



Terms of Reference: fourth Call for Proposals

Urban Innovative Actions Initiative

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1. Introduction

As stated in the Article 8 of the ERDF Regulation¹, ERDF may support innovative actions in the area of sustainable urban development. In this framework, the European Commission has launched the Urban Innovative Actions (UIA) Initiative in order to identify and test new solutions which address issues related to sustainable urban development and are of relevance at Union level.

The main aim of the UIA Initiative is therefore to provide urban authorities across Europe with space and resources to test bold and unproven ideas addressing interconnected challenges and experiment how these respond to the complexity of real life. Projects to be supported shall be innovative, of good quality, designed and implemented with the involvement of key stakeholders, result oriented and transferable.

Urban authorities should seize the opportunity offered by the UIA Initiative to move from “normal projects” (that could be financed through “traditional” sources of funding, including mainstream ERDF Programmes) and take the risk to turn ambitious and creative ideas into prototypes that can be tested in real urban settings. In other words, UIA can support pilot projects that are too risky to be funded by traditional sources of funding provided that they are highly innovative and experimental.

The UIA Initiative has a total ERDF budget of around EUR 372 million.

UIA projects will be selected through annual Calls for Proposals from 2015 to 2020 on one or more topics proposed by the Commission. Each action can receive up to a maximum of EUR 5 Million ERDF co-financing. Project implementation should take place within a maximum period of 3 years². There is no ideal size for UIA project budgets. Small projects (i.e. below EUR 1 million ERDF requested) may have a reduced probability of being selected as they may struggle to demonstrate that the actions are of sufficient scale to produce meaningful conclusions. Whereas, projects including significant investment costs, particularly at the end of the implementation period, should demonstrate that the cost fit the purpose and are duly justified.

¹ European Regional Development Fund Regulation (EU) No 1301/2013:
<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1301>.

² In exceptional and well justified cases projects may be extended by maximum 1 year (see UIA Guidance for more information).

The UIA Initiative is an instrument of the European Union and is managed by the European Commission's (EC) Directorate General for Regional and Urban Policy under indirect management. For the implementation of the Initiative, the Commission has designated the Region Hauts-de-France³ as Entrusted Entity (EE). For the management of the Initiative, a Permanent Secretariat (PS) has been established⁴.

With the present Terms of Reference, the Entrusted Entity is inviting eligible authorities to submit project proposals in the framework of the fourth Call for Proposals. For this Call for Proposals an indicative budget of between EUR 80-100 million is allocated.

The present document sets out the requirement and process to follow for the fourth Call for Proposals. It should be read in conjunction with the UIA Guidance and the guidance for the Application Form, published on the UIA website and updated in the framework of the fourth Call for Proposals.

2. Eligible authorities – Who can apply

Article 2 UIA establishes that the following authorities may apply for support to undertake Urban Innovative Actions:

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

Only eligible urban authorities as defined by the Article 2 of the Delegated Act can submit an Application Form in the framework of an UIA Call for Proposals.

³ Formerly Region Nord-Pas de Calais.

⁴ Information and contact details of the Permanent Secretariat can be found here: <http://www.uia-initiative.eu/en/about-us/meet-team>.

The definition of Local Administrative Units (LAUs) as well the classification according to the degree⁵ of urbanisation and the figures on the number of inhabitants are based on information provided by Eurostat in the **Correspondence table LAU2-NUTS2010, EU28 (2012)**⁶. Although more recent correspondence tables have been released by Eurostat, these do not include information for all EU Member States; only the **Correspondence table LAU2-NUTS2010, EU28 (2012)** does. This is the reason why this table will be used by the UIA PS as its main reference document for the Eligibility Check. Applicants are invited to refer to this Correspondence table to verify their eligibility and provide information on the LAUs included in its administrative borders and the figures concerning the number of inhabitants. However in case more recent Eurostat tables or new figures from national statistical institutes show a significant change to an applicant's eligibility situation (e.g. an LAU previously considered as rural is now considered as urban according to the degree of urbanisation), the applicant is strongly invited to contact the PS prior to the submission to double check their eligibility situation.

Additional detailed information on the eligibility of urban authorities is provided in the following sections.

2.1 Eligible applicants under the first category:

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

⁵ Definition of Local Administrative Units and degree of urbanisation are available here : <http://ec.europa.eu/eurostat/web/nuts/local-administrative-units> ; http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Degree_of_urbanisation.

⁶ The Correspondence table LAU2-NUTS2010, EU28 (2012) can be downloaded here: <http://ec.europa.eu/eurostat/web/nuts/local-administrative-units>.

according to the degree of urbanisation (code 1 and/or 2 in the Correspondence table – column Degree of Urbanisation)

- Organised agglomerations which are an association/grouping of urban authorities fulfilling the following criteria:
 - To be officially recognised as a tier of local government (different from the regional and provincial level) by national law with the obligation for municipalities/city councils to join the supra-municipal organisation (therefore in this category are not included associations that are composed on a voluntary basis, for a specific purpose and/or with a limited duration)
 - To be composed only by municipalities/city councils (therefore in this category are not included associations involving other institutions such as universities, chambers of commerce, etc.)
 - To have specific competences, fixed by national law, delegated by the municipalities involved for policy areas relevant for the UIA project. Associations are invited to provide precise reference to the national legal framework. Organised agglomeration shall have exclusive competences for the design and implementation in policy areas relevant for the UIA project
 - To have a specific political (with indirect representation of the municipalities involved) and administrative (dedicated staff) structure

Examples of organised agglomerations in the framework of the UIA Initiative are:

