



Urban Innovative Actions

Applicants Seminar

2nd Call for Proposals

Budapest, 26 January 2017



Who is in the room?



- ✓ Are you a representative of an urban authority (association of urban authorities, regional/national authority, EU institution)?
- ✓ Have you already heard about UIA?
- ✓ Has the institution you represent applied in the framework of the 1st Call for Proposals?
- ✓ Is the institution you represent preparing a proposal for the 2nd UIA Call for Proposals?
- ✓ Which topic are you interested in?



Main objectives



Art.8 ERDF: “...*To identify and test new solutions which address issues related to sustainable urban development and are of relevance at Union level.*”

- To provide urban authorities with resources to test how new and unproven solutions work in practice and how they respond to the complexity of real life
- To draw lessons and share knowledge with other urban authorities across Europe

Key figures



- UIA budget: EUR 372 Mio ERDF
- Co-financing per project: max. EUR 5 Mio ERDF
- Co-financing rate: max. 80%
- Project duration: max. 3 years



Management structure



European Commission: represents the European Union. In charge of implementing resources allocated to Innovative Actions under indirect management.

Entrusted Entity: Region Hauts de France. In charge of the implementation of the UIA Initiative on the basis of the Delegated Act and the Delegation Agreement signed with the EC.

Permanent Secretariat: Based in Lille. In charge of the daily management of the UIA Initiative. It is the “one-stop-shop” for all urban authorities and stakeholders.



Thematic coverage



- Thematic alignment of UIA with the 12 urban topics identified in the framework of the EU Urban Agenda
- Limited number of topics selected by the Commission for each UIA Call for Proposals
- Detailed description of the topics selected for each Call in the specific Terms of Reference

Main features of UIA projects



Requirements:

- Be related to sustainable urban development
- Be of relevance at Union level
- Support the thematic objectives and investment priorities for ERDF

Characteristics:

- **Innovative:** *To what extent the project proposal is a new solution that has the clear potential to add value?*
- **Built and delivered in partnership:** *To what extent is the involvement of key stakeholders relevant for the implementation of the project?*
- **With measurable results:** *To what extent will the project deliver measurable results?*
- **Transferable:** *To what extent will the project be transferable to other urban areas across Europe?*
- **Of good quality:** *To what extent is the work plan realistic, consistent and coherent? To what extent is the budget coherent and proportionate?*

A short, vertical teal bar located on the left side of the slide.

Questions & Answers



Group discussion

- ✓ Why do you need UIA to develop your project?
- ✓ How do you plan to do the benchmark?
- ✓ How do you plan to co-design your project with the relevant stakeholders?



Testimony from an approved project

- **Tiziana Eliantonio** – City of Turin – Co-City project (urban poverty)
- **Bjorn Gustafsson**, Goteborg Energi – FED project (energy transition)

A short, vertical teal bar located on the left side of the slide.

Questions & Answers

The background is a solid teal color. There are several large, overlapping, organic shapes in lighter shades of teal, creating a layered effect. A single, thin, dark teal vertical line is positioned to the left of the main text.

Eligible urban authorities and partnership

Eligible authorities (1)



UIA Delegated Act:

- 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

Eligible authorities (2)



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

- ✓ **Local administrative unit:** democratically elected administrative body relevant to the urban area concerned (eg. city council, municipality, borough)
- ✓ **Degree of urbanisation:** classification based on a combination of geographical contiguity and minimum population threshold applied to 1km² population grids – classification elaborated by Eurostat
- ✓ **Number of inhabitants:** based on figures provided by Eurostat

Agencies (partially or fully owned by municipalities) are not considered as eligible urban authorities, they cannot submit an Application Form but they can be involved as Delivery Partners



Eligible authorities (3)

Specific cases:

- In Portugal, United Kingdom, Ireland and Latvia the Eurostat definition of LAU does not correspond to municipalities/city councils but to infra-municipal units (parishes) or statistical units (electoral wards)
- In these cases, the Degree of Urbanisation will be checked by verifying that more than 50% of the population of the municipalities lives in LAUs classified by Eurostat as cities, towns or suburbs

Eligible authorities (4)

Associations of municipalities with a **legal status of organized agglomeration**

Main 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
- To be composed only by municipalities/city councils
- To have specific competences, fixed by national law, delegated by the municipalities involved for policy areas relevant for the UIA project for the design and implementation
- To have a specific political (with indirect representation of the municipalities involved) and administrative (dedicated staff) structure

Examples:

- Communautés Agglomerations, Città metropolitane, Mancomunidades, etc

Degree of urbanisation:

- Majority of inhabitants living in LAUs (belonging to the organised agglomeration) classified as cities, towns or suburbs by Eurostat

Eligible authorities (5)



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

- ✓ One urban authority as Main Urban Authority and the others as Associated Urban Authorities
- ✓ All urban authorities shall be considered as Local Administrative Units and be recognized as cities, towns or suburbs by Eurostat according to the degree of urbanisation
- ✓ 50.000 inhabitants as a total
- ✓ Recommendations: territorial contiguity and limited number of Associated Urban Authorities
- ✓ Other associations not recognized as organized agglomeration cannot apply as a single urban authority



Eligible authorities (6)



Concepts and definition of LAU, degree of urbanisations and figures on number of inhabitants developed by Eurostat

Main reference:

[Correspondence table LAU2-NUTS2010, EU28 \(2012\)](#)

Applicants are invited to:

- Do a self-assessment of their eligibility using the Eurostat Correspondance table
- Contact the Permanent Secretariat in case of gaps or inconsistencies
- List all the pre-existing municipalities in the Application Form



Eligible authorities (7)



Common requirements:

- All urban authorities from EU Member States
- Only eligible urban authorities can submit an Application Form
- An urban authority or an organised agglomeration can be involved in only one project proposal in the framework of each Call for Proposals
- 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.



