URBACT IV
2021-2027

INTERREG Programme document

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1. Joint programme strategy: main development challenges and policy responses

1.1 Programme area

URBACT facilitates the sharing of knowledge and good practice between cities and other levels of government. The purpose is to promote integrated sustainable development in cities, improve city's policies and improve the effectiveness of cohesion policy in cities.

The URBACT IV programme area covers:

- EU 27 Member States
- Norway
- Switzerland –
- IPA countries[1] Albania, Montenegro, Serbia, Republic of North Macedonia, Bosnia-Herzegovina - to be confirmed
- Other countries – at own costs

The programme is co-financed by the European Regional Development Fund (ERDF) with a budget of EUR 79,679m and by the Instrument for Pre-Accession Assistance with a budget of EUR 3m for the period 2021-2027.

URBACT IV will complement in a coordinated way the actions being delivered by the European Urban Initiative under Article 12 of Regulation (EU) 2021/1058.

1.2. Summary of main joint challenges, taking into account economic, social and territorial disparities as well as inequalities, joint investment needs and complimentary and synergies with other forms of support, lessons-learnt from past experience and macro-regional strategies and sea-basin strategies where the programme area as a whole or partially is covered by one or more strategies.

An analysis of the urban policy context – economic, social, environmental and territorial

a) **Main joint challenges, taking into account economic, social and territorial disparities**

The last decade has shown that crises can emerge with little notice and that cities are oftenin the centre . That was the case for the financial crisis in 2008, immigration crisis in 2014-2015, terrorism attacks in 2015, 2016, COVID-19 crisis in 2020. In a longer term perspective cities play a crucial role in achieving sustainable development, especially mitigation and adaptation to climate change.
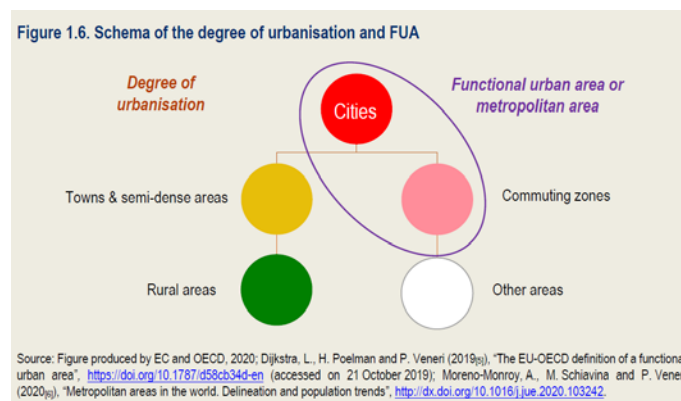
There is extensive literature available on the main joint challenges cities in Europe face[2]. The Future of European Cities report from 2019 combines many sources to give an up-to-date picture

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[1] The document IPA III Programming Framework is describing the strategy of the Commission for IPA countries, link: xxxx

of trends and challenges in European cities. The Report on the quality of life in European cities (2020) brings in the perspective of citizens through 58,100 interviews in 83 cities[3]. In addition to existing literature, a public survey was carried out by URBACT from 19 February 2020 – 19 March 2020 which asked specifically about challenges of cities and means to tackle these challenges in preparation of URBACT IV[4].

Trends and challenges in European cities[5]

Knowledge on trends in urbanisation has hugely improved over the last several years. Notably through combined work done by the Joint Research Centre of the European Commission, DG REGIO and the OECD. This has resulted in a harmonised definition of a city, town and functional urban area (or metropolitan area). Metropolitan areas generally encompass cities together with their adjacent communities that have a high degree of economic and social integration with the city. These adjacent communities represent a commuter belt that generates a daily flow of people into the city and back. The concept of metropolitan areas is often referred to as "functional" because it captures the full economic function of a city. A metropolitan area definition is particularly useful to inform policy-making in a number of domains, including transport, economic development and planning[6].

Figure 1.6. Schema of the degree of urbanisation and FUA

Degree of urbanisation

Cities

Functional urban area or metropolitan area

Towns & semi-dense areas

Commuting zones

Rural areas

Other areas

Source: Figure produced by EC and OECD, 2020; Dijkstra, L., H. Poelman and P. Veneri (2019[5]), "The EU-OECD definition of a functional urban area", https://doi.org/10.1787/d58cb34d-en (accessed on 21 October 2019); Moreno-Monroy, A., M. Schiavina and P. Veneri (2020[6]), "Metropolitan areas in the world. Delineation and population trends", http://dx.doi.org/10.1016/j.jue.2020.103242.

More than two-thirds of OECD metropolitan areas have established a specific body in charge of organising responsibilities among public authorities for metropolitan wide development. These arrangements can vary from informal/soft coordination (52% of OECD metropolitan areas that have a metropolitan governance body); inter-municipal authorities (24%); supra-municipal authorities (16%); and a special status of "metropolitan cities" (8%)[7].

Another OECD publication[8] stresses the benefits that urban-rural partnerships can bring. Urban and rural areas enjoy different and often complementary assets, and better integration

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[2] Notably the Future of Cities report (2019) by the JRC and the State of the European Cities report (2016) by the European Commission

[3] DG REGIO, Report on the quality of life in European cities, Luxembourg: Publications Office of the European Union, 2020

[4] A total of 534 replies were received, of which 322 from cities.

[5] All sources are about EU cities

[6] OECD/European Commission (2020), Cities in the World: A New Perspective on Urbanisation p. 24

[7] OECD (2015), Governing the City, OECD Publishing

[8] OECD (2013), Rural-Urban Partnerships: An Integrated Approach to Economic Development, OECD Publishing

between these areas is important for socio-economic performance. Potential linkages include demographic, labour, public services and environment aspects. The New Leipzig Charter recognises the transformative power of European Cities which citizens experience in their day-to-day life at different spatial scales: at neighbourhood level, at municipal level and at functional area level. Urban challenges manifest themselves at these different spatial scales and need solutions, often in a concerted way, at these scale levels.

The urbanisation rate in Europe (EU-28) was 72% in 2015[9]. European city residents are concentrated in cities with populations between 250,000 and 5 million. On average, the European network of cities is denser than in other parts of the world, with predominantly mid-sized rather than large cities.

For functional urban areas (FUAs) in the EU-28, modelled using population projections from 2010-2050, there are two main trends:

● Path 1: Stagnant or slightly increasing total populations, with medium densification of the city centre and densifying suburbs. In some cases, mainly in capital cities, this trend is stronger, with the population increasing considerably; a significant densification of city centre and medium densification of suburbs is projected.

● Path 2: A decreasing overall population, with the city centre de-densifying and suburbs slightly densifying (especially in Eastern Europe and Germany). In some cases (mainly in Spain), the same trend is seen but with strongly densifying suburbs[10].
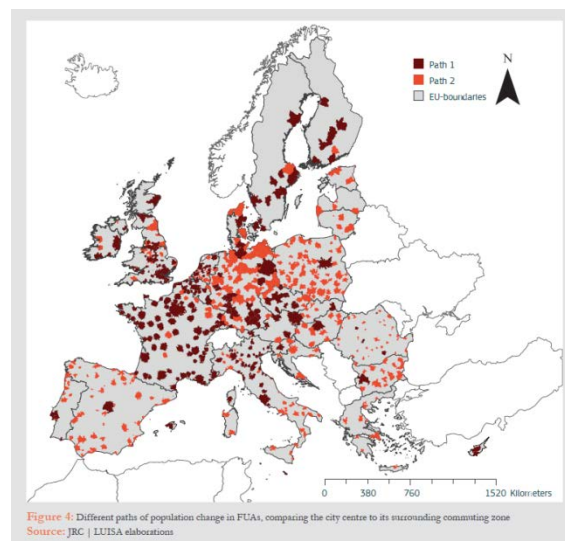
Figure 4: Different paths of population change in FUAs, comparing the city centre to its surrounding commuting zone
Source: JRC | LUISA elaborations

Next to the fact that total population is expected to remain stable or decline, the population is also aging. In 2016, the average life expectancy at birth in the EU-28 was 80, and it is expected to increase to 86.1 for men and 90.3 for women by 2070. The old-age dependency ratio is expected to almost double by 2070.

While the majority of larger cities, which remain highly attractive to all age groups, may not be so affected and can maintain mean population ages that are lower than the national average, a

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[9] JRC calculation based on the GHSL datasets.

[10] JRC (2019), The Future of Cities report, p. 22

growing number of Europe's cities are experiencing a shrinking total population, which means that old-age dependency ratios are rising[11].

Not only population size of cities and their growth or decline matters to put in context cities' trends and challenges, also their territorial embeddedness is relevant. Medium-sized cities in a rural area have a different function and associated challenges than medium-sized cities in the proximity of a large city. A particular case are cities situated at national borders and are often part of larger cross-border functional urban area. In addition to the trends and challenges outlined below, these urban areas face the fact that different domestic institutions need to come together that are characterised by sometimes contrasting political settings and cultures, different languages, policy paradigms and need to overcome a 'multi-level-mismatch' of competencies[12].

In the following section trends and challenges are grouped under the three dimensions the New Leipzig Charter acknowledges as the transformative power of cities: just, green and productive. With a special mention of digitalisation as a major transformative, cross-sectoral trend.

