

The Interreg for the future

Comments on the proposal for new regulations:

- concerning the establishment of a mechanism to remove legal and administrative obstacles in a cross-border context
- Laying down specific provisions concerning the objective of european territorial cooperation
- Laying down common provisions on the ESI funds

Contribution of european cities to a citizens ' Europe

October 2018



The **RIET – Iberian Network of Cross-Border Cooperation Entities**, a cross-border association of territorial cooperation, consisting of 2009 by proximity organisations, the border of Spain and Portugal, under the Treaty of Valencia,

The **Eixo Atlantico – Northwest Peninsular Atlantic Axis**, cross-border association of territorial development through cooperation, established in 1992 and integrated by municipalities and entities of local administration that configure the urban system of the euro-region Galicia-North of Portugal.

The **MEDCITIES - Network of Mediterranean Cities**, 57 cities and metropolitan areas of 15 Mediterranean countries, created in Barcelona in November 1991 whose activity is geared towards sustainable urban development,

The **ATLANTIC CITIES - Conference of Atlantic Arc Cities** territorial cooperation network, based on the private identity of the Atlantic cities, established in 2000, constituting as an Atlantic urban forum,

The **FAIC – Adriatic and Ionian Cities Forum**, Association created in 1999, in Ancona, for 60 cities of the 8 Adriatic and Ionian countries, constituting itself as a forum for the social, environmental and cultural development of the cities of the Adriatic and Ionic,

non-governmental entities with a legal nature and permanent activity and holding extensive experience in the promotion of cooperation initiatives and the monitoring of programmes integrated in the various plans of European territorial cooperation, consider that they should continue the reflection and internal debate they have promoted on the **future of European territorial cooperation**.

Organized on the platform **C4C – Cities for Cooperation**, have already systematized and presented to the European Commission:

- ✓ A first document with a set of **10 proposals** on the future of European territorial cooperation and cross-border cooperation with non-EU member countries, a strategic approach presented in November 2017,
- ✓ A second document with the **measures of a regulatory and normative nature** to achieve their 10 initial proposals, deepening their contribution to the future of the Regional Policy and the European territorial cooperation for the period after 2020, presented in March 2018,
- ✓ A third document with a set of observations and recommendations on the **multiannual financial framework for 2021-2027**, presented in July 2018.



Stimulated by the good receptivity that its strategic approach deserved from the Commissioner for Regional Policy Corina Cretu, **they are now proposing to continue their contribution, introducing to the European institutions and the Member States the conclusions of the analysis and debate that they have promoted on draft regulations on the objective of European territorial cooperation (*Interreg*) and the mechanism to remove legal and administrative obstacles in a cross-border context and on the neighbourhood development and cooperation instrument (NDICI), also noting in the draft regulation on the common provisions of the ESI funds the implementation of its proposals.**

To better justify and substantiate the proposed amendments to those draft regulations, the ***C4C – Cities for Cooperation*** reproduced in this document part of the contents of the preceding documents.

This is the contribution of European cities to a citizens' Europe.

2 | Synthesis of the C4C contribution

The **C4C – Cities for Cooperation Platform**:

- 1 | CONSIDERS** that the proposal for a multiannual budget shows a lack of ambition on the part of the European Commission, with values that do not correspond to the objectives set or to the challenges facing Europe.
- 2 | CLAIMS** other than the policies that most value the principle of subsidiarity and the role of Member States to support the costs of Brexit.
- 3 | DISAPPROVE** the reduction in 13.9% of the financial resources for cohesion policy and. warns of the negative consequences of lowering the co-financing rate to 70% and the lack of increased pre-financing for projects.
- 4 | REGRETS** the reduction of 17.6% in the budget for the TEC and calls for an increase of the same, at least the double as foreseen in the European Commission proposal.
- 5 | BELIEVES** that the proposed thematic concentration reinforces the need for a flexible application on a regional and local scale to ensure that it represents a real response to the needs of citizens.
- 6 | CLAIMS** greater coherence between objectives and funding of the TEC, since the lack of correspondence will frustrate the expectations of citizens. Be aware of the European Commission's initial proposal, or if the objectives are reduced or the budget is increased.
- 7 | REQUESTS** that the TEC can be financed through more than one fund, ERDF and ESF, so as to increase its coverage and effectiveness.
- 8 | RECOGNIZES** the need to link regional policy with EU' economics governance but warns that this necessary articulation cannot mean the subjugation of a structural policy to the financial and budgetary management of the conjuncture.
- 9 | CLAIMS** whereas the appropriations of European structural and investment funds for European territorial cooperation are attributed to the programme and not to the Member States to ensure their true supranationality.
- 10 | DISAPPROVE** the disappearance of the URBACT programmes, INTERREG Europe and the sea basin and the maritime crossing of the existing Eni CBC programmes and requires more transparency and rigor in component 5 financing, by agreeing financial allocations.
- 11 | IT WELCOMES** with the Commission's initiative to present a proposal for a regulation on the establishment of a mechanism to remove legal and administrative obstacles in a cross-border context;
- 12 | DEFENDS** that the mechanism to remove legal and administrative obstacles in a cross-border context is also applicable to regions of neighbouring and pre-accession countries participating in cooperation programmes and which are already confronted with obstacles similar to the and transnational cooperation;

- 13 |** *CONSIDERS that the proposal for a regulation on the establishment of a mechanism to remove legal and administrative obstacles in a cross-border context should have more ambition, not limited to procedural aspects even if important;*
- 14 |** *DEFENDS that the definition of "cross-border region" should be better adapted to the diverse nature of cooperation actions and to the reality of territories;*
- 15 |** *ALERT for the scope of the proposal for a regulation on the establishment of a mechanism to remove legal and administrative obstacles in a broader cross-border context than the European structural and investment funds presupposes and requires a procedure for specific comitology;*
- 16 |** *UNDERSTAND that the figure of cross-border coordination points in the MS can ensure a significant impetus for effective and expressive implementation of the mechanism to remove legal and administrative obstacles in a cross-border context, although the proposal lacks adjustments;*
- 17 |** *RECOMMENDS that the Proposal for a regulation on the establishment of a mechanism to remove legal and administrative obstacles in a cross-border context is corrected by the failure of good legal technique by identifying, nominatively and as an example, 3 entities of associative nature.*

3 | A vision of the future of European territorial cooperation

Summary of the *C4C – Cities for Cooperation Platform*'s observations and recommendations on the proposal for a multiannual financial framework 2021-2027, described in the document submitted to the European Commission and to the national and regional authorities in July 2018:

- 1 | Adopt a common strategy for European territorial cooperation, prior to the identification of the programmatic instruments for their application that includes a common vision of MS on cooperation with neighbouring, cross-border, terrestrial or maritime states, including the proximity regions of the UPR and the Black, Baltic and Ionian seas;
- 2 | European territorial cooperation programmes should be coherent with a common strategy, focused on a narrower set of objectives and better articulated with the other cross-border cooperation programmes (IPA CBC and ENI-CBC), regional and sectoral programmes of *main stream* and with the initiatives Horizon 2020, LIFE, Erasmus and other;
- 3 | European territorial cooperation should be endowed with more and more significant and more effectively shared financial resources to promote a better achievement of the cohesion policy objectives and must correspond to at least 5% of the total value of the ESI funds;
- 4 | The appropriations of European structural and investment funds for European territorial cooperation should be attributed to the programme and not to the MS, even if only by way of indication;
- 5 | The criterion for the allocation of financial resources to be used in the preparation of the forthcoming European territorial cooperation programmes should take into account the uniqueness of each area of cooperation and of each territory and contribute to the convergence of less developed regions;
- 6 | European territorial cooperation should continue to be structured in the current cooperation plans, and a new generation of transnational programmes geared towards the realisation of formalised macro-regional strategies should be created, or for to prepare regional strategies, where macro-regions do not exist;
- 7 | To promote effective strategic and operational monitoring of European territorial cooperation at European level and of each programme, valuing the role of entities created for European territorial cooperation with a legal nature and a permanent activity;
- 8 | European territorial cooperation programmes should incorporate a better management model tailored to their supranational nature, which adopts clear, objective, stable and adequately advertised administrative rules and procedures.
- 9 | The entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity, including ETCG must have a common legal and fiscal regime, which meets the nature and scope supranational of its performance, which should not be conditional on the regime applicable

according to the place of its headquarters, being stimulated its participation through an open and objective normative framework;

- 10 |** Adopting a model of calls for applications and project management more suited to the requirements and particularities of European territorial cooperation.

