

Opinion of the Committee of the Regions on the ‘Proposal for a Regulation on European territorial cooperation’

(2012/C 277/10)

THE COMMITTEE OF THE REGIONS

- welcomes a dedicated Regulation to ETC, as it provides an important contribution to the territorial cohesion objective, as well as its increased budget allocation; furthermore, the CoR urges that EU funds be allocated by cooperation programmes and not by Member States;
- notes that, due to its multilateral nature, ETC cannot be managed using partnership agreements. It should therefore be explicitly excluded from the scope of that instrument;
- regrets that the new Regulation is not adapted to small projects, and asks the European Commission to grant exemptions to small cross-border programmes and operations, in particular for those under EUR 35 000;
- thinks that thematic concentration should not be applied automatically to ETC, as it fears that if ETC were to be narrowly focused solely on the core EU 2020 priorities, it would be incapable of fulfilling its distinct and unique role; therefore, recommends that the number of thematic objectives be increased from 4 to 5, and that the list of investment priorities be extended; therefore, calls for the thematic objectives to be extended to other topics, such as tourism, climate-friendly maritime transport, culture or the impact of demographic change;
- feels that the CoR should play an active role in promoting ETC and in identifying and overcoming obstacles to its implementation;
- calls for the cofinancing level to be set at 85 % for less developed regions as it stands in the current General Regulation No 1083/2006;
- agrees with the exemption granted to outermost regions in terms of cofinancing rates and funding, and calls for special conditions for areas which were external borders of the Community on 30 April 2004 and on 31 December 2006;
- calls for strengthening the coordination mechanisms between all the Funds and territorial cooperation programmes; emphasises also the need to better coordinate ETC with external financial programmes of the EU and clarify the rules concerning the participation of third countries in ETC programmes;
- emphasises the crucial role of EGTCs to strengthen territorial cooperation, and urges Member States to remove barriers that are discouraging the setting up or the functioning of EGTCs.

Rapporteur	Mr Petr OSVALD (CZ/PES), Member of Plzeň City Council
Reference document	Proposal for a Regulation of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal
	COM(2011) 611 final – 2011/0273 (COD)

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

General remarks

1. welcomes a dedicated European Territorial Cooperation (ETC) regulation, which will take account of the specific aim, aspects and status of territorial cooperation as the second objective of cohesion policy; this separate regulation highlights ETC's contribution to furthering the new Treaty objective of territorial cohesion and to achieving the objectives of cohesion policy in general; it also boosts the importance of ETC in terms of its focus on cross-border, transnational and interregional cooperation;

2. agrees that the role of European Territorial Cooperation is all the more important since the challenges faced by Member States and regions increasingly cut across national/regional boundaries and require joint, cooperative action at the appropriate territorial level. It can thus also provide an important contribution to fostering the new Treaty objective of territorial cohesion;

3. supports, in principle, the Commission's proposals to align territorial cooperation with the Europe 2020 strategy, while noting that there must be sufficient flexibility to respond appropriately to local needs; therefore welcomes the fact that ETC's three elements (cross-border, transnational and interregional cooperation) have been retained in all regions of Europe. Cooperation in projects and structures across borders is already making a real contribution to European integration. The CoR also welcomes the increased involvement of third countries;

4. takes the view that cross-border cooperation should continue to play a key role within European Territorial Cooperation and therefore endorses in principle the proposal for the distribution of allocations between the different types of ETC;

5. points out that the regulation is too demanding, complicated and detailed, especially for small cross-border cooperation programmes, and this may prevent the implementation of small but often very effective operations. The Committee asks the European Commission, therefore, to consider whether these programmes must necessarily be subject to all the provisions of the regulation. If maximum effectiveness is to be achieved, the same demands cannot be made on both small and large programmes and operations;

6. endorses the current method of defining regions for cross-border cooperation, and calls for the area of eligibility for cross-border cooperation (strand A) to be extended to allow functional cross-border relations to be taken into account for inclusion in the scope of the programme. In this connection, decisions on linking functionally complementary regions that are particularly important in achieving the objectives should not have to wait until the programme approval procedure; also endorses the greater opportunities provided for carrying out multilateral projects in areas in which multilateral cooperation programmes will not be implemented;

7. stresses the key role of ETC in developing transnational cooperation, especially for promoting the integrated territorial development of coherent areas, and in supporting macro-regional strategy development projects; welcomes the fact that the established transnational cooperation areas (strand B) will in principle be maintained and that the EU's macro-regional strategies will not lead to new cooperation areas being created or to areas being excluded from transnational cooperation. The Committee also in principle welcomes the support for the development and implementation of macro-regional strategies in the context of transnational cooperation;

8. highlights the potential of interregional cooperation, especially through its leverage effect in the use of Structural Funds; views support for interregional cooperation (strand C) as an excellent tool for encouraging exchanges of experience and cooperation between local and regional authorities regarding cohesion policy, and urges that the results of these exchanges be drawn on more effectively for local and regional development strategies (capitalisation);

The ETC aim and thematic concentration

9. notes, however, that the main aims of European Territorial Cooperation should be to:

- address through cooperation the problems of all regions concerned,
- serve as an effective mechanism for sharing good practice and learning,
- ensure that a solution to a specific problem is made more effective through economies of scale and the achievement of a critical mass,
- improve governance through coordination of sector policies, actions and investments on a cross-border and transnational scale,

- contribute to safety, stability and mutually beneficial relationships,
- and, where necessary, help to support growth, employment and eco-system-based management,

as set out in the explanatory memorandum of the proposal for a regulation;

10. thinks, therefore, that European Territorial Cooperation should help to create a sense of belonging to Europe and being connected, to remove prejudices and to develop the regions concerned. Accordingly, the Committee thinks that thematic concentration must not be applied automatically to ETC and that the level and potential of individual regions must be taken into account: there should be no attempt to apply the one-size-fits-all principle (i.e. the same priorities for all). On the contrary, a place-based approach should be taken. The Committee of the Regions fears that if ETC and, especially, cross-border cooperation were to be narrowly focused solely on the core EU 2020 priorities and thematic objectives, it would be incapable of fulfilling its distinct and unique role and would simply become a variation of core cohesion policy, but with a different form of distribution;

11. urges that demographic change and its impact on services of general interest and sustainable regional development be included as separate themes for ETC. Priority should be given to new forms of urban-rural partnership as a basis for territorial cohesion at regional level (in line with the Territorial Agenda 2020). Important themes such as tourism, climate-friendly maritime transport and culture are also missing;

12. believes that, when it comes to cross-border cooperation, it is vital to define the developmental potential of each cross-border area in terms of the present level of the regions in question. European Territorial Cooperation – and especially cross-border cooperation – should not be geared primarily to achieving the EU 2020 strategy, but above all to creating the conditions for its broadest possible – i.e. pan-European – implementation. It should therefore be possible for cross-border cooperation programmes, in particular, to chose several thematic objectives and not be restricted by orientations defined for them in advance;

13. notes that sustainable territorial cohesion can only be achieved if people in the regions can be drawn in and involved. It should therefore be made possible for ETC programmes to continue to support civil-society and cultural measures (such as specific exchange projects), of which very successful examples can be found in existing programmes. The Committee therefore calls for the thematic objectives to be extended accordingly;

14. welcomes the Commission's proposal to ensure continuity in the transnational cooperation strand but is nonetheless critical of its intention to restrict the additional

investment priority under transnational cooperation to the implementation of macro-regional and sea-basin strategies. Given the numerous challenges currently facing the regions, and existing deficiencies, other regions, sub-regions and functional areas also need appropriate investment priorities;

15. agrees that interregional cooperation should aim to reinforce the effectiveness of cohesion policy by encouraging exchange of experience between regions and by harnessing the results of this exchange under the Growth and Jobs objective. The Committee feels that this exchange of experience should be broad-based and that its role should not be limited to complementing FP7;

16. feels that the Committee should play an active role in promoting ETC and in identifying and overcoming obstacles to its implementation so as to optimise synergies with the other strands of cohesion policy;

Funding allocations and level of cofinancing

17. welcomes the proposed increase in allocations for ETC;

18. does not think it makes sense for the proposed 75 % level of cofinancing for operational programmes within the European Territorial Cooperation objective, set in the general regulation, to be lower than the level of cofinancing for less developed regions under the Growth and Jobs objective. This lower level of cofinancing may make ETC programmes in these less developed regions unappealing. The Committee of the Regions sees no foundation for this difference and calls for the cofinancing level to be set at 85 % for both objectives; neither does it see any foundation for the cofinancing rate that is to be applied to the extra allocation for interregional cooperation in the outermost regions to stand at 50 %, and calls for it to be set at 85 %;

19. points out that co-financing does not always come from the programme partners, Member States or other public bodies, but may also come from beneficiaries. It is therefore not possible to impose a blanket requirement on participating Member States to provide the co-financing necessary to implement the cooperation programme. The commitment provided for in the Commission's proposal should therefore be deleted;

20. thinks that, in order to maintain the quality of cooperation, the general regulation needs to retain the present conditions for the level of cofinancing established by Council Regulation (EC) No 1083/2006 (general regulation), where the relevant paragraphs read as follows: (Article 53(3)): 'For operational programmes under the European territorial cooperation objective in which at least one participant belongs to a Member State whose average GDP per capita for the period 2001 to 2003 was below 85 % of the EU-25 average during the same

period, the contribution from the ERDF shall not be higher than 85 % of the eligible expenditure. For all other operational programmes, the contribution from the ERDF shall not be higher than 75 % of the eligible expenditure co-financed by the ERDF.' (Article 53(4)): 'The contribution from the Funds at the priority axis level shall not be subject to the ceilings set out in paragraph 3 and in Annex III. However, it shall be fixed so as to ensure compliance with the maximum amount of contribution from the Funds and the maximum contribution rate per Fund fixed at the level of the operational programme.'