Just Cities

The urban environment affects health outcomes, resulting in both an 'urban health advantage' and an 'urban health penalty'. On the upside there can be better access to health infrastructure and services in general. An unhealthy urban environment can contribute to a greater prevalence of non-communicable diseases, communicable diseases through crowding and spreading of infections, lack of adequate ventilation and sanitation, and acute respiratory diseases from outdoor and indoor air pollution and mouldy housing interiors. Mental health is also frequently poorer in cities, due to negative social and environmental determinants[13]. The Covid-19 pandemic has shown also again that cities are also the place disease spread rapidly and widely. In 2017, of the 112 million EU inhabitants at risk of poverty or social exclusion, corresponding to 22% of the total population,47 million were living in cities. Compared to the situation only three years earlier, the number of people living in vulnerable conditions in cities increased by 13 million[14]. Even though more recent figures were not available at time of writing, the COVID-19 pandemic is poised to increase these numbers significantly due to the unprecedented economic shock urban economies are enduring.

Particularly in recent years, wealth has increasingly accumulated among the few, and the polarisation of wealth is most concentrated in urban areas. Cities in western Europe, in particular, are among the least inclusive, given their relatively high shares of people living at risk of poverty and in low work intensity households, and/or high unemployment rates[15]. In other European countries poverty is still far higher in rural areas.

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[11] Dekker et al., 2008; Peen et al., 2010 cited in JRC (2019), The Future of Cities report, p. ?

[12] ESPON (2010), METROBORDER targeted analysis, p. 11

[13] JRC (2019), The Future of Cities report, p. 62

[14] JRC (2019), The Future of Cities report, p. 68
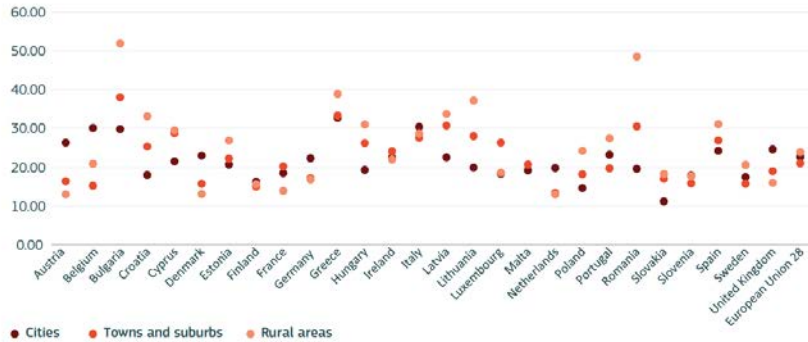
15 EUROSTAT, 2016

Figure 29: Proportion of the population at risk of poverty or social exclusion, by degree of urbanisation, 2017
Source: JRC elaboration based on Eurostat data, accessed in March 2019

Within a city there are strong differences between neighbourhoods. For example, life expectancy in London can vary by some 20 years depending on where you live. Similar observations hold true for other cities: Turin (IT), Barcelona (ES), Stockholm (SE) and Helsinki (FI) reveal a significantly higher risk of death among residents in more deprived neighbourhoods, although the correlation differs between cities[16].

Living in an adequate housing context is fundamental because, as the United Nations Economic Commission for Europe (UNECE) points out, housing is 'an integrative good, it is linked to many other sectors such as: health, economic security, energy security, transportation, education, employment. Housing also influences issues such as social cohesion and neighbourhood security [...]'[17].

Cities will need to provide sufficient affordable housing to an increasingly varied population, ensuring inclusiveness and integration among its communities, and reducing environmental impacts. Lockdowns due to the COVID-19 pandemic in 2020 highlight the impact the quality of housing has on both physical and mental health. Finding affordable housing is more difficult for citizens living in cities in western EU, northern EU and EFTA countries and harder to find in capital cities versus non capital cities[18].

Growing polarisation can be addressed by inclusive and equitable place-based policies. These should take into account the multiple factors at play in deprived neighbourhoods (e.g. health, housing conditions, and ethnic background), and look at the causes of and solutions to segregation that go beyond the boundaries of the segregated area[19].

Respondents to the URBACT IV survey mention different aspects of the social inclusion challenge; avoid anonymity and isolation (especially for older people), inclusion of migrants, improve labour market access for persons with disabilities, attract young professionals (in order to avoid depopulation in small and medium cities) and encourage intergenerational work. Buildings should be adapted to persons with disabilities and older generations and should be affordable to fight social segregation. High rents in the city centre and tourism are seen as challenges for the housing market. Making social services accessible for all and creating more local actions are seen as other social challenges.

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[16] Marinacci et al., 2017

[17] UNECE, 2015

[18] DG REGIO, Report on the quality of life in European cities, Luxembourg: Publications Office of the European Union, 2020, p. 47

[19] JRC (2019), The Future of Cities report

In addition, the URBACT IV survey highlights issues of healthcare quality and accessibility for the elderly. Sometimes other topics are linked to wellbeing and health, such as the creation of green spaces, redesign of city centres, accessibility of housing and the participation of citizens in the development of the city. All these actions are considered to create healthier habits and create a better wellbeing.

Green Cities

Climate change is consistently mentioned as the most important long-term challenge cities face. Cities generate about 70% of global greenhouse gas (GHG) emissions, and, at the same time, are particularly vulnerable to the impacts of climate change. The climate hazards will translate into sea-level rise affecting coastal cities, impacts on built infrastructures, health problems arising from higher average temperatures and extreme events, an increase in energy demand and use, and adverse effects on water availability and resources[20].

Respondents to the survey stress that climate change challenges touch cities of all sizes. Cities face challenges in mitigating climate change by reducing greenhouse gas (GHG) emissions such as reducing private car use for commuting and promoting environmentally friendly forms of urban mobility.. The dominance of personal cars should be drastically reduced in favour of more efficient public transport, walking and cycling, shared and active mobility, and new working patterns; switching to low and zero-emission means of private & public transport should be promoted by cities. This needs to happen both within cities, but also between the city centre and the metropolitan area. Sustainable urban planning is needed to reduce urban sprawl, organise amenities at walking distance and allow for the efficient organisation of public transport. During the COVID-19 crisis in 2020 (current at time of writing), many cities are dramatically expanding the space reserved for cyclists and pedestrians, simply because the capacity of public transport cannot be used fully in a safe manner. Another key challenge for GHG reduction is to increase the energy efficiency of the housing stock[21]. For climate adaptation cities try to increase the number of green spaces. Several lifestyle and behavioural changes can help city inhabitants significantly reduce their environmental footprint, such as shifting to a healthy diet, reducing waste, using active or public mobility modes or choosing sustainable energy sources[22].

Cities try to sensitize citizens to the different issues of climate change and involve them in the decision-making process. Tools and funding are needed. Some cities have created plans to be a zero-carbon city by2030. More than 10 000 towns and cities are committed to the Covenant of Mayors for Climate and Energy to go beyond national GHG reduction targets.

Also earth biodiversity is under pressure. Wildlife populations worldwide have seen a two-thirds decline on average since 1970. The Cities and Biodiversity Outlook highlights that urbanisation is both a threat to biodiversity through the consumption of land, but that cities can also be biodiversity hotspots[23]. To reduce and ultimately reverse this loss in biodiversity, cities need to shift to land-use planning that balances production and conservation objectives on all managed land,

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[20] JRC(2019), The Future of Cities report, p. 84

[21] Through replacement, thermal modernization of buildings, heat recovery from ventilation, intelligent energy management and the use of energy-efficient lighting and RTV / household appliances. "

[22] JRC (2019), The Future of Cities report

[23] Brussels, for example, contains more than 50% of the floral species found in Belgium.

notably byreducing land take and soil artificialisation and supporting urban regeneration and green and blue infrastructures.

Other environmental challenges mentioned by cities are unsustainable tourism, waste and air quality. All these challenges of green cities are closely interlinked .The COVID-19 crisis in 2020 has provided short-term environmental benefits like improved air quality, less GHG emissions and a reduction of over-tourism.

Productive cities

Cities are the motors of the European economy. GDP growth since 2000 was 50% faster in cities than in other areas[24]. Cities boost productivity because they have on average more tertiary educated residents and more innovation, more high-growth firms, higher employment rates and better accessibility and connectivity. However, employment rates of city residents born outside the EU are considerably lower and housing in cities is expensive, small and crowded[25].

However, cities are places where most of the world population live and work accounting for up to 80% of greenhouse gas emissions, two-thirds of total energy demand, and 50% of waste generation[26]. The circular economy can provide a policy response to cope with the above challenges, as a driver for economic growth, jobs and environmental quality. Cities and regions have a key role to play as promoters, facilitators and enablers of the circular economy. The circular economy potential in cities can be greatly enhanced by spatial planning policies, which promote the efficient use of space, urban land and buildings. Municipalities have an important lever at their disposal through the public procurement of goods and services[27] and adequate economic and governance conditions should be in place to unlock its potential. Community-based/collaborative sharing of resources should also be encouraged.

The fact that over half of European cities will see their population decline in the future means that most of the changes in Europe will have to take place in an integrated, affordable and sustainable fashion within pre-existing urban fabric. An ageing EU population will require the further adaptation of infrastructure and services; this is particularly the case in smaller cities with growing needs in health and social care. From the URBACT IV survey it follows that 'providing sustainable and efficient public and commercial services, and building a strong local economy' is by far considered the biggest challenge by the smallest towns. The effect COVID-19 will have on population and economy in towns and cities (e.g. level of teleworking with a reduction in commuting, reduced attractiveness of larger cities) is as yet unknown, but what appears to be clear is that especially commercial city centres and also some of the sub-urban areas face a sharp decline in footfall and vitality that might outlast temporary restrictions and which calls for place-based and plan-led urban regeneration to deliver revitalised mixed-use urban places and targeted measures to reduce vacancy and retrofit existing building stock.

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[24] Data elaborated by the JRC from the Urban Data Platform, accessible at: https://urban.jrc.ec.europa.eu.

