitoring system will systematically collect the necessary data for the review of the EUI Steering Group and Supervisory Board as well as for the biennial reporting by the Commission to the Council and the European Parliament. As for the key performance indicators of the monitoring system, examples of indicative formulations of both the result and output indicators are provided in annex 5. If the final indicators of the monitoring system require an access to secondary data, such data collection could be included in the biennial forward-looking surveys of pressing urban challenges, if appropriate⁹⁶.

6.2. Reporting to the European Parliament and the Council

In line with the requirements of the Article 10 of the ERDF/CF Regulation 2021-2027, the Commission will submit a report every two years to the European Parliament and to the Council on developments of the European Urban Initiative. The Entrusted Entity will provide all the necessary material for the report, and in particular, the key data and information on the activities implemented as well as the main achievements and challenges. Before the submission of the report, the EUI Steering Group will be consulted on the content of the report.

6.3. Key EUI documents and reporting to the EUI governance bodies

To operationalise the work streams of the EUI, the Entrusted Entity will prepare annual EUI Work Programmes. A Work Programme will define on an annual basis how the EUI delivers its activities under each work stream. It will include a section on the crosscutting issues of the EUI and will describe how an effective value-chain functions between the two strands and the work streams therein. The Work Programme will also contain an annex providing an indicative roadmap of the activities planned for the consecutive year. The annual EUI Work Programmes will be subject to the consultation of the EUI Steering Group and to the subsequent approval by the Commission.

Further to the annual EUI Work Programmes, the Entrusted Entity will prepare annual management declarations and Implementation Reports that provide information on the activities implemented, and in particular, the achievement of the overall and specific EUI objectives and related key performance indicators. The annual Implementation Reports will be subject to the consultation of the EUI Steering Group and to the subsequent approval by the Commission.

⁹⁶ The survey will be carried out in the frame of the Knowledge Sharing Platform (provisionally in 2023 and 2025)

SECTION 7 –BUDGETARY PROVISIONS OF THE EUI INTERVENTION LOGIC

The total ERDF/CF budget allocated to the European Urban Initiative to be indirectly managed in the frame of the present call for expressions of interest is set at EUR 400 000 000⁹⁷ which will be made available through several instalments over the programming period 2021-2027⁹⁸. This amount corresponds to the allocation fixed in the Article 104(5) of the future Common Provisions Regulation based on the political agreement reached between the co-legislators at the trilogue of 1 December 2020. The availability of such a funding is thus subject to the approval and entry into force of that Regulation as well as of the corresponding Commission’s financing decisions.

Table 4. The indicative budget allocation between the EUI strand (a) Support of Innovative Actions and the EUI strand (b) Support of Capacity and Knowledge Building, Territorial Impact Assessments, Policy Development and Communication⁹⁹.

| EUI strands | EUR | Share % |
|--|-------------|---------|
| Strand (a): Support of Innovative Actions | 300 000 000 | 75 |
| Strand (b): Support of Capacity and Knowledge Building, Territorial Impact Assessments, Policy Development and Communication | 100 000 000 | 25 |
| Total ERDF contribution | 400 000 000 | 100 |

⁹⁷ Budget expressed in 2018 prices. In current prices, the ERDF allocation will be of approx. EUR 450 million over 2021-2027.

⁹⁸ The remuneration of the Entrusted Entity for the indirect management of the EUI shall not exceed 7% of the final amount of eligible costs declared and accepted by the Commission

⁹⁹ The funding support to the UAEU and the possible support to the intergovernmental cooperation on urban matters will be allocated from the strand (b)

Annex 1. Articles 2, 9 and 10 of the ERDF/CF Regulation providing the legal basis for the European Urban Initiative¹⁰⁰.

