EN

ANNEX I

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Americas and the Caribbean for 2023 Part 3

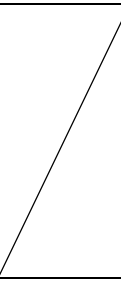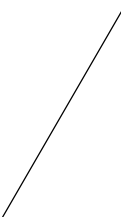**Action Document for EU-Cities-Gateway – Urban cooperation with North America (USA and Canada)**

ANNUAL PLAN
This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23(2) of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title **CRIS/OPSYS business reference Basic Act**	EU-Cities-Gateway – Urban cooperation with North America (USA and Canada) OPSYS number: ACT-62242 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	United States and Canada Exceptionally and if duly justified the action may implement activities in other countries, e.g., to participate in International Events.
4. Programming document	Regional Multi-annual Indicative Programme Americas and the Caribbean 2021 – 2027
5. Link with relevant MIP(s) objectives / expected results	2.3. Priorities for countries supported under the Regional MIP. 2.3.6. US, Canada
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	City diplomacy Sustainable Urban cooperation, EU and UN Urban Agenda European Green Deal Digital Agenda
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 11 - Sustainable Cities and Communities Other significant SDGs: SDG 17 – Partnerships to achieve the Goals
8 a) DAC code(s)	43030 - Urban development and management
8 b) Main Delivery Channel	61000 - Private sector institution

9. Targets	☐ Migration ☒ Climate ☐ Social inclusion and Human Development ☒ Gender ☐ Biodiversity ☐ Education ☐ Human Rights, Democracy and Governance			
10. Markers **(from DAC form)**	**General policy objective @**	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	☒	☐
	Aid to environment @	☐	☒	☐
	Gender equality and women's and girl's empowerment	☐	☒	☐
	Reproductive, maternal, new-born and child health	☒	☐	☐
	Disaster Risk Reduction @	☒	☐	☐
	Inclusion of persons with Disabilities @	☒	☐	☐
	Nutrition @	☒	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity @	☒	☐	☐
	Combat desertification @	☒	☐	☐
	Climate change mitigation @	☐	☒	☐
	Climate change adaptation @	☐	☒	☐
11. Internal markers and Tags:	**Policy objectives**	**Not targeted**	**Significant objective**	**Principal objective**
	Digitalisation @	☐	☒	☐
		YES	**NO**	
	digital connectivity	☐	☒	
	digital governance	☒	☐	
	digital entrepreneurship	☐	☒	
	digital skills/literacy	☒	☐	
	digital services	☒	☐	
	Connectivity @	☐	☒	☐
		YES	**NO**	
	digital connectivity	☐	☒	
	energy	☐	☒	
	transport	☒	☐	
	health	☒	☐	

	education and research	☒	☐	
	Migration @	☒	☐	☐
	Reduction of Inequalities @	☒	☐	☐
	Covid-19	☒	☐	☐

BUDGET INFORMATION	
12. Amounts concerned	Budget line: 14 02 01 40 – The Americas

Total estimated cost: EUR 4,000,000

Total amount of EU budget contribution EUR 4,000,000 |

MANAGEMENT AND IMPLEMENTATION	
13. Type of financing[1]	**Direct management** through:
- Procurement

1.2   Summary of the Action

Cities are seen as both the source and solution to today's economic, environmental and social challenges. Europe's urban areas are home to over two-thirds of the EU's population, they account for about 80 % of energy use and generate up to 85 % of Europe's GDP. With an average urbanization rate of 77%, the North America region follows similar patterns. In the current multi financial framework, support and engagement with cities has been strengthen under the EU cohesion policy becoming increasingly a key priority for the Commission and member states as a vehicle to implement the Green and Digital priorities and to boost post-Covid recovery at the same time that ensuring a just transition where no one is left behind.

In the context of the EU foreign action, urban diplomacy provides a great opportunity to foster international cooperation. This is an area in which the EU has been participating actively in North America, including through initiatives such as the International Urban and Regional Cooperation Action (IURC) and the Global Covenant of Mayors for Climate and Energy. It can help to keep communications channels open and create new spaces for discussion and cooperation. Urban diplomacy is also crucial to face global common challenges at the same time that paving the way for cities from third countries to pursue their own green and sustainable transition.

Canada and the United States are strategic partners for the European Union, they share common values and the conviction of the need to work together for a greener and just economic transition. The EU-US transatlantic partnership from one side and the Canada-EU Strategic Partnership Agreement (SPA) and the Comprehensive Economic and Trade Agreement (CETA) from the other, underpin these partnerships.

