European Regional Development Fund 2007-2013

Objective 3:
European Territorial Cooperation

Interregional Cooperation Programme INTERREG IVC

Contributing to the
European Commission Initiative
"Regions for Economic Change"

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OPERATIONAL PROGRAMME

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Chapter 1. Programme summary

The Interregional Cooperation Programme enables cooperation between regional and local authorities from different countries in the EU27, Norway and Switzerland. This takes the form of projects in which these authorities exchange and transfer their experiences and jointly develop approaches and instruments that improve the effectiveness of regional development policies and contribute to economic modernisation.

In line with the Community Strategic Guidelines for Cohesion Policy 2007-2013, the programme aims to contribute to the Union's strategy for growth and jobs. As such, it is an important instrument for the implementation of the EU initiative Regions for Economic Change (RFEC). RFEC is designed to support regional and urban networks discovering best practice in economic modernisation, particularly those contributing to the Union's growth and jobs agenda, and to spread this best practice to all regions in order to help stimulate their sustainable growth and reduce economic disparities.

The programme is structured around two thematic priorities, grouping action fields that are key in helping to achieve a contribution from the regions of Europe to the Union's strategy for growth, jobs and sustainable development.

Priority 1 addresses ***innovation and the knowledge economy***, focusing mainly on the sub-themes innovation, research and technology development, entrepreneurship and SMEs, the information society, and employment, human capital and education.

Priority 2 targets ***environment and risk prevention***, most notably the sub-themes natural and technological risks, water management, Waste prevention and management, biodiversity and preservation of natural heritage, energy and sustainable transport, and cultural heritage and landscape.

This Operational Programme supports two different types of interventions.

Firstly, it supports **"Regional Initiative Projects"** initiated by regional actors aiming to exchange experience in a specific policy field in order to identify good practice and to develop new tools and approaches for implementation.

Secondly, INTERREG IVC supports **"Capitalisation, including Fast Track projects"** in order to ensure that good practice identified, for instance, by the regional initiative projects mentioned above, finds its way into the Convergence, Regional Competitiveness and Employment and European Territorial Cooperation programmes.

The programme is co-financed by the European Regional Development Fund (ERDF). It has a total available ERDF budget of € 321 million for the 2007-2013 period. The programme area covers the whole territory of the European Union plus Norway and Switzerland. The programme co-finances the participation of public authorities and bodies governed by public law from these countries. Participation of actors from outside this area is possible under certain conditions.

Chapter 2. Introduction

2.1. Interregional Cooperation in a changing context

This Operational Programme (OP) is financed in the framework of interregional cooperation in the European Union under the Cohesion policy for 2007-2013. The programme will enable interregional cooperation by bringing together regional and local authorities from different countries in projects to exchange and transfer their experiences in regional policy and jointly improve and develop regional policy approaches and instruments. The programme will be part-funded by the European Regional Development Fund (ERDF).

This 2007-2013 Interregional Cooperation Programme builds on the experiences of the Community Initiative INTERREG IIIC (2002-2006), which was designed to strengthen Europe's economic and social cohesion by funding operations that boost cooperation between regional and local authorities from across the EU leading to a balanced development of the continent. More than 260 INTERREG IIIC projects were approved involving over 2600 regional and local authorities as well as public-equivalent institutions from all EU MS and a number of other countries. These operations addressed a wide range of topics closely related to implementation of European Union (EU) regional policy, largely in areas of public responsibility in regional development.

The experiences from these years of interregional cooperation are positive in the sense that the programme managed to bring together many actors from across the EU, dealing with a wide variety of issues. Considering these results, there is a strong need for continuity of interregional cooperation, with some adjustments, related on the one hand to new global and territorial challenges in Europe, and on the other hand the new major orientations given to cohesion policy over the period 2007-2013.

2.2. Developments in the global and territorial context

The context for drafting this Operational Programme (OP) for Interregional Cooperation for the period 2007-2013 is characterised by several major developments:

- *the recent enlargement of the Union to 25, and now 27, Member States (MS), with Bulgaria and Romania joining in 2007, which has dramatically increased disparity levels across the EU;*
- *the increased globalisation of markets and the lagging situation of Europe concerning growth and competitiveness compared to the US and to some Asian countries;*
- *the acceleration of climate change and related territorial impacts;*
- *the demographic challenges and their impacts on labour markets;*
- *the trends in regional and territorial development (catching up process in central and eastern Europe, stronger development of metropolitan areas).*

These developments are of strategic importance for all EU policies for the coming years. Most notably they have impacted the EU' s Lisbon and Gothenburg Strategy, which in turn has shaped the strategy for EU Cohesion policy for the 2007-2013 period.

2.3. Developments in the policy context

2.3.1 Updated Lisbon and Gothenburg Strategies

In order to face the challenges mentioned above, the EU has decided to renew the basis of its competitiveness, increase its growth potential and productivity, and strengthen social cohesion. Several steps mark out this constructive process.

In March 2000 in Lisbon, EU heads of state and government agreed on an ambitious goal: making the EU "the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion". In particular, it was agreed that to achieve this goal, an overall strategy should be applied, aiming at:

- preparing the transition to a knowledge-based economy and society by improving policies for the information society and research development (R&D), as well as by stepping up the process of structural reform for competitiveness and innovation, and by completing the internal market;
- modernising the European social model, investing in people and combating social exclusion;
- sustaining the healthy economic outlook and favourable growth prospects by applying an appropriate macro-economic policy mix.

However, due to the little progress that was made a few years later in achieving the main goals of Lisbon strategy, the Commission proposed a new Partnership for Growth and Jobs to the European Council of March 2005. The Council confirmed the policy objectives set out by the Commission and underlined the need to re-launch the Lisbon Strategy. This renewed effort required that "*the Union must mobilise all appropriate national and Community resources, including cohesion policy".* In addition, it concluded that greater ownership of the Lisbon objectives on the ground was necessary, involving regional and local actors and social partners. This is of particular importance in areas where greater proximity is essential, such as in innovation and the knowledge economy, employment, human capital, entrepreneurship, support for small and medium-sized enterprises (SMEs) or access to risk capital financing.

This renewed Lisbon strategy now forms the context for many EU initiatives and policies each contributing to achieving elements of the strategy. These include thematic policies like the European Commission initiative "i2010: A European Information Society for growth and employment" aimed at promoting the development of the digital economy and the wider use of Information and Communication Technologies (ICTs) by citizens and businesses or action plans, like the Environmental Technologies Action Plan, aimed at the promotion of environmental technologies and eco-efficient innovations.

More recently, the EC recommended in its January 2006 first Annual Progress Report on the Lisbon strategy that Member States ensure that Community cohesion and rural development investment is targeted towards supporting the Lisbon Strategy in general and that the new generation of cohesion policy programmes address the following four priority actions: 1) investing more in knowledge and innovation; 2) unlocking business potential; particularly of SMEs; 3) responding to globalisation and ageing; and 4) moving towards an efficient and integrated EU energy policy.

Beyond these basic guidelines for the whole EU, the concentration of financial resources on the less developed regions remains essential over the period 2007-2013 considering the increase of disparities resulting from the recent EU-enlargement in May 2004 and its continuation in 2007. When looking at the separate policies that together form the Lisbon ambitions in relation to innovation and the knowledge economy, one can observe a lot of regional imbalances that characterize the present situation (for instance, the leading regions as far as research and innovation infrastructures are concerned are almost exclusively located in the

EU-15 countries, whereas these structures are thinly spread in the regions of the new MS). On the other hand, there is also a significant catching up process in the territorial development of the new MS concerning some policies (for instance education).

The Fourth Progress Report on Cohesion adopted in February 2006 confirmed that the enlargement of the Union presents an unprecedented opportunity to reinforce both economic competitiveness and the internal cohesion in Europe. While enlargement represents a substantial widening of regional disparities in the EU, the report noted at the same time that some of the poorest parts of the new Member States have some of the highest growth rates.

More generally concerning the territorial aspects, the pattern of development perspectives challenging regional development policy in the coming decade is likely to include:

- *a continuation of the catching up process in central and eastern Europe,*
- *a stronger development of metropolitan areas both in the East and the West and growing pressures on a number of rural areas,*
- *growing impacts of the demographic evolution (population ageing) on regional economy and labour markets.*

This overall situation represents significant challenges for the EU's territorial cohesion and calls for more intensive interregional cooperation to improve the quality of EU regional policy interventions.

In 2001, at the Gothenburg European Council, Member States agreed on the first EU sustainable development strategy (SDS) that set out the policy framework for European Union action to achieve the long-term vision of sustainability. Economic growth, social cohesion and environmental protection are seen as mutually supportive, and in this respect, the SDS underpins the whole of the Lisbon Strategy and adds to it an environmental strand.

However, unsustainable trends in relation to climate change and energy use, threats to public health, poverty and social exclusion, demographic pressure and ageing, management of natural resources, biodiversity loss, land use and transport still persist and new challenges are arising. Since these negative trends bring about a sense of urgency, the main challenge is to gradually change current unsustainable consumption and production patterns and the non-integrated approach to policy-making.

Against this background, in conclusion of the review of the EU SDS launched by the Commission in 2004 and on the basis of the Commission Communication "On the review of the Sustainable Development Strategy – A platform for action" from December 2005, as well as contributions from the Council, the European Parliament, the European Economic and Social Committee and others, the European Council of June 2006 has adopted an ambitious and comprehensive renewed SDS for an enlarged EU, building on the one adopted in 2001.

The renewed EU SDS sets out a single, coherent strategy on how the EU will more effectively live up to its long-standing commitment to meet the challenges of sustainable development. The overall aim of the SDS is to identify and develop actions to enabling the EU to achieve continuous improvement of quality of life for current and future generations, through the creation of sustainable communities able to manage and use resources efficiently, and to tap the ecological and social innovation potential of the economy, ensuring prosperity, environmental protection and social cohesion. The renewed strategy sets overall objectives, targets and actions for seven key priority challenges for the coming period until 2010:

- Climate change and clean energy
- Sustainable transport
- Sustainable production and consumption
- Public health threats
- Better management of natural resources
- Social inclusion, demography and migration
- Fighting global poverty

2.3.2. Cohesion policy 2007-2013

The context for cohesion policy has changed in the light of the major challenges mentioned above. The cohesion policy has to make a significant contribution to the renewed Lisbon strategy. This is the basic idea that underpins the new legislative framework for the reform of cohesion policy for the period 2007-2013 called Community Strategic Guidelines on Cohesion adopted in July 2006.

According to these Community Strategic Guidelines, programmes co-financed through cohesion policy should seek to target resources on the following three priorities:

- *improving the attractiveness of Member States, regions and cities by improving accessibility, ensuring adequate quality and level of services, and preserving the environment;*
- *encouraging innovation, entrepreneurship and the growth of the knowledge economy by research and innovation capacities, including new information and communication technologies;*
- *creating more and better jobs by attracting more people into employment or entrepreneurial activity, improving adaptability of workers and enterprises and increasing investment in human capital.*

The new strategic framework is articulated around three objectives, namely convergence, regional competitiveness and employment, and European territorial cooperation. The latter one aims at promoting stronger integration of the territory of the Union in all its dimensions, including through interregional cooperation.

With the adoption of these Guidelines, programming sets a more strategic focus on the main EU-policy Objectives of Lisbon and Gothenburg, and the interregional Operational Programme becomes a more strategic document than that of its predecessor. The new programme is also tied much more closely to the activities undertaken under objectives “Convergence” and “Regional competitiveness and employment”. This is because the core thematic priorities are the same, and one of the main target groups is clearly made up of the regional and local decision-makers of the regional programmes co-financed under these two last objectives. One main ambition for this programme is to involve these authorities closely because it is clear that in an open, globalised economy, tackling the growth and jobs agenda must be anchored in regional and even local development strategies. This is the level where most business networks are formed, where links are established with centres of learning and technology, and where local knowledge and expertise can best be mobilised.

According to the European ERDF regulation for 2007-2013 adopted in July 2006, under the “European territorial cooperation” objective, this fund shall ‘inter alia’ focus its assistance notably on the reinforcement of the effectiveness of regional policies by promoting interregional cooperation focusing on innovation and the knowledge economy and environment and risk prevention in the sense of Article 5 (1) “innovation and the knowledge economy” and 5 (2) “environment and risk prevention”.

2.3.3. The territorial Agenda

The territorial component will be fully part of the 2007-2013 EU Cohesion policy, as outlined in the Community Strategic Guidelines. In that respect, the Agenda on territorial cohesion, the key product of which will be an assessment of the ‘*territorial state and perspectives of the Union*’ due to be adopted under German presidency in May 2007, emphasises the need of reinforced European cooperation. In the light of the Lisbon strategy for sustainable economic growth, the key challenge for strengthening territorial cohesion implies enhancing the territorial ‘capital’ and potentials of all EU regions and promoting territorial integration, i.e. by promoting trans-European synergies and clusters of competitive and innovative activities.

2.3.4. The EC initiative “Regions for Economic Change”

The European Commission introduced in November 2006 plans to boost innovation by bringing European regions together into strong partnerships and to help them take advantage of experience and best practice. The Interregional Cooperation Programme is an important instrument for implementing this new initiative called "Regions for Economic Change" (RfEC).

The new initiative introduces, among others, new ways to motivate regional and urban networks to help them to have innovative ideas tested and rapidly disseminated into the mainstream programmes. It is dedicated to discovering best practice in economic modernisation, in particular in relation to projects clearly contributing to the Union's jobs and growth agenda, and spreading this to all regions in order to help stimulate their regional growth and reducing economic disparities.

Moreover, the Commission foresees an annual 'Regions for Economic Change' conference featuring innovation awards to coincide with the Spring European Council to further enhance communication and dissemination of best practice results in line with the EU agenda for growth and jobs.

2.4. General orientation and area of application of the programme

In operational terms, the programme is concentrated around two major themes. These are the priority axes of the OP, but all important existing and emerging challenges in relation to these two main themes are also fully considered.

Compared with the INTERREG IIIC programme, the range of topics for cooperation is more restricted and the programming becomes more strategic, with a stronger involvement of the Monitoring Committee at various stages in order to facilitate the process of capitalisation on best practice throughout Europe and beyond.

The programme area of INTERREG IVC is presented on the map on the following page. It consists of:

- *The EU 27 Member States*
- *Norway and Switzerland*

INTERREG IVC
INTERREGIONAL COOPERATION
2007-2013

*CRNPC= Conseil Régional Nord-Pas de Calais

Chapter 3. Analysis

3.1. Introduction

The recent enlargement of the Union to 25 Member States, and now 27 with Bulgaria and Romania joining in 2007, has dramatically increased disparity levels across the EU. Many new Member States have markedly lower levels of income per head and employment rates than the EU average. At the same time, they have displayed considerable dynamism in recent years, achieving high rates of growth in both GDP and productivity so that the gaps have been narrowed.

Overall, disparities have been falling across the EU over the past decade. Nevertheless, this fall has been more rapid between countries than between regions, with internal regional disparities in several Member States increasing.

These prevailing disparity levels of development across the EU provide ample evidence of the need for an active cohesion policy. Among the different types of interventions, interregional cooperation can play a significant role in helping to reduce them.

In order to delineate fields where interregional cooperation can clearly contribute to the achievement of the Lisbon strategy, certain elements are essential. These are: a global picture of the major trends and developments for the next decades in the EU; an in depth view of the two key themes addressed by this OP; and an overview of the main lessons that can be learnt from the period 2000-2006. The findings of this triple analysis have been grouped in a SWOT analysis that forms the basis for the strategic positioning of this OP.

3.2. General trends and developments in Europe

This first section sketches out in a medium/long-term perspective the major challenges that will have significant territorial impacts in the European Union and beyond.

This wider reference framework sets the scene for the in-depth assessment of the two key themes on which future interregional cooperation should focus, according to ERDF regulation. Considering that the two themes are strongly articulated around the Lisbon and Gothenburg strategies, four main challenges are selected for their relevance and their related territorial impacts. This general information is mainly derived from the preliminary results of the ESPON Study Project 3.2 on long-term scenarios, showing different territorial development trends up to 2015 and 2030.

Challenge 1: Accelerating globalisation

The globalisation process has strongly accelerated over the past decade in particular due to the strong development of emerging countries such as China, India and Brazil. A particularly important impact of globalisation is that it increases the scale and size of businesses. The wave of mergers and acquisitions which characterises the present period seems to be the forefront runner of much more substantial transnational and intercontinental economic interactions likely to intensify in the coming decades. The still important fragmentation of the European economy is a significant handicap in this context. It is quite likely that competition – and the necessary economic adjustments – will in future not be only based on differences in wage levels, but more and more on technological productivity (combining technological outputs and prices). External competition will therefore increase in a number of sectors for which Europe had, up to now, comparative advantages. This trend will not be limited to industrial production, but will increasingly affect the service sector and activities related to the knowledge economy. Moreover, it is probable that the multiplication in the coming decades of so-called asymmetric shocks is likely to hit areas with very different economic characteristics in Europe.

Policies targeted at promoting global European competitiveness will generate a somewhat higher global economic growth in Europe, but territorial polarisation will significantly progress with metropolitan regions drawing higher benefits than less urbanised regions. This may generate an important social cost or collateral damage, with a number of regions losing their vitality.

Challenge 2: The demographic developments in Europe

The decline in fertility rates in Europe, which started several decades ago, has resulted in a situation where the median age of the population is starting to grow significantly and the continuation of this evolution over the next decades is unavoidable. Migrations and especially immigration from outside Europe is a second important issue in the demographic sphere.

The impacts of the natural demographic evolution on regional economies and labour markets will call in a few years for the need to allow substantial immigration of qualified people into Europe. Issues generated by the demographic evolution in Europe in the coming decades will call for ambitious, but differentiated policy solutions, according to the individual regional contexts. As demographic factors interfere with many other issues, more integrated policy approaches will be necessary

Challenge 3: Towards a new energy paradigm

Another major challenge for European regions in the coming decades will be to successfully implement the change of energy paradigm. For more than one century, the availability of oil and, more recently, of natural gas, has made possible the considerable expansion of industrial countries. World resources of oil and natural gas are progressively being depleted in a context where the expansion of large emerging economies is creating a strong growth in demand. As resources become more and more scarce, their price is likely to considerably increase.

Changing the European energy paradigm can only be achieved in a long-term perspective with considerable efforts and investments. Territorial impacts are likely to be very significant. These have to be anticipated in the context of spatial development policies in order to avoid conflicts and insufficient productivity. The main objectives of spatial development policies in facilitating the change of energy paradigm are aiming in particular to increase the energy efficiency of existing systems, and to favour the development and optimise the use of renewable energy sources.

Challenge 4: Climate change

It is now widely admitted that the increase of greenhouse gas emissions is one of the main factors responsible for growing average temperature and for the related natural hazards.

A distinction must be made between territorial impacts of climate change that have a temporary and local character, and may generate significant local or regional damage (floods, heavy rainfall, storms, landslides etc.) and those that have a more sustained character (drought, elevation of snow altitude in mountains, rise of sea level, evolution towards a moderate climate in northern regions etc.), with long-lasting impacts, of negative or positive character. Climate change can hardly be curbed down through policies within a period of 20 or 30 years. The policy measures that are at stake are prevention or adaptation measures. Prevention measures are generally expensive and need incentives or support, especially in weaker regions. The counterpart is that physical damages caused by natural hazards or long-lasting economic drawbacks can be significantly contained and reduced. Neglecting prevention and mitigation measures may lastingly affect the economy of numerous areas in the long-term and counteract the objective of territorial cohesion.

Climate change is likely to have manifold manifestations and impacts in future. These have to be systematically monitored and anticipated in order to define the measures best suited to the regional context.

In conclusion, territorial development policies at all levels (EU, national, regional/local levels) will have to cope with these major challenges and are required to find innovative solutions for responding to the related problems/needs. Interregional cooperation through the exchange of experience and best practice in Europe can clearly contribute to addressing the regional issues and challenges previously identified, provided the emphasis is put on the most relevant fields. In that respect, it is essential to have a clear picture of the present situation and future trends concerning innovation, knowledge economy, and environment in a broad sense.

3.3. Innovation and knowledge economy: strategic context, state of play & future trends

3.3.1. Strategic context

The renewed Lisbon strategy for growth and jobs in the European Union places a strong emphasis on further developing the knowledge society. This is based on the notion that Europe's potential for future economic development is directly linked to its ability to create and promote high-value, innovative and research-based economic sectors, that are capable of competing with the best in the world.

An important pillar of this strategy is the need to increase expenditure in research and development (R&D). This will trigger a stronger growth of productivity and added value, both in knowledge-based sectors and beyond, through spill-over effects. Studies demonstrate that up to 40% of EU labour productivity growth is generated by R&D spending. However the concept of the knowledge society is wider than just R&D. It covers every aspect of the economy where knowledge is at the heart of value added, triggering innovation in sectors ranging from high tech manufacturing to knowledge intensive services, including cultural and creative sectors. In addition to the use of knowledge, information and communication technologies (ICT), when used to their full potential, will lead to significant added value throughout all economic sectors.

Increased knowledge does not automatically lead to innovation, competitiveness and growth. It requires entrepreneurship to design new products and services, take advantage of new market opportunities and create added-value. Increasingly, new firms and Small and Medium sized Enterprises (SMEs) are major sources of growth and new jobs, making entrepreneurship of fundamental importance for the achievement of the Lisbon aims.

The EU Cohesion policy for the 2007-2013 period is one of the community instruments targeted at the achievement of the Lisbon goals. Strengthening the knowledge economy and improving innovation is one clear priority set for this policy, of which this Interregional Cooperation Programme is part. Cohesion policy aims to encourage regions to build up research and innovation capacity, by helping them to develop regional innovation strategies and action plans that will improve their competitiveness.

3.3.2. State of play

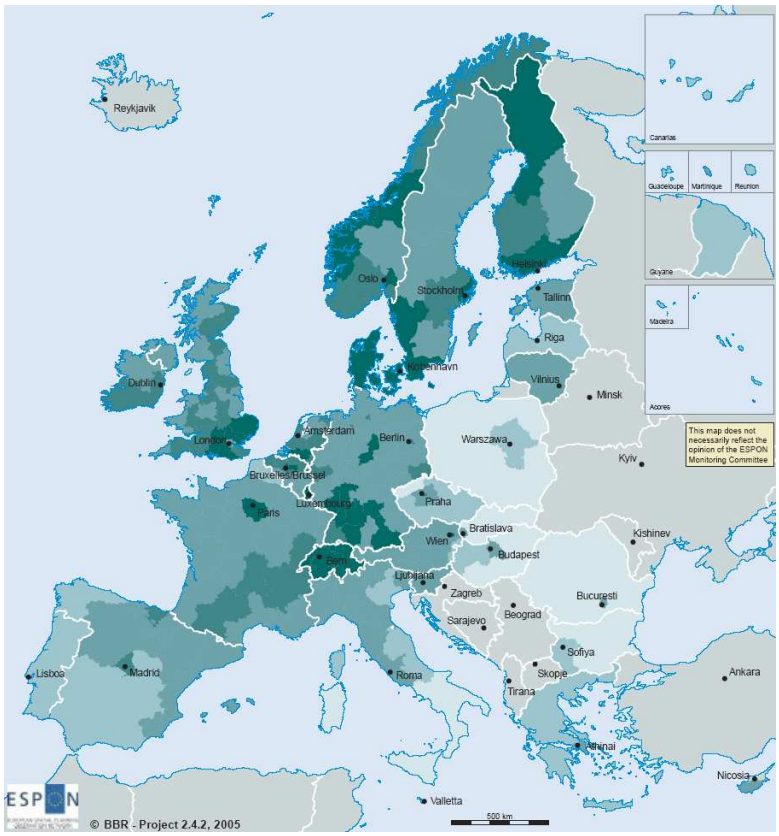
For the purpose of this Interregional Cooperation Programme it is relevant to analyse the present state of the EU's progress towards the Lisbon goals in the field of innovation and the knowledge economy, and in particular to do this in connection to the situation at the regional level. Not surprisingly, from such an analysis a picture of great regional differences occurs.

The issues that will be addressed in this analysis relate to:

- innovation, research and technology development,
- entrepreneurship and SMEs,
- the information society,
- employment, human capital and education.

A good starting point for this analysis is the ESPON study regarding 'regionalised Lisbon performance'. Based on a set of five indicators this study shows the relative performance of the regions in the EU-27 towards achieving the goals of the Lisbon Strategy. Above average performance levels are found mainly in regions in the so called Pentagon area (i.e. the area cornered by London, Paris, Milan, Munich and Hamburg), and additionally in parts of northern Europe. Regions with the greatest challenge in terms of catching up are in general located in the new Member States of Eastern Europe, showing the existence of an East-West divide in terms of Lisbon performance. A more mixed picture is seen in southern Europe, however

with a tendency to be below the EU average. As regions performing well above average are all located in the northern half of Europe (the southernmost regions in this category are located in Switzerland) the existence of a North-South divide is also eminent. The following map (*Map 2*) presents an overview of these findings.