Article 2

Specific objectives for the ERDF and the Cohesion Fund

1. In accordance with the policy objectives set out in Article [4(1)] of Regulation (EU) 2018/xxxx[new CPR], the ERDF shall support the following specific objectives:

(a) a more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity ('PO 1') by;

(i) Developing and enhancing research and innovation capacities and the uptake of advanced technologies;”

(ii) reaping the benefits of digitisation for citizens, companies, research organisations and public authorities;

(iii) enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments;

(iv) developing skills for smart specialisation, industrial transition and entrepreneurship;

(v) enhancing digital connectivity.

(b) a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility ('PO 2') by;

(i) promoting energy efficiency and reducing greenhouse gas emissions;

(ii) promoting renewable energy in accordance with Renewable Energy Directive (EU) 2018/2001, including the sustainability criteria set out therein;

(iii) developing smart energy systems, grids and storage outside TEN-E;

(iv) promoting climate change adaptation, and disaster risk prevention, resilience, taking into account eco-system based approaches;

(v) promoting *access* to water and sustainable water management;

(vi) promoting the transition to a circular and resource efficient economy;

(vii) enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution;

(viii) promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy;

(c) a more connected Europe by enhancing mobility ('PO 3') by:

(i) developing a climate resilient, intelligent, secure, sustainable and intermodal TEN-T;

(ii) developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility;

¹⁰⁰ Amendments introduced by the political trilogue agreements of 22 September 2020 and of 28 October 2020 are displayed in bold and strikethrough font

- (d) a more social and inclusive Europe implementing the European Pillar of Social Rights ('PO 4') by:
- (i) enhancing the effectiveness *and inclusiveness* of labour markets and access to quality employment *through developing social infrastructure and promoting social economy*;
 - (ii) 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;
 - (iii) 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;
 - (iii) bis promoting the socio-economic integration of third country nationals, including migrants through integrated actions, including housing and social services;*
 - (iv) ensuring equal access to health care and fostering resilience of health systems, including primary care, and promoting the transition from institutional to family- and community-based care;
 - (v) enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation;
- (e) a Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives ('PO 5') by:
- (i) fostering the integrated and inclusive social, economic and environmental development, culture, natural heritage, sustainable tourism, and security in urban areas;
 - (ii) fostering the integrated and inclusive social, economic and environmental local development, culture, natural, sustainable tourism and security, in areas other than urban areas.

Support under policy objective 5 shall be provided through territorial and local development strategies, through the forms set out in points (a) (b) and (c) of Article 22 of Regulation (EU) 2018/xxxx [new CPR].

1(bis). Under the two specific objectives of point (e) of paragraph 1, Member States may also support operations which can be funded under the specific objectives set out under points (a) to (d) of paragraph 1.

2. The Cohesion Fund shall support PO 2 and specific objectives under PO 3 set out in points (ii) and (iii) of paragraph 1(c).

3. Within the specific objectives set out in paragraph 1, the ERDF or the Cohesion Fund, as appropriate, may also support activities under the Investment for jobs and growth goal, where they either:

(a) improve the capacity of programme authorities;

(a)bis improve the capacity of sectoral or territorial actors responsible for carrying out activities relevant to the implementation of the ERDF and the Cohesion Fund, provided that it contributes to the objectives of the programme.

(b) enhance cooperation with partners both within and outside a given Member State.

Cooperation referred to in point (b) shall include cooperation with partners from cross-border regions, from non-contiguous regions or from regions located in the territory covered by a European Grouping of Territorial Cooperation, a macro-regional or sea-basin strategy or a combination thereof.

Article 9

Sustainable urban development

1. To address economic, environmental, climate, demographic and social challenges, the ERDF shall support integrated territorial development based on territorial strategies in accordance with Article [23] of Regulation (EU) 2018/xxxx [new CPR] focused on urban areas, including functional urban areas ('sustainable urban development') within programmes under both goals referred to in Article 4(2) of that Regulation.

Special attention shall be given to tackling environmental and climate challenges, notably the transition towards a climate-neutral economy by 2050, to harnessing the potential of digital technologies for innovation purposes, and to support the development of functional urban areas. In this context, sustainable urban development resources programmed under priorities corresponding to policy objectives 1 and 2 shall count towards the thematic concentration requirements under Article 3.