Delivery Partners



- ✓ Institutions, agencies, organisations, private sector partners, associations that will have an active role in the implementation of the project
- ✓ Able to bring knowledge and expertise into project design and implementation
- ✓ Responsible for the delivery of specific activities and the production of the related deliverables/outputs
- ✓ Dedicated budget and local co-financing
- ✓ To be selected through fair and transparent procedures

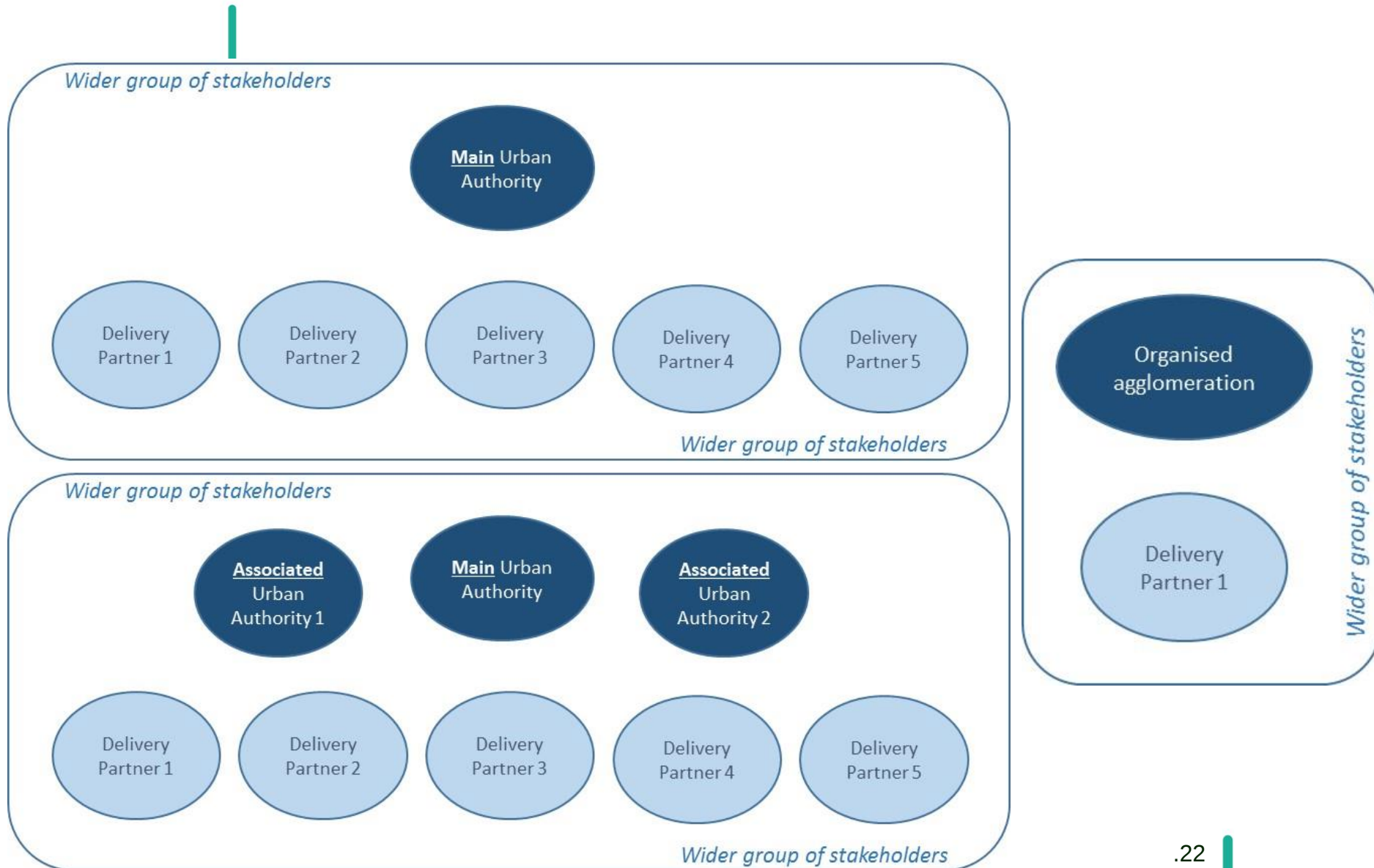


Wider group of stakeholders



- ✓ Institutions, agencies, organisations, private sector partners, associations without an active role but that can be involved in the design and implementation of the project
- ✓ No dedicated budget
- ✓ No official status of partner
- ✓ Urban authorities shall design mechanism to ensure their involvement

Partnership for UIA projects



Funding principle



Total Costs

- ERDF co-financing: **max. 80%**
 - Partner contribution: **at least 20%**
 - Own resources or not
 - Private or public sources
-  **but NOT from another EU funding source**

ERDF advance payment

- 50% on signature of the subsidy contract
- 30% when project expenditure reaches 70% of 1st instalment
- Remaining ERDF paid on closure of the project (= pre-financing by project)

A short, vertical teal bar located on the left side of the slide.

Questions & Answers

2nd Call for Proposals: 3 topics



**CIRCULAR
ECONOMY**



**INCLUSION OF
MIGRANTS & REFUGEES**



**URBAN
MOBILITY**

UIA – TOPICS OF THE 2nd CALL

- UIA will seek to operate within the framework of the 12 topics of Urban Agenda for the EU
- Topics will be covered on a rolling basis i.e. a few topics per call
- Topic selection per call will be strategic, avoid overlaps and add maximum value
- For individual topics – a narrow focus will be avoided



The numbers:

- Europe imports much more natural resources that it exports (i.e. vulnerable to volatile raw material prices)
- Europe still generate about five tonnes of waste per person per year on average, and little more than a third of that is effectively recycled.

The challenge:

- Europe has to secure competitive, affordable and sustainable sources of energy



Circular Economy



Transition towards a Circular Economy:

The value of products, materials and resources is maintained in the economy for as long as possible

Waste generation is minimised

Brings economic, social and environmental gains



Circular Economy



Role of Cities:

Waste management is a global challenge but solutions are local

Cities can also drive the change towards **more sustainable modes of production and consumption**

Circular economy in cities requires **social and political** engagement

Integration of Migrants and Refugees



The numbers:

- **20 million** third country nationals in the EU (4% of total population)
- High influx of asylum seekers (**1,321,600** asylum applications in 2015)

The challenge:

- A lower education level compared with host country nationals
- A lower employment rate, in particular for women

Integration of Migrants and Refugees



Key Role of Cities:

Migrants are more likely to live in (large) cities

More than 60% of refugees worldwide live in urban areas

Cities are places where migrants and non-migrants interact, be it through working, studying, living or raising their families

The local dimension is the core of both the challenges and the solutions to address integration bottlenecks.

Integration of Migrants and Refugees



Successful approaches:

Strategies that look at the same time at the short term and long term challenges and solutions

Integrated approaches coordinating different policy areas and administrations

Engagement of civil society as well as local businesses

Promoting integration as a two-way process



The numbers:

- Traffic congestion cost more than 100 billion euro per year
- Urban transport accounts for 23% of CO2 emissions from transport
- Urban transport is one of the main factors affecting air quality
- Urban areas still account for 40% of all road fatalities (approx. 11,000 per year)

The challenge:

- Air quality and CO2
- Extension of cities not always possible





Sustainable Urban Mobility Plan

Functional urban area plan developed across:

- different policy areas and sectors
- different levels of government and administration

and in cooperation with citizens and other stakeholders.