Under the NDICI Multiannual Indicative Programme (MIP) for the Americas an allocation has been included to support cooperation with the Unites States and Canada on, among other topics, addressing key global challenges such as the recovery from the COVID-19 pandemic, climate change and the transition towards a greener and more inclusive economy while promoting people to people encounters, including city to city cooperation and expanding the networks of local allies.

In this context, the present Action will continue the work started under the International Urban and Regional Cooperation[2] Action in North America (IURC) (supported by the Partnership Instrument and NDICI).

More specifically the action will aim at **enhancing the international role of the European Union as a trusted and relevant partner contributing to the green transition** through **city diplomacy** and **the promotion of sustainable and inclusive urban development** in line **with the European Green Deal, the Urban Agenda for the EU and the New Urban Agenda of the United Nations.**

---

[1] Art. 27 NDICI
[2] https://www.iurc.eu/

Through a peer to peer approach the action will allow European and North American cities to join forces to tackle global challenges, as part of the external dimension of the EU climate, environment, research and urban policies and in line with the implementation of the EU digital agenda, that will systematically be integrated in outputs and activities. It will stimulate and expand city partnerships and networks and will promote urban innovation with a multistakeholder approach in both sides of the Atlantic.

2 RATIONALE

2.1 Context

The EU has much to offer in terms of urban policy and practice, with a diversity of urban situations and urbanisation models. EU cohesion policy support to cities has increased significantly over time and has led to the implementation of numerous integrated sustainable urban development strategies and the creation of many initiatives and networks of European cities offering a variety of experience in policy and practice.

As stated in the European Commission reflection paper **"Towards a sustainable Europe by 2030[3]"**: "to be most successful in the green and inclusive economic transition, we have to get our global partners on board and make the case that a global sustainable development model, based on our core values and principles, is the best way to achieve shared prosperity and a sustainable world. The EU's internal work on the SDGs and its external projection are therefore two sides of the same coin. It is in the EU's interest to play a leading role in the implementation of the UN 2030 Agenda also globally through its external action".

The same paper also states that all levels of government have to be fully involved in the implementation of SDGs. It should be noted that around 65% of the 169 targets of Agenda 2030 need local and regional engagement in order to be achieved. There is a strong interest in localising SDGs by a very large number of cities and regions.

Cities play a pivotal role in in the reaching the goals of the Paris Agreement including to limit global warming to 1.5 C, and the EU's goal of achieving climate neutrality by 2050,. They take up only 4% of the EU's land area, but they are home to 75% of EU citizens. Furthermore, cities consume over 65% of the world's energy and account for more than 70% of global CO2 emissions.

Since climate mitigation is heavily dependent on urban action, the European Union increasingly supports cities in accelerating their green and digital transformation. In particular, European cities can substantially contribute **to the Green Deal** target of reducing emissions by 55% by 2030 and, in more practical terms, to offer cleaner air, safer transport, efficient use of energy (in particular in buildings) and less congestion and noise to their citizens.

The New Urban Agenda of United Nations

The EU is strongly contributing to the implementation of the **UN New Urban Agenda[4]**, adopted at the Habitat III conference in 2016. It represents a shared vision for a better and more sustainable future. The EU and its Member States have made six voluntary commitments that were confirmed on the occasion of the UN High Level Meeting on the implementation of the UN New Urban Agenda in 2022. Within the framework of the Global Gateway and the external dimension of the European Green Deal, the EU committed to significantly scale up its engagement in, and support to, integrated sustainable urban development in EU partner countries, as well as further support cooperation between cities globally, to work on sustainable solutions to common urban challenges, in the green and digital transitions and recovery.

The Urban Agenda for the EU

---

[3] https://commission.europa.eu/publications/sustainable-europe-2030_en
[4] https://habitat3.org/the-new-urban-agenda/

The Urban Agenda for the EU[5] (UAEU) was initiated within the framework of intergovernmental cooperation. Established by the Pact of Amsterdam for the period 2016-2020. It was intended to better involve cities in the design and implementation of policies. It established 14 Thematic Partnerships working through a multi-level governance approach involving the European Commission (and ultimately other EU institutions), Member States, cities and stakeholders to improve the consideration for the urban dimension in EU policies

The second phase of the Urban Agenda for the EU (2022-2026) was established by the Ljubljana Agreement and its Multiannual Working Programme. The Pact of Amsterdam remains valid as a framework document for this intergovernmental multi-level governance initiative with some evolutions, such as new forms of cooperation besides thematic partnerships with a more flexible approach, more attention to be paid to the role and participation of small and medium size cities and wider support in the context of the European Urban Initiative, notably through National Contact Points to assist in the communication and capitalisation of activities of the UAEU. The Agreement also comprises the addition of four new themes to the existing 14 priority themes (sustainable tourism, greening cities, food and cities of equality)

EU Urban Policy Documents

The European Commission has adopted or supported several communications affecting directly the urban areas. Namely the **New European Bauhaus[6]** communication in 2021, a creative and interdisciplinary initiative that connects the European Green Deal to our living urban spaces and experiences.

