

Regulation (EU) No 1299/2013 of the European Parliament and of the Council  
of 17 December 2013 on specific provisions for the support from the European  
Regional Development Fund to the European territorial cooperation goal

REGULATION (EU) No 1299/2013 OF THE  
EUROPEAN PARLIAMENT AND OF THE COUNCIL

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on specific provisions for the support from the European Regional  
Development Fund to the European territorial cooperation goal

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article  
178 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee<sup>(1)</sup>,

Having regard to the opinion of the Committee of the Regions<sup>(2)</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Article 176 of the Treaty on the Functioning of the European Union (TFEU) provides that the European Regional Development Fund (ERDF) is intended to help to redress the main regional imbalances in the Union. Under that Article and the second and third paragraphs of Article 174 TFEU, the ERDF is to contribute to reducing disparities between the levels of development of the various regions and to reducing the backwardness of the least favoured regions, among which particular attention is to be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions.
- (2) Regulation (EU) No 1303/2013 of the European Parliament and of the Council<sup>(3)</sup> sets out provisions common to the ERDF, the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). Regulation (EU) No 1301/2013 of the European Parliament and of the Council<sup>(4)</sup> sets out specific provisions concerning the type of activities which can be supported by the ERDF, and defines the goals for those activities. Those Regulations are not fully adapted to the specific needs of the European territorial cooperation goal, where at least two Member States or one Member State and a third country cooperate. It is therefore necessary to lay down provisions specific to the European territorial cooperation goal concerning scope, geographical coverage, financial resources, thematic concentration and investment priorities, programming,

monitoring and evaluation, technical assistance, eligibility, management, control and designation, participation of third countries, and financial management.

- (3) In order to increase the added value of the Union's cohesion policy, specific provisions should be aimed at achieving considerable simplification for all those involved: beneficiaries, programme authorities, authorities in participating Member States, at local, regional or national level, as appropriate, and third countries, as well as the Commission.
- (4) In order to support the harmonious development of the Union's territory at different levels, the ERDF should support cross-border, transnational and interregional cooperation under the European territorial cooperation goal.
- (5) Cross-border cooperation should aim to tackle common challenges identified jointly in the border regions, such as: poor accessibility, especially in relation to information and communication technologies (ICT) connectivity and transport infrastructure, declining local industries, an inappropriate business environment, lack of networks among local and regional administrations, low levels of research and innovation and take-up of ICT, environmental pollution, risk prevention, negative attitudes towards neighbouring country citizens and aim to exploit the untapped growth potential in border areas (development of cross-border research and innovation facilities and clusters, cross-border labour market integration, cooperation among education providers, including universities or between health centres), while enhancing the cooperation process for the purpose of the overall harmonious development of the Union.
- (6) Transnational cooperation should aim to strengthen cooperation by means of actions conducive to integrated territorial development linked to the Union's cohesion policy priorities, and should also include maritime cross-border cooperation not covered by cross-border cooperation programmes.
- (7) Interregional cooperation should aim to reinforce the effectiveness of cohesion policy by encouraging exchange of experience between regions on thematic objectives and urban development, including urban-rural linkages, to improve implementation of territorial cooperation programmes and actions as well as promoting analysis of development trends in the area of territorial cohesion through studies, data collection and other measures. The exchange of experience on thematic objectives should enhance design and implementation, principally of operational programmes under the Investment for growth and jobs goal, but also, where appropriate, of programmes under the European territorial cooperation goal, including the fostering of mutually beneficial cooperation between innovative research-intensive clusters and exchanges between researchers and research institutions in both developed and less developed regions, taking into consideration the experience of 'Regions of Knowledge' and 'Research potential in Convergence and Outermost regions' under the Seventh Framework Programme for Research.
- (8) Objective criteria for designating eligible regions and areas should be fixed. To this end, the identification of eligible regions and areas at Union level should be based on the common system of classification of the regions established by Regulation (EC) No 1059/2003 of the European Parliament and of the Council<sup>(6)</sup>.

- (9) Cross-border cooperation should support regions located on land or maritime borders. Based on experience from previous programming periods, the Commission should define the list of cross-border areas that are to receive support under cross-border cooperation programmes in a simpler way, by cooperation programme. In drawing up that list, the Commission should take into account adjustments needed to ensure coherence, in particular with regard to land and maritime borders, and continuity of programme areas established for the 2007-2013 programming period. Such adjustments could involve reducing or enlarging existing programme areas or the number of cross-border cooperation programmes, while allowing for the possibility of geographical overlap.
- (10) The Commission should define transnational cooperation areas having regard to actions needed to promote integrated territorial development. In defining those areas, the Commission should take into account the experience obtained in previous programmes and, where appropriate, macro-regional and sea-basin strategies.
- (11) To ensure that all regions in the Union can benefit from the exchange of experience and good practices, interregional cooperation programmes should cover the whole Union.
- (12) It is necessary to continue supporting or, as appropriate, to establish cross-border, transnational and interregional cooperation with the Union's neighbouring third countries, as such cooperation is an important regional development policy tool and should benefit the regions of the Member States which border third countries. To that effect, the ERDF should contribute to the cross-border and sea-basin programmes established under the European Neighbourhood Instrument (ENI) pursuant to a future Union legislative act concerning the European Neighbourhood Instrument for the period 2014–2020 (the 'ENI legislative act') and the Instrument for Pre-Accession Assistance (IPA II) pursuant to a future Union legislative act concerning the Pre-Accession Assistance for the period 2014-2020 (the 'IPA II legislative act').
- (13) Apart from interventions on external borders supported by external policy instruments of the Union covering border regions inside and outside the Union, it should be possible for cooperation programmes supported by the ERDF to cover regions both inside and, in certain cases, outside the Union, where the regions outside the Union are not covered by external policy instruments either because they are not defined as a beneficiary country or because such external cooperation programmes cannot be set up. It is necessary, however, to ensure that the support from the ERDF for operations implemented in the territory of third countries should serve primarily for the benefit of the regions of the Union. Within those constraints, the Commission should, when drawing up the lists of cross-border and transnational programme areas, cover regions in third countries as well.
- (14) It is necessary to set out the resources allocated to each of the different components of the European territorial cooperation goal, while maintaining a significant concentration on cross-border cooperation, including each Member State's share of the global amounts for cross-border and transnational cooperation, the potential available to Member States concerning flexibility between those components, and securing sufficient funding levels for outermost regions' cooperation.

- (15) For the benefit of the regions of the Union, a mechanism to organise support from the ERDF to external policy instruments, such as the ENI and the IPA II, should be set up, including where external cooperation programmes cannot be adopted or have to be discontinued. That mechanism should seek to achieve optimal functioning and the maximum possible coordination between those instruments.
- (16) The major part of the ERDF funding for cross-border and transnational cooperation programmes should be concentrated on a limited number of thematic objectives in order to maximise the impact of cohesion policy across the Union. However, the concentration under the interregional cooperation programme on thematic objectives should be reflected in the aim of each operation rather than in a limitation of the number of thematic objectives, in order to get the most out of interregional cooperation for the reinforcement of the effectiveness of cohesion policy principally under the Investment for growth and jobs goal and also, where appropriate, the European territorial cooperation goal. In the case of other interregional cooperation programmes, the thematic concentration should derive from their specific scope.
- (17) In order to deliver on the targets and objectives set out in the Union strategy for smart, sustainable and inclusive growth, the ERDF should contribute under the European territorial cooperation goal to the thematic objectives of developing an economy based on knowledge, research and innovation, including through the fostering of cooperation between businesses, particularly between SMEs, and through the promotion of the establishment of systems for cross-border information exchange in the area of ICT; promoting a greener, more resource-efficient and competitive economy, including through the promotion of sustainable cross-border mobility; fostering high employment that results in social and territorial cohesion, including through activities supporting sustainable tourism, culture and natural heritage as part of a territorial strategy aimed at achieving employment-friendly growth; and developing administrative capacity. However, the list of the investment priorities under the different thematic objectives should be adapted to the specific needs of the European territorial cooperation goal, by providing for additional investment priorities allowing in particular for the continuation under cross-border cooperation of legal and administrative cooperation, cooperation between citizens and institutions, and of cooperation in the fields of employment, training, integration of communities and social inclusion in a cross-border perspective, and by the development and coordination of macro-regional and sea-basin strategies under transnational cooperation. In addition, specific or additional investment priorities should be set out for certain interregional cooperation programmes to reflect their specific activities.
- (18) Within the thematic objective of promoting social inclusion and combating poverty and taking into account its practical importance, it is necessary to ensure that, in the case of the PEACE cross-border programme between Northern Ireland and the border counties of Ireland in support of peace and reconciliation, the ERDF should also contribute to promoting social and economic stability in the regions concerned, in particular through actions to promote cohesion between communities. Given the specificities of that cross-

border programme, certain rules on selection of operations in this Regulation should not apply to that cross-border programme.