ELTIS

Sharing experiences, show-casing best practices, and fostering cooperation
Provide guidelines on Sustainable Urban Mobility Plan



Role of Cities:

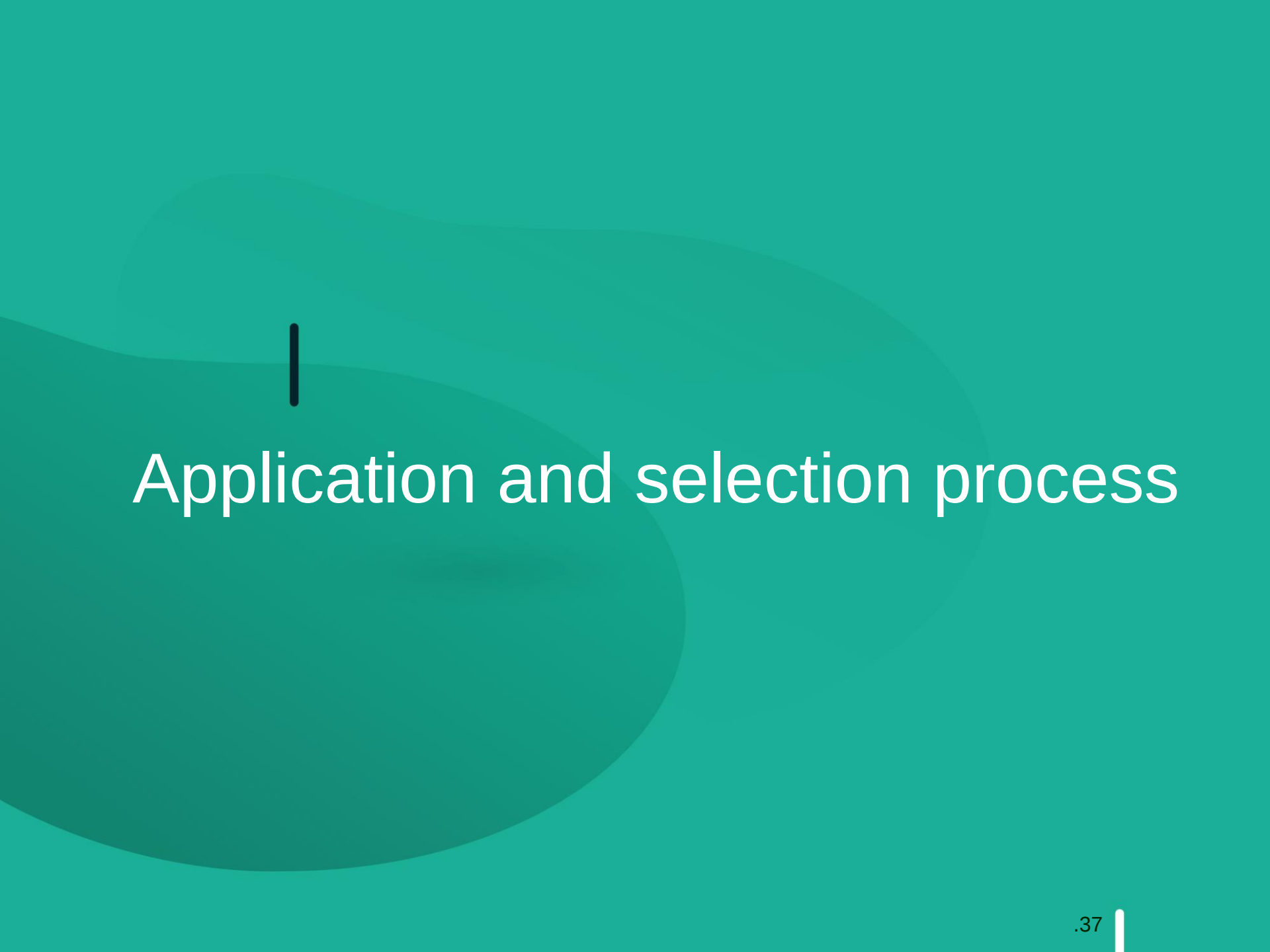
Urban mobility is cross cutting (e.g. technological, societal, cultural, economic and environment aspects)

Development of synergies between transport and urban policies

Enablers for innovation (e.g. dedicated fleet, management of infrastructure, natural pole for modal integration...)



Questions & Answers



Application and selection process

Application Process (1)

- Call for Proposals:
 - ✓ **Opening: 15 December 2016**
 - ✓ **Deadline: 14 April 2017 at 12h CET**

- Documents to be submitted (via Electronic Exchange Platform - EEP):
 - ✓ **Application Form**
 - ✓ **Signed Confirmation Sheet**

- Reference documents:
 - ✓ **Terms of Reference**
 - ✓ **UIA Guidance**
 - ✓ **Application Form – Working Document**

Application Process (2)



Application Forms can be submitted in any EU language **BUT** applicants are strongly recommended to do it in proper English

Application Forms not submitted in English shall be translated by the Secretariat for the assessment and the quality of the translation cannot be guaranteed



3-step Selection Process



**Eligibility and
admissibility
check**

May 2017

**Strategic
Assessment**

End of June 2017

**Operational
Assessment**

September 2017

Approval

October 2017

Admissibility and eligibility check

Carried out by the Permanent Secretariat

Eligibility and admissibility criteria	Yes/No
The Application Form has been submitted electronically via the EEP before the deadline indicated in the Terms of Reference of the Call for Proposals	✓
The Application Form is completely filled in	✓
The applicant is an urban authority of a local administrative unit defined according to the degree of urbanization as city, town or suburb and comprising at least 50 000 inhabitants OR The applicant is an 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 50 000 inhabitants	✓
(If applicable) 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	✓
Time limits are respected: the end date of the project respects the Call and the Initiative requirements	✓
The maximum budget requirements and the co-financing principle are respected	✓
A signed confirmation sheet shall be uploaded in the EEP system and attached to the Application Form by the end of the Call deadline.	✓

Strategic Assessment (1)



Carried out by a Panel of External Experts

- **Innovativeness (40% of total weighting)**
 - Solutions proposed have not been tested previously tested and implemented
 - Potential of new solutions to add value
 - Evidence of research into existing best practices
 - Description of obstacles/resistance to innovation and potential solutions
 - Links to existing policies and practices
- **Partnership (15% of total weighting)**
 - Key stakeholders involved in the design and implementation of the project
 - Group of Delivery Partners is balanced and complementary
 - Delivery partners have relevant experience and necessary capacity