21. does not consider it appropriate to set the maximum cofinancing rate at the level of each priority, as set out in the general regulation. It should be possible to adjust the level of cofinancing within the various priority axes in order to give beneficiaries an incentive to meet certain strategic priorities. It would be good for each programme to lay down the level of cofinancing for each measure according to its type, with not all measures receiving the maximum degree of support;

22. agrees that cooperation programmes involving outermost regions should receive at least 150 % of the ERDF support they received in 2007–2013 and that, in addition, EUR 50 million should be allocated from resources for inter-regional cooperation for the cooperation of outermost regions.

23. calls for special conditions to be set for areas which were external borders of the Community on 30 April 2004 and on 31 December 2006 and which ceased to be so on the day after that date, as is the case in the current programming period according to Article 52 of the general regulation (Council Regulation (EC) No 1083/2006). Seven years of support cannot be considered long enough to eliminate the problems in these areas. The Committee of the Regions points out that increased support for former EU border areas will not only serve to raise the economic level of the regions in question, but also has a notable impact on creating a sense of belonging to Europe and being connected and on removing prejudices;

Programme planning

24. is critical of the fact that the requirements set out in Article 7(2)(a) would significantly increase programme planning costs compared with the current period, with no discernable added value;

25. notes that, due to its multilateral nature, ETC cannot be managed using partnership agreements. It should therefore be explicitly excluded from the scope of that instrument;

26. deems it extremely important to draft a directive for applying, in practical terms, the state aid rules to ETC programmes, and calls for private operators, in particular small and medium-sized enterprises (SMEs), to be included as possible beneficiaries of cross-border and transnational cooperation measures, where there is agreement among all the Member States concerned by the programme in question;

27. calls for greater attention to be paid to the wide differences across Europe in administrative structures at local and regional level when defining the target groups for ETC programmes. The aim must be to take better account of the diversity of organisational structures among public stakeholders in the regions of the Member States. In particular, public bodies should not be excluded from participation for having a private organisational structure,

Monitoring and evaluation

28. notes that both the scope and the frequency of reporting obligations have been increased, and calls for them to be kept to a minimum. The Committee therefore opposes the proposal to bring the deadline for the annual implementation report forward from 30 June to 30 April of the following year. The need to coordinate several programme partners – speaking several languages – entails higher costs and therefore more time;

29. welcomes the establishment of common output and result indicators in order to achieve objectives more effectively and focus more closely on impact, and to enable cross-programme evaluation. However, the indicators proposed in the annex to the ETC Regulation are in many cases inappropriate to specific ETC requirements and are not able to describe or measure the quality of ETC. The Committee therefore calls for the catalogue of indicators to be revised to allow ETC-specific results to be depicted appropriately;

30. in principle welcomes the limiting of technical assistance to 6 % of the total amount but not less than EUR 1,5 million, but feels that the requirement to shift all information-sharing to electronic data exchange systems by 31 December 2014, using technical assistance, is problematic;

Management, control and accreditation

31. advocates basically retaining the management structures established in the 2007-2013 period for implementing the operational programmes, maintaining general continuity of structures, and assigning tasks and competences more clearly to the various bodies implementing the programmes;

32. welcomes the possibility of combining the functions of the managing and certifying authorities (Article 113 of the Common Provisions Regulation), but opposes the requirement to combine them in ETC (Article 22 of the ETC Regulation) and emphatically rejects the proposed accreditation of managing authorities and controllers;

Coordination of funds

33. welcomes the endeavour to improve coordination between European Territorial Cooperation programmes and other cohesion policy instruments; to this end, the yield on

Community financing of cooperation projects must be increased by disseminating the results of these projects, seeking to multiply their impact and avoiding duplication of measures which are already tried and tested;

34. points out that if a mechanism is to emerge for ensuring coordination between funds and other instruments, it is vital to have coordination between these funds and instruments at EU level and at implementation level in the Member States. It is important to introduce identical and coordinated procedures, the same management, monitoring of controls, cost eligibility, methods of reporting indicators, and so on. It would also be very useful to ensure coordination between individual countries, since European Territorial Cohesion programmes involve ever more countries. Particular attention must be paid to coordination with external financial instruments. Accordingly, the Committee of the Regions asks the Commission to establish a methodology for the coordination of programmes;

35. points out that Article 10 of the proposal for a regulation on the European Social Fund COM(2011) 607 final addresses transnational cooperation, which covers the same period as the ETC regulation, but has no connection with the latter regulation. However, it is precisely coordination between European Territorial Cooperation funded from the ERDF and that funded from the ESF that the Committee of the Regions deems the most important, since the right combination of activities from these two funds can achieve the necessary synergies. Activities generally carried out in connection with the ESF are likely to be highly effective in cross-border cooperation, in particular, since there is usually a similarity between border areas of neighbouring countries in terms of labour market, social problems and so on. Activities that correspond thematically to the ESF are a very important part of all European Territorial Cooperation programmes and the Committee of the Regions therefore calls on the Commission to devote the appropriate attention to their coordination. If there is no improvement in coordination, it should at least be made possible to fund ETC activities that are thematically related to the ESF from the ERDF;