- (19) It is necessary to adapt the content requirements of cooperation programmes under the European territorial cooperation goal to their specific needs. Those requirements should therefore also cover aspects necessary for effective implementation on the territory of participating Member States, such as those concerning the bodies responsible for audit and control, the procedure for setting up a joint secretariat, and the allocation of liabilities in the case of financial corrections. Where Member States and regions participate in macro-regional and sea-basin strategies, the cooperation programmes concerned should set out how interventions could contribute to such strategies. In addition, due to the horizontal character of interregional cooperation programmes, the content of such cooperation programmes should be adapted, especially as regards the definition of the beneficiary or beneficiaries under the current INTERACT and ESPON programmes.
- (20) In order to strengthen the co-ordination of ERDF support for cooperation programmes, adopted under this Regulation, involving the outermost regions with possible complementary financing from the European Development Fund (EDF), the ENI, the IPA II, and the European Investment Bank (EIB), Member States and third countries or overseas countries or territories (the latter hereinafter referred to as 'territories') participating in such cooperation programmes should set out rules for coordination mechanisms in those programmes.
- (21) It is appropriate to involve third countries or territories in the preparatory process of cooperation programmes, where they have accepted the invitation to participate in such programmes. Special procedures should be established in this Regulation for such involvement. By way of derogation from the standard procedure, where cooperation programmes involve outermost regions and third countries or territories, the participating Member States should consult the respective third countries or territories before submitting the programmes to the Commission. In order to make the involvement of third countries or territories in cooperation programmes more effective and pragmatic, it should also be possible to have the agreements to the contents of the cooperation programmes and the possible contribution of the third countries or territories, expressed in the formally approved minutes of the consultation meetings with such third countries or territories, or of the deliberations of the regional cooperation organisations. Taking into account the principles of shared management and of simplification, the approval procedure for cooperation programmes should be such that the Commission approves only the core elements of the cooperation programmes, while the other elements should be approved by the participating Member State or Member States. For the sake of legal certainty and transparency, it is necessary to ensure that, in cases where the participating Member State or Member States amend an element of a cooperation programme which is not subject to approval by the Commission, the managing authority for that programme notifies such an amending decision to the Commission within one month of the date of that amending decision.

- (22) In line with the Union strategy for smart, sustainable and inclusive growth, the European Structural and Investment Funds should provide a more integrated and inclusive approach to tackling local problems. In order to strengthen such an approach, support from the ERDF in border regions should be coordinated with support from the EAFRD and the EMFF and should, where appropriate, involve European groupings of territorial cooperation (EGTCs) set up under Regulation (EU) No 1302/2013 of the European Parliament and of the Council<sup>(6)</sup> where local development is one of their objectives.
- (23) Based on the experience from the 2007-2013 programming period, the conditions for selection of operations should be clarified and strengthened in order to ensure selection of only genuinely joint operations. Due to the particular context and specificities of cooperation programmes between outermost regions and third countries or territories, lightened cooperation conditions in terms of processing operations under those programmes should be established and adapted. The notion of sole beneficiaries should be defined and such beneficiaries should be permitted to carry out cooperation operations by themselves.
- (24) The responsibilities of lead beneficiaries, retaining overall responsibility for the implementation of an operation, should be specified.
- (25) The requirements for implementation reports should be adapted to the cooperation context and reflect the programme implementation cycle. In the interests of sound management, it should be possible for the annual review to be carried out in writing.
- (26) In accordance with Regulation (EU) No 1303/2013 the managing authority should ensure that evaluations of cooperation programmes are carried out on the basis of the evaluation plan and include evaluations to assess the effectiveness, efficiency and impact of those programmes. At least once during the programming period, an evaluation should assess how the support provided has contributed to the achievement of objectives of the programme. Such evaluations should include information about any proposed adjustments during the programming period.
- (27) A common set of output indicators to facilitate the assessment of the progress of programme implementation, adapted to the specific character of cooperation programmes, should be set out in an Annex to this Regulation. Those indicators should be complemented by programme-specific result indicators and, where relevant, by programme specific output indicators.
- (28) Due to the involvement of more than one Member State, and the resulting higher administrative costs, in particular, in respect of controls and translation, the ceiling for technical assistance expenditure should be higher than that under the Investment for growth and jobs goal. In order to offset the higher administrative costs, Member States should be encouraged wherever possible to reduce the administrative burden with regard to the implementation of joint projects. In addition, cooperation programmes with limited ERDF support should receive a certain minimum amount for technical assistance which could be greater than 6 %, to ensure sufficient funding for effective technical assistance activities.

- (29) Due to the involvement of more than one Member State, the general rule laid down in Regulation (EU) No 1303 /2013, whereby each Member State is to adopt national rules on eligibility of expenditure, is not appropriate for the European territorial cooperation goal. Based on experience from the 2007-2013 programming period, a clear hierarchy of rules on eligibility of expenditure should be established with a strong move towards rules on eligibility of expenditure established at Union level or for a cooperation programme as a whole to avoid any possible contradictions or inconsistencies between different Regulations and between Regulations and national rules. In particular, the Commission should, based on experience from the 2007-2013 programming period, adopt rules on eligibility of expenditure for cost categories laid down in this Regulation.
- (30) Due to the frequent involvement of staff from more than one Member State in the implementation of operations, and given the number of operations for which staff costs is a significant element, a flat-rate for staff costs should be applied based on the other direct costs of cooperation operations, thus avoiding individual accounting for the management of such operations.
- (31) The rules on flexibility concerning the location of operations outside the programme area should be simplified. In addition, it is necessary to support and facilitate, through specific arrangements, effective cross-border, transnational and interregional cooperation with the Union's neighbouring third countries or territories where this is necessary to ensure that regions of the Member States are effectively assisted in their development. Accordingly, it is appropriate to authorise on an exceptional basis and under certain conditions support from the ERDF for operations located outside the Union part of the programme area and on the territory of neighbouring third countries where those operations are for the benefit of the regions of the Union.
- (32) Member States should be encouraged to assign the functions of the managing authority to an EGTC or to make such a grouping responsible for managing the part of a cooperation programme that relates to the territory covered by that EGTC.
- (33) The managing authority should set up a joint secretariat which should, inter alia, provide information to applicants for support, deal with project applications and assist beneficiaries in implementing their operations.
- (34) Managing authorities should be responsible for the functions laid down in Regulation (EU) No 1303 /2013, including for management verifications, in order to ensure uniform standards across the whole programme area. However, where an EGTC is designated as managing authority, such verifications should be carried out by or under the responsibility of the managing authority at least for those Member States and third countries or territories from which there are members participating in the EGTC, while controllers should only be used in the remaining Member States and third countries or territories. Even if no EGTC is designated, the managing authority should be authorised by the participating Member States to carry out verifications on the whole programme area.

