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## **NOTE**

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From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. Cion doc.:	COM(2018) 374
Subject:	Interreg Regulation - Confirmation of the final compromise text with a view to agreement

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## **I. INTRODUCTION**

1. On 29 May 2018, the Commission adopted the proposal on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external instruments<sup>1</sup>.
2. The Interreg Regulation was presented to the Structural Measures Working Party in June 2018 during the Bulgarian Presidency. Detailed examination of the Interreg Regulation by the working party started under the Austrian Presidency. Under its term, the General Affairs Council dedicated to Cohesion Policy on 30 November 2018 gave specific guidance on the architecture of the Interreg Regulation. The Romanian Presidency pursued the work on the file with a detailed examination of the full Interreg Regulation and, on 29 May 2019, the Permanent Representatives Committee agreed on a partial mandate for negotiations<sup>2</sup>.

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<sup>1</sup> Doc. 9536/18 + ADD1.

<sup>2</sup> Doc. 9594/19.

3. The partial mandate for negotiations was updated on 5 October 2020<sup>3</sup> to take account of the European Council Conclusions adopted in the special meeting of the European Council of 17, 18, 19, 20 and 21 July 2020.

## **II. STATE OF PLAY OF INTER-INSTITUTIONAL NEGOTIATIONS**

4. The inter-institutional negotiations with the European Parliament started under Finland's Presidency and continued under the Croatian Presidency. During the German Presidency, five technical meetings and two political trilogues were held during the months of September, October, November and December. The German Presidency regularly debriefed the Member States at the Structural Measures Working Party on the state of the negotiations and consulted delegations with regard to a number of Presidency's drafting proposals aimed at achieving balanced and fair compromises between the co-legislators.
5. On 7 December 2020, the Presidency presented to the working party the final compromise text agreed between the two co-legislators. The final compromise text was broadly welcomed by delegations.

## **III. WAY FORWARD**

6. The Permanent Representatives Committee is invited to confirm the agreement reached at trilogue level in favour of the compromise package concerning the proposal for a Regulation of the European Parliament and of the Council on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments, as set out in the Annex to this note.

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<sup>3</sup> Doc. 10882/20.

**Regulation on specific provisions for the European territorial cooperation goal (Interreg)  
supported by the European Regional Development Fund and external financing instruments**

**TABLE OF CONTENTS**

**TITLE OF  
PROVISION**

Recitals	(1) - (40)
CHAPTER I	General provisions
SECTION I	SUBJECT MATTER, SCOPE AND INTERREG STRANDS
Article 1	Subject matter and scope
Article 2	Definitions
Article 3	Strands of the European territorial cooperation goal (Interreg)
SECTION II	GEOGRAPHICAL COVERAGE
Article 4	Geographical coverage for cross-border cooperation
Article 5	Geographical coverage for transnational cooperation
Article 6	Geographical coverage for interregional cooperation
Article 7	Geographical coverage for outermost regions' cooperation
Article 8	List of Interreg programme areas to receive support
SECTION III	RESOURCES AND CO-FINANCING RATES
Article 9	ERDF resources for the European territorial cooperation goal (Interreg)
Article 10	Cross-fund provisions
Article 11	List of Interreg programme resources
Article 12	Return of resources and discontinuation
Article 13	Co-financing rates
CHAPTER II	Interreg-specific objectives and thematic concentration
Article 14	Interreg-specific objectives
Article 15	Thematic concentration

CHAPTER III	Programming
SECTION I	PREPARATION, APPROVAL AND AMENDMENT OF INTERREG PROGRAMMES
Article 16	Preparation and submission of Interreg programmes
Article 17	Content of Interreg programmes
Article 18	Approval of Interreg programmes
Article 19	Amendment of Interreg programmes
SECTION II	TERRITORIAL DEVELOPMENT
Article 20	Integrated territorial development
Article 21	Community-led local development
SECTION III	OPERATIONS AND SMALL PROJECT FUNDS
Article 22	Selection of Interreg operations
Article 23	Partnership within Interreg operations
Article 24	Support to projects of limited financial volume
Article 25	Small project funds
Article 26	Tasks of the lead partner
SECTION IV	TECHNICAL ASSISTANCE
Article 27	Technical assistance
CHAPTER IV	Monitoring, evaluation and communication
SECTION I	MONITORING
Article 28	Monitoring committee
Article 29	Composition of the monitoring committee
Article 30	Functions of the monitoring committee
Article 31	Review
Article 32	Transmission of data
Article 33	Final performance report
Article 34	Indicators for the European territorial cooperation goal (Interreg)
SECTION II	EVALUATION AND COMMUNICATION
Article 35	Evaluation during the programming period
Article 36	Responsibilities of managing authorities and partners with regard to transparency and communication

CHAPTER V	Eligibility
Article 37	Rules on eligibility of expenditure
Article 38	General provisions on eligibility of cost categories
Article 39	Staff costs
Article 40	Office and administrative costs
Article 41	Travel and accommodation costs
Article 42	External expertise and services costs
Article 43	Equipment costs
Article 44	Costs for infrastructure and works
CHAPTER VI	Interreg programme authorities, management, control and audit
Article 45	Interreg programme authorities
Article 46	Functions of the managing authority
Article 47	The accounting function
Article 48	Functions of the audit authority
Article 49	Audit of operations
CHAPTER VII	Financial management
Article 50	Budgetary commitments
Article 51	Payments and pre-financing
Article 52	Recoveries
CHAPTER VIII	Participation of third countries or partner countries, OCTs, or regional integration or cooperation organisations in Interreg programmes under shared management
Article 53	Applicable provisions
Article 54	Interreg programme authorities and their functions
Article 55	Management methods
Article 56	Eligibility
Article 57	Large infrastructure projects
Article 58	Procurement
Article 59	Financial management
Article 60	Conclusion of Financing Agreements under shared management
Article 61	Third country, partner country or OCT contribution other than co-financing
CHAPTER IX	Specific provisions for indirect management
Article 62	Outermost regions' cooperation

CHAPTER X	Final provisions
Article 63	Exercise of the delegation
Article 64	Committee Procedure
Article 65	Transitional provisions
Article 66	Entry into force
ANNEX	Template for Interreg programmes

# REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

## **on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments**

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, Article 209(1), Article 212(2), and Article 349 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>4</sup>,

Having regard to the opinion of the Committee of the Regions<sup>5</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 of the 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 certain categories of regions, among which cross-border regions are explicitly listed.
- (2) Regulation (EU) [new CPR] of the European Parliament and of the Council<sup>6</sup> sets out provisions common to the ERDF and certain other funds and Regulation (EU) [new ERDF] of the European Parliament and of the Council<sup>7</sup> sets out provisions concerning the specific objectives and the scope of the ERDF support. It is now necessary to adopt specific provisions in relation to the European territorial cooperation goal (Interreg) where one or more Member States and their regions cooperate across borders with regard to effective programming including provisions on technical assistance, monitoring, evaluation, communication, eligibility, management and control, as well as financial management.

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<sup>4</sup> OJ C 440, 6.12.2018, p. 116–123.

<sup>5</sup> OJ C 86, 7.3.2019, p. 137–164.

<sup>6</sup> [Reference]

<sup>7</sup> [Reference]

- (3) The promotion of the ERDF's European Territorial Cooperation goal (Interreg) is a major priority of Union cohesion policy. Support for small and medium sized enterprises for costs incurred in ETC projects is already block-exempted under the Commission Regulation (EU) No 651/2014<sup>8</sup> (General block exemption Regulation (GBER)) and special provisions in relation to regional aid for investments by undertakings of all sizes are also included in the regional aid section of the GBER and in the Commission Guidelines on regional State aid for 2014-2020<sup>9</sup>. In the light of 30 years experience gained, given the low financial value of projects and the unlikely negative impact on trade and competition on the one hand, and the high added value brought by the existing programmes to territorial cohesion in Europe on the other hand the scope of the State aid rules with regards to public funding to ETC projects is expected to be further clarified through the GBER, thereby largely exempting the public financing of Interreg projects from the obligation of prior notification and greatly facilitating the implementation of these projects.
- (4) In order to support the harmonious development of the Union's territory at different levels, the ERDF should support cross-border cooperation, transnational cooperation, outermost regions' cooperation and interregional cooperation under the European territorial cooperation goal (Interreg). In the process, the principles of partnership and multi-level governance should be taken into account, ensuring an effective size of partnership for a programme.
- (5) The resources of the different strands of Interreg should take into account the UN Sustainable Development Goals and the Paris Climate Agreement.
- (6) The cross-border cooperation component should aim to tackle common challenges identified jointly in the border regions, and to exploit the untapped growth potential in border areas as evidenced in the Communication of the Commission 'Boosting Growth and Cohesion in EU Border Regions'<sup>10</sup> ('Border Regions Communication'). Consequently the programme areas for cross-border cooperation should be identified as those regions and areas on the border or separated by (maximum 150 km) sea where cross-border interaction may effectively take place or functional areas can be identified. In order to integrate potential beneficiaries for such effective cooperation, programme areas may ensure the coherence and continuity of cooperation programme areas established for the 2014-2020 programming planning period.

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<sup>8</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

<sup>9</sup> Guidelines on regional State aid for 2014-2020 (OJ C 209, 23.07.2013, p. 1).

<sup>10</sup> Communication from the Commission to the Council and the European Parliament 'Boosting growth and cohesion in EU border regions' - COM(2017) 534 final, 20.9.2017.

- (7) The cross-border cooperation strand should also involve cooperation between one or more Member States or their regions, and one or more countries or regions, or other territories outside the Union. Covering internal and external cross-border cooperation under this Regulation should result in a major simplification and streamlining of applicable provisions for the programme authorities in the Member States and for the partner authorities and beneficiaries outside the Union compared to the programming period 2014-2020.
- (8) The transnational cooperation strand should aim to strengthen cooperation by means of actions conducive to integrated territorial development linked to the Union's priorities, in full respect of subsidiarity. Transnational cooperation should cover larger territories on the mainland of the Union and around sea-basins with maximum flexibility to ensure the coherence and continuity of cooperation programmes, including previous external maritime cross-border cooperation within a larger maritime cooperation framework, in particular by defining the territory covered, the specific objectives for such cooperation, the requirements for a project partnership and the possibility to set up sub-programmes and specific steering committees.
- (9) Based on the experience with cross-border and transnational cooperation during the programming period 2014-2020 in outermost regions, where the combination of both components within a single programme per cooperation area has not brought about sufficient simplification for programme authorities and beneficiaries, a specific outermost regions' component should be established in order to enable outermost regions to cooperate with their neighbouring countries and territories in the most effective and simple way. Under this component, calls for projects could be launched for combined funding under the ERDF, the NDICI and the OAD, through management modes to be agreed upon between participating Member States and regions and third countries.

- (10) Based on the experience with the interregional cooperation programmes under Interreg the interregional cooperation strand should focus on boosting the effectiveness of cohesion policy through four specific programmes: one to enable the exchange of experiences, innovative approaches and capacity building focusing on policy objectives and the Interreg specific objective “a better cooperation governance”, in relation to the identification, dissemination and transfer of good practices into regional development policies including Investment for jobs and growth goal programmes; one dedicated to the exchange of experiences and capacity building in relation to the identification, transfer and capitalisation of urban good practices on integrated and sustainable urban development, taking into account the linkages between urban and rural areas including support to actions developed in the framework of Article 9 of [ERDF-Cohesion Fund regulation], complementing and being coordinated with the initiative outlined in Article 10 of Regulation (EU) [ERDF/CF Regulation]; one for the exchange of experiences, innovative approaches and capacity building with a view to harmonizing and simplifying the implementation of Interreg programmes and to harmonising and simplifying cooperation actions referred in point [d (v) of paragraph 3 of Article 17 of (new CPR)]; and to support the setting-up, functioning and use of European groupings of territorial cooperation ('EGTCs') set up or to be set up pursuant to Regulation (EC) No 1082/2006 of the European Parliament and of the Council<sup>11</sup> as well as macro-regional strategies; and one to improve the analysis of development trends. The four programmes under the interregional cooperation strand should cover the whole Union and should also be open for the participation of third countries.
- (11) Common objective criteria for designating eligible regions and areas should be established. To that 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>12</sup>.

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<sup>11</sup> Regulation (EC) No 1082/2006 of the European Parliament and of the Council of 5 July 2006 on a European grouping of territorial cooperation (EGTC) (OJ L 210, 31.7.2006, p. 19).

<sup>12</sup> 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).

- (12) It is necessary to continue supporting or, as appropriate, to establish cooperation in all its dimensions 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 and the external financing instruments of the Union, IPA<sup>13</sup>, NDICI<sup>14</sup> and OAD<sup>15</sup>, should support programmes under cross-border cooperation, transnational cooperation, interregional cooperation and outermost regions' cooperation. The support from the ERDF and from the external financing instruments of the Union should be based on reciprocity and proportionality. However, for IPA III CBC and NDICI CBC, the ERDF support should be complemented by at least equivalent amounts under IPA III CBC and NDICI CBC, subject to a maximum amount set out in the respective legal act.
- (13) IPA III assistance should mainly focus on assisting the IPA beneficiaries to strengthen democratic institutions and the rule of law, reform the judiciary and public administration, respect fundamental rights and promote gender equality, tolerance, social inclusion and non-discrimination as well as regional and local development. IPA assistance should continue to support the efforts of the IPA beneficiaries to advance regional, macro-regional and cross-border cooperation as well as territorial development, including through the implementation of Union macro-regional strategies. In addition, IPA assistance should address security, migration and border management, ensuring access to international protection, sharing relevant information, enhancing border control and pursuing common efforts in the fight against irregular migration and migrant smuggling.
- (14) With regard to NDICI assistance, the Union should develop a special relationship with neighbouring countries, aiming to establish an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation. This Regulation and the NDICI should therefore support the internal and external aspects of relevant macro-regional strategies. Those initiatives are strategically important and offer meaningful political frameworks for deepening relations with and among partner countries, based on the principles of mutual accountability, shared ownership and responsibility.
- (15) It is important to continue observing the role of the EEAS and the Commission in the preparation of the strategic programming and of Interreg programmes supported by the ERDF and the NDICI as established in Council decision 2010/427/EU<sup>16</sup>.

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<sup>13</sup> Regulation (EU) XXX establishing the Instrument for Pre-accession Assistance (OJ L xx, p. y).

<sup>14</sup> Regulation (EU) XXX establishing the Neighbourhood, Development and International Cooperation Instrument (OJ L xx, p. y).

<sup>15</sup> Council Decision on the Association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand and Greenland and the Kingdom of Denmark on the other (OJ L xx, p. y).

<sup>16</sup> Council decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).

- (16) In view of the specific situation of outermost regions of the Union, it is necessary to adopt measures concerning the improvement of conditions under which those regions may have access to structural funds. Consequently, certain provisions of this Regulation should be adapted to the specificities of the outermost regions in order to simplify and foster cooperation with their neighbors, while taking into account the Communication from the Commission 'A stronger and renewed strategic partnership with the EU's outermost regions'<sup>17</sup>. This cooperation may be carried out in close partnership with regional integration and cooperation organisations.
- (17) This Regulation lays down the possibility of the OCTs to participate in Interreg programmes. The specificities and challenges of the OCTs should be taken into consideration in order to facilitate their effective access and participation.
- (18) It is necessary to set out the resources allocated to each of the different strands of Interreg, including each Member State's share of the global amounts for cross-border cooperation, transnational cooperation, outermost regions' cooperation and interregional cooperation, and the potential available to Member States concerning flexibility between those strands.
- (19) For the most efficient use of the support from the ERDF and the external financing instruments of the Union, a mechanism should be set up to organise the return of such support in cases where external cooperation programmes cannot be adopted or have to be discontinued, including with third countries which do not receive support from any financing instrument of the Union. That mechanism should seek to achieve optimal functioning of the programmes and the maximum possible coordination between those instruments.
- (20) The ERDF should contribute, under Interreg, to the specific objectives under the cohesion policy objectives. However, the list of the specific objectives under the different policy objectives should be adapted to the specific needs of Interreg in order to allow for ESF-type interventions, according to paragraphs (i) to (x) of Article 4(1) of Regulation (EU) [ESF+ Regulation] through joint actions under Interreg programmes.

