COMMISSION OF THE EUROPEAN COMMUNITIES



Brussels, 13.10.1999 COM(1999) 479 final

Draft

COMMUNICATION FROM THE COMMISSION TO THE MEMBER STATES

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

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- 1. At its meeting on XXX, the Commission of the European Communities decided to establish a Community Initiative concerning trans-European co-operation (hereafter called "INTERREG") as set out in Article 20 of Council Regulation 1260/99 (OJ No. L161 of 26 June 1999), hereinafter referred to as the "General Regulation".
- Under INTERREG, 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 Commission of the European Communities.

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 co-operation to the mutual advantage of border areas throughout the Union remains enormous. The challenge is all the greater when the future enlargement of the EU is considered, as this will increase the number of internal EU borders and, progressively, shift the Union's external borders eastwards.

4. During the 1994-99 programming period, INTERREG continued and enlarged the scope of INTERREG and REGEN of the earlier period and was implemented under three distinct headings: cross-border co-operation (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 Union, Central and Eastern Europe and the Mediterranean (EUR 413 million). Moreover, interregional co-operation across the European Union on "soft issues" relevant to regional development has been supported as part of the European Regional Development Fund (ERDF) innovative measures under Article 10 (EUR 200 million for 1994-99).

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 co-operation 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 co-operation.

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 co-operation is variable.

With regard to the external borders and co-operation with non-member countries, there have been additional problems stemming in particular from weak administrative structures in those countries as well as from difficulties in co-ordinating the Union's external policy instruments such as PHARE, TACIS and MEDA with INTERREG programmes, because of differences in operational rules.

Finally, interregional co-operation has been developed on several topics. However, the present system of funding under Article 10 of the ERDF regulation 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 European Union by promoting cross-border, transnational and interregional co-operation and balanced development of the EU territory. Action in relation to the borders and border areas between Member States and between the EU and non-member countries is, therefore, at the heart of the Initiative. Particular priority needs to be given to the external borders of the European Union in view of enlargement as well as to insular and ultraperipheral 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 EU (Strand B);
- c) improve regional development and cohesion policies and techniques through transnational/interregional co-operation (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 co-operation within current programmes and progressively develop structures for such co-operation across the European Union and with neighbouring countries.

- 7. To achieve these goals, the development of co-operation under the INTERREG 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 non-member countries, or in a single Member State, where it can be shown that the operation has a significant impact on other Member States or non-member 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. As a general rule, operations must be selected through transparent and competitive calls open to 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 to implement the INTERREG 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 FIFG. This is a new opportunity which should be used to improve the co-ordination and integration of measures and operations which benefit from Community assistance.

- Effective co-ordination between INTERREG and external EU policy instruments, especially with a view to enlargement

The implementation of INTERREG must ensure coherence and synchronisation with the other financial instruments concerned. Operations undertaken within the European Union are funded by the ERDF whereas operations undertaken outside the European Union are funded by other European Union financial instruments such as PHARE, PASI, TACIS, MEDA or other Community programmes with an external policy dimension, as appropriate.

8. The implementation of co-operation 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 co-ordinate and monitor the

implementation of programming and, if appropriate, the joint mechanisms for the management of measures and operations. In any case, INTERREG 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.

Here, the competent authorities may consider whether it is possible to establish European Economic Interest Groupings (EEIGs)¹.

II. Cross-border co-operation (Strand A)

- 9. **Purpose:** Cross-border co-operation 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 co-operation, 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 1 to this notice;
 - certain maritime areas delineated at administrative level III of the Nomenclature of Territorial Statistical Units (NUTS III), as listed in Annex 1 to this notice.

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.

The most remote regions (French overseas departments, Canary Islands, Azores and Madeira) are not eligible for funding under this strand (see point 14 below).

- 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;

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.

- 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;
- 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 co-operation in the legal and administrative spheres to promote economic development and social cohesion;
- increasing human and institutional potential for cross-border co-operation to promote economic development and social cohesion.

This list is not exhaustive. For guidance, the topics are set out in Annex 2. 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 above, 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 1.

III. Transnational co-operation (Strand B)

12. Objective: Transnational co-operation 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 European Union and better territorial integration with candidate and other neighbouring countries.

Particular attention is given to the most remote and insular regions.

13. Eligible areas: For the purposes of transnational co-operation proposed eligible areas are made up of the groupings of regions indicated in Annex 3.

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 should be given to increasing co-operation across the Adriatic and the Southern Baltic. With regard to the former, proposed modifications should seek to increase co-operation between the Adriatic regions and the Balkan regions supported under the new instrument referred to in paragraph 43.

- 14. Priorities: Transnational co-operation 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 co-operation among cities and between urban and rural areas, with a view to promoting polycentric and sustainable development;
 - promote efficient and sustainable transport systems and improved access to the information society, especially with a view to promoting communication among insular and peripheral regions;
 - promote the preservation of the environment and good management of natural resources, in particular water resources.

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. Co-operation between insular and maritime regions shall be particularly encouraged, as well as co-operation 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 the most remote regions (the French overseas departments, the Canary Islands, the Azores and Madeira) transnational co-operation shall:

- promote better economic integration and co-operation between these regions and regions situated in other Member States,
- improve linkages and co-operation with countries situated in their broader geographic regions (Caribbean, Latin America, Atlantic Ocean, North-West
 Africa, and the Indian Ocean).

This is an exhaustive list of priority topics which are set out in greater detail in Annex 4.

IV. Interregional co-operation (Strand C)

15. **Objective**: Interregional co-operation 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.

16. Priority topics: This strand covers:

- the exchange of experience and good practice throughout the Union and with the non-member countries involved in cross-border and transnational cooperation under Strands A and B;
- co-operation actions related to other topics to be defined by the Commission such as research, technological development and SMEs; the information society; tourism, culture and employment; entrepreneurship and environment, etc (see point 31).

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

V. Preparation, presentation and approval of interventions

- 17. On the basis of indicative financial allocations per Member State established by the Commission specifying the margins of flexibility between the strands (see chapter VIII below), Member States will make a breakdown of funding by strand, border and region, as appropriate. In so doing, the Member States shall ensure a broad balance of funding on the two sides of the borders.
- 18. The proposals shall be prepared by joint cross-border or transnational committees or other bodies constituted by the regional/local and national authorities and non-governmental partners concerned.
 - 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 whilst specifying the priorities, measures and joint structures for each strand.
- 19. The programmes concerning cross-border co-operation (Strand A) shall be drawn up in accordance with the principles, priorities and procedures set out in points 6 to 11 above by the regional or local authorities in the eligible areas, where appropriate in partnership with the national authorities, depending on the institutional structure of each Member State.



