

EUROPEAN
U R B A N
INITIATIVE

Financial Schemes Factsheet

EUROPEAN URBAN INITIATIVE – INNOVATIVE ACTIONS

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Table of contents

- 1 INTRODUCTION 2
- 2 FINANCIAL SCHEMES IN EUI-HA PROJECTS 2
 - 2.1 FINANCIAL SCHEME – TYPE 1 4
 - 2.2 FINANCIAL SCHEME – TYPE 2 5
- 3 EXAMPLES..... 6

1 INTRODUCTION

Financial schemes are schemes supporting the distribution of financial resources following a competitive procedure (such as prizes, vouchers or grants) to the benefit of third parties (individuals or organisations) that are not part of the project partnership.

Examples of financial schemes:

- Research & Development vouchers for SMEs (small and medium sized enterprises)
- Energy efficiency retrofit of houses belonging to citizens
- Grants to local associations helping migrants and refugees
- Vouchers to unemployed individuals to acquire specific skills demanded on the market, etc.

2 FINANCIAL SCHEMES IN EUI-IA PROJECTS

A financial scheme, if planned, must be **properly described** in the Application Form (Part D – Work Plan) at the project start date. A separate activity (or at least a deliverable) should be dedicated to it (see example below) and the description should include the following elements:

- Purpose of the scheme
- Target group
- Total amount of the award (budget)
- Value (of the individual award)
- Rules of the contest
- Award criteria
- Payment arrangements

If a Project Management Team wishes to add a financial scheme to a project scope during the project implementation period, they should contact the Permanent Secretariat to request the approval of the scheme before its implementation. Moreover, the implementation of the scheme must be later properly described following above-mentioned elements in the Annual Progress Report. In case that introduction of a financial scheme impacts the Project Partner budget or/and content of the project which can be qualified as change requiring a prior approval (see EUI-IA Guidelines, Chapter 6.2 “Project

changes”), a proper request for a technical adjustment or a major change should be submitted to the Permanent Secretariat.

Please note that:

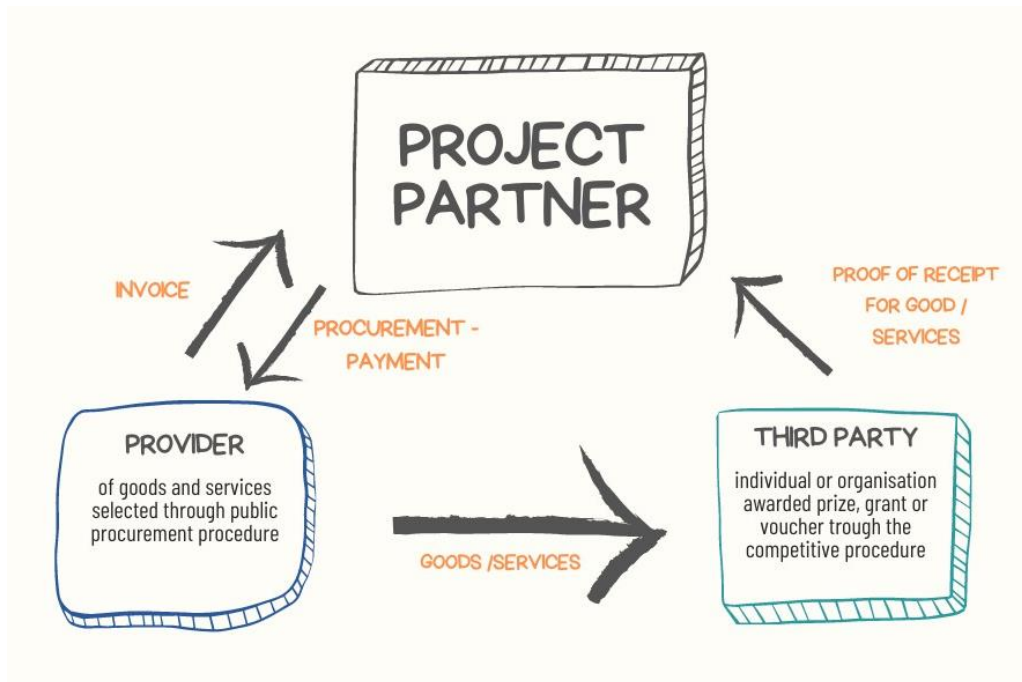
- Financial schemes should respect the principles of transparency, equal treatment, avoiding conflict of interest, maintaining confidentiality, visibility of EU funding and liability for damages.
- Financial schemes shall promote the achievement of policy objectives of the Union.
- Financial schemes must be in line with project objectives and support a project aim.
- Individual award (to an individual third-party beneficiary) must not exceed EUR 60,000.
- Projects need to monitor and control that third-party beneficiaries are using the individual award according to the selected concepts. A recovery procedure should be in place in case of misuse (contract or equivalent regulating the use of the monetary value or good / services will be a part of the audit trail).
- Right of access to the individual scheme (for EUI authorities and control bodies) must be ensured by the Project Partner in charge of the scheme.
- Only the amount paid out by the Project Partner to/for each third-party beneficiary can be claimed to EUI (ERDF = amount paid x ERDF rate)¹.
- Double financing of the same costs is not allowed (e.g., expenditure which is already co-financed from another funding source).
- Compliance with the EU General Data Protection Regulation (GDPR) should be ensured.

