

# Analysing funding opportunities for implementation of Local Action Plan

## Guidelines



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## Implementation of MG Local Action Plan

The URBACT programme aims to ensure sustainability of its project results. The result of the My Generation project is that each participating city develops a Local Action Plan. URBACT itself does not have the means to fund implementation of your Local Action Plan. As a solution URBACT came up with the idea to establish links with the European Regional Development Fund (ERDF) and the European Social Fund (ESF) through it's regional Managing Authorities. By involving ERDF and ESF Managing Authorities in URBACT projects, these Managing Authorities might be more willing to fund the implementation of your Local Action Plan.

Depending on the nature of the projects you expect to result from My Generation, you may want to aim on the Managing Authority for ERDF and/or the Managing Authority for ESF. Some cities may also want to check funding possibilities within the Cohesion Fund, since a great share of the European means goes to this fund. In the table beneath you can check for which of the European funds your city is eligible. Each fund (Cohesion, ERDF, ESF) corresponds with one of the chapters in this guideline. Chapter one is a general introduction into the EU Cohesion Policy.

City	Objective 1		Objective 2	Objective 3
	Cohesion	ERDF/ESF	ERDF/ESF	ERDF
Warsaw (Poland)	X	X		X
Goteborg (Sweden)			X	X
Birmingham (United Kingdom)			X	X
Bari (Italy)		X	X	X
Glasgow (United Kingdom)			X	X
Riga (Latvia)	X	X		X
Tirgu-Mures (Romania)	X	X		X
Gdansk (Poland)	X	X		X
Valencia (Spain)	X	X	X <sup>1</sup>	X
Patras (Greece)	X	X		X
Antwerp (Belgium)			X	X
Rotterdam (Netherlands)			X	X

In the project application form for the My Generation project, it is stated that each city participating in the My Generation project will execute an analysis to pro-actively identify possible links between the city development plans, the themes of the My Generation project and possibilities offered by EU supported programmes in the country and region.<sup>2</sup>

<sup>1</sup> For Valencia it needs to be ascertained if Valencia as a *city* is eligible for transitional assistance under the Competitiveness and Employment objective.

<sup>2</sup> As stated in the My Generation Final Application Form, page 37.

This document will assist you in conducting your city analysis and be ready to prepare a successful application for support from one of the structural funds or the Cohesion fund.

In able to ensure URBACT that each city has conducted their city analysis. we ask you to fill in the enclosed form and return it to Cleo Pouw (c.pouw@obr.rotterdam.nl), **at the latest by 30 June 2009.**

## EU Cohesion Policy

The European Union comprises 27 Member States which form a community and internal market of 493 million citizens. At the same time, however, the economic and social disparities among these countries and their 271 regions are great.

The highest concentration ever of resources on the poorest Member States and regions, the inclusion of all regions, and a shift in priorities set to boost growth, jobs and innovation, these are in a nutshell the major changes of EU Cohesion Policy during the current period.

Although the Structural Funds consisting of The European Fund for Regional Development (EFRD), the European Social Fund (ESF) and the Cohesion Fund are part of the Community budget, the way they are spent is based on a system of shared responsibility between the European Commission and Member State authorities: the Commission negotiates and approves the development programmes proposed by the Member States, and allocates resources.

- the Member States and their regions manage the programmes, implement them by selecting projects, control and assess them.
- the Commission is involved in programme monitoring, commits and pays out approved expenditure and verifies the control systems.

For each operational programme, the Member State appoints:

- a managing authority (a national, regional or local public authority or public/private body to manage the operational programme);
- a certification body (a national, regional or local public authority or body to certify the statement of expenditure and the payment applications before their transmission to the Commission);
- an auditing body (a national, regional or local public authority or body for each operational programme to oversee the efficient running of the management and monitoring system).