- France: Métropoles, Communautés Urbaines, Communautés d'Agglomération and Communautés de Communes, Etablissements Publics Territoriaux
- Italy: Città Metropolitana and Unione di Comuni
- Germany: Landkreis
- Spain: Mancomunidades and Area Metropolitana Barcelona
- United Kingdom: Combined Authorities
- Portugal: Comunidades Intermunicipais (CIMs)

European Grouping of Territorial Cooperation (EGTC) whose partnerships are composed only of urban authorities (as defined above) and with specific competencies for policy design and implementation relevant for the UIA Call are considered as organised agglomerations and therefore they can apply in

the framework of UIA Calls for Proposals as Main or Associated Urban Authorities. EGTCs whose partnerships include other organisations (e.g. Member States, regional authorities, associations, universities, etc.) are not considered as organised agglomerations and cannot apply as Main or Associated Urban Authorities but they can join as Delivery Partners in a proposal submitted by an eligible urban authority.⁷

In the framework of the UIA Initiative, organised agglomerations are considered as a single urban authority representing all the municipalities/city councils involved. For this reason, in a project proposal submitted by an organised agglomeration, this shall be indicated as Main Urban Authority.

To verify the eligibility of organised agglomerations, the PS will check that the total number of inhabitants is at least 50 000 and that the majority (more than 50%) of inhabitants live in LAUs involved in the agglomeration that are classified as cities, towns or suburbs according to the degree of urbanisation.

2.2 Eligible applicants under the second category are associations/groupings of urban authorities without legal status of organised agglomerations

Any association of urban authorities (national/regional associations of urban authorities, territorial pacts, development districts, etc.) as well as individual urban authorities without formalised cooperation agreements but willing to jointly apply in the framework of the UIA Initiative, cannot apply as a single urban authority.

They shall identify a Main Urban Authority (MUA) among the municipalities/city councils involved and list the others as Associated Urban Authorities (AUA).

In order to be eligible, all urban authorities involved (Main and Associated) shall be recognised as LAUs and be classified as cities, towns or suburbs according to the degree of urbanisation. In case of urban authorities whose administrative borders include more than one LAU, the same rules for the definition of the degree of urbanisation described above in the present section apply.

⁷ For details on the roles and responsibilities of the Main and Associated Urban Authorities and Delivery Partners applicants shall refer to the section 5.1 of the present Terms of Reference as well as to the section 2.1 of the UIA Guidance.

Nota bene: Only in the framework of the present fourth Call for Proposals and only for proposals addressing the topic “Sustainable use of land, nature based solutions”, urban authorities recognised as **LAUs by EUROSTAT but classified as rural according to their degree of urbanisation can exceptionally be involved as AUAs only**. This is meant to foster urban-rural linkages, particularly relevant for this topic. To ensure the full respect of the requirements laid down in the Delegated Act, LAUs classified as rural according to their degree of urbanisation cannot be indicated as MUAs (and therefore they cannot submit project proposals) and their inhabitants cannot be taken into account to reach the minimum threshold of 50.000 inhabitants. The minimum threshold of inhabitants shall be ensured by the MUA and eventually the other AUAs classified by Eurostat as cities, towns and/or suburbs according to their degree of urbanisation.

The relationship between the MUAs and AUAs does not need to be formalised at the time of submitting the Application Form. In case the proposal is approved and supported, the UIA PS will provide the MUA with a template of Partnership Agreement to be signed by all partners involved (Main and Associated Urban Authorities and Delivery Partners) during the first months of the implementation phase.

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

2.3 Common requirements for eligible urban authorities

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

- All urban authorities shall be located in an EU Member State
- Only eligible urban authorities as defined above may submit an Application Form in the framework of an UIA Call for Proposals. An Application Form submitted by a Delivery Partner will be declared ineligible.

- Urban authorities (as defined above) can be listed in a project proposal only as Main and/or Associated Urban Authorities. The category of Delivery Partners is reserved only to institutions and/or organisations that are not recognised as urban authorities in the framework of the UIA Initiative
- An urban authority or an organised agglomeration can be involved in only one project proposal in the framework of each Call for Proposals (even if these project proposals are submitted under different topics in the same Call for Proposals). The rule applies also to the AUAs (a municipality can be involved in only one project proposal whether it is as MUA or as AUA).
- Urban authorities already supported in an approved project by the UIA Initiative in the framework of a previous Call for Proposals cannot submit a new Application Form on the same topic over the entire duration of the Initiative.

Agencies and companies (e.g. in the field of energy/waste management, economic development, touristic promotion, etc.) fully or partially owned by the municipality/city council are not considered as LAUs and therefore cannot be recognised as eligible urban authorities. Nevertheless these organisations can be involved in the partnership as Delivery Partners (more details on the roles and responsibilities of Delivery Partners are provided in section 5.1 of the present Terms of Reference as well as in section 2.1 of the UIA Guidance).

As stated in the previous paragraphs, the UIA PS will use as the main tool for verifying compliance with the eligibility criteria the spreadsheet **Correspondence table LAU2-NUTS2010, EU28 (2012)**. Applicants are therefore strongly advised to check the spreadsheet and carry out an eligibility self-assessment before filling in the Application Form.

In case of gaps, inconsistencies or doubts concerning the interpretation of the data included in the Eurostat spreadsheet, applicants are strongly advised to contact the UIA PS before filling in and submitting the Application Form.

During the eligibility check, in cases any applicant's status as eligible candidate is uncertain, the UIA PS will liaise with all relevant partners, including Eurostat, to determine the eligibility.

3. Thematic coverage for the fourth Call for Proposals

The Commission has decided to closely align the topics that Urban Authorities can address through the UIA Initiative to those defined in the framework of the Urban Agenda for the EU.