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<sup>17</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank 'A stronger and renewed strategic partnership with the EU's outermost regions', - COM(2017) 623 final, 24.10.2017.

- (21) Within the context of the unique and specific circumstances on the island of Ireland, and with a view to supporting North-South cooperation under the Good Friday Agreement, a new 'PEACE PLUS' cross-border programme is to continue and build on the work of previous programmes between the border counties of Ireland and Northern Ireland. Taking into account its practical importance, it is necessary to ensure that, where the programme is acting in support of peace and reconciliation, the ERDF should also contribute to promoting social, economic and regional stability and cooperation in the regions concerned, in particular through actions to promote cohesion between communities. Given the specificities of the programme it should be managed in an integrated manner with the United Kingdom contribution being integrated into the programme as external assigned revenue. Furthermore, certain rules on the selection of operations in this Regulation should not apply to that programme in relation to operations in support of peace and reconciliation.
- (22) This Regulation should add two Interreg-specific objectives, one to support an Interreg-specific objective strengthening institutional capacity, enhancing legal and administrative cooperation, in particular where linked to implementation of the Border Regions Communication, intensify cooperation between citizens and institutions and the development and coordination of macro-regional and sea-basin strategies, build up mutual trust, in particular by encouraging people-to-people actions, and one to address cooperation issues on safety, security, border crossing management and migration.
- (23) The major part of the Union support should be concentrated on a limited number of policy objectives in order to maximise the impact of Interreg. Synergies and complementarities between the strands of Interreg should be strengthened.
- (24) Provisions on the preparation, approval and amendment of Interreg programmes as well as on territorial development, on the selection of operations, on monitoring and evaluation, on the programme authorities, on audit of operations, and on transparency and communication should be adapted to the specificities of Interreg programmes compared to the provisions set out in Regulation (EU) [new CPR]. These specific provisions should be kept simple and clear in order to avoid gold-plating and additional administrative burden for Member States and beneficiaries.
- (25) The provisions on the criteria for operations to be considered as genuinely joint and cooperative, on the partnership within an Interreg operation and on the obligations of the lead partner as set out during the programme period 2014-2020 should be continued. Interreg partners should cooperate in development and implementation as well as staffing or financing or both, and, under outermost regions' cooperation, in two out of four of these dimensions, as it should be simpler to combine support from the ERDF and external financing instruments from the Union both on the level of programmes and operations.

- (26) Under cross-border cooperation programmes, people-to-people (P2P) and small-scale projects are an important and successful instrument, with high European added value, for eliminating border and cross border obstacles, fostering contacts between people locally and, bringing border regions and their citizens closer together. They have been supported via small-project funds or similar instruments, although they have never been covered by specific provisions, making it necessary to clarify the rules governing those funds. In order to maintain the added value and advantages of P2P and small-scale projects, also with regard to local and regional development, and to simplify the management of the financing of small projects by the final recipients, who are often not used to applying for Union funds, the use of simplified cost options and of lump sums should be made obligatory below a certain threshold.
- (27) Due to the involvement of more than one Member State, and the resulting higher administrative costs, including for regional points of contact (or ‘antennae’), which are important points of contact for those proposing and implementing projects, and therefore function as a direct line to the joint secretariats or the relevant authorities, but in particular in respect of controls and translation, the ceiling for technical assistance expenditure should be higher than that under the Investment for jobs and growth goal. In order to offset the higher administrative costs, Member States should be encouraged to reduce the administrative burden with regard to the implementation of joint projects wherever possible. In addition, Interreg programmes with limited Union support or external cross-border cooperation programmes should receive a certain minimum amount for technical assistance to ensure sufficient funding for effective technical assistance activities including for regional branch offices of joint secretariats and contact points set up to be closer to potential beneficiaries and partners.
- (28) Pursuant to paragraph 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016, there is a need to evaluate the Funds on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. These requirements, where appropriate, can include measurable indicators, as a basis for evaluating the effects of the Funds on the ground.

- (29) Based on experience during the programming period 2014-2020, the system introducing a clear hierarchy of rules on eligibility of expenditure should be continued while maintaining the principle of rules on eligibility of expenditure to be established at Union level or for Interreg programme as a whole to avoid any possible contradictions or inconsistencies between different Regulations and between Regulations and national rules. Additional rules adopted by one Member State which would only apply to the beneficiaries in that Member State should be limited to the strict minimum. In particular, provisions of the Commission Delegated Regulation (EU) No 481/2014<sup>18</sup> adopted for the programming period 2014-2020 should be integrated into this Regulation.
- (30) Member Member States should be encouraged to assign the functions of the managing authority to an EGTC or to make such a grouping, like other cross-border legal bodies, responsible for managing a sub-programme, an integrated territorial investment or one or more small project funds, or to act as sole partner. In this context, a cross-border legal body, including euroregions, should be established under the laws and have legal personality of one of the participating countries and the participation of regional and local authorities from all participating countries should be granted.
- (31) In order to continue the payment chain established for the programming period 2014-2020, i.e. from the Commission to the lead partner via the certifying authority, that payment chain should be continued under the accounting function. The Union support should be paid to the lead partner, unless this would result in double fees for conversion into euro and back into another currency or vice versa between the lead partner and the other partners. If not otherwise specified, the lead partner should ensure that the other partners receive the total amount of the contribution from the respective Union fund in full and within the timeframe agreed by all partners and following the same procedure applied in respect of the lead partner.
- (32) Pursuant to Article [63(9)] of Regulation (EU, Euratom) [FR-Omnibus] sector-specific rules are to take account of the needs of European Territorial Cooperation (Interreg) programmes as regards, in particular the audit function. The provisions on the annual audit opinion, the annual control report and the audits of operations should therefore be simplified and adapted to those programmes involving more than one Member State.

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<sup>18</sup> Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes (OJ L 138, 13.5.2014, p. 45).

- (33) A clear chain of financial liability in respect of recovery for irregularities should be established from sole or other partners via the lead partner and the managing authority to the Commission. Provision should be made for liability of Member States, third countries, partner countries or Overseas Countries and Territories (OCTs), where obtaining recovery from the sole or other or lead partner is not successful, meaning that the Member State reimburses the managing authority. Consequently, under Interreg programmes there is no scope for irrecoverable amounts on the level of beneficiaries. It is, however, necessary to clarify the rules, should a Member State, third country, partner country or OCT not reimburse the managing authority. The obligations of the lead partner for recovery should also be clarified.
- (34) In order to apply a mostly common set of rules both in the participating Member States and third countries, partner countries or OCTs, this Regulation should also apply to the participation of third countries, partner countries or OCTs, unless specific rules are set out in a specific Chapter of this Regulation. Interreg programme authorities may be mirrored by comparable authorities in third countries, partner countries or OCTs. The starting point for the eligibility of expenditure should be linked to the signature of the financing agreement by the relevant third country, partner country or OCT. Procurement for beneficiaries in the third country, partner country or OCT should follow the rules for external procurement under Regulation (EU, Euratom) [new FR-Omnibus] of the European Parliament and the Council<sup>19</sup>. The procedures for the conclusion of financing agreements with each of the third countries, partner countries or OCTs as well as of the agreements between the managing authority and each third country, partner country or OCT with regard to the support from an external financing instrument of the Union or in the case of transfer of an additional contribution from a third country, partner country or OCT to the Interreg programme other than national co-financing should be set out.
- (35) Although Interreg programmes with the participation of third countries, partner countries or OCTs should be implemented under shared management, outermost regions' cooperation may be implemented under indirect management. Specific rules should be set out on how to implement those programmes as a whole or partially under indirect management.
- (36) Based on the experience during the programming period 2014-2020 with large infrastructure projects within cross-border cooperation programmes under the European Neighbourhood Instrument, the procedures should be simplified. However, the Commission should retain certain rights concerning the selection of such projects.

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<sup>19</sup> [Reference]

- (37) Implementing powers should be conferred on the Commission to adopt and amend the lists of Interreg programmes, the list of the global amount from Union support for each Interreg programme and to adopt decisions approving Interreg programmes and amendments thereof. These implementing powers should be exercised in accordance with 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<sup>20</sup>. Although these acts are of a general nature, the advisory procedure should be used given that they only implement the provisions in a technical way.
- (38) In order to ensure uniform conditions for the adoption or amendment of Interreg programmes, implementing powers should be conferred on the Commission. However, where applicable, external cross-border cooperation programmes should respect Committee procedures established under Regulations (EU) [IPA III] and [NDICI] with regard to the first approval decision of those programmes.
- (39) In order to supplement or amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the TFEU should be delegated to the Commission to amend the Annex on the template for Interreg programmes. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (40) Since the objective of this Regulation, namely to foster cooperation between Member States and between Member States and third countries, partner countries or OCTs cannot be sufficiently achieved by the Member States but can rather, 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,

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<sup>20</sup> 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).

HAVE ADOPTED THIS REGULATION:

## **CHAPTER I**

### **General provisions**

#### **SECTION I**

#### **SUBJECT MATTER, SCOPE AND INTERREG STRANDS**

##### *Article 1*

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

1. This Regulation lays down rules for the European territorial cooperation goal (Interreg) with a view to fostering cooperation between Member States and their regions inside the Union and between Member States, their regions and third countries, partner countries, other territories or overseas countries and territories ('OCTs'), or regional integration and cooperation organisations, respectively.
2. This Regulation also lays down the provisions necessary to ensure effective programming including on technical assistance, monitoring, evaluation, communication, eligibility, management and control, as well as financial management of programmes under the European territorial cooperation goal ('Interreg programmes') supported by the European Regional Development Fund ('ERDF').
3. With regard to support from the 'Instrument for Pre-Accession Assistance' ('IPA III'), the 'Neighbourhood, Development and International Cooperation Instrument' ('NDICI') and the funding for all the OCTs for the period 2021 to 2027 established as a Programme by Council Decision (EU) XXX ('OCTP') to Interreg programmes (the three instruments together: 'the external financing instruments of the Union'), this Regulation defines additional specific objectives as well as the integration of those funds into Interreg programmes, the criteria for third countries, partner countries and OCTs and their regions to be eligible and certain specific implementation rules.

4. With regard to support from the ERDF and the external financing instruments of the Union (jointly referred to as ‘the Interreg funds’) to Interreg programmes, this Regulation defines the Interreg-specific objectives as well as the organisation, the criteria for Member States, third countries, partner countries and OCTs and their regions to be eligible, the financial resources, and the criteria for their allocation.
5. Regulation (EU) [new CPR] and Regulation (EU) [new ERDF] shall apply to Interreg programmes, except where specifically provided for otherwise under those Regulations and this Regulation or where provisions of Regulation (EU) [new CPR] can only apply to the Investment for jobs and growth goal.

## *Article 2*

### ***Definitions***

1. For the purpose of this Regulation, the definitions in Article [2] of Regulation (EU) [new CPR] shall apply. The following definitions shall also apply:
  - (1) 'IPA beneficiary' means a country or territory listed in Annex I to Regulation (EU) [IPA III];
  - (2) 'third country' means a country which is not a Member State of the Union and does not receive support from the Interreg funds; or which contributes to the EU budget by external assigned revenue;
  - (3) 'partner country' means an IPA beneficiary or a country or territory covered, for Interreg A and B programmes, by the 'Neighbourhood geographic area' listed in Annex I to Regulation (EU) [NDICI] and the Russian Federation, or for Interreg C and D programmes, a country or territory covered by any geographic area under NDICI, and which receives support from the external financing instruments of the Union;
  - (4) 'cross-border legal body' means a legal body established under the laws of one of the participating countries in an Interreg programme provided that it is set up by territorial authorities or other bodies from at least two participating countries.

(5) 'cross-'regional integration and cooperation organisation' means, in the context of outermost regions cooperation, a group of third countries or regions in the same geographical area that aim to cooperate closely on issues of common interest, of which Member States may also be part.

2. For the purpose of this Regulation, where provisions of Regulation (EU) [new CPR] refer to a 'Member State', this shall be construed as meaning 'the Member State hosting the managing authority' and where provisions refer to 'Each Member State' or 'Member States', this shall be construed as meaning 'the Member States and, where applicable, third countries, partner countries and OCTs participating in a given Interreg programme'.

For the purpose of this Regulation, where provisions of Regulation (EU) [new CPR] refer to 'the Funds' as listed in [point (a) of Article 1(1)] of that Regulation or to the 'ERDF', this shall be construed as also covering the respective external financing instrument of the Union.

### *Article 3*

#### ***Strands of the European territorial cooperation goal (Interreg)***

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

- (1) cross-border cooperation between adjacent regions to promote integrated and harmonious regional development between neighbouring land and maritime border regions (Interreg A):
  - (a) internal cross-border cooperation between adjacent border regions of two or more Member States or between adjacent border regions of at least one Member State and one or more third countries listed in Article 4(3); or
  - (b) external cross-border cooperation, between adjacent border regions of at least one Member State and of one or more of the following:
    - (i) IPA beneficiaries; or
    - (ii) partner countries supported by NDICI; or

- (iii) the Russian Federation, for the purpose of enabling its participation in cross-border cooperation also supported by NDICI;
- (2) transnational cooperation over larger transnational territories or around sea-basins, involving national, regional and local programme partners in Member States, third countries and partner countries and OCTs, with a view to achieving a higher degree of territorial integration (Interreg B);
  - (3) interregional cooperation to reinforce the effectiveness of cohesion policy (Interreg C) by promoting:
    - (a) exchange of experiences, innovative approaches and capacity building focusing on policy objectives set out in the first paragraph of Article 4 of Regulation (EU) [new CPR] and the Interreg specific objective "a better cooperation governance", in relation to the identification, dissemination and transfer of good practices into regional development policies including Investment for jobs and growth goal programmes (*'the Interreg Europe programme'*);
    - (b) exchange of experiences, innovative approaches and capacity building in relation to the identification, transfer and capitalisation of urban good practices on integrated and sustainable urban development, taking into account the linkages between urban and rural areas, supporting actions developed in the framework of Article 9 [of Regulation (new ERDF/CF)] and while also complementing in a coordinated way with the initiative outlined in Article 10 of Regulation (EU) [ERDF/CF Regulation] (*'the URBACT programme'*);
    - (c) exchange of experiences, innovative approaches and capacity building with a view to (*'the INTERACT programme'*):
      - (i) harmonising and simplifying the implementation of Interreg programmes as well as contributing to the capitalisation of their results;

- (ii) harmonising and simplifying possible cooperation actions referred in point [d (v) of paragraph 3 of Article 17 of (new CPR)];
  - (iii) supporting the setting-up, functioning and use of European groupings of territorial cooperation (EGTCs);
  - (d) analysis of development trends in relation to the aims of territorial cohesion (*'the ESPON programme'*);
- (4) outermost regions' cooperation among themselves and with their neighbouring third or partner countries or OCTs, or regional integration and cooperation organisations, or several thereof, to facilitate their regional integration and harmonious development in their neighbourhood (Interreg D).

