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BRIEFING

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INTERREG III
2000 – 2006
Summary

To provide Members with up-to-date information on the new version of Interreg, DG IV has prepared this briefing on the new management criteria and the guiding principles of the Interreg III Community Initiative Programme.

Parliament has already expressed its opinion, and the Commission subsequently submitted revised guidelines.

Important documents:
- Commission draft communication to the Member States, 13 October 1999 (COM (1999) 479 final)
- Commission communication to the Member States, 28 April 2000 (C(2000)1101)

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1. INTRODUCTION

In contrast to the Structural Funds in general, the content of Community initiatives is primarily the Commission’s responsibility. The Commission lays down guidelines which are published after Parliament has given its opinion, pursuant to Paragraph 1.2 of the Code of Conduct, and after the committees set up under the comitology procedure have been consulted, pursuant to the regulation on general provisions on the Structural Funds (Paragraph 2(c), Article 48, of Regulation EC 1260/1999). It must be said that when Interreg III was being drawn up, cooperation between Parliament and the Commission worked less well than might have been expected. The draft communication from the Commission to the Member States of 13 October 1999, on which Parliament’s Committee on Regional Policy, Transport and Tourism worked, had already been superseded when the resolution was adopted at the February 2000 part-session. Consequently, some of the comments made in the resolution are no longer relevant. The committees gave their opinion on a more recent draft, dated 25 January 2000. This version has also been recast since then, and the Commission decided not to issue any information before the final version of this communication appeared on 28 April 2000.

A Commission interdepartmental task force was given the task of drawing up the Interreg III initiative programme, working primarily on the basis of the best practices identified during the two previous programming periods and of shortcomings which it sought to overcome. It has taken particular account of the information from the ‘Lace Tap’ programme, which is co-financed by the EU and the AEBR (Association of European Border Regions).

The number of Community initiatives has been reduced from 13 to four: INTERREG, URBAN, LEADER AND EQUAL, and the amount of Community funds allocated to them has been reduced: from 9% of the total Structural Funds allocation (EUR 14.588bn) for the period 1994 – 1999 to 5.35% (EUR 10.442 bn) for the next seven years. It should be noted, however, that INTERREG has benefited from the reduction in the number of initiatives, as its own allocation has gone up from EUR 3.604 bn in the previous period to EUR 4.875 bn for the period which is just beginning. INTERREG therefore remains the largest Community initiative.

The communication on INTERREG III is much more specific and exhaustive than that for INTERREG II. For example, the new document sets out in great detail the procedures for preparing, submitting, approving, monitoring, implementing and evaluating operations. It is based on the new regulation on general provisions on the Structural Funds, which itself is much more detailed than its predecessor, even if it only devotes two short articles to Community initiatives. This approach will probably greatly benefit the local, regional and national authorities responsible for drawing up the programmes. It will also make it possible to simplify approval procedures by harmonising the content of applications submitted to the Commission.
2. MAIN CHANGES TO INTERREG III

2.1. The three strands of INTERREG III

The major innovation in INTERREG III is probably the way the three strands on programme implementation have been restructured. The details are as follows.

- Strand A is concerned with cross-border cooperation as such, i.e. cooperation between adjacent border regions with the aim of promoting integrated regional development. The list of priority topics and eligible measures under this strand (an indicative, non-exhaustive list is given in Annex 2 of the communication) covers a wide range of possibilities and opens up prospects for cooperation in very varied areas. Strand IIIA is essentially the same as the former Strand IIA, but places more emphasis on the importance of Community policy’s horizontal objectives: the environment, equal opportunities for men and women, and social measures having a positive effect on employment. It also stresses the need to redevelop urban, rural and coastal areas. Strand IIIA will remain by far the most important part of the INTERREG programme, as the Commission has decided that the Member States will have to allocate at least 50% of the resources to it.

- Strand IIIB is concerned with transnational cooperation and aims to promote a higher degree of territorial integration across large groupings of European regions. The possibility of working on wider territorial areas is the main raison d’être of this strand, which thus effectively complements Strand IIIA. This second strand includes all of the programmes covered by the former Strand IIC, and also some programmes covered by Article 10 of the ERDF. There was no Strand IIC at the beginning of the INTERREG II programming period in 1994; it was not added until 1996. Initially it covered spatial planning and gave a high priority to the management of water resources and combating floods and drought. This is a vital point: it is precisely the problems of floods and drought which have helped to raise awareness of the need for spatial planning on a transnational scale, and which have thus made a breakthrough possible in an area which until then some Member States regarded as private. However, in the Commission communication the management of water resources now occupies a marginal position. The priorities of the new strand are spatial development strategies, efficient and sustainable transport systems, access to the information society, the environment and good management of natural resources (including water), integration of maritime and island regions and integrated cooperation between remote and very remote regions. The Commission’s draft specifies only the first three priorities. According to the final version, the areas of cooperation to be supported also include maritime and island regions and very remote regions. In practice, Strand IIIB now includes all the areas of cooperation covered by Strand IIC. There are now 11 relevant regional groupings. They have been set up on the basis of the zones already covered by the INTERREG IIC programmes and current pilot projects under Article 10 of the ERDF. Strand IIIB is therefore the ideal framework for implementing the principles proposed by the European Spatial Development Perspective (ESDP) approved by the informal Council of spatial planning ministers at Potsdam on 10 and 11 May 1999. Each Member State will have to allocate at least 14% of appropriations received under INTERREG III to Strand IIIB.
There was no Strand IIIC in the former INTERREG I and II. It is concerned with interregional cooperation and aims to improve the effectiveness of regional development instruments through networking. More generally, it aims to promote a horizontal exchange of information and to develop best practice. This strand concentrates on cooperation between non-adjacent regions. The new Strand IIIC thus makes it possible to group all the activities concerned with cross-border, transnational and interregional cooperation in the same programme, which helps to simplify procedures and increases transparency, in line with the objectives of the reform of the Structural Funds. The Member States will have to allocate at least 6% of available funds under INTERREG to Strand IIIC.