36. thinks it would be very useful to coordinate the new Connecting Europe Facility with European Territorial Cooperation programmes, since this new instrument should cover cross-border and international relations;

Involvement of third countries

37. considers it very important to ensure coordination between European Territorial Cooperation programmes and instruments for providing EU financial aid to third countries. A system should be established in these programmes themselves through which they would be coordinated with individual European Territorial Cooperation programmes so that there are no obstacles to entities from third countries being involved in joint projects. This system should, among other things, ensure conformity of procedures, cost eligibility etc. between ETC programmes in Member States and pre-accession and neighbourhood programmes. It should also ensure that

third countries provide access, administration and allocation of sufficient financing from pre-accession or neighbourhood programmes for ETC programmes;

38. agrees that it is necessary to clarify the applicable rules concerning financial management, programming, monitoring, evaluation and control regarding the participation of third countries in transnational and interregional cooperation programmes and also that those rules should be established in the relevant cooperation programme and/or the relevant financial agreement between the Commission, each of the third countries and the Member State hosting the managing authority of the relevant cooperation programme. However, the Committee of the Regions points out the need to ensure that any problems or tardiness of the third country do not lead to a delay in transnational and interregional programmes that would threaten their entire implementation;

Role of EGTCs

39. emphasises the role of the EGTC as a vital tool for strengthening territorial cooperation. Thus calls again for the amended EGTC regulation, which has no particular implications for the EU budget, to be immediately adopted without waiting for adoption of the entire legislative package on post-2013 cohesion policy. Also urges Member States to remove all administrative barriers that either discourage the establishment of an EGTC or discriminate against the EGTC option – especially as regards taxation and staff recruitment – compared to other legal instruments;

40. points out that although the Member States should be encouraged to confer the task of managing authorities on EGTCs, the European Commission should put forward standard mechanisms for clarifying the provisions in Article 25(3) of this proposal for a regulation, which obliges the Member State where the EGTC is registered or where the lead beneficiary is located to repay amounts unduly paid to beneficiaries from other countries. This obligation on countries where an EGTC is registered or where the lead beneficiary is located may make them much less willing to transfer their powers for managing programmes to the EGTC, since they may be liable for something over which they have no real influence. For this reason, the Committee of the Regions thinks that it should be confirmed that an authority in the Member State of the beneficiary of an amount unduly paid may be mandated by an authority in the Member State where the EGTC is registered for the recovery of the amount; alternatively, the conditions in force in the current programming period should be applied, where the responsibility is borne by the Member State in which the beneficiary that is required to return amounts unduly paid is located;

Other remarks

41. welcomes the introduction of a flat-rate for workers as a very good step that will considerably simplify matters for beneficiaries. This flat-rate for workers should also be the same for all countries in an operation, since they are doing the same work. Control methods and cost eligibility should also be

unified. However, the Committee is opposed to restricting this flat rate to a maximum of 15 % of all costs, as territorial cooperation is by nature very labour intensive and 15 % is far below the current average percentage for staff costs;

42. attaches great importance to the following issues: environmental protection, resource efficiency, climate change mitigation and adaptation, risk prevention and risk management in the selection of operations, the prevention of any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, and the promotion of equal opportunities between the sexes. Nevertheless the Committee does not think it appropriate to require a description of their application in every programme. These stipulations in the regulation could greatly complicate and paralyse small cross-border cooperation programmes, in particular. The Committee of the Regions therefore recommends that they should not be applied across the board, but only for the priorities and kinds of operation where this makes sense and is relevant, since it could lead to a mandatory – but also meaningless and illogical – justifying of operations that have nothing to do with such issues;

43. considers it important that beneficiaries cooperate in the development, implementation, staffing and financing of operations. However, with regard to smaller projects in particular, in

other words, projects allocated less than EUR 35 000 from the ERDF, the obligation to meet the four criteria for cooperation can hamper their development and implementation; therefore believes that it is not appropriate for such projects to be required to meet this condition; proposes that these smaller projects be required, as has been the case to date, to meet at least two of the four criteria;

Proposals

44. in view of the emphasis placed on coordination, effectiveness, removing disparities and comprehensiveness, proposes that a new initiative be launched for the new programming period to support cross-border coordination of thematic and development strategies (transport, energy, labour market, environmental protection, science and research, etc.) and the creation of integrated approaches. In this way, cross-border insufficiencies and development potential, as well as an integrated approach to addressing these, could be identified. It would be expedient to involve both public and private entities and financial resources from various sources in addressing these clearly identified problem areas and in exploiting the identified development potential. It would appear very useful to use the potential of EGTCs and Euroregions for this instrument. Sufficient funds should be allocated for this initiative within ETC to ensure its effectiveness.

II. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Article 3(1)

Amend as follows:

Commission text	CoR amendment
<p>Geographical coverage</p> <p>1. For cross-border cooperation, the regions to be supported shall be the NUTS level 3 regions of the Union along all internal and external land borders other than those covered by programmes under the external financial instruments of the Union, and all NUTS level 3 regions of the Union along maritime borders separated by a maximum of 150 km, without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation programme areas established for the 2007-2013 programming period.</p> <p>The Commission shall adopt the list of cross-border areas to receive support, broken down by cooperation programme, by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 30(2).</p> <p>That list shall also specify those NUTS level 3 regions in the Union taken into account for the ERDF allocation to cross-border cooperation on all internal and those external borders covered by the external financial instruments of the Union, such as ENI pursuant to Regulation (EU) No [...]/2012 [the ENI Regulation] and IPA pursuant to Regulation (EU) No [...]/2012 the IPA Regulation].</p>	<p>Geographical coverage</p> <p>1. For cross-border cooperation, the regions to be supported shall be the NUTS level 3 regions of the Union along all internal and external land borders other than those covered by programmes under the external financial instruments of the Union, and all NUTS level 3 regions of the Union along maritime borders separated by a maximum of 150³⁰⁰ km, without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation programme areas established for the 2007-2013 programming period.</p> <p>The Commission shall adopt the list of cross-border areas to receive support, broken down by cooperation programme, by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 30(2).</p> <p>That list shall also specify those NUTS level 3 regions in the Union taken into account for the ERDF allocation to cross-border cooperation on all internal and those external borders covered by the external financial instruments of the Union, such as ENI pursuant to Regulation (EU) No [...]/2012 [the ENI Regulation] and IPA pursuant to Regulation (EU) No [...]/2012 the IPA Regulation].</p>

Commission text	CoR amendment
When submitting draft cross-border cooperation programmes, Member States may request that additional NUTS level 3 regions adjacent to those listed in the decision referred to in the second subparagraph are added to a given cross-border area and shall give reasons for the request.	When submitting draft cross-border cooperation programmes, Member States may request that additional NUTS level 3 regions adjacent to those listed in the decision referred to in the second subparagraph – <u>or the NUTS level 2 regions to which they belong</u> – are added to a given cross-border area, <u>inter alia to take account of euroregions and the geographical coverage of their structural projects</u> and shall give reasons for the request.
[...]	[...]

Reason

Concerning the distance of 300 km (instead of 150), it has been shown in practice that the grounds for the existence of maritime cross-border cooperation do not depend directly on proximity, but on the mutual relations between the two countries. Moreover, present-day means of communication and transport make distance less important.

Furthermore, concerning the NUTS level, the French regions, for instance, are generally in favour of keeping the areas as they are set out in the current programming period. However, given how these areas vary greatly, they feel that some flexibility is needed in defining the geographical scope of projects. Specifically, enhanced cooperation should be promoted within transnational NUTS level 2 areas (without altering their boundaries) and the geographical coverage of certain cross-border programmes should be extended beyond NUTS level 3 (to NUTS level 2 where justified, without undermining the concentration of funding in areas immediately adjacent to borders). The French regions also call on the Commission to consider the new areas of enhanced cooperation that are the euroregions.

Amendment 2

Article 4(3)

Amend as follows:

Commission text	CoR amendment
Resources for European territorial cooperation	Resources for European territorial cooperation
3. The Commission shall adopt a single decision setting out the list of all cooperation programmes and indicating the amounts of the total ERDF support per programme and of the 2014 allocation per programme by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 30(2).	3. The Commission shall adopt a single decision setting out the list of all cooperation programmes and indicating the amounts of the total ERDF support per programme and of the 2014 allocation per programme by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 30(2).
Population in the areas referred to in the 3rd sub-paragraph of Article 3(1) and the first sub-paragraph of Article (3)(3) shall be used as the criterion for the annual breakdown by Member State.	Population in the areas referred to in the 3rd sub-paragraph of Article 3(1) and the first sub-paragraph of Article (3)(3) shall be used as the criterion for the <u>annual breakdown by Member State cooperation programme</u> .
[...]	[...]

Reason

We would strongly urge that EU funds be allocated by cooperation programme. Continuing the current system of breaking down funding by Member State (leaving it up to them to distribute the total cooperation allocation between their various regions) entails the following two risks: imbalanced national allocations for a given area, and the persistence of the fair return rationale, whereby individual Member States, against the spirit of cooperation, see fit to recoup funding at least equal to the share of funds that they have allocated to that area.

Amendment 3

Article 4(7)

Amend as follows:

Commission text	CoR amendment
Resources for European territorial cooperation	Resources for European territorial cooperation
7. In 2015 and 2016, the annual contribution from the ERDF to the programmes under ENI and IPA for which no programme has been submitted to the Commission by 30 June under the cross-border and sea-basin programmes under ENI and IPA shall be allocated to the internal cross-border cooperation programmes under paragraph 1(a) in which the Member State concerned participates.	7. In 2015 and 2016, the annual contribution from the ERDF to the programmes under ENI and IPA for which no programme has been submitted to the Commission by 30 June under the cross-border and sea-basin programmes under ENI and IPA shall be allocated to the internal cross-border cooperation programmes under paragraph 1(a) in which the Member State concerned participates.

