

COMMUNICATION FROM THE COMMISSION TO THE MEMBER STATES

of 28 April 2000

laying down guidelines for a Community initiative concerning trans-European cooperation intended to encourage harmonious and balanced development of the European territory — Interreg III

(2000/C 143/08)

1. The Commission of the European Communities decided on 28 April 2000 to establish a Community initiative concerning trans-European cooperation (hereinafter called 'Interreg III') as set out in Article 20 of Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds ⁽¹⁾, hereinafter referred to as the 'general Regulation'.
2. Under Interreg III, Community funding is made available for measures and in areas which respect the guidelines laid down in this notice, and which are included in Community initiative programmes (CIPs) presented by authorities designated by Member States and approved by the European Commission.

I. General objectives and principles

3. The overall aim of the Interreg initiatives has been, and remains, that national borders should not be a barrier to the balanced development and integration of the European territory. The isolation of border areas has been of a double nature: on the one hand, the presence of borders cuts off border communities from each other economically, socially and culturally and hinders the coherent management of eco-systems; on the other, border areas have often been neglected under national policy, with the result that their economies have tended to become peripheral within national boundaries. The single market and EMU are strong catalysts for changing this situation. Nevertheless, the scope for strengthening cooperation to the mutual advantage of border areas throughout the Community remains enormous. The challenge is all the greater when the future enlargement of the Community is considered, as this will increase the number of its internal borders and, progressively, shift the Community's external borders eastwards.
4. During the 1994 to 1999 programming period, Interreg II continued and enlarged the scope of Interreg and REGEN of the earlier period and was implemented under three distinct headings: cross-border cooperation (EUR 2 600 million), transnational energy networks (EUR 550 million) and joint action to tackle flooding and drought problems and to develop spatial planning for large groupings of geographical areas throughout the Community, central and eastern Europe and the Mediterranean (EUR 413 million). Moreover, interregional coop-

eration across the Community on 'soft issues' relevant to regional development has been supported as part of the European Regional Development Fund (ERDF) innovative measures under Article 10 of Council Regulation (EEC) No 2083/93 of 20 July 1993 amending Regulation (EEC) No 4254/88 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the European Regional Development Fund ⁽²⁾ (EUR 200 million for 1994 to 1999).

Interreg funding has been devoted principally to the promotion of common responses to SME development, education, training and cultural exchanges, health problems in border regions, environmental protection and improvement, RTD, energy networks, transport and telecommunications (which are the main interventions in the Objective 1 regions) as well as of joint management systems and cross-border and transnational bodies.

5. This experience shows that significant steps have been made towards joint cross-border programming and programme management in many cases. However, the kind of strong cooperation that takes place, for example, in 'Euroregions' is still the exception rather than the rule. Whereas a great deal of development activity has taken place in border areas and those areas have certainly benefited from that activity, it has generally been much more difficult to establish genuine cross-border activity jointly. In some cases, this has led to perverse effects such as parallel projects on each side of the border. In any case, it has prevented border areas and Member-States from reaping the full benefits of cooperation.

Interreg II C has allowed the acquisition of some experience regarding cooperation over larger transnational territories, involving national, regional and local authorities, with a view to achieving a higher degree of territorial integration of these territories. Nevertheless the extent of cooperation is variable.

With regard to the external borders and cooperation with third countries, there have been additional problems stemming in particular from weak administrative structures in those countries as well as from difficulties in coordinating the Community's external policy instruments such as Phare, Tacis and MEDA with Interreg programmes, because of differences in operational rules.

⁽¹⁾ OJ L 161, 26.6.1999, p. 1.

⁽²⁾ OJ L 193, 31.7.1993, p. 34.

Finally, interregional cooperation has been developed on several topics. However, the present system of funding under Article 10 of Regulation (EEC) No 2083/93 has the disadvantage of centralising management of too great a number of projects directly in the hands of the Commission and of dissociating these efforts from cross-border and transnational activity under Interreg.

6. In this context, the objective of the new phase of Interreg is to strengthen economic and social cohesion in the Community by promoting cross-border, transnational and interregional cooperation and balanced development of the Community territory. Action in relation to the borders and border areas between Member States and between the Community and third countries is, therefore, at the heart of the initiative. Due attention will be given to:

- the external borders of the Community, in particular in the perspective of enlargement,
- cooperation concerning the outermost regions of the Community,
- cooperation to further the peace process begun in the Balkans, and
- cooperation concerning insular regions.

Building on the experience of the previous Interreg initiatives, this new phase of the initiative will be implemented under three strands:

- (a) promoting integrated regional development between neighbouring border regions, including external borders and certain maritime borders (strand A); the bulk of the financial resources is devoted to this strand;
- (b) contributing to harmonious territorial integration across the Community (strand B);
- (c) improving regional development and cohesion policies and techniques through transnational/interregional cooperation (strand C); this is by far the smallest strand financially.

The main challenge for the new phase of Interreg is, therefore, to build on the positive experiences of genuine cooperation within current programmes and progressively

develop structures for such cooperation across the Community and with neighbouring countries.

7. To achieve these goals, the development of cooperation under the Interreg III initiative will be governed by the following principles:

— *Joint cross-border/transnational strategy and development programme*

The development of a joint strategy and CIP laying down joint priorities is an essential condition for acceptance of the proposals submitted for Community financing. All the measures and operations must be based on this joint programming for the regions or territories concerned and demonstrate the value which it adds.

The operations selected to implement the programming must also be clearly cross-border/transnational in nature. This means that they are not eligible unless they were selected jointly and implemented, either in two or more Member States or third countries, or in a single Member State, where it can be shown that the operation has a significant impact on other Member States or third countries.

Programming must take account of the general guidelines of the Structural Funds and of Community policies. This means that preference will be given in particular to operations which help create jobs, improve the competitiveness of the areas concerned, develop and introduce sustainable development policies and promote equal opportunities for men and women. All operations should be in conformity with Community rules on competition, and with the rules on State aid in particular.

— *Partnership and a 'bottom up' approach*

A wide partnership must be developed, including not only 'institutional' partners from national, regional and local authorities, but also economic and social partners and other relevant competent bodies (non-governmental organisations, representatives from the academic world, etc) as established in Article 8 of the general Regulation. The Commission is particularly concerned that this partnership is developed from the outset, from the phase of elaboration of the joint strategy to the implementation of the operations. Following a transparent publicity phase, operations must allow the widest possible degree of participation by public and private actors.

— *Complementarity with the 'mainstream' of the Structural Funds*

Programming must be complementary to the measures promoted under Objectives 1, 2 and 3 of the Structural Funds, particularly as regards infrastructure, and the other Community initiatives. Furthermore, operations must comply with the scope of the Structural Funds and the rules on the eligibility of expenditure.

— *A more integrated approach to the implementation of the Community initiatives*

The new Regulations allow the ERDF, in accordance with Article 3(2) of Regulation (EC) No 1783/1999 of the European Parliament and of the Council of 12 July 1999 on the European Regional Development Fund ⁽¹⁾ hereinafter referred to as the 'ERDF Regulation', to implement the Interreg III initiative by financing measures for rural development eligible under the EAGGF, for the development of human resources eligible under the ESF and for the adjustment of fisheries structures eligible under the FIGF. This is a new opportunity which should be used to improve the coordination and integration of measures and operations which benefit from Community assistance.

— *Effective coordination between Interreg III and external Community policy instruments, especially with a view to enlargement*

The implementation of Interreg III must ensure coherence and synchronisation with the other Financial Instruments concerned. Operations undertaken within the Community are funded by the ERDF whereas operations undertaken outside the Community are funded by other Community financial instruments such as Phare, ISPA, Tacis, MEDA, EDF or other Community programmes with an external policy dimension, as appropriate.

8. The implementation of cooperation on the basis of these principles requires truly joint structures to prepare the programmes, involve the parties concerned, select the operations, manage the whole and coordinate and monitor the implementation of programming and, if appropriate, the joint mechanisms for the management of measures and operations. In any case, Interreg III must result in a significant advance on the present situation. The partners must state the precise conditions,

arrangements and resources for the introduction and operation of the structures whose operational costs may be financed by the programmes.