Regionalised Lisbon performance
based on 5 aggregated indicators:

– Productivity (GDP/person employed; 2002)
– Employment rate (Employed population / population aged 15-64; 2003)
– R&D Expenditure (% of total GDP; 2001)
– R&D Business Enterprise Sector (BES R&D personnel/1.000 active persons; 2001)
– Highly educated population (% total pop.; 2002)

Below average
Moderately below average
Average
Moderately above average
Above average

© EuroGeographics Association for administrative boundaries

Regional level: NUTS 2

Origin of data: ESPON 2.4.2 BBR, own calculations

Source: ESPON database

The general picture in terms of the combined indicators shows highest competitiveness levels - in Lisbon terms - in the main metropolitan and industrial centres of Europe. The old industrial regions currently in the process of restructuring are however not part of this group. In addition, a number of less urbanised areas, for example in northern Europe, also exhibit high performance levels.

It is important to note that the findings presented above give a picture at an aggregated level. Regions performing below average on aggregate may well be ahead in the field of some of the respective indicators and vice versa. The overview does however illustrate the overall geographic tendencies and trends within the varied landscape of regional performance towards economic growth and jobs.

When looking in more detail at the separate elements and policies that together form the Lisbon ambitions in relation to innovation and the knowledge economy, some valuable observations can be made.

In relation to **innovation, research and technology development**, for Europe as a whole R&D expenditure has been more or less stagnant since 2001 at a level of 1.9% of GDP. This is well short of the Lisbon target of 3%. Within the EU relatively high R&D spending is concentrated in a limited number of regions, mainly located in the so called Pentagon area (i.e. the area cornered by London, Paris, Milan, Munich and Hamburg), with some additional regions in northern and southern Europe. Around 35 regions meet or exceed the 3% target, together accounting for 45% of the total R&D expenditure in the Union. As a consequence a large majority of the EU's regions has R&D intensities (well) below the 3% target.

This picture of higher investment in R&D activities concentrated in a limited number of regions is confirmed when looking at the regional distribution of research and innovation infrastructures. Presently 40% of the leading research institutes and universities, 46% of recognised Science Parks and 25% of Business Innovation Centres are concentrated in only 4% of the EUs regions. In contrast, 76% of EU regions contain none of these. The leading regions are almost exclusively located in the EU-15 countries, whereas research and innovation structures in new Member States are thinly spread. For the EU in general, research collaboration and knowledge transfer between public research organisations, like universities, and industry is still sub-optimal. However, examples of successful collaboration in the knowledge – public sector – commerce triangle present in several parts of the EU.

The importance of **entrepreneurship** in the innovation process has often been stressed. In particular, the step of transforming knowledge (innovation input) into new and marketable products and services (innovation output) is one that requires strong business involvement. **SMEs** play a central role in this process. Close cooperation and exchange of knowledge and experience between 'knowhow' centres and SMEs play an important role in this process.

The entrepreneurial climate in Europe is perceived to be unfavourable, notably compared with the United States and Japan. Lower rates of new entrepreneurial initiatives, less firm growth and more adversity towards risk-taking are noted. Despite its primordial importance for the European economy, entrepreneurship is not a preferred career option for most Europeans. As many as 60% of EU citizens say that setting up their own business has never even occurred to them.

This contributes to the so called 'innovation gap' between the EU and the US, which is indicated by a relatively weak performance of the EU in terms of development of new products and services and patents. Causes for the lacking entrepreneurship in Europe include the relatively high burden of rules and regulations imposed on businesses, the limited availability of finance for business initiatives and the perceived severity of the (legal, financial and social) consequences in case of business failure.

Today SMEs already account for approximately 66% of private employment and 57% of value added in EU-25. They comprise all types of firms ranging from one-person businesses to cooperatives. Some SMEs offer very traditional services or craft products, many others are fast-growing high-tech companies with strong innovation potential.

However many existing SMEs face difficulties, in particular when it comes to developing innovative products and services. These include difficulties regarding access to information, networking and partner-finding, difficult access to finance, the need for better qualified staff and the need for advice and support services for the development of the SME company.

With respect to the **information society**, access to ICT has been recognised as an important driver for the knowledge economy. In business, the ICT sector already experiences higher than average growth rates in recent years. It is the most innovative and research intensive sector in the EU, representing 25% of the total research effort (2000-2003). However, the adoption of ICT applications in business remains relatively low, particularly in SMEs. The overall contribution to the EU's economic growth by ICTs was only half that observed in the US, in 2003.

When looking at ICT penetration rates, significant differences occur across the EU territory, varying between Member States from 20% to 70% of households having internet access. But differences in penetration also occur within Member States, where Objective 1 regions tend to have lower coverage (on average only 30%), while urban areas are well ahead of rural areas (90% vs 60% in the EU-15).

Since the 1990s, significant progress has been made in **employment** across Europe. By 2003, the overall employment rate for the EU was up to 64.3%, however still a long way from the Lisbon target of 70% employment by 2010. Also participation in the labour market of women (56% in 2003) and of older workers (aged 50 and over, 41% in 2003) needs to be in-

creased to meet the respective Lisbon targets of 60% and 50%. Within the EU considerable differences in unemployment rates occur between Member States, with many of the new Member States presently below the EU average. Regional and local authorities throughout Europe are increasingly becoming involved in employment policy, most notably in the framework of local employment development (LED).

To increase the productivity and competitiveness of the knowledge economy, Europe also needs to invest in **human capital and education**, to assure the availability of a well-educated, skilled and adaptable workforce that is able to embrace change. This applies to both high- and low-skilled positions and to both manufacturing and services. It is also necessary to attract and retain the best scientific brains in the world by offering them suitable circumstances to work and live. Education and training systems must be improved so that enough young people are graduating with the appropriate skills and to reduce the number of early school leavers. On average in the Union (2002), 23% of males and 20% of females in the 25–64 age range hold a higher education qualification (i.e. over secondary education), a figure well below that for Japan (36% of males and 32% of females) and the United States (37% for the overall population).

3.3.3 Future trends and perspectives

Over the coming years Europe will need to make a considerable effort to achieve the Lisbon target to become the world's most competitive knowledge-based economy. In the field of innovation and knowledge economy the EU will have to invest in R&D infrastructures, the entrepreneurial climate and business innovation, as well as the use of ICTs.

Within the EU considerable disparities exist in these fields, between countries, cities and regions. Many of them are trying to improve their economic performance in the context of the Lisbon challenges. Nevertheless, this poses an additional challenge for the EU: to make sure that the development towards the Lisbon goals takes place across its whole territory. The already strong regions of the EU can be motors of this development; however the process is equally important in other EU regions. While Europe as a whole tries to catch up with its competitors on the global scale, the lagging regions of Europe have to be supported to realise their full potential, and contribute their share.

3.4. Environment and risk prevention: strategic context, state of play and future trends

3.4.1 Strategic context

The European Union is committed to sustainable development, which involves protecting and improving the quality of environment. Globally, that means safeguarding the Earth's capacity to support life in all its diversity, and respecting the limits of the planet's natural resources. An EU-wide environmental policy makes sense, because all EU citizens are entitled to the same level of environmental protection and all businesses are entitled to operate in the same competitive conditions. However, a key principle is flexibility. Different national circumstances should be taken into account as far as possible, and some decisions are best taken locally.

The environmental strategic context rests on several key EU agreements and policies.

In June 1998, the European Council in Cardiff stressed that environmental protection was to be integrated into the definition and implementation of all Community activities and policies and that there was a need to evaluate the environmental impact of Commission proposals. A major step was then achieved by the European Council in Gothenburg in June 2001, during which a strategy for sustainable development (SDS) was agreed. It completes the Union's political commitment to economic and social renewal by adding a third environmental dimension to the Lisbon strategy, and establishes a new approach to policy making. This approach

is based on the principle that the economic, social and environmental effects of all policies should be examined in a coordinated way. It also takes into account the need to improve policy coordination at the level of the Member States, to achieve better policy coordination in the Union, and to build an effective review of the Sustainable Development Strategy. The European Council of June 2006 adopted an ambitious and comprehensive renewed SDS for an enlarged EU. It builds on the Gothenburg strategy of 2001 and is the result of an extensive review process that started in 2004.

The selection of important environmental themes for interregional cooperation derives both from the review of the EU Sustainable Development Strategy, and from the 6th Environmental Action Programme (EAP) 2002-2012, which constitutes the main basis for EU action. Although the EAP builds on 30 years of activity, which have already delivered a wide range of benefits (i.e. much cleaner air and water, better management of waste, more environmentally friendly products), huge challenges remain. The European Council has, as a first step, singled out a number of objectives and measures as general guidance for future policy development in four priority areas: *climate change; nature and biodiversity; environment, health and quality of life; and natural resources and waste.*

A short overview of these four priority areas is set out below:

***- Climate change** is a major challenge for this decade and beyond. The EU's long-term objective is to prevent the global temperature from rising by more than two degrees above the level of the pre-industrial era. The objective is to reduce greenhouse gases to a level that will not cause unnatural variations of the Earth's climate. In the short-term, the European Union's aim is to achieve the objectives of the Kyoto Protocol , i.e. to reduce greenhouse gas emissions by 8% by 2008-2012 compared with 1990 levels.*

***- Protecting nature and biodiversity**: a healthy natural environment plays an important role in our economy and helps improve the quality of our lives. It provides a number of ecological services such as providing a quality water resource, flood protection and storage. Safeguarding these ecological functions has important environmental and economic benefits. (e.g. allowing space for wetlands along river flood zones to absorb excess water is more cost-effective than building expensive hard engineering flood barriers).*

*- The **quality of the environment has a direct impact on the health and the quality of life of European citizens**. Diseases caused by environmental factors are on the increase. The EU goal is to deliver an environment which is not harmful to health and which maintains our present quality of life. The objective described in the Communication in this field is to achieve a quality of the environment which does not give rise to significant impacts on, or risks to, human health.*

- Management of natural resources and waste

The overall strategy is to use natural resources efficiently. It is important to prevent waste, and what cannot be prevented as such has to be re-used, recycled and recovered as much as is feasible, with landfill being only the last option. In this respect, the objectives are twofold: to ensure that the consumption of renewable and non-renewable resources does not exceed the carrying capacity of the environment; and to achieve a decoupling of resource use from economic growth. This is to be achieved through significantly improved resource efficiency and the reduction of waste.

Moreover, these four main axes under the 6th Environmental Action Programme are further supported by seven thematic strategies on air pollution, prevention and recycling of waste, protection and conservation of marine environment, soil protection, sustainable use of pesticides, sustainable use of resources and urban environment.

These strategies are directed towards all types of national, regional and local actors that can contribute positively to maintaining a safe and sustainable environment.

3.4.2. State of play

For the purpose of this Interregional Cooperation Programme, it is relevant to analyse the present state of the EU's progress towards promoting a sustainable development of its territory, and in particular to do this in connection with the situation at national and regional levels. The issue is particularly complex because of the great variation in environmental factors affecting different regions across the EU.

The issues that are addressed in this analysis relate to:

- *natural and technological risks,*
- *water management,*
- *Waste prevention and management,*
- *biodiversity and preservation of natural heritage,*
- *energy and sustainable transport,*
- *cultural heritage and landscape.*

Each of these issues are analysed below:

- Natural and technological risks

Hazards are natural extreme events or technological accident phenomena that can lead to threats and damages among the population, the environment and/or material assets. Regions are exposed to hazards in varying degrees, placing them in different "**natural risk** positions".

The range of natural hazards that affect the development of regions within the European Union is wide. It includes phenomena such as floods, forest fires, precipitation deficit/drought, extreme temperatures, winter storms, earthquakes, avalanches, landslides, tsunamis and volcanic eruptions. Their occurrence is more and more frequent, partly due to climate change, which has a high impact on some, notably floods, forest fires, drought, avalanches, storm surges and extreme temperatures. The cumulative effect of these hazards is a constraint for territorial competitiveness.

Southern European cities are increasingly confronted with water shortages and heat waves. A large number of regions, in particular in the Mediterranean Basin, have faced drought in the past decades. East European countries have experienced the highest number of floods during the last 15 years compared with the rest of Europe.

Two of these natural phenomena, namely floods and forest fires, deserve specific attention considering their relatively high occurrence in recent years.

The number of floods in the EU-27 has increased every decade since the 1960s, while at the same time the costs associated with them have risen substantially, partly as a result of built-up areas continuing to expand in areas prone to flooding. If this continues, it could increase the frequency and scale of flood disasters because of its effect in reducing the amount of water that the soil can absorb. On top of this, climate change is likely to lead to more extreme weather patterns and itself increase the frequency of floods. At present, 7% of people in the EU-27 live in areas at high risk of flood. This proportion varies from around 2% in Denmark to 12–13% in Austria and Slovakia. In 44 of the 1275 NUTS 3 regions for which data are available, over 20% of the population is at risk. Thirty of these regions are in Germany, 5 in Austria, 3 in Italy and 2 in Spain, France and Romania.

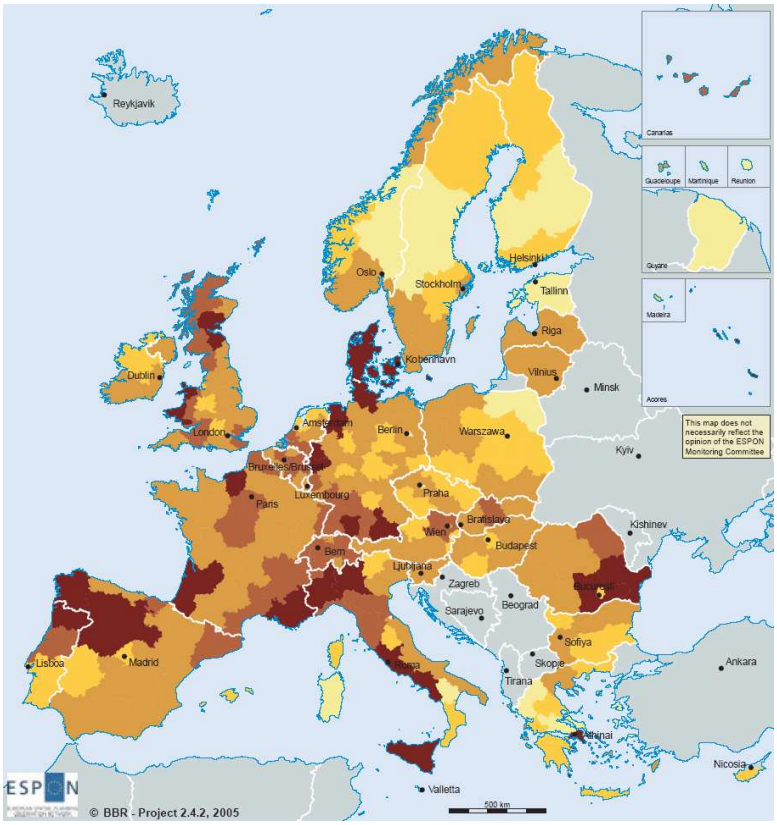
Forest fires, which can cause considerable damage in environmental terms, e.g. by the destruction of fauna and flora, can be natural phenomena (e.g. self ignition, lightning, etc.) but the ignition of most of them is caused by human factors (for example, risks increase with population density and road density). The trend of increasing fire occurrences seems to be a clear consequence of the changing rural and urban space due to economic transition. Un-

precedented numbers of catastrophic fires and areas affected by fire, especially in south European countries, have been observed over the last 15 years. The areas with the highest potential for forest fires lie in the Mediterranean, parts of Romania and Bulgaria, and in some hot spots in central Europe.

In addition to providing emergency aid (through the European Union Solidarity Fund created after the devastating floods that hit central Europe in August 2002), there is a need to be able to respond to the likely repetition of disasters linked in part to the negative effects of human activities on the environment, in particular the accelerating pace of climate change. There is a need to consolidate European solidarity to meet these challenges. The Member States and the Commission will therefore have to further develop their initiatives in this field through better coordination and prevention. Financially, prevention is preferable to repair, as a disaster can completely destroy the results of substantial investment in a region's development.

In addition to the natural hazards described above, technological – or man-made – hazards pose threats to human health and well-being and the environment. Technological hazards can have very long lasting, "non-natural" effects (e.g. oil spills and nuclear fallout). They include a wide range of hazards such as industrial pollution and accidents, maritime transport accidents, toxic waste spills, nuclear activities and radioactivity.

The following map (*Map 3*) presents an overview of the regionalised hazard exposure:



Degree of hazard exposure as an aggregate of 7 indicators:

Natural hazard:
– Flood events (Regional average number of flood events) -
– Forest fires (Number of fires 1998-2002) -
– Winter storms (Probability of having winter storms)
– Earthquake hazard potential (Mean value of grid points inside NUTS 2 boundaries) -
– Volcanoes (Number of all volcanoes in NUTS 2 area) -
Technological hazard:
– Oil hazards (Average of 3 indicators: harbours, pipeline, refineries) -
– Risk of radioactive contamination (Distance from nuclear power plants) -

- Below average
- Moderately below average
- Average
- Moderately above average
- Above average

© EuroGeographics Association for administrative boundaries

Regional level: NUTS 2

Origin of data: ESPON 2.4.2 BBR, own calculations

Source: ESPON database

- Water management

Concerning **water**, the picture is characterized by the numerous and increasing pressures on resources. 20% of all surface water in the European Union is seriously threatened with pollution, 60% of European cities overexploit their groundwater resources and 50% of wetlands have "endangered status" due to groundwater over-exploitation. Besides, the area of irrigated land in southern Europe has increased by 20% since 1985. The European response to these problems rests basically on the Water Framework Directive which expands the scope of water protection to all waters, and sets a clear objective that "good status" must be achieved for all European waters by 2015. The Directive also promotes a single system of

water management based on river basin management and indicates that sustainable water use should be ensured throughout Europe. Globally, the objective is to establish a Community framework for the protection of inland surface waters, transitional waters, coastal waters and groundwater, in order to prevent and reduce pollution, promote sustainable water use, protect the aquatic environment, improve the status of aquatic ecosystems and mitigate the effects of floods and droughts.

- Waste prevention and management

The EU is faced with a growing problem of **waste** management, with an increase in total waste generation that has proportionally outpaced GDP growth over the last decades, mainly due to the increase in municipal waste (around 20% between 1995 and 2003), the single fastest growing waste stream.

In 2005, the Commission presented its new thematic strategy on waste prevention and recycling, of which the proposal for a new EU Waste Directive is a constitutive element.

Member States are required by the Union to prohibit the abandonment, dumping or uncontrolled disposal of waste. On the other hand, they shall promote waste prevention, recycling and processing for reuse.

The objective is to establish an integrated and adequate network of disposal installations so that waste can be disposed of in one of the nearest appropriate installations that guarantee a high level of environmental protection.

The competent authorities designated by the Member States are required to draw up one or more management plans relating, in particular, to the types, quantities and origins of the wastes to be recovered or disposed of, the general technical requirements, any special arrangements for particular wastes, and suitable disposal sites and installations.

- Biodiversity and preservation of natural heritage

Preserving **natural heritage** and **biodiversity** is one of the EU's most pressing challenges. Healthy and balanced natural systems are essential to supporting life and the functioning of society. Many European species are under threat, One of the main factors is a lack of attention to the linkages between biodiversity and economic development. Europe's landscapes, which are a critical part of its natural heritage and essential homes for biodiversity, are undergoing widespread and potentially irreversible changes.

The designation of 18% of Europe's land area as protected areas under the NATURA 2000 network contributes to securing the health and diversity of its ecosystems. Regarding conservation of habitats, most countries have been slow in selecting proposed sites. Concerning species protection, the information sent by the Member States remains vague.

There were major delays in the implementation of the Habitats Directive, but now the key challenges are in managing the sites within the network and integrating NATURA 2000 into other land use activities and policies to achieve sustainable development.

Finally, the utilisation of contaminated, desertified and brownfield lands is an increasingly important element of sustainable spatial development. Their regeneration can help to reduce the effects of city expansion.

- Energy and sustainable transport

Energy consumption in the EU continued to grow, but proportionally less than GDP, so that energy intensity (calculated as units of energy per units of GDP) decreased by about 15% during the period 1990-2002. Nevertheless, the EU has an increasing energy import dependency (particularly high for oil with 81% of oil consumption in 2004) and a limited diversification achieved so far. The total EU-25 energy consumption in 2004 was broken down as follows: oil (37%), natural gas (24%), solid fuels (18%) nuclear (15%), renewable energy sources (biomass, hydro, wind, solar, geothermal) (6%). Oil and gas prices are rising. They have nearly doubled in the EU over 2003-2005, with electricity prices following.

The EU has made substantial progress on improving the efficiency of energy use. Four Member States (Denmark, Finland, Germany and Spain) are on track to achieve the renewable electricity target by 2010. Germany has also recently achieved a substantial growth in solar power. A few countries (notably Denmark, Germany and Spain) have successful results with regards to wind power. Renewable energies such as wind and biomass in particular are

a potential source of electricity in Ireland and Latvia. Solar energy is paradoxically relatively weakly exploited in southern European regions.

The ongoing changes in the present balance between climate and energy are detrimental to territorial cohesion (i.e. drought is responsible for the reduction of hydro-power potential in southern regions and therefore for the increase in demand for other types of energy supply, including the traditional polluting ones). Moreover, there is a limited coordination between energy players regarding the large investments that are required in energy infrastructure.

The energy market liberalisation nearing completion (in July 2007) should also accelerate or modify some situations.

Energy is the source of almost four fifths of total greenhouse gas emissions in the EU. Of these, the **transport sector** contributes to around one third. Transport activity is indeed a major user of non-renewable energy resources. Carbon dioxide emissions from urban road transport continue to rise. Road transport accounts for about 84% of CO2 emissions from transport.

Major problems faced in urban areas such as poor air quality, high levels of traffic, congestion, and ambient noise, greenhouse gas emissions, and urban sprawl are largely due to poorly sustainable transport (mainly road transport). However, local air pollution has improved in most cities in recent years, largely due to progress in vehicle emissions and fuel quality (with initiatives such as the use of improved collective and non-motorised modes and information systems for better traffic management).

The strategy at EU level is mainly based on subsidiarity, giving priority to local initiatives while promoting cooperation between the different levels of decision-making (Community, national and local) and interweaving the various strands of urban development.

- Cultural heritage and landscape

The whole European territory possesses a wide range of **cultural assets** and landscapes which are increasingly threatened with destruction and decay due to many and different factors, both natural and human. Protection, preservation, conservation, management and enhancement of heritage and landscapes at national level often remains incomplete even if local and regional authorities are generally strongly involved in the development of these assets. Moreover, access to cultural resources is potentially more problematic in heavily urbanised areas where land use pressures are higher. Good management of tourist and cultural resources and landscapes is the best way to combine preservation and conservation with economic promotion.

3.4.3. Future trends and perspectives:

Large parts of southern Europe will see a shift towards temperature-extreme conditions that now occur mainly in the Mediterranean North Africa and the south-western Iberian Peninsula, leading to increased occurrence of drought and fires. At the same time in coastal areas and river basins across Europe a steady rise of water levels is expected, leading to further increase in the risk of flooding. Due to changing factors, such as climate, **Natural risks** are highly likely to increase in the future decades. **Technological risks** such as those linked to maritime accidents or production facilities continue to pose a serious threat to ecosystems and the safety and health of the population in much of the EU.

Moreover, the territorial impacts of climate change such as modifications in land use are likely to be detrimental to territorial cohesion, although a number of rural or peripheral/disadvantaged regions could draw some benefits in the future, in particular in the northern half of the EU.

Even if the occurrence of natural hazards is not easily predictable, prevention and reduction of potential damage is possible. In this prospect, it seems important to encourage actors at all territorial levels (from local/regional to transnational) to act for a better integration of risk management into policies.

The need for **water** resources will increase over the coming decades, while the demand by citizens and environmental organisations for cleaner rivers and lakes, groundwater and beaches is not likely to fall. By 2010, Member States are required by the Union to ensure that water pricing policies provide adequate incentives for users to use water resources efficiently, and that the various economic sectors contribute to the recovery of the costs of water services, including those relating to the environment and resources.

With regard to **waste**, the specific target is to reduce the quantity going to final disposal by 20% by 2010, and 50% by 2050. The EU's objective is to reduce the environmental impact of resource use and to produce less waste for the same amount of economic growth. This means using more renewable resources (as long as their use is sustainable), recycling more and managing residual waste better.

The revised EU Waste Framework Directive, includes the proposal to look beyond the pollution caused by waste, and to consider its potential contribution to a more sustainable use of natural resources and raw materials.