- (35) Certifying authorities should be responsible for the certifying authority functions laid down in Regulation (EU) No 1303/2013. The Member States should be able to designate the managing authority to also carry out the functions of the certifying authority.
- (36) A single audit authority should be responsible for carrying out the audit authority functions laid down in Regulation (EU) No 1303/2013 in order to ensure uniform standards across the whole programme area. Where that is not possible, a group of auditors should be able to assist the programme audit authority.
- (37) In order to strengthen the Union's economic, social and territorial cohesion and to reinforce the effectiveness of its cohesion policy, third countries should be allowed to participate, through a contribution of IPA II and ENI resources, in transnational and interregional cooperation programmes. Operations co-financed under such programmes should, however, continue to pursue cohesion policy objectives, even if they are implemented, partly or in their entirety, outside the territory of the Union. In this context, the contribution to the objectives of the Union's external action remains merely incidental, as the centre of gravity of cooperation programmes should be determined by the thematic objectives and investment priorities of cohesion policy. In order to ensure effective participation by third countries in cooperation programmes that are managed in accordance with the shared management principle, programme implementation conditions should be set out in the cooperation programmes themselves and also, where necessary, in financing agreements, concluded between the Commission, the governments of each of the third countries and the Member State hosting the managing authority of the relevant cooperation programme. The programme implementation conditions should be consistent with applicable Union law and, where appropriate, with the provisions of national law of participating Member States relating to its application.
- (38) A clear chain of financial liability in respect of recovery for irregularities should be established from beneficiaries to lead beneficiary to the managing authority to the Commission. Provision should be made for liability of Member States where obtaining recovery is not possible.
- (39) Based on the experience from the 2007-2013 programming period, an explicit derogation should be established for the conversion of expenditure incurred in a currency other than the euro, by applying the monthly conversion rate at a date as close to the point in time of the expenditure as possible or in the month in which the expenditure was submitted for verification or in the month during which expenditure was reported to the lead beneficiary. Financing plans, reports and accounts concerning joint cooperation operations should only be submitted in euro to the joint secretariat, the programme authorities and the monitoring committee. The correctness of conversion should be verified.
- (40) In order to set out specific rules on amending common output indicators and on eligibility of expenditure, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the amendment of the list of common output indicators set out in the Annex to this Regulation and in respect of specific rules on eligibility of expenditure for cooperation programmes. It is of particular importance that the Commission carry out appropriate consultations during



its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

- (41) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission in respect of the lists of cross-border areas, and of transnational areas, of a list of all cooperation programmes and of the global amount from the ERDF support for each cooperation programme, of the nomenclature concerning categories of intervention and of the models for cooperation programmes and implementation reports. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council<sup>(7)</sup>.
- (42) Implementing powers should be conferred on the Commission to adopt decisions approving certain elements of the cooperation programmes and any subsequent amendments to those elements.
- (43) This Regulation should not affect either the continuation or modification of assistance approved by the Commission on the basis of Regulation (EC) No 1080/2006 of the European Parliament and of the Council<sup>(8)</sup> or any other legislation applying to that assistance on 31 December 2013. That Regulation or such other applicable legislation should consequently continue to apply after 31 December 2013 to that assistance or the operations concerned until their closure. Applications to receive assistance made or approved under Regulation (EC) No 1080/2006 should remain valid.
- (44) Since the objective of this Regulation, namely to reinforce economic, social and territorial cohesion by redressing the main regional imbalances in the Union, cannot be sufficiently achieved by the Member States but can rather, by reason of the extent of the disparities between the levels of development of the various regions and the backwardness of the least favoured regions and the limit on the financial resources of the Member States and regions, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (45) In order to allow for the prompt application of the measures provided for in this Regulation, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

## CHAPTER I

### **General provisions**

#### *Article 1*

#### **Subject matter and scope**

1 This Regulation establishes the scope of the ERDF with regard to the European territorial cooperation goal and lays down specific provisions concerning that goal.

2 This Regulation defines, for the European territorial cooperation goal, the priority objectives and organisation of the ERDF, the criteria for Member States and regions to be eligible for support from the ERDF, the financial resources available for support from the ERDF, and the criteria for their allocation.

It also lays down the provisions necessary to ensure effective implementation, monitoring, financial management and control of operational programmes under the European territorial cooperation goal ("cooperation programmes"), including when third countries participate in such cooperation programmes.

3 Regulation (EU) No 1303/2013 and Chapter I of Regulation (EU) No 1301/2013 shall apply to the European territorial cooperation goal and to cooperation programmes thereunder, except where specifically provided for under this Regulation or where those provisions can only apply to the Investment for growth and jobs goal.

#### *Article 2*

#### **Components of the European territorial cooperation goal**

Under the European territorial cooperation goal, the ERDF shall support the following components:

- (1) cross-border cooperation between adjacent regions to promote integrated regional development between neighbouring land and maritime border regions in two or more Member States or between neighbouring border regions in at least one Member State and one third country on external borders of the Union other than those covered by programmes under the external financial instruments of the Union;
- (2) transnational cooperation over larger transnational territories, involving national, regional and local partners and also covering maritime cross-border cooperation in cases not covered by cross-border cooperation, with a view to achieving a higher degree of territorial integration of those territories;
- (3) interregional cooperation to reinforce the effectiveness of cohesion policy by promoting:
  - (a) exchange of experience focusing on thematic objectives among partners throughout the Union, including in relation to the development of regions referred to in Article 174 TFEU on the identification and dissemination of good practices with a view to their transfer principally to operational programmes under the Investment for growth and jobs goal but also, where relevant, to cooperation programmes;

- (b) exchange of experience concerning the identification, transfer and dissemination of good practices in relation to sustainable urban development, including urban-rural linkages;
- (c) exchange of experience concerning the identification, transfer and dissemination of good practices and innovative approaches in relation to the implementation of cooperation programmes and actions as well as to the use of EGTCs;
- (d) analysis of development trends in relation to the aims of territorial cohesion, including territorial aspects of economic and social cohesion, and harmonious development of Union territory through studies, data collection and other measures.

### *Article 3*

#### **Geographical coverage**

1 For cross-border cooperation, the regions to be supported shall be the NUTS level 3 regions of the Union along all internal and external land borders other than those covered by programmes under the external financial instruments of the Union, and all NUTS level 3 regions of the Union along maritime borders separated by a maximum of 150 km, without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation programme areas established for the 2007-2013 programming period.

The Commission shall adopt a decision, by means of implementing acts, setting out the list of cross-border areas to receive support, broken down by cooperation programme. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 150(2) of Regulation (EU) No 1303/2013.

That list shall also specify those NUTS level 3 regions of the Union taken into account for the ERDF allocation for cross-border cooperation at all internal borders, and those external borders covered by the external financial instruments of the Union, such as the ENI pursuant to the ENI legislative act and the IPA II pursuant to the IPA II legislative act.

When submitting draft cross-border cooperation programmes, Member States, in duly justified cases, and, in order to ensure the coherence of cross-border areas, may request that NUTS level 3 regions other than those listed in the decision referred to in the second subparagraph, are added to a given cross-border cooperation area.

At the request of the Member State or Member States concerned, in order to facilitate cross border cooperation on maritime borders for outermost regions, and without prejudice to the provisions of the first subparagraph, the Commission may include, in the decision referred to in the second subparagraph, NUTS level 3 regions in outermost regions along maritime borders separated by more than 150 km as cross-border areas which may receive support from the corresponding allocation of those Member States.

2 Without prejudice to Article 20(2) and (3), cross-border cooperation programmes may cover regions in Norway and Switzerland and also cover Liechtenstein, Andorra, Monaco and San Marino and third countries or territories neighbouring outermost regions, all of which shall be equivalent to NUTS level 3 regions.

3 For transnational cooperation, the Commission shall adopt a decision, by means of implementing acts, setting out the list of transnational areas to receive support, broken down by cooperation programme and covering NUTS level 2 regions, while ensuring the continuity of such cooperation in larger coherent areas based on previous programmes, taking account, where appropriate, of macro-regional and sea-basin strategies. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 150(2) of Regulation (EU) No 1303/2013.

When submitting draft transnational cooperation programmes, Member States may request that additional NUTS level 2 regions located adjacent to the regions listed in the decision referred to in the first subparagraph are added to a given transnational cooperation area. Member States shall give reasons for such a request.

4 Without prejudice to Article 20(2) and (3), transnational cooperation programmes may cover regions in both of the following third countries or territories:

- a the third countries or territories listed or referred to in paragraph 2 of this Article;
- b the Faroe Islands and Greenland.

Without prejudice to Article 20(2) and (3), transnational cooperation programmes may also cover regions in third countries covered by the external financial instruments of the Union, such as the ENI pursuant to the ENI legislative act, including the relevant regions of the Russian Federation, and the IPA II pursuant to the IPA II legislative act. Annual appropriations corresponding to the support of the ENI and IPA II to those programmes shall be made available, provided that the programmes adequately address the relevant external cooperation objectives.

Such regions shall be equivalent to NUTS level 2 regions.