¹ For instance, a Project Partner provides EUR 1,000 to third party as a grant. The Project Partner will report EUR 1,000 of expense to EUI that will generate up to EUR 800 ERDF depending on the ERDF rate selected by the project.

2.1 FINANCIAL SCHEME – TYPE 1

Concept: A Project Partner **directly procures and pays for the goods and/or services** and distributes them to benefit the third-party beneficiary(s) in order to achieve set objectives (stimulates behaviour, processes and activities of the third party) – see figure below.

Figure 1. Financial scheme – type 1



Audit trail

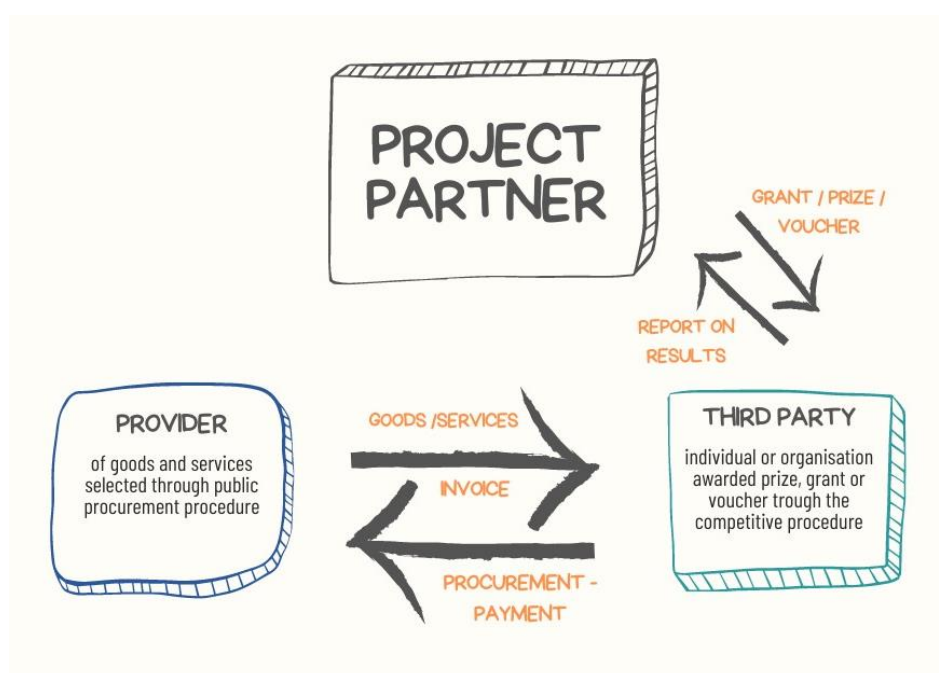
- Documents serving as evidence of the purpose of the scheme, the target group, the rules of the contest, the award criteria, the value, total amount of the award and the payment arrangements.
- Documents serving as evidence of the procedure carried out for selection of the third-party beneficiaries.
- Documents serving as evidence of the procurement process carried out by the Project Partner in line with applicable EU, EUI, national and internal procurement rules.
- Contract (or any document of equivalent probative value) laying down the amount/goods/services to be provided with clear reference to the project and obligations of both Project Partner and third-party awarded.
- Invoice providing all relevant information in line with the applicable accountancy rules.
- Proof of outputs or services delivered (to ensure the possibility of monitoring project achievement indicators).
- Proof of payment (to the goods/service provider).

- Identification of the third-party beneficiary (e.g. the legal status of NGO; ID of individuals or equivalent).