An unprecedented effort would be needed to achieve by 2010 a significant reduction in the rate of **biodiversity** loss at all levels. One solution could be for the management of designated sites to form part of the EU's broader land management policy (for instance, the Common Agricultural Policy, and rural and regional policy).

Expected benefits from the economic point of view (development of ecosystem services, activities related to the sites such as tourism) and from the social point of view (more diverse employment opportunities, improved living conditions, safeguarding heritage) could be high over the next decades if appropriate actions are taken, especially in terms of protection, restoration and sustainable use of natural heritage.

Finally, there is a need to integrate the funding of NATURA 2000 into other relevant Community policies, with high attention paid to cooperation programmes that consider the cross-border impact of protecting biodiversity.

Global demand for **energy** will rise in the future, with total world energy consumption in 2030 set to be almost 60% higher than it was in 2002 (according to IEA World Energy Outlook). This growth is expected to be largely fossil fuel based. Unless domestic energy becomes more competitive in the next 20 or 30 years, around 70% of the Union's energy requirements are expected to be met by imported products, compared with 50% at present. The 12% overall target, as well as the target of 22% renewable share in electricity production, will not be achieved unless extra measures are taken, such as the removal of administrative and grid barriers.

The goal is to develop a medium and long-term strategy to reduce the EU's dependency on energy imports in a manner that meets the objectives of the strategy for growth and jobs, paying specific attention to the problems of islands and regions largely isolated from the EU energy market.

Significant scope still remains for further improvements. This is notably the case in the new Member States, e.g. through technology transfer. Cost-effective measures for improving energy efficiency remain underused (according to European Environment Agency 2005). Efficiency measures for buildings, vehicles and consumer goods would help to reduce demand. Sustained investment in renewable energies, energy efficiency and the use of hydrogen as an energy source could help reduce European dependency on fossil fuels. Besides, the higher availability of some renewable energies such as wind, solar and geothermal sources in a number of EU regions is likely to create high-quality, local jobs in new energy-efficient equipment and energy services.

There exists a large consensus among political leaders for greater emission reductions in industrial countries This applies for instance in the transport sector. Indeed, it is probable that increased car use will be accompanied by safety and environmental problems (such as congestion and pollution) as well as by a downward spiral of under-investment in public trans-

port. This is the reason why it is essential for regional and local players to investigate integrated transport approaches as real alternatives to car transport. Substantial investment in hydrogen as an energy source could also help reduce European dependency on fossil fuels.

Finally, the protection and promotion of **cultural heritage** and landscapes can play a significant role in stimulating regional development. Cultural assets and landscapes are a major territorial development potential, not just for urban and coastal areas, but also for a number of rural areas. The right balance between use and protection is thus a precondition for the effective and sustainable use of such territorial potential. Innovative approaches can be used to make cultural heritage and landscapes more visible and accessible. These provide the basis for further exploiting cultural resources for information and educational purposes, research and sustainable tourism development.

In brief, the commitment by the EU to sustainable development can be achieved by tackling a wide range of issues in which regional and local authorities can play a major role. These institutions are yet not at the same level of development throughout Europe, for a number of reasons, in particular: they do not have the same natural and cultural resources; or they are not affected with the same degree of intensity by these phenomena; or they have made specific political choices concerning the use of energies. Therefore, there exists a real contribution of interregional cooperation to addressing the issues previously identified, especially by exploiting the ideas and practices existing in the most advanced regions.

3.5. Interregional Cooperation experiences

Interregional cooperation took place not only within the INTERREG IIIC programme but also in several other EU programmes such as the EQUAL initiative[1]. However, since this programme is the direct successor of the INTERREG IIIC programme (2000 – 2006), this section will focus on the experiences gained in this framework. In addition an analysis is presented of the experiences collected in the thematic fields that are addressed by the 2007-2013 Interregional Cooperation Programme, notably innovation and the knowledge economy, and environment and risk prevention.

3.5.1. Overview of the INTERREG IIIC programme

As a starting point, the current situation of interregional cooperation undertaken through INTERREG IIIC is reviewed both in quantitative (key figures) and qualitative terms (main lessons learnt from the INTERREG IIIC experience).

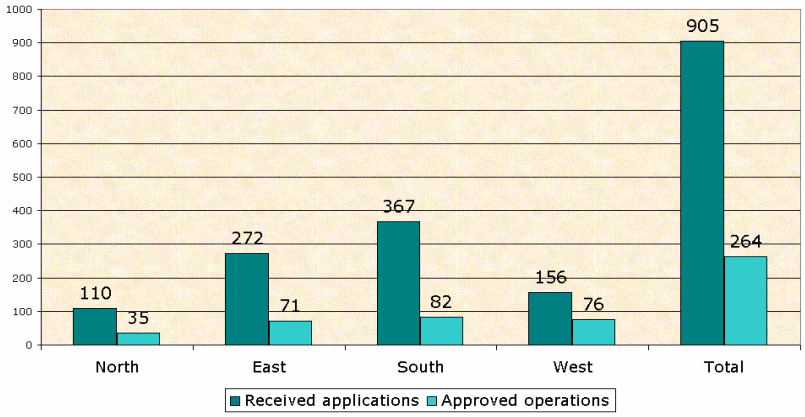
Key figures

Number of received applications: 905 Number of approved projects: 265 Selection rate: 29%	Number of partners involved in approved projects: More than 2600 Number of partners per project: around 10

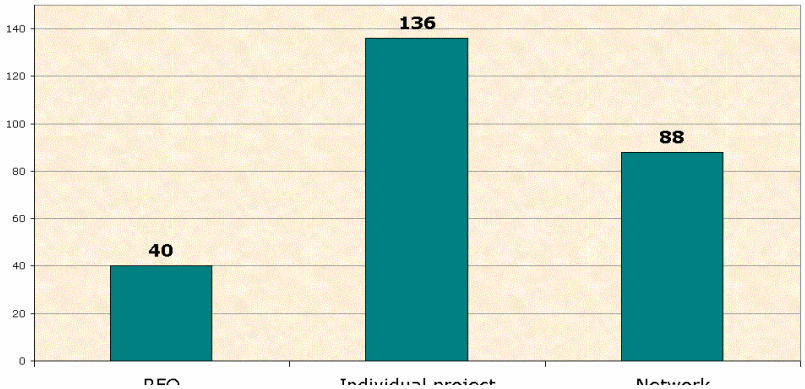
The mobilization of regional and local authorities and bodies governed by public law was high in Europe, especially in the South zone. Regional Framework Operations (RFO), introduced under INTERREG IIIC, have proven to be a relevant type of operation in response to the demand from regional authorities wanting to commit themselves to a higher intensity of cooperation in the medium-term. Looking at the topic for cooperation of approved operations seems to indicate that most were not based on existing projects co-financed by mainstream programmes..

[1] The final evaluation report of EQUAL can be found at http://ec.europa.eu/employment_social/equal/about/evaluation_en.cfm

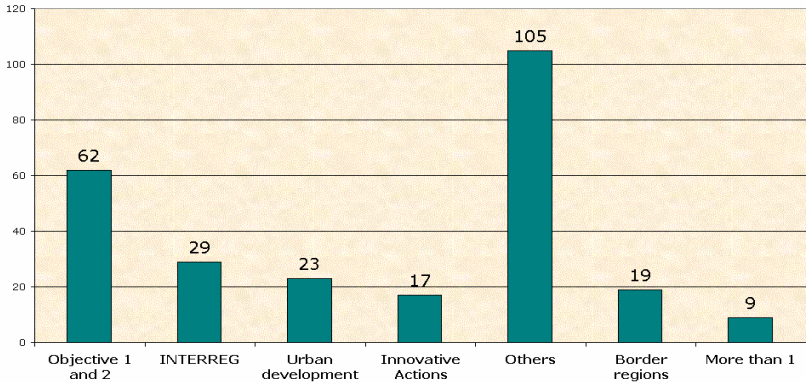
Applications received in relation to operations approved
All zones



Approved operations by type of operation
All zones



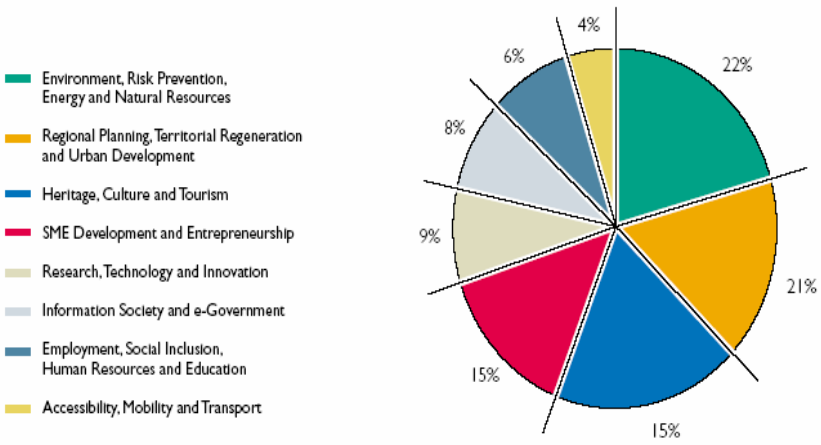
Approved operations by topic for cooperation
All zones



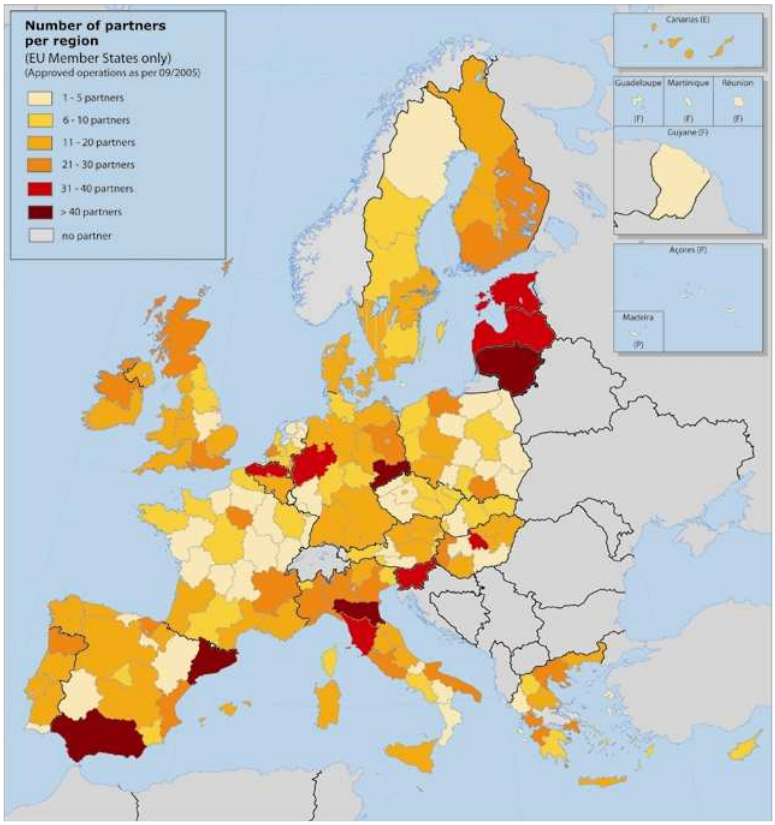
Source: INTERREG IIIC operations: the complete collection – 2005

Addressed themes

75% of INTERREG IIIC projects addressed themes directly related to future thematic priorities, broken down as such: **38%** for R&D, Innovation, Information society, SMEs, employment and education and **37%** for Environment and risk prevention, energy and natural resources as well as heritage and culture.



It is worth noting that projects related to other themes such as heritage, culture and tourism and to employment and education also refer to future thematic priorities.



(Map 3)

Geography of partners under INTERREG IIIC

A mapping of the frequency of regions participation in the different INTERREG IIIC projects has been carried out. Co-financed projects in the four programming zones are included, with both Lead partners and other partners. This mapping gives a rough idea of which are the most active regions in Europe regarding interregional cooperation. Almost all EU regions are involved at least to a certain extent.

Table 1: Main lessons learnt from the INTERREG IIIC experience

	Positive outcomes of INTERREG III C	Shortcomings and aspects to be improved
Overall focus	▪ The IIIC programme has shown great 'mobilisation potential' in a very short time period of about three years, meaning there was a large number of applications as well as a large number of participating organisations. The European openness for cooperation is considered as very positive by regional and local authorities.	▪ The objective of influencing other Structural Funds programmes has only been partly achieved, as the demand for cooperation in this field was not massive in the current programme. In that respect, INTERREG IIIC was perhaps too ambitious. ▪ Difference between what the EC/MS wanted and what could emerge from the bottom-up approach (i.e. what the project applicants really want). Lack of experience with interregional cooperation was an important reason behind this.
Approach / Results	▪ The bottom-up approach fitted to a large extent the main target group, being demand driven and giving power to regional and local public authorities (54% of total partners). The targeting and involvement of regional policy-makers was particularly strong to ensure the longer term impact of operations in some projects ▪ Even if it is still too early to assess the full achievements and effects of operations, there is clear evidence that exchange and dissemination experience is taking place (cf. MTE Update).	▪ Generally speaking, not yet sufficiently developed knowledge transfer on programme level and between operations. Not yet enough good practices integrated into regional and local policies. Problem of capacity building in most cases: projects don't always know how to disseminate their tools. However, the process of capitalisation was not explicitly foreseen in the programme documents at the beginning of the period. Moreover, the capitalisation of results can be done only if results are available and not at the launch of the programme. ▪ Reflecting the nature of interregional cooperation, LPs mostly defined qualitative results of their operations (e.g. improved cooperation, common working procedures, improved efficiency of SF operations, etc.) which can't be easily assessed and aggregated at programme level. It would be essential to encourage and help LPs develop good practices in this context in the future.
Topics for cooperation		▪ Topics for cooperation are too vague and misleading and therefore need to be better defined (although one benefit is that this allows for maximum flexibility). A thematic approach would have allowed an easier development of strategies to promote the results. However, a first step in this direction has been developed by the JTSs (see thematic categorisation in par. 2.2.1). Globally, at least 54% of current projects would come directly under the Lisbon and Gothenburg priorities.
Types of operations	▪ The three different types of operations offer different forms of interregional cooperation activities that as such are found relevant by project participants	▪ Some weak points concerning the types of operations can be underlined: - <u>For RFOs</u>: complex structure, it takes several months before real setup of concrete activities; many of them are underspending at the beginning of their implementation which has clearly contributed to programme decommitment in some zones. However, active support and guidance from JTS and between RFOs led to improved performance of RFOs.

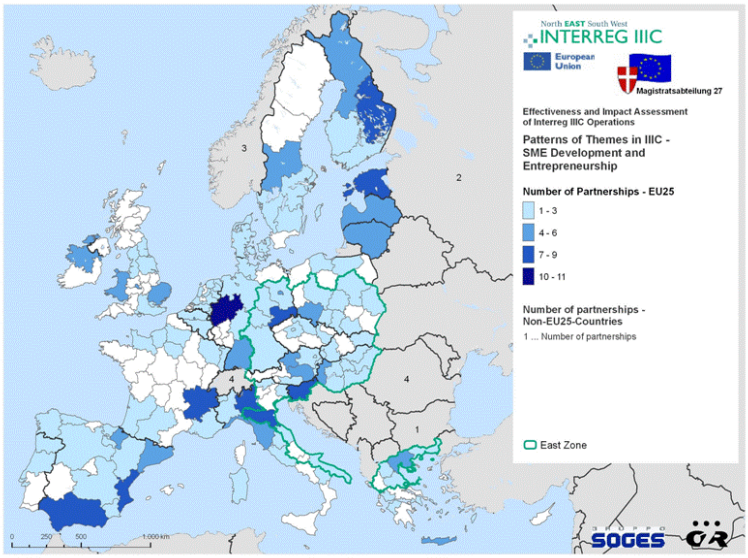
		- For ICP and Network: although rather evident in the programme documents, the distinction between these two types of operations in practice is nevertheless not clear enough for project applicants. It turns out that the activities foreseen in the application forms were not as distinctive as expected in theory
Programme management and implementa-tion	▪ Generally speaking, the implementation structure of the programme has been well rated. The working method developed by programme bodies and implemented by JTS is very rigorous and globally effective. ▪ Management system (four zones) is well developed and constitutes a good basis for future programmes to build on, even if further harmonisation is needed. It also allows a clear geographic closeness as well as "institutional" and cultural proximity to Lead partners and therefore a facilitated regular contact with operations, which has been highly appreciated by project promoters. The proximity approach breaks down the variety and number of institutions to a smaller and therefore more manageable size.	▪ Some monitoring and control aspects could be improved, such as more efficient and harmonised auditing at the MS level, simplified application provisions (forms, procedures), simplified reporting, greater budget flexibility at the programme level
Partners	▪ Total number of regions involved high + wide geographic coverage. ▪ The participation of New Member States (NMS) partners in the operations which amounts to 20% of total partners is rather encouraging,	▪ Concerning the NMS partners, there was a relatively low representation as Lead Partners (partly justified by the fact that they could only become LP as of the 3rd application round). Specific attention should be given to supporting their participation in the next period.

3.5.2 Innovation and the knowledge economy - experiences from INTERREG IIIC

The INTERREG IIIC programme supported a large number of projects dealing with issues related to Innovation and the Knowledge economy. Of all 265 IIIC operations more than 30%, or about 90 projects, directly aimed at one or more aspects of this main theme. These projects can be subdivided into three groups: SME development and entrepreneurship; Research, technology and innovation; and Information society and e-government[2].

A more detailed look at these projects shows that half (45 projects, 15% of the programme total) concentrate on the theme SME Development and Entrepreneurship. This group of projects show great diversity in the policy approaches and issues at hand. Some of them concentrate on SME development in a specific sector, including for example aquaculture (AQUAREG), audiovisual (ECRIF-AV), wood production (VAW) or tourism (TOURISME).

Other operations focus on the issues related to entrepreneurship in specific environments, for example deprived urban areas (LNET), rural areas (PRAXIS) or sparsely populated areas (EKIE). Many other projects addresses a range of cross-cutting issues related to SME development and entrepreneurship, for instance development and support of business clusters (CLOE), environmentally conscious entrepreneurship (ECOLAND) or access to finance (FINNETSME).



Map 4: INTERREG IIIC project partners SME Development and Entrepreneurship

The map[3] above shows that partners in SME development and entrepreneurship projects are spread widely over Europe, with both urbanised, rural and remote areas participating.

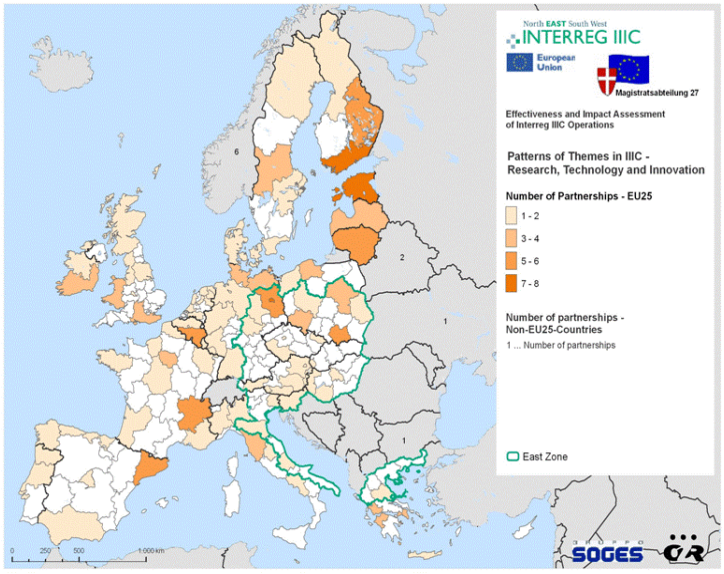
A second category of INTERREG IIIC projects is clustered around the theme of Research, Technology and Innovation, totalling 22 projects. Many of these projects focus on the role of innovation and R&D in regional development strategies, for instance MATEO and BEPART. Another group of projects concentrates on innovation in a range of specific sectors, including wind-energy (WIND-TECH-KNOW), maritime (INTERMAREC), biotechnology (BIOTECH-NET), ICT (TINIS) and transport (INNOTRAX).

Map 5 indicates that the theme of Research, technology and innovation is widely spread across the EU. The strongest concentration seems to be towards the North of Europe, with some more isolated regions in the South also very active.

[2] The overview in this paragraph is based on the publication *INTERREG IIIC operations: the complete collection*, by the four Joint Technical Secretariats of the IIIC programme.
[3] All maps in this paragraph have been produced by the INTERREG IIIC East zone Joint Technical Secretariat

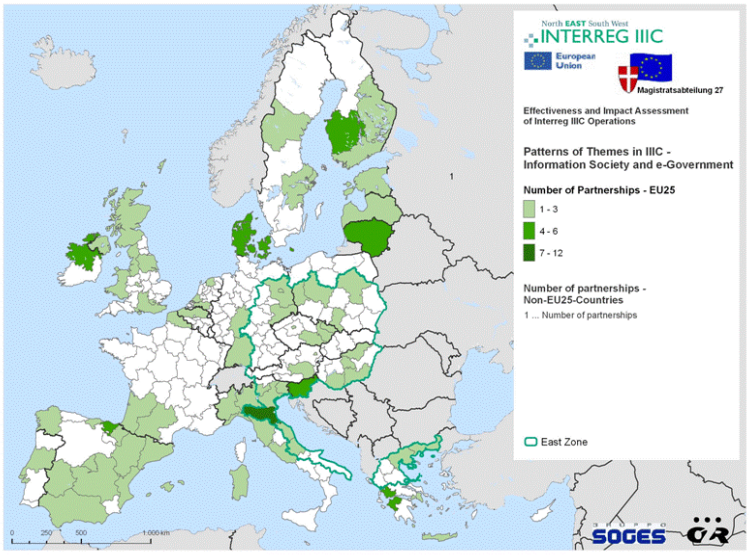
Some 20 INTERREG IIIC projects are in the Information Society and e-Government category. One group of projects in this category mainly deal with issues related to public decision making and public services supported by ICTs, for example eGOVREGIO and DEPURE. ICTs in support of business and SMEs is another field that many projects address, including ICHNOS, CAPTURE and BRISE. Other projects focus on ICTs in specific sectors for example data protection (EPRODAT) or healthcare (TELEMEDICINE).

Map 6 shows that project partners involved are rather scattered across Europe, with a tendency to be located towards the outer regions of the EU.



Map 5: INTERREG IIIC project partners Research, technology & innovation

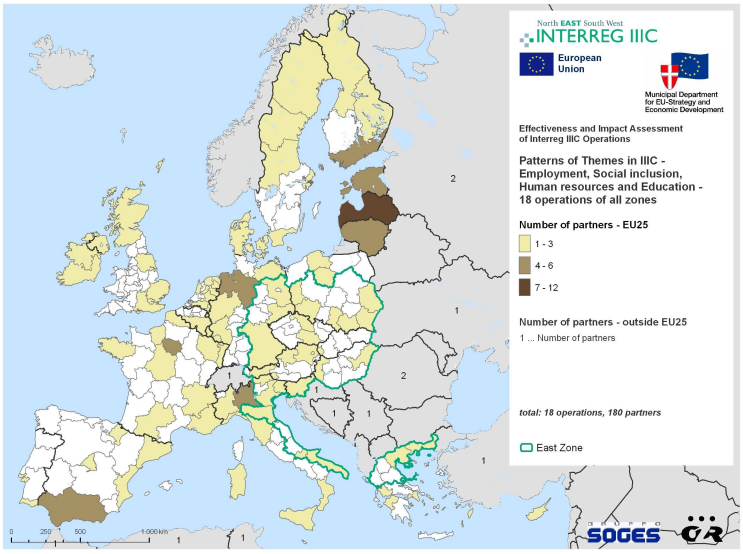
The partnerships of the projects in these three thematic groups generally show a good mix of regional and local authorities and other bodies in the domain of the knowledge economy, including regional development agencies, universities, technology and science parks, business centres and the like. This demonstrates that interregional cooperation projects are an instrument capable of bringing together the full variety of actors involved in the development and implementation of regional innovation and knowledge policies.



Map 6: INTERREG IIIC project partners Information Society &e-Government

One element that is shared by a majority of the projects in all three categories is a focus on SMEs in relation to technology transfer and innovation. The target group of SMEs is often specifically addressed, not only by projects directly dedicated to SMEs and Entrepreneurship, but also by those that put innovation or ICTs centre stage,. This underlines the importance of entrepreneurship and SMEs in the development of the knowledge economy which is also recognised at the regional level.

Under the Employment, Social inclusion, Human resources and Education theme approximately 20 projects were set up with a wide variety themes. These include the support for development of human resources (HANSE PASSAGE), inclusion of women in the workforce (W.IN.NET, LEAD), and migration and integration (C2C).