[25] DG REGIO (2016), State of the European cities report

[26] OECD, Programme on the Circular Economy in Cities and Regions

[27] Urban Agenda for the EU, Circular Economy Action Plan, 2018

Digitalisation a major transformative, cross-sectoral trend

The Future of European Cities report recognises that new and emerging technologies could help cities improve public services, better interact with citizens, increase productivity, and address environmental and sustainability challenges. In sum, evolve toward smart cities. An ESPON survey[28] of around 136 European cities found that 91% of these cities found their city services had improved thanks to digitalisation and 39% saw a substantial uptake in the use of these services after digitalisation. The COVID-19 pandemic has hugely accelerated existing trends towards remote working and the provision of commercial digital services such as online shopping. These trends could have both negative (vitality of urban centres, increase in commercial transport) and positive impacts (reduced transport to and from home, improved quality of life).

This same research found that large cities tend to be at the forefront of digitalisation due to higher demand for more complex services and interactions, and their capacities to develop and provide those services. The degree to which cities can capitalise on potential benefit of digitalisation will depend on a variety of factors - including the availability of co-working hubs /incubator space, and the provision of improved connectivity and digitisation to drive innovation and enterprise development and promote the regeneration of city and town centres. The main factors constraining the digital transition of cities are lack of funds and lack of skills. A lack of strategic vision is considered an additional constraint in smaller towns.

Respondents to the URBACT IV survey add new technologies as a means to attract population, but they also raise several issues, including data privacy and ownership, appropriate and consistent legislation, data sharing and standards, and cyber security. Cities play a central role in innovation dynamics: geographical proximity of stakeholders and multidisciplinary interaction enable innovation. The variety of approaches to innovation enhances the identity of cities, their traditions and their cultural heritage. Although capital cities and metropolitan areas remain major drivers of creativity and innovation, favourable conditions can also be found in smaller cities[29].

Digital transition and ICT are strongly present in the interests of URBACT cities both in the networks as well as in good practices. Digital transition has mostly been tackled through the lenses of economic development and improvement of public services, especially in narrowing the distance between public institutions and citizens such as online and mobile apps management of services, information, easing mobility and in e-democracy and governance.[30].

b) **An analysis of city needs**

The disparity in Europe's urban configuration, polycentricity and demography, as outlined previously, naturally make it difficult on one hand to implement a one-size-fits-all approach to cities; on the other hand it is the aim of cohesion policy to deal with these territorial disparities.

Globally and within Europe, national and international bodies have recognised the important role cities play in pushing forward societal change and tackling the effects of the challenges outlined above. The UN-Habitat New Urban Agenda, the 2016 Pact of Amsterdam (European Union –the Urban Agenda for the EU with 14 thematic partnerships), and the New Leipzig Charter (2020) are clear that cities need to have the capacities to lead this transformation.

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[28] ESPON Working Paper and policy brief (2018) 'Territorial and urban dimensions of digital transition in Europe'

[29] JRC (2019), The Future of Cities report

[30] URBACT contribution after the pact of Amsterdam: The Urban Agenda for the EU

Translating these general principles of sustainable urban development agreed at EU and international level into daily practice of urban management has proved to be challenging for the cities themselves. This was the case throughout the 2014-2020 period and continues to be so.

URBACT III capitalisation work looking in detail at how the principles of sustainable urban development are understood and implemented by cities shed some light on the progress some cities have made, yet reveal the need for continued support at national and EU level.

According to the New Leipzig Charter, urban governance needs to be strengthened in order to empower cities to transform. Therefore cities need legal framework conditions, investment capacities, adequately skilled employees, access to and the ability to steer infrastructure, public services and public welfare.

The Future of Cities report identifies physical interventions, governance, new technologies and resilience as key means for cities to address their challenges. Cities themselves gave governance and physical interventions the highest scores in the URBACT IV survey.

Governance

Weak governance and the presence of corruption are detrimental to economic development and prosperity, both at the national and local level[31]. Half the city residents (51%) agree that corruption is present in their local public administration. On average, in the cities in the Western Balkans and Turkey, more than two in three agree (68%) while in the eastern EU cities it was almost as high (65%). In northern and western EU cities, agreement is much lower (below 40%)[32]. Good governance is also a necessary condition for security and social inclusion and increases urban resilience in the face of environmental, socioeconomic, and political uncertainty and risk.

There has been a trend towards strengthening urban governance in the EU. New forms of urban governance are already being stimulated in many cities, and the importance of city networks is expected to further increase[33]. Urban governance arrangements become more important when administrative municipal borders do not correspond with the functional reality of urban areas.

This ascertainment is in line with, and corroborated by the main principles guiding sustainable urban development in the EU. The Commission's Directorates-General for Regional and Urban Policy (DG REGIO) and the Joint Research Centre (JRC) have published a Handbook of sustainable urban strategies. The Handbook draws on the milestones in European urban development (intergovernmental cooperation, cohesion policy, Urban Agenda for the EU) to individuate the main building blocks which are characterising the EU approach to sustainable and integrated urban development:

● An approach which promotes a **strategic vision** for the development of urban areas.

● An approach which addresses **cities of all sizes**, promoting the **integration among scales**, from neighbourhoods to wider territories.

● A **multi-level governance and multi-stakeholder approach**, which coordinates different actors according to their respective roles, skills and scales of intervention, ensuring also the active engagement of citizens.

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[31] Acemoglu et al., 2005; RodríguezPose, 2013

[32] DG REGIO, Report on the quality of life in European cities, Luxembourg: Publications Office of the European Union, 2020, p92

[33] JRC (2019), The Future of Cities report

● An approach which is **cross-sectoral integrated**, pushing cities to work across policy-areas.

● An approach based on the **integration of multiple sources of funding**, encompassing also the engagement of the private sector.

● An approach promoting result-oriented logic, setting-up frameworks for **monitoring and evaluation**[34].

Integrated approach

Building on the well-established URBACT method from the 2014-20 period, cities continue to need support in implementing an integrated approach to sustainable urban development. Central elements in this definition of integrated approach are cooperation between neighbouring municipalities, cooperation between all levels of government and local players, cooperation across different policy areas and departments of a municipality and maintaining a balance between physical investments and social investments, with the municipality applying a holistic vision to urban development. These elements have to come together in Integrated Action Plans, a core focus of the URBACT programme since its creation.

Source: Urbact knowledge hub

Detailed research exploring integrated working in practice[35] suggests that for many cities, the **process of developing the Integrated Action Plan is even more valuable**, in terms of transforming cross-departmental cooperation, local stakeholder involvement, understanding of thematic challenges and possible integrated solutions than the actions themselves.

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[34] JRC (2020), Handbook of Sustainable Urban Strategies

[35] Study on Integrated Action Plans (2019), E40 group for URBACT

Participation

Cities need practical support to build their capacity to encourage citizen participation. In particular, small and medium-ized cities which often have less capacity to act. Participation is an important issue for local democracy. This political element is crucial to weigh different interests on local development and choose the best solutions that suit local needs.

URBACT III networks applied the concept of participation using the 'local group' tool which had responsibility for co-design of the Integrated Action Plan. 97% of URBACT cities having completed this process considered that the participatory approach used during their network would continue after[36]. In addition, URBACT III capitalisation work[37] on how cities understand and implement these principles shows that the benefits of engaging with citizens in a participatory process are not always clearly seen. Demonstration effects from cities more advanced in community engagement and support in understanding the mechanisms and the skills involved are necessary. New forms of participation should be encouraged and improved, including co-creation and co-design in cooperation with inhabitants, civil society networks, community organisations and private enterprises.[38]

Place-based

The New Leipzig Charter builds on some important pieces of research from previous years, notably the Barca Report, anchoring the principles of sustainable development in the context of each specific territory. When it comes to exchange and learning, cities are obliged to adapt any process or action to their own geo-spatial and administrative context[39]. Support on understanding the success factors of any particular approach is necessary, and can be organised EU-wide/transnationally. The specifics of urban policy are such that the national context and involvement of national (or sub-national) urban policy stakeholders is crucial for longer-term policy change. URBACT III Transfer Networks were an excellent example of how cities can acknowledge their specificities whilst taking advantage of other cities' tried and tested good practices.

c) Increased importance of sustainable urban development in European Cohesion Policy

The new regulatory framework for the period 2021 - 2027 is set out by the regulations for Cohesion Policy[40]. These regulations offer a range of support for European cities with a view to addressing the disparities across the EU. The emphasis on sustainable urban development and territorial and local development strategies within this new framework is demonstrated by the set of cohesion policy tools which are made available to support cities in the design and implementation of their urban policies.

This new framework includes:

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[36] Results of self-assessment of partners from Action Planning Networks first round

[37] 2018 City Lab on participation in cities

[38] New Leipzig Charter

[39] Including the alignment to relevant Macro-regional and Sea basin strategies

[40] Regulation (EU) 2021/1060/ Regulation (EU) 2021/1058

- Article 5 Regulation (EU) 2021/1060 sets out five key policy objectives all of which are relevant for EU cities. Particular attention shall be paid to PO5 'a Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives'.
- Article 28 Regulation (EU) 2021/1060 establishes that a member state should use Integrated Territorial Investments, Community-led local development or another territorial tool designed by the member state where it supports integrated territorial development through territorial or local development strategies.
- Article 29 Regulation (EU) 2021/1060 lists several elements that should be included in territorial strategies that are funded by Cohesion Policy; a defined geographical area, an analysis of its development needs and potential, a description of the integrated approach and involvement of partners in its preparation and implementation.
- Article 32 Regulation (EU) 2021/1060 lists several elements that should be included in a Community-led Local Development Strategy
- Article 11 Regulation (EU) 2021/1058 requires that a minimum of 8% of ERDF resources per Member State be allocated to integrated territorial development focused on urban areas (sustainable urban development)[41]. Special attention shall be given to tackling environmental and climate challenges, notably the transition towards a climate neutral economy by 2050, to harnessing the potential of digital technologies for innovation purposes, and to supporting the development of functional urban areas.
- Article 12 Regulation (EU) 2021/1058 foresees the creation of the European Urban Initiative. The initiative shall cover all urban areas, including functional urban areas, and has two main strands of activity: support of innovative actions and support of capacity and knowledge building, territorial impact assessments, policy development and communication. The EUI shall ensure appropriate coordination and complementarities with URBACT.