Reason

According to the Commission's proposal, and unlike the current period, if the deadline for submitting programmes is not met, the unused ERDF resources can only be allocated to internal cross-border cooperation programmes in which the Member State concerned participates. As this may penalise certain regions if they are unable to meet the deadlines – even if they are not responsible for the failure – it is proposed to keep the current arrangements in place.

Amendment 4

Article 5

Amend as follows:

Commission text	CoR amendment
Thematic concentration	Thematic concentration
The thematic objectives referred to in Article 9 of Regulation (EU) No [...] /2012 [the CPR] shall be concentrated as follows:	The thematic objectives referred to in Article 9 of Regulation (EU) No [...] /2012 [the CPR] shall be concentrated as follows:
a) up to 4 thematic objectives shall be selected for each cross-border cooperation programme;	a) up to 4 <u>5</u> thematic objectives shall be selected for each cross-border cooperation programme;
b) up to 4 thematic objectives shall be selected for each transnational cooperation programme;	b) up to 4 <u>5</u> thematic objectives shall be selected for each transnational cooperation programme;
c) all thematic objectives may be selected for interregional cooperation programmes pursuant to Article 2(3)(a).	c) all thematic objectives may be selected for interregional cooperation programmes pursuant to Article 2(3)(a).

Reason

The purpose of cross-border cooperation is to help mitigate the disadvantages arising from the peripheral location of border regions and to resolve the consequent problems, by establishing and supporting cross-border cooperation in all spheres of life (integration of cross-border areas). Support is given to both cooperation intended to resolve problems through joint efforts and cooperation aimed at promoting integration in various spheres. For border regions it is therefore crucial to maintain a wide range of activities eligible for support, reflecting the many spheres of cross-border cooperation.

The same grounds as for cross-border cooperation apply to transnational cooperation. It is crucial to keep the scope for cooperation as broad as possible for every type of cooperation.

Amendment 5

Article 6(a)

Amend as follows:

Commission text	CoR amendment
<p>Investment priorities</p> <p>[...]</p> <p>(a) under cross-border cooperation:</p> <p>(i) integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives and joint training (within the thematic objective of promoting employment and supporting labour mobility);</p> <p>(ii) promoting gender equality and equal opportunities across borders, as well as promoting social inclusion across borders (within the thematic objective of promoting social inclusion and combating poverty);</p> <p>(iii) developing and implementing joint education and training schemes (within the thematic objective of investing in skills, education and lifelong learning);</p> <p>(iv) promoting legal and administrative cooperation and cooperation between citizens and institutions (within the thematic objective of enhancing institutional capacity and an efficient public administration);</p>	<p>Investment priorities</p> <p>[...]</p> <p>(a) under cross-border cooperation:</p> <p>(i) integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives and joint training (within the thematic objective of promoting employment and supporting labour mobility);</p> <p>(ii) promoting gender equality and equal opportunities across borders, as well as promoting social inclusion across borders (within the thematic objective of promoting social inclusion and combating poverty);</p> <p>(iii) developing and implementing joint education and training schemes (within the thematic objective of investing in skills, education and lifelong learning);</p> <p>(iv) promoting <u>intercultural, legal and administrative cooperation and different forms of cooperation between citizens and institutions, including the necessary infrastructure</u> (within the thematic objective of enhancing institutional capacity and an efficient public administration);</p> <p>(v) <u>investing in setting up cross-border transport links and improving the quality of those links, connecting border regions with those links, and developing cross-border links and creating cross-border public transport systems (within the thematic objective of promoting sustainable transport and removing bottlenecks in critical infrastructure networks;</u></p> <p>(vi) <u>supporting the development of tourism and a culture of travel as an import source of employment in border regions based on investment in public infrastructure and development of tourism products and shared cross-border cultures (within the thematic objective of promoting employment and supporting labour mobility);</u></p> <p>(vii) <u>investing in health infrastructure and social infrastructure, and in systems of cooperation between emergency services that promote a more efficient use of resources in cross-border regions (within the thematic objective of promoting social inclusion and combating poverty);</u></p> <p>(viii) <u>investing in setting up systems for cross-border information exchange (within the thematic objectives of improving access to ICT, and increasing ICT use and quality);</u></p>

Reason

See point 9 of the 'Policy Recommendation'.

Amendment 6

Article 6(b)

Amend as follows:

Commission text	CoR amendment
(b) under transnational cooperation: development and implementation of macro-regional and sea-basin strategies (within the thematic objective of enhancing institutional capacity and an efficient public administration).	(b) under transnational cooperation: development and implementation of macro-regional <u>and other regional strategies, strategies for functional areas,</u> and sea-basin strategies (within the thematic objective of enhancing institutional capacity and an efficient public administration).

Reason

See point 14 of the 'Policy Recommendation'.

Amendment 7

Article 6 new paragraph c)

Amend as follows:

Commission text	CoR amendment
	(c) <u>under cross-border, transnational and interregional cooperation: tackling demographic change and its impact on services of general interest, sustainable regional development, urban-rural partnership and territorial cohesion in general; exchange projects in the field of civil society and culture;</u>

Reason

See point 11 of the 'Policy Recommendation'.

