



## Programme

## 1. Strategic framework

### 1.1 National policies and international commitments

The Programme of the 21st Constitutional Government advocates the enhancement of the territory as one of the priorities and key axis of governmental action, aimed at promoting, in an integrated and spatially coherent way, a range of development vectors with direct territorial expression. Of these, worthy of mention is vector 3. 'Promote territorial cohesion and environmental sustainability'.

Particularly noteworthy are cities and their decisive role as drivers of territorial competitiveness, economic and social progress and innovation associated with demanding standards of sustainability, as promoters of the circular economy in aspects related to the urban water cycle and waste management, but also to climate change and loss of biodiversity. The promotion of territorial strategies anchored in local development is also a priority, recognised for their importance and impact on territorial development and their potential to boost development at other territorial levels.

It is within this framework of political priorities that the '**National Circular Cities Initiative**' (InC2) emerges. The Initiative has the following strategic references and is also their implementation instrument:

- The '**Action Plan for the Circular Economy in Portugal**', approved by RCM no. 190-A/2017, of 23 November, which defines a strategic model for growth and investment based on the circular economy through a set of transversal actions and sectoral and regional agendas. The establishment of a network of 'Circular Cities' is assumed as one of the four major themes of regional and national convergence, to be achieved through specific support, with emphasis on the Environmental Fund;
- The '**National Programme of Spatial Planning Policy**', approved by Law no. 58/2007, of 4 September, and whose Draft Law on its revision was presented and approved by the Extraordinary Council of Ministers on 14 July 2018, which formed the umbrella instrument of the territorial management system and the guiding framework of the strategies with an impact on the territory. Its new 'Agenda for the Territory', which establishes the 'Action Programme 2030', enshrines Policy Measure 3.11 'Organising the Territory for the Circular Economy', expressly advocating the objective of promoting a 'Network of Circular Cities', as well as Measures 5.7 'Fostering intra-urban cooperation for a sustainable and intelligent city' and 5.6 'Strengthening territorially-based integrated approaches', which together aim to promote urban networks and integrated approaches for the circular economy;
- The '**Sustainable Cities 2020 Strategy**', approved by RCM no. 61/2015 of 16 July, which configures the national policy for sustainable urban development until 2020. Besides the relevance of its guiding principles for all urban policies, within the framework of the strategic axes that it defines, the objectives of the circular economy in cities and of the promotion of urban networks are aligned with Axis 2 - 'Sustainability & Efficiency', with emphasis on the sub-axes -'Urban Regeneration and Rehabilitation', 'Urban Environment' and 'Low Carbon', as well as transversal

Axis 4 - 'Territorialisation & Governance'. It also establishes the creation of a network of sustainable cities as an implementation instrument.

Its contribution and alignment with other national strategies for sustainability, cohesion and resource efficiency focusing on urban development also stands out, with emphasis on the 'National Strategy for Adaptation to Climate Change', the 'Carbon Neutral Roadmap', the 'National Programme for Territorial Cohesion', and the 'New Generation of Housing Policies'.

By launching this initiative, Portugal is also supporting the plans and agreements signed and pursued within the framework of European and world commitments, in particular:

- The 17 '**Sustainable Development Goals**' (SDGs) of the UN's '2030 Agenda for Sustainable Development', with a focus on SDG 11 - 'Make cities and human settlements inclusive, safe, resilient and sustainable', SDG 12 - 'Ensure sustainable consumption and production patterns' and SDG 17 - 'Strengthen the means of implementation and revitalise the global partnership for sustainable development';
- The '**Paris Agreement**', dealt with under the United Nations Framework Convention on Climate Change, reached in Paris during COP21 and approved on 12 December 2015, is a global agreement that establishes a range of ambitious measures to decarbonise the planet, implying a commitment to sustainable development and, specifically, increased investment in renewable energies and energy efficiency from 2020 onwards, one of the essential vectors of the circular economy, a commitment that has been pursued, in particular by the member states of the European Union;
- The UN's '**New Urban Agenda**' for the 21st century, which renews the political commitment to decent housing and sustainable urban development and commits to strengthening the sustainable management of resources, including land, water, energy, materials, forests and food, considering urban-rural links and functional value and supply chains, in an effort to shift towards a circular economy;
- The '**Urban Agenda for the European Union**', resulting from the 'Amsterdam Pact' signed by the Ministers responsible for Urban Affairs on 30 May 2016, aims to involve urban authorities in establishing partnerships to achieve improved regulation, financing and knowledge in twelve priority areas, including the circular economy. The key objective is to encourage the reuse, repair, renovation and recycling of existing materials and products to promote growth and new employment opportunities, with a focus on waste management, collaborative economy and resource efficiency;
- The '**Circular Economy Package**', adopted by the European Commission in 2015, aims to contribute to 'closing the life-cycle' of products through increased use of recycling and re-use, promoting global competitiveness and sustainable economic growth, together with the creation of new jobs, measured against a set of target priorities, in which food waste, critical raw materials, plastics, as well as biomass and other bio-based products predominate. In January 2018, the European Commission adopted a new set of measures associated with this package, the ambitious 'European Action Plan for the Circular Economy'.

These strategic references are fundamental milestones in the assumption of cities as a structuring vector for the acceleration of the transition to the circular economy within the framework of sustainable urban development, assuming in particular their potential for networking and capacity for sharing and disseminating best solutions and practices, for promoting interaction between agents aimed at the multiplication and transfer of information and knowledge, to an urban circular economy focused on efficiency in the use of more inclusive, collaborative and productive resources.