Strategic Assessment (2)



Carried out by a Panel of External Experts

- **Measurability of results** (15% of total weighting)
 - Expected results properly described and quantified
 - Outputs, results and target groups clearly relevant to the urban challenge addressed
 - Methodology for measuring results able to isolate changes attributable to project activities and discount external factors
- **Transferability and scaling up** (10% of total weighting)
 - Relevance of the proposal (challenge and solution) for other urban authorities in EU
 - Clear evidence project can be applicable and replicable by other urban authorities
 - Clear explanation of how project will be scaled up, if successful

Operational Assessment



Carried out by the Permanent Secretariat

- **Quality (20% of the total weighting)**
 - To what extent is the work plan realistic, consistent and coherent (intervention logic)?
 - To what extent are management structures and procedures in line with the project size, duration and needs?
 - To what extent does the project budget demonstrate value for money
 - To what extent is the budget coherent and proportionate?
 - To what extent are the communication activities proportionate and forceful to reach relevant target groups and stakeholders and help achieve the project activities

Questions & Answers



Application Form

Application Form (AF) template



- 100% online submission process through UIA platform (EEP)
- Courtesy template of AF with detailed instructions available on the website (only English)
- Detailed instructions in all EU languages available directly in the EEP

Electronic Exchange Platform - EEP



<https://eep.uia-initiative.eu>

- Create your account
- Create your project Application Form



If you can't explain it simply,
you do not understand it well
enough.
- Albert Einstein

Keep it
Short and Simple !

- Character limits
- Make sure assessors can quickly understand what your project is about and the solution you propose



Partnership – section B



Profiles to be created:

- Main Urban Authority
- Associated Urban Authorities (*in case of associations without status of organised agglomerations*)
- Delivery Partners

Main information:

- Relevance of the partnership
- General information (including number of inhabitants)
- Departments/units concerned
- Competences and experiences in relation to the topic addressed
- Experiences in other EU-funded and/or international projects
- Involvement in the design and implementation phases (*only for Associated Urban Authorities and Delivery Partners*)



Project description (1) – Section C



1. Project relevance and innovativeness:

- Main challenge(s) to be addressed
- **Proposed solution**
- **Innovativeness of the proposed solution** (including benchmark)
- Potential obstacles and resistance
- Integrated approach
- Link to ERDF Thematic Objectives and Investment Priorities

2. Project context and local partnership:

- Link with other local/regional/national strategies and policies
- Synergies with other projects and initiatives
- Involvement of the wider group of stakeholders in project design
- Involvement of the wider group of stakeholders in project implementation



Project description (2) – Section C



3. **Project objectives, outputs and results (intervention logic):**
 - Project main objectives
 - Project main results
 - Project main outputs
 - Measurement of results
 - Methodology for monitoring and measurement of outputs and results
 - Target groups
4. **Project scaling up and transferability:**
 - Scaling up of the project
 - Transferability of the project

Work Plan – Section D

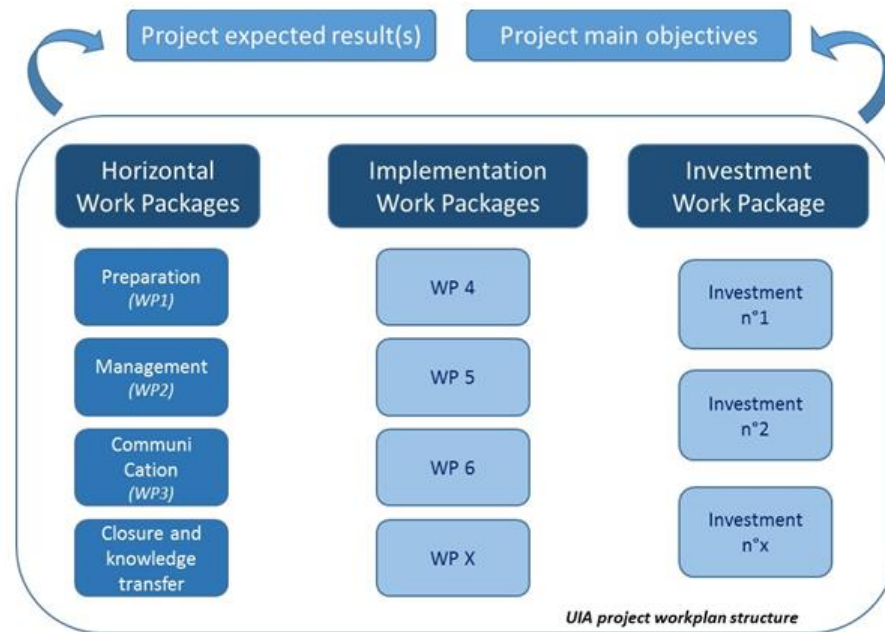


1. The work plan describes how a project will be implemented.
2. Structures the project and allows a proper follow-up of the project implementation.
3. Identifies the work packages (WP), activities, main outputs and deliverables.
4. Is an essential part to be evaluated during the operational assessment

=> The work plan must be properly described!

