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(Acts whose publication is obligatory)

**DECISION No 1411/2001/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 27 June 2001
on a Community Framework for cooperation to promote sustainable urban development**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 175(1) thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the opinion of the Economic and Social Committee ⁽²⁾,

Having regard to the opinion of the Committee of the Regions ⁽³⁾,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ⁽⁴⁾,

Whereas:

- (1) The Treaty provides for the development and implementation of a Community environment policy and sets out the objectives and principles which should guide that policy.
- (2) By adopting Decision No 2179/98/EC of the European Parliament and of the Council ⁽⁵⁾, the Community confirmed its commitment to the general approach and strategy chosen by the Commission in its Programme 'Towards Sustainability' ⁽⁶⁾.
- (3) Many of the Community's international commitments, in particular with regard to action to combat climate change, can be implemented only with the cooperation of local authorities.
- (4) In its communication entitled 'Sustainable urban development in the European Union: a framework for action' of 28 October 1998, the Commission gave an undertaking to provide 'continued support for local government networking activities' and to 'ensure an appro-

priate legal basis necessary to fund such activities on a multiannual basis'.

- (5) The European Parliament has adopted resolutions ⁽⁷⁾ on strengthening European Union urban environment policy.
- (6) The Committee of the Regions has adopted opinions on transfrontier and transnational cooperation between local authorities ⁽⁸⁾ and on the Commission communication 'Towards an urban agenda in the European Union' ⁽⁹⁾.
- (7) The Fifth Environmental Action Programme recognises that all the players concerned, including the Commission and local authorities, should take concerted action, acting in partnership, to achieve the objective of sustainable development and share the relevant responsibilities.
- (8) Chapter 28 of Agenda 21, which was the subject of the Protocol signed at the Earth Summit in Rio in 1992, stipulates that most local authorities in each country should undertake a consultative process with their populations and should achieve a consensus on a local Agenda 21 for the community.
- (9) The objectives of sustainable urban development and the implementation of Agenda 21 and Community legislation necessitate the definition, development and exchange of good practices between local authorities and the raising of their awareness.
- (10) The capacity of local authority networks should be strengthened at European level, good practices in the fields of sustainable urban development and local Agenda 21 should be developed and exchanged, and these activities should be coordinated in order to relay to the Commission information and opinions from local authorities on new and emerging prospects in areas relating to sustainable development.

⁽¹⁾ OJ C 56 E, 29.2.2000, p. 68.

⁽²⁾ OJ C 204, 18.7.2000, p. 35.

⁽³⁾ OJ C 317, 6.11.2000, p. 33.

⁽⁴⁾ Opinion of the European Parliament of 14 December 2000 (not yet published in the Official Journal) and Council Decision of 18 June 2001.

⁽⁵⁾ OJ L 275, 10.10.1998, p. 1.

⁽⁶⁾ OJ C 138, 17.5.1993, p. 5.

⁽⁷⁾ OJ C 226, 20.7.1998, pp. 34 and 36 and OJ C 279, 1.10.1999, p. 44.

⁽⁸⁾ OJ C 51, 22.2.1999, p. 21.

⁽⁹⁾ OJ C 251, 10.8.1998, p. 11.

- (11) Since the objectives of the proposed action, namely the exchange of good practices on a European scale and the raising of the awareness of local authorities by means of European networks, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Decision does not go beyond what is necessary in order to achieve those objectives.
- (12) The priority areas of activity that the Community cooperation framework could support should be defined.
- (13) Effective monitoring and assessment methods need to be established and appropriate information provided for potential beneficiaries and the public.
- (14) Implementation of the cooperation framework should be assessed in the light of the experience gained during the first few years of implementation, and the European Parliament and the Council informed thereof.
- (15) This Decision establishes a financial framework for the entire duration of the programme which is to be the principal point of reference for the budgetary authority, within the meaning of point 33 of the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure. ⁽¹⁾
- (16) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission ⁽²⁾,

HAVE DECIDED AS FOLLOWS:

Article 1

A Community framework for cooperation (hereinafter referred to as the 'cooperation framework') is hereby established in order to provide financial and technical support to networks of local authorities organised in at least four Member States, and including when appropriate cities and towns in the countries referred to in Article 8, with the objective of encouraging the conception, exchange and implementation of good practices in the following fields:

- implementation at local level of EU environmental legislation,

- sustainable urban development,
- local Agenda 21.