**SECTION II**  
**GEOGRAPHICAL COVERAGE**

*Article 4*

***Geographical coverage for cross-border cooperation***

1. For cross-border cooperation, the regions to be supported by the ERDF shall be the NUTS level 3 regions of the Union along all internal and external land borders with third countries or partner countries and 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 and where cross-border interaction may effectively take place.
2. Internal cross-border cooperation Interreg programmes may cover regions in Norway, Switzerland and [the United Kingdom] which are equivalent to NUTS level 3 regions as well as Liechtenstein, Andorra, Monaco and San Marino.
3. For external cross-border cooperation, the regions to be supported by IPA III or NDICI shall be NUTS level 3 regions of the respective partner country or, in the absence of NUTS classification, equivalent areas along all land and maritime borders between Member States and partner countries eligible under IPA III or NDICI, without prejudice to potential adjustments needed to ensure the coherence and continuity of cooperation programme areas.

*Article 5*

***Geographical coverage for transnational cooperation***

1. For transnational cooperation, the regions to be supported by the ERDF shall be the NUTS level 2 regions of the Union, including outermost regions, covering larger transnational territories taking into account, where applicable, macro-regional strategies or sea basin strategies.

2. At the request of the Member State or Member States concerned when submitting a transnational cooperation programme, that programme may also include one or more outermost regions from the Member State or Member States concerned.
3. Transnational cooperation Interreg programmes may cover:
  - (a) regions in Iceland, Norway, Switzerland, the United Kingdom as well as Liechtenstein, Andorra, Monaco and San Marino;
  - (b) OCTs;
  - (c) the Faroe Islands;
  - (d) regions of partner countries under IPA III or NDICI; whether or not they are supported from the EU budget.
4. The regions, third countries, partner countries, or OCTs listed in paragraph 2 shall be NUTS level 2 regions or, in the absence of NUTS classification, equivalent areas.

#### *Article 6*

#### ***Geographical coverage for interregional cooperation***

1. For interregional cooperation, the entire territory of the Union shall be supported by the ERDF including the outermost regions.
2. Interregional cooperation programmes may cover the whole or part of the third countries, partner countries, other territories or OCTs referred to in Articles 4, 5 and 7, whether or not they are supported by the external financing instruments of the Union.

#### *Article 7*

#### ***Geographical coverage for outermost regions' cooperation***

1. For the outermost regions' cooperation, cooperation, all regions listed in the first paragraph of Article 349 of the TFEU shall be supported by the ERDF.

2. The outermost regions' Interreg programmes may cover partner countries or parts thereof supported by the NDICI or OCTs supported by the OCTP, or both.

*Article 8*

***List of Interreg programme areas to receive support***

1. For the purposes of Articles 4, 5, 6 and 7, the Commission shall adopt an implementing act setting out the list of Interreg programme areas to receive support, broken down for each strand and each Interreg programme. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 63(2).

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

2. The implementing act referred to in paragraph 1 shall also contain a list specifying 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 financing instruments of the Union.
3. Regions of third or partner countries or territories outside the Union which do not receive support from the ERDF or from an external financing instrument of the Union, or which contribute to the EU budget by external assigned revenue, shall also be mentioned in the list referred to in paragraph 1.

**SECTION III**  
**RESOURCES AND CO-FINANCING RATES**

*Article 9*

***ERDF resources for the European territorial cooperation goal (Interreg)***

1. The ERDF resources for the European territorial cooperation goal (Interreg) shall amount to EUR 8 050 000 000 of the global resources available for budgetary commitment from the ERDF, ESF+ and the Cohesion Fund for the 2021-2027 programming period and set out in Article [103(1)] of Regulation (EU) [new CPR].
2. The resources referred to in paragraph 1 shall be allocated as follows:
  - (a) 72,2% (i.e., a total of EUR 5 812 790 000 for land and maritime cross-border cooperation (strand A));
  - (b) 18.2 % (i.e., a total of EUR 1 466 000 000 for transnational cooperation (strand B));
  - (c) 6.1% (i.e., a total of EUR 490 000 000 for interregional cooperation (strand C));
  - (d) 3.5 % (i.e., a total of EUR 281 210 000) for outermost regions' cooperation (strand D).
3. The Commission shall communicate to each Member State its share of the global amounts for strands A, B and D, pursuant to the methodology of point 8 of Annex XXII CPR, broken down by year.
4. Each Member State may transfer up to 15% of its financial allocation for each of the strands A, B and D from one of those strand to one or more of the others.
5. Based on the amounts communicated pursuant to paragraph 3, each Member State shall inform the Commission whether and how it has used the transfer option provided for in paragraph 4 and the resulting distribution of its share among the Interreg programmes in which the Member State participates.

## *Article 10*

### ***Cross-fund provisions***

1. The Commission shall adopt an implementing act setting out the multi-annual strategy document with regard to external cross-border Interreg programmes supported by the ERDF and the NDICI or IPA III. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 63(2).<sup>21</sup>

With regard to Interreg programmes supported by the ERDF and the NDICI, that implementing act shall set out the elements referred to in Article 12(2) of Regulation (EU) [NDICI].

The respective implementing act shall also cover the participation of IPA beneficiaries or partner countries in Interreg B, C and D programmes.

2. The contribution from the ERDF to external cross-border Interreg programmes to be also supported from the financial envelope under IPA III allocated to cross-border cooperation ('IPA III CBC') or from the financial envelope under NDICI allocated to cross-border cooperation for the Neighbourhood geographic area ('NDICI CBC') 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.

The respective contributions from IPA III and NDICI to Interreg B, C and D programmes shall be set out in the multi-annual strategy documents under the first subparagraph of paragraph one and shall take account of the composition of the respective programme partnership by Member States, IPA beneficiaries and partner countries.

3. Support from the ERDF shall be granted to individual external cross-border Interreg programmes provided that at least equivalent amounts are provided by IPA III CBC and NDICI CBC under the relevant strategic programming document. That contribution shall be subject to a maximum amount set out in the IPA III or NDICI legislative act.

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<sup>21</sup> To be aligned with the wording agreed in NDICI and IPA III Regulation during the lawyer-linguistic review.

However, where the review of the relevant strategic programming document under IPA III or NDICI results in the reduction of the matching amount for the remaining years, each Member State concerned shall choose from the following options:

- (a) to request the mechanism under Article 12(3);
  - (b) to continue the Interreg programme with the remaining support from the ERDF and IPA III CBC or NDICI CBC; or
  - (c) to combine options (a) and (b).
4. The annual appropriations corresponding to the support from the ERDF, IPA III CBC or NDICI CBC to external cross-border Interreg programmes shall be entered in the relevant budget lines for the 2021 budgetary exercise.
5. Where the Commission has included a specific financial allocation to assist partner countries or regions under Regulation (EU) [NDICI] and OCTs under Council Decision [OCT Decision] or both in strengthening their cooperation with neighbouring Union outermost regions in accordance with Article [33(2)] of Regulation (EU) [NDICI] or Article[ 87] of the [OCTP Decision] or both, the ERDF may also contribute in accordance with this Regulation, where appropriate and on the basis of reciprocity and proportionality as regards the level of funding from the NDICI or the OCTP or both, to actions implemented by a partner country or region or any other entity under Regulation (EU) [NDICI], by a country, territory or any other entity under the [OCT Decision] or by a Union outermost region under, in particular, one or more joint Interreg B, C or D programmes or under cooperation measures referred to in Article 60 established and implemented pursuant to this Regulation.

## *Article 11*

### ***List of Interreg programme resources***

1. On the basis of the information provided by Member States pursuant to Article 9(5), the Commission shall adopt an implementing act setting out a list of all Interreg programmes and indicating per programme the global amount of the total support from the ERDF and, where applicable, the total support from each external financing instrument of the Union. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 63(2).
2. That implementing act shall also contain a list of the amounts transferred pursuant to Article 9(4) broken down by Member State.

## *Article 12*

### ***Return of resources and discontinuation***

1. In 2022 and 2023, the annual contribution from the ERDF to external cross-border Interreg programmes, for which no programme has been submitted to the Commission by 31 March of the respective years, and which has not been re-allocated to another programme submitted under the same category of external cross-border Interreg programmes, shall be allocated to the internal cross-border Interreg programmes in which the Member State or Member States concerned participates or participate.
2. If by 31 March 2024, there are still external cross-border Interreg programmes which have not been submitted to the Commission, the entire contribution from the ERDF referred to in Article 9(5) to those programmes for the remaining years up to 2027, which has not been re-allocated to another Interreg programme also supported by IPA III CBC or NDICI CBC respectively, shall be allocated to the internal cross-border Interreg programmes in which the Member State or Member States concerned participates or participate.
3. Any external cross-border Interreg programme already approved by the Commission shall be discontinued, or the allocation to that programme shall be reduced, in accordance with the applicable rules and procedures, in particular if:

- (a) none of the partner countries covered by the respective Interreg programme has signed the relevant financing agreement by the deadlines set out in accordance with Article 58;
- (b) the Interreg 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 1 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 Interreg programme also supported by IPA III CBC or NDICI CBC respectively, shall be allocated to the internal cross-border Interreg programmes in which the Member State or Member States concerned participates or participate.

4. With regard to an Interreg B programme already approved by the Commission, the participation of a partner country or of an OCT shall be discontinued, if one of the situations set out in points (a) and (b) of the first subparagraph of paragraph 3 is fulfilled.

The participating Member States and, where applicable, the remaining participating partner countries, shall request one of the following:

- (a) that the Interreg programme be discontinued in total, in particular where the main joint development challenges thereof cannot be achieved without the participation of that partner country or OCT;
- (b) that the allocation to that Interreg programme be reduced, in accordance with the applicable rules and procedures;
- (c) that the Interreg programme continue without the participation of that partner country or of an OCT.

Where the allocation to the Interreg programme is reduced pursuant to point (b) of the second subparagraph of this paragraph, the contribution from the ERDF corresponding to annual instalments not yet committed, shall be allocated to another Interreg B programme in which one or more of the Member States concerned participate or, where a Member State only participates in one Interreg B programme, to one or more internal cross-border Interreg programmes in which that Member State participates.

5. The contribution from IPA III, NDICI or OCTP reduced pursuant to this Article shall be used in accordance with Regulations (EU) [IPA III], [NDICI] or Council Decision [OCT] respectively.
6. Where a third country, partner country or OCTs contributing to an Interreg programme with national resources, which do not constitute the national cofinancing of support from the ERDF or from an external financing instrument of the Union, reduces that contribution during the implementation of the Interreg programme, either globally or with regard to joint operations already selected and having received the document provided for in Article 22(6), the participating Member State or Member States shall request one of the options set out in the second subparagraph of paragraph 4 of this Article.

### *Article 13*

#### ***Co-financing rates***

The co-financing rate at the level of each Interreg programme shall be not higher than 80%.

Notwithstanding the above, the co-financing rate for Interreg D programmes shall be not higher than 85% unless a higher percentage is fixed in Council Decision (EU) [OAD] or any act adopted thereunder or, where applicable, adopted under the [NDICI].

Where Interreg programmes are supported by the ERDF and IPA III CBC and where the allocation from the ERDF is 50% or less of the total EU allocation, a higher percentage may be fixed in Regulation (EU) [IPA III] or any act adopted thereunder.

Where Interreg programmes are supported by the ERDF and either NDICI alone or both NDICI and IPA and where the allocation from the ERDF is 50% or less of the total EU allocation, a higher percentage may be fixed in Regulation (EU) [NDICI], or any act adopted thereunder.

## CHAPTER II

### Interreg-specific objectives and thematic concentration

#### *Article 14*

#### *Interreg-specific objectives*

1. The ERDF, within its scope as set out in Article [4] of Regulation (EU) [new ERDF], and, where applicable, the external financing instruments of the Union shall contribute to the policy objectives set out in Article [4(1)] of Regulation (EU) [new CPR] through joint actions under Interreg programmes.
2. In the case of the PEACE PLUS programme, where it is acting in support of peace and reconciliation, the ERDF, as a specific objective under policy objective 4, shall also contribute to promoting social, economic and regional stability in the regions concerned, in particular through actions to promote cohesion between communities. A separate priority shall support that specific objective.
3. In addition to the specific objectives for the ERDF as set out in Article [2] of Regulation (EU) [new ERDF], the ERDF and, where applicable, the external financing instruments of the Union shall also contribute to the specific objectives (i) to (x) of Article 4(1) of Regulation (EU) [ESF+ Regulation] through joint actions under Interreg programmes.
4. Under Interreg programmes, the ERDF and, where applicable, the external financing instruments of the Union may also support the Interreg-specific objective 'a better cooperation governance', in particular by the following actions:
  - (a) under Interreg A programmes:
    - (i) enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders;
    - (ii) enhance efficient public administration by promoting legal and administrative cooperation and cooperation between citizens, civil society actors and institutions, in particular, with a view to resolving legal and other obstacles in border regions;
    - (iii) build up mutual trust, in particular by encouraging people-to-people actions;

- (b) under Interreg programmes A, B and D: enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies;
  - (c) under external cross-border and Interreg B, C and D programmes supported by the Interreg funds, in addition to points (a) and (b): by enhancing sustainable democracy and by supporting civil society actors and their role in reforming processes and democratic transitions;
5. Under Interreg programmes the ERDF and, where applicable, the external financing instruments of the Union may also contribute to the Interreg-specific objective 'a safer and more secure Europe', in particular by actions in the fields of border crossing management and mobility and migration management, including the protection and economic and social integration of third country nationals including migrants and beneficiaries of international protection.

#### *Article 15*

#### ***Thematic concentration***

1. At least 60% of the ERDF and, where applicable, of the external financing instruments of the Union allocated to each Interreg A, B and D programme shall be allocated on policy objective 2 and a maximum of two other policy objectives set out in Article [4(1)] of Regulation (EU) [new CPR].

Interreg A programmes along internal land borders shall allocate at least 60% of the allocated ERDF on policy objectives 2 and 4 and a maximum of two other policy objectives set out in Article [4(1)] of Regulation (EU) [new CPR].

2. Of the ERDF and, where applicable, of the external financing instruments of the Union allocations to each Interreg A, B and D programme, up to 20% may be allocated on the Interreg-specific objective of 'a better cooperation governance' and up to 5% may be allocated on the Interreg-specific objective of 'a safer and more secure Europe'.

3. Where an Interreg B programme supports a macro-regional strategy or a sea-basin strategy, at least 80 % the ERDF and, where applicable, part of the external financing instruments of the Union allocations under priorities other than for technical assistance shall contribute to the objectives of that strategy.
4. All of the policy objectives set out in the first paragraph of Article 4 of Regulation (EU)[new CPR] and the Interreg specific objective "a better cooperation governance" may be selected for *Interreg Europe* and *URBACT* programmes. For *INTERACT* and *ESPON* programmes, the total ERDF and, where applicable, the external financing instruments of the Union allocations shall be allocated to the Interreg-specific objective 'a better cooperation governance'.