### 1.1 Three objectives

The three objectives of the EU cohesion policy are:

1. Convergence
2. Regional competitiveness and employment
3. European territorial cooperation

The European Fund for Regional Development (EFRD), the European Social Fund (ESF) and the Cohesion Fund contribute to three objectives in the following way:

## Objectives, Structural Funds and instruments 2007-2013

Objectives	Structural Funds and instruments		
Convergence	ERDF	ESF	Cohesion Fund
Regional Competitiveness and Employment	ERDF	ESF	
European Territorial Cooperation	ERDF		

### 1.2 Structural Funds: ERDF, ESF and Cohesion Fund

The **ERDF** aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. In short, the ERDF finances:

- direct aid to investments in companies (in particular SMEs) to create sustainable jobs;
- infrastructures linked notably to research and innovation, telecommunications, environment, energy and transport;
- financial instruments (capital risk funds, local development funds, etc.) to support regional and local development and to foster cooperation between towns and regions;
- technical assistance measures.

The **ESF** sets out to improve employment and job opportunities in the European Union. The ESF supports actions in Member States in the following areas:

- adapting workers and enterprises: lifelong learning schemes, designing and spreading innovative working organisations;
- access to employment for job seekers, the unemployed, women and migrants;
- social integration of disadvantaged people and combating discrimination in the job market;
- strengthening human capital by reforming education systems and setting up a network of teaching establishments.

The **Cohesion Fund** is aimed at Member States whose Gross National Income (GNI) per inhabitant is less than 90% of the Community average. It serves to reduce their economic and social shortfall, as well as to stabilise their economy. It supports actions in the framework of the Convergence objective. It is now subject to the same rules of programming, management and monitoring as the ESF and the ERDF.

### 1.3 Geographic eligibility

To determine geographic eligibility, the Commission bases its decision on statistical data. Europe is divided into various groups of regions corresponding to the classification known by the acronym NUTS (common nomenclature of territorial units for statistics).

#### Objective 1: Convergence

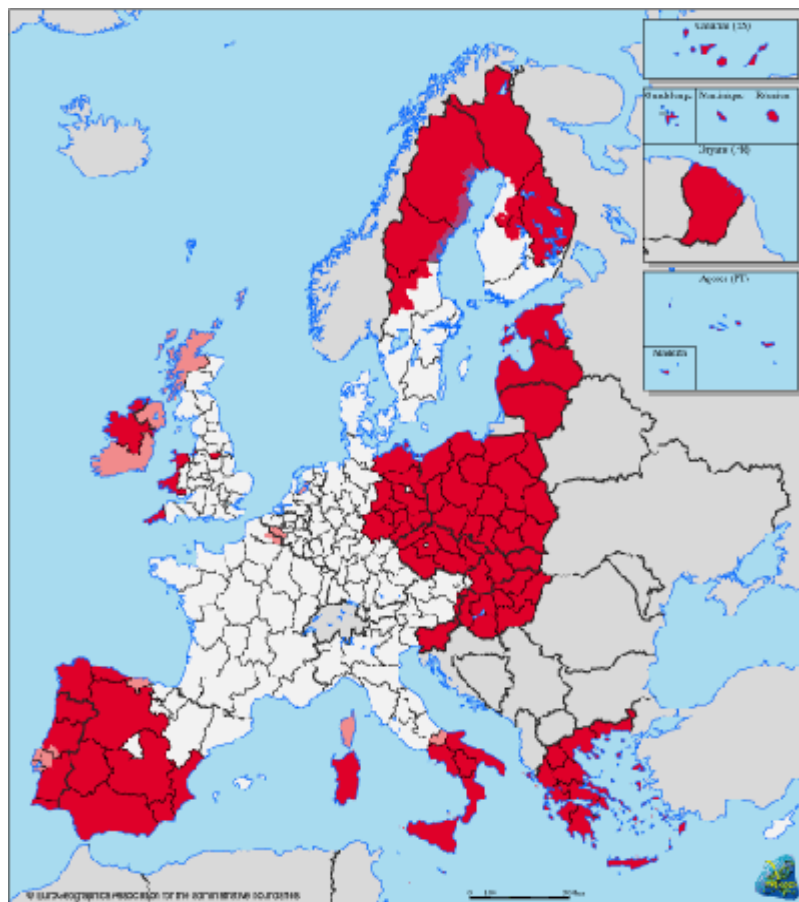
Member States whose GNI (Gross National Income) is lower than 90% of the EU average can benefit from **cohesion fund**: that is all the regions of the following countries: Bulgaria, Czech Republic, Estonia, Greece, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovenia, and Slovakia. A phasing-out system is granted to Member States which would have been eligible for the Cohesion Fund if the threshold had stayed at 90% of the GNI average of the EU **at 15** and not **at 25**. This only concerns Spain.