## 1.2 Public policy purposes

The Ministry of Environment and Energy Transition promotes the '**National Circular Cities Initiative (InC2)**', aimed primarily at promoting the urban circular economy and sustainable urban development for «more circular cities», and pursuing a set of public policy goals regarding governance conditions for sustainability:

- Enhance the sharing, transfer and **capitalisation of knowledge between cities** on the circular economy and sustainable urban development;
- Improve present and future conditions of **access for municipalities and their communities to European and national funding** for sustainable urban development and the circular economy;
- Improve the **design and implementation of national policies** for the circular economy in urban areas by strengthening multi-level and multi-sectoral cooperation and capitalising on local results;
- Support municipalities and their communities in action planning for the circular economy through **territorially based integrated and participatory approaches**;
- Improve the conditions for the development of **innovative urban actions** within the circular economy.

## 2. Objectives and expected results

The policy objectives that InC2 intends to address will be pursued through three strategic objectives and one transversal objective:

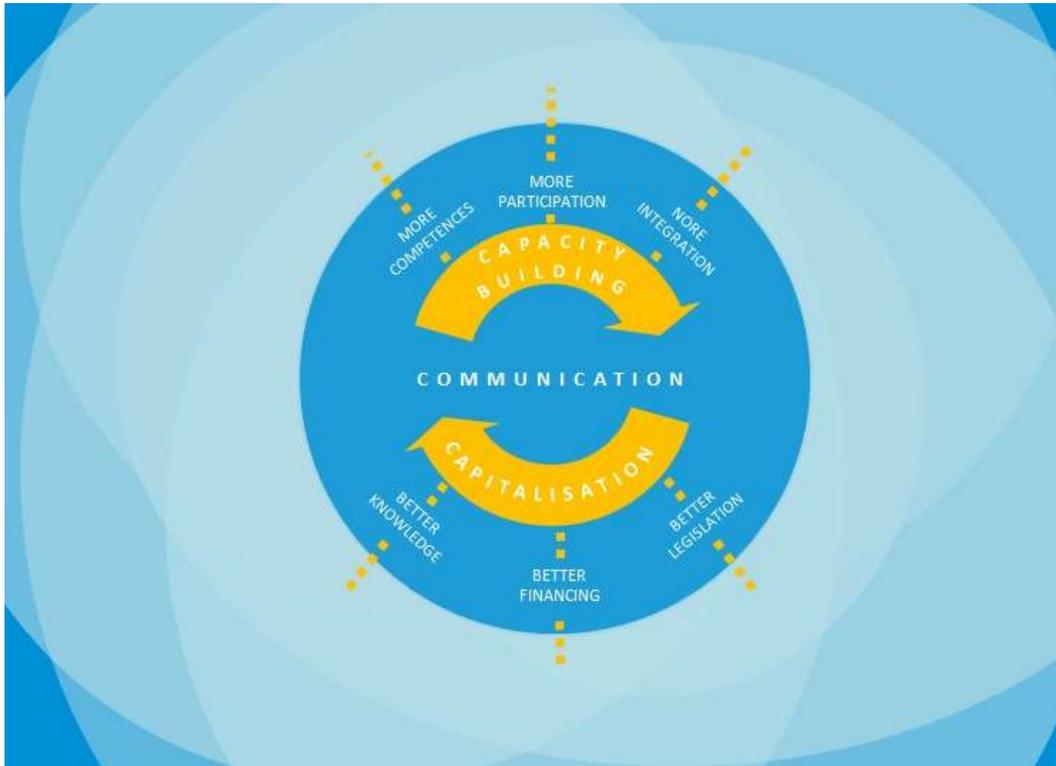


Fig. 1 - Strategic objectives and transversal objective of InC2

- The objective of **Capacity Building** concentrates the primary and central activity of InC2 - the emergence and work of the Circular Cities Networks aimed at providing cities with more skills in the circular economy, more participation of local communities and more territorial integration for sustainable urban development;
- The objective of **Capitalisation** involves the subsequent requirement of summarising the results achieved and using the knowledge capital and relations generated to create more knowledge and information, better financing conditions and better legislation within the framework of the urban circular economy;
- The objective of **Communication** is to inform and increase the recognition and awareness of the urban circular economy and to expand the sphere of indirect beneficiaries of InC2;
- The transversal objective of **Technical Assistance** is to create the material and financial conditions to ensure an efficient and effective implementation of InC2 and to safeguard the activity of its governance bodies.

The strategic and transversal objectives are broken down into actions that reflect their different components and where the specific objectives, expected results, expected *outputs* and indicative typology of activities to be developed are identified.

## 2.1 Capacity building

InC2 will promote the creation of Circular Cities Networks with the aim of advancing the emergent agenda of the Circular Economy in an urban context.

Capacity building actions will be developed for critical actors of partnerships (executive members, middle managers and technical and scientific staff, coordinating members of Local Action Groups) in integrated and participatory approaches to urban circularity. The initiative will also support the activities inherent to the development of integrated strategies and action plans.

Within the scope of the Circular Cities Networks, it will also be possible to promote the signage of good urban circularity practices, whose transferability can be measured and structured, and the identification of opportunities for innovation and entrepreneurship that can be deepened and explored.