## CHAPTER III

### Programming

#### SECTION I

#### PREPARATION, APPROVAL AND AMENDMENT OF INTERREG PROGRAMMES

##### *Article 16*

##### *Preparation and submission of Interreg programmes*

1. The European territorial cooperation goal (Interreg) shall be implemented through Interreg programmes under shared management with the exception of Interreg D programmes, which may be implemented as a whole or partially under indirect management in agreement with the Member State or Member States concerned after consulting stakeholders
2. The participating Member States and, where applicable, third countries, partner countries, OCTs, or regional integration and cooperation organisations shall prepare an Interreg programme in accordance with the template set out in the Annex for the period from 1 January 2021 to 31 December 2027.
3. The participating Member States shall prepare an Interreg programme in cooperation with the programme partners referred to in Article [6] of Regulation (EU) [the new CPR]. In the preparation of the Interreg B programmes, covering macro-regional or sea basin strategies, the Member States and the programme partners should take into account the thematic priorities of the relevant macro-regional and sea basins strategies and consult the relevant actors, as well as ensure that these actors at macro-region and sea basin level are brought together at the start of the programming period in line with Article [6] of Regulation (EU) [the new CPR].

The participating third countries or partner countries or OCTs, where applicable, shall also involve the programme partners, including regional integration and cooperation organisations, equivalent to those referred to in that Article.

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

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

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

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

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

## *Article 17*

### ***Content of Interreg programmes***

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

2. Each Interreg programme shall consist of priorities.

Each priority shall correspond to a single policy objective or, where applicable, to one or both Interreg-specific objectives respectively and shall consist of one or more specific objectives. More than one priority may correspond to the same policy or Interreg-specific objective.

3. Each Interreg programme shall set out:

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

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

(i) economic, social and territorial disparities as well as inequalities;

(ii) joint investment needs and complementarity and synergies with other funding programmes and instruments;

(iii) lessons learnt from past experience;

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

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

- (d) for each priority specific objectives;
- (e) for each specific objective:
  - (i) the related types of actions and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate;
  - (ii) output indicators and result indicators with the corresponding milestones and targets;
  - (iii) the main target groups;
  - (iv) indication of the specific territories targeted, including the planned use of integrated territorial investments, community-led local development or other territorial tools;
  - (v) the planned use of financial instruments;
- (f) a financing plan containing the following tables (without any division per participating Member State, third country, partner country or OCT, unless specified otherwise therein):
  - (i) a table specifying the total financial allocation for the ERDF and, where relevant, for each external financing instrument of the Union for the whole programming period and by year;
  - (ii) a table specifying the total financial allocation for each priority by the ERDF and, where relevant, by each external financing instrument of the Union by priority and the national co-financing and whether the national co-financing is made up of public and private co-financing;

- (g) the actions taken to involve the relevant programme partners referred to in Article [6] of Regulation (EU) [new CPR] in the preparation of the Interreg programme, and the role of those programme partners in the implementation, monitoring and evaluation of that programme;
- (h) the envisaged approach to communication and visibility for the Interreg programme through defining its objectives, target audiences, communication channels, planned budget and relevant indicators for monitoring and evaluation.
- (i) indication of support to small-scale projects, including small projects within small project funds.

When submitting the programme, this shall be accompanied for information purposes by a list of planned operations of strategic importance, with a timetable.

4. As regards the information referred to in paragraph 3 for the tables referred to in point (f) and as concerns the support from external financing instruments of the Union, those funds shall be set out as follows:
  - (a) for Interreg A programmes supported by IPA III and NDICI as a single amount ('IPA III CBC' or 'Neighbourhood CBC') combining the contribution from Heading 2 Cohesion and Values, sub-ceiling Economic, social and territorial cohesion and [Heading 6 Neighbourhood and the World];
  - (b) for Interreg B and C programmes supported by IPA III, NDICI or the OCTP as a single amount ('Interreg funds') combining the contribution from Heading 2 and Heading 6 or split per financing instrument 'ERDF', 'IPA III', 'NDICI' and 'OCTP', pursuant to the choice of the programme partners;
  - (c) for Interreg B programmes supported by OCTP concerning split per financing instrument ('ERDF' and 'OCTP');
  - (d) for Interreg D programmes supported by the NDICI and by the OCTP split per financing instrument ('ERDF', 'NDICI' and 'OCTP', as appropriate).

5. With regard to point (e)(vi) of paragraph 3, the types of intervention shall be based on a nomenclature set out in Annex [I] to Regulation (EU) [new CPR].
6. The Interreg programme shall:
  - (a) identify the programme authorities and the body to which payments are to be made by the Commission;
  - (b) lay down the procedure for setting up the joint secretariat;
  - (c) set out the apportionment of liabilities among the participating Member States and, where applicable, third or partner countries or OCTs, in the event of financial corrections imposed by the managing authority or the Commission.
7. The managing authority shall communicate to the Commission any changes in the information referred to in point (a) and (b) of paragraph 6 without requiring a programme amendment.
8. With regard to an Interreg A, B or D programme, where an A programme covers long borders with heterogeneous development challenges and needs, Member States and, where applicable, third countries, partner countries and OCTs participating in an Interreg programme may define sub-programme areas.
9. By way of derogation from paragraph 4, the content of Interreg C programmes shall be adapted to the specific character of those Interreg programmes, in particular as follows:
  - (a) the information referred to in point (a) is not required;
  - (b) the information required under points (b) and (h) shall be given as a short outline;
  - (c) for each specific objective, the following information shall be given:
    - (i) with regard to *INTERACT* and *ESPON*, the definition of a single beneficiary or a limited list of beneficiaries and the granting procedure;

- (ii) the related types of actions and their expected contribution to the specific objectives;
- (iii) output indicators and result indicators with the corresponding milestones and targets;
- (iv) the main target groups;
- (v) an indicative breakdown of the programmed resources by type of intervention.

#### *Article 18*

#### ***Approval of Interreg programmes***

1. The Commission shall assess each Interreg programme and its compliance with Regulation (EU) [new CPR], Regulation (EU) [new ERDF] and this Regulation and, in the case of support from an external financing instrument of the Union and where relevant, its consistency with the multi-annual strategy document under Article 10(1) of this Regulation or the relevant strategic programming framework under the respective basic act of one or more of those instruments.
2. The Commission may make observations within three months of the date of submission of the Interreg programme by the Member State hosting the prospective managing authority.
3. The participating Member States and, where applicable, third or partner countries or OCTs shall review the Interreg programme taking into account the observations made by the Commission.
4. The Commission shall adopt a decision by means of an implementing act approving each Interreg programme no later than five months after the date of the first submission of that programme by the Member State hosting the prospective managing authority.

5. With regard to external cross-border Interreg programmes, the Commission shall adopt its decisions in accordance with paragraph 4 after consultation of the 'IPA III Committee' in accordance with Article [16] of Regulation (EU) [IPA III] and of the 'Neighbourhood, Development and International Cooperation Committee' in accordance with Article [35] of Regulation (EU) [NDICI].<sup>22</sup>

#### *Article 19*

#### ***Amendment of Interreg programmes***

1. Following the consultation of and the approval by the monitoring committee and in compliance with Article 6 of Regulation (EU).../... [new CPR], the managing authority may submit a motivated request for an amendment of an Interreg programme together with the amended programme, setting out the expected impact of that amendment on the achievement of the objectives.
2. The Commission shall assess the compliance of the amendment with Regulation (EU) [new CPR], Regulation (EU) [new ERDF] and this Regulation and may make observations within two months of the submission of the amended programme.
3. The participating Member States and, where applicable, third countries, partner countries or OCTs shall review the amended programme and take into account the observations made by the Commission.
4. The Commission shall approve the amendment of a Interreg programme no later than four months after its submission by the managing authority.
5. Following the consultation of and the approval by the monitoring committee and in compliance with Article 6 of Regulation (EU).../... [new CPR], the managing authority may transfer during the programming period an amount of up to 10% of the initial allocation of a priority and no more than 5% of the programme budget to another priority of the same Interreg programme.

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<sup>22</sup> To be aligned with the wording agreed in NDICI and IPA III Regulation during the lawyer-linguistic review.

Such transfers shall not affect previous years.

The transfer and related changes shall be considered to be not substantial and shall not require a decision of the Commission amending the Interreg programme. They shall, however comply with all regulatory requirements. The managing authority shall submit to the Commission the revised table referred to in point (g)(ii) of Article 17(4) together with any related changes in the programme.

6. The approval of the Commission shall not be required for corrections of a purely clerical or editorial nature that do not affect the implementation of the Interreg programme. The managing authority shall inform the Commission of such corrections.

## **Section II**

### **Territorial Development**

#### *Article 20*

#### ***Integrated territorial development***

For Interreg programmes, the relevant urban, local or other territorial authorities or bodies responsible for drawing up territorial or local development strategies as listed in Article [22] of Regulation (EU) [new CPR] or involved in the selection of operations to be supported under those strategies as referred to in Article [23(4)] of that Regulation or for both shall represent at least two participating countries, of which at least one is a Member State.

Where a cross-border legal body or an EGTC implements an integrated territorial investment under Article [24] of Regulation (EU) [new CPR] or another territorial tool under point (c) of Article [22] of that Regulation, it may also be the sole beneficiary pursuant to Article 23 (6) of this Regulation, provided that there is a separation of functions inside the cross-border legal body or the EGTC.

#### *Article 21*

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

Community-led local development ('CLLD') under point (b) of Article [22] of Regulation (EU) [new CPR] may be implemented in Interreg programmes, provided that the relevant local action groups are composed of representatives of public and private local socio-economic interests, in which no single interest group controls the decision-making, and of at least two participating countries, of which at least one is a Member State.

## CHAPTER III

### SECTION III

#### OPERATIONS AND SMALL PROJECT FUNDS

##### *Article 22*

##### *Selection of Interreg operations*

1. Interreg operations shall be selected in accordance with the programme's strategy and objectives by a monitoring committee set up in accordance with Article 27.

That monitoring committee may set up one or, in particular in the case of sub-programmes, more steering committees which act under its responsibility for the selection of operations. Steering committees shall apply the partnership principle as set out in Article 6 of Regulation (EU).../... [new CPR].

When all or part of an operation is implemented outside the programme area inside or outside the Union, the selection of that operation shall require the explicit approval by the managing authority in the monitoring committee or, where applicable, the steering committee.

When the operation involves one or several partners located in the territory of a Member State, third country, partner country or OCT which is not represented in the monitoring committee, the managing authority shall condition its explicit approval to the submission of a written acceptance by the concerned Member State, third country, partner country or OCT to reimburse any amounts unduly paid to these partners, in accordance with Article 50(2).

When the written acceptance referred to in the previous sub-paragraph cannot be obtained, the body implementing all or part of an operation outside the programme area shall obtain a guarantee from a bank or another financial institution for the corresponding amount of the Interreg funds granted. This guarantee shall be included in the document under paragraph 6.

2. For the selection of operations, the monitoring committee or, where applicable, the steering committee shall establish and apply criteria and procedures which are non-discriminatory and transparent, ensure accessibility to persons with disabilities, gender equality and take account of the Charter of Fundamental Rights of the European Union and the principle of sustainable development and of the Union policy on the environment in accordance with Article 11 and Article 191(1) of the TFEU.

The criteria and procedures shall ensure the prioritisation of operations to be selected with a view to maximise the contribution of Union funding to the achievement of the objectives of the Interreg programme and to implementing the cooperation dimension of operations under Interreg programmes, as set out in Article 23(1) and (4).

3. At the request of the Commission the managing authority shall notify the Commission prior to the initial submission of the selection criteria to the monitoring committee or, where applicable, the steering committee. The same shall apply for any subsequent changes to those criteria.
4. In selecting operations, the monitoring committee or, where applicable, the steering committee shall:
  - (a) ensure that selected operations comply with the Interreg programme and provide an effective contribution to the achievement of its specific objectives;
  - (b) ensure that selected operations do not conflict with the corresponding strategies established under Article 10(1) or established for one or more of the external financing instruments of the Union;
  - (c) ensure that selected operations present the best relationship between the amount of support, the activities undertaken and the achievement of objectives;
  - (d) satisfy itself that the beneficiary has the necessary financial resources and mechanisms to cover operation and maintenance costs for operations comprising investment in infrastructure or productive investment, so as to ensure their financial sustainability;

- (e) ensure that selected operations which fall under the scope of Directive 2011/92/EU of the European Parliament and of the Council<sup>23</sup> are subject to an environmental impact assessment or a screening procedure and that the assessment of alternative solutions has been taken in due account, on the basis of the requirements of that Directive as amended by Directive 2014/52/EU of the European Parliament and of the Council<sup>24</sup>.
  - (f) [verify/satisfy]<sup>25</sup> itself that where the operations have started before the submission of an application for funding to the managing authority, the applicable law has been complied with;
  - (g) ensure that selected operations fall within the scope of the Interreg fund concerned and are attributed to a type of intervention;
  - (h) ensure that operations do not include activities which were part of an operation subject to relocation in accordance with Article [60] of Regulation (EU) [new CPR] or which would constitute a transfer of a productive activity in accordance with [point (a) of Article 59(1)] of that Regulation.
  - (i) ensure that selected operations are not directly affected by a reasoned opinion by the Commission in respect of an infringement under Article 258 of the TFEU that puts at risk the legality and regularity of expenditure or the performance of operations;
  - (j) ensure that, for investments in infrastructure with an expected lifespan of at least five years, an assessment of expected impacts of climate change is carried out.
5. The monitoring committee or, where applicable, the steering committee shall approve the methodology and criteria used for the selection of Interreg operations, including any changes thereto, without prejudice to [point (b) of Article 27(3)] of Regulation (EU) [new CPR] with regard to CLLD and to Article 24 of this Regulation.

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<sup>23</sup> Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1).

<sup>24</sup> Directive 2014/52/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2011/92/EU (OJ L 124, 25.4.2014, p. 1).

<sup>25</sup> Left for lawyer-linguist finalisation but to be consistent with row Article 67(3)(d) of CPR.

6. For each Interreg operation, the managing authority shall provide a document to the lead or sole partner setting out the conditions for support of that Interreg operation, including the specific requirements concerning the products or services to be delivered, its financing plan, time-limit for its execution and, where applicable, the method to be applied for determining the costs of the operation and the conditions for payment of the support.

That document shall also set out the lead partner's obligations with regard to recoveries pursuant to Article 50. Those obligations shall be defined by the monitoring committee.

### *Article 23*

#### ***Partnership within Interreg operations***

1. Operations selected under Interreg A, B and D programmes shall involve actors from at least two participating countries or OCTs, at least one of which shall be a beneficiary from a Member State.

Operations selected under the *Interreg Europe* and *URBACT* programmes shall involve actors from at least three participating countries, at least two of which shall be beneficiaries from Member States.

Beneficiaries receiving support from an Interreg fund and partners which do not receive any financial support under those funds (beneficiaries and partners together: 'partners') constitute an Interreg operation partnership.

2. An Interreg operation may be implemented in a single country or OCT, provided that the impact on and the benefits for the programme area are identified in the operation application.
3. Paragraph 1 shall not apply to operations under the PEACE PLUS programme in where the programme is acting in support of peace and reconciliation.
4. Partners shall cooperate in the development and implementation of Interreg operations, as well as in the staffing or financing or both thereof.

For Interreg operations under Interreg D programmes, the partners from outermost regions and third countries, partner countries or OCTs shall be required to cooperate only in two of the four dimensions listed in the first subparagraph.

5. Where there are two or more partners, one of them shall be designated by all the partners as the lead partner.
6. A cross-border legal body or an EGTC may be the sole partner of an Interreg operation under Interreg strands A, B and D programmes and under the ESPON programme, provided that the members thereof involve partners from at least two participating countries.

The cross-border legal body or EGTC shall have members from at least three participating countries under the Interreg Europe and URBACT programmes.