Amendment 8

Article 7(2)(c)

Amend as follows:

Commission text	CoR amendment
Content of cooperation programmes	Content of cooperation programmes
[...]	[...]
(c) the contribution to the integrated strategy for territorial development set out in the partnership contract including:	(c) the contribution to the integrated strategy for territorial development set out in the partnership contract, <u>in cases where the various mechanisms of the operational programmes are to be actively applied,</u> including:
<ul style="list-style-type: none"> (i) the mechanisms that ensure coordination between the Funds, the EAFRD, the EMFF and other Union and national funding instruments and with the European Investment Bank (EIB); (ii) where appropriate, a planned integrated approach to the territorial development of urban, rural, coastal areas and areas with particular territorial features, in particular the implementation arrangements for Articles 28 and 29 of Regulation (EU) No./2012 [CPR]; 	<ul style="list-style-type: none"> (i) the mechanisms that ensure coordination between the Funds, the EAFRD, the EMFF and other Union and national funding instruments and with the European Investment Bank (EIB); (ii) where appropriate, a planned integrated approach to the territorial development of urban, rural, coastal areas and areas with particular territorial features, in particular the implementation arrangements for Articles 28 and 29 of Regulation (EU) No./2012 [CPR];

Commission text	CoR amendment
(iii) where appropriate, the list of cities where integrated actions for sustainable urban development will be implemented; the indicative annual allocation of the ERDF support for these actions, including the resources delegated to cities for management under Article 7(2) of Regulation (EU) No./2012 [ERDF];	(iii) where appropriate, the list of cities where integrated actions for sustainable urban development will be implemented; the indicative annual allocation of the ERDF support for these actions, including the resources delegated to cities for management under Article 7(2) of Regulation (EU) No./2012 [ERDF];
(iv) the identification of the areas in which community-led local development will be implemented;	(iv) the identification of the areas in which community-led local development will be implemented;
(v) where appropriate, the contribution of the planned interventions towards macro regional strategies and sea basin strategies;	(v) where appropriate, the contribution of the planned interventions towards macro regional strategies and sea basin strategies;

Reason

The Committee of the Regions considers that setting out information in the programme document on the specific types of support for regional development as described in Article 7(2)(c) is only relevant and should only be mandatory in cases where these mechanisms will be actively applied in an operational programme, or where there is another reason to include a description in the programme document. For this reason it should not be mandatory for ETC programmes to describe these spheres. They should be required to do so only in cases where it is relevant and appropriate, in accordance with the provisions of the Danish presidency's compromise proposal on the general regulation for Objective 1 programmes (Article 87(2)).

Amendment 9

Article 7(2) (g) (iv)

Amend as follows:

Commission text	CoR amendment
(iv) the procedure for setting up the joint secretariat;	(iv) the procedure for setting up the joint secretariat <u>and, where appropriate, one or more intermediate bodies;</u>

Reason

Setting up intermediary bodies has shown itself to be extremely effective in a wide range of programmes. Hence the Committee of the Regions' call for this procedure to be retained in an area in which it has proved its worth.

Amendment 10

Article 11(2)

Amend as follows:

Commission text	CoR amendment
Selection of operations	Selection of operations
[...]	[...]
2. Operations selected under cross-border and transnational cooperation shall involve beneficiaries from at least two participating countries, at least one of which shall be from a Member State. An operation may be implemented in a single country, provided that it is for the benefit of the programme area.	2. Operations selected under cross-border and transnational cooperation shall involve beneficiaries from at least two participating countries, at least one of which shall be from a Member State. An operation may be implemented in a single country, provided that it is for the benefit of the programme area.

Commission text	CoR amendment
Operations concerning interregional cooperation under Article 2(3)(a) and (b) shall involve beneficiaries from at least three countries, at least two of which shall be Member States.	Operations concerning interregional <u>and transnational</u> cooperation under Article 2(3)(a) and (b) shall involve beneficiaries from at least three countries, at least two of which shall be Member States. <u>This requirement shall not apply to transnational cooperation programmes in the outermost regions, which shall be subject to the same requirements as those laid down for cross-border cooperation.</u>

Reason

Under the Commission proposal, transnational cooperation works on similar terms to cross-border cooperation, i.e. beneficiaries may be from two countries only, and it would be possible for operations to be implemented in just one country. We believe that this definition of cooperation would not reflect its transnational dimension and that it is the rules for interregional cooperation mentioned in the article that should apply here.

Furthermore, a number of current transnational cooperation programmes are designed specifically for the outermost regions. Requiring the involvement of three countries in these programmes would complicate matters considerably.

Amendment 11

Article 11 (4)

Amend as follows:

Commission text	CoR amendment
Beneficiaries shall cooperate in the development, implementation, staffing and financing of operations.	Beneficiaries shall cooperate in the development, implementation, staffing and financing of operations. <u>With regard to smaller projects, in other words, projects allocated less than EUR 35 000 from the ERDF, meeting two of the four criteria for cooperation referred to should be sufficient.</u>

Reason

The criteria for establishing the cross-border nature of a project should be made less harsh, especially for smaller projects, which account for a large number of high-quality projects that make an undeniable contribution to the development of cross-border relations but which nevertheless struggle to meet all four criteria.