More especially, each Call for Proposals for UIA will focus on a certain number of topics.

For the fourth Call for Proposals, applicants can submit project proposals addressing the following topics:

- Digital transition
- Sustainable use of land, nature-based solutions
- Urban poverty
- Urban security

Urban authorities applying in the framework of a UIA Call for Proposals are requested to select only one of the topics proposed. However, as an integrated approach should be developed in order to tackle effectively the challenges identified, in the Application Form applicants have the possibility to describe the links and externalities with other topics and policy areas.

As stated, the Commission's desire is to see projects proposed that bring forth creative, innovative and durable solutions to address the various challenges identified. As UIA will also be a laboratory for new ideas, the Commission aims to encourage novel experimentation which draws on experience in a variety of disciplines. For that reason, the Commission has avoided being overly prescriptive in terms of describing the types of projects it expects to see proposed.

In terms of support to ERDF Thematic Objectives and Investment Priorities, the overall project needs to be viewed as supportive of the thematic objectives and investment priorities for ERDF. However UIA projects contributing to Thematic Objectives 8-10 (i.e. those that are more social oriented) will be able to be supported provided that:

- The knowledge generated by the overall project can be viewed as supportive of the thematic objectives and investment priorities for ERDF; and
- The project is not overwhelmingly focused on European Social Fund (ESF) type of activity

Please bear in mind that during the selection and implementation of project proposals, the complementarity and synergies with other Union funding programmes and policies, as well as supported projects, is of utmost importance. The UIA Initiative Selection Committee will seek to avoid any duplication when deciding on which projects to support.

The following sections provide detailed descriptions for the 4 topics of the fourth UIA Call for Proposals.

3.1 DIGITAL TRANSITION

Overall definition and context of the topics

The Digital Single Market strategy aims to open up digital opportunities for people and businesses and enhance Europe's position as world leader in the Digital Economy. The Digital Single Market is expected to contribute €415 billion per year to our economy and create hundreds of thousands of new jobs. The European data economic development implies work on access to and transfer of non-personal machine-generated data, on data liability, interoperability and standards. In an inclusive Digital Society citizens will have the right skills to seize the opportunities of the digital world and boost their chances for good jobs. In addition, the digital transformation of governments, including the provision of public services such as health, offers an opportunity to better serve and interact with citizens, be more accountable and deliver better and more user-friendly services.

Relevance for and role of urban authorities

Digitalisation allows all EU cities to become more competitive and attractive towards citizens and businesses. Digital transition is a recurring element in the work carried out by the [European Innovation Partnership on Smart Cities and Communities](#) since 2014 and recently also thoroughly discussed in the framework of the [dedicated partnership of the Urban Agenda for the EU](#). Overall it can be concluded that cities increasingly play a central role in the digital transition, as urbanization is a major long term trend and cities provide many of the public services to citizens and create the appropriate conditions for businesses to flourish. Digital public services are crucial for reducing administrative burden on citizens, making interactions with public authorities faster, more convenient and less costly as well as increasing the quality of the services provided. Cities can also serve as an excellent place for innovation and thereby contribute to generating economic growth; by ensuring a business-friendly environment, enabling the flourishing of data-driven businesses; and by pulling innovation to the markets with large

purchasing power. Cities will provide the places and platforms where citizens and companies link their activities. Thanks to digitalisation, it is possible to create new tools for citizen-centric City development, including at the policy-making stage through eDemocracy (information, consultation, participation). The [Tallinn Ministerial Declaration on eGovernment](#) recognises the needs and expectations of citizens and businesses in their interaction with public administrations and sets out a set of user-centricity principles that should guide cities in their public service delivery.

Prompts for urban authorities

Urban Innovative Actions project proposals should contribute to the on-going work of the six Action Clusters of the European Innovation Partnership and/or the Digital Transition Partnership by testing new solutions. Without being prescriptive in terms of the types of projects expected, cities are invited to consider in particular the following topics and issues:

- Enable and implement smart cities solutions including business models, finance and procurement, integrated infrastructures and processes, integrated planning and regulations, sustainable districts and built environment and sustainable urban mobility
- Enable and implement citizen-centric eGovernment solutions across sectors
- Create value through free and fair access to data of any kind: open/public/private sector/personal data (e.g. collected by sensors, use of private sector data for public interest purposes, use of portability rights under GDPR for citizens to give data to City for better City management, setting up open data integration systems for access by multi-purpose applications)
- Accelerate adoption of digital emerging technologies, which will modernize the City's infrastructure and services, such as smart lamppost solutions and innovative 5G communication networks integrating open urban data platforms as well as solutions for local administrations
- Create a business friendly environment and act as places and platforms to allow agile experimentation of data-driven businesses and pull innovation into markets with large purchasing power, generating local economic growth

3.2 SUSTAINABLE USE OF LAND, NATURE-BASED SOLUTIONS

Overall definition and context of the topics

Land is a finite and essential natural resource. It is subject to competing pressures from e.g. urbanization, infrastructure, increased food, feed, fibre and fuel production while at the same time land is expected to continue providing key ecosystem services. Almost 1000 km² of agriculture or

natural land disappears every year in the EU, as it is converted into artificial areas. More EU land is affected by degradation all the time, and ecosystem services are lost as a result. There is well-documented recognition and awareness that nature helps providing efficient solutions that use and deploy the properties of natural ecosystems and the services they provide in a smart, sometimes 'engineered' way. These nature-based solutions provide sustainable, cost-effective, multi-purpose and flexible alternatives in support of reaching various objectives. Working with nature, rather than against it, can further pave the way towards a more resource-efficient, competitive and greener economy. It can also help to create new jobs and economic growth, through the manufacture and delivery of new products and services, which enhance natural capital rather than depleting it.