### Action 1a - Technical and methodological training

#### Objective

Improve the capacity of cities to develop and manage urban circularity policies and practices in an integrated and participatory way.

#### Expected results

Urban actors have improved their capacity to develop an integrated approach (horizontally and vertically) to meet and capitalise on the challenges of the circular economy, with regard to:

- Integrated approach;
- Participatory action planning;
- Interdepartmental and multi-agent collaboration;
- Project management.

#### Result indicators

Proportion of participants in capacity building activities who recognised that they have gained knowledge and increased capacity, under the local integrated approach to the circular economy.

Target: 80%.

Unit of measurement: Individual self-evaluations (pre- and post-action), surveys (post-action) on the quality and relevance of capacity building actions.

#### Indicative typology of actions

- National technical training actions;
- Other *ad-hoc* capacity building actions.

### *Target audience*

National technical training actions:

- Partners of the Circular Cities Networks (executive members, middle managers and municipal or inter-municipal technical staff);
- Coordinators / leaders of Local Action Groups.

Other *ad-hoc* capacity building actions:

- Municipal executive members.

### **Action 1b - Strategy and Planning**

#### *Objective*

Promote the participatory design of urban circularity strategies / action plans and the identification of opportunities for transfer of good practices and innovation.

#### *Expected results*

Cities have developed integrated strategies and thematic action plans for urban circularity, including signage and transferability of good practices and identification of opportunities for innovation and entrepreneurship.

#### *Result indicators*

No. of cities integrated in Circular Cities Networks that have completed integrated strategies/thematic action plans for urban circularity.

Target: 25

Unit of measurement: Analysis of baseline studies and closure reports produced by cities.

#### *Indicative typology of actions*

- Production of baseline studies in the partner cities of the Circular Cities Networks;
- Production of integrated strategies / thematic action plans for urban circularity;
- Internal sharing seminars, including study visits and peer reviews;
- Involvement of local actors in the participatory design of policy responses;
- Expert support in developing the participatory and integrated approach and using action planning methods and tools;
- Reporting on network activities and results;
- Workshop to share baseline studies;
- National / international critical visits for analysis and transfer of good practices.

#### *Eligible beneficiaries*

Urban Authorities:

- Municipalities of the Mainland and Autonomous Regions.

## **2.2 Communication**

InC2 will develop an integrated marketing and communication strategy, involving a wide network of strategic partners with a view to increase the awareness and knowledge of Portuguese cities and other actors in urban development and the circular economy, and to promote the recognition of the brand and actions of the InC2.

This communication network will be fostered by the national contact point and will consist of sectoral, regional and city contact points involved in InC2. The national contact point will be responsible for producing and disseminating content through this network to maximise the reach of InC2's communication.

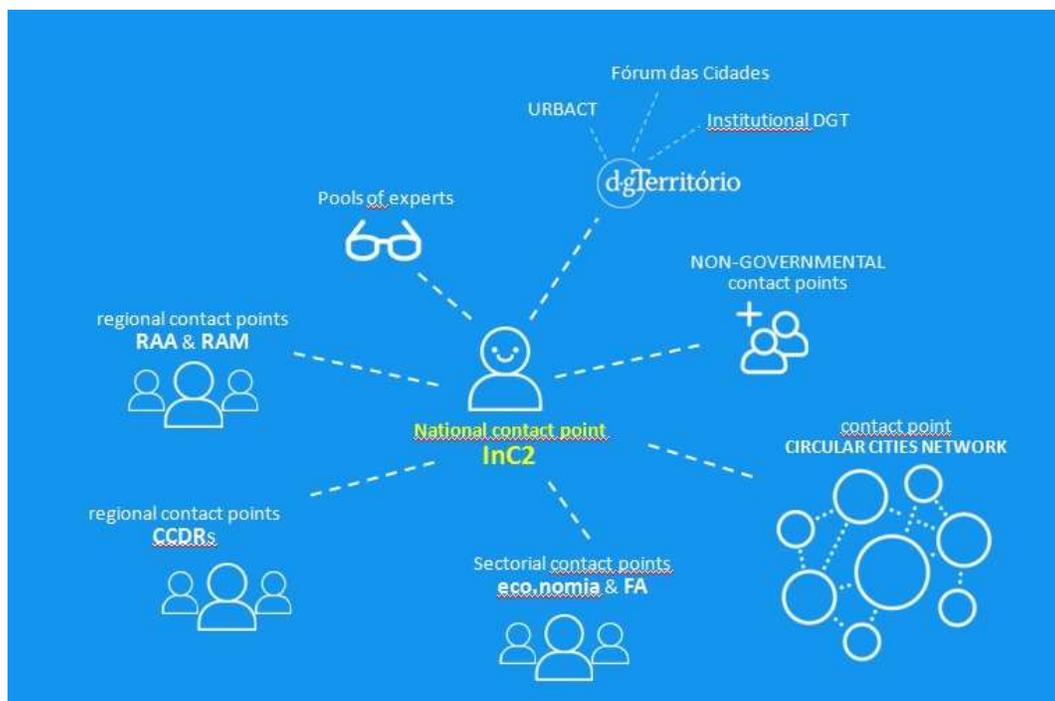


Fig. 2 - InC2's Communication network of

## Action 2a - The InC2 Brand

### Objective

Formulate and promote the InC2 brand and build its communication platforms.

### Expected results

The InC2 brand has gained positive recognition among key urban development actors.