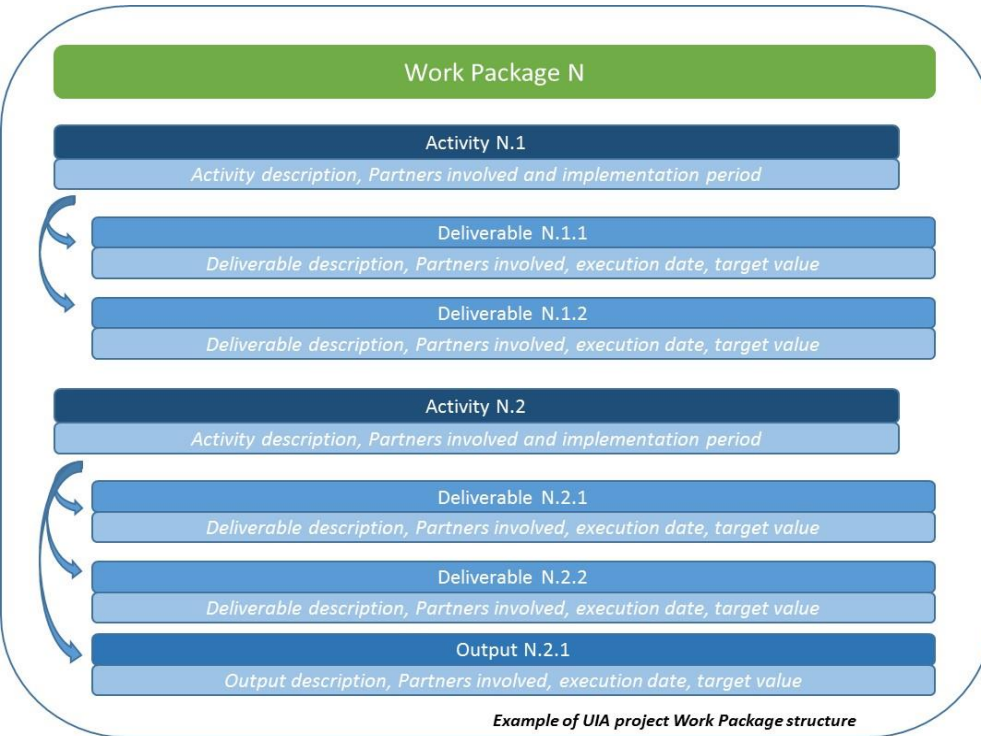


Work Plan Structure – Section D



- Structured around WPs.
- A **WP** is a **group of related project activities** required to produce project outputs.
- Each WP is composed of **defined activities** and **related deliverables** and **expected outputs**.

Work Package Elements – Section D



- An **activity** is a specific task performed for which resources are used. Each activity shall result in a deliverable and/or an output.

- A **deliverable** is a tangible or intangible object delivered as a side-product of the project; an intermediary step in the delivery of a project output

- An **output** is what has actually been produced as a result of the funding given to the project and is a main product of the project.



Budget per WP – Section D



- Budget filled in at WP level
- 250 characters to describe/ justify the planned costs.
- The indicative budget breakdown per year should match the WP start & end date.
- Planned budget per activity.

PP1 - Name	Staff cost (€)	Office and Administration (€)	Travel and Accommodation (€)	External Expertise and services (€)	Equipment (€)	Sub-total (€)	Revenues (€)	Total (€)
Description	[250 characters] Please detail the planned costs. Further information on the eligible costs under this budget line is to be found in the UIA guidance under section 4 For example: Management and coordination of the project by 1 full time project manager and 0.5 part time project assistant for the organization of all project events and meetings. Director will also be involved in steering committee.	Office and administration costs are covered by a flat rate (15%). No description is therefore needed (the EEP system will automatically indicate N/A). Further information on the eligible costs under this budget line is to be found in the UIA guidance under section 4	[250 characters] Further information on the eligible costs under this budget line is to be found in the UIA guidance under section 4 For example: Participation to 3 meetings of the steering committee per year.	[250 characters] Further information on the eligible costs under this budget line is to be found in the UIA guidance under section 4 For example: Financial manager hired, catering for Steering Committee events ...	[250 characters] Further information on the eligible costs under this budget line is to be found in the UIA guidance under section 4 For example: Cost for 3 laptops ...	Automatically calculated	[250 characters] Further information on the eligible costs under this budget line is to be found in the UIA guidance under section 4.	No explanation requested
Amount								

Indicative budget breakdown per year					
Year	2016	2017	2018	2019	total
% budget					100%
Amount					

Indicative budget breakdown per Activity		
Activity	Amount (%)	Budget (€)
A.4.1		
A.4.2		
A.4.X ...		
Total		



WP1 Preparation – Section D



1. The main deliverable is the submitted Application Form.
2. Read-only WP
3. Covered by a lump sum of EUR 20,000 TEC (EUR 16,000 ERDF).
4. The Main Urban Authority will be the sole recipient of preparation cost payment and can distribute it between the partners according to their respective involvement.

WP nr.	WP title	Start date	End date	WP budget
1	Project preparation <i>Read-only WP, no modifications are possible – prefilled start and end date and lump sum</i>	MM.YYYY	MM.YYYY	EUR 20,000
Partners' involvement				
WP responsible partner		Main Urban Authority		
Summary				
<i>Preparation and submission of the application form</i>				



Describe **how the management on the strategic and operational level will be** carried out in the project:

1. Management and governance structures, responsibilities and procedures for the day to day management and coordination
2. Coordination mechanism with the wider group of stakeholders
3. Reporting to the Permanent Secretariat
4. Risk and quality management
5. Capitalisation (UIA experts involvement – 50 days)

 Cost of Auditors (First Level Controllers) and UIA experts **should not be included in the budget!**
→ The UIA will cover these costs directly.





- Partners: **Who** is in charge?
- Summary: **Communication strategy**, a strategic tool to support your project objective(s)
- Identify your **target** groups and communication objectives
- Communication **activities** are standardized
 - ❖ Required
 - ❖ Recommended
 - Describe
 - Quantify
 - Plan
- Sufficient **time and resources** should be allocated!



Clear



Specific



Measurable



1. These WPs are the **heart of any UIA project**. They describe in detail how the proposed innovative solution will be carried out.
2. Under each, describe the **main activities, the resources, timetable, the related deliverables and outputs** as well as **partner roles and responsibilities** at activity, deliverable and output levels.
3. Pay particular attention to describe the different **intermediary steps** necessary to deliver the proposed outputs.
4. Each WP must lead to at least one output.
5. Max 4 WPs and max 5 activities per WP.





1. Investment refers to a project output that **remains in use by the project's target group after the completion of the project.**
2. Investments shall be foreseen only if they are **necessary for the achievement of the project's outputs and results.**
3. Investments should be proportionate to the work plan and budget, and should therefore represent **good value for money.**
4. A general **description, justification, location**, an analysis of the **related risks, list of required documents and permits** (i.e. technical requirements, working permits, etc.) as well as details on the **final ownership** need to be provided.



Stand-alone investments without clear justification and added-value for the project will not be supported.



WP Closure – Section D



Includes:

- **activities related to the administrative closure:** projects have 3 months after their official end date to provide the PS with the required final administrative documents (final progress report, the audited expenditure within the final financial claim).
- **knowledge Transfer activities:** projects have 12 months after their official end date to produce a final qualitative report that draws the main lessons learnt and captures the main knowledge generated during the project implementation.

Support of UIA Experts in the preparation of the final qualitative report

- Covered by a lump sum of EUR 15 000 TEC (EUR 12,000 ERDF) allocated to the Main Urban Authority.