The URBACT IV programme is also an important part of this package offering cities a unique opportunity to address their urban challenges in an integrated and participatory way through transnational knowledge exchange and capacity building. The regulation that sets the rules for the URBACT IV programme specifically is the Regulation (EU) 2021/1059 on the European Territorial Cooperation goal (Interreg).

Article 3 (3)b of this regulation defines the objectives of URBACT IV as follows:
Interregional cooperation to reinforce the effectiveness of cohesion policy (Interreg C) by promoting exchange of experiences, innovative approaches and capacity building in relation to the identification, transfer and capitalisation of good practices on integrated and sustainable urban development, taking into account the linkages between urban and rural areas, supporting actions developed in the framework of Article 11 of Regulation (EU) 2021/1058 and while also complementing in a coordinated way with the initiative outlined in Article 12 of that Regulation (the 'URBACT programme');

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[41] URBACT IV will use the term sustainable urban development in the meaning of integrated territorial development focused on urban areas

This regulation sets out three main tasks for URBACT IV:

1. exchange of experiences, innovative approaches and capacity building in relation to the identification, transfer and capitalisation of urban good practices on integrated and sustainable urban development, taking into account the linkages between urban and rural areas
2. supporting actions developed in the framework Article 11 Regulation (EU) 2021/1058 for sustainable urban development.
3. The activities undertaken by the URBACT IV programme shall be developed to complement in a coordinated way the European Urban Initiative referred to in Article 12 Regulation (EU) 2021/1058.

In addition to what is specifically foreseen within the new EU regulatory framework, we can also note the European Innovation Partnership on smart cities and communities, the Covenant of Mayors for Climate and Energy, the European Bauhaus as notable policy initiatives aimed at cities. The Recovery and Resilience Facility and the Just Transition Mechanism of the European Green deal s could also benefit local authorities under certain conditions.

Complementarity with the European Urban Initiative

URBACT and the European Urban Initiative will complement each other in a coordinated way. URBACT will contribute to the value chain of the European Urban Initiative that is aimed to offer coherent support to cities. The EUI will provide support to innovation, capacity and knowledge building, territorial impact assessments, policy development and communication. In this context, it identifies urban challenges, deploys instruments for support of innovation, capacity and knowledge/evidence building, analyses results and undertakes capitalisation activities, fosters communication and dissemination as well as deploying and assessing the outcome. The diagram below provides a visual overview of how URBACT relates to the different strands of the EUI and to the Urban Agenda for the EU.

- **URBACT supports Strand A on innovative actions**

The aim of the EUI for Strand A is to test new solutions to urban challenges of EU relevance and to spread innovation (scaling-up, knowledge dissemination and transfer) into Cohesion Policy 2021-2027 and beyond. Notwithstanding the URBACT programme's more widespread promotion of innovative processes and governance , URBACT will build on its 'understand-adapt-reuse' method for good practices transfer to develop a specific mechanism to support the transfer of urban innovative actions experiences to more cities.

- **URBACT will play a supporting role in Strand B1 capacity building**

Through transnational URBACT networks, programme and national level capacity-building activities, URBACT aims to increase the capacity in integrated and participatory approaches of urban practitioners and local stakeholders that are part of the URBACT networks. Cities that benefit from sustainable urban development (Article 11 Regulation (EU) 2021/1058) can also participate in these

networks. Tools and practices developed by URBACT will be shared with cities participating in EUI activities and vice versa.

- **URBACT will contribute to Strand B2 on knowledge, territorial impact assessments, policy development and communication**

URBACT will contribute to the knowledge and communication activities of this strand. It will provide input to the Knowledge Sharing Platform with knowledge and methods on sustainable urban development that are gained through URBACT networks and URBACT knowledge activities, including to the benefit of the Urban Agenda for the EU. At national level, National Points (irrespective of their institutional set up) will work closely together in fields of information and outreach activities, capacity-building at national level and facilitating national dialogue on sustainable integrated urban development.

d) Lessons learnt from past experience

Since 2002, URBACT has financed 161 networks which have tackled major challenges faced by cities such as social inclusion, physical planning and urban renewal, competitiveness of SMEs, employment and labour mobility, etc. In addition to burning issues of today, like housing, migration, new economy and digitalisation, environmental protection and climate change, recent URBACT networks and knowledge activities cover newly emerging topics.

It has taken such time for URBACT to develop strong links with cities, develop effective cooperation mechanisms and build up national points that can inspire next developments in complementarity with the European Urban Initiative. This experience and URBACT's extensive evaluations have permitted the programme to become a trusted brand for cities and make some bigger and many incremental improvements over the course of the programming periods. The URBACT III implementation evaluation, along with other sources of evaluating programme activities provides a strong basis on which URBACT IV can be built; what should be continued and what can be improved.

Networking is an efficient tool for capacity building & knowledge sharing

The URBACT way of transnational exchange, learning and knowledge capitalisation financed by the programme through the support of international experts and capacity-building activities is highly appreciated among the participating cities.

Transnational learning takes time, needs sustained interaction and is useful at different stages of the design and implementation of action plans. The duration of the networks is considered appropriate.

There is a demand to expand this transnational exchange methodology to transfer good practices and innovative actions among cities. For some more ad-hoc knowledge exchanges the network approach is not suited and shorter exchanges could be envisaged.

Even though cities find participation in URBACT networks very rewarding, it also requires a certain time investment, capacity to follow administrative procedures and political support that is in general harder to secure by smaller cities. Additional actions might need to be taken to ensure that the

transnational exchange networks benefit an increasing number of cities, in particular cities benefiting from Cohesion policy.

The capacity of cities to act does increase, especially for smaller cities

The work of the URBACT programme to develop, with cities, a method which brings together stakeholders to design integrated action plans to respond to city challenges, and share the learning widely, is unique in Europe. Participating cities showed a significant increase of capacities from 47% with significant knowledge on integrated and participatory urban development in 2016 (baseline) to 67% in 2018[42].

These increased capacities include new skills and methods used in cities for more integrated planning and implementation of actions. This equally applies to cities that do not use cohesion policy funds and are particularly appreciated among smaller cities.

The programme was also credited with functioning as a stepping stone to EU funding and project management for small and medium-sized cities with 48% of the Integrated Action Plans (98 IAP) produced having secured funding[43]. Still, many cities would like to see increased possibilities in the programme to test solutions that result from the transnational exchange.

Integrated Action Plans support the smarter use of EU funds

Integrated action plans (IAP) are designed to access finance by regional/national/EU programmes: among the 98 IAP having secured funds, 34% are using ERDF and ESF to implement their actions.
URBACT cities have also gained further funding through Urban Innovative Actions, Horizon 2020, Just Transition Plans, etc. In addition, the URBACT III Programme exceeded its target of involving Article 7 ERDF cities in URBACT activities. Still, the link with managing authorities will be further strengthened and URBACT will support cities to improve access to resources and funding and in integrating different planning requirements.

The URBACT III Programme evaluation findings have shown consistently that URBACT III contributed directly and clearly to the eleven Thematic Objectives of the Cohesion Policy. The thematic concentration the programme aimed at the start of the 2014 period has been achieved through the bottom-up selection process of the transnational networks. However, cities might need additional capacity-building support to better include cross-cutting considerations such as digital, environment and gender equality in their working methods.

Further consideration will be given to how the URBACT method can directly reach cities designing strategies under Article 11 Regulation (EU) 2021/1058 or how the percentage of integrated action plans getting financed through ERDF and ESF sources can increase further. Interestingly, among the reasons why cities join an Action Planning Network, gaining access to additional funding is

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[42] Results of self-assessment of partners from Action Planning Networks first round
[43] Among 205 cities from 20 URBACT III Action Planning Networks completed in May 2018 (based on the closure reports of the 20 Action Planning Networks)

not the major one. Gaining access to expertise and working as a community of interest were deemed more important[44].

URBACT evolves as a knowledge hub

More than 600 cities taking part in URBACT III have contributed to a vast trove of knowledge about sustainable urban development across a range of themes. Main tools to ensure knowledge outreach showed significant reach considering the means available. The URBACT website has registered a constant increase in users (15,000 monthly average in 2017, to more than 25,000 monthly users in 2020) and a total of 1,450 participants across three editions of the URBACT City Festival[45]. Dedicated thematic capitalisation activities have ensured contributions to all EU Urban Agenda partnerships[46], and helped to develop the multi-level approach between urban players at all levels. URBACT IV could evolve toward an EU innovation, experimentation and expertise hub revolving around urban capacity building approaches, methods and formats for urban practitioners.

Key stakeholders and several participants to the URBACT IV survey expressed the wish for a stronger coordination of URBACT's capitalisation and knowledge with other urban initiatives in order to increase impact on national and European policy development. Knowledge exchange between all URBACT actors (experts, NUPs, representatives of URBACT cities) could also be strengthened further.

In this context, relevant parts of the URBACT knowledge hub will feed into and create close interaction with the EUI Knowledge Sharing Platform, ensuring synergies.