In terms of spatial and peri-urban planning there is also a growing effort to minimize the additional land take and to limit, mitigate or compensate soil sealing. This calls at the same time for a more efficient use of land that has been previously taken, and its restoration, especially in the urban environment. The guidelines with best practices to reduce the impact of soil sealing, published by the Commission, can provide inspiration to policy makers.

To help tackle those challenges, various European policies promote land and biodiversity protection, sustainable urban development, and the involvement of Stakeholders, such as the 7th Environment Action Programme, the [EU Soil Thematic Strategy](#), the [EU Biodiversity strategy](#), and the [green infrastructure strategy](#). Very recently, the Commission also adopted an "Action Plan for Nature, [People and the Economy](#)" , whose aim is to boost the [Contribution](#) of other policies to nature conservation. In the framework of the Urban Agenda for the EU, the partnership on Sustainable Use of Land and Nature-based solutions is working on the definition of an action plan.

Relevance for and role of urban authorities

Cities have a high concentration of people who could profit from improvements in urban planning including, among other, more opportunities to get in contact with nature to improve e.g. health and well-being. They have limited space which needs to be better used in a multi-functional way; they suffer from air, soil and water pollution, and from effects of climate change such as heat islands and heat waves and flash floods - all which are impacting cities' economy, social security and nature. Improving biodiversity and the provision of multiple ecosystem services through Green Infrastructure help, improving quality of life, health and human well-being; protecting against the negative effects of climate change and sealing helps to prevent or minimise natural disasters, for example, through increased absorptive capacity of the soil in case of heavy rainfall, or providing a cooling effect in case of heat wave; regenerating cities and diversifying local economies; creating innovative and sustainable

jobs, innovative business models and governance tools and improving citizen's health and well-being. Implementing blue and green infrastructure and nature-based solutions towards inclusive urban regeneration in regional, urban and peri-urban areas also creates a greater sense of community and helps combat social exclusion, reduce gentrification and inequalities within and between cities and regions. Renaturing urban and peri-urban areas with systemic nature-based solutions need therefore to be increased to promote cities and regions as actors of open innovation.

The sustainable City model implies efficient land use and discouragement of urban sprawl. It focuses on “inward” development, which implies restoring degraded land, using, recycling and retrofitting land. Such approach entails natural physical, social and economic regeneration and often goes hand in hand with nature-based solutions for the simultaneous environmental benefits.

Prompts for urban authorities

Without being prescriptive in terms of the types of projects expected, cities are invited to consider in particular the following themes and issues:

a) Incorporation of blue and green infrastructure and promotion of systemic nature-based solutions for inclusive urban regeneration and sustainable urban development, aimed at:

- improving quality of life, health and well-being (e.g noise reduction, carbon sequestration, recreation opportunities, clean water, reduced pollution, etc.) for local economies, the social fabric and the broader environment
- reducing soil pollution, improving water infiltration and protecting from the impact of soil sealing
- renaturing the cities through conservation, restoration, regeneration and expansion of biodiversity and ecosystems, and through enhancing ecological connectivity between urban and peri-urban areas
- creating jobs and enhancing social cohesion and social innovation, diversifying local economies and creating innovative and sustainable business and governance models
- improving urban and up-stream territorial/regional planning

As in the 3rd UIA Call for Proposals several projects will have been selected under the topic “Adaptation to climate change” which has several similarities with the abovementioned themes and issues, it is recommended that applicants look at the projects approved. Information on the projects will be available on the UIA website following their selection in October 2018.

b) Innovative approaches to sustainable land use and land use planning including but not limited to:

- remediation, restoration and prevention of formation of brownfield (uncovering the potential of brownfields to provide beneficial services and developing a vision for overall sustainable and successful economic and social redevelopment)
- limitation, mitigation or compensation of soil sealing
- adaptive reuse of vacant and underutilised land, regeneration and increase of the multi-functionality of already built-up areas and conversion of old infrastructure
- renaturing urban spaces to contribute to climate change mitigation (e.g. creating “carbon sinks”) and adaptation (e.g. mitigating flood risks, urban heat island effect)
- tackling the existing urban sprawl and preventing further urban sprawl
- promotion of sustainable urban farming
- set-up of a long term strategy for urban planning to decide which land use functions are preferred, help define different economic regeneration drivers and activities, other than public subsidy, creation of innovative and financial and business models, e.g. through the innovative combination of local fiscal and spatial urban planning and design

It is expected that submitted projects promote sustainable land use through the implementation of nature-based solutions, bringing together social, cultural and community benefits, as well as environmental and ecosystem benefits.

If innovative solutions require an urban-rural interface or functional area approach, it will be possible under this topic to include local administrative units defined as rural according to their degree of urbanization within a project partnership (see section 2 above).

3.3 URBAN POVERTY

Overall definition and context of the topics

A key objective of the Europe 2020 strategy is to reduce the number of people at risk of poverty or social exclusion by 20 million relative to 2010. Indeed the growing poverty and the corresponding inequality may strongly limit the economic development of cities. It may also generate costs amongst others through the potentially lost productivity, the increased probability of poor health and lower educational outcomes. The concentration of poverty in certain geographical areas, in other words the spatial segregation, may create an additional barrier for cities. A recent Contribution is provided by the action plan from dedicated partnership of the Urban Agenda for the EU.

Relevance for and role of urban authorities

Local authorities can play an important role in achieving the Europe 2020 target by introducing or strengthening local poverty alleviation policies also aligned with the national policies.