In this context, the competent authorities may consider whether it is possible to establish European economic interest groupings (EEIGs) ⁽²⁾.

II. Cross-border cooperation (strand A)

9. Purpose: cross-border cooperation between neighbouring authorities is intended to develop cross-border economic and social centres through joint strategies for sustainable territorial development.
10. Eligible areas: for the purposes of cross-border cooperation, eligible areas include:

— all areas along the internal and external land borders of the Community delineated at administrative level III of the nomenclature of territorial statistical units (NUTS III), as listed in Annex I,

— certain maritime areas delineated at administrative level III of the nomenclature of territorial statistical units (NUTS III), as listed in Annex I.

In special cases funding may be granted to measures in NUTS III areas adjoining those areas at NUTS III level referred to above or areas surrounded by such areas, provided that they do not account for more than 20 % of the total expenditure of the CIP concerned. Areas where this flexibility is to be used must be indicated in the appropriate Community initiative programme.

11. Priority topics: this strand is particularly concerned with the following topics:

— promoting urban, rural and coastal development,

— encouraging entrepreneurship and the development of small firms (including those in the tourism sector) and local employment initiatives,

— promoting the integration of the labour market and social inclusion,

— sharing human resources and facilities for research, technological development, education, culture, communications and health to increase productivity and help create sustainable jobs,

⁽¹⁾ OJ L 213, 13.8.1999, p. 1.

⁽²⁾ Communication from the Commission 97/C 285/10: Participation of European economic interest groupings (EEIGs) in public contracts and programmes financed by public funds (OJ C 285, 20.9.1997, p. 17).

- encouraging the protection of the environment (local, global), increase energy efficiency and promote renewable sources of energy,
- improving transport (particularly measures implementing more environmentally-friendly forms of transport), information and communication networks and services and water and energy systems,
- developing cooperation in the legal and administrative spheres to promote economic development and social cohesion,
- increasing human and institutional potential for cross-border cooperation to promote economic development and social cohesion.

This list is not exhaustive. For guidance, the topics are set out in Annex II. However, the financial resources must be concentrated on a limited number of topics and measures. In particular, infrastructure investments should be concentrated as far as practicable in administrative areas below NUTS III level, immediately adjacent to borders. However, in accordance with point 10, when, within sparsely populated regions, it is observed that development is held up by the absence of infrastructure, such infrastructure can be taken into consideration in an area going beyond the strictly defined NUTS III level, to the extent that the main aim of this infrastructure is related to the development of the NUTS III areas indicated in Annex I.

III. Transnational cooperation (strand B)

12. Objective: transnational cooperation between national, regional and local authorities aims to promote a higher degree of territorial integration across large groupings of European regions, with a view to achieving sustainable, harmonious and balanced development in the Community and better territorial integration with candidate and other neighbouring countries.
13. Eligible areas: for the purposes of transnational cooperation proposed eligible areas are made up of the groupings of regions indicated in Annex III.

These groupings are based on the areas already covered by existing Interreg II C programmes and Article 10 pilot actions concerning spatial planning, adjusted to take account of experience to date. On this basis, Member States and their regions may submit to the Commission duly justified requests for modifications to these groupings. Particular attention will be given to the external borders of the Community, in particular in the perspective of enlargement, to cooperation concerning the outermost regions of the Community, to increasing cooperation

across the Adriatic and the Southern Baltic and to cooperation concerning insular regions. Consequently, proposed modifications should seek to increase cooperation between the Adriatic and the Balkan regions of the Community with the external Balkan regions. With regard to the latter, cooperation will be supported under the new instrument referred to in point 46.

14. Priority topics: transnational cooperation proposals should build on the experience of Interreg II C and take account of Community policy priorities such as TENs and of the recommendations for territorial development of the European spatial development perspective (ESDP). At the same time, given the limited financial resources and the vastness of the territories involved, it is important to avoid dispersal of efforts and seek a strong focus. Support may be requested in order:

- to elaborate operational spatial development strategies on a transnational scale, including cooperation among cities and between urban and rural areas, with a view to promoting polycentric and sustainable development,
- to promote efficient and sustainable transport systems and improved access to the information society,
- to promote the environment and the good management of cultural heritage and of natural resources, in particular water resources,
- to promote integration between maritime regions, and of insular regions, each through a specific priority with an appropriate financial allocation,
- to promote the integrated cooperation of the outermost regions.

The measures selected must underpin an integrated territorial approach that responds to common problems and opportunities and leads to genuine benefits for the transnational area. Cooperation between insular and maritime regions will be particularly encouraged, as well as cooperation between regions with common handicaps such as mountain zones. Key areas for infrastructure investments must also be identified. Owing to limited financial resources, only small-scale infrastructure can be taken into consideration. Motorway, main road construction and other similar infrastructure are excluded. The operations selected must also demonstrate concrete, visible and innovative results. In the case of problems of water resources management caused by flooding or drought, Interreg III funding can be used on an exceptional basis for infrastructure investments, taking account of the limited financial resources.

15. In the case of the most remote regions (the French overseas departments, the Canary Islands, the Azores and Madeira) cooperation programmes:

- will promote better economic integration and co-operation among these regions and between them and other member States,
- will improve linkages and cooperation with neighbouring third countries (in the Caribbean, Latin America, Atlantic Ocean, North-west Africa, and the Indian Ocean).

16. This list of priority topics should constitute the principal actions to be co-financed. They are set out in greater detail in Annex IV.

IV. Interregional cooperation (strand C)

17. Objective: interregional cooperation is intended to improve the effectiveness of policies and instruments for regional development and cohesion through networking, particularly for regions whose development is lagging behind and those undergoing conversion.

18. Eligible areas: the whole of the Community is eligible.

19. Priority topics: this strand covers cooperation actions related to specific topics to be defined by the Commission, after consulting the Management Committee referred to in Article 48(2)(c) of the general Regulation, such as research, technological development and SMEs; the information society; tourism, culture and employment; entrepreneurship and environment, etc. (see point 33).

Particular attention should be paid to participation by the insular and most remote regions and the applicant countries in the various networks. Cooperation, even at bilateral level, between maritime regions will be encouraged.

V. Preparation, presentation and approval of interventions

20. On the basis of indicative financial allocations per Member States established by the Commission specifying the margins of flexibility between the strands (see Chapter VIII), Member States will make a breakdown of funding by strand, border and region, as appropriate. In so doing, the Member States will ensure an appropriate balance of funding on the two sides of the borders, taking account of the financing available.

21. The proposals will be prepared by joint cross-border or transnational committees or other bodies constituted by the relevant regional/local and national authorities and,

where appropriate, the relevant non-governmental partners.

Proposals may be presented separately for each strand. However, if deemed appropriate by the partners, programmes may cover all three strands A, B and C while specifying the priorities, measures and joint structures for each strand.

22. The programmes concerning cross-border cooperation (strand A) will be drawn up in accordance with the principles, priorities and procedures set out in points 6 to 11 by the regional or local authorities in the eligible areas in partnership with the national authorities, depending on the institutional structure of each Member State.

In general, each programme will be drawn up for a border with 'subprogrammes' for each cross-border region where appropriate. In duly justified cases (e.g. very long borders, points where several borders converge, well developed existing cooperation structures), the programme will be drawn up for one cross-border region and may cover one or more borders.

23. The programmes covering transnational cooperation (strand B) will be drawn up in accordance with the principles, priorities and procedures set out in points 6, 7, 8 and 12 to 16 by the national authorities (or other authorities designated by the Member States) in close cooperation with the regional or local authorities located in the geographical area where transnational cooperation is to take place. Given their acquired experience, the bodies and working parties existing under Interreg II C will participate in the preparatory work at the request of the responsible authorities.

A single programme will be drawn up for each area of cooperation as defined in point 13.

24. Within each cooperation area under strand B, the proposals concerning interregional cooperation (strand C) will be prepared by the regional authorities or other bodies designated by the Member States, or by recognised intermediary bodies with a view to adopting either specific programmes or including a priority within the relevant strand B programme.

The conditions concerning the implementation of strand C programmes are set out in Annex V.