The **New Leipzig Charter[7]** has been adopted by EU Member States. This Charter acts as a guiding document for sustainable urban development at all levels, it aims at setting a strategic framework towards integrated urban development in the EU, including the role of the Urban Agenda for the EU in achieving this goal.

The European Commission published in 2016 a State of European Cities report together with UN-Habitat and in 2019 the **Future of Cities report[8] (JRC)**. Analytical work continues to be carried out by the JRC on various topics related to urban development.

The **European Environmental Agency and the European Spatial Planning Observation Network** (ESPON) have also worked on urban sustainability and produced several reports in the last few years, looking also at the pandemic context.

EU Urban Programmes

European Regional Development Fund

-   **The European Urban Initiative[9] (EUI)** is the new EU instrument to provide an integrated set of services to support innovation, and capacity and knowledge building, policy development and communication on sustainable urban development within cohesion policy. Innovative actions are the focus of the programme for the period 2021-2027

-   **URBACT IV[10]** is an interregional programme which 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.

-   **ESPON[11]** delivers territorial analysis, data and advice to support policy makers at all levels in Europe with evidence and knowledge for informed policy responses.

RTD

---

[5] https://futurium.ec.europa.eu/en/urban-agenda

[6] https://new-european-bauhaus.europa.eu/index_en

[7] https://ec.europa.eu/regional_policy/en/information/publications/brochures/2020/new-leipzig-charter-the-transformative-power-of-cities-for-the-common-good

[8] https://publications.jrc.ec.europa.eu/repository/handle/JRC116711

[9] https://www.urban-initiative.eu/

[10] https://urbact.eu/

[11] https://www.espon.eu/

- **EU Missions under Horizon Europe** bring concrete solutions to some of the greatest challenges of our societies and are sought to deliver impact by putting research and innovation into a new role. This is combined with new forms of governance and collaboration, as well as by engaging citizens. In the context of sustainable urban development, there are two missions – one on '**Climate-Neutral and Smart Cities'**(Link) and another one on '**Adaptation to Climate Change'**(Link) -.

A number of other EU initiatives and funding programmes have been established to date that support the **green transition of cities**. For example:

- **The EU Covenant of Mayors for Climate & Energy** (Link) and the
- **The Green City Accord (GCA)** (Link))
- **The Green Capital Award / Green Leaf Award** (Link)
- **The European Climate Pact** (Link)
- **The Circular Cities and Regions Initiative (CCRI)** (Link)
- **The Energy Poverty Advisory Hub (EPAH)** (Link)
- **The European City Facility (EUCF)** (Link) are selected via dedicated calls.
- **The CIVITAS** (HLinkS)
- **The Intelligent Cities Challenge (ICC)** (Link Challenge)
- **The Smart Cities Marketplace** (Creating smart cities together | Smart Cities Marketplace (europa.eu))
- **Living-in.EU** (Link)
- The **European Partnership on Driving Urban Transitions** https://dutpartnership.eu/

EU Global initiatives

International Urban and Regional Cooperation Action (IURC) (https://www.iurc.eu/)

The international Urban and Regional Cooperation Action is one of the commitments of the European Commission in the framework of the New Urban Agenda of United Nations. It supports city to city cooperation in the Americas and Australasia regions on sustainable development matters, it promotes networking activities on priority topics (e.g. energy efficiency in buildings, waste management or smart mobility). The Action is implemented following a peer to peer approach where local practitioners share experiences on their common challenges.

The Global Covenant of Mayors for Climate and Energy (GCoM) (https://www.globalcovenantofmayors.org/)

The European Commission founded the European Covenant in 2008, and in 2016 the initiative grew to a truly global initiative through the foundation of the Global Covenant of Mayors together with Bloomberg Philanthropies. Since then, the initiative has grown to the world's largest urban initiative focused on climate and energy, bringing together more than 1.15 billion people from 12,800 cities in 140 countries, with many participating cities from the US and Canada. Through its focus on climate mitigation, adaptation and energy poverty, the initiative helps local authorities set ambitious climate and energy targets and develop local Climate Action Plans to reach their targets.