### Result indicators

No. of technicians and decision makers at all levels who recognize and attribute positive value(s) to the InC2 brand.

Target: 100

Unit of measurement: Surveys addressed to all actors, including those involved in the Circular Cities Networks of the initiative.

#### *Indicative typology of actions*

- Creation of the InC2 brand and its brandbook;
- Production of promotional material and merchandising;
- Creation and management of the online communication platform;
- Account creation and profile management in social Circular Cities Networks;
- Quality management and control of institutional advertising and brandbook rules.

### **Action 2b - Awareness and mobilisation**

#### *Objective*

Raise awareness and mobilise actors for the urban circular economy and for actions promoted by InC2.

#### *Expected results*

The actions promoted by InC2 were widely disseminated to the political, technical and scientific community and, in particular, to its potential eligible beneficiaries.

#### *Output indicators [target]*

- Promotional material produced (Flyers, videos, etc.) [5]
- Online pre-invitation to tender platform [1]
- News published about InC2 [30]
- Events held [15]

#### *Indicative typology of actions*

- Formulation, programming and implementation of annual communication plan;
- Establishment and promotion of a network of contact points (RPC) with the entities directly involved in the Initiative and strategic partnerships for communication;
- Production of news, articles and other informative content about InC2 on the website and disseminated by the RPC;
- Collection of news and articles and production of content in partnership or with the contribution of elements from the RPC;
- Production of material and content for dissemination and technical publications;
- Production and co-organisation, with members of the Monitoring Committee, of dissemination and awareness raising events in the national territory;
- Presentation of InC2 and/or its specific activities at transnational or national events;
- Development and online availability of a platform, previous to the invitation to tender, that allows municipalities to express, in an exploratory and non-binding way, their interest in joining a Circular Cities Network, consult expressions of interest from other municipalities and share contacts, promoting the identification of partners for the subsequent submission of joint applications.
- Publicising of the aforementioned platform and of the invitation to tender;
- Provision of standardised information on the Circular Cities Networks and partners.

## 2.3 Capitalisation

The capitalisation of the initiative aims to enhance the knowledge, results and institutional relations generated by the initiative, facilitating its translation into the advancement of the Circular Economy Agenda in Cities and the generation of opportunities that go beyond the time horizon of InC2.

This will consolidate and structure the outputs of the work of the Circular Cities Networks to facilitate their appropriation and adoption by Portuguese cities and the technical and scientific community. In addition, the governance gaps of urban circularity indicated throughout the action planning processes developed by cities will be systematised and analysed.

The multi-level and multi-sectoral dialogue will also be promoted around the needs, constraints and opportunities with reference to knowledge, funding and legislation for the urban circular economy. As well, synergies of its work in the Circular Cities Networks with other programmes and initiatives, whether or not integrated into the Circular Economy Action Plan (CEAP) will be exploited, to create a basis for multilevel and multi-sectoral institutional dialogue on the future of urban circularity.

### Action 3a - Capitalisation of results

#### Objective

Promote the consolidation of thematic knowledge and know-how generated by Circular Cities Networks.

#### Expected results

The knowledge generated by the Circular City Networks was collected and systematised, contributing to the analysis of the results achieved and facilitating their dissemination and appropriation.

#### Output indicators [targets]

- Capitalisation reports [2]
- Published case studies [5]

#### Typology of actions

- Production of capitalisation overview reports;
- Production of articles on case studies.

### Action 3.b - Cooperation for the Urban Circularity Agenda

#### Objective

Promote multilevel and multi-sectoral dialogue between cities involved in Circular Cities Networks and the rest of the institutional fabric in order to highlight the needs, constraints and opportunities regarding knowledge, funding and legislation for the urban circular economy.

### Expected results

Multilevel and multi-sectoral forums for debate and reflection on the needs and constraints regarding knowledge, financing and legislation for the urban circular economy were created, and actions were promoted to overcome them and to generate opportunities and synergies for innovation.

### Output indicators [targets]

- Thematic discussion and reflection sessions [5]

### Indicative typology of actions

- Creation of a prospective forum on urban circularity;
- Conducting of thematic sessions for debate and reflection;
- Summary of work and circulation of discussion and prospective notes;
- Prospective opportunities for funding action plans promoted by cities;
- Preparation of notebook with recommendations and next steps;
- Memorandum on legal and regulatory constraints and information;
- Financing guide for urban circularity projects;
- Model of intermediation and support for applications for co-financing for innovation.

## 2.4 Technical assistance

Technical assistance aims to ensure the proper material and financial implementation of InC2 and the regular functioning of its governance bodies.

### Action 4.a - Technical Assistance

#### Objective

Ensure the material and financial implementation of InC2 under legal compliance.

#### Expected results

The projects' support structures were created and InC2's material and financial management tools and activities were developed in order to achieve the programmed outputs and results, including:

- A *monitoring and control system* to measure the progress, quality and impact of the supported interventions with the minimum of administrative complexity;
- An effective *project generation and selection system* that allows for an adequate number of applications with diverse, qualified and relevant proposals;
- A *support structure for the partners* benefiting from the Circular Cities Networks and other actors involved in the activities of the Initiative, which also ensures the certification of expenses.