25. The content of the programmes will be similar to that of the single programming documents described in Article 19(3) of the general Regulation, adjusted to meet the needs and circumstances peculiar to cross-border, transnational and interregional cooperation and will include:

- an *ex ante* evaluation in accordance with Article 41(2) of the general Regulation analysing in particular the strengths and weaknesses as regards cooperation of the area concerned and the expected impact, including that on the environment (local, global) and, where appropriate, equal opportunities for men and women, and the improvements made to cooperation structures,
- an account of the process of joint programming (e.g. joint programming committee) including the arrangements made to consult partners,
- a statement of the joint strategy and priorities for the development of the geographical area covered by the programme broken down by subprogramme, as appropriate, including the priorities, the specific objectives, quantified where they lend themselves to quantification and an indication of how this strategy and these priorities have taken account of the indicative guidelines referred to in Article 10(3) of the general Regulation,
- a summary description, if necessary by subprogramme for strand A, of the measures planned to implement the priorities, including the information needed to check compliance with aid schemes under Article 87 of the Treaty; the nature of the measures required to prepare, monitor and evaluate the CIP,
- an indicative financing plan specifying for each priority and each year, in accordance with Articles 28 and 29 of the general Regulation, the financial allocation envisaged for the contribution of the ERDF and for Phare, Tacis, MEDA, the Cohesion Fund and ISPA, the EIB, where appropriate, as well as the total amount of eligible public or equivalent funding and estimated private funding relating to these contributions; the total contribution of the ERDF planned for each year will be compatible with the relevant financial perspective,
- the provisions for implementing the CIP including:
 - the designation by the competent authorities participating in the programme of the common structures for cooperation established on the basis of specific agreements taking into account national

legislation, which will be responsible for the following functions:

- a managing authority within the meaning of Article 9(n) and Article 34 of the general Regulation,
- a paying authority within the meaning of Article 9(o) and Article 32 of the general Regulation at programme level, and if necessary subsidiary paying authorities,
- a joint technical secretariat for the operational management of the CIP, in particular for the tasks set out in point 30 without prejudice to the global responsibility of the managing authority according to Article 34 of the general Regulation.

These three functions (managing authority, paying authority, and joint technical secretariat) are undertaken by these bodies either separately or together, taking account of the specificities of the implementation of Interreg III,

- a monitoring committee for the whole of the programme in accordance with Article 35 of the general Regulation (see point 28); and a steering committee (or, where appropriate a number of them) (see point 29),
- a description of the arrangements for managing the CIP including those concerning a transparent publicity phase allowing the widest possible degree of participation by public and private actors and the mechanisms for launching calls for proposals and for the joint selection of the operations, and the role of the steering committee (see point 29) and the various responsibilities for finance and financial control, in accordance with Articles 38 and 39 of the general Regulation; it will include, where appropriate, use of a global grant as provided for in point 26,
- a description of the systems for joint monitoring and evaluation, including the role of the monitoring committee (see point 28); as foreseen in Article 36(1) of the general Regulation, the competent authorities will take into account the methodology for defining monitoring indicators for the collection of monitoring data and for the preparation of evaluations,

- the definition of a system of financial management permitting a transfer from the ERDF (and preferably also from the respective national co-financing arrangements) to a single account for each programme and the rapid and transparent forwarding of this finance to the final beneficiaries; the joint arrangements may, for this purpose, include signature of an agreement between the various authorities of the countries participating in the programme as well as an obligation on the various partners, at project level, to also sign an agreement concerning their mutual financial and legal responsibilities,
- a description of the specific arrangements and procedures for checking on the CIP, setting out the various responsibilities for finance and financial control, in accordance with Articles 38 and 39 of the general Regulation,
- Information on the resources required for preparing, monitoring and evaluating assistance.

26. The programmes drawn up in this way will be submitted to the Commission by the authorities designated by the Member States concerned and in agreement with those Member States.

When the Commission approves each programme, it will grant a single contribution from the ERDF without financial breakdown by Member State. The Commission may also make a global grant for all or part of the programme in agreement with the Member States concerned.

27. Each CIP will be supplemented by a programme complement as defined in Article 9(m) and described in Article 18(3) of the general Regulation.

This programming complement will be sent to the Commission no later than three months after the Commission decision approving the CIP. The programming complement will be prepared in accordance with the same arrangements for cooperation and partnership as those governing the CIP.

VI. Monitoring, implementation and evaluation of interventions

28. Programme monitoring will be carried out by the programme monitoring committee in accordance with Article 35 of the general Regulation. The main duties of the committee, which meets at least once a year, are:

- to confirm or approve the programme complement,
- in accordance with Article 15 of the general Regulation, to establish the criteria to be used in the selection of operations with the aim of determining the cross-border or transnational character or interest of the operations,
- to make later amendments to the programme or the programme complement,
- to monitor and evaluate the programme as a whole and approve the terms of reference of calls for proposals.

The monitoring committee comprises representatives of the regional and local authorities and the national authorities if the latter so wish. The participation of the economic and social partners and of non-governmental organisations is desirable and applies according to the requirements of Article 8 of the general Regulation. A representative of the Commission and, where appropriate, of the EIB, will participate in the work of the monitoring committee in an advisory capacity.

29. The joint selection of operations and the coordinated monitoring of their implementation will be carried out by one or, if necessary, several steering committees for the operations organised for each subprogramme. This committee will be constituted on the same principles of cooperation and partnership as the monitoring committee. A representative of the Commission may attend as an observer.

Optionally, the duties of the steering committee may be carried out by the monitoring committee acting as a steering committee.

30. In the implementation of its tasks, the managing authority is assisted by the joint technical secretariat where it does not assume the secretariat function itself.

In addition to its responsibilities under Article 34 of the general Regulation, the managing authority (see point 25) is responsible for organising the preparation of the decisions to be taken by the monitoring and steering committees. In particular, it will accept, consider and give a preliminary assessment of operations proposed for financing or will coordinate such tasks. It will also coordinate the work of the authorities or bodies designated as required to implement the various subprogrammes and measures.

31. The ERDF contribution will be paid to a single bank account in the name of the paying authority or the managing authority (where it is also the paying authority). On the basis of decisions concerning the selection of projects by the steering committee or the monitoring committee acting as steering committee, this ERDF participation will then according to Article 32(1), last subparagraph, of the general Regulation be paid by the paying authority to the final beneficiaries or, as appropriate, to the authorities or bodies designated to implement the various subprogrammes and measures. In this case, these authorities will then make the payments to the final beneficiaries. In the case of operations involving partners in different Member States, the final beneficiary will be the partner in charge of the operation which will undertake financial management and coordinate the various partners in the operation. This partner in charge will bear financial and legal responsibility to the managing authority. The partner in charge will establish with these partners, possibly in the form of an agreement, the division of the mutual responsibilities.
32. Chapter III of the general Regulation (contributions and financial management by the Funds) and the provisions on monitoring, evaluation and financial control, with the exception of Article 44, will apply to the CIPs. In accordance with Article 21(4) of that Regulation, the CIPs may be revised on the initiative of Member States or the Commission in agreement with the Member States concerned after the mid-term evaluation referred to in Article 42 of that Regulation.
33. On two occasions during the period 2000 to 2006, the Commission will propose to the management committee in the sense of Article 48(2)(c) of the general Regulation the terms of reference of calls for proposals to be issued by the responsible managing authorities under strand C.

VII. Coordination between ERDF, Phare, Acis, MEDA, EDF, Sapard and ISPA

34. For the purposes of Article 20(2), first subparagraph, of the general Regulation, coordination between the assistance under the ERDF and the other instruments contributing to the financing of the Interreg III initiative concerns geographical eligibility, multiannual programming, the eligibility of operations and the mechanisms for implementation, monitoring, evaluation and control.

The significant improvement of the common structures in relation to the current situation as mentioned in point 8 will be carried out, with regard to the cooperation programmes described in this chapter, according to the rate of progress made with regard to coordination between then ERDF and the other Financial Instruments.

The Commission commits itself to presenting to the consultative committee referred to in Article 48(3)(d) of the general Regulation, once a year, a report on the progress achieved as regards coordination between the ERDF and the other financial instruments.