4 | For an MFF that meets the expectations of European cities

The *C4C – Cities for Cooperation Platform*' observations and recommendations synthesis on the proposal for a multiannual financial framework 2021-2027, described in the document submitted to the European Commission and to the national and regional authorities in July 2018

1 | For a multiannual budget which is the affirmation of the values enshrined in the Treaty on European Union, namely those of economic, social and territorial cohesion;

In the current European context, the submission of a budget for 7 years and the fulfilment of the planned dates should by itself be signated and welcomed as positive and interpreted as a defeat for the political tendencies that advocate the unworthiness of a budget of medium term for the European Union and would like to see a suppletive and marginal cohesion policy, with the inherent reduction of its contribution to the common budget.

However, the proposal for a multiannual budget shows a significant lack of ambition, with values far below the expectations, the needs and the size of the challenges facing the EU, and a multiannual budget is proposed, which evolves from 1.04% to Only 1.11% of the EU's gross national income.

The growth of the multiannual financial framework should at least be equivalent to the projected growth for all of the EU's own resources and be the budgetary expression of the European joint project's assertion.

2 | For a multiannual financial framework that values subsidiarity and the role of MS

This multi-annual budget includes a new dimension and a major challenge to accommodate the financial impact of the UK exit (*Brexit*). However, proponents of the European project cannot understand or accept that this financial impact is absorbed by the combined effect of the reduction of the budget for cohesion policy and the common agricultural policy and, with smaller dimensions, by the new European Commission's direct revenues.

We are facing a more centralised and more steering budget, due to the significant growth of policies managed directly by the European Commission and the reduction of policies that most value the principle of subsidiarity and which confer greater margin of manoeuvre to MS (Cohesion Policy and CAP).

The multiannual financial framework should contain the principle of subsidiarity as a structuring element and value the role of the MS, rejecting the Cohesion Policy, and the CAP, to support the financial impact of *Brexit*.

3 | For a regional and cohesion policy that corresponds to the expectations of European citizens;

Cohesion Policy is the EU's main response to the need to deepen the increasingly necessary construction of an effective and inclusive European citizenship. Despite all its shortcomings and weaknesses, in the current European socio-political conjuncture it is essential to affirm and defend the cohesion policy and to fight for its coherent and meaningful implementation throughout the EU.

Cohesion Policy sees the budget reduced by 13.9%, representing a weight in the overall budget below 35%. With the exception of the CAP, which is also reduced by 9.8%, it is the other EU policies that grow significantly, more than doubling their budget.

This approach cannot fail to be interpreted as an attempt to approach the political tendencies that would like to see a residual and suppletive cohesion policy, with an inherent reduction in its contribution to the common budget, which we consider to be a strategic error of great consequences, both more than the values proposed by Commission allow cohesion policy to come closer to current values, continuing other policies to grow significantly.

4 | For European territorial cooperation with financial resources that correspond to their contribution to cohesion, pre-accession and neighbourhood needs;

European territorial cooperation should be endowed with more and more significant and more effectively shared financial resources to better achieve the objectives of the cohesion policy, in the context of completing the internal market, doubling the current financial resources.

Furthermore, European territorial cooperation should not be the subject of the planned reduction of the co-financing rate to 70%. This reduction, added to the non-increase in the level of pre-financing, introduces the risk of significantly reducing the participation of many relevant institutions that play an important role in the territories of cooperation, but with less financial capacity.

We warmly welcome the text of the content of the programme (Art. 17), point 3 (a) of the draft common regulation, on macro-region strategies and maritime basin strategies.

We favourably welcome the proposal for a new regulation on a '*Mechanism for resolving legal and administrative obstacles in a cross-border context*', what should be also applicable to regions of neighbouring and pre-accession countries participating in cooperation programmes and in the plan of cooperation transnational of the European Union

However, it is important to clarify what are considered, in an indicative way, the main legal, administrative, political obstacles, etc, the border areas and the development of projects within the EU border areas and with border areas external.

5 | For a post-2020 strategy that welcomes the diversity of the regions and integrates the specific needs of the most depressed regions of the EU;

We believe that the thematic concentration proposed for cohesion policy should be revised and articulated with the necessary flexibility to find a structural response to regional and local problems, in a regional development perspective and based on subsidiarity, so that it can indeed represent Europe's approximation to citizens.

6 | For an effective European territorial cooperation in combating regional disparities;

European territorial cooperation is proposed focusing on combating regional disparities and the challenges facing Europe's regions and strengthening thematic focus on smart growth through smart specialization strategies and of sustainable and low-carbon development.

The ambition of the proposed strategic objectives is not consistent with the significant reduction of financial resources foreseen for European territorial cooperation.

At the risk of frustrating the expectation created by the populations of the territories covered by the European territorial cooperation programmes and negatively affecting the prestige achieved by Interreg, or the appropriations are increased to enable the proposed strategic objectives, or are those that must be accommodated to the irrelevance of the proposed appropriation.

7 | For a multi-fund European territorial cooperation that best responds to the need to invest in people;

In the light of the new strategic objectives proposed for European territorial cooperation, the possibility for these programmes to be financed by more than one fund (ERDF and ESF more) should be foreseen.

The articulation, in the territories of true integrated and cross-border development strategies, which include all development areas, which constitute the main focus of the ITI, reinforces the need for cross-border cooperation if based on a plurifund schedule.

8 | For a regional and cohesion policy that is adequately articulated with the economic governance of the EU;

The introduction of a new macroeconomic conditionality should merit our special attention, as the prevalence of the European Semester is devoted to structural policy. The prudential need for an appropriate link between economic governance and cohesion policy is recognised.

However, this necessary articulation cannot mean the subjugation of a structural policy to the financial and budgetary management of the conjuncture.

9 | For European territorial cooperation with own financial resources not allocated to the EM;

The appropriations of the European structural and investment funds must be attributed to the programmes and not to the MS.

Welcoming the model already successfully implemented in ENI CBC, it will be possible to promote a better articulation of the principle of transnationality of European territorial cooperation the principle of the financial responsibility of the MS for the resources allocated to them.

The "*population*" criterion that has been used by the European Union for the allocation of financial resources allocated under European territorial cooperation is strongly penalising for territories with weaker cohesion indicators, for which have the smallest population. The use of the criterion "*population*" tends to perpetuate the socio-economic disadvantages of these territories compared with the other European regions, presenting a perverse result and contrary to the objectives of the cohesion policy.

10 | For an European territorial cooperation promoting interregional and urban cooperation and maritime basin strategies with neighbouring countries;

We are in the conclusions of the *ex post* assessments and the mid-term review, marked in the explanatory memorandum to the proposal for a regulation and justifying the need to reinforce the financial allocation of the current areas of cooperation. The programs dealing with the Black Sea, the Mediterranean Sea and Italy-Tunisia are a success story in politically sensitive areas, contributing to a normality of relations between neighbouring countries and which cannot be replaced by a participation significantly lower and limited to transnational or maritime programmes.

It is of the utmost strategic importance to maintain cooperation programmes at the interregional and urban level, as well as in the highly sensitive maritime basin of the Black Sea and the Mediterranean Sea. The long years of progressively increased success are put at risk if the current proposed regulation is not modified.