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

20. The programmes covering transnational co-operation (Strand B) will be drawn up in accordance with the principles, priorities and procedures set out in points 6 to 8, 12 to 14 and point 31 for the most remote regions by the national authorities (or other authorities designated by the Member States) in close co-operation with the regional or local authorities located in the geographical area where transnational co-operation is to take place. The bodies and working parties existing under INTERREG II C shall participate in the preparatory work.

A single programme shall be drawn up for each area of co-operation as defined in point 13.

- 21. The content of the programmes shall 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 co-operation and shall 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 co-operation 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 by subprogramme 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; the criteria which will be used to select operations and to determine the cross-border or transnational nature or interest of the operations.
 - 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 PASI, the EIB, where appropriate, as

well as the total amount of eligible public or equivalent and estimated private funding relating to these contributions; the total contribution of the ERDF planned for each year shall be compatible with the relevant financial perspective.

- The provisions for implementing the CIP including:

The designation by the authorities participating in the programme of the joint structures for co-operation, and in particular:

- a managing authority within the meaning of Article 9(n) of the General Regulation with overall responsibility for managing the CIP. The managing authority may take the form of a joint secretariat or other body established by the public authorities concerned by the programme;
- a joint body (where this is different from the managing authority) acting as a paying authority within the meaning of Articles 9(o) and 32 of the General Regulation;
- a Monitoring Committee for the whole of the programme in accordance with Article 35 of the General Regulation (see point 25); and, where appropriate, a number of Steering Committees (see point 26);

A description of the arrangements for managing the CIP including the mechanisms for launching calls for proposals and for the joint selection of the operations, and the role of the Steering Committee (see point 26) and the various responsibilities for finance and financial control, in accordance with Articles 38 and 39; it shall include, where appropriate, use of a global grant as provided for in point 22;

A description of the systems for joint monitoring and evaluation, including the role of the Monitoring Committee (see point 25). As in the case of Objective 1, 2 and 3 programmes, the Commission will take the initiative to define, in agreement with the Member States, monitoring indicators for the collection of monitoring data and for the preparation of evaluations in conformity with the methodology indicated in Article 36 of the General Regulation;

The definition of a system of financial management permitting a transfer from the ERDF (and preferably 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 arrangement may, for this purpose, include signature of an agreement between the various authorities of the countries participating in the programme;

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.

- Information on the resources required for preparing, monitoring and evaluating assistance.
- 22. The programmes drawn up in this way shall be submitted to the Commission by the authorities designated by the Member States concerned.

When the Commission approves each programme, it shall 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.

23. Each CIP shall 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 shall be sent to the Commission no later than three months after the Commission decision approving the CIP. The programming complement shall be prepared in accordance with the same arrangements for co-operation and partnership as those governing the CIP.

24. The proposals concerning interregional co-operation (Strand C) are established by regional or other authorities, designated by the Member States, or by approved intermediaries, in accordance with Article 27 of the General Regulation, with a view to adopting a contribution in the form of a global grant.

One proposal shall be established for each of the groupings of regions defined in point 13.

VI. Monitoring, implementation and evaluation of interventions

- 25. Programme monitoring shall 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 approve the programme complement, make later amendments to the programme or the programme complement, 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, where relevant, the national authorities concerned by the programme. It also includes the economic and social partners and non-governmental organisations. A representative of the Commission and, where appropriate, of the EIB, shall participate in the work of the Monitoring Committee in an advisory capacity.
- 26. The joint selection of operations and the co-ordinated monitoring of their implementation shall be carried out by one or, if necessary, several Steering Committees for the operations organised for each sub-programme. This

committee shall be constituted on the same principles of co-operation 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.

- 27. In addition to its responsibilities under Article 34 of the General Regulation, the managing authority (see point 21) shall be responsible for preparing 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. It will also co-ordinate the work of the authorities or bodies designated as required to implement the various sub-programmes and measures.
- 28. The ERDF contribution shall be paid to a single bank account in the name of the managing or paying authority. On the basis of decisions by the Monitoring and Steering Committees, it shall then be paid by the managing or paying authority to the authorities or bodies, as appropriate, designated to implement the various sub-programmes and measures. These authorities shall then make the payments to the final beneficiaries. In the case of operations involving partners in different Member States, the final beneficiary shall be the partner in charge or "leader" of the operation which shall undertake financial management and co-ordinate the various partners in the operation. This "leader" shall bear financial and legal responsibility.
- 29. Title 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, shall 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.
- 30. On two occasions during the period 2000-06, the Commission, after consulting the Committee referred to in Article 48 of the General Regulation, shall publish the terms of reference of calls for proposals to be issued on a synchronised basis by the bodies for interregional co-operation for the operations to be financed under Strand C. The Commission will be responsible for the co-ordination of the selection procedures of the operations.

Most remote regions

31. Given the specific geographic location of the most remote regions, the programmes prepared by the designated regional authorities are dispensed from the conditions fixed in point 8 above concerning the joint preparation, implementation and follow-up of programmes.

VII. Co-ordination between ERDF, PHARE, TACIS, MEDA, SAPARD and PASI

32. For the purposes of Article 20(2) of the General Regulation, co-ordination between the assistance under the ERDF and the other instruments contributing to the financing of the INTERREG Initiative concerns geographical eligibility, multi-annual programming, the eligibility of operations and the mechanisms for implementation, monitoring, evaluation and control.

Cross-border co-operation (Strand A)

- 33. For the purposes of cross-border co-operation across the Union's external borders, border areas in neighbouring countries shall 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. 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.
- 34. The INTERREG CIP for cross-border co-operation (Strand A), as defined in points 18-19 and 21-23 above, shall be the joint cross-border programming document referred to in Article 7 of Commission Regulation No 2760/98 on the PHARE-CBC programme. 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 PASI shall respect the principles and rules of these instruments and the amounts introduced in the financing plan for, in the first instance, 2000-02 shall be indicative. Attention shall be given to the broad balance of funding on both sides of the borders concerned, taking into account differences in the level of economic development and absorption capacities.
- 35. The Monitoring Committee, the Steering Committee and the managing authority (see point 21 above) shall be set up with the participation of representatives of the non-member countries participating in the CIP.
- 36. In the case of CIPs financed by the ERDF and by PHARE-CBC, the Monitoring Committee for the CIP shall be the Joint Co-operation Committee referred to in Article 7 of Commission Regulation No 2760/98 and shall include representatives of the competent authorities in the Member States and the non-member countries concerned and of the Commission. This Committee shall undertake preparation of the CIP and approval of the programme complement and amendments thereto.