North America- Urban Policies

With an urbanisation rate exceeding 70% Canada has, in recent years, positioned itself as a champion of urban resilience pursuing a green urban economy. There are multiple initiatives being implemented, at national level, such as the Municipalities for Climate Innovation Program (MCIP)[12] or the Green Municipal Fund[13] and at

---

[12] https://www.infrastructure.gc.ca/partners-partenaires-eng.html#mcip
[13] https://greenmunicipalfund.ca/

provincial level, such as the Sustainable Communities Challenge Fund[14] in Nova Scotia This action will support the strategic interest of the EU and Canada to cooperate on grow economies that are climate-neutral, circular and resource-efficient from a local perspective. Canada does not have a national urban policy, as cities and municipalities are a provincial responsibility (OECD, 2015). Policies related to urban development are implemented through national sectoral policies and through subnational policies. There is no specific centralised urban policy design and urban initiatives work more based on pilot cases testing different multilevel governance mechanisms for a limited implementation period that offer interesting urban innovation labs.

Urban centres across the United States are growing and modernizing to meet the needs and demands of citizens for smarter and more environmentally sustainable cities as well as for greater social inclusion. For the next ten years, with the adoption of the Inflation Reduction Act and the Infrastructure Bill, US cities will have access to considerable resources to improve infrastructure and mitigate emissions as well as ensure climate adaptation of infrastructure and will be seeking to learn from other cities about efficient implementation pathways. There is a sustained interest and high demand for city-to-city and people-to-people exchanges. The action would be fully in line with the latest priorities for transatlantic relations expressed in the EU-US summit statement: "Towards a renewed Transatlantic partnership" of 15 June 2021, including working on green deal-related objectives, creating lasting people-to-people and city networks. It will also be closely coordinated with the proposed action on Transatlantic Green Transition, also under FPI, in particular as regards energy efficiency and circular economy. Both programs will create synergies by exchanging information on participants, opening activities to each other's participants and where relevant by organising joint activities.

The creation of the office of subnational diplomacy within the State Department whose main objective should be to build the capacity and expertise of cities and states to engage with counterparts across the world in ways that benefit their residents, should increase the potential collaboration with US cities. A Special Representative for City and State Diplomacy has been appointed with a clear intention of enhance the role of cities in foreign policy.

2.2 Problem Analysis

The EU is committed to attaining the United Nations (UN) Sustainable Development Goals, the Paris Agreement and implementing the UN New Urban Agenda (NUA) with voluntary commitments including increasing international cooperation between cities.

The urbanisation process constitutes a clear global trend. More than 50% of the global population is urban and, according to UN estimates, it is estimated that 6 out of every 10 people will reside in urban areas by 2030

Three out of four EU citizens were living in urban areas in 2020 and this number is expected to rise to 85% by 2050. Cities already consume over 65% of the world's energy and account for more than 70% of global CO2 emissions. Against this background, if the EU is to become climate-neutral by 2050 and to reduce greenhouse emissions by 55% by 2030 to deliver on the European Green Deal, cities will have to be one of the key focal points. Cities are also particularly prominent examples of places where the citizens and their city leaders most directly confront the issues involved in tackling climate change.

On the one hand, cities are major contributors to climate change, generating more than 70% of greenhouse gas emissions mainly through energy generation, vehicles, industry, and biomass use. Cities and towns are heavily vulnerable to the impacts of climate change, including impacts on health, infrastructure and quality of life, with urban poor being the most affected segment of society. Over the years, the impact of urbanisation on climate change, ecosystems and consumption of natural resources is set to increase.

On the other hand, cities are the places where solutions can be realised to mitigate climate change and develop resilience to the impacts of climate change. Therefore, cities share a potential to lead the green transition and to

---

[14] https://novascotia.ca/news/release/?id=20230928001

invest in innovative approaches, such as sustainable public procurement, improving public transport and mobility, greening public spaces, investing in digital solutions, and encouraging the uptake of circular practices, including food waste and upcycling of products. Similarly, cities can deliver and benefit from a proactive approach to energy transition, including increasing the energy efficiency of buildings, and increasing sustainable and energy efficient constructions. Energy transition requires a long-term structural transition and the creation of smarter energy systems to manage and balance national and local supply and demands. The liveability and prosperity of cities and regions will depend on creating smarter, integrated, secure, affordable, and clean energy systems. Liveability is also increasingly related to air quality and air pollution in urban areas, which levels often exceed the limits set by the World Health Organisation (WHO). In high income and highly productive countries, this is becoming a determining environmental and economic factor for cities and regions as it affects citizens and impacts and damages natural services, vegetation and wildlife.