5 | For a better mechanism to remove legal and administrative obstacles in a cross-border context

C4C – Cities for Cooperation Platform proposals on the draft regulation on the mechanism for removing legal and administrative obstacles in a cross-border context and on the Instrument of neighbourhood development and international cooperation (NDICI):

1 | A C4C – Cities for Cooperation welcomes the Commission's initiative to present a proposal for a regulation on the establishment of a mechanism to remove legal and administrative obstacles in a cross-border context.

Although it is a proposal that evidences some shyness, we consider it very positive the proposal for a regulation on the establishment of a mechanism allowing an MS, in relation to a cross-border region, to apply the legal provisions of another MS, when they constitute a legal obstacle that makes it difficult to implement a joint project. We also consider that this instrument could make a contribution to better and more effective territorial cooperation in transnational areas and even in macro and cooperation with neighboring countries of the European Union

A **C4C – Cities for Cooperation** support that the European territorial cooperation should be ruggedized in its strategic and operational objectives and in the institutional models for its implementation. The entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity, including ETCG, must have a common legal, financial and fiscal regime, which meets the nature and supranational scope of its performance and that it should not be conditional on the regime applicable according to the place of its headquarters.

A **C4C – Cities for Cooperation** already highlighted the European Commission that the experience of implementing the EGTC figure also highlights the need to liberate initiatives for their creation of the obstacles, restrictions and indefinitions of MS' administrations, and also importing simplify the procedures for processing for EGTC of entities with legal personality already constituted.

The management model of the European territorial cooperation programmes should meet the specificities of cooperation and its supranational impact and cannot be a mere decal of the regulatory model envisaged for the sectoral or regional programmes of the *main stream*.

The European Commission's proposal, in spite of its voluntary nature and of assuming the prior agreement of the national authorities and notwithstanding the prudence of the solutions pointed out, establishes the legal basis which allows the development of a **common strategy for European territorial cooperation should be defined before the design of the cohesion policy implementation model and is not limited to the approval of seven out of seven years of new regulations which are almost limited to administrative provisions and Financial resources on European structural and investment funds**.

2 | The proposal for a regulation on the establishment of a mechanism to remove legal and administrative obstacles in a cross-border context should have more ambition, not limited to procedural aspects even if important and be applicable in the plan of transnational cooperation.

The proposal for a regulation should establish a legal framework to stimulate the participation of the entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity, in the management of the programmes, through an open and objective normative framework, contradicting the priority to the present given to the intervention of the authorities of regional and central administrations, whose intervention should be reoriented to the exercise of compliance functions, control and monitoring.

A **C4C – Cities for Cooperation** considers that it should be valued the supranational scope of action of entities created with legal personality and regulated their administrative, economic and fiscal framework, it should be regulated and encouraged to share public services and existing resources and should be promoted the stimulus to the creation of companies and to the productive investment in conditions that meet the interiority and the limitations of the territories of low population density.

When 25 years of European territorial cooperation are made, the European Union must have the ambition to promote a new legal framework for cooperation territorial citizen oriented and practical resolution of their problems. The populations, organizations and companies today demand the articulation between territorial and sectoral policies and need this articulation materialized in practical and effective solutions for the constraints of their daily life.

So, the proposal of regulation should:

- Cover paper and functions of the entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity;
- Institute an open normative framework transparent and objective for the submission of applications to the management of European territorial cooperation programmes or to participation as an intermediary body with delegated management functions, contrary to the priority to the present conferred on the intervention of Authorities of regional and central administrations, whose intervention should be re-directed to the exercise of the functions of *compliance*, control and monitoring;
- The concept of "*legal obstacle*" should cover the legal provisions relating to the legal-administrative and tax regime of the Entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity;
- Without prejudice to the voluntary nature that the proposal for a regulation lays down for the mechanism, the draft regulation should not limit the initiative of its application to the MS, should provide for procedures to ensure the implementation of the initiatives promoted by the entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity;
- To provide for the extension of its application to the external borders of the European Union and to the transnational cooperation plan.

3 | The definition of "cross-border region" should be better adapted to the diverse nature of cooperation actions and the reality of the Territories.

Limiting land border regions to neighbouring NUTS 3 represents a very simplistic way to define the cross-border territories and may cancel many of the cooperation initiatives that have been considered as examples of good practices.

A *C4C – Cities for Cooperation* considered that it is important to define the area of cross-border cooperation as a consolidated and coherent space, which meets the dynamic of cross-border, existing and potential cooperation, The diverse legal nature of partners and cooperation themes, not limited to a spatial projection of a new and artificial demarcation line.

The consolidation of a cross-border cooperation area can meet the diverse legal nature of the partners and the cooperation themes they develop. In other words, the consolidation of the area of cross-border cooperation should not be confined to a spatial projection of a new and artificial frontier line but should integrate the entities that confer added value to a harmonious regional development and balanced.

In fact, if one can understand a limitation to NUTS 3 bordering on cooperation actions involving more direct intervention in the territory, this limitation is at all reductor for example in the actions of innovation, social entrepreneurship, etc., particularly in the areas of low population density and more depressed from the economic point of view.

The proposal for a regulation could establish the definition currently envisaged only as a basic concept and provided that it adopts mechanisms to adapt to the reality and diversity of European cross-border territories.

4 | The scope of the proposal for a regulation on the establishment of a mechanism to remove legal and administrative obstacles in a broader cross-border context than the European structural and investment funds presupposes and requires a procedure for specific comitology.

The comitology procedure should provide for the establishment of a specific committee for the the establishment of a mechanism to remove legal and administrative obstacles in a context of territorial cooperation, whose scope is wider than the European structural and investment funds.

The role envisaged for the Coordination Committee of the European Structural and investment funds in assisting the European Commission, within the meaning of Regulation (EU) No 182/2011, is reductive and does not favour the full development of the programmatic objectives of the proposal regulation.

As the preamble to the proposal for a regulation refers, it aims to create a mechanism and not a financial instrument, *Legal mechanism for resolving legal barriers at borders, and is mainly addressed to the authorities of the Member States. People should benefit from the agreed solutions. The resolution of legal barriers at borders under this proposal should help people living in border regions to enjoy their fundamental rights.*

A C4C – Cities for Cooperation considered that the European Commission should promote the establishment of a committee integrating representatives of the MS and the entities created for European territorial cooperation with a legal nature and a permanent activity, geared towards the full implementation of the proposed mechanism.

This Committee may also promote an annual evaluation of European territorial cooperation in the various plans and spaces, constituting an equivalent to the figure of the annual meeting of the Commission with each of the MS.

5 | The figure of cross-border coordination points in the EM can ensure a significant impetus for effective and expressive implementation of the mechanism to remove legal and administrative obstacles in a cross-border context, although the proposal lacks Adjustments.

The designation of cross-border coordination points should be promoted by all MS after the entry in application of the regulation and irrespective of the effective application at each moment of the mechanism. Each MS shall designate a cross-border coordination point at national level and a cross-border coordination point at the level of NUTS 2.

A C4C – Cities for Cooperation considers that the designation of the points of cross-border coordination at the level of NUTS 2 should be based on entities created for European territorial cooperation with a legal nature and a permanent activity, through an open, transparent and competitive designation procedure.

6 | The proposal for a regulation on the establishment of a mechanism to remove legal and administrative obstacles in a cross-border context should be purged from the failure of good legal technique by identifying, nominatively and as an example, 3 entities of Associative nature.

The proposal for a regulation should not indicate in article 8 (2) examples of organisations created in the representation of cross-border regions to promote the interests of cross-border territories and to facilitate the networking of sharing of experiences, nominating 3 partial examples from among other similar organisations.

A C4C – Cities for Cooperation considers that only by lapse can one understand the nominative designation of 3 organisations, among other similar organisations, not realizing which effective range that designation which has not been preceded by any open procedure for submitting proposals from other non-cited organisations to the Commission services.

It is of elementary good legal practice that a regulation or norm should not indicate, in any case, examples of the legislator's objective.

Does the natural extinction of one of these organisations by valid and free deliberation of its associates imply the amendment of the Regulation if it was approved under the terms laid down?