- 37. The operations and projects shall be selected on the basis of their eligibility for INTERREG by the Steering Committee or Committees or by the Monitoring Committee/Joint Co-operation Committee acting as Steering Committee (see point 26).
- 38. Approval of the operations or projects to be financed under the CIP shall follow the specific rules of the ERDF and of any other financial instrument contributing to the programme.
- 39. Approval of the projects to be financed by PHARE-CBC shall follow the procedure laid down by Articles 7(3) and 8 of Regulation No 2760/98.

In accordance with Article 5(2) of that Regulation, there shall 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 € 300,000 shall be approved by the Joint Co-operation Committee or by the Steering Committee responsible for the Small Projects Fund (SPF).²

The application of the otherwise required minimum size of projects (€ 2 million) will allow derogations only on the basis of a case by case assessment and under the circumstances of genuine cross-border co-operation 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.

On the basis of a case-by-case assessment, in those border areas where the conditions of Article 12 of the Council Regulation No. 1266/99 (OJ No. L161 of 26 June 1999) concerning the co-ordination 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 both the ERDF and PHARE-CBC in agreement with the Commission. The institution building necessary for the introduction of such procedures will be a principal aim of the programmes in the period 2000-01.

Transnational co-operation (Strand B)

40. Non-member countries may participate in transnational co-operation 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 non-member countries concerned.

Projects in countries benefiting from support through PHARE linked with transnational co-operation in the framework of Interreg can be supported through the national PHARE programmes.

² 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.

In the case of financing by the ERDF, the Commission shall decide on a contribution by the Fund when it approves each programme. In the case of PHARE, TACIS, MEDA, SAPARD and PASI, the approval of the projects to be financed by these programmes shall 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 2000-02.

41. The Commission shall ensure the application of points 35-39 above to transnational co-operation.

Interregional Co-operation (Strand C)

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

Projects in countries benefiting from support through PHARE linked with interregional co-operation in the framework of Interreg can be supported through the national PHARE programmes.

In agreement with the non-member countries concerned, the Commission may decide to provide Community assistance to the individual bodies managing interregional co-operation referred to in point 30 above from PHARE, TACIS, MEDA, SAPARD and PASI, 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.

Review of Progress

43. In the course of 2000 the Commission will make appropriate proposals to further strengthen co-ordination between ERDF and PHARE, TACIS, MEDA, SAPARD and PASI funding.

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

In view of the creation of a new EU instrument for peace and reconstruction in the Balkans, the Commission will, when appropriate, examine the possibilities of promoting co-ordination of INTERREG with that instrument under arrangements to be defined at the time.

VIII. Financing

44. The INTERREG Community Initiative shall be jointly financed by the Member States and the Community.

45. In conformity with Article 20(2) of the General Regulation, the total contribution by the ERDF to INTERREG during the period 2000-06 is fixed at €4,875 million, at 1999 prices. In accordance with Article 7(7) of the General Regulation, the ERDF contribution to each CIP shall be indexed at 2% a year up to 2003 and shall be decided at 2003 prices for the years 2004 to 2006. By 31 December 2003 the Commission shall determine the rate of indexation applicable for 2004 to 2006. Subject to Article 29 of that Regulation, the ERDF contribution may be up to 75% of the total cost in the Objective 1 regions and up to 50% elsewhere.

The Commission shall adopt indicative financial allocations for each Member State. In breaking down this indicative amount, Member States shall ensure that between 50% and 80% of their total allocation for INTERREG is allocated to cross-border co-operation under Strand A. The Commission and the Member States shall also ensure that all borders are treated in an equitable manner. 6% of each Member State's indicative amount will be allocated to Strand C.

46. For the period 2000-2002, for relevant non-member countries participating in INTERREG, co-operation will be assisted by PHARE-CBC with up to € 480 million as well as by PHARE national programmes, PASI and SAPARD, as appropriate. For TACIS and MEDA, allocations for co-ordinated 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 co-operation across the Union's external borders.

Loans from the EIB may also be available.

- 47. In accordance with Article 21(2) of the General Regulation, to implement the INTERREG Initiative the ERDF shall 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 FIFG.
- 48. The Commission may make available technical assistance as required for the design, financing and implementation of proposals under this Initiative. Such technical assistance may be funded up to 100 % of total cost when undertaken on the initiative of the Commission.

To promote exchanges of experience and good practice in the context of the programmes in Strands A, B and C, the Commission shall establish an Observatory for cross-border, transnational and interregional co-operation. The tasks of this Observatory, which shall be fully funded by the Community, shall include:

 Co-ordination and exchanges of experience and good practice at Community level with regard to cross-border and transnational co-operation.

- Technical assistance and promotion of the creation and consolidation of joint structures for programming, monitoring and management.
- Co-ordination by the Commission of calls for proposals regarding interregional co-operation. Collection of information on projects approved (checks on overlapping between projects) and their implementation.
- Publications, databases and web sites.

The bulk of the administrative and promotional duties relating to the operation of the network shall be entrusted to outside service providers through a Technical Assistance Office, under the authority of the Commission, on the basis of a call for tenders to be published in the Official Journal of the European Communities.

The funding of technical assistance at 100% on the initiative of the Commission, including the funding of the Observatory, shall account for no more than 2% of the total ERDF contribution as set out in point 45.

IX. Timing

49. The Commission invites Member States and the designated regional authorities, where applicable in agreement with the non-member countries concerned, to present detailed proposals for Community Initiative programmes under the INTERREG Initiative within six months of the date of publication of this notice in the Official Journal of the European Communities. Proposals received after this date need not be considered by the Commission.