A legal body that implements a financial instrument or a fund of funds, as applicable, may be the sole partner of an Interreg operation without the application of the requirements for its composition set out in paragraph 1.

7. A sole partner shall be registered in a Member State participating in the Interreg programme.

#### *Article 24*

#### ***Support to projects of limited financial volume***

1. Interreg A, B and D programmes shall support projects of limited financial volume, either:
  - (a) directly within each programme; or
  - (b) within one or more small project funds.
2. Where an Interreg B or D programme is unable to fulfil the obligations laid down in sub paragraph 1, it shall state its reasons in accordance with [point 6 of] the template set out in the Annex.

*Article 25*

***Small project funds***

1. The total contribution from the ERDF or, where applicable, an external financing instrument of the Union, to small project funds within an Interreg programme shall not exceed 20% of the total allocation of the Interreg programme.

The final recipients within a small project fund shall receive support from the ERDF or, where applicable the external financing instruments of the Union through the beneficiary and implement the small projects within that small project fund ('small project').

2. The small project fund constitutes an operation within the meaning of Article 2(3) CPR which shall be managed by a beneficiary, taking into account its tasks and remuneration.

The beneficiary shall be a cross-border legal body or an EGTC or a body which shall have legal personality.

The beneficiary selects the small projects which are implemented by the final recipients in the meaning of Article 2(17) CPR. Where the beneficiary is not a cross-border legal body or an EGTC, a body involving representatives from at least two participating countries, of which at least one is a Member State, shall select the joint small projects.

3. The document setting out the conditions for support to a small project fund shall, in addition to the elements laid down in Article 22(6) set out the elements necessary to ensure that the beneficiary:
  - (a) establishes a non-discriminatory and transparent selection procedure;
  - (b) applies objective criteria for the selection of small projects, which avoid conflicts of interest;
  - (c) assesses applications for support;
  - (d) selects projects and fixes the amount of support for each small project;

- (e) is accountable for the implementation of the operation and keeps at its level all supporting documents required for the audit trail in accordance with Annex [XI] of Regulation (EU) [new CPR];
- (f) makes available to the public the list of the final recipients which benefit from the operation.

The beneficiary shall ensure that the final recipients comply with the requirements set out in Article 36.

4. The selection of small projects shall not constitute a delegation of tasks from the managing authority to an intermediate body as referred to in Article [65(3)] of Regulation (EU) [new CPR].
5. Staff and other costs corresponding to the cost categories in Articles 39 to 43 generated at the level of the beneficiary for the management of the small project fund or funds, shall not exceed 20 % of the total eligible cost of the respective small project fund or funds.
6. Where the public contribution to a small project does not exceed EUR 100 000, the contribution from the ERDF or, where applicable, an external financing instrument of the Union shall take the form of unit costs or lump sums or include flat rates, except for projects for which the support constitutes State aid.

Where the total costs of each project do not exceed EUR 100 000, the amount of support for one or more small projects may be set out on the basis of a draft budget which is established on a case-by-case basis and agreed ex ante by the body managing the small project fund.

Where flat-rate financing is used, the categories of costs to which the flat rate is applied may be reimbursed in accordance with [point (a) of Article 48(1)] of Regulation (EU) [new CPR].

*Article 26*

***Tasks of the lead partner***

1. The lead partner shall:
  - (a) lay down the arrangements with the other partners in an agreement comprising provisions that, inter alia, guarantee the sound financial management of the respective Union fund allocated to the Interreg operation, including the arrangements for recovering amounts unduly paid;
  - (b) assume responsibility for ensuring implementation of the entire Interreg operation;
  - (c) ensure that expenditure presented by all partners has been paid in implementing the Interreg operation and corresponds to the activities agreed between all the partners, and is in accordance with the document provided by the managing authority pursuant to Article 22(6).
2. If not otherwise specified in the arrangements laid down pursuant to point (a) of paragraph 1 the lead partner shall ensure that the other partners receive the total amount of the contribution from the respective Union fund in full and within timeframe agreed by all partners and following the same procedure applied in respect of the lead partner. 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 partners.
3. Any partner in a Member State, third country, partner country or OCT participating in an Interreg programme may be designated as the lead partner.

**SECTION IV**  
**TECHNICAL ASSISTANCE**

*Article 27*

***Technical assistance***

1. The amount of the Funds allocated to technical assistance shall be identified as part of the financial allocation of each priority of the programme in accordance with Article 17(4)(g) and shall not take the form of a separate priority or a specific programme.
2. Technical assistance to each Interreg programme shall be reimbursed as a flat rate by applying the percentages set out in paragraph 2 to the eligible expenditure included in each payment application pursuant to [points (a) or (c) of Article 85(3)] of Regulation (EU) [new CPR] as appropriate.
3. The percentage of the ERDF and the external financing instruments of the Union to be reimbursed for technical assistance shall be as follows:
  - (a) for internal cross-border cooperation Interreg programmes supported by the ERDF: 7%;
  - (b) for external cross-border cooperation programmes supported by IPA III CBC or NDICI CBC, for strand B programmes where the support from the ERDF is 50% or less and for strand D programmes, both for the ERDF and for one or more of the external financing instruments of the Union: 10%;
  - (c) for strand B programmes where the support from the ERDF is more than 50% and for strand C programmes, both for the ERDF and, where applicable, for one or more of the external financing instruments of the Union: 8%.

3. For Interreg programmes with a total allocation between EUR 30 000 000 and EUR 50 000 000 the amount resulting from the percentage for technical assistance shall be increased by an additional amount of EUR 500 000. The Commission shall add that amount to the first interim payment.
4. For Interreg programmes with a total allocation below EUR 30 000 000, the amount needed for technical assistance expressed in EUR and the resulting percentage shall be fixed in the Commission decision approving the Interreg programme concerned.

## **CHAPTER IV**

### **Monitoring, evaluation and communication**

#### **SECTION I**

#### **MONITORING**

##### *Article 28*

##### ***Monitoring committee***

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

2. Each monitoring committee shall adopt its rules of procedure.

The rules of procedure of the monitoring committee and, where applicable, of the steering committee shall prevent any situation of conflict of interest when selecting Interreg operations and shall include provisions regarding voting rights and rules for attending the meetings.

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

4. The managing authority shall publish the rules of procedures of the monitoring committee and both a summary of data and information, including decisions, approved by the monitoring committee on the website referred to in Article 35(2).

*Article 29*

***Composition of the monitoring committee***

1. The composition of the monitoring committee of each Interreg programme shall be agreed by the Member States and, where applicable, by the third countries, partner countries and OCTs participating in that programme and shall ensure a balanced representation of:
  - the relevant authorities, including intermediate bodies;
  - bodies jointly set up in the whole programme area or covering a part thereof, including EGTCs; and
  - representatives of the programme partners referred to in Article [6] of Regulation (EU) [new CPR] from Member States, third countries, partner countries and OCTs.

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

2. The managing authority shall publish a list of the members of the monitoring committee on the website referred to in Article 36(2).
3. Representatives of the Commission shall participate in the work of the monitoring committee in an advisory capacity.

*Article 30*

***Functions of the monitoring committee***

1. The monitoring committee shall examine:
  - (a) the progress in programme implementation and in achieving the milestones and targets of the Interreg programme;

- (b) any issues that affect the performance of the Interreg programme and the measures taken to address those issues;
  - (c) with regard to financial instruments, the elements of the *ex ante* assessment listed in Article [52(3)] of Regulation (EU) [new CPR] and the strategy document referred to in Article [55(1)] of that Regulation;
  - (d) the progress made in carrying out evaluations, syntheses of evaluations and any follow-up given to findings;
  - (e) the implementation of communication and visibility actions;
  - (f) the progress in implementing Interreg operations of strategic importance and, where applicable, of large infrastructure projects;
  - (g) the progress in administrative capacity building for public institutions and beneficiaries, where relevant.
2. In addition to its tasks concerning the selection of operations listed in Article 22, the monitoring committee shall approve:
- (a) the methodology and criteria used for the selection of operations, including any changes thereto, after notifying the Commission, where requested, pursuant to Article 22(2) of this Regulation, without prejudice to [points (b), (c) and (d)] of Article 27(3) of Regulation (EU) [new CPR];
  - (b) the evaluation plan and any amendment thereto;
  - (c) any proposal by the managing authority for the amendment of the Interreg programme including for a transfer in accordance with Article 19(5);
  - (d) the final performance report.

## *Article 31*

### ***Review***

1. A review may be organised by the Commission to examine the performance of Interreg programmes.

The review may be carried out in writing.

2. At the request of the Commission, the managing authority shall, within one month, provide the Commission with concise information on the elements listed in Article 30(1). This information shall be based on the most recent data available to the Member States and, where applicable, third countries, partner countries and OCTs.
3. The outcome of the review shall be recorded in agreed minutes.
4. The managing authority shall follow-up issues raised by the Commission and inform the Commission within three months of the measures taken.

## *Article 32*

### ***Transmission of data***

1. Each managing authority shall electronically transmit to the Commission cumulative data for the respective Interreg programme by 31 January, 30 April, 31 July and 31 October of each year in accordance with the template in Annex [VII] to Regulation (EU) [new CPR], with the exception of the information required in point (b) of paragraph 2 and in paragraph 3 that should be reported by 31 January and 31 July of each year.

The first transmission shall be due by 31 January 2022 and the last one by 31 January 2030.

2. The data referred to in paragraph 1 shall be broken down for each priority by specific objective and shall refer to:

- (a) the number of selected Interreg operations, their total eligible cost, the contribution from the respective Interreg fund and the total eligible expenditure declared by the lead partners to the managing authority, all broken down by types of intervention;
  - (b) the values of output and result indicators for selected Interreg operations and values achieved by finalised Interreg operations.
3. For financial instruments, data shall also be provided on the following:
  - (a) eligible expenditure by type of financial product;
  - (b) the amount of management costs and fees declared as eligible expenditure;
  - (c) the amount, by type of financial product, of private and public resources mobilised in addition to the Funds;
  - (d) interest and other gains generated by support from the Interreg funds to financial instruments as referred to in Article 54 of Regulation (EU) [new CPR] and resources returned attributable to support from the Interreg funds as referred to in Article 56 of that Regulation.
  - (e) total value of loans, equity or quasi-equity investments in final recipients which were guaranteed with programme resources and which were actually disbursed to final recipients.
4. The data submitted in accordance with this Article shall be reliable and reflect the data available in the electronic system referred to in Article 66(1)(e) of Regulation (EU) [new CPR] as of the end of the month preceding the month of submission.
5. The managing authority shall publish or provide a link to all the data transmitted to the Commission on the website referred to in Article 36(2).

### *Article 33*

#### ***Final performance report***

1. Each managing authority shall submit to the Commission a final performance report on the respective Interreg programme by 15 February [2031].

The final performance report shall be submitted using the template established in accordance with Article [38(5)] of Regulation (EU) [new CPR].

2. The final performance report shall assess the achievement of programme objectives based on the elements listed in Article 30 with the exception of point (c) of paragraph 1 and point (d) of paragraph 2 thereof.
3. The Commission shall examine the final performance report and inform the managing authority of any observations within five months of the date of receipt of that report. Where such observations are made, the managing authority shall provide all necessary information with regard to those observations and, where appropriate, inform the Commission, within three months, of measures taken. The Commission shall inform the managing authority of the acceptance of the report within two months of receiving all necessary information from the managing authority. Where the Commission does not inform the managing authority within those deadlines, the report shall be deemed to be accepted.
4. The managing authority shall publish the final performance report on the website referred to in Article 36(2).

### *Article 34*

#### ***Indicators for the European territorial cooperation goal (Interreg)***

1. Common output and common result indicators, as set out in Annex [I] to Regulation (EU) [new ERDF], and, where necessary, programme-specific output and result indicators shall be used in accordance with Article [12(1)] of Regulation (EU) [new CPR], and point (e)(ii) of Article 17(4) and point (b) of Article 32(2) of this Regulation.

2. Where relevant<sup>26</sup>, programme-specific output and result indicators shall be used in addition to the indicators which were selected in accordance with the paragraph 1 .

All common output and result indicators listed in table 2 of the Annex [I] to Regulation (EU) [new ERDF/CF] may also be used by specific objectives under any of the policy objectives 1 to 5 or under the Interreg-specific objectives set out in Article 14(4) and (5) of this Regulation, when relevant

3. For output indicators, baselines shall be set at zero. The milestones set for 2024 and targets set for 2029 shall be cumulative.

## SECTION II

### EVALUATION AND COMMUNICATION

#### *Article 35*

#### *Evaluation during the programming period*

1. The Member State or the managing authority shall carry out evaluations of the programmes related to one or more of the following criteria: effectiveness, efficiency, relevance, coherence and EU added value with the aim to improve the quality of the design and implementation of programmes. Evaluations may also cover other relevant criteria, such as inclusiveness, non-discrimination and visibility, and may cover more than one programme.
2. In addition, an evaluation for each programme to assess its impact shall be carried out by 30 June 2029.
3. Evaluations shall be entrusted to internal or external experts functionally independent.
4. The managing authority shall ensure the necessary procedures to produce and collect the data necessary for evaluations.

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<sup>26</sup> Aligned with Article 7(1) of ERDF/CF Regulation.

5. The managing authority shall draw up an evaluation plan that may cover more than one Interreg programme.
6. The managing authority shall submit the evaluation plan to the monitoring committee no later than one year after the approval of the Interreg programme.
7. The managing authority shall publish all evaluations on the website referred to in Article 36(2).

### *Article 36*

#### ***Responsibilities of managing authorities and partners with regard to transparency and communication***

1. Each managing authority shall identify a communication officer for each Interreg programme ('Interreg programme communication officer'), who may be responsible for more than one programme.
2. The managing authority shall ensure that, within six months of the Interreg programme's approval, there is a website where information on each Interreg programme under its responsibility is available, covering the programme's objectives, activities, available funding opportunities and achievements.
3. Article [44(2) to (6)] of Regulation (EU) [new CPR] on the responsibilities of the managing authority shall apply.
4. Each partner of an Interreg operation or each body implementing a financing instrument shall acknowledge support from an Interreg fund, including resources reused for financial instruments in accordance with Article [56] of Regulation (EU) [new CPR], to the Interreg operation by:
  - (a) providing on the partner's official website or social media sites, where such sites exist, a short description of the Interreg operation, proportionate to the level of support provided by an Interreg fund, including its aims and results, and highlighting the financial support from the Interreg fund;

- (b) providing a statement highlighting the support from an Interreg fund in a visible manner on documents and communication material relating to the implementation of the Interreg operation, intended for the general public or for participants;
- (c) publicly displaying plaques or billboards as soon as the physical implementation of an Interreg operation involving physical investment or the purchase of equipment starts, the total cost of which exceeds EUR 100 000;
- (d) for Interreg operations not falling under point (c), publicly displaying at least one poster of a minimum size A3 or equivalent electronic display with information about the Interreg operation highlighting the support from an Interreg fund, except when the beneficiary is a natural person;
- (e) for operations of strategic importance and operations whose total cost exceed 5 000 000 organising a communication event and involving the Commission and the responsible managing authority in a timely manner.

The term 'Interreg' shall be used next to the emblem of the Union in accordance with Article [42] of Regulation (EU) [new CPR].

5. For small project funds and financial instruments, the beneficiary shall ensure by means of the contractual terms that final recipients comply with the requirements to communicate publicly on the Interreg operation.