At least 8 % of the ERDF resources at national level under the Investment for jobs and growth goal, other than for technical assistance, shall be allocated to sustainable urban development in one or more of the forms referred to in Article [22] of Regulation (EU) 2018/xxxx [new CPR].

The relevant territorial authorities or bodies shall select or shall be involved in the selection of operations in accordance with Article 23(3) of Regulation (EU) 2018/xxxx [new CPR]

The programme or programmes concerned shall set out the planned amounts for this purpose under point (d)(vii) of Article [17(3)] of Regulation (EU) 2018/xxxx [new CPR].

3. The percentage allocated to sustainable urban development under paragraph 2 shall be complied with throughout the entire programming period when ERDF allocations are transferred between priorities of a programme or between programmes, including at the mid-term review in accordance with Article [14] of Regulation (EU) 2018/xxxx [new CPR].

4. Where the ERDF allocation is reduced following a decommitment under Article [99] of Regulation (EU) No [new CPR], or due to financial corrections by the Commission in accordance with Article [98] of that Regulation, compliance with paragraph 2 shall not be re-assessed.

Recital 48: Within the framework of sustainable urban development, it is considered necessary to support integrated territorial development in order to more effectively tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, including functional urban areas, while taking into account the need to promote urban-rural linkages. Support targeting urban areas may take a form of a separate programme or a separate priority and may benefit from a multi-fund approach. The principles for selecting the urban areas where integrated actions for sustainable urban development are to be implemented, and the indicative amounts for those actions, should be set out in the programmes under the Investment for jobs and growth goal with a minimum target of 8% of the ERDF resources allocated at national level for that purpose. It should also be established that this percentage should be respected throughout the programming period in the case of transfer between priorities within a programme or between programmes, including at the mid-term review.

Article 10

European Urban Initiative

1. The ERDF shall also support the European Urban Initiative, implemented by the Commission in direct and indirect management.

This initiative shall cover all urban areas, including functional urban areas, and shall support the Urban Agenda for the EU, including support for the participation of local authorities in the thematic partnerships thereunder.

2. The European Urban Initiative shall consist of the following two strands, all with regard to sustainable urban development:

(a) support of innovative actions;

(b) support of capacity and knowledge building, territorial impact assessments, policy development and communication.

Upon request from one or more Member States, the European Urban Initiative may also support inter-governmental cooperation on urban matters. Particular attention should be given to cooperation aimed at capacity building at local level to achieve United Nations Sustainable Development Goals as referred to in the resolution 'The 2030 Agenda for Sustainable Development' adopted by the UN General Assembly on 25 September 2015.

The Commission shall submit an report every two years to the European Parliament and to the Council on developments in connection with the European Urban Initiative.

3. The governance model of the European Urban Initiative shall include the involvement of Member States, regional and local authorities and cities and shall ensure appropriate coordination and complementarities with the dedicated programme under Article XX of [Interreg Regulation] dealing with sustainable urban development.

Recital 49:

In order to identify or provide solutions, which address issues relating to sustainable urban development at Union level, the Urban Innovative Actions in the area of sustainable urban development should be replaced by a European Urban Initiative, to be implemented under direct or indirect management. That initiative should cover all urban areas, including functional urban areas and support the Urban Agenda for the European Union. To stimulate participation of local authorities in the thematic partnerships under the Urban Agenda, ERDF should provide support for organisational costs related to such participation. The initiative may include inter-governmental cooperation on urban matters, in particular cooperation aimed at capacity building at local level to achieve United Nations Sustainable Development Goals. Member States, regional and local authorities should be actively involved in managing and implementing the European Urban Initiative. Actions agreed within such a management model may include exchange for regional and local representatives. Actions undertaken within the European Urban Initiative should promote urban-rural linkages within functional urban areas. Cooperation with European Network for Rural Development is of particular importance in this respect.

Annex 2. Article 3 of the European Territorial Cooperation Regulation providing a legal basis for the URBACT IV programme.