### Output indicators [targets]

- Financial execution rate [>75%]
- Implementation reports [3]
- Monitoring actions [1 per network]

### Indicative typology of actions

Monitoring and control system:

- Establishment and operation of the Initiative’s Monitoring Committee;
- Assembly and operation of the management, monitoring and control system;
- Production of guides and provision of support to ensure the smooth running of operations;
- Coordination and organisation of activities to monitor the initiative;
- Preparation and conduct of surveys and consultations;
- Preparation of execution, result and impact reports;
- Project generation and selection system;
- Certification of expenses (by Statutory Auditors);
- Development of application form, notice of invitation to tender, terms of reference and background information and guidance documents for potential candidates;
- Provision of assistance and advice to potential applicants to ensure qualified applications;
- Coordination of the process of reception and assessing the eligibility and merit of applications.

Support structure for the implementation of operations:

- Ensure access of the Circular Cities Networks to thematic guidance by *ad-hoc* experts;
- Provide tools and guidance documentation to beneficiaries to support the development of project activities;
- Provide ongoing assistance and advice to beneficiaries on project implementation;
- Participate in project meetings and events to monitor their progress, products and results and address implementation obstacles.

## 3. Financing plan

This section sets out the financing plan of the initiative, namely the annual allocation of amounts from the Environmental Fund and their distribution by component.

### 3.1. Annual allocation of the Environmental Fund

Table 1 - Annual allocation of the amount financed by the Environmental Fund

|                           | 2019     | 2020       | 2021     | 2022     | Total      |
|---------------------------|----------|------------|----------|----------|------------|
| <b>Environmental Fund</b> | €154,175 | €482,430 € | €593,265 | €270,130 | €1,500,000 |

### 3.2 Allocation of the Environmental Fund by component

Table 2 - Allocation of the amount financed by the environmental fund by InC2 component

| Components           | Amount of Environmental Fund |
|----------------------|------------------------------|
| Capacity Building    | €1,047,412                   |
| Communication        | €152,452                     |
| Capitalisation       | €128,494                     |
| Technical Assistance | €171,642                     |
| <b>Total</b>         | <b>€1,500,000</b>            |

## 4. Implementing provisions

This section sets out the governance structure for the implementation and monitoring of the initiative, including the bodies involved, their composition and respective competences. It also describes the management and control procedures, identifying the sequence of tasks and responsibilities, as well as the relations between the entities responsible for the different functions.

### 4.1 Governance structure of InC2

For the operationalisation of InC2, a governance structure is set up that follows the requirements determined by the protocol with the Environmental Fund. It is governed, with the necessary adaptations, by the general principles of the model of governance of the European structural and investment funds, namely the principles of multi-level governance, participation, transparency, accountability, proportionality and segregation of functions.

These are the objectives of this governance structure:

- Promote participation, involvement and synergies among a wide range of stakeholders in the areas of the circular economy and city policy;
- Leverage the experience and knowledge acquired in the definition of public policies and initiatives in the area of the circular economy at the operationalising different Public Administration levels and sectors, in the private sector, in academia and in relevant civil society organisations;
- Enhance synergies between the results of InC2 and European funding programmes and instruments;
- Simplify procedures by minimising administrative costs for beneficiaries and bodies involved in the operationalising of InC2, ensuring proportionality between the resources needed for the preparation and analysis of applications and the support granted;
- Ensure fair and transparent conditions of access to funding under InC2.

The governance structure consists of the following bodies:

- a) Managing Authority;
- b) Technical Secretariat;
- c) Certification and Payment Authorities;
- d) Monitoring Committee.

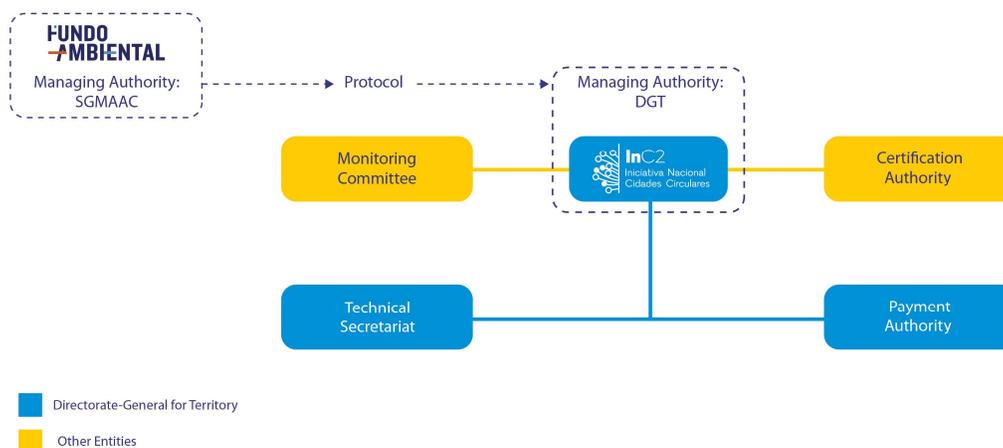


Fig. 3 - Governance structure of InC2

## 4.2 Composition and powers of each body

### 4.2.1 Managing Authority

The Managing Authority (MA), an executive body of InC2, is provided by the Directorate-General for Territory, namely its top executive. The MA is supported by the Technical Secretariat and its mission is to manage, implement and monitor InC2.