For financial financial instruments, final recipient shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results), by providing coherent, effective and targeted information to multiple audiences, including the media and the public.

6. Where remedial actions have not been put into place, the managing authority shall apply measures, taking into account the principle of proportionality, by cancelling up to 2% of the support from the Funds to:

- (a) the beneficiary concerned who does not comply with its obligations under Article [42] of Regulation (EU) [new CPR] or paragraphs 4 and 5 of this Article; and/or
- (b) the final recipient concerned of a small project fund and financial instruments which does not comply with the requirements set out in paragraph 5.

## CHAPTER V

### Eligibility

#### Article 37

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

1. All or part of an Interreg operation may be implemented outside of a Member State, including outside the Union, provided that the Interreg operation contributes to the objectives of the respective Interreg programme.
2. Without prejudice to the eligibility rules laid down in Articles [57 to 62] of Regulation (EU) [new CPR], Articles [4 and 6] of Regulation (EU) [new ERDF] or in this Chapter, including in acts adopted thereunder, the participating Member States and, where applicable, third countries, partner countries and OCTs shall, by a joint decision in the monitoring committee, only establish additional rules on eligibility of expenditure for the Interreg programme on categories of expenditure not covered by those provisions. Those additional rules shall cover the Interreg programme as a whole.

However, where an Interreg programme selects operations based on calls for proposals, those additional rules shall be adopted before the calls for proposals are published. In all other cases, those additional rules shall be adopted before operations are selected.

3. For matters not covered by the eligibility rules laid down in Articles [57 to 62] of Regulation (EU) [new CPR], Articles [4 and 6] of Regulation (EU) [new ERDF] and this Chapter, including in acts adopted thereunder or in rules established in accordance with paragraph 2, the national rules of the Member State and, where applicable, of the third countries, partner countries and OCTs in which the expenditure is incurred shall apply.

4. In the event of a difference of opinion between the managing authority and the audit authority with regard to the eligibility as such of an Interreg operation selected under the respective Interreg programme, the opinion of the managing authority shall prevail, taking due account of the opinion of the monitoring committee.
5. OCTs shall not be eligible for support from the ERDF under Interreg programmes, but may participate in those programmes under the conditions set out in this Regulation.

*Article 38*

***General provisions on eligibility of cost categories***

1. The participating Member States and, where applicable, third countries, partner countries and OCTs, may agree in the monitoring committee of an Interreg programme that expenditure falling under one or more of the categories referred to in Articles 39 to 44 shall not be eligible under one or more priorities of an Interreg programme.
2. Any expenditure eligible in accordance with this Regulation shall relate to the costs of initiating or initiating and implementing an operation or part of an operation.
3. The following costs are not eligible:
  - (a) fines, financial penalties and expenditure on legal disputes and litigation;
  - (b) costs of gifts;
  - (c) costs related to fluctuation of foreign exchange rate.
4. Where the flat rate provided for in Article 51(1) of Regulation (EU) [new CPR] is used to calculate eligible costs other than direct staff costs of an operation, it shall not be applied to direct staff costs calculated on the basis of a flat rate as referred to in point (c) of Article 39(3).

*Article 39*

***Staff costs***

1. Staff costs shall consist of gross employment costs of staff employed by the Interreg partner in one of the following ways:
  - (a) full time;
  - (b) part-time with a fixed percentage of time worked per month;
  - (c) part-time with a flexible number of hours worked per month; or
  - (d) on an hourly basis.
  
2. Staff costs shall be limited to the following:
  - (a) salary payments related to the activities which the entity would not carry out if the operation concerned was not undertaken, fixed in an employment or work contract, an appointment decision (both hereinafter referred to as ‘employment document’) or by law, relating to responsibilities specified in the job description of the staff member concerned;
  - (b) any other costs directly linked to salary payments incurred and paid by the employer, such as employment taxes and social security including pensions as covered by Regulation (EC) No 883/2004 of the European Parliament and of the Council<sup>27</sup>, provided that they are:
    - (i) fixed in an employment document or by law;
    - (ii) in accordance with the legislation referred to in the employment document and with standard practices in the country or the organisation where the individual staff member is actually working or both; and
    - (iii) not recoverable by the employer.

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<sup>27</sup> Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p.1).

With regard to point (a), payments to natural persons working for the Interreg partner under a contract other than an employment or work contract may be assimilated to salary payments and such a contract considered as an employment document.

3. Staff costs may be reimbursed either:
  - (a) in accordance with [point (a) of the first subparagraph of Article 48(1)] of Regulation (EU) [new CPR] (proven by the employment document and payslips); or
  - (b) under simplified cost options as set out in [points (b) to (f) of the first subparagraph of Article 48(1)] of Regulation (EU) [new CPR]; or
  - (c) as a flat rate of up to 20 % of the direct costs other than the direct staff costs of that operation, without there being a requirement for the Member State to perform a calculation to determine the applicable rate; or
  - (d) as an hourly rate in accordance with Article 50(2), (3) and (4) of [new CPR] either for direct staff costs of individuals who work on full-time assignment on the operation or for individuals who work on part-time assignment on the operation under point (b) of paragraph 4.
4. Staff costs related to individuals who work on part-time assignment on the operation, may be calculated as either:
  - (a) a fixed percentage of the gross employment cost in accordance with Article [50(5)] of Regulation (EU) [new CPR]; or
  - (b) a flexible share of the gross employment cost, in line with a number of hours varying from one month to the other worked on the operation, based on a time registration system covering 100 % of the working time of the employee.
5. For staff employed pursuant to point (d) of paragraph 1, the hourly rate shall be multiplied by the number of hours actually worked on the operation based on a time registration system.

*Article 40*

***Office and administrative costs***

1. Office and administrative costs shall be limited to the following elements:
  - (a) office rent;
  - (b) insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances);
  - (c) utilities (e.g. electricity, heating, water);
  - (d) office supplies;
  - (e) accounting;
  - (f) archives;
  - (g) maintenance, cleaning and repairs;
  - (h) security;
  - (i) IT systems;
  - (j) communication (e.g. telephone, fax, internet, postal services, business cards);
  - (k) bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened;
  - (l) charges for transnational financial transactions.

2. Office and administrative costs may be calculated as a fixed percentage of the gross employment cost in accordance with Article [49] of Regulation (EU) [new CPR].

*Article 41*

***Travel and accommodation costs***

1. Travel and accommodation costs shall be limited to the following elements:
  - (a) travel costs (e.g. tickets, travel and car insurance, fuel, car mileage, toll, and parking fees);
  - (b) the costs of meals;
  - (c) accommodation costs;
  - (d) visa costs;
  - (e) daily allowances,regardless whether such costs are incurred and paid in or outside the programme area.
2. Any element listed in points (a) to (d) of paragraph 1 covered by a daily allowance shall not be reimbursed in addition to the daily allowance.
3. Travel and accommodation costs of external experts and service providers fall under external expertise and services costs listed in Article 42.
4. Direct payment of expenditure for costs under this Article by an employee of the beneficiary shall be supported by a proof of reimbursement by the beneficiary to that employee.
5. Travel and accommodation costs of an operation may be calculated at a flat rate of up to 15 % of the direct staff costs of that operation, without there being a requirement for the Member State to perform a calculation to determine the applicable rate.

*Articles 42*

***External expertise and services costs***

External expertise and service costs shall be limited to the following services and expertise provided by a public or private law body or a natural person other than the beneficiary and all partners of the operation:

- (a) studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks);
- (b) training;
- (c) translations;
- (d) development, modifications and updates to IT systems and website;
- (e) promotion, communication, publicity, promotional items and activities or information linked to an operation or to a programme as such;
- (f) financial management;
- (g) services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- (h) participation in events (e.g. registration fees);
- (i) legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- (j) intellectual property rights;
- (k) verifications under [point (a) of Article 68(1)] of Regulation (EU) [new CPR] and Article 46(1) of this Regulation;
- (l) costs for the accounting function on programme level under Article [70] of Regulation (EU) [new CPR] and Article 47 of this Regulation;

- (m) audit costs on programme level under Articles [72] and [75] of Regulation (EU) [new CPR] and under Articles 48 and 49 of this Regulation;
- (n) the provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by the monitoring committee;
- (o) travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- (p) other specific expertise and services needed for operations.

*Article 43*

***Equipment costs***

1. Costs for equipment purchased, rented or leased by the beneficiary of the operation other than those covered by Article 40 shall be limited to the following:
  - (a) office equipment;
  - (b) IT hardware and software;
  - (c) furniture and fittings;
  - (d) laboratory equipment;
  - (e) machines and instruments,
  - (f) tools or devices;
  - (g) vehicles;
  - (h) other specific equipment needed for operations.

2. Costs for the purchase of second-hand equipment may be eligible subject to the following conditions:
- (a) no other assistance has been received for it from the Interreg funds or the Funds listed in [point (a) of Article 1(1)] of Regulation (EU) [new CPR];
  - (b) this price does not exceed the generally accepted price on the market in question;
  - (c) it has the technical characteristics necessary for the operation and complies with applicable norms and standards.

*Article 44*

***Costs for infrastructure and works***

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

- (a) purchase of land in accordance with [point (b) of Article 58(1)] of Regulation (EU) [new CPR];
- (b) building permits;
- (c) building material;
- (d) labour;
- (e) specialised interventions (e.g. soil remediation, mine-clearing).

## CHAPTER VI

### Interreg programme authorities, management, control and audit

#### *Article 45*

#### *Interreg programme authorities*

1. Member States and, where applicable, third countries, partner countries and OCTs participating in an Interreg programme shall identify, for the purposes of Article [65] of Regulation (EU) [new CPR], a single managing authority and a single audit authority.
2. The managing authority and the audit authority shall be located in the same Member State.
3. Concerning the PEACE PLUS programme, the Special EU Programmes Body, when identified as the managing authority, shall be considered as located in a Member State.
4. Member States and, where applicable, third countries, partner countries and OCTs participating in an Interreg programme may identify an EGTC as managing authority of that programme.
5. Where the managing authority identifies an intermediate body under an Interreg programme in accordance with Article [65(3)] of Regulation (EU) [new CPR], the intermediate body shall carry out those tasks in more than one participating Member State or, where applicable, third country, partner country or OCT. Without prejudice to the provisions of Article 22, one or more intermediate bodies may carry out those tasks in only one participating Member State or, where applicable, third country, partner country or OCT where such an approach is based on existing structures.

*Article 46*

***Functions of the managing authority***

1. The managing authority of an Interreg programme shall carry out the functions laid down in Articles [66], [68] and [69] of Regulation (EU) [new CPR] with the exception of the task of selecting operations referred to in point (a) of Article 66 (1) and Article 67 of that Regulation (EU) [new CPR] and, where the accounting function is carried out by a different body pursuant to Article 47 of this Regulation, of payments to beneficiaries referred to in point (b) of Article 68(1) of Regulation (EU) [new CPR]. Those functions shall be carried out in the whole of the territory covered by that programme, subject to derogations set out under Chapter VIII of this Regulation.
2. The managing authority, after consultation with the Member States and, where applicable, any third countries, partner countries or OCTs participating in the Interreg programme, shall set up a joint secretariat, with staff taking into account the programme partnership.

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 Interreg programmes and shall assist beneficiaries and partners in the implementation of operations.

For Interreg programmes also supported by external financing instruments from the Union, one or more branch offices of the joint secretariat may be set up in one or more partner countries or OCTs in order to carry out its tasks closer to potential beneficiaries and partners from the respective partner country or OCT.

3. By way of derogation from point (c) of Article 70(1) of Regulation (EU) [new CPR], expenditure paid in another currency shall be converted into euro by each beneficiary coming from countries which have not adopted the euro as their currency using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification.

4. By way of derogation to point (a) of Article 68(1) of Regulation (EU) [new CPR] and without prejudice to Article 45 (6) of this Regulation, the Member States, and where applicable, third country, partner country or OCT, participating in the Interreg programme, may decide that management verifications referred to in point (a) of Article 68(1) of Regulation (EU) [new CPR] will be done through the identification by each Member State of a body or person responsible for this verification on its territory (the ‘controller’).
5. The controllers may be the same bodies responsible for carrying out such verifications for the programmes under the Investment for jobs and growth goal or, in the case of third countries, partner countries or OCTs for carrying out comparable verifications under external financing instruments of the Union. Any controller shall be functionally independent from the audit authority or any member of the group of auditors.
6. The managing authority shall satisfy itself that the expenditure of each beneficiary participating in an operation has been verified by an identified controller.
7. Each Member State, third country, partner country or OCT 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.
8. Each Member State, third country, partner country or OCT shall be responsible for verifications carried out on its territory.
9. Each Member State, third country, partner country and OCT shall identify as controller either a national or regional authority or a private law company or a natural person as set out in paragraph 10.
10. Where the controller carrying out management verifications is a private law company or a natural person, those controllers shall meet at least one of the following requirements:
  - (a) be a member of a national accounting or auditing body or institution which in turn is member of International Federation of Accountants ('IFAC'); or

- (b) be a member of a national accounting or auditing body or institution without being a member of IFAC, but committing to carry out the management verifications in accordance with IFAC standards and ethics; or
- (c) be registered as a statutory auditor in the public register of a public oversight body in a Member State in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council<sup>28</sup>; or
- (d) be registered as a statutory auditor in the public register of a public oversight body in a third country, partner country or OCT, provided this register is subject to principles of public oversight as set out in the legislation of the country concerned.

*Article 47*

***The accounting function***

1. Member States and, where applicable, third countries, partner countries and OCTs participating in an Interreg programme shall agree on the arrangements for carrying out the accounting function.
2. The accounting function shall consist of the tasks listed in [points (a) and (b) of Article 70(1)] of Regulation [new CPR] and shall also cover the payments made by the Commission and, as a general rule, the payments made to the lead partner in accordance with [point (b) of Article 68(1)] of Regulation (EU) [new CPR].

*Article 48*

***Functions of the audit authority***

1. The audit authority of an Interreg programme shall carry out the functions provided for in this Article and in Article 49 in the whole of the territory covered by that Interreg programme.

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<sup>28</sup> Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (*OJ L 157, 9.6.2006, p. 87*).

Where the audit authority does not have the authorisation in the whole territory covered by a cooperation programme, it shall be assisted by a group of auditors composed of a representative from each Member State, and, where applicable, third country, partner country or OCT, participating in the Interreg programme. Each Member State, and, where applicable, third country, partner country or OCT shall be responsible for audits carried out on its territory.

Each representative from each Member State, and, where applicable, third country, partner country or OCT participating in the Interreg 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 Interreg programme. It shall draw up its rules of procedure and be chaired by the audit authority for the Interreg programme.

The auditors shall be functionally independent from bodies or persons responsible for management verifications under Article 46(4).

2. The audit authority of an Interreg programme shall be responsible for carrying out system audits and audits on operations in order to provide independent assurance to the Commission that management and control systems function effectively and that expenditure included in the accounts submitted to the Commission is legal and regular.
3. Where an Interreg programme is included in the population from which the Commission selects a common sample under Article 49(1), the audit authority shall carry out audits of operations selected by the Commission in order to provide independent assurance to the Commission that management and control systems function effectively.
4. Audit work shall be carried out in accordance with internationally accepted audit standards.
5. The audit authority shall draw up and submit to the Commission each year by 15 February following the end of the accounting year an annual audit opinion in accordance with Article [63(7)] of Regulation [FR-Omnibus] using the template set out in Annex [XVI] to Regulation (EU) [new CPR] and based on all audit work carried out, covering each of the following components:

- (a) the completeness, veracity and accuracy of the accounts;
- (b) the legality and regularity of the expenditure included in the accounts submitted to the Commission;
- (c) the management and control system of the Interreg programme.