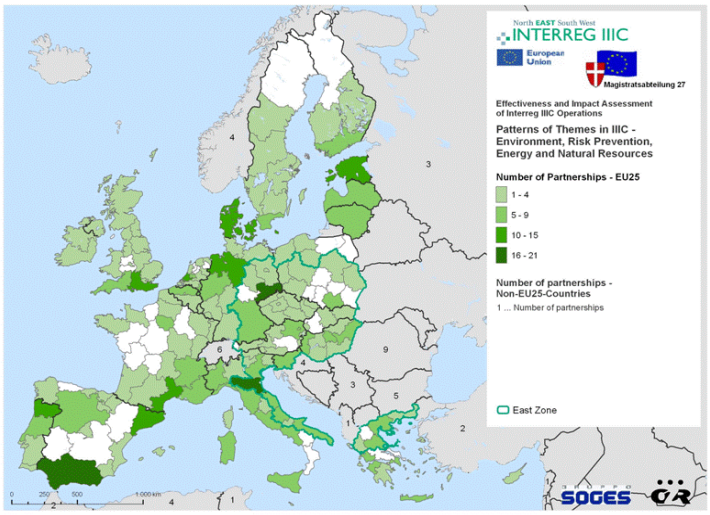


Map 7: INTERREG IIIC project partners Employment, social inclusion, Human resources and Education

Based on the maps it becomes clear that almost all EU regions are involved at least to a certain extent in activities related to Innovation and the Knowledge economy. The variation in the geographical patterns for each of the themes also indicates that each region has a distinct profile with respect to its priority issues in the wider framework of the 2007-2013 Interregional Cooperation Programme. This fact shows the potential for targeted thematic cooperation between regions across Europe.

3.5.3. Environment and risk prevention - experiences from INTERREG IIIC.

Environment and risk prevention was a very popular theme under INTERREG IIIC (59 projects in total representing 22% of overall projects) demonstrating a clear need amongst authorities across the EU for greater dialogue and exchange of good practice on key environmental issues. Besides, a significant number of projects were dealing with heritage, culture and tourism which in the context of this programme are also regarded as being part of a subtheme related to the environment field. The actual issues addressed by project promoters were very diverse, which is a logical consequence of the bottom-up approach.



Map 8: INTERREG IIIC project partners Environment, Risk prevention, Energy and natural resources

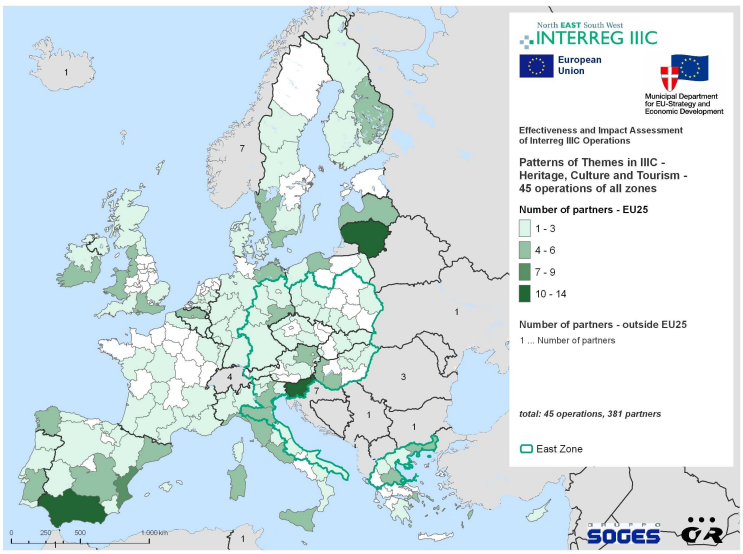
The location of partners is rather scattered, as a consequence the European territory is widely covered, reflecting the diversity of issues that can be tackled all over Europe and showing wide interest among local and regional actors.

A few regions are strongly involved in environmental-related themes. Their participation is much beyond the average rate. They share a common territorial characteristic of having a maritime coast (except in South-East Germany). The great majority of EU regions are involved at least to a certain extent.

The issues in this field that were most frequently addressed by INTERREG IIIC projects include biodiversity and nature (17 projects), risk management (10 projects) renewable energies (7 projects), water/river management (7). Whatever the issue, the sustainable dimension was tackled in most projects. Projects for example addressed the use of biomass for energy generation (REGENERGY project), development of improved and more efficient solutions to assess the impact of traffic on air quality in large urban areas (CITEAIR project). The INUNDA project deals with the prevention of flood risks in heavily urbanised areas. The GRDP project shares good practice on how the environment can be better integrated into all programmes benefiting from Structural Funds.

Another feature of this theme environment and risk prevention is the fact that for some projects the partnerships were exclusively concentrated in a geographical space, particularly the Mediterranean area (project INCENDI concerning forest fire prevention and fighting, project MEDITERRITAGE, etc.).

The issues under Heritage, Culture and Tradition were also very popular, with 45 operations co-financed. A great deal of them developed approaches linked to the environment and to sustainable development, such as ECOTOURISM, which dealt notably with environmental management of tourist areas, or WATER TOUR, which sought to promote water tourism regions by innovative strategies and technologies. Cultural heritage as an instrument of regional development was also developed in several projects (such as CULTURED).



Map 9: INTERREG IIIC project partners Heritage, Culture and Tourism

3.6. SWOT analysis

This section brings together the key findings from the previous sections of this part 3 in the form of a SWOT analysis. The main strengths, weaknesses, opportunities and threats that are relevant for structuring and implementing this interregional cooperation programme are summarised in the table below. On the one hand the SWOT analysis identifies the relevant aspects related to the socio-economic situation and evolution of the European territory, and on the other hand the experiences gained with interregional cooperation under INTERREG IIIC programme are incorporated.

It emerges from this analysis that there is a strong need to focus on actions aiming at curbing the effects in the EU of accelerating globalisation and climate change. This is why actions on innovation and environment preservation at local and regional level, carried out in a complementary way to work at national level, are so crucial in this programming period. Nevertheless, this would be partly inoperative if the results were an increase in territorial disparities. One way to avoid such a result is to network more-advanced and less-advanced regions on each theme that can clearly contribute to the achievement of the Lisbon and Gothenburg strategies.

Table 2: SWOT Analysis

	Related to the socio economic situation and evolution of the European territory		Related to interregional cooperation activities
	Innovation and knowledge economy	**Environment and risk prevention**	
1. Strengths	- Regions demonstrating above average 'regionalised Lisbon performance' levels are found in the so called Pentagon area and in parts of northern Europe. - A group of around 35 regions meet or exceed the Lisbon target of R&D expenditure of 3% GDP, - Regions leading in terms of innovation infrastructure are small in numbers (only 4% of all regions) but evenly distributed throughout the EU-15 countries - SMEs play a major role in EU economy, contributing approximately 66% of private employment and 57% of value added in EU-25. Many of those are fast-growing high-tech companies with strong innovation potential.	- The designation of 18% of Europe's land area as protected areas under the NATURA 2000 network contributes to securing the health and diversity of its ecosystems - The EU has made substantial progress on improving the efficiency of energy use. Several MS are on track to achieve the renewable electricity target by 2010 - Local air pollution has improved in most cities in recent years, largely due to progress in vehicle emissions and fuel quality. - The regeneration of contaminated, decertified and brownfield lands can help to reduce the effects of city expansion	- Great 'mobilisation potential' at regional and local level generating innovative results - The exchange and dissemination of experience is starting to take place, although not everywhere in Europe at the same pace - Participation of new MS partners rather positive, although varied between these countries - INTERREG IIIC experience demonstrates a large potential for interregional cooperation in the fields Innovation and the knowledge economy, environment and risk prevention with strong involvement of regions in all EU countries. - Several regions in Europe that are advanced in terms of their Lisbon performance level are involved in interregional cooperation projects - A wide geographical coverage of the themes proposed for the new programme shows potential for broad networking and cooperation in the future
2. Weaknesses	- Wide gap between South/East and North regions with regard to their Lisbon performance levels - Regions in the new Member States have the greatest challenge in terms of catching up to the knowledge economy. - Former industrial regions in the process of restructuring generally show below average development of the knowledge economy.	- The ongoing changes in the present balance between climate and energy consumption are detrimental to territorial cohesion - Major environmental problems faced in urban areas are largely due to poorly sustainable transport (mainly road transport). - The cumulative effect of natural hazards is a constraint for territorial competitive-	- Involvement of regional and local policy decision-makers not strong enough in most cases, especially with the view to planning real changes in their policies and tools - Insufficient knowledge transfer and capitalisation beyond the partnerships of INTERREG IIIC operations

	Related to the socio economic situation and evolution of the European territory		Related to interregional cooperation activities
	Innovation and knowledge economy	Environment and risk prevention	
	- R&D expenditure in Europe has been more or less stagnant since 2001 at a level of 1.9% of GDP. This is well short of the Lisbon target of 3%. - Innovation infrastructure (universities, science parks, innovation centres) is non-existant or underdeveloped in the vast majority of EU regions - For the EU in general, research collaboration and knowledge transfer between public research organisations, like universities, and industry is still sub-optimal - The entrepreneurial climate in Europe is unfavourable compared with the United States and Japan. Causes for low levels of entrepreneurship include high burden of rules and regulations, the limited availability of finance for business initiatives and severity of the legal, financial and social consequences of business failure. - There is an 'innovation gap' between the EU and the US, which is indicated by a relatively weak performance of the EU in development of new products, services and patents - The adoption of ICT applications in business remains relatively low compared with the US - EU employment rate at 64% is still a long way from the Lisbon target of 70% by 2010 - Participation of women and older workers stays under EU target.	ness	

	Related to the socio economic situation and evolution of the European territory		Related to interregional cooperation activities
	Innovation and knowledge economy	**Environment and risk prevention**	
3. Opportunities	- New Member States demonstrate rates of economic growth above EU averages - Examples of successful collaboration in the knowledge-public sector-commerce triangle present in several parts of the EU - 60% of EU citizens say that setting up their own business has never even occurred to them, which suggests there is a great potential for increasing entrepreneurship e.g. by raising awareness and providing information - Development of EU employment rates demonstrates an upward trend since the mid 1990s. - Regional and local authorities are increasingly involved in employment policy, in the framework of local employment development (LED)	- Significant scope still remains for further improvements in energy efficiency and the use of renewable energies notably in the new MS, e.g. through technology transfer. - Innovative ways to make natural and cultural heritage more visible and accessible provides the basis for further exploiting natural and cultural resources for educational purposes, research, tourism and creative businesses - Potential benefits of ecosystems functions and environment services should be exploited - Promotion of eco-innovation and broader take up of the environmental technologies will improve the attractiveness of regions while encouraging their entrepreneurship, research and innovation capacities	- The new programme should develop particular tools for a demand-driven capitalisation of good practices for the benefit of weaker performing regions in particular thematic fields. - By making optimal use of the knowledge and experiences developed with the management and operation of the IIIC programmes, the new programme should be able to make a quick start. This would help avoiding delays in implementation and consequent decommitment risk. - Certain structures and procedures could be streamlined for an even more transparent and effective operation of the programme - An intelligent and well reflected management system could improve the benefits for the regions from the programme, achieve synergies and avoid overlaps with other EU programmes - The involvement in cooperation projects of several advanced regions with regard to their Lisbon performance level could pave the way for a strong added value dissemination process
4. Threats	- Promoting global European competitiveness will generate a somewhat higher global economic growth in Europe, but territorial polarisation will significantly progress, with metropolitan regions drawing higher benefits than less urbanised regions - The ageing of Europe's population leads to increased pressure on the labour market and reduces economic growth	- Cultural and natural resources and heritage are increasingly threatened with destruction - The incentive to implement cost-effective measures for improving energy efficiency remain low in Europe - Europe's landscapes, which are a critical part of its cultural heritage and essential homes for biodiversity, are undergoing	- Valuable thematic knowledge and results with a clear potential for new practices and applied solutions would be lost for capitalisation if INTERREG IIIC results were not systematically reviewed and exploited in the new programme - The generation of new and advanced knowledge would be seriously harmed and delayed if it were not possible for existing

	Related to the socio economic situation and evolution of the European territory		Related to interregional cooperation activities
	Innovation and knowledge economy	Environment and risk prevention	
	- Disparities in economic conditions between new Member States and other EU countries can lead to outward migration of workers to countries offering better circumstances, resulting in a deceleration of the catching-up process of these new Member States.	widespread and potentially irreversible change - Large parts of Europe will see a shift towards temperature extreme conditions that now occur mainly in the Mediterranean North Africa and the south-western Iberian Peninsula. The occurrence of natural hazards (mainly droughts, fires and floods) may continue to rise.	cooperation to expand and evolve in a new programme - Visibility of the programme, quality of operations and partnerships and effectiveness of capitalisation could suffer from insufficient management.

Chapter 4. Programme strategy

The strategy for the future of interregional cooperation is built on the analysis carried out in Chapter 3 and on the needs for the 2007-2013 period. It aims to present a coherent and effective response to the obstacles and weaknesses identified in order to contribute to the achievements of the Lisbon and Gothenburg objectives.

Beyond the inclusion of the ERDF regulatory framework, the strategy also takes into account the Communication from the Commission "Regions for Economic Change" and the Presidency conclusions of the Informal meeting of Ministers for Regional Policy held on 21 November 2006.

This chapter describes the objectives of the 2007-2013 programme, and identifies the thematic priorities for interregional cooperation. This is followed by a description of the implementation strategy of the programme, which defines the types of interventions supported and the indicator system. The main findings of the ex-ante evaluation and the Strategic Environmental Assessment are also presented.

4.1. Overall objective

Authorities and stakeholders at regional and local level have a vital role to play in the achievement of the EU's strategies for growth, jobs and sustainable development. This interregional cooperation programme will facilitate the cooperation of these actors by enabling them to work together and improve their policies in the relevant policy fields. The European Commission also asks these actors to form and manage networks around selected themes. The aim is to connect the policies of the regions to the economic modernisation agenda of the Union, as presented in the "Regions for Economic Change" Communication. Therefore the following overall objective can be formulated for the INTERREG IVC programme:

Overall objective:

To improve, by means of interregional cooperation, the effectiveness of regional development policies in the areas of innovation, the knowledge economy, the environment and risk prevention as well as to contribute to economic modernisation and increased competitiveness of Europe.

This programme will bring Community added value by enabling authorities and other actors at regional and local level to learn from each others' experiences and to develop new and/or innovative approaches and solutions in the fields of innovation, knowledge economy, environment and risk prevention. These are policy fields of primary importance for the achievement of the European Union's jobs and growth objectives. Interregional cooperation will lead to improved capacities and performance of the participating regions, enabling them to make a contribution to the achievement of these objectives in a sustainable way.

Through interregional cooperation, the programme will facilitate exchange of experience and best practice between regions interested in certain fields. By realising a strong dissemination effort to communicate the results of activities to all EU regions, it will also facilitate as far as possible the unlocking and use of valuable information on innovative solutions or best practice. Seen as a whole, the programme will thus also indirectly contribute to a reduction of disparities between the capabilities of European regions and tackle the challenges related to a realisation of the Lisbon and Gothenburg agendas.

4.2. Specific objectives

The overall objective can be further developed into a number of specific objectives for this Operational Programme. These objectives specify more precisely the themes the programme will target and the way it aims to influence regions' policies and tools.

The analysis in chapter 3 has identified the key issues that European regions face in the areas of innovation, the knowledge economy, environment and risk prevention. In short these include: regional capacities and infrastructures in innovation, research and development; the need for improved links between SMEs and research institutions; entrepreneurship and business support in relevant sectors; ICT up-take; and actions related to education and human capital. Also identified were the issues of natural and technological risks, water management, Waste prevention and management, biodiversity and preservation of natural heritage, energy and sustainable public transport and cultural heritage. Most EU regions are already dealing with these topics to some extent. However many disparities and differences can be noted between the achievements and approaches of regions. This means there is a great need and potential for exchange and transfer of experience on these issues. This programme gives priority to the key issues mentioned above, which are in line with those proposed in the ERDF Regulation and cited in the Regions for Economic Change communication.

With respect to the way the interregional cooperation programme should address regional policies, some valuable lessons from INTERREG IIIC were summed up in the analysis in chapter 3. Clearly there was great demand for the interregional cooperation offered by INTERREG IIIC. However there is scope for improvement regarding the dissemination of results to the key stakeholders, the wider public and the extent to which results of cooperation projects are incorporated in regional policies.

These observations are addressed by the following specific thematic and operational objectives:

Specific thematic objectives:

1. *To improve regional and local policies in the field of innovation and the knowledge economy, more specifically focusing on regional capacities for research and technology development, support to entrepreneurship and SMEs, support to business development and innovation initiatives, promotion of the use of ICTs and support to employment, human capital and education*
2. *To improve regional and local policies in the field of environment and risk prevention, more specifically focusing on prevention and management of natural and technological risks, water and coastal management, Waste prevention and management, biodiversity and preservation of natural heritage, energy efficiency and renewable energies, clean and sustainable public transport, cultural heritage.*

Specific operational objectives:

3. *To enable actors at regional and local level from different countries across the EU to exchange their experiences and knowledge.*
4. *To match regions less experienced in a specific policy field with regions with more experience in that field, with the aim of jointly improving the capacities and knowledge of regional and local stakeholders.*
5. *To ensure that the good practices identified within interregional cooperation projects are made available to other regional and local actors and are transferred into regional policies in particular into EU Structural Funds mainstream programmes.*

4.3. Identification of thematic priority axes

This Operational Programme supports two thematic priorities: innovation and the knowledge economy; and environment and risk prevention.

The choice of these priorities derives from the thematic orientation defined for interregional cooperation in the ERDF Regulation (article 6.3.a), the Community Strategic Guidelines and is also reflected in the Communication on Regions for Economic Change. The analysis part of this programme elaborated these two themes, resulting in a more detailed picture of the sub-themes that should be addressed. These are described below. The priorities of this programme are further addressed in chapter 5, where the Technical Assistance Priority is also described.

Under **Priority 1**: **Innovation and the knowledge economy**, the main sub-themes that are addressed for the purpose of interregional cooperation are:

- *innovation, research and technology development;*
- *entrepreneurship and SMEs;*
- *the information society;*
- *employment, human capital and education.*

Under **Priority 2: Environment and risk prevention**, the main sub-themes that are addressed for the purpose of interregional cooperation are:

- *natural and technological risks;*
- *water management;*
- *Waste prevention and management;*
- *biodiversity and preservation of natural heritage;*
- *energy and sustainable transport;*
- *cultural heritage and landscape.*

The sub-themes mentioned above identify within the scope of this programme the most important policy fields and challenges faced by the regions of Europe for the years to come. The INTERREG IVC programme will support interregional cooperation aimed at improving regional policies addressing these sub-themes. It is evident that these sub-themes are interlinked in many ways, within and even between the two Priorities. Therefore it is important to note here that operations under this programme are not limited to addressing one specific sub-theme. On the contrary, operations are encouraged to take a cross-sectoral and integrated approach, addressing interrelated sub-themes where this is appropriate. Those applications that demonstrate such a cross-sectoral approach will be considered with priority in the selection process.

The following table presents the ERDF financial allocation from the INTERREG IVC programme to the respective Priority axes.

Table 3: Financial allocation to priority axes

Priority	Budget share
Priority 1: Innovation and the knowledge economy	*55%*
Priority 2: Environment and risk prevention	*39%*
Priority 3: Technical Assistance	*6%*
Total	*100%*

The breakdown of financial allocations per priority axis 1 and 2 reflects both the priority given to innovation and knowledge economy as the main driving force for contributing to the revised Lisbon strategy and the relative weight of each of these two themes in the number of operations co-financed under INTERREG IIIC.

4.4. Types of interventions[4]

This Operational Programme supports two different types of interventions.

Firstly, it supports **"Regional Initiative Projects"** initiated by regional actors aiming to exchange experience in a specific policy field in order to identify good practice and to develop new tools and approaches for implementation.

Secondly, INTERREG IVC supports **"Capitalisation including Fast Track projects"** in order to ensure that good practice identified, for instance, by the regional initiative projects mentioned above, finds its way into the Convergence, Regional Competitiveness and Employment and European Territorial Cooperation programmes.

4.4.1 Regional Initiative Projects (TYPE 1)

Regional Initiatives Projects aim to develop 'classic' interregional cooperation as already supported by the INTERREG IIIC programme. The objective of this type of intervention is to help actors at regional and local level to initiate cooperation projects with partners from different EU countries. Such projects should address a regional policy issue of shared relevance for all partners involved, within the thematic scope of this programme. Activities may include the exchange of experience, knowledge and good practice, in order to develop new tools and approaches.

One specific field of activity that may be developed through Regional Initiative Projects is the transfer of project results.

At regular intervals the Monitoring Committee of this programme will open calls for project proposals, inviting interregional partnerships to apply for funding.

Cooperation in Regional Initiative Projects is undertaken by a partnership of regional and/or local level actors. They implement a series of activities in line with the previously approved project proposal.

Various grades of intensity of cooperation will be allowed. There is no further subdivision into different types of operations.

Projects can support a variety of activities based on the exchange of experience. These may range from lower intensity activities like the exchange and dissemination of information and experience, enhancing the knowledge and capacity of the partners involved without directly changing policy instruments or new projects, to higher intensity activities including the transfer of instruments or project results or the development of entirely new approaches or tools, including the implementation of new policy elements as pilot schemes in one or more regions.

At the top end of this range of intensities, projects with a limited number of partners may develop a joint framework for interregional cooperation that will be implemented through a limited number of sub-projects that are developed via calls for proposals in the participating regions.

[4] Further details and clarifications concerning these types of interventions and the application procedure will be given to potential beneficiaries in the Programme manual.

4.4.2 Capitalisation, including Fast Track Projects (TYPE 2)

Under the INTERREG IVC programme, a new type of project will be introduced. These Capitalisation Projects will contribute to the transfer of results and tools developed.

Capitalisation activities optimise the results achieved in a specific domain of regional development policy. They consist of the collection, analysis and dissemination of practices in the policy area in question. One of the expected results of these activities is the transfer of the good practices identified into the Convergence, Regional Competitiveness and Employment and European Territorial Cooperation programmes of regions wishing to improve their policies and programmes.

This may be done by setting up a partnership of regions in order to bring together valuable experiences and good practices identified or developed by previous interregional cooperation projects and activities (e.g. under INTERREG IIIC), under the present INTERREG IVC programme or at regional level in other frameworks. A new partnership can also be established when there is a need to develop and identify good practice for a particular theme, although for these networks the transfer process may take longer.

Potential partnerships for carrying out capitalisation activities should demonstrate that they have good results and transferable tools or approaches as well as good management skills and knowledge of the theme in question.

The Capitalisation Projects will involve an extended partnership bringing together a considerable number of regions with different levels of experience. In particular, the inclusion of policy and decision makers committed to the work of the projects in the regional partnership will be appreciated.

The projects will pay particular attention to using working methods that lead to mainstreaming (e.g. regional action plans, reporting etc.) and actions contributing to wide dissemination (websites, publications etc.).

Fast Track Projects

From the Capitalisation Project applications approved, the Commission will consult with projects that it considers most relevant in order to offer specific Commission assistance and expertise. These projects will be referred to as Fast Track Projects contributing to the Regions for economic change initiative as set out in the Communication from the European Commission[5] and the Presidency Conclusions of the Informal Ministerial meeting of 21 November 2006.

Fast Track Projects target the direct transfer of a specific regional policy good practice to one or more regions wishing to improve in that specific field, especially in terms of its implementation under the respective Convergence, Regional Competitiveness and Employment or European Territorial Cooperation programme. The expected outcome would be detailed action plans for the participating regions.

A particularly important prerequisite for successful designation as a Fast Track Project is the involvement of a range of regional partners responsible for policy delivery in relation to the themes in the respective Convergence or Competitiveness and Employment or European Territorial Cooperation programmes. These programmes should have a reference to the Regions for Economic Change initiative so as to facilitate making funding available for implementing the action plan elaborated.

[5] COM(2006)675 of 8 November 2006

The list in Annex 3 includes themes relevant partly to the URBACT and partly to the INTERREG IVC programme. Fast Track Projects will address one of the themes as set out in Annex 3 within the scope of the priorities of the programme. Further themes may be added.[6]

Fast Track Projects will be adopted in the same manner and on the basis of the same criteria as other projects. The main difference will be that the Commission will actively accompany and participate in the implementation of the projects.