2.2 FINANCIAL SCHEME – TYPE 2

Concept: A Project Partner provides the **financial means (amount in EUR or local currency) directly to the third-party** who in turn purchases the goods and/or services that they need on the market and provide evidence on achievements of set objectives to the Project Partner – see figure below.

Figure 2. Financial scheme – type 2



Audit trail

- Documents serving as evidence of: the purpose of the scheme, the target group, the rules of the contest, the award criteria, the value and total amount of the award, the payment arrangements.
- Documents serving as evidence of the procedure carried out for selection of the third-party beneficiaries.
- Contract (or any document of equivalent probative value) laying down the amount to be provided with clear reference to the project and obligations of Project Partner and third-party awarded.
- Proof of the transfer of funds from the Project Partner to the third-party beneficiary.
- Report on results submitted by the third-party and validated/accepted by the Project Partner responsible for the scheme, including an overview of the costs incurred by the third-party; on request, the third-party should be able to provide the probing documents (invoices, proofs of payment...).

- Documents serving as evidence of the procurement process in line with applicable EU, EUI, national and internal procurement rules (in case applicable to the third-party).
- Identification of the third-party beneficiary (e.g.: the legal status of NGO; ID of individuals or equivalent).

3 EXAMPLES

Example of the description of an activity related to a financial scheme in the Application Form

Activity:

Description should include explanation on the purpose of the scheme including information about a quantified target group (e.g., to support x NGOs/ civil society initiatives to implement activities relating to activity x of the Work Package x); how the scheme contributes to the project aim (e.g., supports active involvement of NGOs as part of the larger public); what is its general framework and how it is linked with other projects activities; and procedure for award (monetary or in form of goods / services) available in a form of a guideline presenting all the rules.

Deliverable 1: "Setting up a funding guideline for the scheme"

Guideline should include, among others:

- Framework of the scheme (including decision on the number of calls, where and when they will be announced, how many calls will be launched...)
- Selection process (including eligibility /formal criteria and quality assessment criteria).
- Timeline of the call(s) (e.g., call will be open from dd/mm/yyyy to dd/mm/yyyy).
- Maximum amount of each individual award (e.g., 20.000,00 EUR).
- Payment arrangements (in case of financial scheme 2, e.g.:. transfer of grant after the verification of criteria xx).

Deliverable 2: "Organisation of the call(s) for concept"

All submissions must be checked for compliance with the formal criteria outlined in the funding guideline. For those submissions that fulfil the formal criteria, an assessment of the concepts is undertaken (based on internal guidelines relating to assessment criteria).

Deliverable 3: "Selection of the winner beneficiaries of the call for concepts"

Following the assessment of the concepts, the best rated concepts are selected for funding. Depending on the call, one or more concepts can be selected for funding.

Output:

Awards to the winning beneficiaries of the call for concepts for the implementation. The target value in this example should refer to the (minimum) number of winning beneficiaries that are selected.

Example of a confidentiality and conflict of interest declaration:

I, the undersigned declare that, in participating as an independent expert in the evaluation of proposals received in the open call of project XXX

- *I undertake to treat as confidential all information contained in the proposals which I am asked to evaluate, both during the evaluation and afterwards.*
- *I will not reveal to any third-party the identity or any details of the views of my fellow evaluator(s), neither during the evaluation nor afterwards*
- *I do not, to the best of my knowledge, have any interest in any of the proposals submitted in this call, I have not been involved in their preparation and I do not benefit either directly or indirectly from the eventual selection. Should I discover a conflict of interest during the evaluation, I undertake to declare this and to withdraw from the evaluation.*

Name, Signature and Date

Example of a public evaluation report

Project [EUI-IA project acronym], co-funded from the European Urban Initiative, launched an open call xxx for recipients of financial support. The call closed on xxx. The evaluation and selection have been completed on xxx. All proposers have been informed about the evaluation results for their proposal for financial support. A total of XXX proposals were received for this call. xxx proposals will receive funding for a total amount of xxx EUR.

Call information

The call was published on [EUI-IA project acronym] website, as well as [*please add any other location where the call was published (if any) or any other relevant information*].

Response to the call, in detail

	Number of proposals	Funding requested
Proposals received		
Eligible proposals		
Proposals above threshold		
Selected proposals		

List of selected proposals

Organisation	Funding awarded	Reasons for selection

List of non-selected proposals

Organisation	Eligible (yes or no)	Reasons for non-selection if eligible



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