Regions at level 2 of the NUTS classification whose GDP (Gross Domestic Product) per inhabitant is less than 75% of the Community average are eligible for funding under the **Convergence objective**.

- **Bulgaria**: the whole territory
- **Czech Republic**: Střední Čechy, Jihozápad, Severozápad, Severovýchod, Jihovýchod, Střední Morava, Moravskoslezsko
- **Germany**: Brandenburg-Nordost, Mecklenburg-Vorpommern, Chemnitz, Dresden, Dessau, Magdeburg, Thüringen
- **Estonia**: the whole territory
- **Greece**: Anatoliki Makedonia, Thraki, Thessalia, Ipeiros, Ionia Nisia, Dytiki Ellada, Peloponnisos, Voreio Aigaio, Kriti
- **Spain**: Andalucía, Castilla-La Mancha, Extremadura, Galicia
- **France**: Guadeloupe, Guyane, Martinique, Réunion
- **Hungary**: Közép-Dunántúl, Nyugat-Dunántúl, Dél-Dunántúl, Észak-Magyarország, Észak-Alföld, Dél-Alföld
- **Italy**: Calabria, Campania, Puglia, Sicilia
- **Latvia**: the whole territory
- **Lithuania**: the whole territory
- **Malta**: the whole island
- **Poland**: the whole territory
- **Portugal**: Norte, Centro, Alentejo, Região Autónoma dos Açores
- **Romania**: the whole territory
- **Slovenia**: the whole territory
- **Slovakia**: Západné Slovensko, Stredné Slovensko, Východné Slovensko
- **United Kingdom**: Cornwall and Isles of Scilly, West Wales and the Valleys

A phasing-out system is granted to those regions which would have been eligible for funding under the Convergence objective if the threshold of 75% of GDP had been calculated for the EU **at 15** and not **at 25**:

- **Belgium:** Province du Hainaut
- **Germany:** Brandenburg-Südwest, Lüneburg, Leipzig, Halle
- **Greece:** Kentriki Makedonia, Dytiki Makedonia, Attiki
- **Spain:** Ciudad Autónoma de Ceuta, Ciudad Autónoma de Melilla, Principado de Asturias, Región de Murcia
- **Austria:** Burgenland
- **Portugal:** Algarve
- **Italy:** Basilicata
- **United Kingdom:** Highlands and Islands



- Regions eligible under Objective 1
- Transitional support under Objective 1
- Special programme to assist coastal areas of Sweden