Cross-border cooperation (strand A)

35. For the purposes of cross-border cooperation across the Community's external borders, border areas in neighbouring countries will be included in the CIP proposals presented to the Commission by the designated authorities in the Member States in agreement with the neighbouring countries concerned. The definition of these areas must be coherent with the criteria adopted for Interreg III. A list of zones eligible under Phare-CBC is currently being elaborated by beneficiary countries. It will be made available before the preparation of the Joint Programming Documents.
36. The Interreg III CIP for cross-border cooperation (strand A), as defined in points 21, 22, 25 and 26, will be the joint cross-border programming document referred to in Article 7 of Commission Regulation (EC) No 2760/98 of 18 December 1998 concerning the implementation of a programme for cross-border cooperation in the framework of the Phare programme⁽¹⁾, hereinafter described as the 'Phare-CBC Regulation'. In the case of financing by the ERDF, the Commission will decide on the contribution by the Fund when it approves the programme. The contributions of Phare-CBC, Tacis, MEDA, Sapard or ISPA will respect the principles and rules of these Instruments and the amounts introduced in the financing plan for, in the first instance, 2000 to 2002 will be indicative. Attention will be given to an appropriate balance of funding on both sides of the borders concerned, taking into account the financing available, differences in the level of economic development and absorption capacities.
37. In the case of ISPA, in accordance with Article 2(2), second subparagraph, of Council Regulation (EC) No 1267/1999 of 21 June 1999 establishing an Instrument of Structural Policies for Pre-accession⁽²⁾, exceptions to the application of a minimum size (EUR 5 million) required in principle for the measures under this Instrument may be allowed, taking account of the particular conditions deduced by the Commission on the basis of specific recommendations made by the monitoring committee.
38. The monitoring committee, the steering committee(s), the joint technical secretariat and, where appropriate, the managing authority (see point 25) will be set up with the participation of representatives of the third countries participating in the CIP.

⁽¹⁾ OJ L 345, 19.12.1998, p. 49.

⁽²⁾ OJ L 161, 26.6.1999, p. 73.

Where a joint managing authority is not possible, representatives of the third countries will participate in the activities of the managing authority within the limits of their respective competences.

39. In the case of CIPs financed by the ERDF and by Phare-CBC, the monitoring committee for the CIP as described in point 28 and the joint cooperation committee as described in Article 7 of the Phare-CBC Regulation form a single committee, hereinafter referred to as the 'Interreg/Phare-CBC monitoring committee'.

The Interreg/Phare-CBC monitoring committee will decide on internal rules of procedure, taking account of the institutional, legal and financial systems of the countries concerned. These rules will, where appropriate, give details on the application of point 28 and Article 7 of the Phare-CBC Regulation.

The Interreg/Phare-CBC monitoring committee will include representatives of the competent authorities in the Member States and the third countries concerned and of the Commission and where appropriate the EIB. The representative(s) of the Commission and where appropriate the EIB will participate in the work of the Interreg/Phare-CBC monitoring committee, as regards operations co-financed by the ERDF, in an advisory capacity. It is the responsibility of this committee to confirm the programme complement pursuant to Article 15 of the general Regulation or to approve modifications to it.

40. The operations and projects will be selected on the basis of their eligibility for Interreg III by the steering committee or committees or by the Interreg/Phare-CBC monitoring committee acting as steering committee (see point 29).
41. Approval of the operations or projects to be financed under the CIP will follow the specific rules of the ERDF and of any other financial instrument contributing to the programme.
42. Approval of the projects to be financed by Phare-CBC will follow the procedure laid down by Article 7(3) and Article 8 of the Phare-CBC Regulation.

In accordance with Article 5(2) of that Regulation, there will be special provisions concerning a limited percentage of programmes for small projects involving local actors. Small projects to be financed by Phare-CBC and not exceeding EUR 300 000 will be approved by the joint cooperation committee or by the steering committee responsible for the Small Projects Fund (SPF) ⁽¹⁾.

⁽¹⁾ In order to create the conditions for improved coherence within Interreg III, this limit is at present under examination with a view to an increase.

The application of the otherwise required minimum size of projects (EUR 2 million) will allow exceptions only on the basis of a case-by-case assessment and under the circumstances of genuine cross-border cooperation falling within the priorities defined in the joint cross-border programming documents. The projects may comprise a group of operations with a precise development goal. The Interreg/Phare-CBC monitoring committee (see point 39) will make specific recommendations concerning exceptions to the minimum size of projects with a view to the procedures indicated in the first paragraph of this point.

On the basis of a case-by-case assessment, in those border areas where the conditions of Article 12 of Council Regulation (EC) No 1266/1999 of 21 June 1999 on coordinating aid to the applicant countries in the framework of the pre-accession strategy ⁽²⁾ concerning the coordination of the pre-accession instruments are met, new procedures may be introduced in due time, providing for a delegation of the selection of projects and approval of funding for Phare-CBC in agreement with the Commission. The creation of the structures necessary for the introduction of such procedures will be a principal aim of the programmes in the period 2000 to 2001.

Transnational cooperation (strand B)

43. Third countries may participate in transnational cooperation as defined in Chapter III of these guidelines, on the basis of CIP proposals presented to the Commission by the designated authorities in the Member States in agreement with the third countries concerned.

Projects in countries benefiting from support through Phare linked with transnational cooperation in the framework of Interreg III can be supported through the national Phare programmes.

In the case of financing by the ERDF, the Commission will decide on a contribution by the Fund when it approves each programme. In the case of Phare, Tacis, Meda, EDF, Sapard and ISPA, the approval of the projects to be financed by these programmes will follow the procedures laid down in their respective regulations and operational rules. Where possible, an indicative amount for the contribution to the transnational programme concerned may be given covering the period 2000 to 2002.

Point 37 can, where appropriate, also be applied to transnational cooperation.

44. The Commission will ensure the application of points 38 to 42 to transnational cooperation.

⁽²⁾ OJ L 161, 26.6.1999, p. 68.

Interregional cooperation (strand C)

45. In the case of financing by the ERDF, the Commission will grant the ERDF contribution when it approves the relevant global grant or programme.

Projects in countries benefiting from support through Phare linked with interregional cooperation in the framework of Interreg III can be supported through the national Phare programmes.

In agreement with the third countries concerned, the Commission may decide to provide Community assistance to the individual bodies managing interregional cooperation from Phare, Tacis, MEDA, EDF, SAPARD and ISPA, subject to their respective regulations and operational rules. Where possible, this assistance may take the form of an indicative global grant under each of the instruments involved.

Point 37 can, where appropriate, also be applied to interregional cooperation.

Review of progress

46. In the course of 2000 the Commission will make appropriate proposals to further strengthen coordination between ERDF and Phare-CBC, Tacis, MEDA, EDF, Sapard and ISPA funding for transnational cooperation.

In particular, in the context of the review of the operation of the Phare programme, envisaged for the year 2000, the Commission will examine ways of reinforcing the link between Phare-CBC and transnational and interregional measures under strands B and C respectively of Interreg III.

Through any relevant Cooperation Instrument or Agreement and following the creation of any new Community Instrument for peace and reconstruction in the Balkans, the Commission will, when appropriate, examine the possibilities of promoting coordination of Interreg III with such an instrument under arrangements to be defined at the time in particular for the Italian Adriatic regions.

VIII. Financing

47. The Interreg III Community initiative will be jointly financed by the Member States and the Community.
48. In conformity with Article 20(2) of the general Regulation, the total contribution by the ERDF to Interreg III during the period 2000 to 2006 is fixed at EUR 4 875 million, at 1999 prices. In accordance with Article 7(7) of the general Regulation, the ERDF contribution to each CIP will be

indexed at 2 % a year up to 2003 and will be decided at 2003 prices for the years 2004 to 2006. By 31 December 2003 the Commission will determine the rate of indexation applicable for the period 2004 to 2006. Without prejudice to the exceptions foreseen in Article 29(3)(a) of that Regulation, the ceiling on the ERDF contribution will be 75 % of the total cost in the Objective 1 regions and 50 % elsewhere.