Cities and regions as local authorities are uniquely placed to introduce change and exchange on best practices towards improving approaches in this specific sector.

EU cities have made great strides in the development of a model where sectoral and transversal challenges (including governance issues) are tackled all together in an integrated manner. The role-model recognition gained by many European cities refers to this integrated approach, as well as to the excellence of the technological/sectoral solutions applied.

There are some opportunities for European cities to learn from cities in North America in those areas where they are leading on innovation.

There is a need to continue the support to urban cooperation programmes at the subnational level promoting, peer cooperation, knowledge exchange and capitalisation between EU and North America cities on specific green priorities, by:

-pooling policy knowledge and experience for the benefit of policy makers, including from regions and cities on both sides

- providing networking opportunities to engage in broader cooperation

- projecting the EU model of regional and urban development as conceived in the Urban Agenda for the EU

- leading multi-stakeholder innovation processes ensuring that smart solutions offered by the private sector have links to urban development initiatives and can be replicable.

- increasing awareness and engagement on these partnerships areas and processes and building joint responses to global challenges

- strengthening links with EU Initiatives and knowledge platforms, namely the new European Urban Initiative and its Knowledge Sharing Platform, will facilitate the transfer of knowledge from/to EU cities

- creating links with international initiatives and platforms such as the G40, GCoM, the UN New Global Agenda, etc.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

- Regional and subnational authorities (regions, states, provinces, cities, municipalities), GCoM, associations of cities, city networks, and other urban stakeholders in the EU and in the targeted non-EU countries and territories.
- Relevant ministries and agencies in the EU and in the non-EU countries and territories.
- Private sector and relevant business associations located in the participating countries, cities, and regions.
- Academia, research, and key innovation stakeholders.
- European Commission DGs and EEAS: DGs REGIO, RTD, JRC CLIMA, ENER, ENV

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective (Impact)** of this action is to enhance the international role of the European Union as a trusted and relevant partner contributing to the green transition through city diplomacy and the promotion of

sustainable and inclusive urban development in line with the European Green Deal, the EU Urban Agenda and the New Urban Agenda of the United Nations.

The **Specific Objectives (Outcomes)** of this action are to:
1. Join forces with North American cities to tackle global challenges, as part of the external dimension of the EU urban, energy, climate, circular economy and research policies and in line with the implementation of the EU digital agenda, that will systematically be considered in the outputs and activities.
2. Stimulate and expand city partnerships and networks between the EU and North America (US, Canada) accompanying and encompassing EU diplomatic efforts in the region.
3. Promote urban innovation in both sides of the Atlantic.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives are:
1.1 Thematic networks and pairings on specific priorities supported and facilitated
2.1 Set up of a knowledge platform with information on policy and best practices
3.1 Pilot innovative policy initiatives with a multistakeholder approach implemented

This action will build on the successful experience of the International Urban and Regional Cooperation Action in North America (IURC NA) and its predecessor the International Urban Cooperation Action (IUC). During the first year of implementation, the EU Cities Gateway and IURC projects will run in parallel, facilitating a smooth transition and ensuring that the networks and the knowledge created by IURC is embedded into this new Action. Synergies will be promoted with the GCoM and other EU projects in Canada and the USA dealing with topics related to the European Green Deal and Sustainable Urban Development.

3.2   Indicative Activities

Activities relating to Output 1.1. **Thematic networks and pairings on specific priorities supported and facilitated**
- Awareness raising campaign of the Action to recruit cities
- Update Mapping and set up urban contact points
- Peer review and city to city exchanges on demand
- Networking events and thematic meetings on specific priorities

Technical assistance for the implementation of Pairings and Networks, including identification of common themes for action planning

Activities relating to Output 2.1: **Set up of a knowledge platform with information on policy and best practices**
- Create a knowledge platform on the thematic priorities (based on the IURC platform) and build synergies with similar platforms for cities and regions managed by the Commission;
- Produce knowledge material and best practices in coordination with European programmes.
- Set up helpdesk services for cities and regions;
- Design and deliver communication and outreach activities;
- Support EU Delegations and Commission services to maintain contact with local and national authorities responsible for urban and regional development, innovation and international relations;
- Systematically document city pairing and region partnership cooperation, including selecting and disseminating case studies and best practices;
- Maintain regular contacts with relevant and complementary initiatives, programmes and activities, public or private stakeholders, financial institutions;
- Update mapping and related information on participants and stakeholders.