WP Nr.	WP title	WP start date	WP end date	WP budget
Last WP (X)	Closure and knowledge transfer	Automatic from activities	Automatic from activities	15,000

Partners' contribution – Section F



1. **Every partner** receiving ERDF **needs to secure 20% at least of public or private contribution** to complete its budget either from its own sources or from other sources.
2. The PP's contribution can be in the form of **cash** and/or **in-kind contribution (IKC)**
3. PP's total contribution should be equal the *Contribution target* automatically calculated by the system
4. **Unpaid voluntary work is not eligible** under UIA rules

PART F – Source(s) of partners' contribution

=> **No IKC under staff costs!**

PP1 – Name of the Partner

Name of the Organisation/ Source of Contribution	Legal Status	% of Total Partner Contribution	Amount (€)	Cash or in-Kind contribution	Comment

Total (€)					Contribution Target: <i>This is automatically calculated by the system</i>



Risk Management - Section G



1. Describe your risk/s and add as many risks as necessary.
2. List any risk that may affect the project implementation and investment WP.
3. Provide a clear and detailed description of the action/s that will be taken in order to mitigate the potential risk.

For example:

- ❖ *Project management related risks (partners withdrawal, staff issues, ...)*
- ❖ *Contracting (External experts)*
- ❖ *Delays in implementation of the activities and deliverables ...*

Description of the risk	Impact	Likelihood	Actions to mitigate the risk
[500 characters] Please describe your risk/s.	1- Incident 2- Minor 3- Serious 4- Major 5- Catastrophic	1- Improbable 2- Remote 3- Possible 4- Probable 5- Likely	[500 characters] Please provide a clear and detailed description of the action/s that will be taken in order to mitigate the potential risk.



Tips for Applicants (1)



- Activities, deliverables and outputs should include a **clear description** of what would be achieved in each individual element.
- Include **explicit cross-references** in order to facilitate the understanding of the **project intervention logic**; links and complementarities among activities and Work Packages.
- Please mention which **partner/s will be involved in/responsible for** the delivery of the activities/outputs/deliverables.
- Partners' involvement should also be reflected in their **budget description**.
- Pay attention to the **logical time sequence** between the different activities/deliverables/work packages.

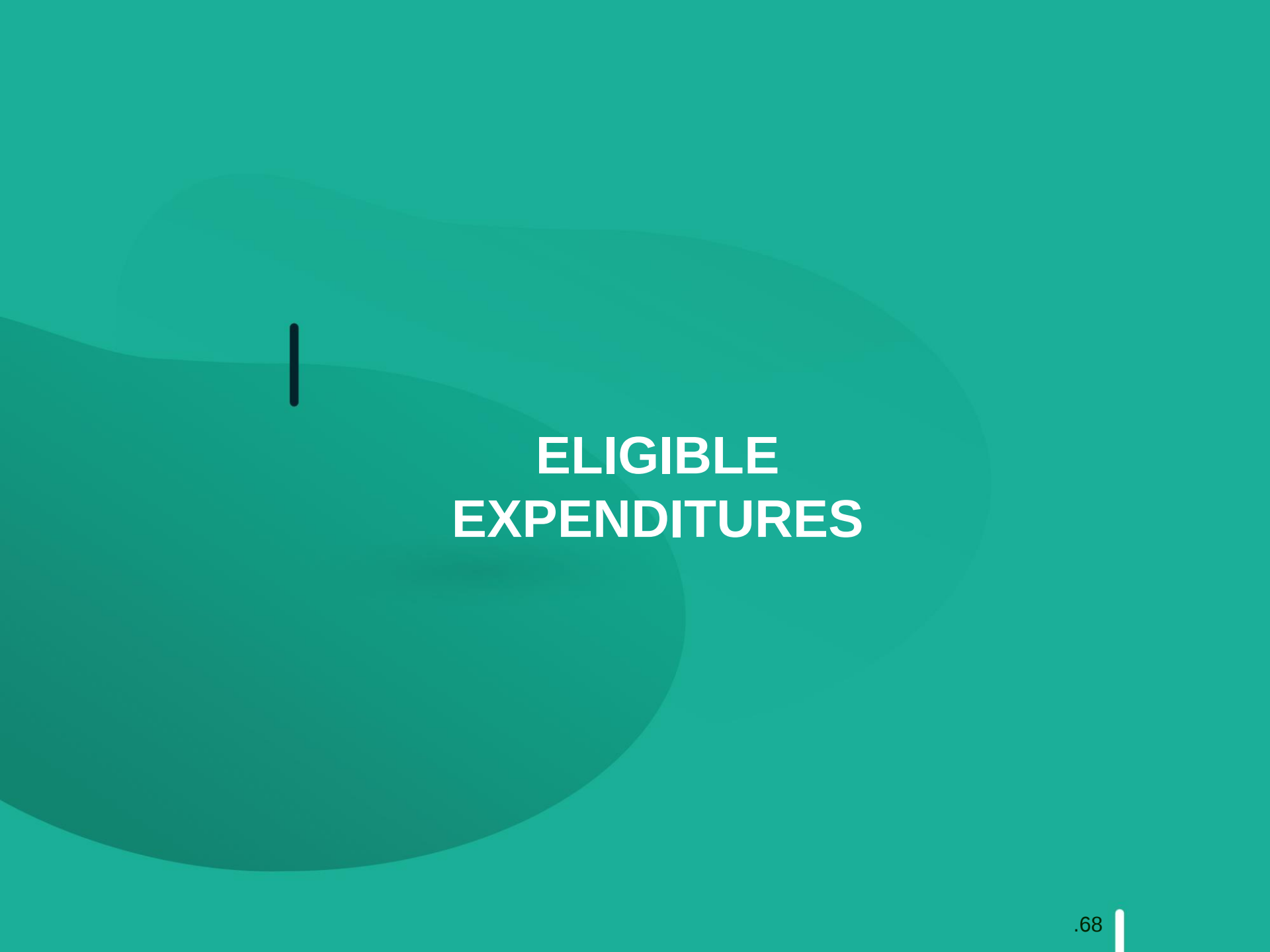


Tips for Applicants (2)



- If the deliverable is of a repetitive nature (i.e. newsletter) please include the last delivery date. In the description specify the start date and when they are expected to be delivered in between (i.e. month 3 – month 4).
- Target values for deliverables and outputs should capture the quantity of deliverables/outputs produced, not the expected number of beneficiaries (activity description).
- After the submission of the AF do not forget to submit the Confirmation Sheet before the closure of the call.

Questions & Answers

The background is a solid teal color. On the left side, there are several overlapping, organic, wavy shapes in varying shades of teal, creating a layered effect. A single, thin, dark teal vertical line is positioned to the left of the main text.