The Commission will adopt indicative financial allocations for each Member State. In breaking down this amount, Member States will ensure that, on an indicative basis, at least 50 % of their total allocation for Interreg III is allocated to cross-border cooperation under strand A. The Commission and the Member States will also ensure that all borders are treated in an equitable manner. At least 14 % of the indicative allocation for each Member State will be allocated to strand B and 6 % to strand C.

49. For the period 2000 to 2002, for relevant third countries participating in Interreg III, cooperation will be assisted by Phare-CBC with up to EUR 480 million as well as by ISPA, Sapard and Phare national programmes as appropriate. For Tacis, MEDA and EDF, allocations for coordinated activities will be determined in the course of the annual budgetary procedures, and in accordance with existing operational rules, with a view to maximising cross-border and transnational cooperation across the Community's external borders.

Loans from the EIB may also be available.

50. In accordance with Article 3(2) of the ERDF regulation, to implement the Interreg III initiative the ERDF will finance measures for rural development eligible under the EAGGF, for the development of human resources eligible under the ESF and for the adaptation of fisheries structures eligible under the FIG.
51. The Community initiatives may provide technical assistance to the conception, financing, and implementation of programmes under Article 2 and Article 20 of the general Regulation.
52. Within the programmes, specific technical assistance measures may be foreseen, in particular with a view to the creation and development of common structures. In this regard, in accordance with Article 29 of the general Regulation, the normal co-financing rates will apply in all cases where technical assistance is undertaken at the request of a Member State.

Exceptionally, if such a technical assistance measure is taken at the initiative of the Commission because it would be of benefit to more than one Member State, it could be financed at up to 100 %.

53. In order to further exchanges of experience and good practice, in particular through networking actions linked to experience gained under strands A, B and C of Interreg III, a maximum of EUR 47 million may be used.

The normal co-financing rates will apply when such measures are requested by the Member States.

If, however, such measures are taken on the initiative of the Commission, they could be financed at up to 100 %.

In this context, the Commission will establish an Observatory for cross-border, transnational and inter-regional cooperation. The tasks of this Observatory, which will be fully funded by the Community, will include:

- coordination and exchanges of experience and good practice at Community level of actions undertaken through Interreg III,
- technical assistance and promotion of the creation and consolidation of joint structures for programming, monitoring and management,
- coordination by the Commission of calls for proposals regarding interregional cooperation. Collection of information on projects approved (in order to avoid double financing of projects and to further synergies) and their implementation,
- publications, databases and websites.

A detailed decision of the Commission will define the work of the Observatory and will specify its structure,

composition, how it will operate and its precise tasks. This decision will be taken in the framework of the decisions on externalisation that the Commission will adopt in the general context of the reform process currently underway. This decision will be communicated to the Member States for information.

54. Funding at 100 % undertaken on the initiative of the Commission and falling within the definition of the two types of technical assistance described in point 52 (second paragraph) and point 53 (third paragraph), including the funding of the Observatory, will account for no more than 2 % of the total ERDF contribution as set out in point 48.

IX. Timing

55. The Commission invites Member States and the designated regional authorities, where applicable in agreement with the third countries concerned, to present detailed proposals for Community initiative programmes under the Interreg III initiative within six months of the date of publication of this notice in the *Official Journal of the European Communities*. The Commission will not be obliged to consider proposals received after that time-limit.

56. All correspondence relating to this notice should be addressed to:

European Commission,
Directorate-General for Regional Policy,
Rue de la Loi/Wetstraat 200,
B-1049 Brussels.

Done at Brussels, 28 April 2000.

ANNEX I

STRAND A: ELIGIBLE AREAS

BELGIQUE/BELGIË

Antwerpen (Arr.)
Arlon
Ath
Bastogne
Brugge
Dinant
Eeklo
Gent (Arr.)
Ieper
Kortrijk
Liège (Arr.)
Maaseik
Mons
Mouscron
Neufchâteau
Philippeville
Sint-Niklaas
Thuin
Tongeren
Tournai
Turnhout
Verviers
Veurne
Virton

DANMARK

Bornholms Amtskommune
Frederiksborg Amtskommune
Fyns Amtskommune
København og Frederiksberg Kommuner
Københavns Amtskommune
Roskilde Amtskommune
Sønderjyllands Amtskommune
Størstrøms Amtskommune

DEUTSCHLAND

Aachen, Kreisfreie Stadt
Aachen, Landkreis
Altötting
Annaberg
Aue-Schwarzenberg
Aurich
Bad Tölz-Wolfratshausen
Baden-Baden, Stadtkreis
Barnim
Bautzen
Berchtesgadener Land
Bitburg-Prüm
Bodenseekreis
Borken
Breisgau-Hochschwarzwald
Cham
Cottbus, Kreisfreie Stadt
Daun

Düren
Emden, Kreisfreie Stadt
Emmendingen
Emsland
Euskirchen
Flensburg, Kreisfreie Stadt
Frankfurt (Oder), Kreisfreie Stadt
Freiberg
Freiburg im Breisgau, Stadtkreis
Freyung-Grafenau
Garmisch-Partenkirchen
Germersheim
Görlitz, Kreisfreie Stadt
Grafschaft Bentheim
Greifswald, Kreisfreie Stadt
Heinsberg
Hof, Kreisfreie Stadt
Hof, Landkreis
Karlsruhe, Landkreis
Karlsruhe, Stadtkreis
Kaufbeuren, Kreisfreie Stadt
Kempten (Allgäu), Kreisfreie Stadt
Kiel, Kreisfreie Stadt
Kleve
Konstanz
Landau in der Pfalz
Leer
Lindau-Bodensee
Löbau-Zittau
Lörrach
Lübeck, Kreisfreie Stadt
Märkisch-Oderland
Merzig-Wadern
Miesbach
Mittlerer Erzgebirgskreis
Mönchengladbach, Kreisfreie Stadt
Neustadt an der Waldnaab
Niederschlesischer Oberlausitzkreis
Nordfriesland
Oberallgäu
Oder-Spree
Ortenaukreis
Ostallgäu
Ostholstein
Ostvorpommern
Passau, Kreisfreie Stadt
Passau, Landkreis
Pirmasens, Kreisfreie Stadt
Plauen, Kreisfreie Stadt
Plön
Rastatt
Regen
Rendsburg-Eckernförde
Rosenheim, Kreisfreie Stadt
Rosenheim, Landkreis
Rottal-Inn

Saarbrücken, Stadtverband	Ceuta
Saarlouis	Girona
Saar-Pfalz-Kreis	Guipúzcoa
Sächsische Schweiz	Huelva
Schleswig-Flensburg	Huesca
Schwandorf	Lleida
Schwarzwald-Baar-Kreis	Málaga
Spree-Neiße	Melilla
Steinfurt	Navarra
Südliche Weinstraße	Ourense
Südwestpfalz	Pontevedra
Tirschenreuth	Salamanca
Traunstein	Zamora
Trier Kreisfreie Stadt	FRANCE
Trier-Saarburg	Ain
Uckermark	Aisne
Ücker-Randow	Alpes-de-Haute-Provence
Viersen	Alpes-Maritimes
Vogtlandkreis	Ardennes
Waldshut	Ariège
Weiden in der Oberpfalz, Kreisfreie Stadt	Bas-Rhin
Weißeritzkreis	Corse du Sud
Wesel	Doubs
Wunsiedel im Fichtelgebirge	Haut-Rhin
Zweibrücken, Kreisfreie Stadt	Haute-Corse
ELLADA	Haute-Garonne
Achaia	Hauts-Pyrénées
Aitoloakarnania	Haute-Savoie
Chania	Hauts-Alpes
Chios	Jura
Dodekanisos	Meurthe-et-Moselle
Drama	Meuse
Evros	Moselle
Florina	Nord
Ioannina	Pas-de-Calais
Irakleio	Pyrénées-Atlantiques
Kastoria	Pyrénées-Orientales
Kavala	Savoie
Kefallinia	Seine-Maritime
Kerkyra	Somme
Kilkis	Territoire de Belfort
Lasithi	IRELAND
Lefkada	Border
Lesvos	Dublin
Pella	Mid-east
Preveza	South-east
Rethymni	ITALIA
Rodopi	Bari
Samos	Belluno
Serres	Biella
Thesprotia	Bolzano-Bozen
Thessaloniki	Brindisi
Xanthi	Como
Zakinthos	Cuneo
ESPAÑA	Gorizia
Badajoz	Imperia
Cáceres	Lecce
Cádiz	