Article 3

Strands of the European territorial cooperation goal (Interreg)

Under the European territorial cooperation goal (Interreg), the ERDF and, where applicable, external financing instruments of the Union shall support the following strands:

- (1) cross-border cooperation between adjacent regions to promote integrated and harmonious regional development between neighbouring land and maritime border regions (Interreg A):
 - (a) internal cross-border cooperation between adjacent ~~land~~-border regions of two or more Member States or between adjacent border regions of at least one Member State and one or more third countries listed in Article 4(2); or
 - (b) external cross-border cooperation, between adjacent ~~land~~-border regions of at least one Member State and of one or more of the following:
 - (i) IPA beneficiaries; or
 - (ii) partner countries supported by NDICI; or
 - (iii) the Russian Federation, for the purpose of enabling its participation in cross-border cooperation also supported by NDICI;
- (2) transnational cooperation over larger transnational territories or around sea-basins, involving national, regional and local programme partners in Member States, third countries and partner countries and *OCTs*, with a view to achieving a higher degree of territorial integration (Interreg B);
- (3) interregional cooperation to reinforce the effectiveness of cohesion policy (Interreg C) by promoting
 - (a) exchange of experiences, innovative approaches and capacity building focusing on policy objectives set out in the first paragraph of Article 4 of Regulation (EU) [new CPR] and the Interreg specific objective "a better cooperation governance", in relation to the identification, dissemination and transfer of good practices into regional development policies including Investment for jobs and growth goal programmes (*'the Interreg Europe programme'*);
 - (b) exchange of experiences, innovative approaches and capacity building in relation to the identification, transfer and capitalisation of urban good practices on integrated and sustainable urban development, taking into account the linkages between urban and rural areas, supporting actions developed in the framework of Article 9 [of Regulation (new ERDF/CF)] and while also complementing in a coordinated way with the initiative outlined in Article 10 of Regulation (EU) [ERDF/CF Regulation] (*'the URBACT programme'*);
 - (c) exchange of experiences, innovative approaches and capacity building with a view to (*'the INTERACT programme'*):
 - (i) harmonising and simplifying the implementation of Interreg programmes as well as contributing to the capitalisation of their results;
 - (ii) harmonising and simplifying possible cooperation actions referred in point [d (v) of paragraph 3 of Article 17 of (new CPR)];
 - (iii) supporting the setting-up, functioning and use of European groupings of territorial cooperation (EGTCs);

- (d) analysis of development trends in relation to the aims of territorial cohesion (*'the ESPON programme'*);
- (4) outermost regions' cooperation among themselves and with their neighbouring third or partner countries or OCTs, or regional integration and cooperation organisations, or several thereof, to facilitate their regional integration and harmonious development in their neighbourhood (Interreg D).

Annex 3. Coordination areas and complementarities between the EUI and URBACT IV.