The former Strand IIB, which followed the REGEN programme and covered completion of energy networks in certain regions of Spain, Italy, Greece and Portugal, does not form part of the INTERREG III programme.

### 2.2. Principles of programme implementation

The Commission in its communication stresses a number of principles it hopes to see applied during this new programming period, such as that operations should be genuinely cross-border or transnational in nature. In the past there were sometimes perverse effects such as parallel projects on each side of a border. The Commission is firmly committed to avoiding this phenomenon, the aim of INTERREG being not simply to support the development of border regions but to promote genuine joint activities based on common strategies. Consequently, it encourages the creation of joint structures which would make it possible not only to set up and run programmes jointly but also to continue cross-border cooperation, in the knowledge that INTERREG is only intended to provide the impetus to start a process off, and that this cooperation should then be capable of running under its own steam.

The second principle the Commission puts forward is that of enhanced partnership between all the national, regional and local authorities and all interested parties according to a ‘bottom up’ approach. The Commission would have liked to take this partnership principle even further, but this is a point on which it regularly meets opposition at the EU Council.

To increase the effectiveness of the Structural Funds, pursuant to Agenda 2000, it is important that programmes complement the measures taken under other Structural Funds programmes.

The Commission stresses effective coordination between INTERREG and the programmes affecting non-member States (PHARE, ISPA, SAPARD, TACIS and MEDA). It is interesting that the draft communication covers this issue in great detail, which is understandable for two reasons: cross-border cooperation at the EU’s external frontiers provides a helpful bridge to prepare applicant States for future membership; and it is very likely that during the programming period beginning in 2006, the countries of Central and Eastern Europe will be the main beneficiaries of the EU Structural Funds and thus of Community initiative programmes.
As a consequence of structural reform, the INTERREG programme is no longer a multi-fund programme: INTERREG III is financed only from the ERDF. Therefore under the Community initiative programme, the ERDF is authorised to finance rural development measures which were eligible under the EAGGF, human resource development measures eligible under the European Social Fund and measures for the adjustment of fisheries structures eligible under the FIFG. In contrast to INTERREG II, the communication no longer specifies that appropriations under the programme must be allocated as a priority to zones which are already eligible under Objectives 1 and 2 of the Structural Funds, nonetheless in practice this provision has been maintained by the way these appropriations have been divided up among the various EU countries.

The Commission has stressed the importance of coordination between INTERREG III and external cooperation instruments such as PHARE, ISPA, TACIS and MEDA. Consequently, cooperation projects concerning regions outside the EU will be financed partly by the ERDF and partly by specific programmes.

3. OPINION OF THE EUROPEAN PARLIAMENT

On 2 February 1999 Parliament adopted a resolution on INTERREG III on the basis of the Commission’s second draft communication. Overall, Parliament’s report is in favour of the draft communication and only proposes a few amendments. On Strand IIIA, Parliament proposes in particular that island and remote regions be included in the plan for Strand IIIA and that eligibility for cross-border cooperation be extended to all the Adriatic regions in order to promote and consolidate the area’s economic, social and political stability. For Strand IIIB, Parliament notes that the funds allocated and the list of eligible measures for EU co-financing is too limited.

With regard to Strand IIIIC, Parliament ‘regrets’ its inadequate budget and calls on the Commission to involve regional authorities in managing and implementing it. Parliament ‘rejects categorically the proposal to use outside service providers in the form of a technical assistance office, because of unfortunate experiences in the past management period.

In the final version of its communication, the Commission has included only some of Parliament’s amendments. One of the most important changes that the Commission has applied to the draft project, as a consequence of the Decourrière report, has been the cancellation of the last comma of point 10 according to which the insular and the outermost regions were explicitly excluded from the framework of strand IIIA. However, it welcomed the change proposed by the Decourrière report to include island and remote regions, but did not include either the change to the minimum percentage of each strand nor the inclusion of the Adriatic regions in Strand IIIA. Paragraph 31 of the resolution on outside technical assistance caused a change in the wording of the communication but has not changed anything in practice: the Commission can still use outside service providers.
4. PROSPECTS FOR THE FUTURE

With regard to the future outlook for INTERREG, the Commission considers this programme as the last opportunity for the current Member States to create structures to improve cross-border cooperation.

In comparison with INTERREG I and II, INTERREG III puts more emphasis on the importance of creating internal and external cross-border cooperation which would be able to change and develop autonomously, without EU financial support.

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