5 For interregional cooperation, support from the ERDF shall cover the entire territory of the Union.

Without prejudice to Article 20(2) and (3), interregional cooperation programmes may cover the whole or part of the third countries or territories referred to in points (a) and (b) of the first subparagraph of paragraph 4 of this Article.

6 For information purposes, regions of third countries or territories referred to in paragraphs 2 and 4 shall be mentioned in the lists referred to in paragraphs 1 and 3.

7 In duly justified cases, in order to increase the efficiency of programme implementation, the outermost regions may, in a single programme for territorial cooperation, combine the amounts of the ERDF allocated for cross-border and transnational cooperation, including the additional allocation provided for under Article 4(2), while complying with the applicable rules for each of those allocations.

#### *Article 4*

### **Resources for European territorial cooperation goal**

1 Resources for the European territorial cooperation goal shall amount to 2,75 % of the global resources available for budgetary commitment from the ERDF, ESF and the Cohesion Fund for the 2014-2020 programming period and set out in Article 91(1) of Regulation (EU) No 1303/2013 (i.e., a total of EUR 8 948 259 330) and shall be allocated as follows:

- a 74,05 % (i.e., a total of EUR 6 626 631 760) for cross-border cooperation;
- b 20,36 % (i.e., a total of EUR 1 821 627 570) for transnational cooperation;

c 5,59 % (i.e., a total of EUR 500 000 000) for interregional cooperation.

2 For programmes under the European territorial cooperation goal, the outermost regions shall be allocated not less than 150 % of the ERDF support they received in the 2007-2013 programming period for cooperation programmes. In addition, an amount of EUR 50 000 000 from the allocation for interregional cooperation shall be set aside for outermost regions' cooperation. Concerning thematic concentration, Article 6(1) shall apply to that additional allocation.

3 The Commission shall communicate to each Member State its share of the global amounts for cross-border and transnational cooperation as referred to in points (a) and (b) of paragraph 1, broken down by year. Population size in the areas referred to in the second subparagraph of Article 3(1) and the first subparagraph of Article 3(3) shall be used as the criterion for the breakdown by Member State.

Based on the amounts communicated pursuant to the first subparagraph, each Member State shall inform the Commission whether, and how, it has used the transfer option provided for in Article 5 and the resulting distribution of funds among the cross-border and transnational programmes in which the Member State participates. The Commission shall, on the basis of the information provided by Member States, adopt a decision, by means of implementing acts, setting out a list of all cooperation programmes and indicating the global amount of the total ERDF support for each programme. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 150(2) of Regulation (EU) No 1303/2013

4 The contribution from the ERDF to cross-border and sea-basin programmes under the ENI and to the cross-border programmes under the IPA II shall be established by the Commission and the Member States concerned. The ERDF contribution established for each Member State shall not subsequently be reallocated between the Member States concerned.

5 Support from the ERDF to individual cross-border and sea-basin programmes under the ENI and to the cross-border programmes under the IPA II shall be granted provided that at least equivalent amounts are provided by the ENI and the IPA II. That equivalence shall be subject to a maximum amount set out in the ENI legislative act or the IPA II legislative act.

6 The annual appropriations corresponding to the support from the ERDF to cross-border and sea-basin programmes under the ENI and to the cross-border programmes under the IPA II shall be entered in the relevant budget lines of those instruments for the 2014 budgetary exercise.

7 In 2015 and 2016, the annual contribution from the ERDF to the programmes under the ENI and the IPA II, for which no programme has been submitted to the Commission by 30 June under the cross-border and sea-basin programmes under the ENI, and under the cross-border programmes under the IPA II, and which has not been re-allocated to another programme submitted under the same category of external cooperation programmes, shall be allocated to the internal cross-border cooperation programmes under point (a) of paragraph 1 in which the Member State or Member States concerned participates or participate.

If by 30 June 2017, there are still cross-border and sea-basin programmes under the ENI and cross-border programmes under the IPA II which have not been submitted to the Commission, the entire contribution from the ERDF referred to in paragraph 4 to those programmes for the remaining years up to 2020, which has not been re-allocated to another adopted programme under the same category of external cooperation programmes, shall be allocated to the internal cross-border cooperation programmes

under point (a) of paragraph 1 in which the Member State or Member States concerned participates or participate.

8 Any cross-border and sea basin programmes, referred to in paragraph 4, adopted by the Commission shall be discontinued, or the allocation to the programmes shall be reduced, in accordance with the applicable rules and procedures, in particular if:

- a none of the partner countries covered by the programme have signed the relevant financing agreement by the deadline set out in accordance with the ENI legislative act or the IPA II legislative act; or
- b the programme cannot be implemented as planned due to problems in relations between the participating countries.

In such cases, the contribution from the ERDF referred to in paragraph 4 corresponding to annual instalments not yet committed, or annual instalments committed and de-committed totally or partially during the same budgetary year, which have not been re-allocated to another programme of the same category of external cooperation programmes, shall be allocated to the internal cross-border cooperation programmes under point (a) of paragraph 1 in which the Member State or Member States concerned participates or participate, at its or their request.

9 The Commission shall provide an annual summary of the financial implementation of cross-border and sea-basin programmes under the ENI, and of cross-border programmes under the IPA II, to which the ERDF contributes in accordance with this Article, to the Committee established under Article 150(1) of Regulation (EU) No 1303/2013.

#### *Article 5*

#### **Transfer option**

Each Member State may transfer up to 15 % of its financial allocation for each of the components referred to in points (a) and (b) of Article 4(1) from one of those components to the other.

### *CHAPTER II*

#### ***Thematic concentration and investment priorities***

#### *Article 6*

#### **Thematic concentration**

1 At least 80 % of the ERDF allocation to each cross-border cooperation and transnational programme shall be concentrated on a maximum of four of the thematic objectives set out in the first paragraph of Article 9 of Regulation (EU) No 1303/2013.

2 All of the thematic objectives set out in the first paragraph of Article 9 of Regulation (EU) No 1303 /2013 may be selected for interregional cooperation referred to in point (3)(a) of Article 2 of this Regulation.

## Article 7

### Investment priorities

1 The ERDF shall, within its scope as set out in Article 3 of Regulation (EU) No 1301 /2013, contribute to the thematic objectives set out in the first paragraph of Article 9 of Regulation (EU) No 1303 /2013 through joint action under cross-border, transnational and interregional cooperation programmes. In addition to the investment priorities set out in Article 5 of Regulation (EU) No 1301 /2013, the ERDF may also support the following investment priorities within the thematic objectives indicated for each European territorial cooperation component:

- a under cross-border cooperation:
  - (i) promoting sustainable and quality employment and supporting labour mobility by integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training;
  - (ii) promoting social inclusion, combating poverty and any discrimination by promoting gender equality, equal opportunities, and the integration of communities across borders;
  - (iii) investing in education, training and vocational training for skills and lifelong learning by developing and implementing joint education, vocational training and training schemes;
  - (iv) enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions;
- b under transnational cooperation: enhancing institutional capacity of public authorities and stakeholders and efficient public administration by developing and coordinating macro-regional and sea-basin strategies;
- c under interregional cooperation: enhancing institutional capacity of public authorities and stakeholders and efficient public administration by:
  - (i) disseminating good practices and expertise and capitalising on the results of the exchange of experience in relation to sustainable urban development, including urban-rural linkages pursuant to point (3)(b) of Article 2.
  - (ii) promoting the exchange of experience in order to reinforce the effectiveness of territorial cooperation programmes and actions as well as the use of EGTCs pursuant to point (3)(c) of Article 2;
  - (iii) strengthening the evidence base in order to reinforce the effectiveness of cohesion policy and the achievement of the thematic objectives through the analysis of development trends pursuant to point (3)(d) of Article 2;

2 In the case of the PEACE cross-border programme and within the thematic objective of promoting social inclusion, combating poverty and any discrimination, the ERDF shall also contribute to promoting social and economic stability in the regions concerned, in particular through actions to promote cohesion between communities.

## CHAPTER III

### **Programming**

#### *Article 8*

#### **Content, adoption and amendment of cooperation programmes**

1 A cooperation programme shall consist of priority axes. Without prejudice to Article 59 of Regulation (EU) No 1303/2013, a priority axis shall correspond to a thematic objective and comprise one or more of the investment priorities of that thematic objective in line with Articles 6 and 7 of this Regulation. Where appropriate, and in order to increase its impact and effectiveness through a thematically coherent integrated approach to pursuing the objectives of the Union strategy for smart, sustainable and inclusive growth, a priority axis may, in duly justified cases, combine one or more complementary investment priorities from different thematic objectives in order to achieve the maximum contribution to that priority axis.