| Activity area | EUI | URBACT IV | Coordination/complementarity |
|---|--|--|---|
| Strand (a) of EUI – Support of Innovative Actions | | | |
| EUI-Innovative Actions UIA/EUI-IA Transfer Mechanism | Uses URBACT method ‘understand, adapt, use’ embedded in EUI-Innovative Actions | Implements UIA/EUI-IA Transfer Mechanism | URBACT implements and shares lessons from UIA/EUI-IA Transfer Mechanism |
| Strand (b) of EUI – Support of Capacity and Knowledge Building, Territorial Impact Assessments, Policy Development and Communication | | | |
| UDN-type of capacity building | Provides capacity building by organising country-specific events, cluster/Member State events and European events, Produces toolkits | Provides capacity building for local stakeholders, organises URBACT Universities at national level, supports Lead Partners of transnational networks, capacity building on green, digital and gender Other activities ad hoc | Art. 9 & 10 of ERDF/CF: cities & local partners as targets URBACT supports sustainable urban development principles of cohesion policy, and contributes to relevant EUI events in a case by case basis and vice versa Coordination of EUI Urban Contact Points and National URBACT Points (NUPs) ¹⁰¹ |
| Peer learning | Provides capacity building by organising city2city exchanges peer reviews (on demand by cities) | Peer learning is part of transnational networking: Action Planning and Transfer Networks | No separate URBACT mechanism for peer learning or reviews Exchange of methods Build capacity – active promotion among Art. 9 & 10 cities of ERDF/CF |
| Contact Points | Manages and implements the EUI Urban Contact Points activities | Outreach programme, knowledge sharing and capacity building of local stakeholders | Specific activities of URBACT Overall coordination of the EUI Urban Contact Points and National URBACT Points work programmes at the level of the EUI and URBACT Joint collaboration – notably for identifying capacity building needs at national level Mutualised delivery mechanism for joint targets |
| Knowledge Sharing Platform (KESP) | Hosts outputs of EUI and shares knowledge, dedicated support to UAEU, connects to other EU initiatives and programmes | URBACT knowledge hosted by a web-portal ‘urbact.eu’ | Interconnection will be established between the EUI KESP and Urbact.eu (coordination on conceptual specifications) URBACT projects and outputs directly connected to KESP URBACT involved in & supports KESP activities |
| Capitalisation of knowledge | Organises policy labs and produces Thematic Reviews for Policy (policy briefs) Involves UAEU in delivery | Organises city labs, dedicated also to UAEU knowledge projects, clustering of activities Thematic communities Ad hoc knowledge projects | URBACT supports & contributes to EUI activities Joint work plan (also correlated to UAEU) URBACT knowledge feeds into EUI Knowledge Sharing Platform and capitalisation of knowledge activities |
| Communication and dissemination | Implementation of activities (based on communication strategy of EUI) | Implementation of activities (based on communication strategy of URBACT) | Combined outreach and coordinated communication plan Coordination between secretariats |

¹⁰¹ The URBACT IV Programming Committee decided to maintain the National URBACT Points in the 2021-2027 period. The optimal set up of these different networks of Contact Points, preferably combining the EUI Urban Contact Points, the National URBACT Points and the National Contact Points as referred to in the Implementing Document of the New Leipzig Charter will need to be developed in the most efficient way for cities, including a fitness check of the Contact Points.

Annex 4. Mid-term Assessment Study of the Urban Innovative Actions 2014-2020 – main recommendations¹⁰².

1. **Keep fundamental elements of UIA unchanged:** calls on urban challenges of EU relevance based on themes and selection criteria predefined by the Commission have been well accepted and understood by applicants, same as the rules to implement projects (e.g. 50% advances, budget flexibility). A certain degree of stability is thus desirable to ensure predictability for future applicants and beneficiaries.
2. Enhance UIA intervention logic by **better defining impacts and types of innovations and/or of cities innovation capabilities pursued:** a more explicit typology of urban innovations targeted, KPIs and outputs would help to enhance the UIA, its complementarity with other EU programmes targeting innovation and added value for urban development under Cohesion policy (and the ERDF in particular). A key objective of the UIA lies on its ability to raise cities innovation capabilities. This could be better taken into account in the evaluation of proposals and favoured by calls, not only thematic, but inspired from crosscutting urban principles (integrated, participatory approaches, etc.) or by further empowering cities (through participation in the definition of topics on which to test their solutions).
3. **Strengthen the focus on sustainability, scaling-up and transfer:** although fundamental to realise UIA's full ambition these dimensions have counted for only 10% in the weighting of projects proposals and translated into very limited resources during implementation. The selection process should thus pay a greater attention to guarantees offered by applicants in terms of sustainability and scaling-up of their experimentations where successful and delivery mode organised in a way to make the transfer more systematic. This could be ensured by embedding transfer (transnational) partnerships as an integral part of EUI-innovative actions projects (taking inspiration from H2020 programmes such as Teaming or Lighthouse).
4. **Better check the operational readiness of projects** at the start to increase chances to deliver on time and as planned: testing innovative solutions can be challenging but some of the difficulties faced by UIA projects are typically those observed for standard investments (public procurement, construction permits, etc.) and could thus be better anticipated. It implies rethinking the operational assessment and inception phase of UIA projects, including by assessing the feasibility and opportunity of a deeper re-engineering, i.e. applying a 'two-steps' application and selection procedure (taking inspiration from other EU programmes such as Teaming or Life+).
5. **Optimise UIA's added value for Cohesion policy:** some steps suggested are in the hands of DG REGIO and concern the very design of the EUI: e.g. calls organised by Cohesion policy objectives 2021/27, selection criteria tuned to better weight the ERDF relevance of proposals, awareness raising through contact points to improve the geographical diversity of applications, development of cities capacity building offer. Other depend from the 'good will' from Member states but would require the Commission to be proactive, by encouraging future programmes to contain clauses enabling support for the scaling-up/replication of innovative actions, incentives (e.g. bonus points) for the same purpose in programmes selection procedures or other formula such as the creation of a "Seal of excellence" as a quality label such as the one developed for Horizon 2020 to favour the funding through programmes of good applications that could not receive direct funding due to the limited resources available under the EUI.