All correspondence relating to this notice should be addressed to:

Directorate-General for Regional Policy Commission of the European Communities Rue de la Loi, 200 B-1049 Brussels Belgium

<u>Draft</u>

ANNEX 1

STRAND A: ELIGIBLE AREAS

BELGIË/BELGIQUE		Karlsruhe, Stadtkreis
·	Aachen, Kreisfreie Stadt	Kaufbeuren, Kreisfreie
Antwerpen (Arr)	Aachen, Landkreis	Stadt
Arlon	Altötting	Kempten (Allgäu),
Ath	Annaberg	Kreisfreie Stadt
Bastogne	Auc-Schwarzenberg	Kleve
Brugge	Aurich -	Konstanz
Dinant	Bad Tölz-Wolfratshausen	Landau in der Pflaz
Ecklo	Baden-Baden, Stadtkreis	Leer
Gent (Arr)	Barnim	Lindau-Bodensee
leper	Bautzen	Löbau-Zittau
Kortrijk	Berchtesgadener Land	Lörrach
Liège (Arr)	Bitburg-Prüm	Lübeck, Kreisfreie Stadt
Maascik	Bodenseekreis	Märkisch-Oderland
Mons	Borken	Merzig-Wadern
Mouscron	Breisgau-	Miesbach
Neufchâteau	Hochschwarzwald	Mittlerer Erzgebirgskreis
Philippeville	Cham	Mönchengladbach,
Sint-Niklaas .	Cottbus, Kreisfreie Stadt	Kreisfreie Stadt
Thuin	Daun	Neustadt an der
Tongeren	Düren	Waldnaab
Tournai	Emden, Kreisfreie Studt	Niederschlesischer
Turnhout	Emmendingen	Oberlausitzkreis
Verviers	Emsland	Nordfriesland
Veurne	Euskirchen	Oberallgäu
Virton	Flensburg, Kreisfreie	Oder-Spree
VIIIOII	Stadt	Ortenaukreis
DANMARK	Frankfurt (Oder),	Ostallgäu
	Kreisfreie Stadt	Ostholstein
Bornholms	Freiberg	Ostvorpommern
Amtskommune	Freiburg im Breisgau,	Passau, Kreisfreie Stadt
Frederiksborg	Stadtkreis	Passau, Landkreis
Amtskommune	Freyung-Grafenau	Pirmasens, Kreisfreie
Fyns Amtskommune	Garmisch-Partenkirchen	Stadt
Kobenhavn og	Germersheim	Plauen, Kreisfreie Stadt
Frederiksberg Kommuner		
Kobenhavns	Görlitz, Kreisfreie Stadt	Rastatt
Amtskommune	Grafschaft Bentheim	Regen
Sonderjyllands	Greifswald, Kreisfreie	Rosenheim, Kreisfreie
Amtskommune	Stadt	Stadt
Storstroms	Heinsberg	Rosenheim, Landkreis
Amtskommune	Hof, Kreisfreie Stadt Rottal-Inn	
	Hof, Landkreis	Saarbrücken,

Stadtverband

Karlsruhe, Landkreis

BR DEUTSCHLAND

Saarlouis Preveza Moselle Saar-Pfalz-Kreis Rethymni Nord

Sächsische Schweiz Rodopi Pas-de-Calais

Schleswig-Flensburg Samos Pyrénées-Atlantiques Schwandorf Serres Pyrénées-Orientales

Schwarzwald-Baar-Kreis Thesprotia Savoie

Spree-Neiße Thessaloniki Seine Maritime

Steinfurt Xanthi Somme

Südliche Weinstraße Zakinthos Territoire de Belfort

Südwestpfalz

Tirschenreuth ESPAÑA IRELAND

Traunstein

Trier, Kreisfreie Stadt
Trier-Saarburg
Uckermark
Ücker-Randow

Badajoz
Cáceres
Dublin
Mid-East
Couta
South-East

Viersen Gerona

Vogtlandkreis Guipuzcoa ITALIA

Waldshut
Weiden in der Opf,
Kreisfreie Stadt
Huelva
Huelva
Huesca
Lérida
Belluno
Biella

Weißeritzkreis Málaga Bolzano-Bozen

Wesel Melilla Bolzano-Boz
Wunsiedel im Navarra Brindisi
Fichtelgebirge Orense Como
Zweibrücken, Kreisfreie Salamanca Gorizia

Stadt Salamanca Imperia
Lecce

FRANCE Lecco
Livorno

Achaia Aira Novara
Chania Aisne Sassari

Chios Alpes-de-Haute-Provence Sondrio
Dodekanisos Alpes-Maritimes Torino
Drama Ardennes Trieste
Evros Ariège Udine

Florina Bas-Rhin Valle d'Aosta

Ioannina Corse du Sud Varese Irakleio Doubs Venezia

Kastoria Haut-Rhin Verbano-Cusio-Ossola

Kavala Haute Corse Vercelli

Kefallinia Haute-Garonne
Kerkyra Haute-Pyrénées
Kilkis Haute-Savoie
Lasithi Hautes-Alpes

Lefkada Jura LUXEMBOURG (G.D.)

Lesvos Meurthe-et-Moselle

Pella Meuse

Luxembourg (Grand-

Duché)

PORTUGAL

Isle of Anglesey Kent CC Medway Towns

Alentejo Central

Algarve Alto Alentejo

North of Northern Ireland

Alto Tras-Os-Montes

Baixo Alentejo Beira Interior Norte Beira Interior Sud

Cavado Douro

SVERIGE

Minho-Lima

Noord-Limburg

Midden-Limburg

NEDERLAND

Arnhem-Nijmegen

Delfzijl en omgeving

Midden-Noord-Brabant

Achterhock

Noord-Overijssel SUOMI/FINLAND

Oost-Groningen Overig Groningen Ahvenanmaa/Aaland Overig Zeeland Etelae-Karjala Twente Etelae-Savo West-Noord-Brabant Itae Uusimaa

Zeeuwsch-Vlaanderen Kainuu

Keski-Pohjanmaa Zuid-Limburg Zuidoost-Drenthe Kymenlaakso

Zuidoost-Noord-Brabant Lappi

Pohjanmaa ÖSTERREICH Pohjois-Karjala Pohjois-Pohjanmaa Außerfern Uusimaa (Maakunta)

Bludenz-Bregenzer Wald Varsinais-Suomi

Innsbruck Innviertel

Klagenfurt-Villach Mittelburgenland Dalarnas Laen Mühlviertel Jaemtlands Laen Nordburgenland Norrbottens Laen Oberkärnten-Skaane Laen Oststeiermark Stockholms Laen Osttirol Vaermlands Laen

Pinzgau-Pongau Vaesterbottens Laen Rheintal-Bodenseegebiet Vaestra Goetalands Laen