7 | The mechanism to remove legal and administrative obstacles in a cross-border context should apply to regions of neighbouring and pre-accession countries participating in cooperation programmes and which are already confronted with obstacles similar to those.

The mechanism to remove legal and administrative obstacles in a cross-border context should be applicable to regions of neighbouring and pre-accession countries participating in cooperation programmes.

The proposal for a regulation on the establishment of a mechanism to remove legal and administrative obstacles in a cross-border context Innovative approach to cross-border areas of the European Union. However, in the proposal, its scope is reduced to the internal frontiers of the Union. The experience of long years of cooperation with the IPA and neighbourhood countries shows the need to eliminate the same type of obstacles. This objective need is complemented by an effort by IPA countries and neighbouring countries, such as Moldova and Ukraine, to harmonise legislation in various areas. Of course, this same type of collaboration would be possible with the States of the European Economic Area which are not part of the union.

A *CAC – Cities for Cooperation* considers that the inclusion of all the countries with which the European Union borders would strengthen the ties of cooperation and would have an effect in the lives of the populations of border areas, irrespective of the or not belonging to the frontier. As the EGTC and the Euro-regions are open to institutions and entities outside the EU, this new regulation should ensure this possibility.

The operationalisation of the mechanism to remove legal and administrative obstacles in a cross-border context will require a specific international agreement with countries outside the European Union wishing to implement it, since it is necessary to provide a legal basis in those countries for the implementation of a European Union regulation.

8 | The mechanism to remove legal and administrative obstacles in a cross-border context should be also apply to transnational cooperation.

The mechanism to remove legal and administrative obstacles in a cross-border context is an innovative approach Also for transnational borders of the European Union.

In this sense, the *CAC – Cities for Cooperation* considers that the application of the proposed regulation should be extended with the necessary adaptations to the conditions of transnationality.

6 | Proposals on the draft regulation on the establishment of a mechanism to remove legal and administrative obstacles in a cross-border context

COM (2018) 373 final

Article 1

Subject matter

[.....]

3. This Regulation also lays down:

(a) the organisation and tasks of Cross-border Coordination Points in the Member States,

(b) the coordinating role of the Commission with respect to the Mechanism,

(c) the legal protection of persons resident in a cross-border region with regard to the Mechanism,

(d) The role of the entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity.

Article 2

Scope

1. This Regulation applies to cross-border regions as defined in point (1) of Article 3.

2. Where a Member State comprises several territorial entities with legislative powers, this Regulation shall also apply to those territorial entities including their respective authorities or legal provisions.

3. Present regulation is also applicable to the external land and sea borders of the European Union, under the conditions to be fixed by the Commission with recourse to the procedure provided in article 23^o

Article 3

Definitions

For the purposes of this Regulation, the following definitions shall apply:

(1) 'cross-border region' means the territory pre-set at the level of NUTS 2 and 3 covered by neighbouring land border regions and maritime in two or more Member States and territories in which there is a tradition of cooperation translated into the existence of formal agreements cooperation, regular maritime transport links or other and, of commuted movements of the populations to work or housing or Investment projects aimed at the economic and social approximation of the regions involved ~~at NUTS level 3 regions;~~

(2) 'joint project' means any item of infrastructure with an impact in a given cross-border region, any public policy or any service of general economic interest provided in a given cross-border region;

(3) 'legal provision' means any legal or administrative provision, rule or administrative practice applicable to a joint project, regardless whether adopted or implemented by a legislative or executive body;

(4) 'legal obstacle' means any legal provision with regard to the planning, development, staffing, financing or functioning of a joint project including the legal, administrative and tax regime of the entities created for the cooperation end that obstructs the inherent potential of a border region when interacting across the border;

[.....]

Article 4

Member States' options for resolving legal obstacles

[.....]

3. Member States may also use the Mechanism in cross-border regions on maritime borders or in cross-border regions between one or more Member States or neighbouring countries and one or more third countries or one or more overseas countries and territories

Article 5

Cross-border Coordination Points

1. ~~Each~~ ~~Where a~~ Member State ~~opts for the Mechanism~~, it shall establish one ~~or more~~ Cross-border Coordination Points ~~at national level and Cross-border Coordination Points at regional level of NUTS 2 and may also designate cross-border coordination points with neighboring countries outside the European Union~~ ~~in one of the following ways:~~

~~(a) designate, at national or regional level or at both levels, a Cross-border Coordination Point as a separate body;~~

~~(b) set up a Cross-border Coordination Point within an existing authority or body, at national or regional level;~~

~~(c) entrust an appropriate authority or body with the additional tasks as national or regional Cross-border Coordination Point.~~

[.....]

Article 6

Tasks of Cross-border Coordination Points

1. Each Cross-border Coordination Points shall have at least the following tasks:

(a) implement the procedure set out in Articles 10 and 11;

(b) coordinate the preparation, signature, implementation and monitoring for all Commitments and Statements concerning the territory of its Member State;

(c) build up and maintain a database covering all Cross-border Coordination Points concerning the territory of its Member State;

(d) ~~liaise, where they exist,~~ with the Cross-border Coordination Points in the neighbouring Member State or States and with the Cross-border Coordination Points in other territorial entities with legislative powers of its own Member State or another Member State;

(e) liaise with the Commission;

(f) support the Commission as regards its database on Statements and Commitments.

2. Each Member State or each territorial entity with legislative powers in that Member State may decide to entrust the respective Cross-border Coordination Point also with the following tasks:
 - (a) where applicable, to conclude Commitments or Statements pursuant to Articles 16(2) and 17(2);
 - (b) upon request from a given initiator, support that initiator by, among other things, identifying the competent committing authority in the same Member State or the competent transferring authority in another Member State;
 - (c) upon request from a given competent committing authority located in another Member State without its own Cross-border Coordination point, perform the preliminary analysis of an initiative document;
 - (d) monitor the implementation of all Commitments and Statements concerning the territory of its Member State; (e) remind the competent committing authority to comply with the deadlines established by in a given Commitment or Statement and request a reply within a given deadline;
 - (f) inform the authority supervising the competent committing authority on any missed deadlines as established in a given Commitment or Statement.
3. Where at least one among several legal obstacles concerns an issue of legislative competence at national level, the national Cross-border Coordination Point shall assume the tasks set out in Articles 9 to 17 and coordinate with the relevant regional Cross-border Coordination Point or Points in the same Member State, unless the Member State has decided that the tasks set out in Articles 14 to 17 are entrusted to a competent committing authority at national level.
4. Where none of the legal obstacles concerns an issue of legislative competence at ~~regional~~ national-level, the competent regional Cross-border Coordination Point shall assume the tasks set out in Articles 9 to 17 and coordinate, with the other regional Cross-border Coordination Point or Points in the same Member States, in the cases where more than one territorial entity is concerned by the joint project, unless the Member State has decided that the tasks set out in Articles 14 to 17 are entrusted to a national Cross-border Coordination Point. That competent regional Cross-border Coordination Point shall keep the national Cross-border Coordination Point informed about any Commitment or Statement procedure.

Article 8

Preparation and submission of the initiative document

1. The initiator shall identify the legal obstacle with regard to the planning, development, staffing, financing or functioning of a joint project.
2. The initiator shall be one of the following:
 - (a) the public or private body responsible for initiating or both initiating and implementing a joint project;
 - (b) one or more local or regional authorities located in a given cross-border region or exercising public power in that cross-border region;
 - (c) a body with or without legal personality set up for cross-border cooperation located in or covering at least partially a given cross-border region, including European groupings of territorial cooperation under Regulation (EC) No 1082/2006, Euroregions, Euregios and similar bodies;
 - (d) an organisation set up on behalf of cross-border regions with the aim to promote the interests of cross-border territories and to facilitate the networking of players and the sharing of experiences, ~~such as the Association of European Border Regions, the Mission Opérationnelle Transfrontalière or the Central European Service for Cross-border Initiatives;~~ or

(e) several of the entities referred to in points (a) to (d) jointly.

[.....]