Respondents to the URBACT networks' Closure Survey appreciate URBACT's strong connection with the Urban Agenda of the EU and added value to the partnerships but the URBACT III Implementation Evaluation report recommends clarifying the focus in the framework of urban initiatives: streamline capitalisation activities; focus on tangible results and good practice.

National URBACT points play an important role in linking local, national and EU urban policy

The 25 National URBACT Points covering 28 countries communicate on programme activities, disseminate URBACT results at national level in local language, and operate as a national platform for dialogue, exchange and learning on sustainable urban development. Several countries have gone further to develop a national network based on URBACT method and principles, reaching out to include cities from other urban-funded initiatives, and those not receiving funding.

The URBACT III implementation evaluation echoes the findings from the Action Planning Networks closure survey: reinforced support at national level for city actions. The Implementation Evaluation finds that the Programme has less control over the quality and the extent of direct contact that the partner cities receive. When it comes to ensuring the capacity-building of all local partners, facilitating a more direct exchange between cities and sources of funding, or embedding policy

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[44] APN closure survey report, 2018

[45] 90% of the participants to the festival in Lisbon (2018) said they would use the acquired knowledge back home.

[46] URBACT participated to nearly all partnerships with experts and staff and tried to make the link with around 400 cities of all sizes involved in URBACT networks; it contributed in addition with its capitalization activities. A total of nearly1 Million Euros was invested in these activities directly linked with UAEU: around 400 K€ experts for 4 years and 540K€ for capitalisation activities.

change at local level, further support from the national level could be provided. Both respondents from the URBACT IV survey and key stakeholders express the wish for capacity building for cities that will benefit from cohesion policy funding (Article 11 Regulation (EU) 2021/1058), both for learning the 'URBACT method' of bottom-up, participatory and integrated strategy design and to increase their implementation capacity. Given the different national settings, national specific capacity-building events might be the most appropriate.

URBACT response

URBACT has extensive experience of supporting cities to improve their urban policies through transnational cooperation. The 'bottom up' approach of the programme allows cities to define their own needs whilst ensuring a strong link to the Cohesion Policy framework.

- **In the period 2021-2027 URBACT will promote integrated** Sustainable Urban Development through cooperation and will also contribute to a Europe closer to citizens (PO5). More specifically, URBACT can help more cities build their capacities to design and deliver sustainable urban development plans and strategies;

URBACT's clear added-value in building the capacity of cities has been demonstrated in the course of previous URBACT programmes and should continue for URBACT IV. It should be available to cities and towns of all sizes including those receiving cohesion policy funding. Smaller cities might need additional support to be able to make the first step. The programme will strive for further administrative simplification and transnational learning will have an increased focus on testing solutions and broaden the scope to the transfer of good practices. URBACT will maintain efforts to integrate new cities, including cities receiving cohesion policy funding as well as those from the poorest regions of the European Union.

- URBACT can help cities understand and put into practice the key principles of EU sustainable urban development and integrated territorial development (Article 28 Regulation (EU) 2021/1060)

The URBACT method provides a concrete, hands-on approach for cities to translate high-level principles into everyday working. The programme should continue to promote integrated approaches, while further developing bottom-up, participatory processes to link high-level EU policy frameworks to local needs. Innovations in the form this support takes can cover specific actions for dedicated, defined target groups (such as Article 11 cities, innovative actions) based on the needs and demands

- URBACT can contribute to European cohesion and solidarity through peer learning and exchange, among cities of all sizes from all regions of Europe.

By targeting cities and towns from all EU member and partner states, and ensuring balance between urban areas from less-developed and more-developed regions, URBACT directly contributes to the main objective of Cohesion Policy. Transnational exchange networks have been shown to be an effective mechanism for peer learning useful for all cities in Europe including those which will benefit directly from cohesion policy funding.   - URBACT can build on a body of evidence-based knowledge to ensure coherent links with other EU urban policy initiatives.

Capitalising on the rich source of city learning based on practical experience remains crucial to ensuring a wider uptake of URBACT results. URBACT can work closely with other Interreg C programmes and their knowledge platforms (e.g. Interreg Europe Policy Learning Platforms, ESPON Database and Thematic Action Plans, etc.), both organising joint activities on shared priorities and target groups. Fostering the wider goal of translating actions into policy change necessitates the involvement of urban policymakers at local, national and EU level. URBACT will work closely with the European Urban Initiative to ensure the knowledge is made available to the wider European urban community, and contribute to the Urban Agenda for the EU.

- URBACT can improve the awareness and inclusion of cross-cutting considerations such as digital, environment and gender in the working methods of all URBACT actors.

URBACT can trust cities to select cooperation themes that are closest to their needs and in line with European priorities and to communicate the results of their work effectively to their target groups. Building on the experience of taking cooperation digital during the 2020 Covid-19 pandemic, the URBACT programme can support further programme level capacity building on digital, environmental and gender-inclusive aspects.

1.3. Justification for the selection of policy objectives and the Interreg specific objectives, corresponding priorities, specific objectives and the forms of support, addressing, where appropriate, missing links in cross-border infrastructure

Table 1

Selected policy objective or selected Interreg-specific objective	Selected specific objective	Priority	Justification for selection *Text field: [2 000 per objective]*
Interreg-specific objective (ISO) 'a better cooperation governance'	by enhancing institutional capacity of public authorities and stakeholders to implement [macro-regional strategies and sea-basin strategies, as well as other] territorial strategies	Promoting Integrated Sustainable Urban Development through cooperation	URBACT IV addresses the capacity needs of urban authorities in designing and implementing sustainable urban development strategies and plans according to an integrated, participatory and place-based approach, replicating good practices and designing investment plans for innovative urban actions. This is primarily a capacity-building challenge of a cross-thematic nature that URBACT wants to tackle through transnational networking, general capacity-building activities and knowledge building and exchange. Given that the needs and solutions are cross-thematic URBACT IV will have one cross-thematic objective. URBACT will not directly support implementation actions but aims to build the governance capacity of cities so they, in turn, can effectively implement sustainable urban development strategies under the different policy objectives of cohesion policy. Therefore URBACT activities will be programmed under the specific Interreg objective: a better cooperation governance.

2. Priorities

2.1. Promoting Integrated Sustainable Urban Development through cooperation

2.1.1. Specific objective

Interreg Specific Objective 1 (ISO 1): a better cooperation governance by enhancing institutional capacity of public authorities and stakeholders to implement urban territorial strategies. As URBACT IV will build the institutional capacity of cities needed to implement territorial strategies, it directly contributes to PO5 in particular.

2.1.2 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

To reach this objective URBACT IV has three aims:

1) Use transnational networks to improve the capacity of European cities to:

- co-design and implement Integrated Action Plans linked to common sustainable urban development challenges

- transfer established urban good practices

- design investment plans for replicating elements of Urban Innovative Actions

Expected results: improved local policies through local actions designed in an Integrated Action Plan and the reuse of good practices, increased capacity of cities benefiting from territorial tools[47] to use them, improved deployment of actions due to testing, promote replication of innovative actions through investment plans using cohesion policy funds and programmes.

Aim 1 - Actions:

In **Action Planning Networks** (APN) city practitioners will co-design integrated action plans with an URBACT Local Group comprising all relevant stakeholders (different city departments, different tiers of government, different policy relevant sectors and target groups). There will be an increased focus on implementation as networks will be able to test and experiment small actions from the integrated action plans. This tool is relevant for many cities working on sustainable urban development, including those receiving funding under Article 11 Regulation (EU) 2021/1058.

Transfer Networks will foster the transfer of validated urban good practices through a refined methodology with additional focus on supporting the upscaling of the good practice, If possible through links to Cohesion policy funds and other funding programmes.

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[47] In the meaning of article 22 of the CPR regulation.

An Innovation Transfer Mechanism is specifically aimed at cities that seek to develop an investment plan to replicate elements of a UIA 2014-2020 and/or EUI 2021/27 project using Cohesion policy programmes and/or other European, and national public or private funding.. This transfer mechanism will build on the pilot activities developed under URBACT III. It will be coordinated with the EUI using a dedicated tool to disseminate innovation created in EUI and to support cities in the transfer of innovative practices.

URBACT networks will be supported by international experts in integrated sustainable urban development. Expertise shall include both the urban topic of the networks as well as tools and methods for exchange and learning.

2) Improve the capacity of urban stakeholders to design and implement sustainable urban development[48] policies,practices and innovations in an integrated, participative and place-based way[49]

Expected result: Urban practitioners in cities have increased their knowledge and capacity in relation to integrated sustainable urban development strategies. There is improved awareness of the entire URBACT community about carbon reduction and gender mainstreaming. Local stakeholders, lead partners and lead experts have improved their ability to use digital tools in their networks and their capacity to innovate.

Aim 2 - Actions:

At programme level URBACT will deploy capacity-building activities such as URBACT Universities, National Training Schemes and on-going and dedicated support to all beneficiaries. Participants will work together to improve skills needed for the design and implementation of Integrated Action Plans for sustainable urban development.

URBACT IV will increase the capacity building offer linked to digital, green and gender as cross-cutting elements for all networks and activities of the programme. Capacity-building on these topics may take the form of training targeted at the entire URBACT community or organised once in the lifetime of a network. Complementarity with EUI capacity building activities is ensured; and where synergies are identified, joint training will be organised.

Programme-level capacity building will be supported by international experts in integrated sustainable urban development and green, digital and gender equality.

3) Ensure that URBACT knowledge and practice is made accessible to urban practitioners and policymakers to feed into local, regional, national and European urban policies, in particular through the European Urban Initiative; and contributing to the Urban Agenda for the EU

Expected results: urban practitioners and policymakers increasingly access URBACT knowledge and URBACT city experiences inspire local, regional, national and European urban policy.