¹⁰² The report is available at https://ec.europa.eu/regional_policy/en/information/publications/studies/2021/assessment-study-of-the-urban-innovative-actions-2014-2020-final-report

Annex 5. Examples of the indicative formulations of the result and output indicators in relation to the overall and specific objectives of the EUI¹⁰³.

Overall objective of the EUI: Strengthen integrated and participatory approaches to sustainable urban development and provide a stronger link to EU policies and to Cohesion policy, in particular.

Result indicator:

- Composite indicator aggregating components from the EUI strand-specific indicators¹⁰⁴.

Output indicators:

- Implementation rate of sustainable urban development strategies (linked with Cohesion policy) in cities participating in the activities of the EUI¹⁰⁵;
- Number of cities participating in the activities of the EUI (small & medium-sized, large, metropolitan);
- Number of cities participating in the activities organised jointly by the EUI and URBACT IV;
- Number of cities expressing satisfaction with the support of the EUI.

Specific objective - Strand (a) Support of Innovative Actions: Identify and support the testing of transferable and scalable innovative solutions to urban challenges of EU relevance.

Result indicator¹⁰⁶:

- Percentage of new applicant cities per EUI-Innovative actions calls for proposals
- Time to select/to grant EUI-Innovative actions
- Percentage of EUI-Innovative actions completed/on time/as planned
- Percentage of investment plans for the replication of innovative solutions as part of the EUI-Innovative Actions/Transfer Mechanism of URBACT IV approved/completed
- Funding from mainstream Cohesion policy programmes (including Article 9 cities of the ERDF) and/or from other sources earmarked for financing (i) the sustainability, scaling up, and (ii) replication of innovative solutions as part of UIA/EUI-Innovative Actions and as part of the UIA/EUI-IA Transfer Mechanism of URBACT IV.

Output indicators:

- Number of EUI-Innovative actions calls launched/completed (at least once a year as from 2022)
- Number of Innovative Actions proposals received (by Member States, topics, new applicant cities, etc.);
- Number of Innovative Actions funded/completed (by Member States, topics, new applicant cities, etc.);
- Number of local stakeholders involved in EUI-Innovative Actions (by types of partners);
- Number of investment plans for the replication of innovative solutions as part of the EUI-Innovative Actions and as part of the UIA/EUI-IA Transfer Mechanism of URBACT IV planned/approved/completed
- Number of cities transferring innovative solutions as part of the EUI-Innovative Actions and as part of the UIA/EUI-IA Transfer Mechanism of URBACT IV ('lead experimenter/exporter cities');
- Number of cities preparing investment plans for the replication of innovative solutions as part of the EUI-Innovative Actions and as part of the Transfer Mechanism of URBACT IV ('importer/partner cities');

Links with URBACT IV:

Interconnection has to be established with the result and output indicators of URBACT IV. The main linkage is the UIA/EUI-IA Transfer Mechanism that will be financed by URBACT IV.