The Managing Authority of InC2 has the following competences:

- a) Cooperate with the Circular Cities Networks, organisations and institutions relevant to the objectives of the initiative;
- b) Coordinate the implementation of InC2;
- c) Manage the human financial and logistical resources necessary to pursue the

- objectives of InC2;
- d) Approve the eligibility and merit criteria for the selection of applications, as well as the terms of reference of the invitation to tender, after consulting the Monitoring Committee;
  - e) Approve the implementation reports of InC2, after consulting the Monitoring Committee;
  - f) Approve the Description of the Management and Control System, after consultation with the Monitoring Committee;
  - g) Approve the annual activity plans of the Technical Secretariat, after consulting the Monitoring Committee;
  - h) Approve the Communication Strategy of InC2, after consulting the Monitoring Committee;
  - i) Ensure that the necessary experts are hired in order to pursue the objectives of InC2;
  - j) Determine the invitation to tender for the establishment of the Circular Cities Networks and approve the decision proposals prepared by the Technical Secretariat, concerning the admission and evaluation of applications, after consulting the Monitoring Committee;
  - k) Chair the Monitoring Committee of InC2;
  - l) Submit the annual reports and final report on the implementation of InC2 to the Management of the Environmental Fund and the members of the Government responsible for the initiative.

#### 4.2.2 Technical Secretariat

A Technical Secretariat (TS) is established under the responsibility of the Managing Authority of InC2 and exercises the competences delegated to it by the former. The TS is temporary in nature, corresponding to the duration of the initiative. The constitution of its team and the appointment of its Technical Coordinator are made by its top manager, from among DGT's human resources. The costs of setting up and running the Technical Secretariat are partly financed within the scope of InC2's Technical Assistance.

The TS provides administrative, technical and legal support to the implementation of the initiative, namely to the exercise of the competences of the Managing Authority and the Monitoring Committee.

Without prejudice to the competences delegated to it by the Managing Authority, the competences of the Technical Secretariat are the following:

1. **On the management and monitoring of InC2:**
  - a) Propose technical and administrative guidelines for monitoring the implementation of InC2 and ensure the preparation and conduct of surveys and consultations and the collection and processing of indicators necessary for this purpose;
  - b) Prepare reports on the implementation, result and impact of InC2;
  - c) Provide the technical secretariat to the Monitoring Committee, preparing and following up its meetings;

- d) Provide administrative, technical and legal support to the Managing Authority and the Monitoring Committee;
- e) Exercise the other technical competences entrusted to it by the Managing Authority.

**2. On the preparation and execution of the invitation to tender for the setting up of Circular Cities Networks:**

- f) Propose technical and administrative guidelines on how to formalize applications and the criteria for assessing eligibility and merit;
- g) Propose the creation of a pool of national experts and ensure its availability to the thematic Circular Cities Networks;
- h) Prepare the necessary documentation for the preparation and launch of the invitation to tender, namely the application form, notice of invitation to tender, terms of reference and background information and guidance documents for potential candidates;
- i) Provide assistance and advice to potential applicants to ensure qualified applications;
- j) Ensure the procedural organisation of the supporting documents for applications;
- k) Ensure the receipt and examination of the admissibility and merit of applications in accordance with the criteria previously defined by the MA;
- l) Ensure the assessment of applications submitted and propose to the MA the final ranking and selection of applications, in accordance with the analysis carried out pursuant to the previous paragraph;

**3. On the support of Circular Cities Networks and multi/level and multi-sectoral platforms:**

- m) Propose and develop guides, tools and guidance documentation for beneficiaries on the implementation of projects;
- n) Ensure assistance and advice to beneficiaries on project implementation;
- o) Participate in project meetings and events to monitor their progress, products and results, and address implementation obstacles;
- p) Provide the technical secretariat to the multi-level and multi-sectoral platforms, preparing and accompanying their meetings;

**4. On communication:**

- q) Propose technical and administrative guidelines for the implementation of InC2's communication strategy;
- r) Formulate the proposal and implement the annual communication plan, including the programming of activities and expected costs with hiring and other expenses;
- s) Draw up the technical specifications for the terms of reference and follow up on the contracts for the procurement of services and products to be acquired as part of the implementation of the annual communication plan;
- t) Set up and boost the Contact Points Network (CPN) with the entities directly involved in the Initiative and formulate proposals for strategic partnerships for communication;
- u) Ensure the collection of news and articles and the production of content in partnership or with the contribution of elements from the CPN and in articulation with the DGT organic unit with communication competences;

- v) Improve the website and ensure the production and dissemination of news and informative articles on InC2 by the CPN;
- w) Ensure the management and quality control of institutional advertising and brandbook rules;
- x) Support the production and logistics of events organised and co-organised by the MA.

#### 4.2.3 Certification and Payment Authorities

The functions of the Certification and Payment Authority (CA and PA), certification and financial execution bodies of InC2, are ensured by the leaders of the Circular Cities Networks and by the DGT, respectively.

The CA functions are performed by Statutory Auditors (ROC), to be hired by the leaders of the Circular Cities Networks. Their mission is to certify the expenses submitted by the beneficiaries for reimbursement, by checking compliance with the applicable legal and regulatory requirements.

The PA functions are carried out by the DGT and are performed centrally by the SGMATE. The PA has the task of receiving reimbursement requests after certification by the CA, as well as carrying out the respective payments.

The Certification Authority has the following competences:

- a) Verify eligibility and compliance with the legal and regulatory requirements applicable to the operations to be performed by the MA within the scope of InC2 and within the scope of the Circular Cities Networks, including compliance with the legal regime of public procurement;
- b) Ensure that there is a computerised and physical register of the reimbursement requests and of the certification of expenditure procedures;
- c) Request clarifications, correction of requests for reimbursement and/or additional documentation, when necessary, from the TS;
- d) Submit the certificates of expenditure relating to claims for reimbursement to the TS.