Prompts for urban authorities

Poverty has direct links to unemployment or working in low-paid jobs, low income/pensions and inadequate social benefits, low educational attainment, poor health outcomes and health inequalities, poor housing quality, educational and spatial segregation, barriers to access to quality services, childcare and education and inefficient service delivery, high/rising level of household costs (e.g. food, utility, transportation expenses), the rise of single households/single parents, discrimination in different fields of life, and low level of participation in community and public life.

These factors tend to combine with others to create a vicious cycle of poverty that is structural and visibly concentrated spatially in many EU cities and neighbourhoods. This point is particularly important - poverty not only exacerbates social differences between people and groups; but also leads to significant effects on the way that cities define their spaces and zones. As poverty increases, so too does the risk of concentration of the urban poor in deprived areas, which are characterized by social, educational and spatial segregation, stigmatisation of a wider section of citizens, reduced mobility (incl. less access to public transport), limited access to credit, housing deprivation and not only environmental degradation but reduced public spending on its prevention. In order to make a real impact on reducing urban poverty, the Commission's desire is to see projects proposed that bring forth innovative and novel solutions, in particular regarding the fundamentals driving cyclic poverty in deprived areas. The Commission wants to see projects that deal with the interconnectedness of the major causal factors, combining people and place-based approaches in order to identify and implement sustainable solutions that seek to address long-term integration and break the circle of social and spatial isolation. These projects should respect the conditions set out in the Guidance on European Structural and Investment Funds 2014-2020, and in particular the Guidance for Member States on the use of European Structural and Investment Funds in tackling educational and spatial segregation and on the transition to community-based care. Projects might also tackle energy poverty (through e.g. buildings' insulation) and to reduce the (often higher and potentially increasing) vulnerabilities of low-income groups to climate change impacts (such as floods and heat waves) which can increase poverty or health issues.

Without being prescriptive in terms of the types of projects expected, cities are invited to consider in particular the following themes and issues:

- Social, educational and spatial segregation

- Energy poverty
- Child poverty
- Homelessness
- Food and nutrition security
- Low health status and deprivation in access to healthcare
- Regeneration of deprived urban areas and neighbourhoods
- Social integration of Roma people
- Access to social, health, educational and other services

Finally, as this is the second time that the topic of Urban Poverty is included in a UIA Call for Proposals, we would recommend that applicants look at those projects approved in the first Call for Proposals.

3.4 URBAN SECURITY

Overall definition and context of the topic

The European Union aims to ensure that people live in an area of freedom, security and justice, without internal frontiers. Europeans need to feel confident that, wherever they move within Europe, their freedom and their security are well protected, in full compliance with the Union's values, including the rule of law and fundamental rights. The [European Agenda on Security](#) aims to strengthen the tools that the EU provides to national law enforcement authorities to fight terrorism, organised crime and cybercrime, based on principles, such as full compliance with fundamental rights transparency, accountability and democratic Control, application and implementation of existing EU legal instruments, etc. In regard to public security threats, the EU has adopted an Action Plan to support the protection of public spaces (COM (2017) 612.), which among other calls for further cooperation at EU level. Furthermore, a number of directives and international conventions provide legal and policy framework to address amongst others minimum standards on the rights, support and protection of victims of crime (Directive 2012/29/EU) establishing minimum standards on the rights, support and protection of victims of crime , prevention and combating trafficking in human beings and protecting its victims (Directive 2011/36/EU of the European Parliament and of the Council of 5 April 2011 on preventing and combating trafficking in human beings and protecting its victims) and eliminating all forms of discrimination against women (UN Convention on the Elimination of All Forms of Discrimination against Women).

At local level, urban security can refer to various forms of crime (including for instance human trafficking, organised crime, sexual violence, violence against vulnerable groups and minorities, vandalism, violent radicalisation and terrorism, including via cross-border health threats) and an actual or perceived lack of security. The definition of threats to urban security requires an objective, evidence-based assessment of vulnerabilities. Local authorities need to conduct this assessment through collection and analysis of qualitative and quantitative data, in cooperation with relevant Stakeholders and communities. Project proposals should aim to address these objectively defined vulnerabilities.

Relevance for and role of urban authorities

Urban security contributes to a good environment to live in and has an impact on economic development. Both crime and terrorist threats and the related fear need to be tackled. Challenges are multiple; new challenges can emerge and evolve fast also because of external factors, like City development, movements of vectors of disease, economics crisis, change in the of City planning or changed modus operandi of organised crime or terrorism. Urban authorities are amongst the most important players to ensure that actual and perceived security are addressed by targeted measures, as they have a strong local presence and know the local challenges.

Security is a complex issue that should include areas such as social integration (access to good quality and non-segregated basic services including education, social and health care etc.), law enforcement, society's resilience and community empowerment against any forms of violence. It also concerns enhancing the protection of buildings and infrastructure. As a result, a number of actors should be involved in security including first responders (police, fire fighters, civil protection units), health and social sectors, schools, non-governmental organisations, civil society partners, as well as urban designers to ensure that security are built in already at the design phase of buildings and open spaces in the cities. Local interventions favour a holistic and bottom up approach, addressing community and resilience.