### Objective 2: Regional competitiveness and employment

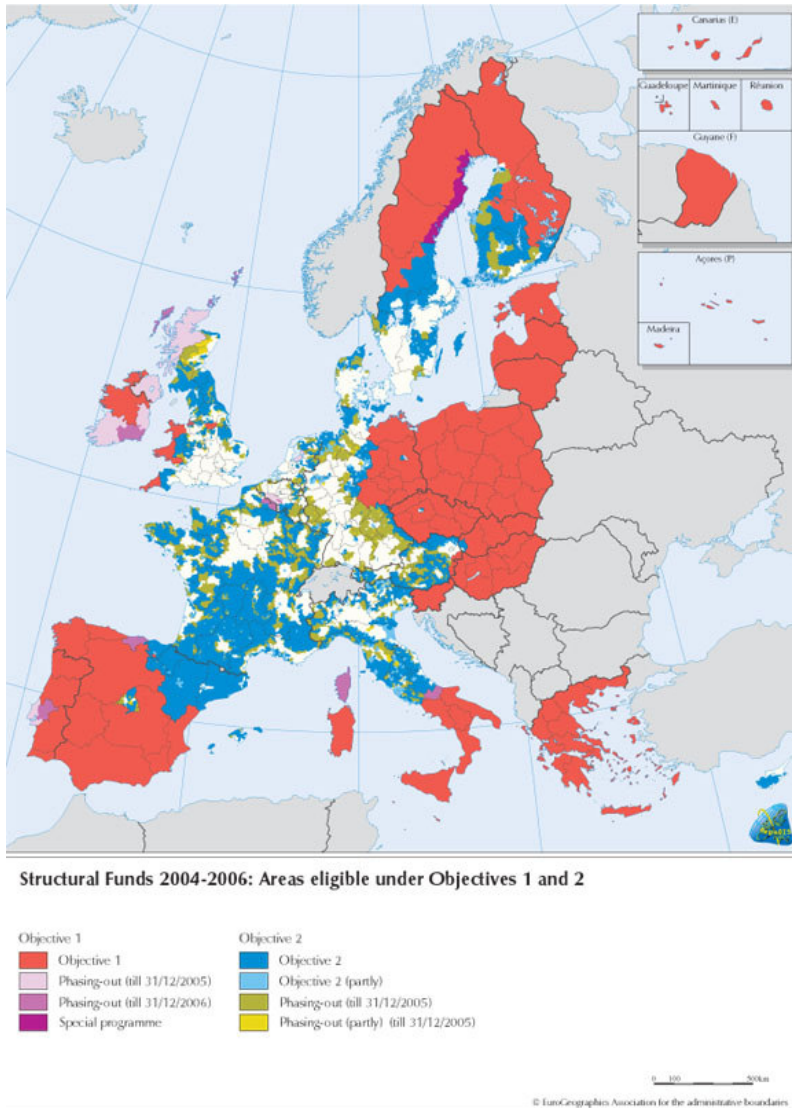
All regions which are not covered by the Convergence objective or by the transitional assistance (NUTS 1 or NUTS 2 regions depending on the Member States) are eligible for funding under the competitiveness and employment objective.

A phasing-in system is granted until 2013 to NUTS 2 regions which were covered by the former Objective 1 but whose GDP exceeds 75% of the average GDP of the EU-15.

Regions eligible for transitional assistance under the Competitiveness and Employment objective:

- **Éire-Ireland:** Border, Midland and Western
- **Greece:** Sterea Ellada, Notio Aigaio
- **Spain:** Canarias, Castilla y León, Comunidad Valenciana
- **Italy:** Sardegna
- **Cyprus:** tout le territoire
- **Hungary:** Közép-Magyarország
- **Portugal:** Região Autónoma da Madeira
- **Finland:** Itä-Suomi

- **United Kingdom:** Merseyside, South Yorkshire



### Objective 3: European territorial cooperation

**Cross-border cooperation** addresses NUTS level 3 regions along all internal land borders and certain external land borders and all NUTS level 3 regions along maritime borders separated by a maximum distance of 150km. See the list of regions in Commission's decision of 31 October 2006 ([see corresponding map PDF, 1,7MB](#)).

**For transnational cooperation:** the list was adopted by the Commission in its decision of 31 October 2006 ([see corresponding map PDF, 2,15MB](#))

**For interregional cooperation:** all regions in Europe are eligible.

## 2 Objective 1: Convergence

The rationale of the **Convergence objective** is to promote growth-enhancing conditions and factors leading to real convergence for the least-developed Member States and regions. This objective is the main priority of the European Union's cohesion policy.

These programmes focus on three categories of projects which may generate a process of sustained endogenous growth:

- infrastructures (28% of the funds), of which approximately half is for transport infrastructures;
- human resources (30% of the funds), with priority given to employment policies and education and training systems;
- aid for the production sectors (42% of the funds).

### 2.1 Cohesion Fund

All the regions of Objective 1 of the Member States with a GDP of less than 90% of the Community average will be supported by a special solidarity Fund, the **Cohesion Fund**.

The Cohesion Fund is a structural instrument that helps Member States to reduce economic and social disparities and to stabilise their economies since 1994. The Cohesion Fund finances up to 85 % of eligible expenditure of major projects involving the environment and transport infrastructure. This strengthens cohesion and solidarity within the EU.

Projects to be eligible must belong to one of the two categories:

a) Environment projects helping to achieve the objectives of the EC treaty and in particular projects in line with the priorities conferred on Community Environmental policy by the relevant Environment and Sustainable Development action plans. The Fund gives priority to drinking-water supply, treatment of wastewater and disposal of solid waste. Reforestation, erosion control and nature conservation measures are also eligible.

b) Transport infrastructure projects establishing or developing transport infrastructure as identified in the Trans-European Transport Network (TEN) guidelines.