Salzburg und Umgebung

Südburgenland

Tiroler Oberland

Brighton & Hove Tiroler Unterland Conwy & Denbighshire Unterkärnten - (only that part eligible Waldviertel under Interreg IIA) Weinviertel East of Northern Ireland West- und Südsteiermark

East Sussex CC

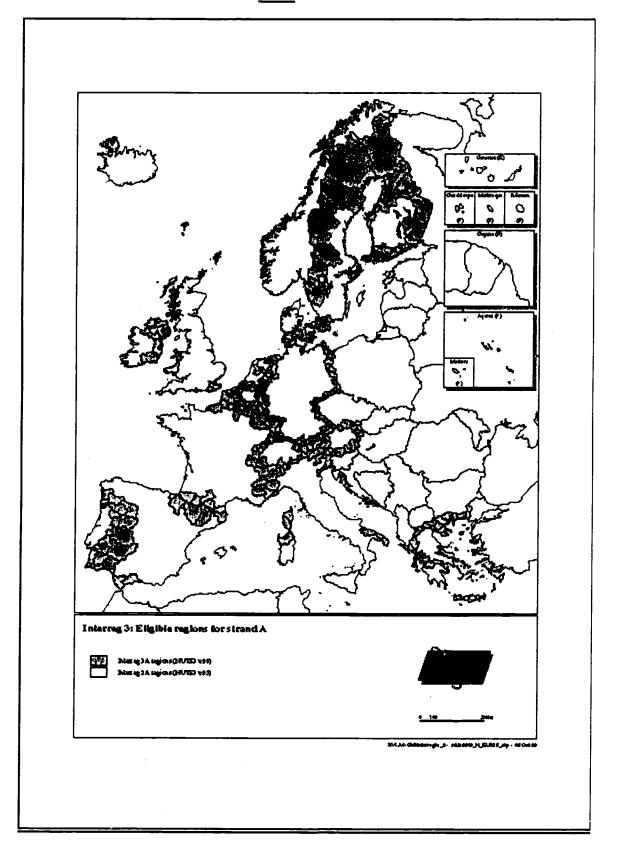
Gibraltar Wiener Umland/Nordteil Gwynedd Wiener Umland/Südteil

Northern Ireland

South West Wales

West and South of

UNITED KINGDOM



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 multi-sectoral 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(98) 605 final).

Co-operation 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 run-down 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 firms (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 co-operation, 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 LDEI³.

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

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

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 co-operation 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. Co-operation on research, technological development, education, culture, communications, health and civil protection

Encouraging co-operation 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 5th Framework Programme for research and technological development, Raphael, Kaleidoscope, Ariadne, Media, Socrates, Leonardo, Eurathlon 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 run-down 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).

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;

Improvement of information and communication networks and services.

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

7. Co-operation 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, 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. Co-operation between citizens and institutions

Increased communication and co-operation 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 co-operation 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 co-operation 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.



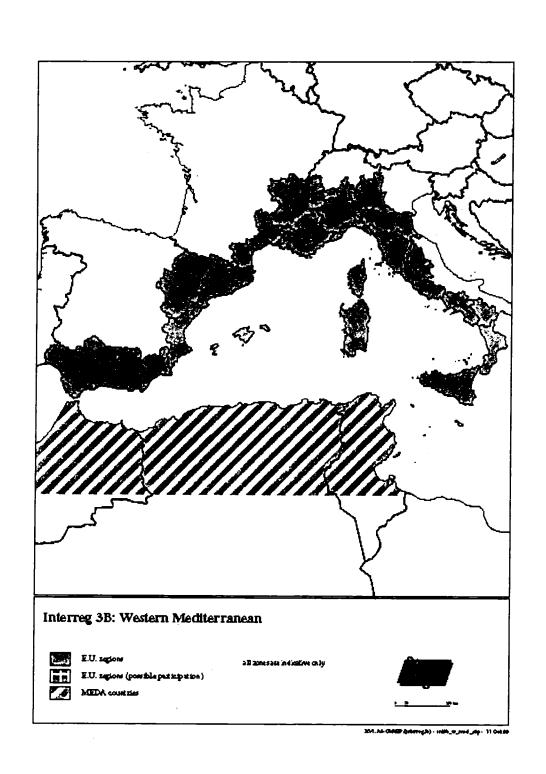
Programme	Member States	Eligible areas - (not necessarily all NUTS il areas)
WESTERN MEDITERRANEAN	Italy	Piemonte, Lombardia, Liguria, Toscana, Umbria, Lazio, Campania, Sardegna, Basilicata, Calabria, Sicilia, Valle d'Aosta, Emilia-Romagna
	Spain	Andalucia, Murcia, C. Valenciana, Cataluña, Baleares, Aragon, Ceuta Melilla
	France	Languedoc-Roussillon, PACA, Rhône-Alpes, Corse
ALPINE SPACE	Austria	Whole country (except Wien and Burgenland)
	Germany	Oberbayern and Schwaben (in Bayern)
	France	Rhône-Alpes, PACA
	Italy	Lombardia, Friuli-Venezia Giulia, Veneto, Trentino-Alto Adige, Valle d'Aosta, Piemonte, Liguria
ATLANTIC AREA	Ireland	Whole country
	UK	Cumbria, Lancashire, Greater Manchester, Cheshire, Merseyside, Worcestershire and Warwickshire, Avon, Gloucestershire and Wiltshire, Dorset and Somerset, Cornwall and Devon, Clwyd, Dyted, Gwynedd and Powys, Gwent, Mid-Glamorgan, South Glamorgan and West Glamorgan, Northern Ireland (and possibly Highlands and Islands, Dumfries & Galloway, and Strathclyde)
	France	Aquitaine, Poitou-Charentes, Pays-de-la Loire, Bretagne, (and possibly Basse-Normandie)
	Spain	Galicia, Asturias, Cantabria, Navarra, Pais Vasco, La Rioja, (and possibly Castilla-Léon)
	Portugal	Norte, (and possibly Centro and Lisboa e Vale do Tejo)
SOUTH WEST EUROPE*	Portugal	Whole country
	Spain	Whole country
. ' 	France	Midi-Pyrénées, Limousin, Auvergne, Aquitaine, Languedoc-Roussillon (and possibly Poitou-Charentes, Pays-de-la Loire, Bretagne, Centre)
NORTH-WEST EUROPE*	France	Nord-Pas de Calais, Picardie, Haute-Normandie, Île de France. Basse-Normandie, Centre, Champagne-Ardennes, Lorraine, Bourgogne, Alsace, Franche-Comté (and possibly Bretagne, Poitou-Charentes, 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, Hannover
	UK	Whole country
	Ireland	Whole country