Prompts for urban authorities

Urban security can contribute to the Union strategy for smart, sustainable and inclusive growth. Interventions in the field of urban security can contribute to good quality of life and to economic development. Even though Urban Security is not related to a specific thematic objective of Cohesion Policy, project proposals might support in particular the thematic objectives of R&D&I (TO1), enhancing access and use and quality of ICT (TO2); promoting sustainable transport (TO7); promoting sustainable and quality of employment (TO8); promoting social inclusion, combating poverty and

discrimination (TO9), investing in education (TO10) and enhancing institutional capacity (TO11), including on health and health prevention and promotion. The innovative proposals should respect the conditions set out in the Guidance on European Structural and Investment Funds 2014-2020, and in particular the Guidance for Member States on the use of European Structural and Investment Funds in tackling educational and spatial segregation and on the transition to community-based care. The proposals should capitalise on EU funded research outcomes, as stated in the Action Plan to support the Protection of Public Spaces (See details in the Action Plan).

Without being prescriptive in terms of the types of projects expected, cities are invited to consider in particular the following themes and issues:

- Improvement of spatial design, urban planning and development of security by design concepts, including better protection of public spaces improvement of the resilience of buildings and infrastructure
- Standardisation of processes and of technical requirements to enhance urban security;
- Empowerment and capacity building of local communities, including enhanced risk awareness, building societal resilience
- Increased cross-sectoral preparedness to security threats against public spaces including better coordination among first responders and different authorities
- Support for victims of crime
- Assessment of individual needs and support for integration of marginalised people with the view of preventing polarisation which might lead to criminalisation and radicalisation.
- Collection of information on unreported crime
- Cybersecurity.

4. Funding Principle

Total costs principle

The UIA Initiative follows the total costs principle. The project receives ERDF co-financing up to 80% of the eligible costs. Every partner receiving ERDF needs to secure 20% at least of public or private contribution to complete its budget, either from its own resources or from other sources. The partners contribution can be in the form of cash and/or in-kind. It should be noted that unpaid volunteer work is not eligible under UIA eligibility rules while paid staff should be considered as contribution in cash.

ERDF payments

The UIA payment scheme is mainly based on the principle of advance ERDF payments⁸ and also based on the principle of reimbursement of costs that were actually incurred (including flat rates):⁹

- A first ERDF advance payment corresponding to 50% of the ERDF grant is made to the (Main) Urban Authority within 90 days from the signature of the Subsidy Contract (and of the Partnership Agreement when necessary). This first advance payment also covers the lump sum for preparation costs (maximum EUR 16 000 ERDF).
- A second ERDF advance payment corresponding to 30% of the ERDF grant is made to the (Main) Urban Authority after the submission and approval of an interim progress report and project expenditure verified by the First Level Controller. The reported expenditure must reach 70% at least of the first pre-financing instalment (corresponding to 35% of the total project budget).
- A third ERDF payment corresponding to maximum 20% of the ERDF grant (minus the lump sum dedicated for the project closure and transfer of knowledge) is made to the (Main) Urban Authority after the submission and approval of the Final Progress Report. This report, submitted no later than 3 months after the project end date, includes the final project expenditure verified by the First Level Controller. It is important to note that the third payment is no more based on the principle of advance payment but on the principle of reimbursement of incurred and paid costs. Therefore project partners need to pre-finance their expenditure during the last phase of project implementation.
- A final payment is made to the (Main) Urban Authority after the approval of the Final Qualitative Report (submitted no later than one year after the project end date). The payment amounts to maximum EUR 12 000 ERDF and covers the phase project closure and transfer of knowledge.

5. Project generation and development

5.1 Partnership for Urban Innovative Actions

⁸ As stated in the Delegation Agreement signed between the European Commission and Region Hauts-de-France (ex-Region Nord-Pas-de-Calais) in 2015.

⁹ Idem.

Only eligible urban authorities as defined by the Article 2 of the UIA Delegated Act can submit an Application Form in the framework of an UIA Call for Proposals.

However, in the framework of the UIA Initiative, Urban Authorities are expected to establish strong local partnerships with the right mix of complementary partners. All partners need to be from the EU. A partnership for a UIA project can be made up of an MUA, AUAs and delivery partners. The wider group of stakeholders is not part of the project partnership but should also be involved in the project.

- **MUA:** the UIA Initiative functions on the basis of an Urban Authority who is responsible for the overall implementation and management of the entire project. The MUA signs the Subsidy Contract with the Entrusted Entity and receives the ERDF to be distributed to the other partners (AUAs and/or Delivery Partners) according to their specific roles and responsibilities (and related budget). In the case of organised agglomerations, the institution, including all the other urban authorities involved in the agglomeration, shall be considered as a single Urban Authority and listed as the Main Urban Authority in the framework of the UIA project.
- **AUAs:** Any association of urban authorities (national/regional associations of urban authorities, territorial pacts or associations, development districts, etc) without legal status of organised agglomeration as well as individual urban authorities without formalised cooperation agreement but willing to jointly apply in the framework of the UIA shall list in the Application Form one LAU as MUA and the other LAUs as AUAs. The AUAs will be responsible for the delivery of specific activities and the production of related deliverables/outputs. AUAs will have a share of the project budget and will report the costs incurred for the delivery of the activities. Detailed information on the AUAs (including legal status, experiences and competencies, contact persons, etc.) shall be provided in the Application Form.
- **Delivery Partners:** institutions, agencies, organisations, private sector partners and associations that will have an active role in the implementation of the project. Urban Authorities should select their Delivery Partners in respect of the principles of transparency and equal treatment. They will be responsible for the delivery of specific activities and the production of the related deliverables/outputs. It should be noted that only organisations having legal personality are entitled to participate in a project as Delivery Partners. Consultancy firms having as primary objective the development and management of European projects are not entitled to participate in a project as Delivery Partners.

- **A wider group of stakeholders** should also be involved in the design and implementation of the project. The group could include institutions, agencies, organisations and associations. These will not have a direct role (and therefore they do not have a dedicated budget for implementation) but are considered relevant in order to ensure a smooth and effective implementation as well as shared ownership of the project.