2 A cooperation programme shall contribute to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion, and shall set out:

- a a justification for the choice of thematic objectives, corresponding investment priorities and financial allocations, having regard to the Common Strategic Framework set out in Annex I to Regulation (EU) No 1303/2013, based on an analysis of the needs within the programme area as a whole and the strategy chosen in response to such needs, addressing where appropriate missing links in cross-border infrastructure, taking into account the results of the ex-ante evaluation carried out in accordance with Article 55 of Regulation (EU) No 1303/2013;
- b for each priority axis other than technical assistance:
  - (i) the investment priorities and corresponding specific objectives;
  - (ii) in order to strengthen the result-orientation of the programming, the expected results for the specific objectives, and the corresponding result indicators, with a baseline value and a target value, where appropriate quantified, in accordance with Article 16;
  - (iii) a description of the type and examples of actions to be supported under each investment priority and their expected contribution to the specific objectives referred to in point (i) including the guiding principles for the selection of operations and where appropriate, the identification of the main target groups, specific territories targeted, types of beneficiaries, the planned use of financial instruments, and major projects;
  - (iv) the common and specific output indicators, including the quantified target value, which are expected to contribute to the results, in accordance with Article 16, for each investment priority;
  - (v) identification of implementation steps and financial and output indicators, and where appropriate, result indicators, to be used as milestones and targets for the performance framework in accordance with Article 21(1) of Regulation (EU) No 1303/2013 and Annex II to that Regulation;
  - (vi) where appropriate, a summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity



- of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of the programmes;
- (vii) the corresponding categories of intervention based on a nomenclature adopted by the Commission and an indicative breakdown of the programmed resources;
- c for each priority axis concerning technical assistance:
- (i) specific objectives;
  - (ii) the expected results for each specific objective, and, where objectively justified given the content of the actions, the corresponding result indicators, with a baseline value and a target value, in accordance with Article 16;
  - (iii) a description of actions to be supported and their expected contribution to the specific objectives referred to in point (i);
  - (iv) the output indicators which are expected to contribute to the results;
  - (v) the corresponding categories of intervention based on a nomenclature adopted by the Commission and an indicative breakdown of the programmed resources.
- Point (ii) shall not apply where the Union contribution to the priority axis or axes concerning technical assistance in a cooperation programme does not exceed EUR 15 000 000;
- d a financing plan containing the following tables (without any division per participating Member State):
- (i) a table specifying for each year, in accordance with the rules on co-financing rates laid down in Articles 60, 120 and 121 of Regulation (EU) No 1303/2013, the amount of the total financial appropriation envisaged for the support from the ERDF;
  - (ii) a table specifying, for the whole programming period, for the cooperation programme and for each priority axis, the amount of the total financial appropriation of the support from the ERDF and the national co-financing. For priority axes, which combine investment priorities from different thematic objectives, the table shall specify the amount of total financial appropriation and the national co-financing for each of the corresponding thematic objectives. Where the national co-financing is made up of public and private co-financing, the table shall give the indicative breakdown between the public and the private components. It shall show, for information purposes, any contribution from third countries participating in the programme and the envisaged participation from the EIB;
- e a list of major projects for which the implementation is planned during the programming period.

The Commission shall adopt implementing acts concerning the nomenclature referred to in points (b)(vii) and (c)(v) of the first subparagraph. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 150(3) of Regulation (EU) No 1303/2000.

3 Taking into account its content and objectives, a cooperation programme shall describe the integrated approach to territorial development, including in relation to regions and areas referred to in Article 174(3) TFEU, having regard to the Partnership Agreements of the participating Member States, and showing how that cooperation programme contributes to the accomplishment of its objectives and expected results, specifying, where appropriate, the following:

- a the approach to the use of community-led local development instruments and the principles for identifying the areas where it will be implemented;
- b the principles for identifying the urban areas where integrated actions for sustainable urban development are to be implemented and the indicative allocation of the ERDF support for such actions;
- c the approach to the use of the integrated territorial investment instrument referred to in Article 11, other than in cases covered by point (b), and their indicative financial allocation from each priority axis;
- d where Member States and regions participate in macro-regional strategies and sea basin strategies, the contribution of the planned interventions under the cooperation programme to those strategies, subject to the needs of the programme area as identified by the relevant Member States and taking into account, where applicable, the strategically important projects identified in those strategies.

4 The cooperation programme shall also identify:

- a the implementing provisions which:
  - (i) identify the managing authority, the certifying authority, where appropriate, and the audit authority;
  - (ii) identify the body or bodies designated to carry out control tasks;
  - (iii) identify the body or bodies designated to be responsible for carrying out audit tasks;
  - (iv) lay down the procedure for setting up the joint secretariat;
  - (v) set out a summary description of the management and control arrangements;
  - (vi) set out the apportionment of liabilities among the participating Member States in the event of financial corrections imposed by the managing authority or the Commission.
- b the body to which payments are to be made by the Commission;
- c the actions taken to involve the partners referred to in Article 5 of Regulation (EU) No 1303/2013 in the preparation of the cooperation programme, and the role of those partners in the preparation and implementation of the cooperation programme, including their involvement in the monitoring committee.

5 The cooperation programme shall also set out the following, having regard to the content of the Partnership Agreements and taking into account the institutional and legal framework of the Member States:

- a mechanisms to ensure effective coordination between the ERDF, the ESF, the Cohesion Fund, the EAFRD, the EMFF and other Union and national funding instruments, including the coordination and possible combination with the Connecting Europe Facility pursuant to Regulation (EU) No 1316/2013 of the European Parliament and of the Council<sup>(9)</sup>, the ENI, the EDF, and the IPA II, as well as with the EIB, taking into account the provisions set out in Annex I to Regulation (EU) No 1303/2013 where Member States and third countries or territories participate in cooperation programmes

that include the use of ERDF appropriations for outermost regions and resources from the EDF, coordination mechanisms at the appropriate level to facilitate effective coordination in the use of those appropriations and resources;

- b a summary of the assessment of the administrative burden on beneficiaries and, where necessary, the actions planned, accompanied by an indicative timeframe, to reduce the administrative burden.

6 Information required under point (a) of the first subparagraph of paragraph 2, point (b)(i) to (vii) of the first subparagraph of paragraph 2, paragraph 3 and point (a) of paragraph 5 shall be adapted to the specific character of cooperation programmes under point (3)(b), (c) and (d) of Article 2. Information required under point (e) of the first subparagraph of paragraph 2 and point (b) of paragraph 5 shall not be included in cooperation programmes under point (3) (c) and (d) of Article 2.

7 Each cooperation programme shall, where appropriate and subject to the relevant Member States' duly justified assessment of their relevance to the content and objectives of the programme, include a description of:

- a the specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and risk management, in the selection of operations;
- b the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the cooperation programme and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements to ensure accessibility for persons with disabilities;
- c the contribution of the cooperation programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of gender perspective at programme and operation level.

Points (a) and (b) of the first subparagraph shall not apply to cooperation programmes under point (3)(b), (c) and (d) of Article 2.

8 Cooperation programmes under point (3)(c) and (d) of Article 2 shall define the beneficiary or beneficiaries and may specify the granting procedure.

9 The participating Member States and, where they have accepted the invitation to participate in the cooperation programme, third countries or territories, where applicable, shall confirm, in writing, their agreement to the contents of a cooperation programme prior to its submission to the Commission. This agreement shall also include a commitment of all participating Member States and, where applicable, third countries or territories, to provide the co-financing necessary to implement the cooperation programme and, where applicable, the commitment for the financial contribution of the third countries or territories.

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

10 The participating Member States and, where they have accepted the invitation to participate in the cooperation programme, third countries or territories shall draft the cooperation programmes in accordance with the model adopted by the Commission.

11 The Commission shall adopt the model referred to in paragraph 10 by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 150(2) of Regulation (EU) No 1303/2013.