Activities relating to Output 3.1: **Pilot innovative policy initiatives implemented with a multistakeholder approach**
- Establish a competitive call to support the implementation and replication of concrete actions
- Identification and selection of innovative actions

- Replication of those actions among interested cities
- Capacity building, training, and peer exchanges
- Documentation of the process and communication of results

3.3 Mainstreaming

The action will contribute to project the EU model of urban development based on key principles such as: working with the market (competition rules, public procurement); equal opportunities; sustainable development; participative democracy.

The action contributes also to fundamental EU principles and values such as multilateralism through its multi-stakeholder approach, involving local, regional and national authorities and its commitment to deliver against international agreements. It is the ownership on the ground on the part of regional and local authorities, the private sector, the research community and civil society that holds the key to the understanding of the realities and the formulation of effective responses to current global challenges.

Through this Action, the EU will further share its experience in promoting innovation at urban level.

Finally, urban cooperation also contributes to the EU's public and cultural diplomacy objectives, through people-to-people exchanges which contribute to increase mutual understanding and learn from different cultures.

The use of digital technologies, and the concept of smart cities will be integrated in all the components of the Action in line with the EU Digital Agenda.

Environmental Protection & Climate Change

Environmental Protection & Climate Change are key in this action. In addition to this, it will also be addressed as a cross cutting issue. Measures will be taken to reduce the environmental impact of the project's activities. Support to EU cities and other urban, regional, national stakeholders' climate objectives, as well as private sector and academia, will be covered by the action.

Outcomes of the SEA screening
A Strategic Environmental Assessment (SEA) screening is not required for this action. Key environmental and climate-related aspects needs will be addressed during design.

Outcomes of the EIA (Environmental Impact Assessment) screening
Category B. The EIA (Environment Impact Assessment) screening is not required for this action, but environment aspects will be addressed during design.

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project). The Climate Risk Assessment (CRA) screening concluded that this action is at no or low risk and does not need further assessment.

Gender equality and empowerment of women and girls
As per the OECD Gender DAC codes, this action is labelled as G1. This implies that gender equality is an important and deliberate objective, although not the principal reason for undertaking the action. The action will promote the participation of women in all activities and events to ensure equal opportunity is provided to women stakeholders. On the other hand, the action will promote EU gender policies and enhance understanding of the importance of gender policies, gender equality objectives and women and girls' empowerment in the framework of the city and regional partnerships.

Human Rights
Respect for human rights is a fundamental value of the European Union. This action will address the most pertaining issues including inclusive and just sustainable development, diversity, non-discrimination, women's rights and youth participation in the city and regional partnerships under this action.

Disability

As per OECD Disability DAC codes, this action is labelled as D0. This implies that the action does not have a focus on disability, as main or significant objective level. However, as the action promotes inclusiveness, diversity and tolerance as key EU values and for the sustainable development of cities and regions, people affected by disability will indirectly benefit from the action and will not be discriminated on any grounds.

Reduction of inequalities
This action does not target directly or indirectly socio-economically disadvantaged individuals, households or groups. However, social and economic policies will be key topics of the city and regional partnerships, with a view of feeding EU urban for sustainable urban development including issues related to inclusion and the reduction of inequalities.

Democracy
Democracy and good governance will be an important topic in the exchanges and partnerships between local authorities, alongside European values and the international rule-based order and multilateralism with the aim of promoting and explaining EU's local democratic principles and elective mechanisms of governance, with the benefits that they bring for society and human dignity.

Conflict sensitivity, peace and resilience
Local and national governments, academia, private sector, civil society will be engaged to develop and contribute to sustainable and innovative development of cities and regions, including towards building resilience, and ensuring peace and stability.

Disaster Risk Reduction
Addressing challenges of global concern including protecting the environment, mitigating and adapting to climate change and building resilience of communities will be part of the engagement and partnerships between cities and regions. In particular following the COVID-19 pandemic, resilience, green and sustainable recovery as demonstrated by the EU models and subscribed and targeted under national and international agreements will be a relevant thematic issue for the project activities.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
External environment	Changes with the selected local governments or within the national government partners in terms of personnel or political priorities.	Medium	Medium	Flexibility in reaction and finding appropriate and individual solutions. Try to engage technical staff in the activities to ensure continuity beyond changes at political level.
Planning, processes and systems	Unwillingness or poor collaboration with other EU Urban Initiatives	Low	Medium	Close collaboration with the Commission Services and EU Delegations in charge of the initiative and involvement of the operational managers of the initiatives from the beginning.