The main partners shall be the Commission, networks of local authorities, organised urban multi-stakeholders, community networks such as NGOs, universities and other actors, organised at European level.

Article 2

1. The types of activity eligible for Community support under this cooperation framework are defined in the Annex.
2. The Commission may provide support to any network of local authorities as defined in Article 1 or, in the case of the accompanying measures mentioned in part C of the Annex, to other beneficiaries who wish to develop such activities.
3. Community support shall relate to activities scheduled to take place in the course of the year to which the financial contribution relates and/or the following two years.
4. The indicative breakdown of the financial support between the types of activity is given in the Annex.

Article 3

The Commission shall, in accordance with the procedure laid down in Article 11(2), assess and select from among the proposals submitted the projects to be financed on the priority themes referred to in Article 4.

Article 4

1. The Commission shall publish in the *Official Journal of the European Communities* a notice describing the priority themes under which projects shall be financed and setting out the selection and award criteria and the application and approval procedures.

2. Proposals for projects to be financed shall be submitted to the Commission by the network of local authorities as defined in Article 1 and, for the types of activities indicated in part C of the Annex, by other eligible beneficiaries.

3. The calls for proposals for projects under this cooperation framework shall be announced in the *Official Journal of the European Communities* every year by 31 January. After an assessment of these proposals, the Commission shall decide by 31 May which projects it will finance. The decision on the projects to be financed shall give rise to the conclusion, with the beneficiaries responsible for implementation, of a contract governing the rights and obligations of the partners.

4. A list of the beneficiaries and projects financed through this cooperation framework shall, together with an indication of the amount of aid, be made public.

⁽¹⁾ OJ C 172, 18.6.1999, p. 1.

⁽²⁾ OJ L 184, 17.7.1999, p. 23.

Article 5

The Commission shall ensure consistency, complementarity and synergy between the Community activities and projects to implement this cooperation framework and other Community programmes and initiatives, in particular the URBAN initiative referred to in Article 20 of Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds ⁽¹⁾. Projects financed under other Community programmes and funds shall not be eligible for funding under this cooperation framework.

Article 6

1. This cooperation framework shall start on 1 January 2001 and shall end on 31 December 2004. The financial framework for the implementation of this cooperation framework for the period 2001-2004 shall be EUR 14 million.

The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

2. Financial support of EUR 350 000 or more may be obtained only if the beneficiary's accounts for the previous year have been certified by a registered auditor. The accounts for the period during which the subsidy is used shall also be certified by a registered auditor.

Financial support amounting to less than EUR 350 000 may be obtained only if the beneficiary's accounts are available in a form recognised by the Commission for the preceding year and are presented in that form for the period during which the subsidy is used.

Article 7

The projects shall contribute towards the objectives mentioned in Article 1 and shall be selected on the basis of the following general criteria:

- (a) a sound cost-benefit ratio;
- (b) a lasting multiplier effect at European level;
- (c) effective and balanced cooperation among the various partners with regard to programming and carrying out activities, and financial participation;
- (d) a share of financial participation;
- (e) a contribution to a multinational approach, and in particular to transfrontier cooperation within the Community and, where appropriate, beyond its frontiers with neighbouring countries;
- (f) a contribution to an integrated multisectoral approach and to sustainable urban development, taking into account its social, economic and environmental dimensions;
- (g) the degree of involvement of all the partners, including the representatives of civil society;

- (h) a contribution to strengthening and revitalising public services of general interest.

Article 8

This cooperation framework shall be open to participation by networks of local authorities including cities and towns in Central and Eastern European Countries, Cyprus and Malta, as well as in other countries which have concluded association agreements with the Community.

Article 9

1. In order to ensure the success of the activities carried out by the beneficiaries of Community support, the Commission shall take the necessary measures to:

- (a) verify that activities proposed to the Commission have been carried out properly;
- (b) prevent and take action against irregularities;
- (c) recover, where appropriate, sums improperly received.