12 The Commission shall adopt a decision, by means of implementing acts, approving all elements, including future amendments, falling under this Article except those falling under point (b)(vii) of paragraph 2, point (c)(v) of paragraph 2, point (e) of paragraph 2, points (a) (i) and (c) of paragraph 4, and paragraphs 5 and 7 of this Article, which remain under the responsibility of the participating Member States.

13 The managing authority shall notify the Commission of any decision amending the elements of the cooperation programme not covered by the Commission decision referred to in paragraph 12, within one month of the date of that amending decision. The amending decision shall specify the date of its entry into force, which shall not be earlier than the date of its adoption.

#### *Article 9*

### **Joint Action Plan**

Where a joint action plan referred to in Article 104(1) of Regulation (EU) No 1303/2013 is carried out under the responsibility of an EGTC as beneficiary, staff of the joint secretariat of the cooperation programme and members of the assembly of the EGTC may become members of the steering committee referred to in Article 108(1) of Regulation (EU) No 1303/2013. The members of the assembly of the EGTC shall not form the majority within that steering committee.

#### *Article 10*

### **Community-led local development**

Community-led local development under Article 32 of Regulation (EU) No 1303/2013 may be implemented in cross-border cooperation programmes, provided that the local development group is composed of representatives of at least two countries, of which one is a Member State.

#### *Article 11*

### **Integrated territorial investment**

For cooperation programmes, the intermediate body for carrying out the management and implementation of an integrated territorial investment as referred to in Article 36(3) of Regulation (EU) No 1303/2013 shall be either a legal body established under the laws of one of the participating countries provided that it is set up by public authorities or bodies from at least two participating countries, or an EGTC.

## Article 12

### Selection of operations

1 Operations under cooperation programmes shall be selected by a monitoring committee as referred to in Article 47 of Regulation (EU) No 1303/2013. That monitoring committee may set up a steering committee that acts under its responsibility for the selection of operations.

2 Operations selected under cross-border and transnational cooperation shall involve beneficiaries from at least two participating countries, at least one of which shall be from a Member State. An operation may be implemented in a single country, provided that cross-border or transnational impacts and benefits are identified.

Operations under interregional cooperation referred to in point (3)(a) and (b) of Article 2 shall involve beneficiaries from at least three countries, at least two of which shall be Member States.

The conditions set out in the first subparagraph shall not apply to operations under the PEACE cross-border programme, between Northern Ireland and the border counties of Ireland, in support of peace and reconciliation as referred to in Article 7(2).

3 Notwithstanding paragraph 2, an EGTC or other legal body established under the laws of one of the participating countries may be the sole beneficiary of an operation provided that it is set up by public authorities or bodies from at least two participating countries, in the case of cross-border and transnational cooperation, and from at least three participating countries, in the case of interregional cooperation.

A legal body that implements a financial instrument or a fund of funds, as applicable, may be the sole beneficiary of an operation without the application of the requirements for its composition set out in the first subparagraph.

4 Beneficiaries shall cooperate in the development and implementation of operations. In addition, they shall cooperate in the staffing or the financing of operations, or in both.

For operations in programmes set up between outermost regions and third countries or territories, the beneficiaries shall be required to cooperate only in two of the fields mentioned in the first subparagraph.

5 For each operation, the managing authority shall provide to the lead or sole beneficiary a document setting out the conditions for support of the operation, including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution.

## Article 13

### Beneficiaries

1 Where there are two or more beneficiaries of an operation in a cooperation programme, one of them shall be designated by all the beneficiaries as the lead beneficiary.

2 The lead beneficiary shall:

- a lay down the arrangements with other beneficiaries in an agreement comprising provisions that, inter alia, guarantee the sound financial management of the funds

- allocated to the operation, including the arrangements for recovering amounts unduly paid;
- b assume responsibility for ensuring implementation of the entire operation;
  - c ensure that expenditure presented by all beneficiaries has been incurred in implementing the operation and corresponds to the activities agreed between all the beneficiaries, and is in accordance with the document provided by the managing authority pursuant to Article 12(5);
  - d ensure that the expenditure presented by other beneficiaries has been verified by a controller or controllers where this verification is not carried out by the managing authority pursuant to Article 23(3).
- 3 If not otherwise specified in the arrangements laid down in accordance with point (a) of paragraph 2 the lead beneficiary shall ensure that the other beneficiaries receive the total amount of the contribution from the funds as quickly as possible and in full. No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce that amount for the other beneficiaries.
- 4 Lead beneficiaries shall be located in a Member State participating in the cooperation programme. However, Member States and third countries or territories participating in a cooperation programme may agree to the lead beneficiary being located in a third country or territory participating in that cooperation programme, provided that the managing authority is satisfied that the lead beneficiary can carry out the tasks set out in paragraphs 2 and 3 and that the requirements for management, verification and audit are fulfilled.
- 5 Sole beneficiaries shall be registered in a Member State participating in the cooperation programme. However, they may be registered in a Member State not participating in the programme, provided the conditions set out in Article 12(3) are satisfied.

## CHAPTER IV

### ***Monitoring and evaluation***

#### *Article 14*

### **Implementation reports**

- 1 By 31 May 2016 and by the same date of each subsequent year until and including 2023, the managing authority shall submit to the Commission an annual implementation report in accordance with Article 50(1) of Regulation (EU) No 1303/2013. The implementation report submitted in 2016 shall cover the financial years 2014 and 2015, as well as the period between the starting date for eligibility of expenditure and 31 December 2013.
- 2 For the reports submitted in 2017 and 2019, the deadline referred to in paragraph 1 shall be 30 June.
- 3 Annual implementation reports shall set out information on:
- a implementation of the cooperation programme in accordance with Article 50(2) of Regulation (EU) No 1303/2013;
  - b where appropriate, progress in preparation and implementation of major projects and joint action plans.

4 The annual implementation reports submitted in 2017 and 2019 shall set out and assess the information required under Articles 50(4) and (5) of Regulation (EU) No 1303/2013 respectively and the information set out in paragraph 2 of this Article together with the following information:

- a progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations;
- b the results of the information and publicity measures carried out under the communication strategy;
- c the involvement of the partners in the implementation, monitoring and evaluation of the cooperation programme.

The annual implementation reports submitted in 2017 and 2019 may, subject to the content and objectives of each cooperation programme, set out information on and assess the following:

- a progress in the implementation of the integrated approach to territorial development, including sustainable urban development, and community-led local development under the cooperation programme;
- b progress in the implementation of actions to reinforce the capacity of authorities and beneficiaries to administer and to use the ERDF;
- c where appropriate, the contribution to macro-regional and sea basin strategies;
- d the specific actions taken to promote equality between men and women and to promote non-discrimination, in particular accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of gender perspective in the cooperation programme and operations;
- e actions taken to promote sustainable development;
- f progress in the implementation of actions in the field of social innovation.

5 The annual and final implementation reports shall be drawn up following models adopted by the Commission by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 150(2) of Regulation (EU) No 1303/2013.

#### *Article 15*

#### **Annual review**

The annual review meeting shall be organised in accordance with Article 51 of Regulation (EU) No 1303/2013.

Where an annual review meeting is not organised pursuant to Article 51(3) of Regulation (EU) No 1303/2013, the annual review may be carried out in writing.

#### *Article 16*

#### **Indicators for the European territorial cooperation goal**

1 Common output indicators, as set out in the Annex to this Regulation, programme-specific result indicators and, where relevant, programme-specific output indicators shall be used in accordance with Article 27(4) of Regulation (EU) No 1303/2013 and with point (b)(ii) and (iv) and point (c)(ii) and (iv) of the first subparagraph of Article 8(2) of this Regulation.

2 For common and programme-specific output indicators, baselines shall be set at zero. Cumulative quantified target values for those indicators shall be set for 2023.

3 For programme-specific result indicators, which relate to investment priorities, baselines shall use the latest available data and targets shall be set for 2023. Targets may be expressed in quantitative or qualitative terms.

4 The Commission shall be empowered to adopt delegated acts in accordance with Article 29 to amend the list of common output indicators set out in the Annex, in order to make adjustments, where justified to ensure effective assessment of progress in programme implementation.

#### *Article 17*

### **Technical assistance**

The amount of the ERDF allocated to technical assistance shall be limited to 6 % of the total amount allocated to a cooperation programme. For programmes with a total allocation not exceeding EUR 50 000 000 the amount of the ERDF allocated to technical assistance shall be limited to 7 % of the total amount allocated, but shall not be less than EUR 1 500 000 and not higher than EUR 3 000 000.