Amendment 12

Article 15

Amend as follows:

Commission text	CoR amendment
Indicators for the European territorial cooperation goal Common indicators, as set out in the Annex to this Regulation, shall be used where relevant and in accordance with Article 24(3) of Regulation (EU) No./2012 [CPR]. Their baselines shall be set at zero and cumulative targets shall be fixed for 2022. [...]	Indicators for the European territorial cooperation goal Common <u>model</u> indicators, as set out in the Annex to this Regulation, shall be used where relevant and in accordance with Article 24(3) of Regulation (EU) No./2012 [CPR]. Their baselines shall be set at zero and cumulative targets shall be fixed for 2022. [...]

Reason

The common indicators listed in the Annex should be considered as examples only. In each case it must be determined whether the indicator is relevant to the programme, the objective and the priority. Dealing with the issue of indicators through such a general provision will not ensure the efficacy of either the programme or operations. Moreover, the indicators given in the Annex anticipate the priorities and types of operation for all the programmes.

Amendment 13

Article 16

Amend as follows:

Commission text	CoR amendment
<p>Technical assistance</p> <p>The amount of the ERDF allocated to technical assistance shall be limited to 6 % of the total amount allocated to a cooperation programmes, but shall not be less than EUR 1 500 000.</p>	<p>Technical assistance</p> <p>The amount of the ERDF allocated to technical assistance shall be limited to 6 % of the total amount allocated to a cooperation programmes, <u>and to 8 % in the case of cooperation programmes involving all Member States and beyond, if the managing authority centralises verification of services delivered or if a programme chooses to implement the priority on the macroregional strategy</u> but shall not be less than EUR 1 500 000.</p>

Reason

While the four pan-European territorial cooperation projects (ESPON, INTERACT, INTERREG IV C and URBACT) certainly have lower costs than investment projects, the share of administrative costs is greater due to the nature of the activities (studies, expertise, exchange of best practices).

Amendment 14

Article 18

Amend as follows:

Commission text	CoR amendment
<p>Staff costs of an operation may be calculated as a flat rate of up to 15 % of the direct costs other than the staff costs of that operation.</p>	<p>Staff costs of an operation may be calculated as a flat rate of up to 15 % <u>30 %</u> of the direct costs other than the staff costs of that operation.</p>

Reason

See point 41 of the 'Policy Recommendation'.

Amendment 15

Article 19 new paragraph (4)

Amend as follows:

Commission text	CoR amendment
<p>Eligibility of operations in cooperation programmes depending on location</p>	<p>Eligibility of operations in cooperation programmes depending on location</p> <p>[...]</p> <p><u>(4) The managing authority and the national authority shall authorise use of the provisions contained in paragraph 2, in particular in areas at the borders of three States where no cross-border cooperation programmes are being put in place to set up effective multilateral projects.</u></p>

Reason

While current regulations allow for the 'rules on flexibility' to be used in the context of cross-border cooperation programmes, Member States (or managing authorities and national authorities) have rarely made use of this option when developing programmes. This complicates the implementation of projects in a multilateral regional framework such as the Euroregions.

Amendment 16

Article 26

Amend as follows:

Commission text	CoR amendment
<p>Use of the euro</p> <p>By way of derogation from Article 123 of Regulation (EU) No [...] /2012 [CPR], expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiaries in the month during which expenditure was incurred.</p> <p>The conversion shall be verified by the managing authority or by the controller in the Member State or third country in which the beneficiary is located.</p>	<p>Use of the euro</p> <p>By way of derogation from Article 123 of Regulation (EU) No [...] /2012 [CPR], expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiaries in the month during which expenditure <u>was presented for inspection in accordance with Article 114(4)(a) of the general regulation</u> was incurred.</p> <p>The conversion shall be verified by the managing authority or by the controller in the Member State or third country in which the beneficiary is located.</p>

Reason

In the Committee's view, the period chosen to convert non-euro expenditure into euros should be the same period during which the expenditure is presented for inspection (unless the exchange rate valid during the month in question is used), in accordance with Article 114(4)(a) of the general regulation. This may be a technical point, but the Committee regards as misconceived the current provision for conversion based on the exchange rate valid during the month when expenditure was incurred and thinks that it is likely to create complications (and therefore increase the risk of errors), especially given that expenditure presented for inspection generally relates to different periods. Thus if a single 'package' of expenditure were presented, several different exchange rates would be used. The least risky and most simple solution from a technical point of view seems to be to convert all expenditure presented on the basis of a single exchange rate, the rate valid during the month when the expenditure was presented for inspection. The proposed amendment would also increase beneficiaries' certainty as to the amount of resources they are receiving, because it allows the time between conversion into euros and payment of the assistance to be shortened.

Brussels, 19 July 2012.

The President
of the Committee of the Regions
 Mercedes BRESSO