2. Without prejudice to the financial audit carried out by the Court of Auditors pursuant to Article 248 of the Treaty or inspections carried out pursuant to point (c) of Article 279 of the Treaty, officials and other staff of the Commission may carry out on-the-spot checks, including sample checks, on activities funded in this cooperation framework.

The Commission shall inform beneficiaries in advance of any on-the-spot check, unless there are good reasons to suspect fraud or improper use of the aid.

3. Beneficiaries of financial support shall keep available for the Commission all supporting documents regarding expenditure on an activity for a period of five years following the last payment in respect of that activity. These may also be held in electronic format.

Article 10

1. The Commission may reduce, suspend or recover the financial support granted through a contract if it finds irregularities or if it learns that the contract has been subject to a change, without its approval, which conflicts with the agreed objectives or implementing conditions.

2. If the deadlines have not been observed or if only part of the financial support allocated is justified by the progress with implementation of a contract, the Commission shall request the beneficiary to submit any explanations within a specified period. If the beneficiary does not provide a satisfactory answer, the Commission may cancel the remaining financial aid and demand prompt repayment of sums already paid. The Commission undertakes to carry out a thorough and speedy evaluation of such explanations.

⁽¹⁾ OJ L 161, 26.6.1999, p. 1.

3. Beneficiaries shall submit to the Commission annual progress reports for contracts of more than one year and a financial report for each contract within six months of its completion. The Commission shall determine the form and content of the reports. If the reports are not submitted within the time-limits laid down, the beneficiary shall no longer be eligible for subsequent funding under this Decision. The Commission undertakes to evaluate the reports within a reasonable time-limit to avoid unnecessary delays in payments.

4. Any undue payment shall be repaid to the Commission. Interest may be added to sums not repaid in good time. The Commission shall lay down the detailed rules for implementing this paragraph.

Article 11

1. The Commission shall be assisted by an advisory committee.

2. Where reference is made to this paragraph, Articles 3 and 7 of Council Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

3. The committee shall adopt its rules of procedure.

Article 12

The Commission shall assess the implementation of this cooperation framework and shall submit a report in this connection to the European Parliament and to the Council no later than 31 March 2003.

Article 13

This Decision shall apply from 1 January 2001 to 31 December 2004.

Done at Luxembourg, 27 June 2001.

For the European Parliament

The President

N. FONTAINE

For the Council

The President

B. ROSENGREN

ANNEX

Types of activity eligible for Community financial support	Indicative allocation of resources 100 %
<p>A. Information and exchanges of information on sustainable urban development and local Agenda 21 and improvement of environmental quality in areas where environmental problems occur alongside socio-economic problems</p> <ul style="list-style-type: none"> — develop tools for training, information, documentation and awareness-raising for professionals, target groups, local policy-makers and the general public including for local authorities wishing to initiate projects to improve their environmental performance; — support, transfer and disseminate good practices and the results of demonstration projects in areas where environmental problems occur alongside socio-economic problems, including to local authorities which are not involved in networks covered by this Decision. 	40 %
<p>B. Cooperation between the partners concerned by sustainable development and Agenda 21 at European level</p> <ul style="list-style-type: none"> — promote cooperation between partners identified by the Community's environmental action programme; — in compliance with the subsidiarity and partnership principles, supplement work under the national programmes to help local authorities, including in the implementation of Community environmental policies, urban transformation projects and urban regeneration schemes, to improve the local urban environment quality in an integrated approach; — facilitate dialogue, coordination and exchange of information between networks of local authorities organised at European level and the Community institutions; — support the establishment of partnerships including partners from the countries referred to in Article 8. 	40 %
<p>C. Accompanying measures needed to analyse and monitor activities in the field of sustainable urban development and local Agenda 21</p> <ul style="list-style-type: none"> — reports on the level, extent and nature of urban problems which could be addressed at Community level; — analytical reviews of the local penetration of a sustainable approach to urban development in areas other than environment policy, taking particularly the coherent relationship with structural policies into consideration; — testing and support functions for consolidation, coordination, use, dissemination and development of the monitoring initiative 'Towards a Local Sustainability Profile/European Common Indicators'. 	20 %