#### *CHAPTER V*

### ***Eligibility***

#### *Article 18*

### **Rules on eligibility of expenditure**

1 The Commission shall be empowered to adopt delegated acts in accordance with Article 29 to lay down specific rules on eligibility of expenditure for cooperation programmes with regard to staff costs, office and administrative expenditure, travel and accommodation costs, external expertise and services costs, and equipment expenditure. The Commission shall notify the delegated acts, adopted in accordance with Article 29, simultaneously to the European Parliament and to the Council by 22 April 2014

2 Without prejudice to the eligibility rules laid down in, or on the basis of, Articles 65 to 71 of Regulation (EU) No 1303/2013, Regulation (EU) No 1301/2013, this Regulation or the delegated act referred to in paragraph 1 of this Article, the participating Member States in the monitoring committee, shall establish additional rules on eligibility of expenditure for the cooperation programme as a whole.

3 For matters not covered by eligibility rules laid down in, or on the basis of, Articles 65 to 71 of Regulation (EU) No 1303/2013, Regulation (EU) No 1301/2013, in the delegated act referred to in paragraph 1 of this Article or in rules established jointly by the participating Member States in accordance with paragraph 2 of this Article, the national rules of the Member State in which the expenditure is incurred shall apply.



### *Article 19*

#### **Staff costs**

Staff costs of an operation may be calculated at a flat rate of up to 20 % of the direct costs other than the staff costs of that operation.

### *Article 20*

#### **Eligibility of operations in cooperation programmes depending on location**

1 Operations under cooperation programmes, subject to the derogations referred to in paragraphs 2 and 3, shall be located in the part of the programme area comprising Union territory (the 'Union part of the programme area').

2 The managing authority may accept that all or part of an operation is implemented outside the Union part of the programme area, provided that all the following conditions are satisfied:

- a the operation is for the benefit of the programme area;
- b the total amount allocated under the cooperation programme to operations located outside the Union part of the programme area does not exceed 20 % of the support from the ERDF at programme level, or 30 % in the case of cooperation programmes for which the Union part of the programme area consists of outermost regions;
- c the obligations of the managing and audit authorities in relation to management, control and audit concerning the operation are fulfilled by the cooperation programme authorities, or they enter into agreements with authorities in the Member State or third country or territory in which the operation is implemented.

3 For operations concerning technical assistance or promotional activities and capacity-building, expenditure may be incurred outside the Union part of the programme area provided that the conditions in points (a) and (c) of paragraph 2 are satisfied.

## *CHAPTER VI*

### ***Management, control and designation***

#### *Article 21*

#### **Designation of authorities**

1 Member States participating in a cooperation programme shall designate, for the purposes of Article 123(1) of Regulation (EU) No 1303/2013, a single managing authority; for the purposes of Article 123(2) of that Regulation, a single certifying authority; and, for the purposes of Article 123(4) of that Regulation, a single audit authority. The managing authority and the audit authority shall be located in the same Member State.

Member States participating in a cooperation programme may designate the managing authority as also being responsible for carrying out the functions of the certifying authority. Such a designation shall be without prejudice to the apportionment of

liabilities in relation to the application of financial corrections among the participating Member States as laid down in the cooperation programme.

2 The certifying authority shall receive the payments made by the Commission and shall, as a general rule, make payments to the lead beneficiary in accordance with Article 132 of Regulation (EU) No 1303/2013.

3 The procedure for the designation of the managing authority and, where appropriate, of the certifying authority, set out in Article 124 of Regulation (EU) No 1303/2013, shall be carried out by the Member State in which the authority is located.

#### *Article 22*

### **European grouping of territorial cooperation**

Member States participating in a cooperation programme may make use of an EGTC for the purposes of making it responsible for managing that cooperation programme or part thereof, in particular by conferring on it the responsibilities of a managing authority.

#### *Article 23*

### **Functions of the managing authority**

1 Without prejudice to paragraph 4 of this Article, the managing authority of a cooperation programme shall carry out the functions laid down in Article 125 of Regulation (EU) No 1303/2013.

2 The managing authority, after consultation with the Member States and any third countries participating in a cooperation programme, shall set up a joint secretariat.

The joint secretariat shall assist the managing authority and the monitoring committee in carrying out their respective functions. The joint secretariat shall also provide information to potential beneficiaries about funding opportunities under cooperation programmes and shall assist beneficiaries in the implementation of operations.

3 Where the managing authority is an EGTC, verifications under point (a) of Article 125(4) of Regulation (EU) No 1303/2013 shall be carried out by or under the responsibility of the managing authority at least for those Member States and third countries or territories from which there are members participating in the EGTC.

4 Where the managing authority does not carry out verifications under point (a) of Article 125(4) of Regulation (EU) No 1303/2013 throughout the whole programme area, or where the verifications are not carried out by or under the responsibility of the managing authority for those Member States and third countries or territories from which there are members participating in the EGTC in accordance with paragraph 3, each Member State or, where it has accepted the invitation to participate in the cooperation programme, each third country or territory shall designate the body or person responsible for carrying out such verifications in relation to beneficiaries on its territory (the 'controller(s)').

The controllers referred to in the first subparagraph may be the same bodies responsible for carrying out such verifications for the operational programmes under the Investment for growth and jobs goal or, in the case of third countries, for carrying out comparable verifications under external policy instruments of the Union.

The managing authority shall satisfy itself that the expenditure of each beneficiary participating in an operation has been verified by a designated controller.

Each Member State shall ensure that the expenditure of a beneficiary can be verified within a period of three months of the submission of the documents by the beneficiary concerned.

Each Member State or, where it has accepted the invitation to participate in the cooperation programme, each third country shall be responsible for verifications carried out on its territory.

5 Where the delivery of co-financed products or services can be verified only in respect of an entire operation, the verification shall be performed by the managing authority or by the controller of the Member State where the lead beneficiary is located.

#### *Article 24*

##### **Functions of the certifying authority**

The certifying authority of a cooperation programme shall carry out the functions laid down in Article 126 of Regulation (EU) No 1303/2013.

#### *Article 25*

##### **Functions of the audit authority**

1 The Member States and third countries participating in a cooperation programme may authorise the audit authority to carry out directly the functions provided for in Article 127 of Regulation (EU) No 1303/2013 in the whole of the territory covered by a cooperation programme. They shall specify when the audit authority is to be accompanied by an auditor of a Member State or a third country.

2 Where the audit authority does not have the authorisation referred to in paragraph 1, it shall be assisted by a group of auditors composed of a representative from each Member State or third country participating in the cooperation programme and carrying out the functions provided for in Article 127 of Regulation (EU) No 1303/2013. Each Member State or, where it has accepted the invitation to participate in a cooperation programme, each third country shall be responsible for audits carried out on its territory.

Each representative from each Member State or third country participating in the cooperation programme shall be responsible for providing the factual elements relating to expenditure on its territory that are required by the audit authority in order to perform its assessment.

The group of auditors shall be set up within three months of the decision approving the cooperation programme. It shall draw up its own rules of procedure and be chaired by the audit authority for the cooperation programme.

3 The auditors shall be functionally independent of controllers who carry out verifications under Article 23.

## CHAPTER VII

### ***Participation of third countries in transnational and interregional cooperation programmes***

#### *Article 26*

#### **Implementation conditions for the participation of third countries**

The applicable programme implementation conditions governing the financial management as well as the programming, monitoring, evaluation and control of the participation of third countries, through a contribution of IPA II or ENI resources to transnational and interregional cooperation programmes, shall be established in the relevant cooperation programme and also, where necessary, in the financing agreement between the Commission, the governments of the third countries concerned and the Member State hosting the managing authority of the relevant cooperation programme. Programme implementation conditions shall be consistent with the Union's cohesion policy rules.