Detailed information on the roles and responsibilities of the Urban Authorities (AUAs, if relevant) and Delivery Partners is provided in section 2.1 of the UIA Guidance.

5.2 Project Activities

Activities within the framework of the UIA projects shall be organised around Work Packages and shall support one or several ERDF Thematic Objective(s) and related Investment Priority(ies) as set out in the first paragraph of the Article 9 CPR¹⁰ for ESIF and in the Article 5 ERDF.

To this end, different types of WPs should be used and are listed below:

- WP Preparation
- WP Project management
- WP Communication
- WP Implementation
- WP Investment

Except for the investment Work Package, all the other types of WPs are mandatory in UIA project applications.

Each project will have in place a UIA Expert:

- to provide ongoing advice and guidance on the substance of the action, especially regarding the innovative content
- to assist in the development of documentation and outputs that will capture and disseminate lessons learnt, good practice, etc. to the wide audience

¹⁰ Common Provision Regulation (EU) No 1303/2013:
<http://eurlex.europa.eu/legalcontent/EN/TXT/?uri=celex:32013R1303>.

- to ensure that the action remains on track and is in line with the agreed proposal

Costs for UIA Experts (including for travel and accommodation) will be covered by the UIA Initiative and shall therefore not be included in project budgets. More information on the structure of the work plan for an UIA project as well as on the role and tasks of UIA Experts is provided the UIA Guidance.

5.3 Budget lines and eligible expenses

All expenditure related to the implementation of the UIA projects shall be eligible according to the UIA Guidance (see section 4.2) and budgeted in the appropriate budget lines:

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

6. Application process

The application pack for the fourth Call for Proposals for UIA consists of the following:

- The present Terms of Reference (available in all EU languages)
- Technical guidance for the Electronic Exchange Platform (EEP)
- Detailed instruction to fill in the Application Form (available online in all EU languages within the EEP system)

A working version of the Application Form and the Confirmation Sheet is also provided as a tool to help in the application drafting process (word document available only in English)

In addition, the UIA Guidance (available only in English), will need to be extensively consulted regarding the overarching rules of the Initiative.

All documentation can be found on the UIA website.

The application process is 100% paperless through the use of UIA's [Electronic Exchange Platform \(EEP\)](#). **The application consists in an Application form and a scanned signed Confirmation sheet.** An annex can also be uploaded and attached to the Application Form. This could be a map presenting the area of intervention, a graph, an infographic, etc. The type and size of the file to be annexed are specified in the EEP guidance.

It is strongly recommended that applicants fill in the Application Form in clear English, although it may also be submitted in any of the official EU languages.

It should be noted that the Strategic and Operational assessments will be done on the basis of the English version of the Application Form (to be translated in English by an external service provider contracted by the PS in case the Application Form is submitted in another language). The quality of the translation will not be guaranteed by the PS and therefore is at the applicants' risk. Moreover the Subsidy Contract, project management, formal reporting, key deliverables and all communication with the Entrusted Entity and the PS will have to be in English.

The final deadline for the submission of the Application Form and Confirmation sheet is 31/01/2019 14h00 CET.

7. Selection process

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

1. Eligibility check
2. Strategic assessment
3. Operational assessment

7.1 Eligibility check

Upon closure of a Call, the PS carries out an eligibility check on all submitted project applications. The purpose of the eligibility check is to:

- Verify compliance of the received Application Forms and their annexes with the formal eligibility criteria
- Avoid further assessment of ineligible applications
- Ensure equal treatment of all proposals to be selected for funding

The UIA eligibility criteria are the following:

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

OR

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

OR

The applicant is an association or grouping of urban authorities without legal status of organised agglomerations where all the urban authorities involved (Main Urban Authority and Associated Urban Authorities) are LAUs defined according to the degree of urbanisation as cities, towns or suburbs and where the total combined population (Main Urban Authority plus Associated Urban Authorities) is at least 50 000 inhabitants

4. In case of an association or grouping without a legal status of organised agglomeration, a Main Urban Authority and the Associated Urban Authorities are presented in the Application Form
5. Only for the present Call for Proposals and only for proposals addressing the topic “Sustainable use of land, nature-based solutions”, rural LAUs, if any, have been listed as Associated Urban Authorities. In this case, the minimum threshold of 50 000 inhabitants is reached by all LAUs (Main and Associated Urban Authorities) classified as cities, towns and/or suburbs
6. Eligibility period is respected: the end date of the project respects the Call and the Initiative requirements
7. The maximum budget requirements and the co-financing principle are respected

8. All partners involved (Main Urban Authority, Associated Urban Authorities and Delivery Partners) are from EU Member States
9. Applying urban authorities (Main Urban Authorities and/or Associated Urban Authorities) are involved in only one project proposal in the framework of the same Call for Proposals.
10. Applying urban authorities (Main Urban Authorities and/or Associated Urban Authorities) have not been selected and funded on the same topic from a previous UIA Call for Proposals
11. The confirmation sheet duly signed by the (Main) Urban Authority's legal representative is uploaded in the EEP system.

If not all requirements set out above are complied with, the application will be deemed ineligible and no further assessment will be undertaken.