Aim 3 - Actions:

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[48] In the meaning of Article 28 Regulation (EU) 2021/1060 and Article 11 Regulation (EU) 2021/1058

[49] In line with principles of the New Leipzig Charter

At programme level URBACT will play a role as a *knowledge broker* – bringing urban actors together to facilitate knowledge sharing, and as a *knowledge producer* – developing new products building on existing URBACT experience and those from EUI and from complementary European projects/programmes.

Thematic communities: these will allow cities to meet and exchange on topics cutting across URBACT networks. The exchanges will ensure a more integrated approach to the partner topic and produce up-to-date analysis of city policy and practice to share beyond URBACT, in particular through the EUI and through contributions to the Urban Agenda for the EU. The knowledge can be transformed for dynamic use (Conferences, thematic events, webinars, policy labs) or static reference (thematic publications, policy briefs, case studies, good practices).

EU urban policy focused knowledge sharing: URBACT IV will aim to inspire and inform urban policies by making knowledge available to the wider European urban community, in particular through the European Urban Initiative. . URBACT will also contribute specifically to the Urban Agenda for the EU. Dedicated mechanisms for contributing to both will be developed in agreement with their governance bodies.

Expertise support is provided to build and manage knowledge on sustainable urban development. The **URBACT website** will operate as a knowledge hub providing open access to knowledge, good practices and know-how around thematic priorities. It will be interlinked with, and selected outputs will be available on, the EUI knowledge sharing platform. In addition to the strategic cooperation with EUI, URBACT IV will cooperate with other organisations (programmes, networks, etc.) operating in the area of sustainable urban development.

National URBACT Points[50] are in charge of communicating on URBACT activities and disseminating URBACT results at national level in local language. They play an important role in linking URBACT knowledge to national and regional stakeholders and in stimulating a wide participation in networks and capacity-building activities. They can support programme capacity building efforts at national level, adapt and translate programme methods and tools into national language. Activities by the National URBACT Points will be coordinated with EUI Contact Points for maximum outreach. In line with 'Implementing the New Leipzig Charter', member states are called, where possible, to avoid duplicating structures when setting up national contact points for URBACT, the European urban initiative and any other urban national point.

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[50] Each Member/ Partner State shall appoint, in agreement with the Managing Authority, a public or equivalent or not for profit body in their country that shall operate as National URBACT Point. The conditions of this appointment shall be laid down in a convention between the selected body and the Managing Authority. Should a Member/ Partner State not be able to appoint such a body or should no such suitable public body exist, an open call for tender may be launched by the Managing Authority. MS are encouraged to articulate National URBACT Points with the National Contact Point foreseen under European Urban Initiative, and any other urban national point.

2.1.3 Indicators

Table 2: Output indicators

Priority	Specific objective	ID [5]	Indicator	Measurement unit [255]	Milestone (2024) [200]	Final target (2029) [200]
1 Promoting Integrated Sustainable Urban Development through cooperation	*Interreg-specific objective 'a better cooperation governance' (ISO - 1)*	RCO83	Strategies and action plans jointly developed	Number	0	640
1 Promoting Integrated Sustainable Urban Development through cooperation	*Interreg-specific objective 'a better cooperation governance' (ISO - 1)*	RC085	Participations in Joint Training Schemes	Number	500	2400
1 Promoting Integrated Sustainable Urban Development through cooperation	*Interreg-specific objective 'a better cooperation governance' (ISO - 1)*	OI3	Participations in programme level events aimed at knowledge sharing	Number	1080	4410

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
1 Promoting Integrated Sustainable Urban Development through cooperation	*Interreg-specific objective 'a better cooperation governance' (ISO -1)*	RCR79	Joint Strategies and Action Plans taken up by organisations	Number	0	2021	512	survey	
1 Promoting Integrated Sustainable Urban Development through cooperation	*Interreg-specific objective 'a better cooperation governance' (ISO -1)*	RCR81	Completion of Joint Training Schemes	Number	0	2021	1920	certificate	
1 Promoting Integrated Sustainable Urban Development through cooperation	*Interreg-specific objective 'a better cooperation governance' (ISO -1)*	RI3	People with increased URBACT knowledge due to their participation in programme level events aimed at knowledge sharing	Number	0	2021	3528	self-assessment survey	

2.1.4 The main target groups

The three different aims of the URBACT IV programme have partly different target groups.

1) Use transnational networks to improve the capacity of European cities to:
- co-design and implement Integrated Action Plans linked to common sustainable urban development challenges
- adapt and transfer established urban good practices
- design investment plans for replicating elements of Urban Innovative Actions

The main beneficiaries of actions implemented under this first aim shall be cities from EU 27 Member States, Norway and Switzerland (potentially IPA countries) willing to develop integrated strategies and action plans for sustainable urban development. The beneficiary "city" refers to the public local authority representing:

- cities, municipalities, towns;
- Local agencies defined as public or semi-public organisations set up by a city, partially or fully owned by the city authority, responsible for the design and implementation of specific policies (economic development, energy supply, health services, transport, etc.) ;
- Infra-municipal tiers of government such as city districts and boroughs in cases where they are represented by a politico-administrative institution having competences for policy-making and implementation in the policy area covered by the URBACT network concerned in which they are willing to get involved;
- Metropolitan authorities and organized agglomerations in cases where they are represented by a politico-administrative institution having delegated competences for policy-making and implementation in the policy area covered by the URBACT network concerned.

In addition, a number of non-city partners are eligible for actions implemented under Aim 1. The list of other eligible beneficiaries is defined as follows:

- Provincial, regional and national authorities, as far as urban issues are concerned;
- Universities and research centres, as far as urban issues are concerned

Generally all URBACT networks will potentially link to the EUI considering the open nature of the calls for proposals. Specifically, the work of the APN in developing the capacity of cities to co-design integrated urban action plans is relevant for many cities working on sustainable urban development, including Article 11 cities.   Efforts will be made to attract cities that have not yet participated in URBACT networks and smaller cities for which international networking demands an additional effort.A balance between cities from EU more and less developed regions will be ensured and monitored using eligibility criteria in the calls for proposals.

2) Improve the capacity of urban stakeholders to design and implement sustainable urban development[51] policies, practices and innovations in an integrated, participative and place-based way

This is a cross-cutting aim for the entire URBACT IV programme, the target audience is therefore quite broad. On the one hand, this concerns the beneficiaries of all URBACT networks and local stakeholders – URBACT Local Group members and elected city officials. On the other hand the target audience also comprises other urban actors such as non-URBACT cities implementing article 11, innovative actions or part of the Urban Agenda for the EU.

3) Ensure that URBACT knowledge and practice is made accessible to urban practitioners and policymakers to feed into regional, national and European urban policies, in particular through the European Urban Initiative; and contributing to the Urban Agenda for the EU

Based on the proposed distinction between URBACT knowledge sharing actions and those of the EUI, there are two clear and distinct target audiences for sharing knowledge and know-how. To ensure that urban practitioners and policymakers have access to URBACT thematic knowledge:

a) Cities, urban authorities/policymakers, local practitioners and regional authorities as the target of actions sharing and transferring good practice and project results, in particular those not involved in URBACT networks.

To ensure that URBACT thematic knowledge feeds urban policies, in particular national and EU policies:

b) European Urban Initiative target audience and governance

c) Urban Agenda for the EU target audience, governance and partnerships.

Through these initiatives URBACT contributes to actions tackling regional, national and European level policymakers involved in sustainable urban development, 'translating' URBACT content into relevant policy contributions

2.1.5 Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

The URBACT programme covers the entire territory of the participating countries and is open to cities of all sizes. URBACT specifically supports urban authorities from neighbourhood to functional urban area level depending on the topic covered and the impact that can be made. This includes urban-rural linkages and cross-border functional urban areas.

Supporting sustainable urban development through an integrated, participatory and place-based approach is the core of URBACT IV. However, URBACT IV will support capacity-building, networking, learning and testing, but will not fund implementation of sustainable urban development strategies or action plans directly. While the programme will not use ITI, CLLD or other territorial tools itself, it seeks to build the capacity of cities and towns that might use these

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[51] In the meaning of article 28 Regulation (EU) 2021/1060 and Article 11 Regulation (EU) 2021/1058

tools to implement their sustainable urban development strategy (Article 11 Regulation (EU) 2021/1058This is done in Action Planning Networks and as part of programme-level capacity building activities. Since the implementation of these tools is often dependent on national or regional frameworks, national level events and National URBACT Points will play an important role.

2.1.6 Planned use of financial instruments

The use of financial instruments is not foreseen.