Table 4: Overview of the implementation strategy

	Regional Initiative Projects **(TYPE 1)**	**Capitalisation Projects, including Fast Track Projects** **(TYPE 2)**
Approach	*Exchange of experience, knowledge, good practice, development of new tools for and approaches to regional policies*	*Capitalisation of already identified good practices into Convergence, Regional Competitiveness and Employment and European Territorial Cooperation programmes and towards a broader range of regions participating in the network*
Beneficiaries	*Public authorities and bodies governed by public law*	
Themes	*Theme of cooperation chosen by the partnership within the 2 thematic priorities*	*Theme of cooperation chosen by the partnership within the 2 thematic priorities.* *For Fast Track Projects: Theme of cooperation as set out in Annex 3, within the scope of the two thematic priorities*
EC support for implementation and expertise	*No*	*Yes, for Fast Track projects*
Introduce best practice into Convergence, Regional Competitiveness and Employment and European Territorial Cooperation programmes	*Not required but encouraged*	*Encouraged in general, essential for Fast Track projects*
Participation of Convergence, Regional Competitiveness and Employment and European Territorial Cooperation programme authorities	*Not required but encouraged*	*Encouraged in general, essential for Fast Track projects*

[6] Further information will be provided in the application pack.

4.5. Expected programme effects and output/result indicators

Due to its limited financial resources and the fact that supported activities centre on the exchange and transfer of know-how, the contribution of the Interregional Cooperation Programme to delivering aspects of the Lisbon and Gothenburg strategies will be above all strategic. Its direct results and impacts may therefore be less visible compared with Convergence and Competitiveness programmes that are more investment oriented, making them more difficult to measure.

Tangible "indirect" and "direct" effects of this Programme will occur in the context of a limited number of themes or objectives that are closely related to the main thematic programme priorities. Initial, direct effects are: the increased knowledge and capacities of regional institutions; and improvements to regional policies and instruments that contribute to the Lisbon and Gothenburg strategies. In addition, significant knock-on effects may achieved by feeding results into the programmes supported under objectives Convergence and Competitiveness, notably through the Fast-track option.

To measure these effects, a set of output and result indicators has been developed along the five specific objectives defined in section 4.2. These make up a large part of the category of indicators relating to operations' performance. The other category of indicators refers to the operational objectives defined under Priority 3 "Technical assistance" with a view to following the programme management performance.

Although interregional cooperation also takes place outside the programme, there are no figures available which could give a reliable quantification of the ongoing informal interregional cooperation activities. Therefore the monitoring system aims at measuring only the direct achievements of the funding provided by programme. This is the reason why, at the start of the programme, the baseline value for all indicators is zero. The complete list of indicators, their quantification as well as their targets, is included in Annex 2.

4.6. Findings of the ex-ante evaluation

The development of this Operational Programme has been subject to ex-ante evaluation carried out in parallel with the programming exercise by an external ex-ante evaluation team. The evaluators have assisted the programming process by formulating content-related recommendations and suggesting specific text modifications in the context of the elaboration and revision of the successive draft versions of the OP. The interaction process between the programme elaboration and the ex-ante evaluation has been intense and fruitful. Most of the recommendations and text modifications formulated by the ex-ante evaluators have been considered in the OP. Based on the Draft Final Ex-ante Evaluation Report of 12 January 2007 all proposals concerning the strategy's rational and consistency, the external coherence, the expected outputs/results and impacts as well as on the implementation system have been incorporated in the Operational Programme. A summary of the main findings of the ex-ante evaluators is included in Annex 4 of this programme document.

4.7. Integration of SEA results in the programme strategy

The Strategic Environmental Analysis (SEA) is designed to ensure that the '*likely significant effects on the environment of implementing the INTERREG IV C Programme, and of reasonable alternatives, are identified, described, evaluated and taken into account before the programme is adopted.'* The SEA Directive also requires that '*Member States shall monitor the significant environmental effects of the implement of the plans and programmes, in order, inter alia, to identify at an early stage unforeseen adverse effects….'*

The Environment Report was produced, in accordance with the SEA rules, on the basis of the 3rd revised draft of the Operational Programme. Finalised in December 2006 it concluded the following:

- there are no obvious significantly or moderately negative effects of the INTERREG IVC Operational programme.

- On the contrary, many aspects under the second priority axis 'environment and risk prevention' are likely to have positive, albeit indirect, effects on Europe's environment.

- none of the INTERREG IVC Programme's operational objectives are incompatible with the 6th EAP priorities or thematic environmental strategies. Indeed, for the second priority axis: environment and risk prevention, the relationship with the 6th EAP and European environmental policy priorities is positive overall.

The final version of the operational programme took into consideration recommendations given by the Environmental Report to change the wording of the operational objectives in order to bring them fully into line with EU environmental policies and priorities. It also recommended that environmental safeguards be introduced later on when drawing up the implementation rules of the programme (e.g. in the project selection procedure) to ensure that there are no significant negative environmental effects at project level.

The 3rd revised Operational Programme and Environment Report were made available for public consultation on the 20th December 2006. About 100 of these comments contained opinions on environmental issues within the Operational Programme and on the strategic environment assessment, as well as the Environment Report and its recommendations. All comments received were very constructive and were included when appropriate in the INTERREG IVC Programme, as were the recommendations of the Environment Report. The full details are given in the SEA Summarising statement.

Chapter 5. Priority Axes

5.1. Introduction

As indicated in the previous chapter, this Interregional Cooperation Programme follows two thematic priority axes, selected for their specific contribution to the achievement of the EU's main political objectives.

The programme's first priority relates to innovation and the knowledge economy, and its second relates to environment and risk prevention. Next to these thematic priorities a third priority, technical assistance (T.A.), is dedicated to the management and implementation of the programme.

For each thematic priority, this document provides an indicative list of cooperation activities that can be supported. The intention is to give clear guidance to project promoters.

Beneficiaries are public authorities and bodies whose expenditure is considered as public expenditure in accordance with Article 2 (5) of Regulation (EC) No 1083/2006. This applies especially to bodies acting in accordance with Directive 2004/18/EC. The relevant section reads as follows.

Body governed by public law means any body: [7]

(a) established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character;

(b) having legal personality; and

(c) - financed, for the most part, by the State, regional or local authorities, or other bodies governed by public law;

- or subject to management supervision by those bodies;

- or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.

The private sector (i.e. profit-making organisations) is addressed as a target group – especially considering the themes under Priority 1, which deals with competitiveness and SME-related issues – and can participate in operations at their own cost.

Furthermore and subject to procurement rules, the private sector can be subcontracted by partners to provide services or to assist in the implementation of certain activities.

Applications from national, regional or local authorities, or partnerships having at least a solid and relevant participation of regional and local authorities, will be considered with priority in the selection process. In order to maximise the impact of this programme on regional and local policies across the EU, applicants are strongly encouraged to include the relevant and competent public authorities in their operations.

Lead Partners can be from:

- EU 27;
- Norway and Switzerland in duly justified cases and under the condition that these countries enter into an agreement with the Managing Authority defining the financial responsibilities and liabilities. They also have to set-up a system of control equivalent

[7] Article 1 (9) Directive 2004/18/EC.

to that in the EU Member States. All ERDF funds transferred by the Certifying Authority (CA) to the Norwegian or Swiss lead partners have to be transferred fully and without delay to the respective partners from the EU. The Programme Manual will indicate which of these countries fulfil these conditions..

5.2. Priority 1: Innovation and knowledge economy

5.2.1 General purpose

The general purpose of this priority is to enable regional and local authorities, and other stakeholders at the regional level, to improve their policies, methods and capacities in the field of innovation and knowledge economy. The means to do this are the exchange and transfer of knowledge and experience between regions throughout the European Union, and the development of new policies and approaches.

More specifically, this priority contributes to reducing regional disparities throughout Europe by strengthening regional innovation potential. The ambition is also to pool expertise in order to increase the overall level of regions' competitiveness in Europe.

The strong involvement of regional and local decision makers is vital in order to generate the optimal results which could be implemented in other European territories.

5.2.2 Operational objectives

Based on the findings of the analysis (Chapter 3) and the strategic objectives of this programme (Chapter 4), the following set of operational objectives can be defined for the implementation of this priority.

This priority will support interregional cooperation projects that contribute to:

1. *Improving the capacity of regions for strengthening research, technology and innovation;*
2. *Promoting and enabling entrepreneurship and the development of new business initiatives in all sectors of relevance to regional economies, in particular those that are knowledge-based and innovative;*
3. *Facilitating businesses, and in particular SMEs, to develop and grow in a more sustainable and innovative way through the transfer of specific services and the creation of shared facilities;*
4. *Helping to restructure regions most heavily dependent on traditional industries, including renewal of industrial zones for new business;*
5. *Promoting the use of new information and communication technologies by businesses, public services and the general public, especially in rural areas;*
6. *Improving regional policies for employment, skills development, training and education;*
7. *Creating the necessary framework conditions for regional economies to adapt to major socio-economic changes, notably globalisation and demographic change.*

5.2.3 Target groups

The following list presents an indication of the target groups that are encouraged to be involved in interregional cooperation projects in this priority:

- Regional and local public authorities;
- Regional development agencies;
- Universities, knowledge and research institutes and institutes for higher education;

- Operators of science and technology parks, business incubation facilities, and innovation centres;
- Other business support actors and organisations representing the business community, especially related to SMEs;
- Other public authorities or bodies governed by public law demonstrating relevance to the development of regional innovation and knowledge-based economy.

5.2.4 Indication of supported activities/ topics

Based on the analysis above and the operational objectives defined in this chapter, there now follows an indicative overview of issues in the field of innovation and the knowledge economy that could be addressed with the support of this interregional cooperation programme.

Issues addressed by operations should in principle be within the competence and responsibility of the regional and local level actors involved. These issues should be suitable for exchange between actors in the defined target group, across the EU, either by pooling of excellence, or by bringing together 'supply and demand' of knowledge and experience.

- The following overview provides an insight into some possible examples of interregional cooperation related to innovation and the knowledge economy that can be supported ***under Regional Initiatives Projects (TYPE 1)***:

Examples of possible projects that can be supported under Regional Initiatives Projects (TYPE 1)

- **Innovation, Research & Technology Development**

Exchange of experiences and knowledge, transfer and further development of policies dedicated to:

- *supporting activities and actors involved in research and development*
- *supporting research and innovation infrastructure such as science parks, innovation centres, incubators or support to clusters*
- *strengthening creative interaction in the knowledge - businesses - public sector triangle*
- *optimising / enhancing eco-innovation and the use of new environmentally friendly technologies and management approaches such as public procurement for environmentally performing products and services*
- *helping to restructure regions most heavily dependent on traditional industries*
- *improving the capacity of regions for research and innovation*
- *bringing innovative ideas to the market more quickly*

- **Entrepreneurship and SMEs**

Exchange of experiences and knowledge, transfer and further development of policies dedicated to:

- *promoting entrepreneurship and business start-up, especially in knowledge-based, innovation driven sectors.*
- *supporting regional business support structures and approaches to assisting SMEs*
- *developing financial assistance to SMEs and development of non-grant instruments (such as loans, risk capital, etc)*
- *strengthening the economic profiles of regions sharing an interest in a specific economic sector and reinforcing the global competitiveness of the sector*

- *supporting regional business clusters*
- *supporting and promoting certain specific groups e.g. young and female entrepreneurs*
- *supporting the economic diversification of rural areas*
- *enabling enterprises to internationalise and increase competitiveness*
- *supporting of eco-innovations and environmental management systems in SMEs*

▪ **Information Society**

Exchange of experiences and knowledge, transfer and further development of policies dedicated to:

- *developing ICT-based public services to increase the effectiveness and competition of businesses and entrepreneurs*
- *promoting the development and use of ICT-based services and products (for example in public services e-government and e-health, bringing e-government to regions and businesses)*
- *enhancing the participation of the public in the information society, e.g. programmes for improving computer skills*
- *establishing better ICT connections between regions*

▪ **Employment, Human Capital and Education**

Exchange of experiences and knowledge, transfer and further development of policies dedicated to:

- *improving qualifications for innovation*
- *safeguarding and creating new employment opportunities in innovation and knowledge-based jobs and adapting local and regional employment policies to major socio-economic changes, notably globalisation and demographic change*
- *training and retention of researchers*
- *developing local employment development (LED) initiatives*
- *supporting capacity building and knowledge transfer for staff involved in business development and support*
- *increasing investment in R&D related human capital*
- *enhancing labour market participation of discriminated groups such as women and older workers*
- *improving the adaptability of workers and enterprises, promoting a healthy workforce in healthy workplaces and expanding and improving education and training systems*

- Examples of Cooperation activities under **Capitalisation, including Fast Track Projects (TYPE 2)** are similar to the examples listed in the table above but with a particular focus on the transfer of good practices. The themes to be tackled by the **Fast Track Projects** partly under the INTERREG IVC and partly under the URBACT programme are listed in Annex 3.

5.2.5. Operational provisions

As described in section 4.4, two types of intervention – Regional Initiatives and Fast Track Option – will be supported by INTERREG IVC in order to achieve the operational objectives of Priority1. Further specifications appear under chapter 4: Programme strategy. Chapter 6: Implementing provisions is also relevant.

Some examples of project activities that can be undertaken:

- study visits,

- joint training sessions and exercises,
- staff exchange,
- studies and reports, data analysis, comparative case studies,
- meetings and events (interregional workshops, seminars, conferences, etc.),
- information and publicity actions (press release, brochures, leaflets and newsletters, website, radio and TV broadcasts, etc.),
- development of common conceptual and methodological frameworks,
- elaboration and pilot experimentation of new instruments and approaches,
- development of operational action plans.

Pilot activities may often provide real added-value to networking projects, as demonstrated under the INTERREG IIIC programme. For example, they could involve the testing of new tools, practices and computerised systems. These activities do not imply huge material investments, but on the contrary are rather light, and pave the way for further implementation in Convergence and Competitiveness programmes.

5.3. Priority 2: Environment and risk prevention

5.3.1 General purpose

The general purpose of this priority is to enable regional and local authorities and other stakeholders at the regional level to improve their policies, methods and capacities in the areas of environment and risk prevention. As for Priority 1, the means to do this are the exchange and transfer of knowledge and experience between regions throughout the European Union and beyond, and the development of new policies and approaches. However, the aim under Priority 2 is to maintain and to improve the quality of environment and to increase the attractiveness of the regions in Europe.

More specifically, this priority aims at strengthening environmental protection and the synergies between the environmental context and the economy. Indeed, environmental spending can contribute to the economy in several ways, notably by ensuring the long-term sustainability of economic growth and decreasing external environmental costs to the economy such as clean-up costs or damage recovery. The provision of environmental services such as clean water supply, waste and waste-water treatment facilities, management of natural resources and biodiversity, cultural heritage and landscapes, and the protection against certain environmental risks, have a high priority in this context.

5.3.2 Operational objectives

Based on the findings of the analysis (Chapter 3) and the overall and strategic objectives of this programme (Chapter 4) the following set of operational objectives can be defined for the implementation of this priority.

<u>This priority will support interregional cooperation projects that contribute to:</u>

1. *Developing plans and measures to prevent and cope with natural and technological risks;*
2. *Promoting the enhancement of sustainable water management activities;*
3. *Promoting the development of sustainable Waste prevention and management activities and the movement to a recycling society;*

4. *Promoting the development of actions linked to biodiversity and the preservation of natural heritage, especially in NATURA 2000 sites and promoting the development of sustainable coastal management activities;*
5. *Stimulating energy efficiency and the development of renewable energies as well as better coordinated efficient energy management systems and promoting sustainable transport;*
6. *Enhancing the attractiveness of the territory in support of socio-economic development and sustainable tourism by protecting the cultural heritage and landscape.*

These operational objectives will be implemented in close articulation with existing Community mechanisms and action plans, in particular those dealing with major disasters such as marine pollution or chemical accidents, in order to avoid the duplication of efforts as far as possible.

Actions related to sustainable public transport should be developed in close coordination with the URBACT II Operational Programme.

5.3.3 Target groups

The following list presents an indication of the target groups that are encouraged to be involved in interregional cooperation projects in this priority:

- Regional and local public authorities;
- Nature protection institutions;
- Emergency services and other risk management bodies;
- Public transport authorities;
- Authorities responsible for protecting cultural heritage and landscapes;
- Authorities in the field of tourism;
- Universities, knowledge and research institutes and institutes for higher education;
- Other public authorities or bodies governed by public law demonstrating relevance in the field of environment and risk prevention.

5.3.4 Indication of supported activities

Based on the analysis above and the operational objectives defined in this chapter, we can now present an indicative overview of issues in the field of environment and risk prevention that could be addressed with the support of this interregional cooperation programme.

Issues of interest to participating bodies should in principle be within their competence and responsibility at regional and local level. These issues should be suitable for exchange between actors in the defined target group, across the EU, either by pooling of excellence, or by bringing together 'supply and demand' of knowledge and experience.

- The following overview provides an insight into some possible examples of interregional cooperation related to environment and risk prevention that can be supported ***under Regional Initiatives Projects (TYPE 1)***:

Examples of possible projects that can be supported under Regional Initiatives Projects (TYPE 1)
▪ **Natural and technological risks** *Exchange of experiences and knowledge, transfer and further development of policies dedicated to:*

- *improving the monitoring of environmental risks*
- *supporting awareness-raising and emergency planning for populations located in very sensitive areas, such as heavily built-up basins, seismic areas, flooding prone areas, etc.*
- *facing air pollution, managing and communicating on associated risks*
- *developing or coordinating existing observatories for a better knowledge of natural hazards*
- *development of strategies for minimising relevant natural and technological risks*
- *developing the formulation of tools, action plans and awareness-raising and capacity building for responding at the different levels on all relevant natural and technological risks*
- *transporting dangerous goods and identifying relevant actions to inform the relevant groups*
- *developing appropriate coordinated spatial planning measures in geographically sensitive areas*
- *developing measures to face and raise awareness on climate change and promotion of adaptation and mitigation policies*
- *developing strategies for preventing and reducing floods*

- **Water management**

Exchange of experiences and knowledge, transfer and further development of policies dedicated to:

- *improving quality of water supply and treatment, including cooperation in the field of water management*
- *supporting integrated, sustainable and participatory approaches to management of inland and marine waters, including waterway infrastructure*
- *developing of ecosystems based approach to the sustainable management of the seas, the management of coastal zones and the reaping of the benefits of the sea".*
- *adapting to climate change effects related to water management*

- **Waste prevention and management**

Exchange of experiences and knowledge, transfer and further development of policies dedicated to:

- *moving to a recycling society*
- *enhancing waste management methods and policies – Developing practical guides for integrated local waste management*
- *developing innovative solutions for waste disposal as part of sustainable regional waste management systems*
- *re-using landfill and waste-disposal sites*

- **Biodiversity and preservation of natural heritage**

Exchange of experiences and knowledge, transfer and further development of policies dedicated to:

- *ensuring the overall ecological coherence and robustness of the actions (especially within the Natura 2000 network)*
- *developing management mechanisms (including management plans where necessary) related to sites designated as special areas of conservation*
- *promoting species or habitat action plans that set management priorities for Natura 2000 species across their entire natural range in the EU*
- *ensuring the overall coherence of the Natura 2000 network*
- *improving air quality*

- **Energy and sustainable transport**

Exchange of experiences and knowledge, transfer and further development of policies dedicated to:

- *moving to a low carbon economy, including information to industrial customers, service providers and citizens on issues such as 'how to reduce energy consumption'*
- *transferring knowledge concerning long-term targeted energy efficiency campaigns, including efficiency in buildings, notably public buildings*
- *exchanging and transferring of knowledge on mechanisms to stimulate investment in production of renewable energy as well as in energy efficiency projects*
- *adapting environmentally sustainable strategies in the transport sector*
- *promoting lower-consumption vehicles and new propulsion technologies to reduce emissions*
- *promoting the use of improved collective and non-motorised modes in conjunction with mobility management schemes*
- *improving information systems for better traffic management and in improving the monitoring of travel data*

- **Cultural heritage and landscape**

Exchange of experiences and knowledge, transfer and further development of policies dedicated to:

- *protecting and enhancing of cultural heritage and landscapes*
- *development of innovative approaches to soil protection and to land rehabilitation of contaminated land and brownfields*
- *supporting risk management in the field of cultural heritage and cultural landscape (both rural and urban contexts)*
- *supporting tourism development with a particular focus on integrating sustainability aspects*
- *promoting cultural assets as potential for the economic development of the regions*

- Examples of Cooperation activities under **Capitalisation, including Fast Track Projects (TYPE 2)** are similar to the examples listed in the table above but with a particular focus on the transfer of good practices. The themes to be tackled by the **Fast Track Projects** partly under the INTERREG IVC and partly under the URBACT programme are listed in Annex 3

5.3.5. Operational provisions

As described in section 4.4, two types of intervention – Regional Initiatives and Fast Track Option – will be supported by INTERREG IVC in order to achieve the operational objectives of Priority 2. Further specifications appear under chapter 4: Programme strategy. Chapter 6: Implementing provisions is also relevant.

Some examples of the types of project activities that can be undertaken:

- study visits,
- joint training sessions and exercises,
- staff exchange,
- studies and reports, data analysis, comparative case studies,
- meetings and events (interregional workshops, seminars, conferences, etc.)
- information and publicity actions (press release, brochures, leaflets and newsletters, Website, radio and TV broadcasts, etc.)

- development of common conceptual and methodological frameworks,
- elaboration and pilot experimentation of new instruments and approaches,
- development of operational action plans.

Pilot activities often provide real added-value to networking projects, as demonstrated under the INTERREG IIIC programme. Examples of such activities include testing new tools, practices or computerised systems. They do not imply huge material investments, but on the contrary are rather light, and pave the way for further implementation in Convergence, Competitiveness and Employment programmes.

5.4. Priority 3: Technical assistance

5.4.1 General purpose

The Technical Assistance (TA) budget will be spent on activities necessary for the effective and smooth management and implementation of the programme. An important element for this is a competent and efficient day-to-day work that holds together the flow of information between the bodies involved, prepares the decision making properly, has a global vision of all data and information generated and its use in programme management.

Moreover, as programming becomes more strategic, and with the introduction of the Fast Track approach, the following tasks are also considered to be necessary:

- *Identify actors and partners who are suitable to work with, and can decisively contribute to a result-oriented programme;*
- *Organise and facilitate capitalisation on the main results of the selected operations;*
- *Ensure the dissemination of project results and activities in a systematic and targeted way.*

5.4.2 Operational objectives

The main objective is to ensure a smooth implementation of the programme through:

- *Supporting project generation and providing advice to project applicants;*
- *Ensuring the evaluation of applications, preparing the approval decisions and contract approved projects;*
- *Ensuring monitoring of and advice to running operations;*
- *Ensuring capitalisation of operations' results for both types of intervention;*
- *Organising meetings and events for applicants, partners, auditors, experts, Member States and other bodies to inform them about the programme, to discuss specific aspects of its implementation, disseminate and capitalise on operations' results;*
- *Reporting to the Member States and the European Commission.*

5.4.3 Indication of supported activities

The basic tasks of project assistance, organising project assessment, monitoring of projects, financial programme management and financial control are a fundamental part of the activities.

External advice is also needed to assist in the gathering and processing of data, implementing a computerised management system, and so on. Additional expertise is necessary on

specific questions of managing a programme to assist international cooperation, concerning e.g. the development of projects and drafting of the legal documents that form the basis for the organisational framework of the cooperation projects. In addition, an expert pool for assessing applications and for specific issues concerning Lisbon and Gothenburg issues is needed.

Besides the information and advice given to potential applicants, a sound capitalisation on the results gained under IIIC and during IVC and a broader dissemination of the achievements of this programme are foreseen under the TA activities (e.g.: analyses, studies, reports, information and publicity).

Another activity co-financed by the TA budget relates to the programme evaluation.

5.4.5. Operational provisions

Technical assistance is provided to fulfil these tasks, to establish a highly skilled and professional core Joint Technical Secretariat, and to set up Information Points (IPs) in Katowice (Poland), Lille (France) (within the JTS), Rostock (Germany) and Valencia (Spain) (further information is provided in Chapter 6) to be coordinated and guided by the JTS.

Chapter 6. Implementing provisions

This chapter describes the bodies acting as Managing Authority, Certifying Authority, Audit Authority and Joint Technical Secretariat. It defines the tasks of each of the bodies involved, including the Monitoring Committee. This chapter also describes the relations between the different bodies in the various processes necessary for programme implementation.

More detailed information will be included in the Rules of Procedures of the Programme Monitoring Committee, in the description of the management and control system under article 71 § 1 of regulation n° 1083/2006 and in several manuals (e.g., Implementation manual, Audit manual, Application manual) prepared by the Managing Authority with the assistance of the Joint Technical Secretariat and approved by the Monitoring Committee.

6.1. Programme Structures

The management of this programme follows the management structure applicable for a Structural Funds Programme and is made up of:

- a **Managing Authority**,
- a **Certifying Authority,**
- an **Audit Authority,**
- a **Monitoring Committee,**
- a **Joint Technical Secretariat**
- a **Task Force** (optional)
- **National Contact Points** (Strongly recommended)

The characteristics, tasks and responsibilities of each of these bodies are described in the following paragraphs.