Article 23

Committee procedure

1. The Commission shall be assisted by the Coordination Committee of European Territorial Cooperation for the European Structural and Investment Funds established by Article 108(1) of Regulation (EU) No [new CPR]. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.
3. The Committee Of Coordination of European Territorial cooperation integrates national and regional coordinators designated by the Member States
4. The Commission promotes the annual achievement of a European forum of entities created for European territorial cooperation with a legal nature and a permanent activity aimed at analysing and evaluating the application of this regulation and territorial cooperation European Union in general.
5. The Commission promotes the establishment of a European observatory on Territorial Cooperation in order to support the work of the annual Forum referred to in the preceding paragraph.

7 | Proposals on the draft regulation laying down specific provisions concerning the objective of European territorial cooperation

COM (2018) 374 final

Article 1

Subject matter and scope

[.....]

5- Regulation (EU) [new CPR] and Regulation (EU) [new ERDF] shall apply to Interreg programmes, except where specifically provided for otherwise under those Regulations and this Regulation or where provisions of Regulation (EU) [new CPR] can only apply to the Investment for jobs and growth goal.

6. The INTERREG programmes should be coherent with a common European territorial cooperation strategy, adopted by the Commission, with the participation of the Member States of States Neighbors participating in cooperation programmes and the entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity.

7. The common European territorial cooperation strategy should meet the diversity of regions, take account of the specific needs of the most depressed EU cross-border regions, contribute to the adoption of INTERREG programmes focused on a limited set of objectives and articulated with regional and sectoral programmes and horizon initiatives Europe, LIFE, Erasmus and other and included go a common vision of MS on cooperation with neighboring, cross-border, terrestrial or maritime states.

Article 2

Definitions

1. For the purpose of this Regulation, the definitions in Article [2] of Regulation (EU) [new CPR] shall apply. The following definitions shall also apply:

[.....]

(4) 'cross-border legal body' means a legal body established under the laws of one of the participating countries in an Interreg programme provided that it is set up by territorial authorities or other bodies from at least two participating countries, including the entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity and the EGTC.

[.....]

Article 3

Components of the European territorial cooperation goal (Interreg)

Under the European territorial cooperation goal (Interreg), the ERDF and, where applicable, external financing instruments of the Union shall support the following components:

(1) cross-border cooperation between adjacent regions to promote integrated regional development (component 1):

(a) internal cross-border cooperation between adjacent land border regions of two or more Member States or between adjacent land border regions of at least one Member State and one or more third countries listed in Article 4(3); or

- (b) external cross-border cooperation, between adjacent land border regions of at least one Member State and of one or more of the following:
- (i) IPA beneficiaries; or
 - (ii) partner countries supported by NDICI; or
 - (iii) the Russian Federation, for the purpose of enabling its participation in cross-border cooperation also supported by NDICI;
- (2) transnational cooperation and maritime cooperation over larger transnational territories or around sea-basins, involving national, regional and local programme partners in Member States, third countries and partner countries and in Greenland, with a view to promote a formalized macro-regional strategy, or the regional strategies when there is no achieving a higher degree of territorial integration ('component 2'; where referring only to transnational cooperation: 'component 2A'; where referring only to maritime cooperation: 'component 2B');
- (3) outermost regions' cooperation among themselves and with their neighbouring third or partner countries or OCTs, or several thereof, to facilitate their regional integration in their neighbourhood ('component 3');
- (4) interregional cooperation to reinforce the effectiveness of cohesion policy ('component 4') by promoting:
- (a) exchange of experiences, innovative approaches and capacity building in relation to:
 - (i) the implementation of Interreg programmes;
 - (ii) the implementation of Investment for jobs and growth goal programmes, in particular with regard to interregional and transnational actions with beneficiaries located in at least one other Member State;
 - (iii) the setting-up, functioning and use of European groupings of territorial cooperation (EGTCs) and the entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity;
 - (b) analysis of development trends in relation to the aims of territorial cohesion;
- (5) Interregional innovation investments through the commercialisation and scaling up of interregional innovation projects having the potential to encourage the development of European value chains ('component 5').

Article 4

Geographical coverage for cross-border cooperation

1. For cross-border cooperation, the regions to be supported by the ERDF shall be the NUTS level 3 regions of the Union along all internal and external land borders with third countries or partner countries and the territories in which there is a tradition of cooperation, Defined in the NUTS Level 3.
2. Regions on maritime borders which are connected over the sea ~~by a fixed link shall~~ also be supported under cross-border cooperation ~~-~~ when they meet one of the following criteria:
 - a) Common interest in the development of relations Economic;
 - b) Tradition in relations Social and Economic and cooperation;
 - c) Regular sea and air transport;
 - d) Existence of economic development projects.

[.....]

Article 8

List of Interreg programme areas to receive support

1. For the purposes of Articles 4, 5 and 6, the Commission shall adopt an implementing act setting out the list of Interreg programme areas to receive support, broken down for each component and each Interreg programme. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 63(2).

External cross-border Interreg programmes, transnationals and maritimes shall be listed as 'Interreg IPA III CBC programmes' or 'Interreg Neighbourhood CBC programmes' respectively.

[.....]

Article 9

ERDF resources for the European territorial cooperation goal (Interreg)

1. The ERDF resources for the European territorial cooperation goal (Interreg) shall amount to EUR 16 000 8430 000 000 of the global resources available for budgetary commitment from the ERDF, ESF+ and the Cohesion Fund for the 2021-2027 programming period and set out in Article [102(1)] of Regulation (EU) [new CPR].

2. The resources referred to in paragraph 1 shall be allocated as follows:

- (a) 52.7 % (i.e., a total of EUR 8.432.000.000 440 000 000) for cross-border cooperation (component 1);
- (b) 31.4 % (i.e., a total of EUR 5.024.000.000 2649 900 000) for transnational cooperation and maritime cooperation (component 2);
- (c) 3.2 % (i.e., a total of EUR 512.000.000 270 100 000) for outermost regions' cooperation (component 3);
- (d) 1.2 % (i.e., a total of EUR 192.000.000 100 000 000) for interregional cooperation (component 4);
- (e) 11.5 % (i.e., a total of EUR 1.840.000.000 970 000 000) for interregional innovation investments (component 5).

3. The Commission shall communicate to each Member State its share of the global amounts for components 1, 2 and 3, broken down by year.

Population size in the following regions shall be used as the criterion for the breakdown by Member State. To establish a Breakdown annual to Each Member State, the following criteria are used:

- a. The size of the population in regions NUTS 2, adjusted with GDP and population density and the unemployment rate, for regions of Level Nuts 3 covered for components 2a and 3;
- b. The size of the population in the NUTS regions 3, adjusted with GDP and population density and unemployment rate, for the regions of Level Nuts 3 covered by component 1 and the Regions of Level Nuts 3 Covered by component 2B listed in act of run us terms of the article 8, No. 2
- c. For the application of the criterion defined in the preceding paragraph, the size of the population shall be 40%, 20% GDP, the population density of 20% and the 20% unemployment rate.

~~(a) NUTS level 3 regions for component 1 and those NUTS level 3 regions for component 2B listed in the implementing act under Article 8(2);~~

~~(b) NUTS level 2 regions for components 2A and 3.~~

4. Each Member State may transfer up to 15% of its financial allocation for each of components 1, 2 and 3 from one of those components to one or more of the others.

5. Based on the amounts communicated pursuant to paragraph 3, each Member State shall inform the Commission whether and how it has used the transfer option provided for in paragraph 4 and the resulting distribution of its share among the Interreg programmes in which the Member State participates, under condition of each programme presents a balance between the contributions of the participating Member States.

Article 10

Cross-fund provisions

1. The Commission shall adopt an implementing act setting out the European territorial commune strategy and the multi-annual strategy document with regard to external cross-border Interreg programmes supported by the ERDF and the NDICI or IPA III. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 63(2).

[.....]