2.1.7 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority No	Fund	*Specific objective*	Code	Amount (EUR)
1	ERDF	ISO 1	173	82,769,799

Table 5: Dimension 2 – form of financing

Priority No	Fund	*Specific objective*	Code	Amount (EUR)
1	ERDF	ISO 1	01	82,769,799

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus

Priority No	Fund	*Specific objective*	Code	Amount (EUR)
1	ERDF	ISO 1	26	82,769,799

3. Financing plan

3.1   Financial appropriations by year

Table 7

Fund	2021	2022	2023	2024	2025	2026	2027	Total
ERDF (territorial cooperation goal)	10,729,991	10,944,591	11,163,483	11,386,753	11,614,489	11,846,778	12,083,714	79,769,799
ERDF programmed under Article 17(3) (Investments for Jobs and Growth goal)								
IPA III CBC[52]								
Neighbour-hood CBC[53]								
IPA III[54]	annual allocation to be confirmed							3,000,000
NDICI[55]								
OCTP								
OCTP[56]								
Interreg Funds[57]								
Total	10,729,991	10,944,591	11,163,483	11,386,753	11,614,489	11,846,778	12,083,714	82,769,799

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[52] *Strand A, external cross-border cooperation.*

[53] *Strand A, external cross-border cooperation.*

[54] *Strand B and C.*

[55] *Strand B and C.*

[56] *Strand C and D.*

[57] *ERDF, IPA III, NDICI or OCTP, where as single amount under Strands B and C.*

3.2   Total financial appropriations by fund and national co-financing

Table 8

PO No or TA	Priority	Fund (as applicable)	Basis for calculation EU support (total or public)	EU contribution (a)	National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Cofinancing rate (f)=(a)/(e)	Contributions from Switzerland and Norway
						National public (c)	National private (d)			
	Priority 1	ERDF[24]		79,769,799	23,133,738	23,133,738		102,903,537	77,52%	102,934
		IPA III CBC[25]								
		Neighbourhood CBC[26]								
		IPA III[27]		3,000,000					100%	
		NDICI[28]								
		OCTP Greenland[29]								
		OCTP[30]								
		Interreg Funds[31]								
	Total	All funds		82,769,799	23,133,738	23,133,738		105,903,537	78,15%	102,934

[24]   When ERDF resources correspond to amounts programmed in accordance with Article 17(3), it shall be specified.
[25]   Interreg A, external cross-border cooperation.
[26]   Interreg A, external cross-border cooperation.
[27]   Interreg B and C.
[28]   Interreg B and C.
[29]   Interreg B and C.
[30]   Interreg C and D.
[31]   ERDF, IPA III, NDICI or OCTP, where as single amount under Interreg B and C.

4. Action taken to involve the relevant programme partners in the preparation of the Interreg programme and the role of those programme partners in the implementation, monitoring and evaluation

Role of the relevant partners in the preparation and implementation of the cooperation programme

Working in partnership has always been a key feature of the URBACT programme. Principles that need to be taken into account are set out in the European code of conduct on partnership [Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014] that continues to apply, in Article 8 Regulation (EU) 2021/1060that sets out minimum requirements and Article 30 Regulation (EU) 2021/1059 on the role of the Monitoring Committee.

Identifying the relevant partners

The URBACT programme has a wide geographical base covering all Member States and Partner states. This wide coverage requires a coordinated approach to the partnership principle which should operate on several levels:

Programme Level – competent National Authorities / Cohesion policy actors such as the European Urban Initiative (EUI), the European Commission, the European Committee of the Regions, other Interreg programmes/ other relevant EU level bodies including networks, associations / EU bodies responsible for the application of horizontal principles

National Level – relevant national authorities with competence in sustainable urban development / national representatives of universities, research centres / nationally recognised social partner' organisations / associations of cities and local authorities / nationally recognised business associations / national bodies responsible for the application of horizontal principles

Sub-National Level – regional authorities / managing authorities of cohesion policy programmes / local authorities / cities / city networks and associations / bodies working in the field of sustainable urban development

Design of the Cooperation Programme

Programming Committee, Task Force and National Points

URBACT IV is co-designed by the Programming Committee (PC). All Member and Partner States of URBACT III (with the exception of UK) are present in the PC.

PC Members are national or regional authorities for the most part, but also comprise European organisations representing cities such as Eurocities and CEMR, and European institutions such as the European Commission and the Committee of the Regions. The group met several times physically and digitally and documents were placed on the shared work space Basecamp. This shared work space also served as a continuous feedback channel where texts were shared and discussed between meetings.

The meetings of the PC were prepared by the Task Force (TF). Task Force members were the European Commission, URBACT Managing Authority and Joint Secretariat, and the Member States that held the presidency of the Council during the programming period.

National URBACT Points were used to promote the URBACT IV survey among national stakeholders and their comments and suggestions concerning the definition of objectives and actions for URBACT IV were collected.

<u>Specific Tasks for preparing a Cooperation Programme in Partnership</u>

i) Analysis and identification of Needs

Over the period 19 February – 19 March 2020 a survey was launched with questions about cities' challenges and their means to tackle these challenges, ideas for future focus areas and activities for URBACT IV. In the space of one month, the survey gathered an impressive 532 responses from nearly all URBACT member countries. The largest group of responses (322) came from towns and cities. Furthermore, the responses were well spread across cities of all sizes - from towns with less than 20 000 inhabitants, to cities of over two million. Other replies came from associations of cities, managing authorities, Member and Partner states, National URBACT Points, regional governments, NGO's, research institutes and universities, private companies and citizens.

ii) Definition of objectives, priorities, actions and indicators

The PC members are responsible for agreeing these aspects.

iii) The allocation of funding

Upon approval of the programme budget the PC decides upon the programme budgetary structure and will outline the amounts of funding to be dedicated to each kind of action.

iv) European level consultation

In close coordination with the EUI, EU wide organisations and European Interregional Programmes concerned by the URBACT IV Programme were identified, specifically with the aim to set up and design an URBACT programme that is complementary to other EU-level urban initiatives. An URBACT event was organised 14 January 2021 to consult these partners and to ensure that the programme is addressing their needs as much as possible.

Where necessary Member and Partner States will carry out specific national level consultation exercises in 2021 based on the draft cooperation programme.

Implementation and monitoring of the Cooperation Programme

<u>The Monitoring Committee</u>

The Monitoring Committee (MC) will be set up to ensure clear and transparent arrangements for managing the programme. The MA will aim to promote equality between men and women in this committee. The members of the MC will be made public and each member will be asked to sign a a confidentiality and non-conflict of interest statement.. In view of ensuring complementarity with the EUI, the EUI secretariat will be invited to observe the MC

meetings and the URBACT Managing authority and secretariat will be invited to observe the EUI Steering Group. Other EU bodies and programmes may be invited to attend as appropriate.

In line with the URBACT III MC Survey carried out in September-October 2019, the MA of URBACT IV will strive for better collaboration, interactivity and joint decision making in the MC through co-creation, transparency, adaptability, flexibility and ambition. MC meetings will be designed with space for exchanges on strategic direction and on content related to urban issues with network presentations, in-depth discussions on thematic capitalisation topics, site visits. A good combined use of physical or online meetings, written procedures and exchange on the platform Basecamp is necessary. Shared management means that the MC members have the opportunity to give their own view, not only about URBACT implementation, but also about needs of cities, thematic priorities, programme links with EUI and cohesion policy in their respective countries and at European level.

The MC will agree to the rules of procedure which will outline in a clear and transparent manner the internal arrangements for the MC.

Urban dimension of Regional Policy and Coordination with EUI

In the 2021-2027 programming period Cohesion policy will spend a significant percentage of its funding in urban areas with a dedicated percentage (at least 8% of ERDF resources) for integrated sustainable urban development with a decision-making role for urban authorities. These are known as 'article 11' cities[58].

The European Urban Initiative established under Article 12 Regulation (EU) 2021/1058 targets cities interested/involved in Cohesion Policy, Art. 11, and innovative actions, managing authorities, but also URBACT and UAEU cities, and other stakeholders.

Extensive discussions have taken place during the programming phase, bilaterally, and through the Task Forces and Programming Committee to ensure that the activities of URBACT and EUI are complementary. A dedicated coordination mechanism is to be set up between EUI and URBACT to ensure continued coordination and complementarity during the implementation of the programme.

The EUI will continue to specifically fund innovative actions. In addition, there will be a broad range of funding opportunities for sustainable urban development strategies. There are the funds and programmes under shared management (ERDF, ESF, EAFRD, EMFF, Interreg, JTF) or direct management such as Horizon Europe or LIFE that will provide funding support to different types of activities."

Synergies with other programmes

In addition to the coordination with EUI, URBACT IV will coordinate with the other interregional cooperation programmes Interreg Europe, Interact and ESPON on to share their know-how create synergies for the following actions:

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[58] They are so called because they receive cohesion policy funding to implement sustainable urban development according to Article11 Regulation (EU) 2021/1058 .

- Bilateral cooperation events (European Week of Regions and Cities, thematic events, etc.);
- Joint capitalisation and dissemination activities;
- Joint exhibitions, workshops, information / awareness-raising actions concerning territorial development.

Evaluation of the Cooperation Programme

For the evaluation of the programme an Evaluation Steering Group will be set up. This Steering Group will meet at all the key steps of the monitoring of the evaluation plan. In addition to face-to-face meetings the members of the group will provide feedback on reports, terms of reference etc. The Steering Group will ensure that the interests of all major stakeholders/partners are taken into consideration and that the institutions which might have to act on the recommendations are involved. During continuous evaluations of different elements of the programme URBACT IV will work directly with its urban partners.

5. Approach to communication and visibility for the Interreg programme, (objectives, target audiences, communication channels, including social media outreach, where appropriate, planned budget and relevant indicators for monitoring and evaluation)

This communications strategy outline is designed to help the URBACT programme achieve its overall objective and aims as outlined in 2.1.2.

It will provide a framework for developing more specific communication plans throughout the programme implementation.

Communication objectives

The objectives are designed to cover the full programme cycle, so the importance of one or other objectives may be prioritised at a given moment.

1. Raise awareness of programme features to a wide range of (potential) beneficiaries defined in 2.1.4
2. Support beneficiaries and internal stakeholders in implementing and communicating on the actions and results of EU-funded projects
3. To ensure programme calls, results and other relevant information is made available to the widest number
4. To facilitate uptake of URBACT knowledge
5. To ensure a coordinated approach to programme activities and promotion, in particular with the European Urban Initiative

Target audiences

1. Potential beneficiaries (as per 2.1.4 above)
2. Cohesion Policy stakeholders: managing authorities, cities implementing cohesion funds

3. Multipliers: partner states, European Commission (communication services), European Urban Initiative, Urban Agenda for EU, European Parliament, Committee of Regions, European networks and organisations, other Interreg programmes, national or regional contact points, associations of cities
4. Governance bodies: Partner states, DG Regio, EUI entrusted entity/secretariat, UDG/DGUM
5. Thematic knowledge organisations at European level (incl. OECD and UN Habitat)
6. Wider urban community, incl. elected representatives

The beneficiaries will be supported to communicate directly with their general public. Relevant programme actions will also be open to the general public.