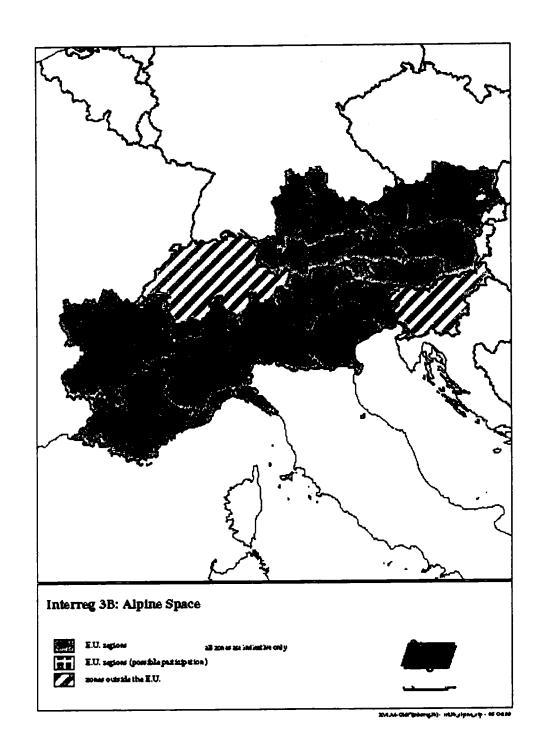
The precise coverage of each of these areas will be proposed by the Member States and their regions, taking into account the fact that overlaps between areas should be kept to a minimum and that the required management structures must be put in place and must demonstrate that they will be able to operate effectively. They must equally take account of experience acquired so far and draw any appropriate conclusions, in particular as regards the will and real capacity to co-operate in the programmes.

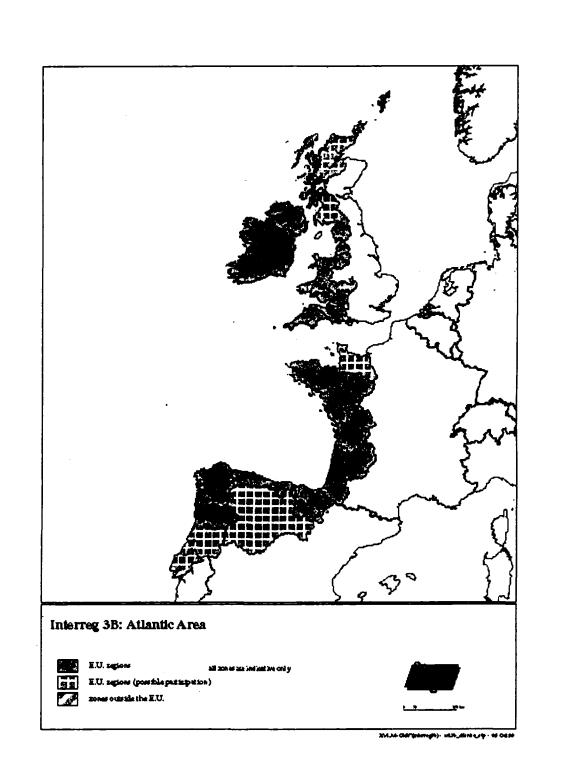
NORTH SEA AREA	Netherlands Germany	North-Eastern Scotland, Eastern Scotland, Highlands & Islands (except Comhairle Nan Eilan and Lochaber, Skye & Lochalsh and Argyll), Tees Valley & Durham, Northumberland and Tyne & Wear, Humberside, North Yorkshire, South Yorkshire, West Yorkshire, Derbyshire & Nottinghamshire, Lincolnshire, Leicestershire, Rutland & Northamptonshire, East Anglia. Friesland, Groningen, Drenthe, Overijssel, Flevoland, Nord-Holland Niedersachsen, Schleswig-Holstein, Hamburg, Bremen
	Denmark	Whole country
	Sweden	Gothenborg & Bohus, Halland, Älvsborg, Skaraborg, Värmland
BALTIC SEA AREA	Denmark	Whole country
	Sweden	Whole country
	Finland	Whole country
	Germany	Schleswig-Holstein, Mecklenburg-Vorpommern, Berlin, Brandenburg, Hamburg (including adjacent areas in Niedersachsen, Regierungsbezirk Luneburg)
"CAD SPACE" - CENTRAL and DANUBIAN SPACE"	Austria	Whole country
	Italy	Friuli-Venezia Giulia, Veneto, Emilia-Romagna, Lombardia, Trentino-Alto Adige
	Germany	Bayern, Sachsen, Sachsen-Anhalt, Berlin, Brandenburg, Thüringen, Mecklenburg-Vorpommern
ADRIATIC and SOUTH EAST EUROPE**	Italy	Puglia, Molise, Abruzzo, Marche, Friuli-Venezia Giulia, Veneto, Emilia-Romagna, Lombardia, Trentino-Alto Adige
	Austria	Whole country
	Germany	Bayern
Ţ.	Greece	Whole country
NORTHERN PERIPHERY	Finland	All Obj. 1 regions and adjacent areas in Pohjois- Pohjanmaa, Keski-Pohjanmaa and Pohjois-Savo
 	Sweden	All Obj. 1 regions and adjacent coastal areas
	UK	Scotland, with particular emphasis on the Highlands and Islands
ARCHIMED	Greece	Whole country
	Italy	Sicily, Calabria, Basilicata, Puglia

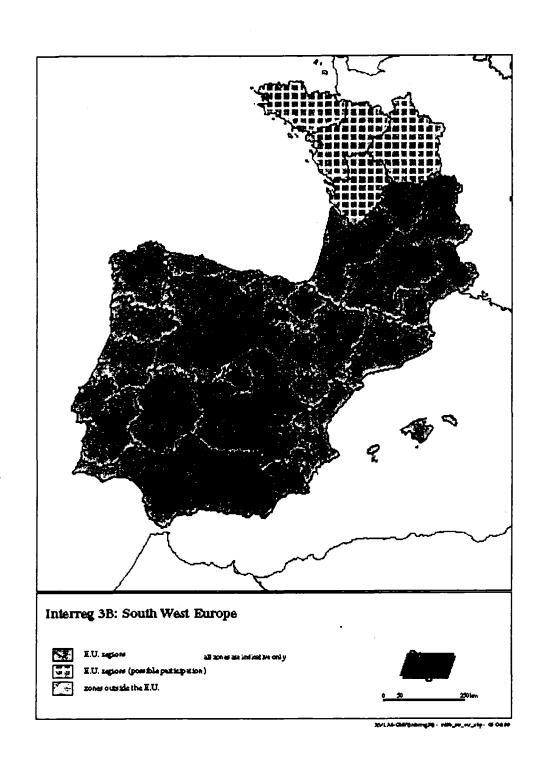
The most remote regions (Canary Islands, French Overseas Departments, Azores and Madeira) are eligible under this strand.