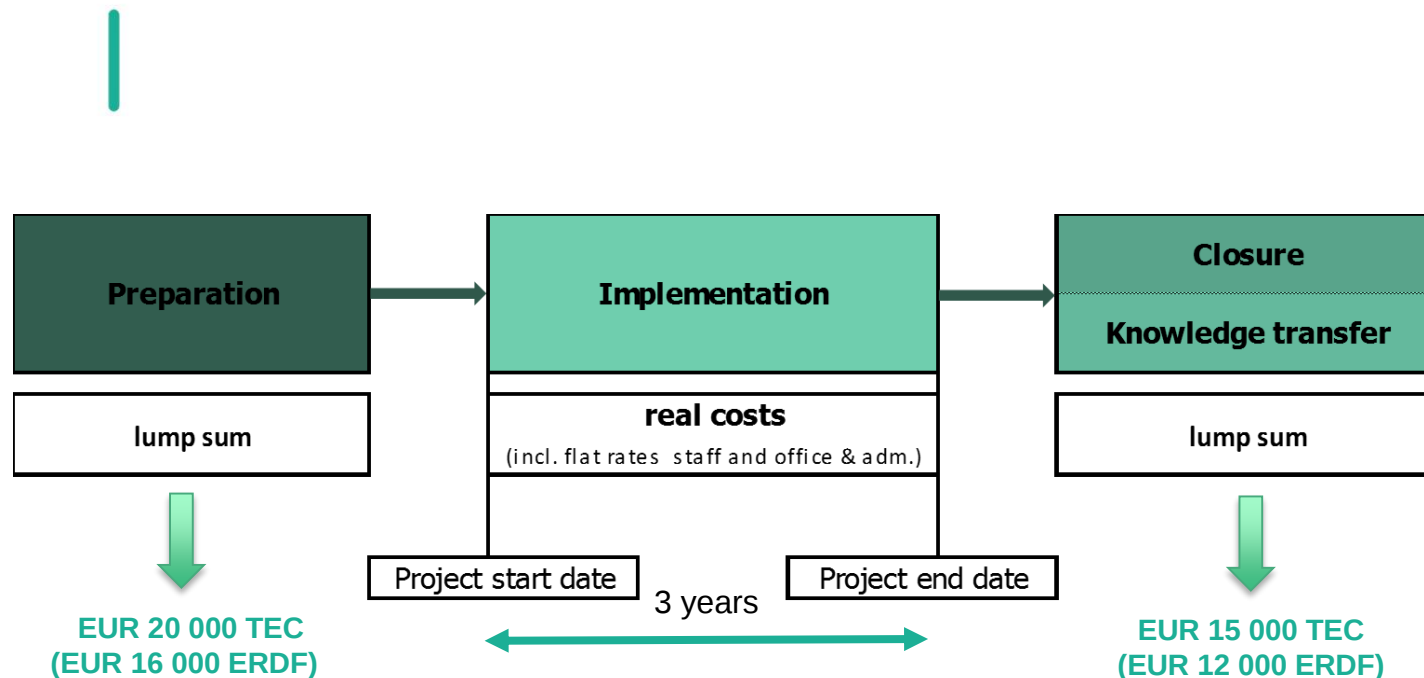
ELIGIBLE EXPENDITURES



- **Compliance with EU, national, institutional and UIA rules**
⇒ Strictest rule principle
- **Sound financial management**
 - Related to activities listed in the AF
 - Be incurred and paid by PPs
 - Be identified, verifiable, plausible and in compliance with the relevant accounting principles
 - Efficiency, economy and effectiveness principles
- **Main points of vigilance :**
 - Expenses invoiced between partners
 - Double financing
 - Revenues generated by project activities
 - Public procurement procedures



Eligible expenditure – Eligibility period



Preparation and Closure & knowledge transfer costs:

- Cannot be claimed on real cost basis
- No need to be documented

Implementation costs:

- Related to implementation
- Incurred between the start and end dates

Eligible expenditure – Budget Lines



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

➤ For each budget line: definition, principles and audit trail are provided in the **UIA guidance**

|

Gross employment costs of persons employed directly by the partner organisation and working full or part time on the project in line with their respective employment contracts

They must be based on **Real costs**

|



Real costs

- **Eligible costs**

- Salary payment
- Other costs directly linked to salaries (e.g. employment taxes)

- **Calculation**

- Calculated individually per staff member
- Based on costs actually paid out
- % of time worked on the project based on a Written assignment of the employer (no timesheets)

- **Ineligible costs**

- Unpaid voluntary work
- Voluntary payments
- Not officially assigned employees-related costs



Operating and administrative expenses of partners

Limited to: office rent, utilities, office supplies, general accounting, archives, maintenance, repair and cleaning, security, IT systems of general nature, communication, bank charges

- **Flat rate of 15% of reported staff costs**

⇒ If no staff reported, no office and administration costs can be charged

- **Exhaustive list**

⇒ Listed items to be considered as covered by the flat rate and cannot be claimed under any other budget line

- **No audit trail**



**15%
X
Partner' staff
costs**



T&A costs of partners' employees that relate to project activities.

Includes: travel (e.g. tickets, travel and car insurance, fuel, car mileage, toll and parking fees), meals, accommodation, visa and daily allowances

- **Real costs**
- **Main principles**
 - In line with the partner's T&A policy/rules
 - Choice led by effectiveness, cost-efficiency and eco-friendliness
 - Public transport has priority over private or company cars and taxis
 - To be supported by proof documents
- **Points of vigilance**
 - T&A outside of the EU = eligible provided approved beforehand
 - T&A costs of external experts and service providers = eligible under external expertise and services



Budget Line 4 – External expertise & Services



Expenses related to professional services and expertise provided by external service providers contracted to carry out certain activities linked to the delivery of the project.

Includes: study, survey, training, translation, IT systems development, promotion, event, consultancy

+ Schemes supporting the distribution of financial contribution given as a reward following a contest (e.g. vouchers)

- **Real costs**

- **Main principles**

- Providers outside of the Partnership
- Services necessary for the project and linked to activities planned in the AF
- Written contract (or equivalent document) specifying the service

- **Points of vigilance**

- Contracts between partners = ineligible
- Costs related to UIA Experts and Auditors (incl. T&A) = not to be budgeted (covered by UIA)





Equipment purchased, rented or leased by a partner, other than those covered by the office and administration budget line.

Includes: Office equipment, IT hardware and software, furniture, laboratory equipment, machines and instruments, tools or devices...