Article 13

Co-financing rates

The co-financing rate at the level of each Interreg programme shall be not higher than ~~85.70~~ %, unless, with regard to external cross-border or component 3 Interreg programmes, a higher percentage is fixed in Regulations (EU) [IPA III], [NDICI] or Council Decision (EU) [OCTP] respectively or in any act adopted thereunder.

Article 14

Interreg-specific objectives

[.....]

3. In addition to the specific objectives for the ERDF as set out in Article [2] of Regulation (EU) [new ERDF], the ERDF and, where applicable, the external financing instruments of the Union may also contribute to the specific objectives under PO 4 as follows:

a. Promote local development based on integrated territorial and local strategies;

b Encouraging Sustainable Urban Development;

~~(ca)~~ enhancing the effectiveness of labour markets and improving access to quality employment across borders;

~~(db)~~ improving access to and the quality of education, training and lifelong learning across borders with a view to increasing the educational attainment and skills levels thereof as to be recognised across borders;

~~(ee)~~ enhancing the equal and timely access to quality, sustainable and affordable healthcare services across borders;

~~(fa)~~ improving accessibility, effectiveness and resilience of healthcare systems and long-term care services across borders;

(ge)promoting social inclusion and tackling poverty, including by enhancing equal opportunities and combating discrimination across borders.

4. Under components 1, 2, and 3, the ERDF and, where applicable, the external financing instruments of the Union may also support the Interreg-specific objective 'a better Interreg governance', in particular by the following actions:

(a) under component 1 and 2B Interreg programmes:

(i) enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders;

(ii) enhance efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions, in particular, with a view to resolving legal and other obstacles in border regions;

(iii) Strengthening the institutional capacity of Entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity and EGTC;

(b) under component 1, 2 and 3 Interreg programmes: enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies;

(c) under external cross-border and component 2 and 3 Interreg programmes supported by the Interreg funds, in addition to points (a) and (b): building up mutual trust, in particular by encouraging people-to-people actions, by enhancing sustainable democracy and by supporting civil society actors and their role in reforming processes and democratic transitions;

5. Under external cross-border and component 2 and 3 Interreg programmes the ERDF and, where applicable, the external financing instruments of the Union shall also contribute to the external Interreg-specific objective 'a safer and more secure Europe', in particular by actions in the fields of border crossing management and mobility and migration management, including the protection of migrants.

Article 16

Preparation and submission of Interreg programmes

[.....]

4. The designation of the managing authority of an Interreg programme shall be based on a public procedure for submission of applications open to the various levels of the administrations of the Member States and the entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity, on the basis of a previously defined and published specifications.

5.4. The Member State hosting the prospective managing authority, shall submit an Interreg programme to the Commission by [date of entry into force plus nine months;] on behalf of all participating Member States and, where applicable, third countries, partner countries or OCTs.

However, an Interreg programme covering support from an external financing instrument of the Union shall be submitted by the Member State hosting the prospective managing authority no later than six months after the adoption by the Commission of the relevant strategic programming document under Article 10(1) or where required under the respective basic act of one or more of an external financing instrument of the Union.

6. The presentation of the programme to the European Commission must be preceded by the establishment of the Monitoring Committee, accompanied by the opinion of this on the programme proposal.

5.7. The participating Member States and, where applicable, third countries, partner countries or OCTs shall confirm in writing their agreement to the contents of an Interreg programme prior to its submission to the Commission. That agreement shall also include a commitment by all participating Member States and, where applicable, third countries, partner countries or OCTs to provide the co-financing necessary to implement the Interreg programme and, where applicable, the commitment for the financial contribution of the third countries, partner countries or OCTs.

8.6. By way of derogation from the first subparagraph, in the case of Interreg programmes involving outermost regions and third countries, partner countries or OCTs, the Member States concerned shall consult the respective third countries, partner countries or OCTs before submitting the Interreg programmes to the Commission. In that case, the agreements to the contents of the Interreg programmes and the possible contribution of the third countries, partner countries or OCTs may, instead, be expressed in the formally approved minutes of the consultation meetings with the third countries, partner countries or OCTs or of the deliberations of the regional cooperation organisations.

6. The Commission is empowered to adopt delegated acts in accordance with Article 62 to amend the Annex in order to adapt to changes occurring during the programming period for non-essential elements thereof.

Article 17

Content of Interreg programmes

1. Each Interreg programme shall set out a joint strategy for the programme's contribution to the common European territorial cooperation strategy, policy objectives set out in Article [4(1)] of Regulation (EU) [new CPR] and to the Interreg-specific objectives set out in Article 14(4) and (5) of this Regulation and the communication of its results.

[.....]

4. Each Interreg programme shall set out:

(a) the programme area (including a map thereof as a separate document);

(b) a summary of the main joint challenges, taking into account:

(i) economic, social and territorial disparities;

(ii) joint investment needs and complementarity with other forms of support;

(iii) lessons learnt from past experience;

(iv) macro-regional strategies and sea-basin strategies where the programme area as a whole or partially is covered by one or more strategies;

(c) a justification for the selected policy objectives and Interreg-specific objectives, corresponding priorities, specific objectives and the forms of support, addressing, where appropriate, missing links in cross-border infrastructure;

(d) for each priority, except for technical assistance, specific objectives;

(e) for each specific objective:

(i) the related types of actions, including a list of planned operations of strategic importance, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate;

(ii) output indicators and result indicators with the corresponding milestones and targets;

- (iii) the main target groups;
- (iv) specific territories targeted, including the planned use of integrated territorial investments, community-led local development or other territorial tools;
- (v) the planned use of financial instruments;
- (vi) an indicative breakdown of the programmed resources by type of intervention.

[Vii The procedures for project selection \(open calls, restricted calls, submission in one step or double step, etc.\)](#)

- (f) for the technical assistance priority, the planned use in accordance with Articles [30], [31] and [32] of Regulation (EU) [new CPR] and relevant types of intervention;
- (g) a financing plan containing the following tables (without any division per participating Member State, third country, partner country or OCT, unless specified otherwise therein):
 - (i) a table specifying the total financial allocation for the ERDF and, where relevant, for each external financing instrument of the Union for the whole programming period and by year;
 - (ii) a table specifying the total financial allocation for each priority by the ERDF and, where relevant, by each external financing instrument of the Union by priority and the national co-financing and whether the national co-financing is made up of public and private co-financing;
- (h) the actions taken to involve the relevant programme partners referred to in Article [6] of Regulation (EU) [new CPR] in the preparation of the Interreg programme, and the role of those programme partners in the implementation, monitoring and evaluation of that programme;
- (i) the envisaged approach to communication and visibility for the Interreg programme through defining its objectives, target audiences, communication channels, social media outreach, planned budget and relevant indicators for monitoring and evaluation.

[\(ii\) Credits related to the implementation of macro-regional strategies and maritime basin strategies in which Member States and regions participate.](#)

7. The Interreg programme shall:

- (a) identify the managing authority, the audit authority and the body to which payments are to be made by the Commission [and intermediate bodies with management functions delegated by the Managing authority;](#)
- (b) lay down the procedure for setting up the joint secretariat;
- (c) set out the apportionment of liabilities among the participating Member States and, where applicable, third or partner countries or OCTs, in the event of financial corrections imposed by the managing authority or the Commission.

[.....]

Article 19

Amendment of Interreg programmes

1. The [Programme monitoring Committee, through the](#) Member State hosting the managing authority may submit a motivated request for an amendment of an Interreg programme together with the amended programme, setting out the expected impact of that amendment on the achievement of the objectives.

[.....]

Article 20

Integrated territorial development

For Interreg programmes, the relevant urban, metropolitans, local or other territorial authorities or bodies responsible for drawing up territorial or local development strategies as listed in Article [22] of Regulation (EU) [new CPR] or responsible for the selection of operations to be supported under those strategies as referred to in Article [23(4)] of that Regulation or for both shall be either cross-border legal bodies or EGTCs.