Specific objective – Strand (b.1) Capacity Building: Improve capacities of cities in the design of sustainable urban policies and practices in an integrated and participative way and to improve the design and implementation of sustainable urban strategies and action plans in cities.

Result indicator:

¹⁰³ Support to the Urban Agenda for the EU and intergovernmental cooperation: the result and output indicators will be compiled once the content of support is agreed with the actors of intergovernmental cooperation community

¹⁰⁴ Methodology for constructing the composite indicator is to be established

¹⁰⁵ Measured against the implementation rate of sustainable urban development strategies linked with Cohesion policy in cities not participating in the activities of the EUI

¹⁰⁶ The result indicators in this table are illustrative at this stage and will be further developed/adopted in due time between the Commission and the Entrusted Entity.

- Percentage of participants in the capacity building activities of the EUI that have increased their capacity in the design and implementation of sustainable urban development strategies in an integrated and participatory way, and more specifically, that two years after the ending of the activity are using the good practice(s) learnt in their city and/or Managing Authority.

Output indicators:

- Number of completed peer learning activities (city2city exchanges, peer reviews);
- Number of participants in peer learning activities (cities supported by Cohesion policy including Article 9 cities of the ERDF, UIA/EUI-Innovative Actions, URBACT, UAEU);
- Number of completed UDN events (country-specific, cluster-specific, EU-wide);
- Number of participants in Urban Development Network events (cities supported by Cohesion policy (including Article 9 cities of the ERDF), Managing Authorities, UIA/EUI-Innovative Actions, URBACT, UAEU);
- Number of benchmarking schemes implemented (cities supported by Cohesion policy including Article 9 cities of the ERDF, UIA/EUI-Innovative Actions, URBACT, UAEU);
- Number of activities organised jointly/in complementarity with URBACT.

Links with URBACT IV:

Interconnection has to be established with the result and output indicators of URBACT IV. The main linkage is that URBACT tools and methods will complement the EUI strand (b.1) capacity building. The URBACT beneficiaries will participate in and will use the support offered by the EUI peer learning and UDN activities.

Specific objective – Strand (b.2) Knowledge, territorial impact assessments, policy development, communication and dissemination: Develop a knowledge base in support of better urban policy and strategy design, implementation and mainstreaming and ensure easier access to thematic knowledge and share know-how on sustainable urban development.

Result indicator:

- Percentage of participants in the knowledge building and policy development activities of the EUI that have increased their knowledge and policy development in relation to integrated and participatory approaches of sustainable urban development by:
 - (i) using the support of Urban Contact Points;
 - (ii) using the established knowledge base (Knowledge Sharing Platform);
 - (iii) using products of the capitalisation of knowledge activities (Policy Labs, Thematic Reviews for Policy).

Output indicators:

- Network of Urban Contact Points established;
- Number of policymakers and practitioners making use of the contact point support in each Member State;
- Knowledge Sharing Platform established ('mock-version' by 2023);
- Number of policymakers and practitioners making use of the Knowledge Sharing Platform;
- Two biennial forward-looking surveys of pressing urban challenges carried out in the context of the Knowledge Sharing Platform (provisionally in 2023 and 2025);
- Number of capitalisation of knowledge activities (Policy Labs) organised and products compiled
- Number of participants in the capitalisation of knowledge activities (cities supported by Cohesion policy including Article 9 cities of the ERDF, UIA/EUI-Innovative Actions, URBACT, UAEU);
- Communication & dissemination strategy compiled and updated;
- Two CITIES Forums organised (provisionally in 2024 and 2026);
- Number of EWRC workshops organised annually and number of other events organised;
- Generic & specific dissemination material produced (newsletters, number of subscribers etc.).

Links with URBACT IV:

Interconnection has to be established with the result and output indicators of URBACT IV in the area of knowledge sharing. The main linkage is that URBACT IV aims to ensure that its knowledge and practice are made accessible to urban practitioners and policymakers to feed into regional, national and European urban policies, with a particular focus on the EUI and the Urban Agenda for the EU.