To find out more see the [rules of the Cohesion Fund](#).

## 2.2 ERDF

In regions covered by the Convergence objective, ERDF focuses its intervention on modernising and diversifying economic structures as well as safeguarding or creating sustainable jobs, with action in the following areas:

- research and technological development (RTD);
- innovation and entrepreneurship;
- information society;
- environment;
- risk prevention;
- tourism;
- culture;
- transport;
- energy;
- education;
- health.

For further information see the [rules of the European Regional Development Fund](#).

## 2.3 ESF

Throughout the European Union, under both the convergence and the regional competitiveness and employment objectives, the ESF will provide support for five key areas of action:

- Increasing adaptability of workers and enterprises;
- Enhancing access to employment and participation in the labour market;
- Reinforcing social inclusion by combating discrimination and facilitating access to the labour market for disadvantaged people;
- Promoting partnership for reform in the fields of employment and inclusion;
- Expanding and improving investment in human capital, in particular by improving education and training systems.

For regions that fall under the convergence objective, the ESF will also support:

- Reinforced efforts to expand and improve investment in human capital, in particular by improving education and training systems;
- Action aimed at developing institutional capacity and the efficiency of public administrations, at national, regional and local level.

Further information on ESF funding can be found on [European Social Fund - ESF](#).

## 2.4 Programmes

114 programmes, prepared by the national and regional authorities together with the European Commission, are being implemented in the 13 Member States affected by Objective 1 and its transitional support. Summaries of these programmes are available on the internet, and, in accordance with the rules, the full versions are published by the relevant national or regional authorities. Most are published on the Internet; click here for access to the list of relevant websites.

### 3 Objective 2: Regional competitiveness and employment

Outside the Convergence regions, the **Regional Competitiveness and Employment objective** aims at strengthening competitiveness and attractiveness, as well as employment, through a two-fold approach. First, development programmes will help regions to anticipate and promote economic change through innovation and the promotion of the knowledge society, entrepreneurship, the protection of the environment, and the improvement of their accessibility. Second, more and better jobs will be supported by adapting the workforce and by investing in human resources. The former programmes Urban II and Equal are integrated into the Convergence and Regional Competitiveness and Employment objectives.

#### 3.1 ERDF

For the Regional Competitiveness and Employment objective, the priorities are based on three sections:

- innovation and knowledge-based economy: strengthening regional capacities for research and technological development, fostering innovation and entrepreneurship and strengthening financial engineering notably for companies involved in knowledge-based economy;
- environment and risk prevention: cleaning up polluted areas, boosting energy efficiency, promoting clean public transport within towns and drawing up plans to prevent and limit natural and technological risks;
- access to transport and telecommunications services of general economic interest.

To find out more:

- see the [rules of the European Regional Development Fund](#)

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- Promoting partnership for reform in the fields of employment and inclusion;
- Expanding and improving investment in human capital, in particular by improving education and training systems.

Further information on ESF funding can be found on [European Social Fund - ESF](#).

### 3.3 Programmes

96 programmes, prepared by the national and regional authorities together with the European Commission, are being implemented in the 12 Member States affected by Objective 2 and its transitional support. [Summaries of these programmes](#) are available on the internet, and, in accordance with the rules, the full versions are published by the relevant national or regional authorities. Most are published on the Internet; [click here](#) for access to the list of relevant websites.

## 4 Objective 3: European Territorial Co-operation objective

The **European Territorial Co-operation objective** will strengthen cross-border co-operation through joint local and regional initiatives, trans-national co-operation aiming at integrated territorial development, and interregional co-operation and exchange of experience. It covers all activities relating to the development of human resources. Its goal is to modernise education and training policy and systems and promote employment.

This objective is based on the experience drawn from the former Community initiative - INTERREG. It aims to enhance transnational cooperation between regions and to improve the economic competitiveness and territorial cohesion.

For the INTERREG IV the ERDF is the largest and from the Structural funds the only contributor.