Planning, processes and systems	Unwillingness or poor collaboration of local stakeholders	Low	Low	Appropriate campaign to raise awareness and mapping and intensification of efforts to involve cities during implementation at different levels.
People and the organisation	Insufficient quality of contractor with impact on project deliverables.	Medium	Medium	The Commission is well prepared to address this project management risk. Close monitoring of contract implementation and swift reaction in case of delays or lack of quality encountered.
Communication and information	Low or negative EU visibility	Low	Medium	Ensuring EU's visibility in all actions, including visibility conditions with the contractor, logo and visual identity for the action to be used on all occasions, ensure EU institutional presence when possible and close monitoring of the activities by the EU. Ensure close coordination with Commission coordination units in HQ and press and information officers at Delegations

Lessons Learnt:

- IURC projects demonstrated the profound interest at the level of decentralised authorities inside and outside the EU to cooperate on territorial development themes leading to improved mutual understanding and new policy development.
- Experience highlights the need to approach the cooperation with non-EU countries through a multidisciplinary and multi-stakeholder approach involving public authorities at various levels (in the framework of policy dialogues) as well as academia, research and business communities.
- There is a strategic intent in the US in delivering resources to the subnational and local levels to enable climate action as this is seen as delivering more durable results.
- IURC has demonstrated the interest of cities in in-person events, study visits at the same time that allowing more flexibility to the cooperation opportunities.
- Cities have expressed the need to be accompanied through their own transition processes through resources, peer reviews, or specialised training or technical assistance.
- There is a need to better use the extensive information coming from EU Urban initiatives and other North America experiences.
- The value of working with small and medium-sized cities have been increasingly recognised by the EU and through the implementation of IURC.
- The value of working with cities across a broad spectrum of political options, which attracts other cities where there has been traditionally less engagement by the EU in the past.
- Targeted and general communication about urban initiatives needs to be strengthened.
- IURC has been praised by participating cities for the impact that has already had in pushing their green agenda
- IUC actions, particularly its component 2 (support to GCoM), showed the initial complexity but subsequent benefits to enter the North American markets with a new urban initiative. Longer term presence and involvement of local partners are keys to success, therefore a connection with GCoM is valuable to ensure.

3.5 The Intervention Logic

The underlying intervention logic for this action is that cities are both the source and solution to today's economic, environmental and social challenges, that urban diplomacy is crucial to face global challenges at the same time that paving the way for cities from third countries to pursue their own green and sustainable transition and that the European Union is leading the way on green and sustainable urban policies and needs to build strategic partnerships to increase the impact of its actions at all levels.

Based on the lessons learned during the implementation of the International and Regional Urban Cooperation Action in North America, and the experiences to be shared with the program Urban HICS implemented in Australasia and the experiences of other European Programmes, e.g. the European Urban Initiative, URBACT, GCoM North America, EU missions under Horizon Europe, the Action will put together a team to coordinate and implement the action under the lead of DG REGIO and FPI Americas and in close collaboration with EU Delegations to USA and Canada and other Commission Services, such as CLIMA, ENV, RTD, JRC, ENER.

Assuming the proper implementation team is put in place, that the expertise selected is adequate, that the interest of European and North American cities is maintained and that synergies with other European Urban Actions are created, the Action will:

- Create a network of cities to disseminate best practices, provide capacity building, peer reviews and capitalising the knowledge and information produced by other European urban initiatives. This strand aims to develop a knowledge base in support of improving sustainable urban development policy, strategy design, implementation and mainstreaming, the creation of a network of Urban Contact Points maybe considered if feasible.
- Facilitate and animate specialised thematic networks.
- Promote city to city encounters through study visits and network events on priority topics
- Support replicable Urban innovation initiatives with a muti stakeholder approach
- Support the communication of the Action through, among others, the dissemination of success stories, participation in Urban events, festivals, and the creation of a prize to recognise innovative initiatives on promoting the green transition from a transatlantic perspective.

Smart and digital solutions will be systematically incorporated as a cross cutting element along the implementation of the action as well as ensuring gender balance and taking into consideration gender specificities in the design of urban policies. Climate, energy efficiency and circular economy are key elements of this action, reducing waste and plastics and reusing will be overarching principles.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.
- At inception, the first progress report should include the complete logframe (e.g., including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years) at the beginning of the implementation period	Targets (values and years) As per instructions above to be defined at contract level	Sources of data	Assumptions
Impact	To enhance the international role of the European Union as a trusted and relevant partner contributing to the green transition through city diplomacy and the promotion of sustainable and inclusive urban development in line with the EU Green Deal, the EU Urban Agenda and the New Urban Agenda of the United Nations.	Number of EU bilateral, regional, inter-regional and multilateral cooperation partnership strategies that have been enhanced.	0	tbd	Project Reports, EU Delegations and DG REGIO	*Not applicable*
Outcome 1	1 Cooperation with North American cities to tackle green transition challenges, as part of the external dimension of the EU urban, climate, circular economy and research policies implemented	Number of processes related to state-level and sub-state level (bilateral, regional, multi-lateral) partnership strategies and policy dialogues, which have been influenced.	0	tbd	Project reports	EU priorities remain the same during the implementation of the Action
Outcome 2	2 City partnerships and networks between the EU and North America (US, Canada) facilitated and expanded accompanying and encompassing EU diplomatic efforts in the region.	Number of processes related to state-level and sub-state level (bilateral, regional, multi-lateral) partnership strategies and policy dialogues, which have been influenced.	0	tbd	Project reports	EU and North America Cities are interested in cooperating and being part of the network
Outcome 3	3 Urban innovation with a multistakeholder approach promoted	Number of processes related to non-state level partnership/agreements which have been influenced	0	tbd	Project reports	Academia, civil society, local and national governments, private sector share and get inspired by good practices, solutions, research, and network with each other.