Lecco	Wien
Livorno	Wiener Umland/Nordteil
Novara	Wiener Umland/Südteil
Sassari	
Sondrio	PORTUGAL
Torino	Alentejo Central
Trieste	Algarve
Udine	Alto Alentejo
Valle d'Aosta	Alto Trás-os-Montes
Varese	Baixo Alentejo
Venezia	Beira Interior Norte
Verbano-Lusio-Ossola	Beira Interior Sul
Vercelli	Cávado
	Douro
LUXEMBOURG	Minho-Lima
Luxembourg (Storhertugdømmet)	
	SUOMI/FINLAND
NEDERLAND	Ahvenanmaa/Åland
Achterhoek	Etelä-Karjala
Arnhem-Nijmegen	Etelä-Savo
Delfzijl en omgeving	Itä-Uusimaa
Midden-Limburg	Kainuu
Midden-Noord-Brabant	Keski-Pohjanmaa
Noord-Limburg	Kymenlaakso
Noord-Overijssel	Lappi
Oost-Groningen	Pohjanmaa
Overig Groningen	Pohjois-Karjala
Overig Zeeland	Pohjois-Pohjanmaa
Twente	Uusimaa
West-Noord-Brabant	Varsinais-Suomi
Zeeuwesch-Vlaanderen	
Zuid-Limburg	SVERIGE
Zuidoost-Drenthe	Dalarnas län
Zuidoost-Noord-Brabant	Jämtlands län
	Norrbottnens län
ÖSTERREICH	Skåne län
Außerfern	Stockholms län
Bludenz-Bregenzener Wald	Värmlands län
Innsbruck	Västerbottnens län
Innviertel	Västra Götalands län
Klagenfurt-Villach	
Mittelburgenland	UNITED KINGDOM
Mühlviertel	Brighton and Hove
Nordburgenland	Conwy and Denbighshire
Oberkärnten	(only that part eligible under Interreg II A)
Oststeiermark	East of Northern Ireland
Osttirol	East Sussex CC
Pinzgau-Pongau	Gibraltar
Rheintal-Bodenseegebiet	Gwynedd
Salzburg und Umgebung	Isle of Anglesey
Südburgenland	Kent CC
Tiroler Oberland	Medways Towns
Tiroler Unterland	North of Northern Ireland
Unterkärnten	South West Wales
Waldviertel	West and South of Northern Ireland
Weinviertel	
West- und Südsteiermark	

ANNEX II

STRAND A: INDICATIVE LIST OF PRIORITY TOPICS AND ELIGIBLE MEASURES

As provided for in the general Regulation, all the operations part-financed by the ERDF must comply with the scope of the Structural Funds and the rules on the eligibility of expenditure. They must equally be in conformity with other Community policies, including rules on competition.

1. Promotion of urban, rural and coastal development

Analysis of cross-border area.

Preparation of guidelines and joint planning for management of the area including the cross-border areas as an integrated geographical unit (including the prevention of natural and technological disasters).

Promotion of multisectoral frameworks for land use.

Planning and protection of cross-border areas, in particular sites of Community importance such as Natura 2000 sites.

Urban development

Preparation of joint guidelines for the planning and management of areas between agglomerations close to borders, paying particular attention to the principles and guidelines of 'Sustainable urban development: a framework for action' (COM(1998) 605 final).

Cooperation between urban and rural areas to promote sustainable development.

Renovation and development of historic urban centres using a joint cross-border strategy (excluding housing).

Planning of cross-border industrial areas.

Rural development

Cross-border planning of agricultural land and other cross-border improvements to land tenure.

Diversification of activities to promote new employment opportunities or generate supplementary incomes for the rural population.

Cross-border rural development, principally through the marketing and promotion of quality products, the encouragement of tourist and craft activities, improvements to living conditions and the renovation and development of villages and preservation of the rural heritage; development and maintenance of certain protected cross-border areas.

Improvement, sustainable development and conservation of cross-border forestry resources and the extension of cross-border wooded areas, subject to compliance with Chapter VIII of the EAGGF Regulation on rural development (including the prevention of natural disasters in mountain areas).

Coastal development

Preparation of joint guidelines for the planning and management of coastal areas.

Protection of the coastal environment through prevention, control, and the restoration of environmentally rundown areas, the removal of waste and the creation and/or joint use of resources and infrastructure (including for the treatment of waste water).

Protection of the quality of water resources on land and at sea in coastal areas.

2. Development of business spirit and small and medium-sized enterprises (SMEs), tourism and local development and employment initiatives (LDEI)*Business spirit and SMEs*

Development of cross-border networks of economic relations between SMEs for the creation or development of commercial, professional or cross-border development organisations to improve cooperation, information, the transfer of management skills and technology and studies and market research.

Support and encouragement for the development of SMEs through investment aid.

Improving cross-border access to finance, credit and business services.

Development of appropriate cross-border financial instruments.

Operational expenditure by the organisations mentioned above may be part-financed only during a start-up phase not exceeding three years, and on a sliding scale.

Tourism

Development of quality and environmentally friendly tourism (including farm tourism) through projects for investment, design and introduction of new tourist products (cultural tourism, environmental tourism) which create sustainable jobs.

Promotional measures, market studies and establishment of shared reservation systems.

Local development and employment initiatives (LDEI)

Establishment of networks of neighbourhood services or services on other topics under the LDEI ⁽¹⁾.

3. Integration of the labour market and promotion of social inclusion

Creation and/or development of an integrated labour market on both sides of the border in accordance with the tasks of the ESF (Article 1 of the ESF Regulation), while taking due account of the obligation to help promote equal opportunities for men and women, and involving the social partners.

In the areas where there is a EURES cross-border partnership, particular attention will be paid to the implementation of operations complementary to or supportive of this partnership which help improve operation of the cross-border labour market. These operations will be defined in agreement with the EURES local partners.

Encouraging cooperation in vocational training, the mutual recognition of diplomas and systems for the transfer of pension rights.

Development of cross-border territorial pacts for employment.

Cross-border social integration.

4. Cooperation on research, technological development, education, culture, communications, health and civil protection

Encouraging cooperation between research, technology and development centres, in the areas of education (school, higher and university and vocational training), culture (including the media and sport), communications, health and civil protection through the creation and/or joint use of resources and institutions and facilities to promote employment and raise competitiveness in cross-border areas.

Improved access for the local population to cross-border facilities in these fields.

Investments in education and health which have a local and job-creating dimension.

Cultural events (exhibitions, festivals) are not eligible unless they generate lasting cooperation and employment. As a rule, therefore, one-off events cannot be financed. Regular events can be supported only during the start-up phase. The aspects supported will be mainly organisational rather than artistic (production, purchase of works, payments to artists).

The projects selected for co-financing through other Community financial instruments in these areas such as the fifth framework programme for research and technological development, Culture 2000, MEDIA II, Socrates, Leonardo da Vinci, Tempus, etc. are not eligible for assistance under this initiative.

5. Protection of the environment, energy efficiency and renewable sources of energy

Protection of the environment through prevention (including natural and technological disasters), monitoring, the restoration of a rundown environment, the rational use of energy, recycling and waste disposal and the creation and/or joint use of resources and infrastructure (including waste-water treatment).

⁽¹⁾ A European strategy for encouraging local development and employment initiatives; Commission communication COM(95) 273 (OJ C 265, 12.10.1995).

Efficient energy management, alternative and renewable sources of energy.

Management for tourism of natural sites straddling a border, in particular those of Community interest.

6. Basic infrastructure of cross-border importance

Improvements in transport

Removing obstacles to public transport, particularly between towns near borders.

Promoting environmentally friendly means of transport including, in particular, alternative modes of transport (cycling, walking) with their respective infrastructure.

Eliminating bottlenecks (including at sea).

Connections to the trans-European networks; the completion of these networks in itself is eligible only in duly justified cases, and then only at external borders.