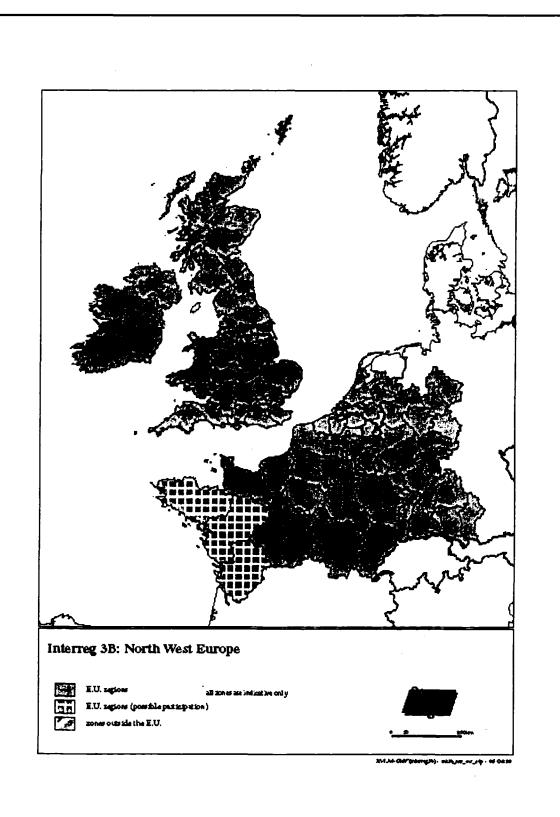
[&]quot;These two areas may be combined into a single programme, if Member States so wish.