6.1.1. The Managing Authority

The Managing Authority of this programme is the **Conseil Régional Nord - Pas de Calais** (Nord-Pas de Calais Region). The address is:

Conseil Régional Nord - Pas de Calais
Hôtel de Région
59555 Lille Cedex
France

The Managing Authority, assisted by the Joint Technical Secretariat, will be responsible for managing and implementing the Operational Programme in accordance with Article 60, Regulation (EC) 1083/2006, in particular for:

a. ensuring that operations are selected for funding in accordance with the criteria applicable to the operational programme and that they comply with applicable Community and national rules for the whole of their implementation period;

b. verifying that the co-financed products and services are delivered and that the expenditure declared by the beneficiaries for operations has actually been incurred and complies with Community and national rules; verifications on-the-spot of individual operations may be carried out on a sample basis in accordance with the detailed rules to be adopted by the Commission in accordance with the procedure referred to

in Article 103(3); In this respect and in accordance with Article 15 of Regulation (EC) 1080/2006, the Managing Authority shall satisfy itself that the expenditure of each beneficiary participating in an operation has been validated by the controller referred to in Article 16 (1) of Regulation (EC) 1080/2006. The Managing Authority shall lay down the implementing arrangements for each operation, where appropriate in agreement with the lead beneficiary.

c. ensuring that there is a system for recording and storing in computerised form accounting records for each operation under the operational programme and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation are collected;

d. ensuring that beneficiaries and other bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules;

e. ensuring that the evaluations of operational programmes referred to in Article 48(3) are carried out in accordance with Article 47;

f. setting up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of Article 90;

g. ensuring that the certifying authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification;

h. guiding the work of the monitoring committee and providing it with the documents required to permit the quality of the implementation of the operational programme to be monitored in the light of its specific goals;

i. drawing up and, after approval by the monitoring committee, submitting to the Commission the annual and final reports on implementation;

j. ensuring compliance with the information and publicity requirements laid down in Article 69;

The Managing Authority, assisted by the Joint Technical Secretariat and in close cooperation with the Monitoring Committee, has also to undertake all necessary actions to make sure that automatic decommitment is avoided as far as possible. These include in particular making the necessary arrangements in the subsidy contracts with the Lead partners. The Managing Authority is the one signing the contract with the Lead Partner on behalf of the programme.

6.1.2. The Certifying Authority

The Certifying Authority of this Programme is the **Caisse des Dépôts et Consignations**, a French public institution responsible for general public missions as demanded by the state and local authorities. The address is:

Caisse des Dépôts et Consignations

15 Quai Anatole France

75356 Paris 07 SP

France

The Certifying Authority shall in accordance with Article 61 of Regulation (EC) 1083/2006 be responsible for certifying the overall reliability and quality of the project implementation before making a payment claim to the European Commission, in particular for:

a. drawing up and submitting to the Commission certified statements of expenditure and applications for payment

b. certifying that:

   (i) the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents,

   (ii) the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and national rules;

c. ensuring for the purposes of certification that it has received adequate information from the Managing Authority on the procedures and verifications carried out in relation to expenditure included in statements of expenditure;

d. taking account for the purposes of certification of the results of all audits carried out by or under the responsibility of the Audit Authority;

e. maintaining accounting records in computerised form of expenditure declared to the Commission;

f. keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the European Union, prior to the closure of the Operational Programme by deducting them from the next statement of expenditure;

The Certifying Authority will also be the Paying body and as such shall be responsible for:

- receiving the payments made by the Commission;

- making payments to the beneficiaries.

6.1.3. The Audit Authority

The Audit Authority of this programme is the **Interministerial Committee for the Coordination of Controls regarding European Structural Funds**. The address is:

Commission Interministérielle de Coordination des Contrôles des actions cofinancées par les Fonds Structurels (CICC)

Immeuble Atrium

5, Place des Vins de France,

75573 Paris Cedex 12

France

The Audit Authority shall in accordance with Article 62, Regulation (EC) 1083/2006, be responsible in particular for

a. ensuring that audits are carried out to verify the effective functioning of the management and control system of the Operational Programme;

b. ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;

c. presenting to the Commission within nine months of the approval of the Operational Programme an audit strategy covering the bodies which will perform the audits referred to under subparagraphs a. and b., the method to be used, the sampling method for audits on operations and the indicative planning of audits to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period;

d. by 31 December each year from 2008 to 2015:

   (i) submitting to the Commission an annual control report setting out the findings of the audits carried out during the previous 12 month-period ending on 30 June of the year concerned in accordance with the audit strategy of the Operational Programme and reporting any shortcomings found in the systems for the management and control of the programme. The first report to be submitted by 31 December 2008 shall cover the period from 1 January 2007 to 30 June 2008. The information concerning the audits carried out after 1 July 2015 shall be included in the final control report supporting the closure declaration referred to in point (e);

   (ii) issuing an opinion, on the basis of the controls and audits that have been carried out under its responsibility, as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the Commission are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular;

e. submitting to the Commission at the latest by 31 March 2017 a closure declaration assessing the validity of the application for payment of the final balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report;

In accordance with Article 71 (3) of Regulation (EC) 1083/2006 the Audit Authority shall draw up the report and the opinion referred to in Article 71 (2) of Regulation (EC) 1083/2006.

The Audit Authority shall ensure that the audit work takes account of internationally accepted audit standards.

Where the audits and controls referred to in subparagraphs a. and b. are carried out by a body other than the Audit Authority, the Audit Authority shall ensure that such bodies have the necessary functional independence.

The Audit Authority shall be assisted by a group of auditors comprising a representative of each Member State participating in the Operational Programme carrying out the duties provided for in Article 62 Regulation (EC) No 1083/2006. The group of auditors shall be set up within three months of the decision approving the Operational Programme. It shall draw up its own rules of procedure. It shall be chaired by the Audit Authority for the Operational Programme.

The auditors shall be independent of the control system referred to in Article 16(1) of Regulation (EC) No 1080/2006.

6.1.4. The Monitoring Committee

Within three months from the date of the notification of the decision approving the Operational Programme the participating countries shall set up a Monitoring Committee in agreement with the Managing Authority. The Monitoring Committee will draw up its own rules of procedure.

The Monitoring Committee is made up of:

- up to two representatives per country (EU 27, Norway, Switzerland). In duly justified cases and upon approval by the Monitoring Committee a third representative can be admitted;

- representatives of the European Commission, the Committee of the Regions (CoR), the Managing Authority, the Joint Technical Secretariat and, where necessary, the Certifying Authority and the Audit Authority, will participate in an advisory capacity.

Each country has one vote. Decisions are taken by consensus on issues related to programme management and implementation. However decisions on operations to be financed will be made by qualified majority agreement. For reasons of financial liability, this qualified majority must include the votes of the countries having a Partner or Lead Partner of the respective operation on its territory. These provisions will be arranged in more detail in the Rules of Procedure of the Monitoring Committee.

The Monitoring Committee in accordance with Article 65 of Regulation (EC) 1083/2006 shall satisfy itself as to the effectiveness and quality of the implementation of the operational programme, in accordance with the following provisions:

a. it shall consider and approve the criteria for selecting the operations financed within six months of the approval of the operational programme and approve any revision of those criteria in accordance with programming needs;

b. it shall periodically review progress made towards achieving the specific targets of the operational programme on the basis of documents submitted by the managing authority;

c. it shall examine the results of implementation, particularly the achievement of the targets set for each priority axis and the evaluations referred to in Article 48(3);

d. it shall consider and approve the annual and final reports on implementation referred to in Article 67;

e. it shall be informed of the annual control report, or of the part of the report referring to the operational programme concerned, and of any relevant comments the Commission may make after examining that report or relating to that part of the report;

f. it may propose to the managing authority any revision or examination of the operational programme likely to make possible the attainment of the Funds' objectives referred to in Article 3 or to improve its management, including its financial management;

g. it shall consider and approve any proposal to amend the content of the Commission decision on the contribution from the Funds.

h. to decide on the launch of calls for proposals and the approach chosen for the project application process (e.g. one-step or two-step approach);

i. To approve all individual project applications under both types of interventions on the basis of the assessment of projects and to decide on the use of the available EU Structural Funds ;

j. to decide how the evaluation during the programming period (Article 47 (2) of Regulation (EC) 1083/2006) shall be carried out;

k. to examine the results of a potential evaluation during the programming period;

l. to decide on the implementation of the Technical Assistance;

m. to agree on the publicity and information tasks mentioned in Chapter II Section 1 of the Commission Regulation (EC) N° 1828/2006;

n. to harmonise procedures with the actions for interregional cooperation under the Convergence and Competitiveness objectives;

o. to liaise with other relevant Community programmes;

p. to approve the work plan of the Joint Technical Secretariat;

q. to examine and approve the manuals prepared by the Managing Authority/Joint Technical Secretariat.

The representatives of the monitoring committee will ensure that on the national level all relevant partners are involved in the preparation, implementation, monitoring and evaluation of operational programme as referred to in Article 11 of Regulation (EC) 1083/2006 and section 6.4 of this operational programme.

6.1.5. Task Force

The Monitoring Committee may be assisted by a Task Force composed of the previous, present and future Chairs of the Monitoring Committee (the Troika), the Commission and the Managing Authority, assisted by the Joint Technical Secretariat. The Chair may invite other participants to take part in the Task Force meetings if necessary. The Monitoring Committee will be informed about the meetings and the results of the Task Force. The Task Force can make proposals to the Monitoring Committee on issues related to programme implementation.

Provisions may be set out in the Rules of Procedure of the Monitoring Committee.

6.1.6 The Joint Technical Secretariat

The Managing Authority, after consultation with the countries represented in the programme, shall set up a Joint Technical Secretariat.

The Joint Technical Secretariat shall assist the Managing Authority, the Audit Authority, the Monitoring Committee and the Task Force, if applicable, in carrying out their duties.

The Joint Technical Secretariat is based in Lille:

INTERREG IVC - Joint Technical Secretariat

24, Boulevard Carnot

59800 Lille

France

The Joint Technical Secretariat shall have international staff. The number and qualifications of staff shall correspond to the tasks defined below. The Joint Technical Secretariat shall be funded from the Technical Assistance budget. The Joint Technical Secretariat will have the following responsibilities:

a. to prepare, implement and follow-up decisions of the Monitoring Committee;
b. to manage the project application process for all projects, including information and advice to applicants (e.g. by means of an applicants' pack), checking, assessing applications, and advising partners of decisions;
c. to provide advice and assistance to projects regarding implementation of activities and financial administration;
d. to monitor progress made by projects through collecting and checking project monitoring reports, monitoring outputs, results and financial implementation;
e. to monitor commitments and payments of ERDF funds at programme level;
f. to distribute information and implement publicity measures on the programme and its projects, including running a programme website;
g. to assist and organise activities to support project generation and development;
h. to organise partner search events concerning the whole EU territory

i. to liaise with the implementing authorities and the European Commission;

j. to cooperate with organisations, institutions and networks relevant for the objectives of the programme;

k. to fulfil the usual work of a secretariat, i.e. organisation of meetings, drafting of minutes, etc.

l. to ensure all new tasks of 'animation' of the programme (e.g. capitalisation on past and running operations, dissemination of good practice and organising the work process of the pools of experts).

m. to support the Financial Controllers Group.

The Joint Technical Secretariat will be supported by four **Information Points (IPs)**, located in **Katowice** (Poland), **Lille** (France) (within the JTS), **Rostock** (Germany) and **Valencia** (Spain). Although most projects are expected to cover several of the geographic areas, the activities of the Information Points will focus on a certain geographical area.

The Information Points shall have international staff. The number and qualifications of staff shall correspond to the tasks defined below. The Information Points shall be contracted by the Managing Authority and funded from the Technical Assistance budget. They will assist the Joint Technical Secretariat in fulfilling the following tasks:

a. to organise in their respective IP area events for the benefit of potential applicants and Lead partners;

b. to support National Contact Points (see paragraph 6.1.7);

c. to help the JTS to organise partner search events concerning the whole EU territory;

d. to organise itinerant events in their IP area;

e. to support project generation and development;

f. to help develop and maintain a database of publicity contacts (media, specialised magazines, key actors);

g. to assist the JTS in the identification and recording of good practices;

h. to contribute to the implementation of the Programme's publicity strategy in their area, in order to help promote the programme across the whole of Europe;

i. to provide input to the JTS for its communication actions including contributing to the updating of the website and newsletter by sending all relevant information to the JTS;

j. to assist project applicants by:

   - giving initial advice to potential project applicants (by e-mail, phone, meetings) on the requirements and criteria of the programme, particularly on the interregionality of their project and on the relevance to the priorities of the programme;
   - surveying the themes covered by project applicants and the geographic location of Lead partners/project partners from their area, to help monitor closely potential 'gaps' in project themes and geographical coverage at the level of each MS and the whole of the EU;
   - stimulating the emergence of new projects in areas where a gap has been identified by taking specifically targeted publicity and communication actions;
   - facilitating partner search by identifying suitable partners in the IP area for joining projects with other interested parties, inside and outside their own area;
   - assisting the JTS in the initiation and generation of good quality projects to fulfil the Programme's objectives, This means developing relevant project ideas.

- maintaining an up-to-date list of project ideas developed by Lead applicants of their IP area and regularly informing the JTS of new project ideas brought to them.
- organising regional Lead Applicant seminars facilitating contacts and administrative information between running project leaders (in the zone) and the JTS with access to the main project DB in Lille

k. to coordinate and support national and regional contacts, which includes holding regular meetings in order to update them about the results of the programme, the latest technical, administrative and financial features, manuals, regulations, etc;

l. to assist the JTS in informing and assisting applicants and partners on programme implementation issues.

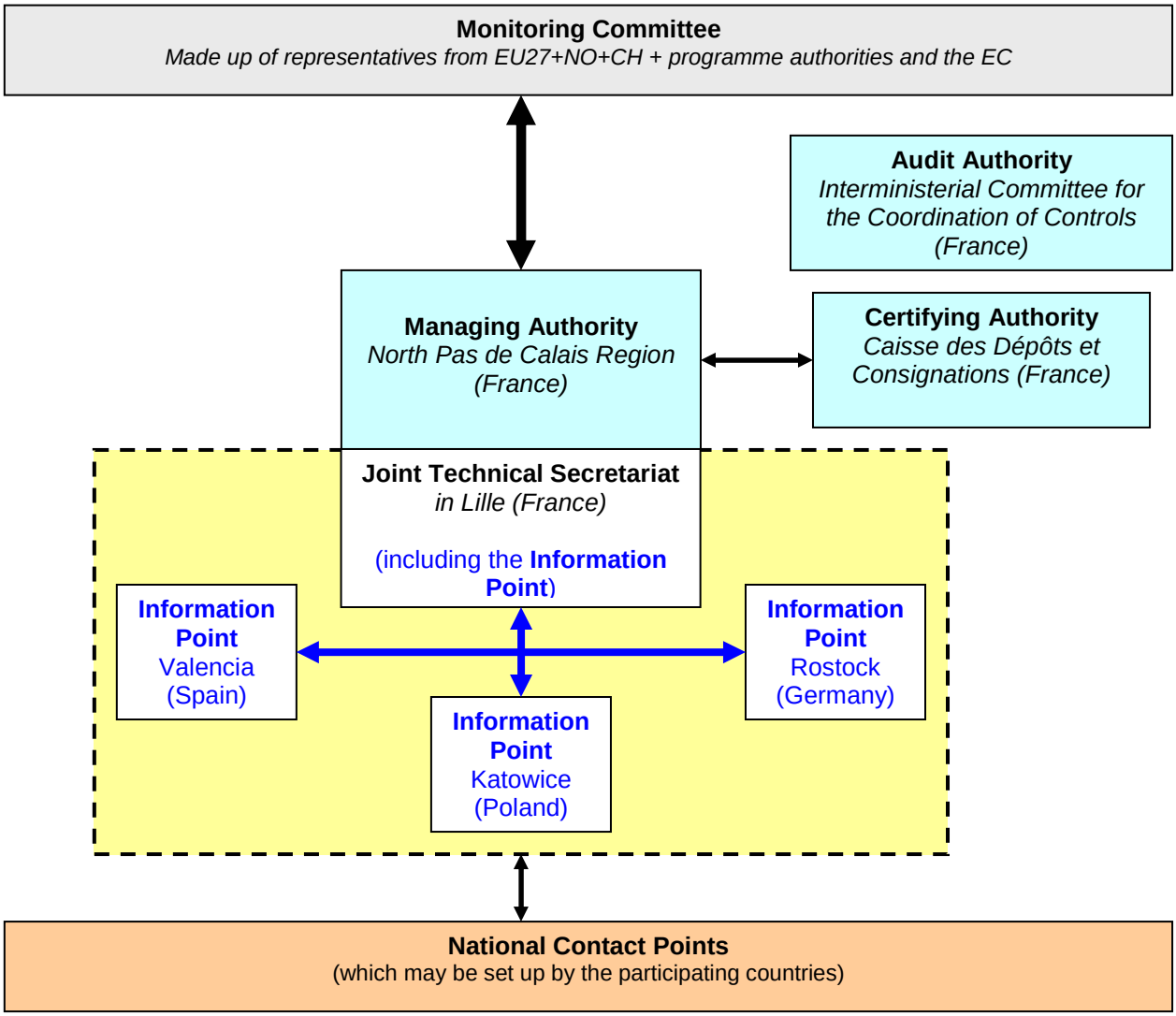
6.1.7 National Contact Points

The authorities of the countries participating in this Interregional Cooperation Programme are strongly recommended to set up National Contact Points.

These National Contact Points may have an important role in promoting the programme amongst potential project applicants in their country and supporting them in generating projects. National Contact Points will be supported and coordinated by the Information Points as well as by the JTS.

The set-up of National Contact Points is voluntary. The expenses of the National Contact Points will not be covered by the Technical Assistance budget of this programme.

6.1.8 Schematic overview of INTERREG IVC programme structures



6.2. Procedures for project selection

6.2.1. Regional Initiative Projects

The project application and selection process can be performed as one-step or two-step approach. The choice is the concern of the Monitoring Committee. Under the one-step approach, the Lead Partner submits a complete application straight away. Under the two-step approach, the Monitoring Committee decides whether to pursue an application further based on a first outline of the project's main features, submitted by the Lead Partner.

The Joint Technical Secretariat organises the assessment of the project applications submitted based on the eligibility and quality criteria approved by the Monitoring Committee, and makes a proposal for a decision to the Monitoring Committee.

6.2.2. Capitalisation, including Fast Track projects

Project applications can be submitted following a call for proposals.

The Joint Technical Secretariat will make applications available to the members of the Monitoring Committee. It organises the assessment of the project applications submitted based on the eligibility and quality criteria approved by the Monitoring Committee, and makes a proposal for a decision to the Monitoring Committee.

In addition, the Commission informs the Monitoring Committee about which projects it considers as candidates for the Fast Track Projects.

6.3. The Monitoring and Evaluation System

6.3.1. Monitoring

The Monitoring of this programme will provide information on the implementation at any given time. It will cover financial issues as well as achievements and goal-attainment at project level. Monitoring will encourage high quality, effective implementation by monitoring the progress of the projects against the goals of the programme. Monitoring will be based on regular reports from the projects' lead partners. In terms of content, it will concentrate on the outputs and results of cooperation, and will aim to identify the effects of the broader use of innovative ideas and instruments that result from interregional cooperation.

The monitoring system will provide the information as required in Annex III of the Commission Regulation No. 1828/2006 setting out rules for the implementation of Council Regulation (EC) 1083/2006. The Programme specifies indicators for monitoring and evaluating its progress. These are presented in Chapter 4 and Annex 2. These indicators cover the operational and thematic objectives of the programme as well as the cross-cutting fields of equal opportunities, environment and sustainable development, and will form the basis of the monitoring system. The information source for the indicators concerning the operations' performance (Priority 1 and 2) will be Lead Partners through their regular reports to the programme. The quantification of the indicators on the programme management performance (Priority 3) will be provided by the JTS. They may be completed by the Monitoring Committee. The Managing Authority may take the initiative to propose additional indicators.

Lead Partners will be obliged to report regularly on the effects achieved by their projects. These reports will also include a requirement to quantify a given set of operations' performance indicators. The Joint Technical Secretariat will collect and compile the data stemming from these reports in order to allow for conclusions on the programme level. The Managing Authority will use this documentation – together with additional information on the financial implementation – to draft the Annual and Final Reports and submit them to the Monitoring Committee. The Monitoring Committee will assess the Monitoring information on the basis of a yearly report on the status of the Monitoring System. The information made available to the

Commission will be presented in a database format in line with Annex III of the Commission Regulation 1828/2006. It will go beyond the scope of monitoring by including information on additional quantified evaluation indicators. The Managing Authority will be responsible for implementing this system.

6.3.2. Financial control system

In line with Article 16 of Regulation (EC) 1080/2006, each Member State shall set up a control system making it possible to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for operations or parts of operations implemented on its territory, and the compliance of such expenditure and of related operations, or parts of those operations, with Community rules and its national rules.

For this purpose each Member State shall designate the controllers responsible for verifying the legality and regularity of the expenditure declared by each beneficiary participating in the operation. Member States may decide to designate a single controller for the whole programme area. Where the delivery of the products and services co-financed can be verified only in respect of the entire operation, the verification shall be performed by the controller of the Member State where the lead beneficiary is located or by the Managing Authority. Further details on the control systems set-up by the Member States will be provided in the description of the Monitoring and Control System in accordance to Commission Regulation 1828/2006 of 8 December 2006, Annex XII.

6.3.3. Annual and final implementation reports

The Managing Authority will, by 30 June each year, starting in 2008, submit an annual report to the Commission. The annual reports will be drafted by the Joint Technical Secretariat in accordance with the requirements of Article 67 of Regulation (EC) 1083/2006. They will be approved by the Monitoring Committee before they are sent to the Commission.

A final implementation Report will be submitted to the Commission by 31 March 2017 following the same rules as the Annual Reports.

6.3.4 Evaluation

The programme has been subject to an ex-ante evaluation of independent evaluators with the aim of improving the programme's quality and to optimise the allocation of budgetary resources. The recommendations of this evaluation have been taken into account during the drafting of this programme, as described in paragraph 4.6.of the current document.

At the midterm stage of the programme an evaluation will be carried out, which amongst others, will assess the programme strategy, its implementation and the use of the technical assistance budget.

As referred to in Article 48 (3) of Regulation (EC) 1083/2006 further evaluations linked to the monitoring of the operational programme may be carried out by the Member States.

The results of all evaluations shall be sent to the monitoring committee and to the Commission.

6.3.5. The computerised exchange of data

As stipulated in Regulation (EC) 1083/2006, Art 66 and 76, computerised systems have to be installed, operated and interconnected. This data base system has to meet special require-

ments. The database should be prepared for the input and the processing of the following data, on projects and project partners:

a. Project number, title, priority and measure;
b. Result of application assessment;
c. Approval date, contracting date, starting date and duration of the project;
d. Eligible expenditure and ERDF co-financing for the project;
e. Address information of the Lead Partner and all other project partners including name and address of the institution and the contact person, telephone, fax, e-mail and objective area;
f. Bank account information of the Lead Partner.

Furthermore the database must be prepared for the input and processing of information received by the Lead Partner's activity and financial reports. The following features should be envisaged:

a. Facility for monitoring the deadlines for the delivering of reports;
b. For each report an individual input sheet for the assessment of the reported activities and the reported expenditure in the individual budget lines;
c. Automatic calculation of the cumulative used budget and indication of exceeded budget lines;
d. Information on payments made.

To support the Joint Technical Secretariat in meeting its monitoring and reporting duties, the database has to deliver data report sheets, including the following:

a. Commitments and payments on project level
b. Reporting status
c. Project budget overview
d. Activity and financial report overview
e. Financial status of project and project partner
f. Geographical status (region, country) per partner

The database provides the form and content of accounting information as requested in Article 14 and Annex III of Commission Regulation (EC) No 1828/2006. Use will also be made of the code given for the "Categorisation of Funds assistance" as described in Annex II of the above mentioned Regulation.

In order to transfer computer files to the Commission, the database administration system will have the ability to create interface files in accordance with Article 14 of the Commission Regulation (EC) No 1828/2006.

6.3.6. Mobilisation and circulation of financial flows

a) The contribution of the various partners to the financing of the programme
On programme level the TA is jointly financed by the EU 27 Member States and the ERDF. The rate of cofinancing from the Member States for Technical Assistance is 30% (ERDF cofinancing rate 70%). An additional contribution to the TA budget comes from Norway and Switzerland. The total budget for technical assistance is 28.1 Mio EUR (see Table 6). The share of each Member State results from the number of inhabitants per country in relation to the current EU27 countries' overall population in 2005. The national payment can be transferred in one or several instalments to the account of the Certifying Authority.