The Payment Authority has the following competences:

- e) Execute payments of certified expenditure reimbursement requests;
- f) Draw up forecasts of reimbursement requests for the current and following financial year;
- g) Ensure there is a computerised register and physical archive of payments made;
- h) Ensure that the amounts returned and the amounts withdrawn following cancellation of all or part of the participation in a given project are returned to the Environmental Fund before the closure of InC2.

#### 4.2.4 Monitoring Committee

The Monitoring Commission (MC), an advisory body of InC2, is composed of the public administration entities with competences in territorial and urban development and in circular economy that accept to participate in its creation and operation following an invitation from the MA, which it chairs.

The MC operates with an extended or restricted composition, depending on the matters to be dealt with. Its extended composition may include representatives appointed by all the bodies from central government, regional government metropolitan areas, inter-municipal communities and associations of municipalities of the autonomous regions that agree to participate in this advisory body. In its restricted composition it shall include only representatives appointed by the central and regional government bodies.

Participation in the MC is not remunerated. The logistical, technical and administrative support necessary for its operation and the fulfilment of its competences is ensured by the DGT and the Technical Secretariat.

The Monitoring Committee, chaired by the Managing Authority, is composed of:

- a) One representative appointed by each of the regional governments of the Azores and Madeira;
- b) One representative appointed by each of the regional coordination and development committees;
- c) One representative appointed by each of the metropolitan areas, inter-municipal communities and associations of municipalities of the autonomous regions;
- d) A representative appointed by the National Association of Municipalities (ANMP);
- e) Other national or international entities and experts, economic and social partners or relevant civil society organisations, under proposal from the Managing Authority of InC2, depending on the matters to be dealt with.

The Monitoring Committee, in its extended or restricted composition, is responsible for:

- a) Ensuring the monitoring of the implementation of the initiative, in particular by requesting any studies, opinions or information it deems necessary for that purpose;
- b) Contributing to the definition and implementation of the Communication Strategy of InC2 and to the capitalisation actions;

The Monitoring Committee, in its restricted composition, is responsible for:

- c) Issuing a non-binding opinion on the eligibility and merit criteria for the selection of applications, as well as on the terms of reference of the invitation to tender;
- d) Appreciating the InC2 implementation reports and the proposed annual activity plans of the Technical Secretariat;
- e) Considering proposals for the appointment of coordinators and participants in multi-level and multi-sectoral platforms;
- f) Appraising the assessment of the outputs and results of the Circular Cities Networks and platforms;

- g) Guaranteeing the confidentiality and secrecy of the documentation and information obtained in the exercise of its competences;
- h) Appointing an element for the setting up of the teams to monitor the Circular Cities Networks.

Each of the entities that make up the Monitoring Committee will also be responsible for:

- a) Appointing a contact point responsible for collaboration with the Technical Secretariat on communication and dissemination of results, and informing the Managing Authority of this appointment;
- b) Participation in multi-level and multi-sectoral platforms, seminars and workshops developed under the initiative, as well as for the cities participating in Circular Cities Networks, where appropriate.

## 4.3 Management and control procedures

### 4.3.1 Evaluation procedures, selection of operations and resolution of complaints

The Circular Cities Networks to be supported under InC2 will result from an open, transparent and inclusive process of genesis, evaluation and selection of proposals submitted by potential beneficiaries following a single call for applications.

The approved Terms of Reference of the invitation to tender are made public in advance, made available and disclosed after consultation with the MC, where the application models and other instructional elements to be submitted are identified and the criteria and procedures inherent to the selection of the operations to be financed are detailed.

The TS ensures the impartial assessment of applications, in accordance with the approved eligibility and merit criteria. Upon completion of the assessment of applications phase, the TS orders them according to the ranking obtained and formalises a proposal, which it submits to the MA for final decision. All applications submitted, their evaluation, and the proposal of a ranking are submitted to the members of the MC, in its restricted composition, for appreciation.

The procedure described above will also be adopted in the subsequent stages of implementation of the operations, namely in monitoring progress. All complaints will be settled in accordance with the provisions contained in the Code of Administrative Procedure (CAP)

### 4.3.2 Financial control of beneficiaries

The Managing Authority is the body responsible for management and control checks. The MA may delegate part or all of the verification of expenditure proven by the beneficiaries to other bodies.

The submission of requests for the payment of operations should be coordinated with the reporting periods for the physical and financial execution of operations. The verification of the expenditure declared by the beneficiaries and its confirmation by the controller(s) should take place within a maximum of one month after its submission, in order to enable its prompt

reimbursement by the MA.

The expense arising from the Technical Assistance activities will be declared in the activity report of InC2.

#### 4.3.3 Monitoring and control of operations

The MA and the TS monitor the physical and financial execution of operations, gathering and analysing for this purpose information on:

- The use of the financing allocated to the operation for the pursuit of the contracted objectives and actions;
- The regularity of the expenditure incurred and declared by the operations in their payment requests;
- The progress made in implementing the operation in accordance with the contracted objectives and actions.