A cross-border legal body or an EGTC implementing an integrated territorial investment under Article [24] of Regulation (EU) [new CPR] or another territorial tool under point (c) of Article [22] of that Regulation may also be the sole beneficiary pursuant to Article 23(5) of this Regulation, provided that there is a separation of function inside the cross-border legal body or the EGTC.

Article 22

Selection of Interreg operations

[.....]

3. The selection of operations must be based on a~~The call for submission of applications which may provide for the Pre-qualification of operations promoters to support and the submission and approval of multiannual work plans.~~

4.~~3.~~ The managing authority shall consult the Commission and take its comments into account prior to the initial submission of the selection criteria to the monitoring committee or, where applicable, the steering committee. The same shall apply for any subsequent changes to those criteria.

[.....]

Article 23

Partnership within Interreg operations

[.....]

~~2. An Interreg operation may be implemented in a single country, provided that the impact on and the benefits for the programme area are identified in the operation application.~~

[.....]

6. A cross-border legal body ~~or an EGTC~~ may be the sole partner of an Interreg operation under component 1, 2 and 3 Interreg programmes, provided that the members thereof involve partners from at least two participating countries.

The cross-border legal body ~~or EGTC~~ shall have members from at least three participating countries under component 4 Interreg programmes.

[.....]

Article 27

Monitoring committee

1. The Member States and, where applicable, the third countries, partner countries and OCTs participating in that programme shall set up, ~~in agreement with the managing authority,~~ a committee to monitor implementation of the respective Interreg programme ('monitoring committee') ~~before the presentation within three months of the date of notification to the Member States of to~~ the Commission ~~the proposal of decision adopting an~~ Interreg programme,

2. The monitoring committee shall be chaired by a representative of the Member State hosting the managing authority ~~or of the managing authority.~~

Where the rules of procedure of the monitoring committee establish a rotating chair, the monitoring committee may be chaired by a representative of ~~with Member State, of~~ a third country, partner country or OCT, and co-chaired by a representative of the Member State or of the managing authority, and vice-versa.

3. Each member of the monitoring committee shall have the right to vote. ~~Observers and guest members have no right to vote.~~

4. Each monitoring committee shall adopt its rules of procedure during its first meeting.

The rules of procedure of the monitoring committee and, where applicable, of the steering committee shall prevent any situation of conflict of interest when selecting Interreg operations.

~~5. The Monitoring Committee shall meet before the submission of the programme proposal to the Commission and issue an opinion That should accompany the presentation of the programme~~

~~6. 5. The monitoring committee shall meet at least once a year and shall review all issues that affect the programme's progress towards achieving its objectives.~~

~~7. 6. The managing authority shall publish the rules of procedures of the monitoring committee and all the data and information shared with the monitoring committee on the website referred to in Article 35(2).~~

Article 28

Composition of the monitoring committee

1. The composition of the monitoring committee of each Interreg programme shall be agreed by the Member States and, where applicable, by the third countries, partner countries and OCTs participating in that programme and shall ensure a balanced representation of the relevant authorities, intermediate bodies and representatives of the programme partners referred to in Article [6] of Regulation (EU) [new CPR] from Member States, third countries, partner countries and OCTs.

The composition of the monitoring committee shall take into account the number of participating Member States, third countries, partner countries and OCTs in the Interreg programme concerned.

The monitoring committee shall also include representatives of bodies jointly set up in the whole programme area or covering a part thereof, including ~~the entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity and the~~ EGTCs.

[.....]

Article 29

Functions of the monitoring committee

1. The monitoring committee shall examine:

a) The INTERREG programme proposal to be submitted to the Commission;

[.....]

2. In addition to its tasks concerning the selection of operations listed in Article 22, the monitoring committee shall approve:

- (a) the methodology and criteria used for the selection of operations, including any changes thereto, after consultation with the Commission pursuant to Article 22(2), without prejudice to [points (b), (c) and (d) of Article 27(3)] of Regulation (EU) [new CPR];
- (b) the evaluation plan, communication plan and any amendment thereto;
- (c) any proposal by the managing authority for the amendment of the Interreg programme including for a transfer in accordance with Article 19(5);
- (d) the final performance report.

Article 36

Rules on eligibility of expenditure

1. All or part of an Interreg operation may be implemented outside of a Member State, including outside the Union, provided that the Interreg operation contributes to the objectives of the respective Interreg programme.

2. The ERDF welcomes, within the framework of European territorial cooperation, the eligibility of ESF Plus and the Cohesion Fund.

[.....]

Article 43

Costs for infrastructure and works

Costs for infrastructure and works shall be limited to the following:

- (a) purchase of land in accordance with [point (c) of Article 58(1)] of Regulation (EU) [new CPR];
- (b) building permits;
- (c) Studies, including Preparatory technicians, Environmental impact Assessment of feasibility
- ~~(d)~~ building material;
- ~~(e)~~ labour;
- (f) specialised interventions (e.g. soil remediation, mine-clearing).

Article 45
Functions of the managing authority

[.....]

3. By way of derogation from [point (c) of Article 70(1)] of Regulation (EU) [new CPR], expenditure paid in another currency shall be converted into euro by each partner using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification to the managing authority in accordance with [point (a) of Article 68(1)] of that Regulation, or in the month where the expenses were incurred.

Article 49
Payments and pre-financing

[.....]

2. The Commission shall pay a pre-financing based on the total support from each Interreg fund, as set out in the decision approving each Interreg programme under Article 18, subject to available funds, in yearly instalments as follows and before 1 July of the years 2022 to 2026, or, in the year of the approving decision, no later than 60 days after that decision is adopted:

(a) 2021: 41%;

(b) 2022: 31%;

(c) 2023: 31%;

(d) 2024: 21%;

(e) 2025: 21%;

(f) 2026: 1%.

[.....]

5. The authorities responsible by programme should provide an amount under pre-financing of the operations in a minimum quantity of 25% of the approved total support. In the event of insufficient financial resources, it should be given priority to operations promoted by entities created for the development of initiatives for European territorial cooperation, with a legal nature and a permanent activity, EGTC and other entities that do not promote profit objectives.

Article 50
Recoveries

1. The managing authority shall ensure that any amount paid as a result of an irregularity is recovered from the ~~lead or sole partner to which the payment was made. Partners shall repay to the lead partner any amounts unduly paid.~~

2. Where ~~the lead partner does not succeed in securing repayment from other partners or where~~ the managing authority does not succeed in securing repayment from the ~~lead or sole partner~~, the Member State, third country, partner country or OCT on whose territory the partner concerned is located or, in the case of an EGTC, is registered shall reimburse the managing authority any amounts unduly paid to that partner. The managing authority shall

be responsible for reimbursing the amounts concerned to the general budget of the Union, in accordance with the apportionment of liabilities among the participating Member States, third countries, partner countries or OCTs laid down in the Interreg programme.

[.....]

Article 58

Conclusion of Financing Agreements under shared management

1. In order to implement an Interreg programme in a third country, partner country or OCT, in accordance with Article [112(4)] of Regulation (EU, Euratom) [FR-Omnibus], a financing agreement shall be concluded between the Commission representing the Union and each participating third country, partner country or OCT represented in accordance with its national legal framework.

2. Any financing agreement shall be concluded at the latest on 31 December of the year in which the programme is adopted following the year when the first budget commitment was made and shall be considered concluded on the date when the last party has signed it.

Any financing agreement shall enter into force either on the date

(a) when the last party has signed it; or

(b) when the third or partner country or OCT has completed the procedure required for ratification under its national legal framework and informed the Commission.

3. Where an Interreg programme involves more than one third country, partner country or OCT, at least one financing agreement shall be signed by both parties before that date. The other third countries, partner countries or OCTs may sign their respective financing agreements at the latest on 30 June of the second year following the year the program was adopted~~when the first budget commitment was made~~.

[.....]

Article 61

Interregional innovation investments

At the initiative of the Commission and with recourse to the procedure laid down in article 63, the ERDF may support interregional innovation investments, as set out in point 5 of Article 3, bringing together researchers, businesses, civil society and public administrations involved in smart specialisation strategies established at national, ~~or~~ regional or local levels.