- **Main principles**

- Necessary for project implementation or considered as a project output
- Not be already covered by office and administration
- Also includes costs of equipment already in possession by the partner

- **Extent of the eligibility**

- Equipment used for the project implementation : Pro-rata depreciation value
- Equipment considered as (part of) a project investment : Full purchase price eligible

- **Points of vigilance**

- Second hand equipment = eligible (if not originally acquired with EU funds)
- Site preparation, delivery or installation of the equipment = eligible
- Equipment purchased, rented or leased from another partner = not eligible



Budget Line 6 – Infrastructure and Construction work



Investments in infrastructure that do not fall into the scope of other budget lines.

Includes: purchase/provision of land, purchase/provision of real estate, site preparation, delivery, handling, installation, renovation...

- **Main principles**

- Crucial for the achievement of the project's outputs and results
- Included in the Work Package investment
- Full cost eligible (no depreciation)

- **Points of vigilance**



- Purchase/ provision of land = Max. 10% of the total project budget

Ownership and durability principles

→ Ownership :

- Project Partners only
- Remains within the partnership for at least 5 years following the final payment to the MUA

→ Durability:

No substantial change to the nature/ objectives/ implementation conditions within 5 years following the final payment to the MUA

Eligible expenditure – Ineligible expenditures



- VAT unless it is genuinely and definitely borne by the project partner
- Interests on debts
- Exchange rate losses
- National banking charges
- Fines, financial penalties and expenditure on legal disputes and litigation
- Unpaid voluntary work
- Any costs incurred before the project start date and after the project end date as these project phases are covered by lump sums
- Communication material that is not in line with the UIA rules on communication
- Gifts (except promotional giveaways)
- Tips
- Fees between partners of the same project for services, supplies and work carried out within the project
- Costs related to the contracting of employees of the partner organisations as external experts (e.g. as freelancers)

➤ Non-exhaustive list

Eligible expenditure – Other points of interest



- **Archiving**: at least 5 years after final ERDF payment
- **Use of the EURO** : all financial budgeting, reporting and project follow-up is in euro
- **Budget flexibility**
 - 20% or EUR 10,000 per budget line, Work packages, Project Partner
 - Overall granted ERDF cannot be exceeded
- **Revenues** : all net revenues generated during the implementation (including those not foreseen at the application stage) to be declared
- **Public procurements** (First cause of findings during financial controls)
 - European, national, Institutional and UIA rules
 - Project partner who are 'contracting authorities' in line with national public procurement rules must comply with them for UIA projects when procuring goods, services or public works
 - All PP procedures should be well documented and allow for an audit trail
 - Compliance with principles of transparency, effective competition, non-discrimination, equal treatment (even below thresholds)
 - Non-observance of UIA rules for purchases by private partners may result to a 10% correction of the value of the contract that is reported to the UIA

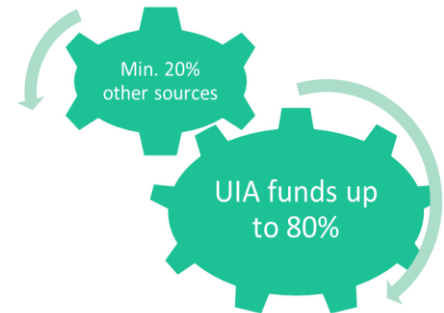


Focus on State aid

Notion of State aid – Article 107(1) TFEU

- **List of 5 cumulative criteria:**
 - Aid granted to undertakings (economic activity) +
 - from State resources+‘imputability’ +
 - Selectivity +
 - Advantage +
 - potential distortion of competition + effect on trade between Member States
- Art. 107 TFEU: **Any measure qualifying as State aid is prohibited**, save as otherwise provided in the Treaties
- Objective of State aid control is to **avoid distortions of competition** by preserving normal market conditions.
 - Check for the presence of State aid
 - Check for grounds of compatibility/need to notify (GBER, SGEI decision, De Minimis & other guidelines)

Application of State aid law to projects financed by the UIA



- **Distinction to be made** between funds coming from:
 - ERDF (UIA funding – max. 80%)
 - Other financing (public or private local contribution – min. 20%)
- ➔ State aid compliance shall be checked at both levels:
- **The ERDF funding** is state aid compliant provided: **max. 500,000 EUR** is granted per individual undertaking (project partner) involved in specific project
- **The local contributions** are state aid compliant provided:
 - They come from **private sources** (fall outside the context of State aid law)
 - They come from the **partner own financing** and do not provide any advantage to any other project partner
 - Otherwise: will be assessed on the basis of the activities to be undertaken by project partners as described in the submitted AF (5 cumulative criteria)



State aid relevant activities

- Rule: If State aid is present, it needs to be notified to DG COMP
- Exceptions to the rule:
 - De Minimis Regulation (200,000)
 - General Block Exemption Regulation (GBER)
 - SGEI decision / Reg. 1370/2007 on land public passenger transport services
 - Measure under an notified scheme
- Non-notified aid that should have been notified is ‘unlawful’





Where can you get guidance?

- National State Aid Competent Authorities
 - http://ec.europa.eu/competition/state_aid/overview/contacts.html
- Regional and local State aid support schemes set up by in some MS
- e-State aid WIKI platform
 - is hosted by the Commission and allows MS to post queries about implementing State Aid requirements and receive responses.
- European Commission (pre-notification with COMP)



The background is a solid teal color. There are two large, overlapping, organic shapes in a darker shade of teal. A thin, dark vertical line is positioned to the left of the main text.

UIA KNOWLEDGE



Focus on the main challenges of implementing innovative projects:

1. **Deployment** strategy
2. Organising a **smart public procurement** process
3. Ensuring the active involvement of **key stakeholders** (participatory approach)
4. Reorganising the municipal services to ensure **cross-department** and **integrated management**
5. Setting up and implementing an effective **process of monitoring and evaluation** of the actions
6. **Communicating** with local partners
7. **Scaling-up** your project





- Role of a UIA Expert to support projects
 - ❖ **Advice & guidance**
 - ❖ **Capturing knowledge**
 - ❖ **Knowledge sharing**
- Will work with projects for the next **3 + 1** years
- Selected by the Main Urban Authorities (February 2017)
- Main outputs:
 - Bilateral advice
 - Project diary
 - Zoom in
 - Support production Final Qualitative Report



Urban ecosystem



Next steps



- 26/01/2017 – Applicants Seminar in Budapest (HU)
- February 2017: 4 Webinars
- 14 April 2017 – **Deadline for submission of Application Forms**
- 10/2017 – Indicative date of projects approval



For more information



www.uia-initiative.eu

Contact us at:

info@uia-initiative.eu