7.2 Strategic assessment

Applications that are declared eligible will be subject to a Strategic assessment carried out by a panel of External Experts. The Strategic Assessment accounts for 80% of the weighting given to the overall project assessment and consists of the following criteria:

- Innovativeness (40% of weighting) – To what extent is the applicant able to demonstrate that the project proposal is new (not been previously tested and implemented on the ground in the urban area concerned and elsewhere in EU) and that has a clear potential to add value?
- Partnership (15% of weighting) – To what extent is the involvement of key stakeholders (Associated Urban Authorities if any, Delivery Partners and Wider group of stakeholders) relevant for the implementation of the project?
- Measurability (15% of weighting) – To what extent will the project deliver measurable results?
- Transferability (10% of weighting) - To what extent will the project be transferable to other urban areas across Europe?

The indicative assessment questions for each criterion are presented in section 3.2.2 of the UIA Guidance.

The panel of External Experts will also verify that projects contribute to the thematic objectives for the ESI Funds and Common Strategic Framework as set out in the first paragraph of Article 9 CPR and

that they propose integrated answers to the challenges identified and are in line with the principles of sustainable urban development. The EC and EE may decide not to select a project for lack of contribution if these are not fulfilled.

As a result of the Strategic Assessment, the panel of External Experts elaborates an assessment of the applications and ranks them. In agreement with the EC, applications which score over a certain threshold will go forward for an Operational assessment. Applicants will be notified at the end of the Strategic assessment process of the decision regarding their application (going forward or not).

7.3 Operational assessment

The Operational assessment is carried out by the PS and accounts for 20% of the weighting given to the overall project assessment. The main objective of the Operational assessment is to assess the quality of the proposal (including, the feasibility, consistency and coherence of the work plan, quality of the management structures proposed, coherence and proportionality of the budget, quality of the communication activities proposed).

Indicative assessment questions for the criterion “Quality” are presented in section 3.2.3 of the UIA Guidance.

After the Operational assessment, a Selection Committee comprised of the EE and the EC will meet to make the final selection. The EC provides the final agreement as to which projects are selected. Applicants will be notified at the end of the Operational assessment process of the decision.

7.4 Assessment scoring system

A score of 1 to 5 will be attributed to each weighted criterion which will result in an average score per project.

Detailed information on the assessment scoring system is provided in section 3.2.4 of the UIA Guidance.

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

8. Public procurement, audit, and State aid

Project partners which fulfil the definition of a contracting authority according to the relevant national procurement legislation have to respect the applicable public procurement rules.

Expenditure declared by the project must be audited by a First Level Controller (FLC). The independent FLC opinion must cover the legality and regularity of the expenditure declared, the delivery of the products and services, the soundness of the expenditure declared and the compliance of expenditure and operations with Union and national rule. As the FLC is directly appointed and paid by the UIA Initiative, no control (audit) costs should be foreseen by the project partnership when setting up the project budget.

In order to maintain a level playing field for all undertakings active in the internal market, approved projects must be designed in compliance with State aid rules so as to ensure the effectiveness of public spending and prevent market distortions such as crowding-out of private funding, the creation of ineffective market structures or the preservation of inefficient firms.¹¹ Care should be taken to ensure that funding of Urban Innovation Actions neither distorts competition nor leads to market interference without sufficient cause. Generally, the EC expects that the majority of the projects to be financed under the present Call will not involve economic activities or will have no or very limited effect on trade between Member States.

The EC finances the Urban Innovative Action by the European Regional Development Fund (up to 80% of the project's cost) through indirect management. As regards the 80% UIA funding, a State aid consistency check is necessary to ensure that public support delivers full benefit to the internal

¹¹ For further guidance on the notion of State aid, see Commission Notice on the notion of State aid as referred to in Article 107(1) TFEU ('NOA'), published at: [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016XC0719\(05\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016XC0719(05)&from=EN).

market. Considering the innovative and open character of UIA which works on the basis of calls for proposals for projects bringing forth creative solutions and the general themes selected for the calls, it appears that, in order to ensure that the distortive effect of EU budget resources is limited, the State aid consistency should be based on a limitation of maximum EUR 500,000 of the total amount of UIA funding that can flow to an individual undertaking involved in a particular project.

The remaining (at least 20% of the project's cost) may be covered by either private or public contributions. When such contributions stem from private sources, they fall outside the context of State aid law. However, when there are contributions from public resources of a Member State to projects which involve "economic activities", i.e. offering goods and services on the market, then such projects must be designed in a way that any public contributions comply with State aid rules at all levels, that is either at the level of the owner, constructor and/or operator of the project or facility. In such cases, the public funding provided should be in line with the requirements of the De Minimis Regulation, or with conditions set in the General Block Exemption Regulation (GBER) or the SGEI Decision for Services of General Economic interest.

Detailed information on public procurement and State aid are provided in sections 4.4.6 and 4.4.7 of the UIA Guidance.

9. How to get assistance

The PS staff will be ready to assist applicants with any technical questions they may have during the Call for Proposals. Contact details can be found on the UIA website.

The PS will also organise several Applicants Seminars in different cities across Europe. Dates and venues of the Applicants Seminars can be found in the section "Events" of the UIA website. During these seminars, participants will have the possibility to book bilateral meetings with members of the PS and representatives of the EC to discuss their project idea. In addition, webinars will be organised on specific aspects of the project development and submission. Dates and topics of the webinars can be found in the section "Events" of the UIA website. Finally, the PS will organise online Q&A sessions and bilateral consultations. More information will be provided on the webpage dedicated to the fourth Call for Proposals of the UIA website.

10. Key dates

- 15/10/2018 – Launch of the fourth Call for Proposals
- 11/2018 – 12/2018 – Applicant seminars and webinars
- 31/01/2019 – Deadline for the submission of the Application Forms
- 07/2019 – Indicative date for the final decision for the approval of projects
- 09/2019 – Indicative start date for approved projects

We look forward to reading your project proposals soon!