Where the Interreg programme is included in the population from which the Commission selects a common sample pursuant to Article 49(1), the annual audit opinion shall only cover the elements referred to in points (a) and (c) of the first subparagraph.

The deadline of 15 February may exceptionally be extended by the Commission to 1 March, upon communication by the audit authority.

6. The audit authority shall draw up and submit to the Commission each year by 15 February following the end of the accounting year an annual control report in accordance with [point (b) of Article 63(5)] of Regulation [FR-Omnibus] using the template set out in Annex [XVII] of Regulation (EU) [new CPR] and, supporting the audit opinion provided for in paragraph 5 of this Article and setting out a summary of the findings, including an analysis of the nature and extent of any errors and deficiencies in the systems as well as the proposed and implemented corrective actions and the resulting total error rate and residual error rate for the expenditure entered in the accounts submitted to the Commission.
7. Where the Interreg programme is included in the population from which the Commission selects a common sample under Article 49(1), the audit authority shall draw up the annual control report referred to in paragraph 6 of this Article and fulfilling the requirements of [point (b) of Article 63(5)] of Regulation (EU, Euratom) [FR-Omnibus] using the template set out in Annex [XVII] to Regulation (EU) [new CPR] and supporting the audit opinion provided for in paragraph 5 of this Article.

That report shall set out a summary of the findings, including an analysis of the nature and extent of any errors and deficiencies in the systems as well as the proposed and implemented corrective actions, the results of the audits of operations carried out by the audit authority in relation to the common sample referred to in Article 49(1) and the financial corrections applied by the Interreg programme authorities for any individual irregularities detected by the audit authority for these operations.

8. The audit authority shall transmit system audit reports to the Commission as soon as the required contradictory procedure with the relevant auditees is concluded.
9. The Commission and the audit authority shall meet on a regular basis and at least once a year, unless otherwise agreed, to examine the audit strategy, the annual control report and the audit opinion, to coordinate their audit plans and methods and to exchange views on issues relating to the improvement of management and control systems.

#### *Article 49*

#### ***Audit of operations***

1. The Commission shall select a common sample of operations (or other sampling units) using a statistical sampling method for the audits of operations to be carried out by the audit authorities for the Interreg programmes receiving support from the ERDF or an external financing instrument of the Union in respect of each accounting year.

The common sample shall be representative for all the Interreg programmes constituting the population.

For the purposes of selecting the common sample, the Commission may stratify groups of Interreg programmes according to their specific risks.

2. The programme authorities shall provide the information necessary for the selection of a common sample to the Commission by 1 August following the end of each accounting year at the latest.

That information shall be submitted in a standardised electronic format, shall be complete and shall reconcile with the expenditure declared to the Commission for the reference accounting year.

3. Without prejudice to the requirement to carry out an audit referred to in Article 48(2), the audit authorities for Interreg programmes covered by the common sample shall not carry out additional audits of operations under those programmes, unless requested by the Commission in accordance with paragraph 8 of this Article or in cases for which an audit authority has identified specific risks.
4. The Commission shall inform the audit authorities of the Interreg programmes concerned of the common sample selected in time to allow those authorities to carry out the audits of operations, in general, by 1 September following the end of each accounting year, at the latest.
5. The audit authorities concerned shall submit information on the results of these audits as well as on any financial correction taken in relation to individual irregularities detected at the latest in the annual control reports to be submitted to the Commission pursuant to Article 48(6) and (7).
6. Following its assessment of the results of audits of operations selected pursuant to paragraph 1, the Commission shall calculate a global extrapolated error rate with regard to the Interreg programmes included in the population from which the common sample was selected, for the purposes of its own assurance process.
7. Where the global extrapolated error rate referred to in paragraph 6 is above 2% of the total expenditure declared for the Interreg programmes included in the population from which the common sample was selected, the Commission shall calculate a global residual error rate, taking account of financial corrections applied by the respective Interreg programme authorities for individual irregularities detected by the audits of operations selected pursuant to paragraph 1.

8. Where the global residual error rate referred to in paragraph 7 is above 2% of the expenditure declared for the Interreg programmes included in the population from which the common sample was selected, the Commission shall determine whether it is necessary to request the audit authority of a specific Interreg programme or a group of Interreg programmes most affected to carry out additional audit work in order to further evaluate the error rate and assess the required corrective measures for the Interreg programmes affected by the irregularities detected.
9. Based on the assessment of the results of the additional audit work requested pursuant to paragraph 8, the Commission may request additional financial corrections to be applied on the Interreg programmes affected by the irregularities detected. In such cases, the Interreg programme authorities shall carry out the required financial corrections in accordance with Article [97] of Regulation (EU) [new CPR].
10. Each audit authority of an Interreg programme for which the information referred to in paragraph 2 is missing or incomplete or has not been submitted by the deadline laid down in the first subparagraph of paragraph 2 shall carry out a separate sampling exercise for the respective Interreg programme in accordance with Article [73] of Regulation (EU) [new CPR].

## **CHAPTER VII**

### **Financial management**

#### *Article 50*

#### ***Budgetary commitments***

The Commission decisions approving Interreg programmes shall meet the requirements necessary to constitute financing decisions in terms Article [110(2)] of Regulation (EU, Euratom) [FR-Omnibus] with regard to the ERDF and the support by an external financing instrument of the Union under shared management.

#### *Article 51*

#### ***Payments and pre-financing***

1. The ERDF support and, where applicable, the support from external financing instruments of the Union to each Interreg programme shall be paid, in accordance with Article 46(2), into a single account with no national subaccounts.
  
2. The Commission shall pay a pre-financing based on the total support from each Interreg fund, as set out in the decision approving each Interreg programme under Article 18, subject to available funds, in yearly instalments as follows and before 1 July of the years 2022 to 2026, or, in the year of the approving decision, no later than 60 days after that decision is adopted:
  - (a) 2021: 1%;
  - (b) 2022: 1%;
  - (c) 2023: 3%;
  - (d) 2024: 3%;
  - (e) 2025: 3%;
  - (f) 2026: 3%.

3. Where Interreg programmes are supported by the ERDF and IPA III CBC and where the allocation from the ERDF is 50% or less of the total EU allocation, the Commission shall pay a pre-financing in accordance with Article [5(5)] of Regulation (EU) [IPA III].
4. Where Interreg programmes are supported by the ERDF and either NDICI alone or both NDICI and IPA III and where the allocation from the ERDF is 50% or less of the total EU allocation, the Commission shall pay a pre-financing in accordance with Article [18(5)] Regulation (EU) [NDICI], taking into account the actual financial needs.

Article 90 and 91 of Regulation (EU) [CPR] shall apply *mutatis mutandis* to the pre-financing under the first sub-paragraph.

The amount paid as pre-financing shall be cleared from the Commission accounts each year for 2021 and 2022 and no later than with the final accounting year for 2023 and subsequent years as well as for amounts paid as pre-financing set out under paragraphs 3 and 4.

#### *Article 52*

#### ***Recoveries***

1. The managing authority shall ensure that any amount paid as a result of an irregularity is recovered from the lead or sole partner. Partners shall repay to the lead partner any amounts unduly paid.
2. The Member States, third countries, partner countries or OCTs participating in a given Interreg programme may decide that neither the lead or sole partner nor the programme's managing authority is obliged to recover an amount unduly paid that does not exceed EUR 250, not including interest, in contribution from any of the Interreg funds to an operation in an accounting year.

No information needs to be provided to the Commission beyond the information about a decision being taken under the first subparagraph.

3. Where the lead partner does not succeed in securing repayment from other partners or where the managing authority does not succeed in securing repayment from the lead or sole partner, the Member State, third country, partner country or OCT on whose territory the partner concerned is located or, in the case of an EGTC, is registered shall reimburse the managing authority any amounts unduly paid to that partner. The managing authority shall be responsible for reimbursing the amounts concerned to the general budget of the Union, in accordance with the apportionment of liabilities among the participating Member States, third countries, partner countries or OCTs laid down in the Interreg programme.
4. Once the Member State, third country, partner country or OCT has reimbursed the managing authority any amounts unduly paid to a partner, it may continue or start a recovery procedure against that partner under its national law. In the event of successful recovery, the Member State, third country, partner country or OCT may use those amounts for the national co-financing of the Interreg programme concerned. The Member State, third country, partner country or OCT shall not have any reporting obligations towards the programme authorities, the monitoring committee or the Commission with regard to such national recoveries.
5. Where a Member State, third country, partner country or OCT has not reimbursed the managing authority any amounts unduly paid to a partner pursuant to paragraph 4, those amounts shall be subject to a recovery order issued by the Commission which shall be executed, where possible, by offsetting to the respective Member State, third country, partner country or OCT. Such recovery shall not constitute a financial correction and shall not reduce the support from the ERDF or any external financing instrument of the Union to the respective Interreg programme. The amount recovered shall constitute assigned revenue in accordance with Article [21(3)] of Regulation (EU, Euratom) [FR- Omnibus].

With regard to amounts not reimbursed to the managing authority by a Member State, the offsetting shall concern subsequent payments to the same Interreg programme. The managing authority shall then offset with regard to that Member State in accordance with the apportionment of liabilities among the participating Member States set out in the Interreg programme in the event of financial corrections imposed by the managing authority or the Commission.

With regard to amounts not reimbursed to the managing authority by a third country, partner country or OCT, the offsetting shall concern subsequent payments to programmes under the respective external financing instruments of the Union.

## **CHAPTER VIII**

### **Participation of third countries or partner countries, OCTs, or regional integration or cooperation organisations in Interreg programmes under shared management**

#### *Article 53*

##### ***Applicable provisions***

Chapters I to VII and Chapter X shall apply to the PEACE PLUS programme and to participation of third countries, partner countries and OCTs as well as regional integration and cooperation organisations supported by external financing instruments from the Union in Interreg programmes subject to the specific provisions set out in this Chapter.

#### *Article 54*

##### ***Interreg programme authorities and their functions***

1. Each third country, partner country and OCT participating in an Interreg programme shall identify a national or regional authority as contact point for the managing authority (the ‘contact point’).
2. The contact point, a body equivalent to the Interreg programme communication officer as provided for in Article 36(1) or the branch office or offices, shall support the managing authority and partners in the respective third country, partner country or OCT with regard to the tasks provided for in Article 36(2) to (6).

#### *Article 55*

##### ***Management methods***

1. Interreg A programmes supported both by ERDF and IPA III CBC or NDICI CBC shall be implemented under shared management both in the Member States and in any participating third country or partner country.

The PEACE PLUS programme shall be implemented under shared management both in Ireland and in the United Kingdom.

2. Interreg B and C programmes combining contributions from the ERDF and from one or more external financing instrument of the Union shall be implemented under shared management both in the Member States and in any participating third country, partner country, participating OCT or, with regard to Interreg D, in any OCT, whether or not that OCT receives support under one or more external financing instruments of the Union.
3. Interreg D programmes combining contributions from the ERDF and one or more external financing instruments of the Union shall be implemented in any of the following ways:
  - (a) under shared management both in the Member States and in any participating third country or OCT;
  - (b) under shared management only in the Member States and in any participating third country or OCT with regard to ERDF expenditure outside the Union for one or more operations, whereas the contributions from one or more external financing instruments of the Union are managed under indirect management;
  - (c) under indirect management both in the Member States and in any participating third country or OCT.

Where all or part of an Interreg D programme is implemented under indirect management, Article 62 shall apply.

## *Article 56*

### ***Eligibility***

1. By way of derogation from Article [57(2)] of Regulation (EU) [new CPR] expenditure shall be eligible for a contribution from external financing instruments of the Union if it has been incurred and paid in the preparation, and implementation of Interreg operations from 1 January 2021 or from the date of the programme submission, whichever date is earlier but may be claimed from the programme after the date when the financing agreement with the respective third country, partner country or OCT was concluded.

However, expenditure for technical assistance managed by programme authorities located in a Member State may already be claimed from the programme before the date when the financing agreement with the respective third country, partner country or OCT was concluded.

2. Where an Interreg programme selects operations based on calls for proposals, such calls may include applications for a contribution from external financing instruments of the Union, even when the calls were launched and operations were selected before the relevant financing agreement was concluded.

The managing authority may provide the document provided for in Article 22(6) before the relevant financing agreement was concluded.

## *Article 57*

### ***Large infrastructure projects***

1. Interreg programmes under this chapter may support 'large infrastructure projects' meaning operations comprising a set of works, activities or services intended to fulfil an indivisible function of a precise nature pursuing clearly identified objectives of common interest for the purposes of implementing investments delivering a cross-border impact and benefits and where a budget share of a total cost of at least EUR 2 500 000 is allocated to the acquisition, construction or modernisation of infrastructure.

2. Each beneficiary implementing a large infrastructure project or a part thereof shall apply the applicable public procurement rules.
3. Where the selection of one or more large infrastructure projects is on the agenda of a monitoring committee or, where applicable, steering committee meeting, the managing authority shall transmit a concept note for each such project to the Commission, for information, at the latest two months before the date of the meeting. The concept note shall be a maximum of three pages and shall indicate the name, the location, the budget, the lead partner and the partners as well as the main objectives and deliverables thereof. If the concept note concerning one or more large infrastructure projects is not transmitted to the Commission by that deadline, the Commission may request that the chair of the monitoring committee or steering committee remove the projects concerned from the agenda of the meeting.

*Article 58*

***Procurement***

1. Where the implementation of an operation requires procurement of service, supply or works contracts by a beneficiary, the following rules shall apply:
  - (a) where the beneficiary is located in a Member State and is a contracting authority or a contracting entity within the meaning of the Union law applicable to public procurement procedures, it shall apply national laws, regulations and administrative provisions;
  - (b) where the beneficiary is a public authority of a partner country under IPA III or NDICI whose co-financing is transferred to the Managing Authority, it may apply national laws, regulations and administrative provisions, provided that the financing agreement allows it and that the contract is awarded to the tender offering best value for money, or as appropriate, to the tender offering the lowest price, while avoiding any conflict of interests.

2. For the award of goods, works or services in all cases other than those referred to in paragraph 1, the procurement procedures under Articles [178] and [179] of Regulation (EU, Euratom) [FR-Omnibus] and Chapter 3 of Annex 1 (Points 36 to 41) to that Regulation shall apply.

*Article 59*

***Financial management***

The Commission decisions approving Interreg programmes also supported by an external financing instrument of the Union shall meet the requirements necessary to constitute financing decisions in terms of Article [110(2)] of Regulation (EU, Euratom) [FR-Omnibus].

*Article 60*

***Conclusion of Financing Agreements under shared management***

1. In order to implement an Interreg programme in a third country, partner country or OCT, in accordance with Article [112(4)] of Regulation (EU, Euratom) [FR-Omnibus], a financing agreement shall be concluded between the Commission representing the Union and each participating third country, partner country or OCT represented in accordance with its national legal framework.
2. Any financing agreement shall be concluded at the latest on 31 December of the year following the year when the first budget commitment was made and shall be considered concluded on the date when the last party has signed it.

Any financing agreement shall enter into force either on the date

- (a) when the last party has signed it; or
  - (b) when the third or partner country or OCT has completed the procedure required for ratification under its national legal framework and informed the Commission.
3. The Commission shall provide the draft financing agreement when approving the external programme.