Communication channels

The programme will support a multi-level communication strategy, at European, national and local level. The particularity of URBACT's communication is that some aspects will be developed and delivered with EUI, others with national contact points – who are both targets and channels. The following is a non-exhaustive list of the main communication channels that may evolve throughout the programme lifetime:

a) Programme website (as required by Article 46 Regulation (EU) 2021/1060), meeting standard criteria for accessibility, link with EUI Knowledge sharing platform
b) Social media channels: based on information available at time of writing the main channels are Twitter, Facebook, LinkedIn and Instagram. The social media mix in particular may evolve significantly according to new developments in tools or user profiles.
c) Institutional and Public relations, partnerships: establishing mechanisms to coordinate relevant activities and share information with key stakeholders and partners, particularly the EUI secretariat; also other Interreg programmes such as Espon, Interreg Europe and Interact. Cooperation with other organisations operating in Europe and beyond in the area of sustainable urban development.
d) Events: a mix of physical and online events, in line with the specific event objectives, reach and content. These include major programme events for outreach and knowledge sharing (City Festivals), capacity building events (Summer/e-Universities), trainings, seminars, policy labs, dedicated meetings with lead partners and experts; and events co-organised in the frame of EUI. Participation in external events will also be included in the mix, in particular EU Cities Forum (DG REGIO)).
e) Publications: print, online, and video productions following the publicity requirements to support the programme's outreach, information, knowledge sharing and capacity building actions. Audio (podcasts) may also be used.
f) National URBACT points: to reach certain target groups at local level, in national language, and adapt URBACT's communication to different contexts.

As per Article 48 Regulation (EU) 2021/1060, the programme will appoint a communication person who will be in charge of the implementation of communication and visibility actions and work closely with the national communication coordinator in France.

Monitoring and evaluation

The programme will establish a dashboard of key performance indicators to monitor the implementation of the communication strategy along the different channels used. Data for evaluation will come from website and social media analytics, surveys and feedback forms, internal statistics.

6. Indication of support to small-scale projects, including small projects within small project funds

Not applicable to URBACT – no small scale projects will be developed.

7. Implementing provisions

7.1. Programme authorities

In line with point (a) of Article 17(6) of Regulation (EU) 2021/1059 [ETC], the Programme Authorities have been defined as follows:

Table 10

Programme authorities	Name of the institution	Contact name	E-mail
Managing Authority	Agence Nationale pour la Cohésion des Territoires	François-Antoine MARIANI	secretariat-dvcu@anct.gouv.fr
National authority (for programmes with participating third countries, if appropriate)	Will be communicated by NO + CH with the Partner State Agreement and by IPA III beneficiary countries with third country Agreement		
Audit authority	Commission Interministérielle de Coordination des Contrôles des Opérations cofinancées par les Fonds Européens (CICC)	Martine MARIGEAUD, Présidente de la CICC	martine.marigeaud@finances.gouv.fr
Group of auditors representatives	This information is available in the MS agreements attached to the Cooperation Programme		
Body to which the payments are to be made by the Commission	URBACT IV Managing Authority (ANCT)		

7.2.   Procedure for setting up the joint secretariat

In line with point (b) of Article 17(6) of Regulation (EU) 2021/1059 [ETC], for the implementation of the programme, the managing authority and the monitoring committee are assisted by a Joint Secretariat (hereinafter referred to as JS) to carry out their respective functions.

The JS is set up after consultation with the MS/PS under the responsibility of the managing authority and located in Region Ile de France/France. Given the fact that the JS for URBACT IV will overlap with the JS for UIII there will be continuity in the staff already in post. This provides several benefits to ensure the programme gets off to a quick start, minimising the delays as well as the experience built up by the staff over the current period. Any additional recruitment will respect the EU Regulations in terms of openness, transparency, non-discrimination and equal opportunities and shall be balanced in terms of nationality and gender.

The JS is funded from the technical assistance budget. The JS guarantees the impartiality of the project application and evaluation process. It shall also provide information to potential beneficiaries about funding opportunities under the programme and shall assist beneficiaries in the implementation of operations.

Based on article 46(3) of Regulation (EU) No 2021/1059 [ETC], the programme Member and Partner States decided that the management verifications ("First level control") will not be done by the MA/JS, but through the identification by each Member/Partner State of a body or person responsible for this verification on its territory.

Should the MC decide to reimburse part of the project costs through simplified cost options in line with points (b) to (f) of Article 53(1) of Regulation (EU) No 2021/1060 [CPR], the MC could, in a separate decision, decide on alternative FLC arrangements, which will be laid down in the description of management and control system.

7.3   Apportionment of liabilities among Member States, Partner States and Third Countries in the event of financial corrections imposed by the Managing Authority or the Commission

Reduction and recovery of payments from beneficiaries

The managing authority shall ensure that any amount paid as a result of an irregularity is recovered from the project via the lead partner. Project partners shall repay the lead partner any amounts unduly paid. The managing authority shall also recover funds from the lead partner (and the lead partner from the project partner) following a termination of the subsidy contract in full or in part based on the conditions defined in the subsidy contract.

If the lead partner does not succeed in securing repayment from another project partner or if the managing authority does not succeed in securing repayment from the lead or sole beneficiary, the EU Member State or third country on whose territory the beneficiary concerned is located is registered, shall reimburse the managing authority based on Article 52(3) of

Regulation (EU) No 2021/1059 [ETC]. In accordance with Article 52(3) of Regulation (EU) No 2021/1059 [ETC], "once the Member State or third country reimbursed the managing authority any amounts unduly paid to a partner, it may continue or start a recovery procedure against that partner under its national law". Details on the recovery procedure will be included in the description of the management and control system to be established in accordance with Article 69 of Regulation (EU) No 2021/1060 [CPR].

The managing authority shall be responsible for reimbursing the amounts concerned to the general budget of the Union in accordance with the apportionment of liabilities among the participating Member States and third countries as laid down in the cooperation programme and in Article 52 of Regulation (EU) No 2021/1059 [ETC].

With regard to financial corrections imposed by the Managing Authority or the Commission on the basis of Articles 103 and 104 of Regulation (EU) No 2021/1060 [CPR], financial consequences for the EU Member States are laid down in the section "liabilities and irregularities" below. Any related exchange of correspondence between the Commission and an EU Member State will be copied to the managing authority/joint secretariat. The managing authority/joint secretariat will inform the accounting body and the audit authority/group of auditors where relevant.

Liabilities and irregularities

The Member State, Partner State or third country will bear liability in connection with the use of the programme ERDF, Norwegian and Swiss funding and third countries funding as follows:

- For project-related expenditure granted to project partners located on its territory, liability will be born individually by each Member State, Partner State or third country.
- In case of a systemic irregularity or financial correction (decided by the programme authorities or the Commission), the EU Member State will bear the financial consequences in proportion to the relevant irregularity detected on the respective Member State territory. Where the systemic irregularity or financial correction cannot be linked to a specific EU Member State territory, the Member State shall be responsible in proportion to the ERDF contribution paid to the respective national project partners involved in the programme.
- For the technical assistance expenditure (calculated as a flat rate in accordance with Article 27 of Regulation (EU) No 2021/1059 [ETC]), the above liability principles applicable for project-related expenditure and systemic irregularities / financial corrections may also be applied to TA corrections as they are the direct consequence of project expenditure related corrections.
- If the managing authority/joint secretariat, the accounting body, any EU Member State, Partner State or third country becomes aware of irregularities, it shall without any delay inform the liable EU Member State, Partner State or third country and the managing authority/joint secretariat. The latter will ensure the transmission of information to the liable EU-Member State, Partner State or third country (if it has not been informed yet directly), the accounting body and audit authority or group of auditors, where relevant.

- In compliance with Annex XII referred to in Article 69(2) and (3) of Regulation (EU) No 2021/1060 [CPR], each EU Member State is responsible for reporting irregularities committed by beneficiaries located on its territory to the Commission and at the same time to the managing authority. Each EU Member State shall keep the Commission as well as the managing authority informed of any progress of related administrative and legal proceedings. The managing authority will ensure the transmission of information to the accounting body and audit authority.
- If a Member State, Partner State or third country does not comply with its duties arising from these provisions, the managing authority may suspend services to the project applicants/partners located on the territory of this Member State, Partner State or third country. The Managing Authority will send a letter to the Member State/Partner State/Third Country concerned requesting them to comply with their obligations within 3 months. If the concerned Member State/Partner State/Third Country's reply is not in line with the obligations, then the MA will propose to put this issue on the MC agenda for discussion and for decision.

Special provisions on liabilities shall be provided in the IPA III beneficiary country agreement if needed.

8. Use of unit costs, lump sums, flat rates and financing not linked to costs

Table 11: Use of unit costs, lump sums, flat rates and financing not linked to costs

Intended use of Articles 88 and 89	YES	NO
From the adoption programme will make use of reimbursement of eligible expenditure based on unit costs, lump sums and flat rates under priority according to Article 88 CPR (if yes, fill in Appendix 1)	☐	■
From the adoption programme will make Use of financing not linked to costs according to Article 89 CPR (if yes, fill in Appendix 2)	☐	■