Improvements to other infrastructure

Development and improvement of cross-border infrastructure on a scale appropriate to local and employment development.

Provision of cross-border facilities in telecommunications and water and energy systems.

Improvements of information and communication networks and services.

Operating costs for the actions described in point 6 are excluded.

7. Cooperation in the legal and administrative fields

Preparatory work (pilot projects, studies) to reduce the problems posed by the remaining obstacles to the single market under the 'Action plan for single market' (e.g. protection of consumers' rights, financial services, public procurement, regional aid) or by the existence of different legal systems (e.g. social security, taxation) and administrative systems (e.g. illicit trafficking, immigration and asylum, civil protection, creation of cross-border industrial areas).

Improving security at external borders, through joint training of the staff involved and better mutual information systems.

Projects selected for co-financing by other Community Financial Instruments in these fields such as Falcone, Grotius, Odysseus, Oisin, STOP, the Robert Schuman measure and the Council action plan adopted on 3 December 1998 are not eligible for assistance under this initiative.

The normal administrative costs of the public administrations concerned are excluded.

8. Cooperation between citizens and institutions

Increased communication and cooperation between citizens, private or voluntary organisations and administrations and institutions to develop the relations and institutional basis underlying cross-border integration in border areas, and the introduction of general and targeted language training to that end to promote employment.

Creation of Funds with limited resources (micro project facility) to implement small projects promoting cross-border integration of people (people-to-people type) whose management will be directly entrusted to the cross-border cooperation initiatives (e.g. the Euregios).

One-off events will not be eligible under these Funds unless they form part of a joint strategy for the development or improvement of cross-border integration.

9. Technical assistance

Studies and technical support for the preparation of cross-border strategies.

Technical support to establish cross-border partnerships through the creation or development of joint structures for implementation of the cross-border cooperation programme.

The contribution by the ERDF to technical assistance may be up to 100 % and will be reduced to take account of assistance already granted under Interreg I and II.

ANNEX III

STRAND B: ELIGIBLE AREAS

Programme	Member States	Eligible areas (not necessarily all NUTS II areas)
Western Mediterranean	Italy	Piemonte, Lombardia, Liguria, Toscana, Umbria, Lazio, Campania, Sardegna, Basilicata, Calabria, Sicilia, Valle d'Aosta, Emilia-Romagna
	Spain	Andalucia, Murcia, C. Valenciana, Cataluña, Baleares, Aragon, Ceuta, Melilla
	France	Languedoc-Roussillon, PACA, Rhône-Alpes, Corse
	Portugal	Algarve
	United Kingdom	Gibraltar
	Greece (1)	Whole country
Alpine space	Austria	Whole country
	Germany	Oberbayern and Schwaben (in Bayern), Tübingen and Freiburg im Breisgau (in Baden-Württemberg)
	France	Rhône-Alpes, PACA, Franche-Comté, Alsace
	Italy	Lombardia, Friuli-Venezia Giulia, Veneto, Trentino-Alto Adige, Valle d'Aosta, Piemonte, Liguria
Atlantic area	Ireland	Whole country
	United Kingdom	Cumbria, Lancashire, Greater Manchester, Cheshire, Merseyside, Worcestershire and Warwickshire, Avon, Gloucestershire and Wiltshire, Dorset and Somerset, Cornwall and Devon, Staffordshire, Herefordshire, Shropshire, West Midlands, Clwyd, Dyfed, Gwynedd and Powys, Gwent, Mid-Glamorgan, South Glamorgan and West Glamorgan, Northern Ireland, Highlands and Islands, South western Scotland
	France	Aquitaine, Poitou-Charentes, Pays-de-la-Loire, Bretagne, Basse-Normandie, Haute-Normandie, Limousin, Centre, Midi-Pyrénées
	Spain	Galicia, Asturias, Cantabria, Navarra, Pais Vasco, La Rioja, Castilla-Léon, Huelva
	Portugal	Whole country
South-west Europe	Portugal	Whole country
	Spain	Whole country
	France	Midi-Pyrénées, Limousin, Auvergne, Aquitaine, Languedoc-Roussillon, Poitou-Charentes
	United Kingdom	Gibraltar
North-west Europe	France	Nord-Pas-de-Calais, Picardie, Haute-Normandie, Île-de-France, Basse-Normandie, Centre, Champagne-Ardennes, Lorraine, Bourgogne, Alsace, Franche-Comté, Bretagne, Pays-de-la-Loire
	Belgium	Whole country
	Netherlands	Overijssel, Gelderland, Flevoland, Utrecht, Noord-Holland, Zuid-Holland, Zeeland, Noord-Brabant, Limburg
	Luxembourg	Whole country
	Germany	Nordrhein-Westfalen, Hessen, Rheinland-Pfalz, Saarland, Baden-Württemberg, Schwaben, Unter-, Mittel- and Oberfranken (in Bavaria)
	United Kingdom	Whole country
	Ireland	Whole country

Programme	Member States	Eligible areas (not necessarily all NUTS II areas)
North Sea area	United Kingdom	North-Eastern Scotland, Eastern Scotland, Highlands and (except Comhairle Nan Eilean and Lochaber, Skye and Lochalsh and Argyll), Tees Valley and Durham, Northumberland and Tyne and Wear, Humberside, North Yorkshire, South Yorkshire, West Yorkshire, Derbyshire and Nottinghamshire, Lincolnshire, Leicestershire, Rutland and Northamptonshire, East Anglia, Essex
	Netherlands	Friesland, Groningen, Drenthe, Overijssel, Flevoland, Noord-Holland, Zuid-Holland, Zeeland
	Belgium	Antwerpen, Oost-Vlaanderen, West-Vlaanderen
	Germany	Niedersachsen, Schleswig-Holstein, Hamburg, Bremen
	Denmark	Whole country
	Sweden	Västra Götalands, Hallands, Värmlands
Baltic Sea area	Denmark	Whole country
	Sweden	Whole country
	Finland	Whole country
	Germany	Schleswig-Holstein, Mecklenburg-Vorpommern, Berlin, Brandenburg, Bremen, Hamburg, Regierungsbezirk Lüneburg (in Niedersachsen)
Cades	Austria	Whole country
	Germany	Baden-Württemberg, Bayern, Sachsen, Sachsen-Anhalt, Berlin, Brandenburg, Thüringen, Mecklenburg-Vorpommern
	Italy	Puglia, Molise, Abruzzo, Marche, Friuli-Venezia Giulia, Veneto, Emilia-Romagna, Lombardia, Trentino-Alto Adige, Umbria
	Greece	Whole country
Northern periphery	Finland	All Objective 1 regions and adjacent areas in Pohjois-Pohjanmaa and Keski-Pohjanmaa
	Sweden	All Objective 1 regions and adjacent coastal areas
	United Kingdom	Scotland, with particular emphasis on the Highlands and Islands
Archimed	Greece	Whole country
	Italy	Sicilia, Calabria, Basilicata, Puglia, Campania
Caribbean area	France	Guyane, Guadeloupe, Martinique
Açores-Madeira-Canarias area	Portugal	Açores, Madeira
	Spain	Canarias
Indian Ocean area	France	Réunion

(¹) In this area, it is understood that Greece will be able to participate in the priority covering the definition of the strategy for the area.

ANNEX IV

STRAND B: PRIORITIES AND MEASURES

As indicated in the general Regulation, all operations co-financed by the Structural Funds must be in conformity with other Community policies, including rules of competition.

In the context of the promotion of harmonious, balanced and sustainable development, the measures of this strand will contribute to economic and social integration and to the development of the cooperation areas concerned.

1. Spatial development strategies including cooperation among cities and between rural and urban areas with a view to promoting polycentric and sustainable development

- drawing up of spatial development perspectives for the transnational territory,
- territorial impact assessment of policies and projects affecting the transnational territory,
- development of cooperation between metropolitan areas and 'gateway cities' in order to develop larger zones of global economic integration, especially in the Community periphery,
- development of strategic alliances and networking among small and medium-sized towns and cities, including measures to strengthen the role of smaller towns in the development of rural regions,
- cooperation on research and development matters and access to innovation, especially with regard to city networks,
- awareness raising on long-term spatial perspectives and to promote networking of planning and research institutions for developing joint observation and monitoring.