Financial flows from the Certifying Authority to the beneficiaries of the Technical Assistance will be based on legal agreements between the Managing Authority and the other bodies in accordance with the financial management and control requirements as set out in Chapter II, Section 3 of the Commission Regulation (EC) No 1828/2006.

b) Main stages of Community funding from the Certifying Authority to the Lead Partners
All projects have to be pre-financed by the project partners. The Lead Partner collects the certified declarations of expenditure of all project partners and makes a claim for reimbursement to the Certifying Authority. The maximum rates for reimbursement of the eligible expenditure are specified in Table 8 in paragraph 7.4. The reimbursement is paid from the Certifying Authority to the Lead Partner; and the Lead Partner distributes the money to the partners as set out in the partnership agreement.

6.3.7. Publicity and information

As stipulated in the Commission Regulation (EC) No 1828/2006, Chapter II, Section 1, this programme and the results it produces will be subject to a comprehensive information and publicity strategy aiming at the widest possible degree of participation and information of public and private actors, as well as the dissemination of the results. The strategy will make use of all relevant channels of communication to disseminate information on the programme. Specific emphasis will lie in the opportunities offered by electronic media: a website, electronic mailing lists, etc. will form integral part of the overall strategy.

The communication activities of the Managing Authority will be supported by activities of the Commission, as effective communication will be a key part of Regions For Economic Change

Information and publicity measures are part of the responsibility of the Managing Authority.
The Communication strategy will be implemented by the Communication Officer in the INTERREG IVC Secretariat, under the direction of the Programme Director and the Managing Authority. A network of four Information Points will be put in place to contribute to the implementation of the Communication plan in their area. Private companies (event organisers, journalists, publishers) will be called upon to assist the organisation of large events or the publication of specific supports where necessary.

The JTS, on behalf of the Managing Authority, will provide a complete and detailed Communication Plan within the four months following the acceptance of the programme, as stipulated in Commission regulation (EC) No 1828/2006 section 1 article 2.

The budget proposed for the Communication plan for the 2007-2015 period is €2,460,000.

The communication strategy will make use of all relevant channels of communication to disseminate information on the programme.

Targeted groups include:

- potential partners of approved INTERREG IVC operations;
- partners and lead partners of approved INTERREG IVC operations;
- representatives of local, regional and city authorities;
- bodies governed by public law;
- Managing Authorities of Convergence and Competitiveness and Employment programmes;
- EU institutions (European Parliament; European Commission; Committee of the Regions);
- media; EU general public.

Depending on the target group, different forms of communication are planned. These would include the following activities: Partner Search forums, dissemination, thematic and capitalisation events; Information seminars; General press and publicity activities.

The first INTERREG IVC seminar, including a Partner Search forum, is planned to take place in September 2007 in Lisbon. Partner Search forums will be organised on a yearly basis until the last call for applications has been issued. These Europe-wide events will be designed to promote the programme's funding opportunities, to enhance project generation and partner search, to disseminate the outcomes, and to strengthen thematic capitalisation.

Information seminars for Lead Partners should be organised biannually by the Information Points, according to geographic region. This will ensure smaller, more manageable groups for each seminar.

General press and publicity activities include a press monitoring service, and the development and maintenance of the INTERREG IVC programme website and newsletter. A professional graphic designer and web developer will be contracted to ensure that the website is graphically pleasing and easy to use, ensuring essential functions such as project database, programme documents for download, application pack and contact details.

The annual and final reports will include examples of information and publicity measures carried out in implementing the communication plan, the publication of the list of beneficiaries, the names of the operations and the amount of public funding allocated to them, and a description of any major amendments to the communication plan.

The annual implementation report for the year 2010 and the final implementation report shall contain a chapter evaluating the results of the information and publicity measures in terms of visibility and awareness of the Operational Programme and of the role played by the Community.

6.4. Partnership

In accordance with Article 11 of Regulation (EC) 1083/2006 the objectives of the programme shall be pursued in the framework of close cooperation (hereinafter referred to as partnership), between the Commission and each Member State. Each Member State shall organise, where appropriate and in accordance with current national rules and practices, a partnership with authorities and bodies such as:

a. the competent regional, local, urban and other public authorities;

b. the economic and social partners;

c. any other appropriate body representing civil society, environmental partners, non-governmental organisations, and bodies responsible for promoting equality between men and women.

Each Member State shall designate the most representative partners at national, regional and local level and in the economic, social, environmental or other spheres (hereinafter referred to as partners), in accordance with national rules and practices, taking account of the need to promote equality between men and women and sustainable development through the integration of environmental protection and improvement requirements.

The partnership shall be conducted in full compliance with the respective institutional, legal and financial powers of each partner category as defined in paragraph 1 of Article 11, Regulation (EC) 1083/2006.

The partnership shall cover the preparation, implementation, monitoring and evaluation of operational programmes. Member States shall involve, where appropriate, each of the rele-

vant partners, and particularly the regions, in the different stages of programming within the time limit set for each stage.

During the preparation phase of the Operational Programme, the third revised Operational Programme draft and Environment Report were sent out for consultation to the relevant bodies mentioned above and put on the website of the INTERREG IIIC programmes on 20 December 2006. More than 300 comments from 46 authorities were received from 15 countries. About 100 of these comments contained opinions on environmental issues within the Operational Programme and on the strategic environment assessment, as well as the Environment Report and its recommendations. 200 comments submitted concerning the Operational Programme. All comments received were very constructive and were included when appropriate in the INTERREG IVC Programme, as were the recommendations of the Environment Report. The full details are given in the SEA Summarising statement.

Chapter 7: Financial Provisions

7.1. Introduction

This chapter outlines the financial provisions of the Interregional Cooperation Programme INTERREG IVC. The following paragraphs present the programme's financing plan, the arrangements for the geographical eligibility of project partners and the co-financing arrangements.

7.2. Financing Plan

In line with the requirements of Regulation 1080/2006, Article 12.6 there is a single financing plan for this programme, with no breakdown by participating Member State. This financial plan is presented in the form of two tables.

Table 5 presents a breakdown of the financial ERDF contribution for each year of the 2007-2013 programming period. The size of the annual ERDF allocations increases over the years, to match the programme's implantation cycle. The first years of implementation can be considered as a start-up phase, with only a few projects fully operational. Over the years the number of operations is likely to increase, as well as their rates of spending. Therefore the annual allocations of ERDF to the programme gradually become higher towards the end of the programme.

Table 6 specifies the amount of the total financial appropriation of the ERDF contribution and the national funding for the whole programming period, for the Operational Programme as a whole and for each priority axis. The table also presents the average rate of the ERDF contribution for each of the priorities (the co-financing arrangements are described in more detail in paragraph 7.4).

Table 7 breaks down the ERDF and the national funding for the three programme priorities as follows: share of the total eligible funding; share of the total ERDF funding; and share of the total national funding.

All figures in the tables below are in current prices (indexation included).

Table 5: Financing Plan of INTERREG IVC programme giving the annual commitment of ERDF in the OP

Operational Programme reference: CCI 2007CB163PO046

Year by source for the programme, in EUR:

	Structural Funds (ERDF)	***Total***
2007	33,519,180	33,519,180
2008	35,753,777	35,753,777
2009	39,659,847	39,659,847
2010	45,335,266	45,335,266
2011	51,221,838	51,221,838
2012	55,632,584	55,632,584
2013	60,199,270	60,199,270
Grand Total 2007-2013	**321,321,762**	**321,321,762**

Table 6: Financial Plan of the INTERREG IVC programme for the whole programming period

Operational Programme reference: CCI 2007CB163PO046

Priority axes by source of funding, in EUR:

	Community Funding (a)	National Counterpart (b) = (c) + (d)	Indicative breakdown of The national counterpart		Total Funding (e) = (a) + (b)	Co-financing rate[8] (f) = (a)/(b)	For information		
			National Public Funding (c)	National Private funding (d)			EIB Contributions	Norwegian Contribution	Swis Contribu
Priority 1 Innovation and the Knowledge Economy ERDF, public funding	176,726,969	44,181,742	44,181,742	0	220,908,711	80 %	0	1,600,000	1,65
Priority 2 Environment and Risk Prevention ERDF, public funding	125,315,487	31,328,872	31,328,872	0	156,644,359	80 %	0	1,040,000	1,17
Priority 3 Technical Assistance ERDF, public funding	19,279,306	8,262,560	8,262,560	0	27,541,866	70 %	0	360,000	18
TOTAL	**321,321,762**	**83,773,174**	**83,773,174**	**0**	**405,094,936**	**79 %**	**0**	**3,000,000**	**3,00**

[8] This rate is rounded to the nearest whole number in the table. The pricise rate used to reimburse payments in the ratio (f)

Table 7: Distribution of the total eligible budgets between the three priorities

	Total Eligible Funding (in EUR)	*Share of Total Eligible Funding (in percent)*	*ERDF Funding (in EUR)*	*Share of Total ERDF Contribution (in percent)*	*National Funding (in EUR)*	*Share of Total National Funding (in percent)*
Priority 1 Innovation and the Knowledge Economy	220,908,711	*54.53*	*176,726,969*	*55.00*	*44,181,742*	*52.74*
Priority 2 Environment and Risk Prevention	156,644,359	38.67	125,315,487	39.00	31,328,872	37.40
Priority 3 Technical Assistance	27,541,866	6.80	19,279,306	6.00	8,262,560	9.86
TOTAL	405,094,936	100.00	321,321,762	100.00	83,773,174	100.00

7.3. Geographical eligibility of partners

This Operational Programme supports cooperation activities between regional actors from all parts of the EU. In addition to this, Norway and Switzerland are full members of the programme and actors from these countries are welcome to participate. Finally, under certain conditions cooperation with countries from outside the territory of the Union can be financed. The following principles apply regarding the geographical eligibility of beneficiaries:

- Partners from EU Member States can receive ERDF funding.
- Partners from Norway and Switzerland can make use of the respective allocations of Norwegian/Swiss funding in the programme.
- According to the ERDF regulation (1080/2006, Article 21.3), the ERDF may finance expenditure incurred in implementing operations or parts of operations on the territory of countries outside the European Community up to a limit of 10% of the amount of the ERDF contribution to the Operational Programme, provided these expenditure are for the benefit of the regions of the Community. This possibility will be used primarily for partners from IPA[9] countries. Funds allocated under this 10% flexibility option shall be used under responsibility of a partner located in an EU-Member State in order to ensure proper financial control.
- Participation of partners from Norway and Switzerland is not considered as part of this 10 % flexibility.
- Alternatively, partners from IPA countries can participate in operations using IPA funding, without receiving ERDF co-financing.
- In general, partners, coming from countries outside the EU territory, can also participate with their own funding.

7.4. Co-financing rates

Table 8 below presents the maximum ERDF co-financing rates that apply for this programme.

For priorities 1 and 2 two different co-financing rates apply. Based on Article 53 of Regulation 1083/2006, for Member States whose average GDP per capita for the period 2001 to 2003 was below 85% of the EU-25 average during the same period, the maximum ERDF contribution is 85% of eligible expenditure. For all other Member States, the maximum ERDF contribution is 75% of eligible expenditure[10].

The maximum co-financing rate for the participation of partners from Norway and Switzerland in operations under priorities 1 and 2 is 50%, drawing from the Norwegian and Swiss budget allocation presented in Table 6.

The ERDF contribution to the Technical Assistance (Priority 3) is set at 70%. An additional contribution to the Technical Assistance budget is provided by Norway and Switzerland.

[9] IPA: Instrument for Pre-Accession Assistance, supports *candidate* and *potential candidate countries* for membership to the EU. For details see: http://ec.europa.eu/enlargement/financial_assistance/ipa/index_en.htm.
[10] For the calculation of the total programme budget (Table 6) the average of these two ERDF co-financing rates (i.e. 80%) was used for Priority 1 and 2.

Table 8: Maximum ERDF co-financing rates

	Co-financing rate (ERDF)	***EU Member States***
Priority 1 & Priority 2	Max. 75 %	Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxemburg, Netherlands, Spain, Sweden, UK
	Max. 85%	Bulgaria, Czech Republic, Cyprus, Estonia, Greece, Hungary, Lithuania, Latvia, Malta, Poland, Portugal, Romania, Slovakia, Slovenia.
Priority 3	70%	All EU Member States

Chapter 8: Complementarity with other EU programmes and policies

8.1. Complementarity with cooperation activities developed under other programmes

8.1.1. Complementarity with the Convergence/ Competitiveness and Employment programmes, especially with the interregional cooperation actions developed in these programmes

This complementarity will be ensured through a focus on the involvement of those responsible for the Convergence and Competitiveness programmes, making them aware of good practice developed within the interregional cooperation programme. Such a link will, firstly, allow the exchange of basic information about activities implemented in both contexts (e.g. via a joint project-database) and will, secondly, support a transfer of project-related contents for commonly shared cooperation themes (i.e. dissemination of know-how, good practice, innovative approaches). This will create an additional source of inspiration that could help orientate the Fast Track approach of the Interregional Cooperation Programme and - at the same time - avoid a duplication of projects that might be realised in both contexts on very similar topics.

The applicants will be asked to include information on the past, the current and the envisaged EU assistance and indicate how coordination and articulation with activities of other programmes will be carried out, especially to avoid overlaps between INTERREG IVC projects and similar projects in the other mainstream programmes.

The programme will publish information on all projects on the webpage as soon as they are contracted. This will be an additional source of information for the stakeholders of the mainstream programmes and would help to identify projects which are implemented in the same policy field.

8.1.2. Complementarity with cross-border and transnational programmes

The Interregional Cooperation Programme will encourage cooperation among cross-border and transnational programme areas in order to enable an exchange of experience / a transfer of best practices on specific topics related to “innovation & the knowledge economy” and “environment & risk prevention”. This will be done in close articulation with the activities developed under INTERACT programme.

In addition, operational prescriptions will be elaborated by the Monitoring Committee to avoid potential overlaps with respect to the future Objective “European territorial cooperation” programmes dealing with cross-border and transnational cooperation. These operational prescriptions will ensure that there is no double financing.

8.1.3. Complementarity with network programmes

Synergies between INTERREG IVC and the three other interregional programmes URBACT, INTERACT and ESPON shall be looked for through a strong coordination in elaborating the Annual Work Plans (network programmes) and through regularly informing the Monitoring

Committee of the activities and results achieved in the other programmes. Furthermore, a close cooperation is intended as regards technical implementation matters.

8.2. Coherence with activities co-financed with EAFRD, the Research Framework programme, the Competitiveness and Innovation programme and other EU relevant programmes.

The coherence with other EU programmes addressing issues close to INTERREG IVC will be checked carefully in order to optimise the use of EU funds.

The following programmes are concerned: the European Agricultural Fund for Rural Development (EAFRD, LIFE), the new Competitiveness and Innovation Programme, the 7th Research Framework Programme, the European Social Funds (ESF) and others.

The applicants will be asked to include information on the past, the current and the envisaged EU assistance and indicate how coordination and articulation with activities of other programmes will be carried out, especially to avoid overlaps between INTERREG IVC projects and similar projects in the other programmes like EAFRD, the Research Framework programme, the Competitiveness and Innovation programme, the European Social Funds (ESF) and other EU relevant programmes.

8.3. Coherence with other EU policies

The activities of INTERREG IVC focus on issues that are also addressed by other Structural Fund programmes. This coherence with Structural Funds is a core element of this programme and guarantees that the activities are in line with EU-policies.

The Committee of the Regions (CoR) is an institution of the European Union created to represent at EU level the main target group of the INTERREG IVC programme, meaning local and regional authorities. To ensure a close link and transfer of information a member of the CoR will have an advisory status in the Monitoring Committee (MC) of the INTERREG IVC programme.

The Lisbon Monitoring Platform (LMP) was launched at the Committee of the Regions' first Territorial Dialogue on 1 March 2006 and will run until 2010. It aims to facilitate the exchange of information between local and regional authorities and to identify the obstacles encountered in implementing the goals of the revised Lisbon Strategy, voice these politically and find realistic solutions. The LMP has recently expanded its membership to 101 local and regional authorities across the EU, including Romanian and Bulgarian members. The members meet several times a year in Lisbon policy-focused workshops. Also, an electronic platform is at their disposal, which offers detailed regional statistical data, information on related events and a documentation centre.

The results from the work carried out with the LMP contribute to the Committee of the Region's political messages on a more decentralised implementation of the Lisbon Strategy. The LMP has strong potential to contribute to the successful implementation of Regions For Economic Change, in particular through its provision of monitoring information (assessment of needs), comparative analyses (transparency at European level) and networking. These features could help regions, cities and other partners identify other regions, cities and partners to participate in potential networks. For more information on the Lisbon Monitoring Platform see: http://lisbon.cor.europa.eu/index.php.

To be supported under this programme, projects should contribute to **equal opportunities** for men and women and should be coherent with the objectives of **non-discrimination** and the protection and improvement of the **environment** foreseen by the Treaty and EU legislation. The Monitoring Committee is responsible for ensuring that this requirement is fulfilled.

The Member States confirm that any state aid that might be provided under this programme shall comply with the procedural and substantive State aid rules applicable at the time when the public support is granted.

ANNEX 1: Structure of the programming process

The programming process is carried out by a ***Programming Committee (PC)***, for binding agreements among all Member States and Associated Countries, supported by a ***Reference Group (RG)*** which will also conduct a dialogue with two consortia of **external experts** one of which is designated to drafting the programme, and the other to the ex-ante evaluation.

1.1. Programming Committee (PC)

The PC is the body for formal agreements among all 27 EU Member States and Associated Countries (Norway, Switzerland) on programming procedures, the main draft versions and the final version of the programme. The European Commission also participated in the Programming Committee.

Main tasks:
- Approves the programme structure, draft versions and final version of the programme;
- Comments and discusses the draft programme texts produced by the external expert;
- Whenever necessary task forces composed by members of the PC can be set-up.

Decision making method:
- At any meeting of the PC, representatives of at least two-thirds of the programme area partner states shall constitute a quorum.
- In case that the PC has a quorum at its meeting, decision-making will be by consensus among the national delegations of the MS present (one vote per delegation, veto right only for EU MS); votes cannot be delegated to other countries. In case of opposition by one or more delegations the chairman shall decide whether a decision making-process in writing is going to be initiated or the decision shall be taken at the next PC meeting.
- If a decision needs to be taken before the next PC meeting the chairman can initiate a decision-making process in writing. In this case the chairman shall send the draft decision to all members of the PC. Delegations of the partner states shall have three weeks from dispatch of the proposal to respond in writing. If no written objection to the procedure or to the draft decision has been received by the specified time the decision is deemed to be taken by the PC.

Composition:
- In general two and exceptionally three representatives from each Member State and Associated Countries. PC members are responsible to arrange national dialogues with relevant national/regional organisations and authorities (depending on national procedures);
- EU Commission as observer.

Chairmanship and secretariat:
- Chair: Country holding the EU presidency (2006:1st half Austria, 2nd half Finland, 2007: 1st half Germany, 2nd half Portugal);
- Vice-Chair: Country holding the EU presidency in the following period (2006: 1st half Finland, 2nd half Germany, 2007: 1st half Portugal, 2nd half Slovenia);
- Secretarial functions will be provided by the RG.

1.2. Reference Group (RG)

A Reference Group is responsible for conducting a dialogue with the external experts contracted for supporting the drafting of the programme as a basis for approval in the PC. The RG has no decision rights.

Composition:
The acting chair of the PC, the future MA and an experienced team of the current JTS/MAs as well as the European Commission. This facilitates the exchange of information and the decision making process.

Tasks:
- To support the work of the external experts responsible for drafting the Operational Programme and ex-ante evaluation;
- Offer PC advice and know-how based on the experience of the current implementation of the INTERREG IIIC programme;
- To give regular feed back to the PC about the ongoing programming process;
- Provide supporting functions to the PC.

1.3. External experts responsible for drafting the Operational Programme and for ex-ante evaluation

Two pools of experts were selected:

- **Programming**

The consortium that was awarded the contract to support the drafting of the INTERREG IIIC successor programme is made up three consultancies, ***CPC (France), Haute Finance (Netherlands) and SENFTLEBEN CONSULT (Germany).***

- **Ex-ante evaluation**

The consortium which was awarded the contract for the ex-ante evaluation as well as the strategic environmental analysis (SEA) of the INTERREG IIIC successor programme is made up three consultancies, ***TERSYN (Strasbourg-France), EURE-CONSULT (Luxemburg) and ECOSYSTEMS Ltd (Brussels-Belgium)***

ANNEX 2: List of output/result indicators and their targets[11]

Purpose/ Objective to be measured	Indicator	Target
1. Operations' performance (Priorities 1 and 2) (total of all operations in the programme)		
1.1. *Contribution of operations to programme objectives*		
1.1.1 Improvement of regional and local policies (in accordance with chapter 4.2, specific thematic objectives 1 and 2)	**Output Indicator**	
	No. of regional/local policies and instruments addressed in the fields of o Research and technology development o Support to entrepreneurship and SMEs o Information Society o Employment, Human Capital and Education o Natural and technological risks o Water management o Waste prevention and management o Biodiversity and preservation of natural heritage o Energy and sustainable public transport o Cultural heritage and landscapes	750
	Result Indicator	
	No. of regional/local policies and instruments improved or developed in the fields of o Research and technology development o Support to entrepreneurship and SMEs o Information Society o Employment, Human Capital and Education o Natural and technological risks o Water management o Waste prevention and management o Biodiversity and preservation of natural heritage o Energy and sustainable public transport o Cultural heritage and landscapes	150
1.1.2 Exchange of experience and improvement of capacities and knowledge of regional and local stakeholders in particular by matching less experienced regions with regions with more experience (in accordance with chapter 4.2, specific operational objectives 3 and 4)	**Output Indicators**	
	No. partners involved o public authorities o bodies governed by public law	1,400
	No. of interregional events organised by operations to exchange experience	1,400
	No. of participants in these interregional events	14,000
	% of approved operations where both 'Objective Convergence' regions and 'Objective Competitiveness' regions are involved in the partnership	80%
	Result Indicators	
	% of partners by legal status (public authorities/bodies governed by public law)	70/30 %
	No. of staff members with increased capacity (awareness / knowledge / skills) resulting from the exchange of experience at interregional events	2,800
	No. of new projects/activities/approaches resulting from the exchange/dissemination of experience at interregional events	480
	No. of action plans developed by Objective 'Convergence' regions further to the lessons learnt from 'Objective Competitiveness' regions	150
1.1.3 Identification, sharing and transfer of good practices into regional policies in particular EU Structural Funds mainstream programmes (in accordance with chapter 4.2, specific	**Output Indicators**	
	No. of good practices identified by Regional Initiative Projects (Type 1)	2,400
	No. of good practices already identified and made available to regional and local actors involved in Capitalisation, including Fast Track Projects (Type 2)	250
	Result Indicators	
	No. of good practices successfully transferred within Regional Initiative Projects (Type 1)	200

[11] Total for whole programming period. The baseline value for all indicators is zero.