8 | Proposals on the draft regulation laying down common provisions on the ESI funds

COM (2018) 375 final

Article 17

Content of programmes

3. Each programme shall set out:

(a) a summary of the main challenges, taking into account:

- (i) economic, social and territorial disparities, except for programmes supported by the EMFF;*
- (ii) market failures, investment needs and complementarity with other forms of support;*
- (iii) challenges identified in relevant country-specific recommendations and other relevant Union recommendations addressed to the Member State;*
- (iv) challenges in administrative capacity and governance;*
- (v) lessons learnt from past experience;*
- (vi) macro-regional strategies and sea-basin strategies where Member States and regions participate in such strategies and Interreg programmes should provide for an appropriation of funds adjusted for their implementation;*
- (vii) for programmes supported by the AMIF, the ISF and the BMVI, progress in implementing the relevant Union acquis and action plans;*

[.....]

(f) a financing plan containing:

- (i) a table specifying the total financial allocations for each of the Funds and for each category of region for the whole programming period and by year, including any amounts transferred pursuant to Article 21;*
- (ii) a table specifying the total financial allocations for each priority by Fund and by category of region and the national contribution and whether it is made up of public and private contribution;*
- (iii) for programmes supported by the EMFF, a table specifying for each type of area of support, the amount of the total financial allocations of the support from the Fund and the national contribution;*
- (iv) for programmes supported by the AMIF, the ISF and the BMVI, a table specifying, by specific objective, the total financial allocations by type of action, the national contribution and whether it is made up of public and private contribution;*
- (v) In the case of the Interreg programmes, the claims relating to the implementation of macro-regional strategies and the strategies for the sea basins;*

[.....]

Article 104

Resources for the Investment for jobs and growth goal and for the European territorial cooperation goal (Interreg)

[.....]

7. Resources for the European territorial cooperation goal (Interreg) shall amount to 2.5 % of the global resources available for budgetary commitment from the Funds for the period 2021-2027 (i.e. a total of EUR ~~16.000.000.000~~ 430 000 000).

Article 106

Determination of co-financing rates

[.....]

4. The co-financing rate for Interreg programmes shall be no higher than ~~85.70~~ %.

The ETC Regulation may establish higher co-financing rates for external cross-border cooperation programmes under the European territorial cooperation goal (Interreg).

5. Technical assistance measures implemented at the initiative of, or on behalf of, the Commission may be financed at the rate of 100 %.

9 | Presentation of the entities that comprise the C4C



Citiesfor Cooperation Platform

C4C - Cities for Cooperation is a platform of non-governmental entities with a legal nature and a permanent activity and with extensive experience in promoting cooperation initiatives and in the monitoring of programs integrated in the various plans of European territorial cooperation, constituted with the objective of promoting reflection on the future of post 2020 Cohesion Policy in general and on the future of European territorial cooperation in particular.

It considers that the peripheral regions of the European Union have a common vision on the importance of European territorial cooperation in their territories and on the adjustments that need to be made to strengthen their role in European integration.

Constituted by **RIET - Iberian Network of Cross border Cooperation Entities**, by **MEDCITIES - Mediterranean Cities Network** and by the **CCAA - Conference of Atlantic Arc Cities**, it is proposed to promote a broad debate and the identification of common problems and solutions adjusted to reality of the peripheral regions of the European Union, regions in which the main problems and challenges facing the European Union and the future of Cohesion Policy have been particularly impacted.



RIET - Iberian Network of Cross border Cooperation Entities, is a cross-border association of territorial cooperation, established in 2009 by organizations of proximity, in the border of Spain and Portugal, under the Treaty of Valencia.

Established as a cooperation network, which strengthens the intervention, promotes local, regional, national and European cooperation, thus contributing to the ultimate goal of improving the citizens' quality of life.

It promotes a space for reflection on the role of cross - border organizations in the development of Iberian cooperation and its visibility on a European scale and the development of strategic reflection and work on cross - border issues of European interest in general and the Spain - Portugal border in particular.

It is composed of 23 associated entities, associations of municipalities, entities created for cross-border cooperation, business associations and universities.



The Atlantic Axis of Peninsular Northwest is a cross-border territorial development association through the cooperation. Created in 1992, it integrates 36 municipalities and local authorities and configures the urban system of the euro-region Galicia-North of Portugal.

The main purpose is the economic, social, cultural, technological and scientific development of the cities and regions that constitute it. In this way, the Atlantic Axis constitutes a cross-border association integrated by the main cities and entities of Galicia and the Northern region of Portugal, whose aim is to promote economic, social and cultural cohesion, in particular by structuring a common territory.



MEDCITIES - The Mediterranean Cities Network, created in Barcelona in November 1991 as an initiative of the Mediterranean Environmental Technical Assistance Program, aims to strengthen decentralized interventions involving technical assistance as a way of promoting the importance of urban environmental problems, and aiming to reinforce municipal power in developing countries.

Being a network of Mediterranean communities and cities belonging to different countries, it aims at sustainable urban development as a way of improving living conditions in the regions.

The network comprises ~~57 more than 50~~ cities and metropolitan areas in 154 Mediterranean countries, such as: Agadir, Alejandria, Ancona, Antalya, Barcelona, Mancomunidad de Batroun, Benghazi, Bizerte, Chefchaouen, Mancomunidad de Dannieh, Djerba, Dubrovnik, Comunidad Urbana de El Fayhaa, El Mina, Gabes, Gaza, Izmir, Jbeil (Byblos), Mancomunidad de Jezzine, Kairouan, Mancomunidad de Koura, Larnaka, Lemosos, Mahdia, Málaga, Marseille, Monastir, M'Saken, Nabeul, Roma, Saida, Sfax, Sidi Bou Said, Sousse, Tanger, Tétouan, Tirana, Tripoli, Tunis, Oran, Zarqa, Zgharta-Ehden and Área Metropolitana de Barcelona.



The Atlantic Cities - Conference of Atlantic Arc Cities is a network of territorial cooperation, based on the particular identity of the Atlantic Cities. Since 2000, the Atlantic Arc Cities Conference has stated its position as the Atlantic

Urban Forum, facilitating cooperation between its members and other stakeholders, such as raising the awareness of the European institutions on issues of Atlantic cities' concern. The **FAIC Forum of Adriatic and Ionian Cities**, is an association created in 1999 in Ancona (Region Marche), at the initiative of this city and the National Association of Italian Municipalities, it is part of 60 cities of 8 Countries Adriatic and Ionian, Albania, Bosnia-Herzegovina Croatia Greece, Italy, Serbia, Montenegro and Slovenia, constituting itself as a forum for the economic, social, environmental and cultural development of the Adriatic and Ionian cities.

FAIC is a pioneering association in intensifying international cooperation in the area of Adriatic and the Ionian Through the Universities Forum (UNIADRION) and Chambers of Commerce Forum AIC), the Ionian Initiative (ALI) and the EUSAIR. Contributes to European integration and extending its policies and strategies, through the promotion of innovative forms of decentralized cooperation and partnerships between local authorities of member countries.

As a civil society organization, it collaborates with the executive of EUSAIR (with 2014 357, p. 52). with UNIADRION and the CBI forum was recently constituted as a joint secretariat to intensify and coordinate its performance.

It assumes itself as a club of the Atlantic cities: The Urban Forum of the European Atlantic facade and as a Community that includes both cities and other actors, and, above all, citizens. It promotes campaigning, cooperation through European projects and presents itself as a resource center for Atlantic cities, ensuring that their activities contribute to the information, training and enhancement of members' European activities.

It consists of 18 members representing 200 local entities that make up the Atlantic Arc.



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Enquanto organização da sociedade civil, colabora com o executivo EUSAIR (COM 2014 357, p.52). Com UNIADRION e o Fórum AIC foi recentemente constituído como secretariado conjunto para intensificar e coordenar a sua atuação.