Output 1 **relating to Outcome 1**	1.1 Thematic networks and pairings on specific priorities supported and facilitated	Number of events organised or supported. Number of participants in the events organised/supported.	0 0	tbd tbd	Project reports	The Implementing partner will dynamize and facilitate the network of cities in order to come up with demands for peer-to-peer exchanges. The implementing partner will provide expertise and facilitate the specialised thematic networks and the in-person events
Output 1 **relating to Outcome 2**	2.1 Set up of a knowledge platform with information on policy and best practices	Number of communication products developed. Number of outcome statements emanating from the events. Number of knowledge-based products developed.	0 0	tbd tbd	Project reports	Knowledge and Network Support Services will coordinate and collaborate to produce factsheet, digital material, and disseminate it through adequate channels. Proper dissemination mechanisms will keep stakeholders engaged. The implementing partner will develop innovative and impactful communication mechanisms including the participation in International Conferences
Output 3 **relating to Outcome 3**	3.1 Pilot innovative policy initiatives with a multistakeholder approach implemented	Number of events organised or supported. Number of participants in the events organised/supported.	0 0	tbd tbd	Project reports	The implementing partner will actively support cities to come up with pilot initiatives to be supported by the Action

4   IMPLEMENTATION ARRANGEMENTS

4.1   Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country.

4.2   Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer in duly justified cases.

4.3   Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures[15].

4.3.1   Direct Management (Procurement)

The project will be implemented through procurement.

4.4   Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5   Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Procurement (direct management) – cf. section 4.3.1	4,000,000
Totals	4,000,000

4.6   Organisational Set-up and Responsibilities

Overall co-ordination and support for this Action will be provided by the European Commission's Directorate-General for Regional and Urban Policy (REGIO).

The action will be steered by a steering committee representing the cross-sectorial nature of the action and involving relevant services in Headquarters and EU Delegations. The following services are expected to play a

---

[15] www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

leading role: REGIO, FPI and the EU Delegations of the targeted countries. Other services, such as CLIMA, ENER, ENV, JRC, and RTD should also be involved in as relevant.

The day-to-day management of the action will be the responsibility of staff of the European Commission's Foreign Policy Instrument Service (FPI) for the Americas.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the European Commission may participate in any governance structures set up for governing the implementation of the action.

4.7 Pre-conditions [Only for project modality]

Not Applicable

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partners are responsible for day-to-day monitoring and reporting based on the agreed indicators in the logframe. Indicators shall be disaggregated at least by per gender of participants, type of events and sector of participants. Adjustments to the agreed indicators will be subject to a discussion and approval by the contracting authority. The contracting authority will also be responsible for the approval of reports (interim, final etc.).

5.2 Evaluation

Having regard to the importance of the action, a(n) mid-term and/or final evaluation(s) may be carried out for this action or its components via independent consultants contracted by the Commission.

In case a mid-term evaluation is envisaged: It will be carried out for problem solving and learning purposes, in particular with respect to the approach for EU actions to support cooperation on sustainable urban development and for a possible continuation.

A final or ex-post evaluation may be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the EU public and cultural diplomacy strategy and approach needs to be constantly re-examined along the lines of an oscillating political relationship with the partner country.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions

and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a Financing Decision

5.3   Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6   STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 "Communicating and Raising EU Visibility: Guidance for External Actions", it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention[16] (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e., audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as:

Contract level		
☒	Single contract	Present action: all contracts in the present action

---

[16] For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have harmonised 5 key terms, including 'Action' and 'Intervention' where an 'Action' is the content (or part of the content) of a Commission financing Decision and 'Intervention' is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the EC of its operations on the ground. See more on the concept of intervention.