Purpose/ Objective to be measured	Indicator	Target
operational objective 5)	No. of action plans developed under Capitalisation, including Fast Track Projects (Type 2)	500
	No. of action plans developed under Fast Track Projects	250
	Amount of mainstream funds (Cohesion/ERDF/ESF) dedicated to the implementation of good practices coming from Capitalisation, including Fast Track Projects (Type 2)	MEUR 2,500
	Amount of mainstream funds (Cohesion Fund/ERDF/ESF) dedicated to the implementation of good practices coming from Fast Track Projects	MEUR 625
1.1.4 Contribution to horizontal EU policies	**Result Indicators**	
	% of operations with positive effects on equal opportunities	10 %
	% of operations with positive effects on the environment	60 %
1.2. General performance of operations		
1.2.1 Management and coordination	**Output Indicators**	
	Average number of steering committee meetings organised by operations per year	480
	Result Indicator	
	% of progress reports approved without additional information requested from the JTS	10 %
	% of deviation between planned and actual ERDF payment requests by LP ("-" under/ "+" overspending)	- 5 %
1.2.2 Dissemination	**Output Indicators**	
	No. of press releases disseminated	960
	No. of brochures (no. of issues created, not no. of copies printed or disseminated)	960
	No. of copies of brochures disseminated	120,000
	No. of newsletters (no. of issues created, not no. of copies printed or disseminated)	1,920
	No. of copies of newsletters disseminated	120,000
	No. of dissemination events organised	960
	No. of other events participated in (with presentations/stands etc. about the operation activities)	1,500
	Result Indicators	
	No. of articles/appearances published in the press and in other media	2,400
	Estimated no. of participants in events (organised and participated in)	160,000
	Average no. of visits per month on operation's website	1,000
2. Programme management performance (Priority 3)		
2.1. Support project generation and provide advice to project applicants;	**Output Indicators**	
	No. of "Individual Consultations" (IC) with applicants	900
	No. of participants in "Individual Consultations" (IC)	1,800
	Result Indicators	
	No. of applications submitted	800
2.2. Ensure the evaluation of applications, prepare the approval decisions and contract approved projects	**Output Indicators**	
	No. of applications approved and contracted	240
	Total INTERREG IVC budget of the approved operations	MEUR 380
	Average INTERREG IVC budget of the approved operations	MEUR 1.58
	Total ERDF budget of approved operations	MEUR 302
	% of total ERDF budget committed to operations	94 %
	Result Indicators	
	% of approved applications compared with submitted applications (success rate)	40 %

Purpose/ Objective to be measured	Indicator	Target
2.3. Ensure monitoring of and advice to running operations;	**Output Indicators**	
	No of project reports checked	1,200
	Average number of days needed to check reports	30
	No projects visits, participation to project events by MA/JTS	240
	Total ERDF paid out to operations	MEUR 286
	% of total ERDF budget of approved operations paid out to operations	95 %
	Result Indicators	
	% of successful implemented operations (achievement of indicated output/result indicators and budget spending) compared with approved operations	90 %
	Amount of ERDF decommitted	MEUR 16
	% of total ERDF decommitted (rate of decommitment)	5 %
2.4 Ensure capitalisation of operations' results for both types of intervention;	**Output Indicators**	
	Number of approved operations building on previous INTERREG IIIC experiences	50
	Number of operations' good practice guides available on the programme's web site	240
	Number of joint activities organised by operations working on similar themes	20
	Result Indicators	
	Number of good practices identified under previous INTERREG IIIC operations that are transferred to new regions	50
	Average number of downloads of each good practice guide available on the programme's web site	40
2.5 Organise meetings and events for applicants, partners, auditors, experts, Member States and other bodies to inform them about the programme, to discuss specific aspects of its implementation, disseminate and capitalise on operations' results;	**Output Indicators**	
	No. of brochures (no. of issues created, not no. of copies printed or disseminated)	4
	No. of newsletters (no. of issues created, not no. of copies printed or disseminated)	34
	No. of events organised	80
	No. of other events participated in (with presentations/stands etc. about the programme activities)	50
	Estimated no. of participants in events participated in	5,000
	Result Indicators	
	No. of press releases on programme activities disseminated	20
	No. of copies of newsletters disseminated	10,000
	No. of copies of brochures disseminated	10,000
	No. of articles/appearances published in the press and in other media	20
	Estimated no. of participants in events organised	5,500
	Average no. of visits per month on the programme website	10,000
2.6 Ensure the reporting to the Member States and the European Commission.	**Output Indicators**	
	No of Monitoring Committee meetings	15
	Result Indicators	
	Average no. of visits per month on the programme intranet site	50

ANNEX 3: Possible themes for Fast Track networks

Fast Track Networks shall address issues that fall within the thematic scope of this Interregional Co-operation Programme and the Regions for Economic Change Communication. This Annex presents an overview of these issues that were presented as the Themes for modernisation in the RFEC Communication. Further themes may be added at a later stage during the programme lifespan.

I. Making Europe and its regions more attractive places to invest and work

Increasing adaptability. Globalisation requires constant adaptation to changing economic realities and increases the importance of foreseeing and accompanying change. The European Globalisation Adjustment Fund will assist with re-training and job search efforts for workers made redundant as a result of major structural changes in world trade patterns and the Structural Funds will continue as in the past to facilitate medium-term adjustment. Regions working on this theme will exchange experience on how to deal with short-term economic shocks and on the appropriate instruments to mitigate negative effects and take advantage of opportunities which arise. Regions will also share best practice on steps they can take to prepare for, and take advantage of, planned and predictable changes in the economic environment such as those stemming from increased liberalisation of trade and reductions in trade protection stemming from international trade agreements.

Improving air quality. Poor air quality is associated with a decrease in life expectancy of up to 3 years in some parts of EU, and is also linked to increased rates of respiratory disease and reduced productivity. Regions working on this theme will develop and share measures to reduce their measured levels of particulate matter, NO2 and CO through integrated packages of measures.

Moving to a low carbon economy. Transforming our energy dependency will require higher energy efficiency to reduce demand and a lower dependence on fossil fuels. Regions working on this theme will develop actions and exchange experience on measures which improve Kyoto performance and contribute to the 2010 national indicative EU-25 global target of 21% of electricity from renewable energy sources and of 5.75% for the market share of biofuels (for transport as well as the increased use of renewable energy sources for heating and cooling).

Improving quality of water supply and treatment. The supply of sufficient clean water at reasonable cost is essential to households and businesses. The aim of this theme is to exchange experience on measures to help improve application of the principle of Integrated Water Resource Management and increase the efficiency of the drinking water supply. Regions working on this theme will develop measures, and share best practice, on assuring a better water quality and more efficient consumption.

Moving to a recycling society. Measures promoting the prevention and recycling of waste are an essential element for sustainable use of natural resources and contribute to reducing emissions of greenhouse gases. It involves developing local economies, thereby creating jobs, and benefiting general industrial competitiveness. Regions working on this theme will develop measures, and share best practice, on assuring reduction of waste generation and recovering/recycling valuable resources embedded in waste.

Making healthy communities. The Union's ageing population and declining labour force make it essential to take steps to increase the number of healthy life years for its population. However, major differences in health status and access to health care and delivering continuity of care persist between regions. Regions, cities and rural areas working on this theme will aim to improve the overall 'state of health' of inhabitants through extending healthy and active ageing and through measures to prevent health risks and fill gaps in health infrastructure including ICT-based tools.

Integrated policies on urban transport. Urban transport is a key element in determining the attractiveness of cities to citizens and businesses. Cities in both old and new Member States face challenges in this regard, as manifested by urban congestion, access problems and transport infrastructures which do not meet the needs of all groups. Cities working on this theme will aim to improve quality of life of citizens through providing high quality public transport and better management of traffic as part of an integrated strategy to improve their transport system.

Developing sustainable and energy-efficient housing stock. Many cities are confronted with housing stock of poor quality in terms of energy efficiency. This is costly for the citizens and detrimental to the local and national economy. Careful planning and timing of building renovations (with properly di-

mensioned/selected heating systems, hot water supply systems and electricity supply) are also needed to ensure balancing of housing needs with demographic, regional/urban development and lifestyle trends. Cities and rural areas working on this theme will work to achieve a higher level of sustainable development and energy efficiency of housing stock.

Improving monitoring of environment and security by and for the regions. It is important that regions can take full advantage of European investment in the development of information services to better support the global monitoring of environment and security (GMES). These pan-European services, which integrate space and ground/sea based geo-spatial data, should enable the development of downstream services to respond to regional users' needs. The aim of regions working on this scheme will be to overcome the problem of fragmented information systems and develop customised information services in various areas like cross border spatial planning (for transport infrastructure, tourism development, land monitoring) or emergency responses (focused on common risks areas such as alpine regions, cross boarder rivers or Mediterranean forest). As a result, they will promote the development of innovative firms in high tech services industries and the creation of cross border geospatial interoperable solutions.

II. Improving knowledge and innovation for growth

Improving the capacity of regions for research and innovation. It is important that regions emphasise the role of knowledge creation and innovation in their development strategies. Their strategy to invest in Research and Development should be based on a sound assessment of their research priorities and a management strategy, including the transfer of knowledge. The aim of regions working on this theme will be to develop measures to improve the proportion of their workforce employed in science, technology and high-tech manufacturing and the number of patent applications and licensing agreements. Under the fast track option, support could be given to regions to facilitate their participation in different EU-level activities such as the European Institute for Technology.

Bringing innovative ideas to the market more quickly. SMEs operate more and more in international markets and also need to adapt more quickly to global developments. The capacity to adopt new technologies and methods (sometimes developed through research) is key for competitiveness, yet is still hampered by a range of factors. The aim of regions working on this theme, which will be especially important in regions with strong SME sectors, will be to develop measures to increase awareness of the potential benefits of research for selected business sectors, including the possibilities which might flow from projects like GALILEO; to facilitate knowledge transfer from research to innovative products and services and to promote non-technological innovation, e.g. by providing counselling and networking measures. The exchange of best practice would include the use of risk capital to finance the proof-of-concept stage of the innovation process.

Training and retaining researchers. The retention of highly qualified personnel in the Research and Development sector is crucial for the development of the knowledge economy. Equally, the mobility of such people between the academic and business worlds helps to build bridges between the two communities. Regions working on this theme will develop programmes to train students and researchers in local companies, to establish offices to facilitate the exchange of personnel and knowledge, to attract young people to research and scientific careers.

Helping to restructure regions most heavily dependent on traditional industries. Some regions are still heavily dependent on traditional industries and vulnerable to relocation decisions, particularly by large employers. The aim of regions working on this theme will be to develop policy mechanisms on how best to anticipate, or respond to, closures through restructuring and diversification, or through retraining, business support, advice and financing and nurturing local clusters.

Bringing e-government to regions and businesses. Companies already offer many products and services online. Governments, especially at a local level, are not always up to the same speed. Regions working on this theme will benefit from experiences in those which are more advanced in the provision of administrative, library and other services through electronic communications.

Better ICT connections between regions. Citizens and businesses in Europe's remote, less-developed or sparsely-populated regions and in rural areas often face special challenges in accessing services and marketing and selling products and innovative ideas. Increasing the availability of ICT infrastructure and services will enable better access to public services and connect the social and economic actors of these regions to the global market with beneficial effects for businesses, employment and capacity building. Regions working on this theme will use broadband connections and digital eco-

systems technologies to help retain and establish new businesses, reduce out-migration, and enable global cooperation among the various socio-economic actors.

III. More and better jobs

Improving qualifications for innovation. Policies to support research, technology and innovation must go hand in hand with measures to promote a high level of education and training and a qualified work-force. The aim of regions working on this theme will be to address shortages of qualified workers for research, technology or innovation jobs, through actions to increase the education level of the population and to train both unemployed and those in employment (updating of skills, lifelong learning).

Promoting entrepreneurship. 'Entrepreneurship' is considered one of the new basic skills necessary to live and work in a knowledge-based society. Business support and advice, financing and networking are vital to enabling potential entrepreneurs to realise their ambitions. Regions working on this theme will focus on measures to increase the number of start-ups and their survival, to encourage an entrepreneurial mindset in schools, provide business advice, mentoring, financing and support to innovation centres.

Meeting the demographic challenge. Some regions and cities already face the negative economic effects of a radical change in demographic patterns. Increasingly, these will require a costly restructuring of social service facilities and care services for older people with knock-on effects to business. Regions working on this theme will pool their experience in dealing with the effects of demographic change and shape measures which could be applied elsewhere. Special attention will be paid to the inter-generational balance and the effects of immigration, both legal and illegal.

Promoting a healthy workforce in healthy workplaces. Another challenge to the EU's productivity is the number of days' work lost through sickness-related absenteeism each year. Ill-health and absenteeism is extremely costly to employees, employers and insurance companies and has a direct impact on national economies, given the medical and social security costs and the loss of output resulting from a reduced labour force. Regions working on this theme will aim to reduce the number of working days lost to sickness through sharing best practice on health promotion, including health promotion in the workplace.

Integrating marginalised youth. Despite the European Union's potential shortage of labour, many young people are neither in the education system nor do they work. Many face a lifetime of unemployment. Cities and rural areas working on this theme will aim to strengthen the integration of unemployed and under-skilled young people by providing them with access to job opportunities through education, training, micro-credits, improved infrastructure and advisory services. Crime prevention measures could also be highlighted.

Managing migration and facilitating social integration. Our cities are places where social disparities, migrant populations and ethnic minorities tend to be concentrated. Efforts should be made to exploit the huge potential of this cultural and social diversity. Cities and regions working on this theme will aim to strengthen their integration by providing these groups with access to job opportunities through education, training, micro-credits, improved infrastructure and advisory services.

Improving the adaptability of workers and enterprises. Improving the anticipation and positive management of economic change can be done in a variety of ways – all necessary to gain the full benefits from economic change and technological developments. The changes require an increased flexibility and continuous learning by both employees and employers. Regions working on this theme will aim to strengthen their life-long learning performance and improve systems to promote better design and dissemination of innovative and more productive forms of work organisation.

Expanding and improving education and training systems. The challenges of a knowledge-based society and globalisation place special demands on our education and training systems. Ensuring that schools and training centres have the right curricula and that teachers and trainers receive a continual updating of skills with a view to innovation and continuous change are essential in a number of ways: avoiding a skills gap, improving the employability of the young, older workers and those returning to the workplace, and helping those in employment to remain competitive. These investments are key for future growth and prosperity on national, regional and local levels. Regions working on this theme will aim to improve their education and training systems and curricula.

Increasing employment of older workers. Increasing employment rates, in line with the Lisbon targets, implies increasing employment of older workers: investment in stimulating such employment constitutes an investment in the sustainability of the European social model and in particular in its pension system. Regions working on this theme will aim to increase the employment rate of older workers. A multitude of active and preventative approaches could be followed, depending on national and regional particularities.

IV. The territorial dimension of European cohesion policy

Managing coastal zones. Investments in the environment help to ensure the long-term sustainability of economic growth, decrease external costs to the economy and stimulate innovation and job creation. Regions working on this theme will develop and share measures to prevent or reduce coastal pollution and to manage coastal erosion in a sustainable manner and mitigate the effects of sea level rise in view of a global strategy for adaptation to climate change.

Reaping the benefits of the sea. Maritime regions offer considerable opportunities but they face economic difficulties and challenges. Regions working on this theme will exchange best practices on how the economies of maritime regions can benefit from growth in areas like transport, tourism, energy production, aquaculture, and emerging marine technologies. For instance, European off-shore areas already play an important role in energy production and will do so even more in the future if off-shore aquaculture and sea-based renewable energy are further developed.

Achieving sustainable urban development. Cities develop quickly, but often face a range of challenges, including the need to improve living conditions, promote job creation, avoid segregated housing estates, integrate disadvantaged populations into the education and training systems, develop environmentally-friendly public transport systems, promote use of renewable energies and ICT. Dealing with these challenges requires an integrated sustainable urban development approach [such as that promoted by the URBAN II Programmes] covering different policies – economic development, employment, environment, infrastructures, social – requiring participation at all levels of governance (from citizens to political stakeholders). Cities working on this theme will aim to share experience and benefit from the application of this integrated sustainable urban development approach.

Re-using brownfield and waste disposal sites. Re-using urban brownfield and contaminated landfill sites for development is socially, economically, environmentally and culturally important for the development of our cities and regions and a valuable alternative to urban sprawl. Cities and regions working on this theme will aim to develop projects to re-use abandoned urban industrial, military or port sites.

Preventing and reducing floods. Better water management, revitalisation of water courses and improvement in biodiversity and ecosystem services by restoring Europe's landscapes to their original function are essential to reducing flood events. Cities and regions working on this theme will aim to develop projects to restore river meanders, prepare dry-polders, carry out afforestation projects, and create wetland areas.

Supporting the economic diversification of rural areas. Regions working on these themes will exchange best practices on how the economies of rural regions can be further diversified.

ANNEX 4: Summary of ex-ante evaluation

Summary of the ex-ante evaluation up to December 2006 – produced by TERSYN

The ex-ante evaluators have delivered successively a Screening Report (thematic information from official reports and documents of importance for the elaboration of the Operational Programme; June 2006), an "Evaluability" Report (July 2006) based on the Outline Document of the O.P., a First Draft ex-ante Evaluation Report (August 2006) based on the First Draft O.P. and a Second ex-ante Evaluation Report (November 2006) based on the Second Draft O.P. They have assisted the Reference Group and the programming team through formulating content-related recommendations and suggesting specific text modifications in the context of the elaboration and revision of the Third Draft O.P. The interaction process between the programme elaboration and the ex-ante evaluation has been intense and fruitful. Most of the recommendations and text modifications formulated by the ex-ante evaluators have been considered in the O.P. The present summary does not trace back this interaction process, but concentrates, instead, only on the appraisal of the revised Third Draft O.P. delivered in December 2006.

The analysis of the socio-economic situation and the relevance of the strategy to the needs identified

The socio-economic, territorial and environmental analysis carried out in the programme has reached in the Third Draft O.P. a mature character and reflects correctly the existing and future-oriented issues of regional and territorial development. A number of new cooperation needs have emerged and have been taken into consideration in the programme objectives.

The programme strategy, defined by an overall and five specific objectives, reflects adequately the cooperation needs identified in the analysis. It respects the principle of solidarity, indicating explicitly that the main beneficiaries should be regions less experienced in specific policy fields. The programme explicitly aims at improving the efficiency of regional development policies, provided the authorities responsible for the Convergence and Competitiveness programmes accept the potential contributions of Interreg IVC. The programme is not meant to facilitate the identification of regional potentials, but it can indirectly contribute in an efficient way to their better exploitation. In the specific context of Regional Initiatives, the programme has opted for a flexible solution by introducing different levels of cooperation intensity (instead of defining different types of operation as under INTERREG IIIC).

The strategy's rationale, its overall consistency and the degree of risk involved in the choice of priorities

The overall rationale of the programme strategy is characterised by a significant degree of internal consistency. The individual statements elaborated for the different objective-types are in general sufficiently realistic and will therefore be able to motivate stakeholders at regional and local levels to become involved in interregional cooperation. Due to this rather pragmatic rationale of the overall strategy, it is also very likely that the programme will allow generating an interesting Community added value.

The programme objective system is characterised by an absence of conflicts between higher-ranking programme objectives (OVO, SPOs) and priority-level operational objectives (OPOs). The objective system also shows an already well developed level of overall consistency and a high degree of interdependence among the various objective-levels. The definition of cooperation themes at the level of Priorities 1 and 2 can also be considered supportive for meeting the objectives of the programme.

A number of improvements in the Third Draft O.P. correspond to suggestions made by the ex-ante evaluators, such as the inclusion of a paragraph clearly specifying the expected Community added value of interregional cooperation in the context of the section defining the "overall objective", or the inclusion of text references that allow establishing a link between the Interregional Cooperation Programme and "mainstreamed" interregional cooperation activities.

The external coherence of the programme strategy with the "Community Strategic Guidelines"

The Interregional Cooperation Programme shows a very well developed level of external coherence with the Community Strategic Guidelines. Already existing but still rather weak complementarity relations under the previous version have now been further strengthened. The Interregional Cooperation Programme now provides more explicitly for cooperation among cross-border and transnational programmes (in Chapter 8, sub-section 8.1.2) in order to enable them realising an exchange of experience / a transfer of best practices on specific topics related to "innovation & the knowledge economy" and "environment & risk prevention". This new perspective of interregional cooperation can produce additional inspiration for mainstream programmes that will be implemented in these areas.

The Interregional Cooperation Programme shows a well developed level of external coherence with respect to the list of congruent themes / objectives that are jointly pursued under the Lisbon and Gothenburg Strategies and the EU-Structural Funds. Due to the limited financial resources of the future Interregional Cooperation Programme, a delivery of the above-mentioned themes / objectives formulated in the Lisbon and Gothenburg Strategies will however "only" take place at a very narrow geographical scale. It is therefore recommended that the future Interregional Cooperation Programme subscribes to a more realistic vision of its potential contribution to deliver themes / objectives contained in the Lisbon and Gothenburg Strategies (esp. under section 4.5 of the document).

Beyond the above-mentioned aspects, the revised Third Draft O.P. now also takes better into consideration issues relating to "equality between men and women" (Chapter 8, section 8.3). Yet, a clear text reference relating to the respect of the principle of "non-discrimination" is still missing in this context.

The expected outputs and results

As the relevant sections on output, result and impact indicators have just been delivered, only a preliminary assessment can be produced by the ex-ante evaluators. A more detailed "quality assessment" of the finally chosen indicator set alongside a number of quality control criteria that are described in the on-line evaluation guide of the European Commission[12] is presently underway.

Our preliminary examination shows however that the system of indicators chosen seems appropriate for the measurement of the degree of achievement of the programme's objectives. The distinction between the output and results indicators, as far as their content is concerned, seems rational and logic. The quantification of indicators seems feasible.

The proposed implementation system and its compliance with the Council Regulations governing the new Structural Funds period 2007-2013

The implementation system proposed complies largely with the new regulations. The formulation of Point b of the tasks of the Managing Authority should be checked in relation with Art 60, Point b of the General Regulation on Structural Funds;

With regard to the procedures for project selection, the provisions as laid own in the current version of the programming document are in general satisfactory. Due to the fact that the "Fast-Track" procedure is new and requires experimentation, it can be accepted that a more precise definition of the procedure for project selection will be contained in the Programme Manual. The procedure for the two-step approach should also be clarified in the Programme Manual.

The monitoring, evaluation and control procedures proposed comply with the new regulations and do not show inconsistencies.
A more detailed evaluation of the implementation and financial management provisions is currently underway and will be delivered in Final Draft Ex-ante Evaluation Report.

Based upon this provisional review, one must however stress that some potential risks (and bottlenecks) that might – at a later stage - impede a smooth implementation of the Interregional Cooperation Programme do exist. These are partly related to the level of financial resources dedicated to technical assistance and the effective possibility to tackle tasks relating to the new types of intervention foreseen by this O.P. (i.e. the "Fast Track Option"). Others are mostly related to "exogenous factors", such

[12] Although there is no standard method for this quality control, an approach is proposed in the on-line guide that is based on two groups of different criteria: (1) Quality criteria applicable to each indicator and (2) quality criteria applicable to the entire system. More information on: www.evalsed.info.

as the willingness of mainstream programme authorities to participate in interregional cooperation activities and/or to take up new approaches developed by them.

ANNEX 5: Information sources

- Commission Staff Working Document. Annex to the Green Paper. “A European Strategy for Sustainable, Competitive and Secure Energy. What is at stake?-“ COM(2006) 105 final

- Commission Staff Working Paper Document. Annex to the Green Paper “A European Strategy for Sustainable, Competitive and Secure Energy. What is at stake?” - COM(2006) 105 final

- Commission working document of 1 June 2004 entitled "Integrating environmental considerations into other policy areas - a stocktaking of the Cardiff process" [COM(2004) 394 - OJ C49 of 28 February 2006].

- Communication from the European Commission, “Regions for Economic Change”, Nov. 2006;

- Council Decision on Community strategic guidelines on Cohesion 2007-2013, COM(2006) 386 final of 6 October 2006 ;

- Council Regulation (EC) No 1O83/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999;

- Creating an innovative Europe. Report of the independent expert group on R&D and innovation led by Mr Aho, January 2006

- European Commission, DG Enterprise; http://ec.europa.eu/enterprise/smes/index_en.htm

- European Commission, DG Regional Policy, Growing Regions, growing Europe – Fourth report on economic and social cohesion, May 2007

- Education & Training 2010 - Communication from the Commission, COM(2003) 685 final.

- Environment Policy Review - 2005 - Communication from the Commission to the Council and the European Parliament

- ESPON “In search of territorial potentials” - Midterm results by spring 2005

- European Environment Agency - “State and outlook” - Annual report 2005

- Facing the challenge : The Lisbon strategy for growth and employment - from the High Level Group chaired by Wim Kok - November 2004

- Green Paper ‘Entrepreneurship in Europe’ - A debate on the future agenda for entrepreneurship policy presented by the Commission – DG Enterprise, based on COM(2003) 27 final

- i2010 – First Annual Report on the European Information Society Communication from the Commission. COM(2006) final. Main Report and Annex

- Implementing the Community Lisbon Programme: More Research and Innovation - Investing for Growth and Employment: A Common Approach”. COM(2005) 488 final

- Regionalised Lisbon performance, ESPON project 2.4.2. BBR, 2005

- Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999.

- Regulation (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No

1080/2006 of the European Parliament and of the Council on the European Regional Development Fund

- Sixth Environmental Action Programme, EU and Environmental Policy Review 2003, 2004, 2005

- Study on Effectiveness and Impact Assessment of IIIC operations on Regions located in IIIC East" by consortium Gruppo Soges- ÖIR for INTERREG IIIC East Zone

- The Growth and Jobs Strategy and the reform of European cohesion policy. Fourth progress report on cohesion. EC, June 2006.

- The Update of the Mid-term evaluation of the INTERREG IIIC Programme - LRDP Ltd, Nov. 2005

ANNEX 6: Indicative Breakdown of the Community contribution by category in the operations programme in compliance with Article 12(5) of Regulation (EC) no 1080/2006 and Article 11(1) of Regulation (EC) no. 1828/2006

Dimension 1 – Priority Theme	
Code	**Amount in euros**
09 – Other measures to stimulate research and entrepreneurship in SMEs	176,726,969
54 – Other measures to preserve the environment and prevent risks.	125,315,487
85 – Technical Assistance: preparation, implementation, monitoring and inspection	14,354,791
86 – evaluation and studies; information and communication	4,924,515

Dimension 2 – Form of finance	
Code	**Amount in euros**
01 – non-repayable aid	321,321,762

Dimension 3 – Territory	
Code	**Amount in euros**
10 – inter-regional cooperation area	321,321,762