### 4.1 ERDF

For the European Territorial Cooperation objective, the ERDF focuses its aid on three main areas:

- development of economic and social cross-border activities;
- establishment and development of transnational cooperation, including bilateral cooperation between maritime regions;
- increasing the efficiency of regional policy through interregional promotion and cooperation, the networking and exchange of experiences between regional and local authorities.

For further information see the [rules of the European Regional Development Fund](#).

## 5 Stepwise approach

In exploring funding possibilities the following steps are advised:

1. From the NSRF (national strategic reference framework) check if your city is eligible for funding under the Cohesion fund, ERDF and/or ESF.
2. If so, consult the Operational Programme prepared by each managing authority for defined priorities and measures.
3. Consult the managing authority and denominated communication officer, named INFORM for the ERDF and INIO for the ESF, for the guidelines and procedures for submission of project applications.
4. **Complete City Analysis Form prepared by My Generation (attached)**
5. Make an appointment with the responsible desk for a discussion on how your objectives can be structured within the framework of what each eligible programme offers.
6. Be aware that all structural funds and the Cohesion fund are based on the principle of additionality, which implies that regular operational expenses can not be covered.
7. There is also a requirement of co funding by other parties.
8. If all the conditions are met, a project application can be submitted. In preparing such a request normally guidance is received from the managing authority for each programme.

## 6 Websites and references

### General information

- Key objectives  
[http://ec.europa.eu/regional\\_policy/policy/object/index\\_en.htm](http://ec.europa.eu/regional_policy/policy/object/index_en.htm)
- Council Regulation  
[Council Regulation 1083-2006.pdf](#)
- Country information:  
[http://ec.europa.eu/regional\\_policy/atlas2007/index\\_en.htm](http://ec.europa.eu/regional_policy/atlas2007/index_en.htm)
- Managing authorities  
[http://ec.europa.eu/regional\\_policy/manage/authority/authority\\_en.cfm](http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm)
- Operational programmes  
[http://ec.europa.eu/regional\\_policy/country/prordn/index\\_en.cfm](http://ec.europa.eu/regional_policy/country/prordn/index_en.cfm)
- ESF Website  
[http://ec.europa.eu/employment\\_social/esf/index\\_en.htm](http://ec.europa.eu/employment_social/esf/index_en.htm)

### Objectives

#### Objective 1:

- Information objective 1  
[http://ec.europa.eu/regional\\_policy/objective1/index\\_en.htm](http://ec.europa.eu/regional_policy/objective1/index_en.htm)
- Programme summaries  
[http://ec.europa.eu/regional\\_policy/country/prordn/index\\_en.cfm](http://ec.europa.eu/regional_policy/country/prordn/index_en.cfm)

#### Objective 2:

- Information about objective 2  
[http://ec.europa.eu/regional\\_policy/objective2/index\\_en.htm](http://ec.europa.eu/regional_policy/objective2/index_en.htm)
- Programme summaries  
[http://ec.europa.eu/regional\\_policy/country/prordn/index\\_en.cfm](http://ec.europa.eu/regional_policy/country/prordn/index_en.cfm)

#### Objective 3:

- Information about objective 3  
<http://europa.eu/scadplus/leg/en/lvb/g24207.htm>

## Funds

### Cohesion Fund

- [http://ec.europa.eu/regional\\_policy/funds/procf/cf\\_en.htm](http://ec.europa.eu/regional_policy/funds/procf/cf_en.htm)

### ERDF

- General information  
[http://ec.europa.eu/regional\\_policy/funds/feder/index\\_en.htm](http://ec.europa.eu/regional_policy/funds/feder/index_en.htm)
- Rules of the European Regional Development Fund (ERDF)  
[http://ec.europa.eu/regional\\_policy/sources/docoffic/official/regulation/pdf/2007/feder/ce\\_1080\(2006\)\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2007/feder/ce_1080(2006)_en.pdf)

### ESF

- General information  
[http://ec.europa.eu/employment\\_social/esf/index\\_en.htm](http://ec.europa.eu/employment_social/esf/index_en.htm)
- ESF Summary  
[ESF summary.doc](#)
- European Social Fund Rules  
[http://ec.europa.eu/regional\\_policy/sources/docoffic/official/regulation/pdf/2007/fse/ce\\_1081\(2006\)\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2007/fse/ce_1081(2006)_en.pdf)