## CHAPTER VIII

### ***Financial management***

#### *Article 27*

#### **Budget commitments, payments and recoveries**

- 1 The ERDF support to cooperation programmes shall be paid into a single account with no national subaccounts.
- 2 The managing authority shall ensure that any amount paid as a result of an irregularity is recovered from the lead or sole beneficiary. Beneficiaries shall repay to the lead beneficiary any amounts unduly paid.
- 3 If the lead beneficiary does not succeed in securing repayment from other beneficiaries or if the managing authority does not succeed in securing repayment from the lead or sole beneficiary, the Member State or third country on whose territory the beneficiary concerned is located or, in the case of an EGTC, is registered shall reimburse the managing authority any amounts unduly paid to that beneficiary. The managing authority shall be responsible for reimbursing the amounts concerned to the general budget of the Union, in accordance with the apportionment of liabilities among the participating Member States as laid down in the cooperation programme.

#### *Article 28*

#### **Use of the euro**

By way of derogation from Article 133 of Regulation (EU) No 1303/2013, expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiaries using the monthly accounting exchange rate of the Commission in the month during which that expenditure was either:

- (a) incurred;
- (b) submitted for verification to the managing authority or the controller in accordance with Article 23 of this Regulation; or
- (c) reported to the lead beneficiary.

The method chosen shall be set out in the cooperation programme and be applicable to all beneficiaries.

The conversion shall be verified by the managing authority or by the controller in the Member State or third country in which the beneficiary is located.

## CHAPTER IX

### *Final provisions*

#### *Article 29*

#### **Exercise of the delegation**

1 The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2 The delegation of power to adopt delegated acts referred to in Articles 16(4) and 18(1) shall be conferred on the Commission from 21 December 2013 until 31 December 2020.

3 The delegation of power referred to in Articles 16(4) and 18(1) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4 As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5 A delegated act adopted pursuant to Articles 16(4) and 18(1) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

#### *Article 30*

#### **Transitional provisions**

1 This Regulation shall not affect either the continuation or modification, including the total or partial cancellation of assistance approved by the Commission on the basis of Regulation (EC) No 1080/2006 or any other legislation applying to that assistance on 31 December 2013. That Regulation or such other applicable legislation shall consequently continue to apply after 31 December 2013 to that assistance or the operations concerned until their closure. For the purposes of this paragraph assistance shall cover operational programmes and major projects.

2 Applications to receive assistance made or approved under Regulation (EC) No 1080/2006 before 1 January 2014 shall remain valid.

*Article 31*

**Review**

The European Parliament and the Council shall review this Regulation by 31 December 2020, in accordance with Article 178 TFEU.

*Article 32*

**Entry into force**

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

Articles 4, 27 and 28 shall apply with effect from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 17 December 2013.

*For the European Parliament*

*The President*

M. SCHULZ

*For the Council*

*The President*

R. ŠADŽIUS

*Status: This is the original version (as it was originally adopted).*

## ANNEX

### COMMON OUTPUT INDICATORS FOR THE EUROPEAN TERRITORIAL COOPERATION GOAL

	UNIT	NAME
<b>Productive investment</b>		
	enterprises	Number of enterprises receiving support
	enterprises	Number of enterprises receiving grants
	enterprises	Number of enterprises receiving financial support other than grants
	enterprises	Number of enterprises receiving non-financial support
	enterprises	Number of new enterprises supported
	enterprises	Number of enterprises participating in cross-border, transnational or interregional research projects
	organisations	Number of research institutions participating in cross-border, transnational or interregional research projects
	EUR	Private investment matching public support to enterprises (grants)
	EUR	Private investment matching public support to enterprises (non-grants)
	full time equivalents	Employment increase in supported enterprises
<b>Sustainable tourism</b>	visits/year	Increase in expected number of visits to supported sites of cultural and natural heritage and attractions
<b>ICT Infrastructure</b>	households	Additional households with broadband access of at least 30 Mbps
<b>Transport</b>		

**a** Where relevant, the information on participants will be broken down by their labour market status, indicating whether they are "employed", "unemployed", "long-term unemployed", "inactive" or "inactive and not in education or training".

*Status: This is the original version (as it was originally adopted).*

<b>Railway</b>	kilometres	Total length of new railway lines
		of which: TEN-T
	kilometres	Total length of reconstructed or upgraded railway lines
		of which: TEN-T
<b>Roads</b>	kilometres	Total length of newly built roads
		of which: TEN-T
	kilometres	Total length of reconstructed or upgraded roads
		of which: TEN-T
<b>Urban transport</b>	kilometres	Total length of new or improved tram and metro lines
<b>Inland waterways</b>	kilometres	Total length of new or improved inland waterways
<b>Environment</b>		
<b>Solid waste</b>	tonnes/year	Additional waste recycling capacity
<b>Water supply</b>	persons	Additional population served by improved water supply
<b>Wastewater treatment</b>	population equivalent	Additional population served by improved wastewater treatment
<b>Risk prevention and management</b>	persons	Population benefiting from flood protection measures
	persons	Population benefiting from forest fire protection measures
<b>Land rehabilitation</b>	hectares	Total surface area of rehabilitated land
<b>Nature and biodiversity</b>	hectares	Surface area of habitats supported in order to attain a better conservation status
<b>Research, Innovation</b>		
	full time equivalents	Number of new researchers in supported entities
	full time equivalents	Number of researchers working in improved

**a** Where relevant, the information on participants will be broken down by their labour market status, indicating whether they are "employed", "unemployed", "long-term unemployed", "inactive" or "inactive and not in education or training".



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		research infrastructure facilities
	enterprises	Number of enterprises cooperating with research institutions
	EUR	Private investment matching public support in innovation or R&D projects
	enterprises	Number of enterprises supported to introduce new to the market products
	enterprises	Number of enterprises supported to introduce new to the firm products
<b>Energy and Climate change</b>		
<b>Renewables</b>	MW	Additional capacity of renewable energy production
<b>Energy efficiency</b>	households	Number of households with improved energy consumption classification
	kWh/year	Decrease of annual primary energy consumption of public buildings
	users	Number of additional energy users connected to smart grids
<b>GHG reduction</b>	tonnes of CO <sub>2</sub> eq	Estimated annual decrease of GHG
<b>Social infrastructure</b>		
<b>Childcare &amp; education</b>	persons	Capacity of supported childcare or education infrastructure
<b>Health</b>	persons	Population covered by improved health services
<b>Urban development specific indicators</b>		
	persons	Population living in areas with integrated urban development strategies
	square metres	Open space created or rehabilitated in urban areas

**a** Where relevant, the information on participants will be broken down by their labour market status, indicating whether they are "employed", "unemployed", "long-term unemployed", "inactive" or "inactive and not in education or training".

*Status: This is the original version (as it was originally adopted).*

	square metres	Public or commercial buildings built or renovated in urban areas
	housing units	Rehabilitated housing in urban areas
<b>Labour Market and Training<sup>a</sup></b>		
	persons	Number of participants in cross-border mobility initiatives
	persons	Number of participants in joint local employment initiatives and joint training
	persons	Number of participants in projects promoting gender equality, equal opportunities and social inclusion across borders
	persons	Number of participants in joint education and training schemes to support youth employment, educational opportunities and higher and vocational education across borders

<sup>a</sup> Where relevant, the information on participants will be broken down by their labour market status, indicating whether they are "employed", "unemployed", "long-term unemployed", "inactive" or "inactive and not in education or training".

Joint statement of the European Parliament and of the Council concerning  
the application of Article 6 of the ERDF Regulation, Article 15 of  
the ETC Regulation and Article 4 of the Cohesion Fund Regulation

The European Parliament and the Council note the assurance provided by the Commission to the EU legislature that the common output indicators for the ERDF Regulation, the ETC Regulation and the Cohesion Fund Regulation to be included in an annex to, respectively, each regulation, are the outcome of a lengthy preparatory process involving the evaluation experts of both the Commission and the Member States and, in principle, are expected to remain stable.

- (1) [OJ C 191, 29.6.2012, p. 49.](#)
- (2) [OJ C 277, 13.9.2012, p. 96.](#)
- (3) Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (See page 320 of this Official Journal).
- (4) Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 (See page 289 of this Official Journal).
- (5) Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) ([OJ L 154, 21.6.2003, p. 1.](#))
- (6) Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 amending Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings (See page 303 of this Official Journal).
- (7) Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control, by Member States, of the Commission's exercise of implementing powers ([OJ L 55, 28.2.2011, p. 13.](#))
- (8) 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 ([OJ L 210, 31.7.2006, p. 1.](#))
- (9) Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 ([OJ L 348, 20.12.2013, p. 129.](#))