FICHE NO 8

IMPLEMENTING ACT ON GEOGRAPHIC COVERAGE OF CROSS-BORDER AND TRANSNATIONAL AREAS

IMPLEMENTING ACT ON ERDF SUPPORT FOR EACH COOPERATION PROGRAMME

VERSION 1 - 10 APRIL 2013

Regulation	Article
ETC Regulation	Articles 3(1) and (3) and 4(1)

This document is provisional, without prejudice to the on-going negotiations in the Trilogues between the European Parliament and the Council (in line with the principle that "nothing is agreed until everything is agreed"). This document is a draft that shall be adjusted following the expert meeting.

It does not prejudge the final nature of the basic act, nor the content of any delegated or implementing act that may be prepared by the Commission.

1. EMPOWERMENT

The proposed ETC Regulation provides in its Article 3 that the Commission shall adopt the list of cross-border and transnational areas to receive support, broken down by cooperation programme, by means of implementing acts (Article 3(1) and (3) ETC Regulation).

Article 4(3) ETC Regulation provides that 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 by means of implementing acts.

The Council text sets out in more detail the process for the determination of the financial allocations for cross-border and transnational programmes, adding the possibility for the Member State to shift funds between its cross-border and transnational allocation. The EP has expressed preference for providing the breakdown of funding directly by cooperation programme. Therefore, this fiche may need to be amended in the light of the outcome of the trilogues.

2. MAIN OBJECTIVES AND SCOPE

The objective of the implementing act on geographical coverage of cross-border and transnational programmes is to set out the list of all cross-border and transnational programmes, indicating the concrete NUTS 3 (for cross-border) and NUTS 2 (for transnational) regions covered by each programme. It will not address interregional cooperation programmes, as these cover the entire territory of the Union.

The objective of the implementing act on financial resources is to set out the global ERDF allocation by cooperation programme. This implementing act will also include the breakdown of resources among the interregional cooperation programmes.

3. MAIN ELEMENTS/CONTENTS

The implementing act on geographical coverage will consist of three sections:

Section I for cross-border cooperation will list the NUTS level 3 regions per programme area. These areas will first be composed of the areas as defined in Article 3(1) ETC Regulation (the "core areas"), i.e. generally located along the borders. Second, these "core areas" may be enlarged for "potential adjustments needed to ensure the coherence and continuity of cooperation programme areas established for the 2007-2013 programming period". This mainly provides for the possibility to include the "adjacent areas" under the current programmes, but may also cover additional areas, where justified. The "core areas" will be specifically marked (e.g. with an asterisk). In addition, for information purposes, regions from third countries will be listed under the programme area concerned.

Section II for transnational cooperation will broadly look like the current Annex II to Commission Decision C(2006)5144 of 31 October 2006. As in the current funding period,

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[&]quot;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,[...]".

programme areas will be based on NUTS level 2 regions; a list of the programmes containing such regions will be adopted. Regions of third countries or territories will be included in the list for information purposes. As European Neighbourhood Instrument (ENI) and Instrument for Pre-Accession (IPA II) allocations can be transferred to transnational cooperation programmes, regions of ENI and IPA II beneficiary countries can also be included.

In Section III the NUTS level 3 regions that were taken into account for the ERDF allocation but participate in cross-border cooperation programmes under ENI and IPA II will be listed per Member State.

The **implementing act on financial resources** will list all cooperation programmes and indicate the corresponding global amount of ERDF resources for each of them.

In order to allow Member States to establish the amount by cooperation programme, the Commission will communicate the amounts of the cross-border and transnational envelopes to each Member State within two months from the adoption of the Multi annual financial framework.

As regards <u>cross-border cooperation</u>, population in the "core areas" (see footnote 1) will be used as the criterion for the financial breakdown between Member States. It will also include the areas located at the external borders of the Union and covered by the external financial instruments of the Union, such as ENI or IPA II, given that their population is also taken into account for the distribution of the allocations.

In practice, the only changes as compared to the 2007-2013 map of eligible NUTS level 3 regions reflect the accession of Croatia and major changes in the NUTS 3 classification in Denmark and Poland.

As in the current funding period, NUTS level 3 areas located at more than one border will only receive one allocation. This applies also to NUTS level 3 regions that are located on both an internal and on an external border.

As regards <u>transnational cooperation</u>, the total population of a Member State will be used as the criterion for the financial breakdown between Member States.

The Member State will be given a deadline of six weeks to indicate to the Commission the distribution of the Funds to the different cross-border and transnational cooperation programmes. Member States covering outermost regions will have to respect the guaranteed increase of 150 % for these programmes in their distribution.

The amounts communicated by the Member State will be aggregated in the single decision setting out the list of all cooperation programmes and indicating the amounts of the total ERDF support referred to in Article 4(3) ETC Regulation. This decision will also include the breakdown of ERDF resources for the four programmes under the interregional component.

Concrete figures can only be set out once there is an agreement on the MFF and the design of programme areas has been agreed. The list of the "core areas" which has been taken into account for the ERDF allocation for cross-border cooperation is attached as Annex 2^2 .

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In the context of MFF 2014-20 negotiations the list was disseminated to the Member States on 14 February 2012.

4. Main changes compared to the period 2007-2013 (where appropriate)

In relation to the implementing act on geographical coverage, the only change is that the Commission will also adopt the list of cross-border cooperation programmes, whereas in the 2007-2013 period it only adopted the list of "core areas" by Member State.

The implementing act on financial resources is comparable to the overall financing decision C(2007)3959 of 24 August 2007 that the Commission adopted for the 2007-2013 programming period However, whereas decision C(2007)3959 served as financing decision in terms of the Financial Regulation, the implementing act proposed will not serve that purpose: For the 2014-2020 programming period, each Commission decision approving an ETC programme will serve as financing decision.

5. ANNEXES

Annex 1 will set out the geographical coverage of cross-border and transnational programmes, but full information is not yet available from Member States.

Commission services are still compiling the geographical coverage of programmes, as some Member States have not yet sent their replies to the Commission's Note on Geography of Future ETC programmes or have only just replied. This annex will be provided upon its finalisation.

Annex 2 will set out the list of core areas taken into account for determining ERDF allocation for cross-border cooperation (excel file).