2. Development of efficient and sustainable transport systems and improved access to information society

- improving local and regional access to national and transnational transport networks and hubs, especially through connections of the secondary networks; motorway, main road construction and other similar infrastructure is excluded,
- promoting intermodality and modal shift towards more environmentally compatible transport modes, in particular maritime transport, inland waterway transport and rail transport as well as non-motorised modes of transport,
- favouring the use of information and communication technologies for developing networking and 'virtual' clustering especially for supporting joint business and marketing strategies and with a view to providing SMEs with better access to innovation, particularly technological innovation,
- favouring the use of information and communication technologies for improving public services, including the transfer of know-how and technologies among local administrations and the development of applications of public interest (education and training, health care, etc.),
- development of telematic services and applications based on the possibilities offered by the information society of overcoming distances and promoting access to knowledge and innovation, in particular in sectors such as electronic commerce, training, research and teleworking.

3. Promotion of the environment and good management cultural heritage and of natural resources, in particular water resources

- contributing to the further development of a European ecological network (Natura 2000), linking protected sites of regional, national, transnational and Community importance,
- creative rehabilitation of cultural landscapes degraded by human activities, including areas threatened or degraded by agricultural abandonment, in the framework of integrated spatial development strategies,
- innovative promotion of natural and cultural assets in rural regions as potential for development of sustainable tourism, in particular in sparsely populated areas,
- promotion of cooperation for the protection and creative development of cultural heritage,
- formulation of joint strategies for risk management in areas prone to natural disasters,
- drawing up and implementation of integrated strategies and actions for the prevention of flooding in transnational river-catchment areas,
- drawing up and implementation of integrated strategies and actions relating to the transnational cooperation territory for the prevention of drought,

- concerted management of coastal waters,
- promotion of renewable energies.

4. Specific priorities

- promotion of integrated cooperation of maritime regions and of insular regions,
- promotion of integrated cooperation of ultraperipheral regions.

5. Technical assistance

- technical support for the establishment of transnational partnerships through the creation or development of joint structures for implementation of the transnational cooperation programme. Assistance will take account of that already received under Interreg II.
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ANNEX V

IMPLEMENTATION CONDITIONS FOR STRAND C — INTERREGIONAL COOPERATION

Interregional cooperation, like the other Interreg III strands, will be the subject of decentralised programming and management under the responsible Member State authorities.

Interregional cooperation concerns cooperation actions throughout the territory of the Union and neighbouring countries. To guarantee similar conditions of competition for all European regions, the terms of reference of the calls for proposals will be the same for the whole Union. These standard terms of reference will be agreed by all the Member States within the management committee referred to in paragraph 2(c) of Article 48 of the general Regulation and will be approved by the Commission.

On the basis of the cooperation areas established for strand B, the Member States concerned draw up jointly a programme of interregional cooperation by area (while avoiding overlapping between areas). Two programming methods will be possible:

- either, the establishment of a specific programme with a single priority,
- or, integration of interregional cooperation in the form of a priority within the relevant strand B programme.

In both cases, the steering committee (which selects the projects) and the managing authority (which makes the formal grant of the Community subsidy to each project) can either be the same as those of the strand B programme or different.

The managing authorities launch simultaneously the call for proposals with the same terms of reference mentioned in the second indent. To facilitate its dissemination at Community level, the Commission could also publish the call in the *Official Journal of the European Communities*. The interregional cooperation projects are presented by the project leaders to the managing authorities responsible for the geographical areas where the project leader is based.

As in all Structural Funds programmes, the managing authorities ensure the selection, approval, and granting of subsidy to projects. They also ensure the monitoring of the implementation of the projects and the financial control.

The Commission assists the managing authorities with a view to facilitating coordination between them and thus guaranteeing a homogeneous approach to the whole process.

GENERAL STATEMENTS

Statement of the Commission concerning the Italian regions and those of the third countries of the Adriatic

When the political conditions to encourage cooperation under Interreg III between the Italian regions and those of the third countries of the Adriatic are met, the Commission will examine the most suitable methods of encouraging this cooperation with the other Cooperation Instruments.

Statement of the Commission concerning the particular commitment taken by the European Council of Berlin

The Commission confirms that all the particular commitments taken by the European Council of Berlin relating to the Community initiatives in favour of Austria and the Netherlands will be respected, in particular in the framework of Interreg III.

Statement of the Commission concerning cooperation between Interreg III and the Balkans

When the political conditions to encourage cooperation under Interreg III between those Member States most concerned, notably Austria, Greece and Italy, and those of third countries in the Balkans are met, the Commission will examine the most suitable methods of encouraging this cooperation with the other Cooperation Instruments.

STATEMENTS CONCERNING STRAND A

Statement by the Commission relating to Belfast

The Commission welcomes the positive results obtained under the Special Programme for Peace and Reconciliation in Northern Ireland and the border counties of Ireland and under the Northern Ireland-Ireland Interreg II A programme.

In order to ensure that the successes of these two programmes can be built on in the future, the Commission considers that Belfast (both Outer Belfast and Belfast at Nuts III level) should participate in the new Interreg III strand A programme for 2000 to 2006 in the framework of the 20 % flexibility rule for adjacent areas, point 10 of the Interreg III guidelines.

Statement by the Commission relating to the application of Interreg III strand A on Belgium

In order to guarantee fruitful use of cross-border programmes with the Netherlands, Germany, Luxembourg and France, the Commission considers that the arrondissements of Hasselt, Huy, Waremme et Marche-en-Famenne should, as a priority, participate in the new Interreg III strand A programme for 2000 to 2006 in the framework of the 20 % flexibility rule for adjacent areas, point 10 of the Interreg III guidelines, taking account of, in particular, the necessary coherence of the projects presented under the programmes concerned.

STATEMENTS CONCERNING STRAND B

Statement by the Commission on cooperation in the Barents Sea area

In the framework of the future Interreg III B transnational cooperation programme for the Baltic Sea area, the Commission takes particular note of the request expressed by Sweden and Finland to be able to develop a priority to further the cooperation of these two Member States with their neighbours (Norway and Russia) in the Barents Sea area.

Statement by the Commission on cooperation in the Southern Baltic

The Commission considers that the cooperation currently supported under the SWEBALTCOP Article 10 project should continue under the new Interreg III initiative. Given the nature of this cooperation, future activities should be organised within the framework of the strand B Baltic Sea programme. In case of difficulties concerning coordination between Interreg III and Phare the Commission is ready to examine other possibilities for encouraging this cooperation.

STATEMENTS ON CHAPTER VII

Statement of the Commission concerning the implementation of Chapter VII

The automatic decommitment deadlines set out in Article 31(2)(2), of the general Regulation, could be extended, on the basis of an examination on a case-by-case basis, to take account of the delays due to the decision-making procedures of the external Financial Instruments.

Statement of the Commission on Interreg III and Tacis

Being aware of the importance of the northern dimension and of the current difficulties in taking it into account within the framework of cooperation between the Interreg III Community initiative and the Tacis Instrument, the Commission declares its readiness to seek effective coordination and a consistency between Interreg III programmes and Tacis assistance through, *inter alia*, operational guidelines, in order to improve the conditions necessary for this cooperation, without prejudice to political conditions which could possibly be attached to the implementation of Tacis.

Statement of the Commission on Interreg III and MEDA

Being aware of the importance of the Mediterranean dimension and of the current difficulties in taking it into account within the framework of cooperation between the Interreg III Community initiative and the MEDA Instrument, the Commission declares its readiness to seek effective coordination and a consistency between Interreg III programmes and MEDA assistance through, *inter alia*, operational guidelines, in order to improve the conditions necessary for this cooperation.

Statement by the Commission on ESPON

If the 15 Member States are prepared to present jointly a proposal for a cooperation network among the spatial development institutes (ESPON), including a financial mechanism and in relation to the observation and analysis of spatial development tendencies in Europe, the Commission is disposed to co-finance this cooperation through the 'networks' budget line foreseen in point 53 of the Interreg III guidelines.