The MC, in its restricted composition, monitors the implementation of operations based on the reports made available by the MA/TS. The information contained in these reports will result from the analysis of the reports submitted by the beneficiaries, from administrative checks and/or on-site monitoring actions, and the MA or TS may, at any time, request clarifications or additional information on the operations from the beneficiaries. The procedures inherent to the monitoring of financed operations are detailed in the Description of the Management and Control Systems (DMCS).

#### 4.3.4 Monitoring and follow-up of the initiative

The monitoring and follow-up aim to provide information on the implementation of InC2 at specific times during its lifetime, namely at the end of each financial year. The information to be made available covers the financial implementation and results achieved, with reference to the targets defined in this Programme.

The monitoring aims to promote the quality, efficiency and effectiveness of the implementation of InC2, in relation to its objectives and expected results. It is based on the preparation of regular reports on the implementation of each project and InC2 from an overall perspective.

This Programme specifies, in chapter 2, a set of indicators on monitoring and evaluation of the degree of implementation, quantifiable and directly related to the objectives defined.

The leaders of the projects financed under this Programme report biannually, through the preparation of execution reports, on the tangible results achieved, based on evidence derived from the actions developed under the project.

The Technical Secretariat collects and gathers information from these reports in order to assess the degree of implementation and impact of InC2 and will use this information, as well as the information on financial implementation, for the preparation of the annual implementation report proposals to be submitted to the Monitoring Committee, in its restricted composition, for an opinion and for approval by the Managing Authority.

#### 4.3.5 Annual and final implementation reports of the initiative

After prior consultation with the Monitoring Committee, in its restricted composition, the Managing Authority approves and submits the annual and final implementation reports of InC2 to the Management of the Environmental Fund and the members of the Government responsible for the initiative. The closure of the initiative takes place upon delivery of the final report (3rd annual implementation report).

#### 4.3.6 Main stages of financing by the Managing Authority to beneficiaries

Lead partners collect and remit proof of expenses incurred by all partners in connection with projects and request reimbursement from the Managing Authority. Requests for reimbursement include, for each project, the total amount of eligible expenditure incurred by the beneficiaries and paid within the framework of the implementation of operations.

The Managing Authority forwards the proof of expenditure and the respective requests for reimbursement to the Certification Authority for verification and certification of compliance with the applicable legal and regulatory requirements.

The Managing Authority forwards to the Payment Authority the certified reimbursement requests for payment to the beneficiaries.

Payment is made by the Payment Authority to the Lead Partner, who then distributes them to the other partners according to the presented, proven and eligible expenditure.

The Managing Authority must ensure that the co-financed amount of the certified expenditure is paid to the beneficiaries prior to the closure of the initiative.

#### 4.3.7 Information and communication

The Managing Authority, supported by the Technical Secretariat, prepares and submits the InC2 Communication Strategy to the Monitoring Committee for its opinion. The Strategy will be implemented by the MA/TS in cooperation with the network of contact points for information and communication of the various entities that make up the Monitoring Committee.

The Communication Strategy aims, in particular, to inform potential beneficiaries of the funding opportunities under InC2 and to ensure transparency in the process of project selection and financial support allocation, as well as the public announcement of the initiative and its implementation, which shall include:

- The list of operations to be financed under InC2;
- The forms of communication, tools and means to be used;
- The information to be made available to beneficiaries, including information on the support provided by InC2 and the eligibility criteria for operations and expenditure;
- A budget estimate as well as the definition of targets and outcome indicators.

The Managing Authority, supported by the Technical Secretariat, includes information on the degree of implementation of the Communication Strategy of InC2 in the annual and final

implementation reports, which it prepares and submits to the Monitoring Committee for its opinion.

## 4.4 Involvement of partners

### 4.4.1 Preparation of the initiative

The preparation of this Programme of the initiative and its work schedule took place within the framework of a participatory process of consultation and debate between the Directorate-General for Territory, which conducted the work, and representatives appointed by each of the Regional Coordination and Development Committees (CCDRs), with a view to collecting comments and suggestions.

Three preparatory meetings of this working group were held on 11 and 29 March, and on 21 May 2019. The aim of the first meeting was to collect input regarding the work schedule, the strategic framework, and the strategic objectives and expected results (Chapters 1 and 2 of the Programme), as well as the communication strategy of InC2; the aim of the second meeting was to discuss Chapters 1 and 2 of the Programme; the aim of the third meeting, following the collection, consideration and incorporation of the contributions received, was to discuss the introduced changes.

Three draft versions of the Programme were presented and discussed during this process, and written contributions for the first two versions were received, issued by the CCDRLVT, CCDRN, CCDRC and the Environmental Fund Management Office, which were considered by the DGT team responsible for drafting and coordinating the Programme. These contributions were, in general, incorporated in this document.

### 4.4.2 Operationalising the Initiative

The implementation of the initiative will take place with the involvement and cooperation of a wide range of stakeholders, namely the entities that make up the Monitoring Committee, those responsible for information and communication, the partners of the Circular Cities Networks and the elements appointed to integrate the multi-level and multi-sectoral platforms.

## 5. Reduction of administrative costs of beneficiaries

The initiative will make every effort to simplify procedures and ensure that administrative costs and complexities related to administrative and financial management are reduced as much as possible. It will also avoid disproportionate administrative and financial management and communication of projects, taking into account their level of funding.

Priority will be given to electronic communication and harmonised documents for first level control and other reports.

The technical secretariat will also provide support and guidance to beneficiaries to ensure a clear understanding of all aspects of the programme.