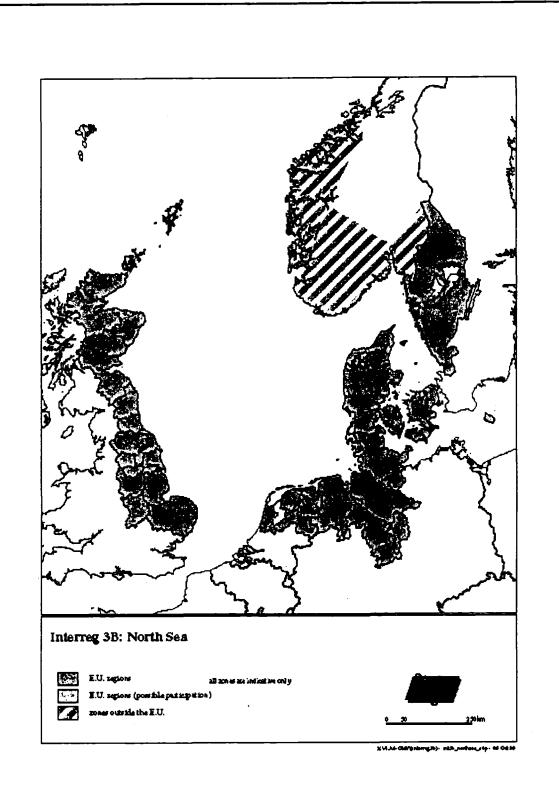


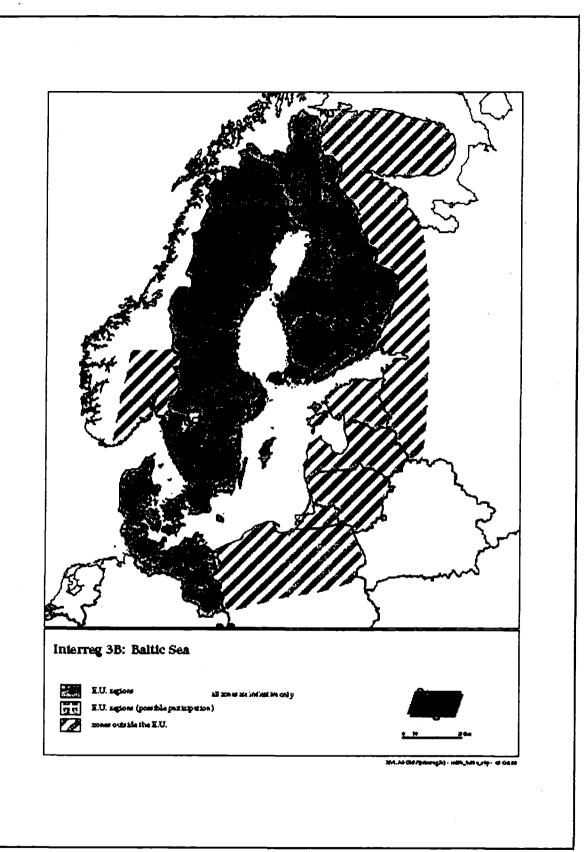


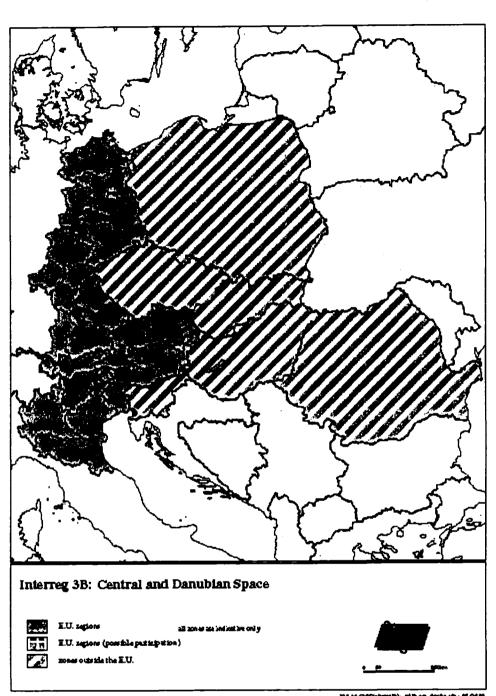




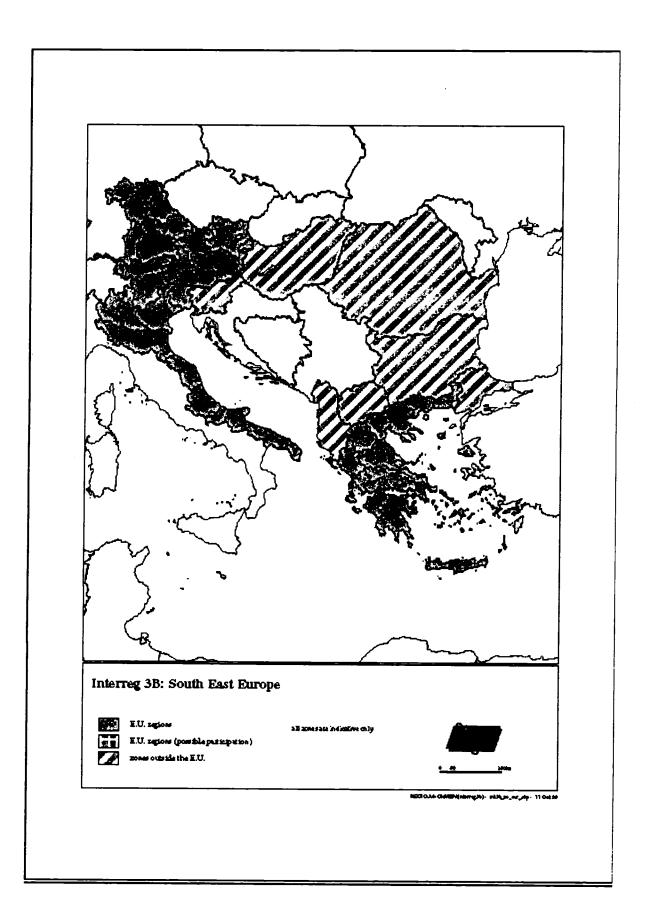


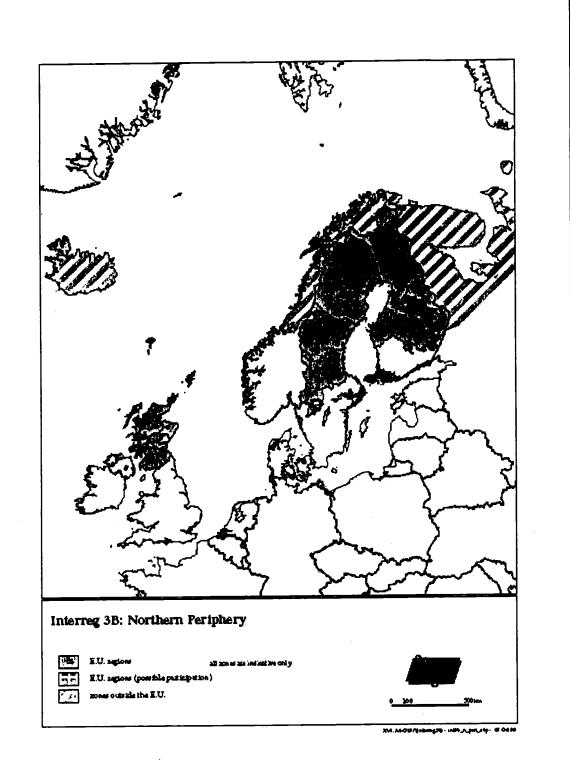


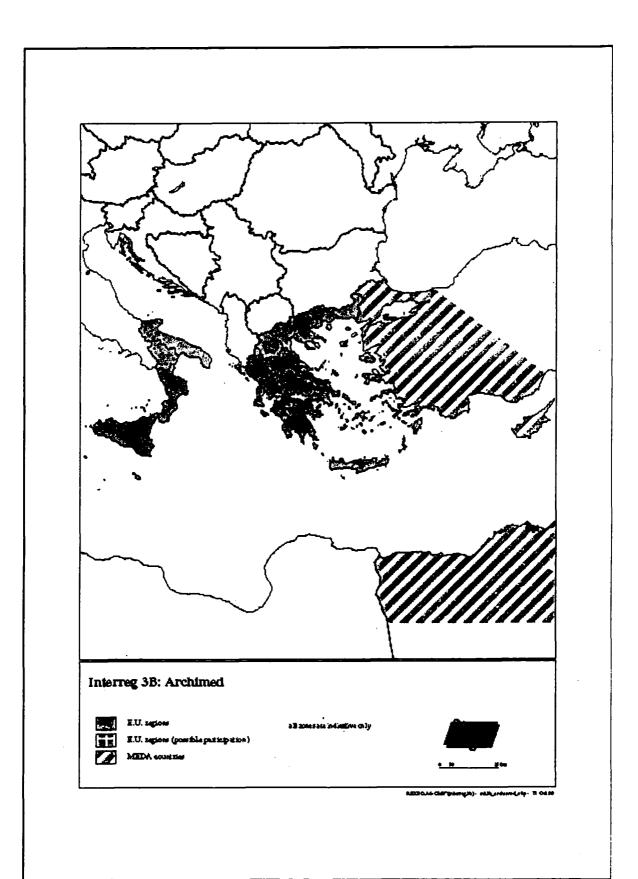




MATERIAL CONTRACTOR (WASHINGTON OF SECTION







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.

1. Spatial development strategies including co-operation 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 co-operation between metropolitan areas and "gateway cities" in order to develop larger zones of global economic integration, especially in the EUperiphery.
- 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.
- 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 inter-modality 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.
- Favouring the use of information and communication technologies for improving public services, including the transfer of know-how and technologies amongst 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 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 landscapes degraded by human activities, including areas threatened by agricultural abandonment.
- Innovative promotion of natural and cultural assets in rural regions as potential for development of sustainable tourism, in particular in sparsely populated areas.
- 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 co-operation territory for the prevention of drought.
- Concerted management of coastal waters.

4. Technical assistance

 Technical support for the establishment of transnational partnerships through the creation or development of joint structures for implementation of the transnational co-operation programme. Assistance will take account of that already received under INTERREG II.