Where an Interreg programme involves more than one third country, partner country or OCT, at least one financing agreement shall be concluded by both parties before the date specified in paragraph 2. The other third countries, partner countries or OCTs may sign their respective financing agreements at the latest on 30 June of the second year following the year when the first budget commitment was made.

4. The Member State hosting the managing authority of the relevant Interreg programme either
  - (a) may also sign the financing agreement; or
  - (b) shall sign, on the same date, an implementing agreement with each third country, partner country or OCT participating in that Interreg programme setting out the mutual rights and obligations with regard to its implementation and financial management.

When transmitting the signed copy of the financing agreement or a copy of the implementing agreement to the Commission, the Member State hosting the managing authority shall also send, as a separate document, a list of the planned large infrastructure projects as defined in Article 57, indicating the prospective name, location, budget and lead partner thereof.

Where the selection of the first of the envisaged large infrastructure projects is on the agenda of a monitoring committee or, where applicable, steering committee meeting, the Member State hosting the managing authority shall send to the Commission, at the latest two months before the date of the meeting, as a separate document, a list of the planned large infrastructure projects as defined in Article 57, indicating the prospective name, location, budget and lead partner thereof.

5. An implementing agreement signed pursuant to point (b) of paragraph 4 shall at least cover the following elements:
  - (a) detailed arrangements for payments;
  - (b) financial management;
  - (c) record keeping;

- (d) reporting obligations;
  - (e) verifications, controls and audit;
  - (f) irregularities and recoveries.
6. Where the Member State hosting the managing authority of the Interreg programme decides to sign the financing agreement pursuant to point (a) of paragraph 4, that financing agreement shall be considered a tool to implement the Union budget in accordance with the Financial Regulation and not an international agreement as referred to in Articles 216 to 219 of the TFEU.

*Article 61*

***Third country, partner country or OCT contribution other than co-financing***

1. Where a third country, partner country or OCT transfers to the Managing Authority a financial contribution to the Interreg programme other than its co-financing of the Union support to the Interreg programme, the rules concerning that financial contribution shall be contained in the following document:
- (a) where the Member State signs the financing agreement pursuant to point (a) of Article 60(4), in one of the following:
    - (i) a distinct part of that financing agreement; or
    - (ii) in a separate implementing agreement signed either between the Member State hosting the managing authority and the third country, partner country or OCT or directly between the managing authority and the competent authority in the third country, partner country or OCT;
  - (b) where the Member State signs an implementing agreement pursuant to point (b) of Article 60(4), in one of the following:

- (i) a distinct part of that implementing agreement; or
- (ii) an additional implementing agreement signed between the same parties referred to point (a).

For the purposes of point (b)(i) of the first subparagraph, sections of the implementing agreement may, where applicable, cover both the transferred financial contribution and the Union support to the Interreg programme.

2. An implementing agreement under paragraph 1 shall at least contain the elements concerning the third country's, partner country's or OCT's co-financing listed in Article 60(5).

In addition, it shall set out both of the following:

- (a) the amount of the additional financial contribution;
  - (b) the intended use and conditions for its use, including conditions for applications for that additional contribution.
3. With regard to the PEACE PLUS programme, the financial contribution to Union activities from the United Kingdom in the form of external assigned revenue as referred to in point (e) of Article 21(2) of Regulation (EU, Euratom) [FR-Omnibus] shall make part of the budget appropriations for Heading 2 'Cohesion and Values', sub-ceiling 'Economic, social and territorial cohesion'.

That contribution shall be subject to a specific financing agreement with the United Kingdom in accordance with Article 60. The Commission and the United Kingdom as well as Ireland shall be parties to this specific financing agreement.

It shall be concluded before the beginning of the implementation of the programme thus allowing the Special EU Programmes Body to apply all the Union legislation for the implementation of the programme.

## CHAPTER IX

### Specific provisions for indirect management

#### *Article 62*

#### ***Outermost regions' cooperation***

1. Where, with the agreement of the Member State and the regions concerned, part or all of an Interreg D programme is implemented under indirect management pursuant to point (b) or (c) respectively of Article 55(3), implementation tasks shall be entrusted to one of the bodies listed in point [(c) of the first subparagraph of Article 62(1)] of Regulation (EU, Euratom) [FR-Omnibus], in particular to such a body located in the participating Member State, including the managing authority of the Interreg programme concerned.
2. In accordance with [point (c) of Article 154(6)] of Regulation (EU, Euratom) [FR-Omnibus], the Commission may decide not to require an ex-ante assessment as referred to in paragraphs 3 and 4 of that Article when the budget implementation tasks referred to in [point (c) of the first subparagraph of Article 62(1)] of Regulation (EU, Euratom) [FR-Omnibus] are entrusted to a managing authority of an outermost regions' Interreg programme identified pursuant to Article 37(1) of this Regulation and in accordance with Article [65] of Regulation (EU) [new CPR].
3. Where the budget implementation tasks referred to in [point (c) of the first subparagraph of Article 62(1)] of Regulation [FR-Omnibus] are entrusted to a Member State organisation, Article [157] of Regulation (EU, Euratom) [FR-Omnibus] shall apply.
4. Where a programme or action co-financed by one or more external financing instrument is implemented by a third country, a partner country, an OCT or any of the other bodies listed to in [point (c) of the first subparagraph of Article 62(1)] of Regulation (EU, Euratom) [FR-Omnibus] or referred to in Regulation (EU) [NDICI] or Council Decision [OCT Decision] or both, the relevant rules of these instruments shall apply.

Conditions for the implementation of part of an Interreg Strand D programme under indirect management pursuant to point (b) or (c) of Article 55(3) shall be defined by an agreement concluded between the Commission, the managing authority or its Member State and the entrusted body.

## **CHAPTER X**

### **Final provisions**

#### *Article 63*

#### ***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 power to adopt delegated acts referred to in Article 16(6) shall be conferred on the Commission.
3. The delegation of power referred to in Article 16(6) 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. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Article 16(6) shall enter into force only if no objection has been expressed either by the European Parliament or by 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 64*

***Committee Procedure***

1. The Commission shall be assisted by the committee set up pursuant to Article [108(1)] of Regulation (EU) [new CPR]. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

*Article 65*

***Transitional provisions***

Regulation (EU) No 1299/2013 or any act adopted thereunder shall continue to apply to programmes and operations supported by the ERDF under the 2014-2020 programming period.

*Article 66*

***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*.

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

Done at Brussels,

For the European Parliament

*The President*

For the Council

*The President*

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## ANNEX

### TEMPLATE FOR INTERREG PROGRAMMES<sup>29</sup>

<b>CCI</b>	[15 characters]
<b>Title</b>	[255]
<b>Version</b>	
<b>First year</b>	[4]
<b>Last year</b>	[4]
<b>Eligible from</b>	
<b>Eligible until</b>	
<b>Commission decision number</b>	
<b>Commission decision date</b>	
<b>Programme amending decision number</b>	[20]
<b>Programme amending decision entry into force date</b>	
<b>NUTS regions covered by the programme</b>	
<i>strand</i>	

#### 1. Joint programme strategy: main development challenges and policy responses

##### 1.1. Programme area (not required for Interreg C programmes)

*Reference: Article 17(4)(a), Article 17(9)(a)*

Text field [2 000]

**1.2. Summary of main joint challenges, taking into account economic, social and territorial disparities as well as inequalities, joint investment needs and complimentary and synergies with other other funding programmes and instruments, lessons-learnt from past experience and macro-regional strategies and sea-basin strategies where the programme area as a whole or partially is covered by one or more strategies.**

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<sup>29</sup> Without prejudice to any further alignment in relation to the outcome of inter-institutional negotiations on other legislative acts, including 2021-2027 Cohesion policy legislative acts.

Reference: Article 17(4)(b), Article 17(9)(b)

Text field [50 000]

**1.3. Justification for the selection of policy objectives and the Interreg specific objectives, corresponding priorities, specific objectives and the forms of support, addressing, where appropriate, missing links in cross-border infrastructure**

Reference: Article 17(4)(c)

Table 1

Selected policy objective or selected Interreg-specific objective	Selected specific objective	Priority	Justification for selection
			[2 000 per objective]

**2. Priorities [300]**

Reference: Article 17(4)(d) and (e)

**2.1. Title of the priority (repeated for each priority)**

Reference: Article 17(4)(d)

Text field: [300]

**2.1.1. Specific objective (repeated for each selected specific objective, for priorities other than technical assistance)**

Text field: [300]

Reference: Article 17(4)(e)

**2.1.2. Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate**

Reference: Article 17(4)(e)(i), Article 17(9)(c)(ii)

Text field [7000]

**For INTERACT and ESPON programmes:**

Reference Article 17(9)(c)(i)

Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Text field [7000]

### 2.1.3. Indicators

Reference: Article 17(4)(e)(ii), Article 17(9)(c)(iii)

Table 2: Output indicators

Priority	Specific objective	ID [5]	Indicator	Measurement unit [255]	Milestone (2024) [200]	Final target (2029) [200]

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments

#### 2.1.4. The main target groups

Reference: Article 17(4)(e)(iii), Article 17(9)(c)(iv)

Text field [7000]

#### 2.1.5. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article 17(4)(e)(iv)

Text field [7000]

#### 2.1.6. Planned use of financial instruments

Reference: Article 17(4)(e)(v)

Text field [7000]

#### 2.1.7. Indicative breakdown of the EU programme resources by type of intervention

Reference: Article 17(4)(e)(vi), Article 17(9)(c)(v)

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus

Priority No	Fund	Specific objective	Code	Amount (EUR)

### 3. Financing plan

Reference: Article 17(4)(g)

#### 3.1 Financial appropriations by year

Reference: Article 17(4)(g)(i), Article 17(5)(a)-(d)

Table 7

<b>Fund</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Total</b>
<i>ERDF</i> <i>(territorial</i> <i>cooperation</i> <i>goal)</i>								
<i>IPA III CBC</i> <sup>30</sup>								
<i>Neighbourhood</i> <i>CBC</i> <sup>31</sup>								
<i>IPA III</i> <sup>32</sup>								
<i>NDICI</i> <sup>33</sup>								
<i>OCTP</i> <sup>34</sup>								
<i>Interreg</i> <i>Funds</i> <sup>35</sup>								
<b>Total</b>								

#### 3.2 Total financial appropriations by fund and national co-financing

Reference: Article 17(4)(g)(ii), Article 17(5)(a)-(d)

<sup>30</sup> *Interreg A, external cross-border cooperation.*

<sup>31</sup> *Interreg A, external cross-border cooperation.*

<sup>32</sup> *Interreg B and C.*

<sup>33</sup> *Interreg B and C.*

<sup>34</sup> *Interreg C and D.*

<sup>35</sup> *ERDF, IPA III, NDICI or OCTP, where as single amount under Interreg B and C.*

Table 8

PO No or TA	Priority	Fund (as applicable)	Basis for calculation EU support (total or public)	EU contribution (a)	National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	Contributions from the third countries (for information)
						National public (c)	National private (d)			
	<b>Priority 1</b>	ERDF								
		IPA III CBC <sup>36</sup>								
		Neighbourhood CBC <sup>37</sup>								
		IPA III <sup>38</sup>								
		NDICI <sup>39</sup>								
		OCTP Greenland <sup>40</sup>								
		OCTP <sup>41</sup>								
		Interreg Funds <sup>42</sup>								
	<b>Priority 2</b>	(funds as above)								
	<b>Total</b>	<b>All funds</b>								
		ERDF								
		IPA III CBC								
		Neighbourhood CBC								
		IPA III								
		NDICI								
		OCTP								
		Interreg Funds								
	<b>Total</b>	<b>All funds</b>								

<sup>36</sup> Interreg A, external cross-border cooperation.

<sup>37</sup> Interreg A, external cross-border cooperation.

<sup>38</sup> Interreg B and C.

<sup>39</sup> Interreg B and C.

<sup>40</sup> Interreg B and C.

<sup>41</sup> Interreg C and D.

<sup>42</sup> ERDF, IPA III, NDICI or OCTP, where as single amount under Interreg B and C.

**4. Action taken to involve the relevant programme partners in the preparation of the Interreg programme and the role of those programme partners in the implementation, monitoring and evaluation**

*Reference: Article 17(4)(h)*

Text field [10 000]

**5. Approach to communication and visibility for the Interreg programme (objectives, target audiences, communication channels, including social media outreach, where appropriate, planned budget and relevant indicators for monitoring and evaluation)**

*Reference: Article 17(4)(i)*

Text field [4 500]

**6. Indication of support to small-scale projects, including small projects within small project funds**

*Reference: Article 17(4)(new j), Article 24*

Text field [7 000]

**7. Implementing provisions**

**7.1. Programme authorities**

*Reference: Article 17(7)(a)*

*Table 10*

<b>Programme authorities</b>	<b>Name of the institution [255]</b>	<b>Contact name [200]</b>	<b>E-mail [200]</b>
Managing authority			
National authority (for programmes with participating third or partner countries, if appropriate)			
Audit authority			
Group of auditors representatives			
Body to which the payments are to be made by the Commission			

## 7.2. Procedure for setting up the joint secretariat

Reference: Article 17(7)(b)

Text field [3 500]

## 7.3 Apportionment of liabilities among participating Member States and where applicable, the third or partners countries and OCTs, in the event of financial corrections imposed by the managing authority or the Commission

Reference: Article 17(7)(c)

Text field [10 500]

## 8. Use of unit costs, lump sums, flat rates and financing not linked to costs

Reference: Articles 88 and 89 CPR

Table 11: Use of unit costs, lump sums, flat rates and financing not linked to costs

Intended use of Articles 88 and 89	YES	NO
From the adoption programme will make use of reimbursement of eligible expenditure based on unit costs, lump sums and flat rates under priority according to Article 88 CPR (if yes, fill in Appendix 1)	<input type="checkbox"/>	<input type="checkbox"/>
From the adoption programme will make use of financing not linked to costs according to Article 89 CPR (if yes, fill in Appendix 2)	<input type="checkbox"/>	<input type="checkbox"/>

## APPENDICES

- Map of the programme area
- Union contribution based on unit costs, lump sums and flat rates
- Union contribution based on Financing not linked to cost

Appendix 1: Map of the programme area

Appendix 2: Union contribution based on unit costs, lump sums and flat rates

Appendix 3 Union contribution based on financing not linked to costs

Appendix 3a: List of planned operations of strategic importance with a timetable

Reimbursement of eligible expenditure from the Commission to the Member State based on unit costs, lump sums and flat rates Union contribution based on unit costs, lump sums and flat rates

**Template for submitting data for the consideration of the Commission**

(Article 88 CPR)

Date of submitting the proposal	
Current version	

**A. Summary of the main elements**

Priority	Fund	Estimated proportion of the total financial allocation within the priority to which the SCO will be applied in % (estimate)	Type(s) of operation		Corresponding indicator name(s)		Unit of measurement for the indicator	Type of SCO (standard scale of unit costs, lump sums or flat rates)	Corresponding standard scales of unit costs, lump sums or flat rates
			Code	Description	Code	Description			

**B. Details by type of operation (to be completed for every type of operation)**

**Did the Managing Authority receive support from an external company to set out the simplified costs below?**

**If so, please specify which external company:** Yes/No – Name of external company

Types of operation:

1.1. Description of the operation type	
1.2 Specific objective(s) concerned	
1.3 Indicator name <sup>43</sup>	
1.4 Unit of measurement for indicator	
1.5 Standard scale of unit cost, lump sum or flat rate	
1.6 Amount	
1.7 Categories of costs covered by unit cost, lump sum or flat rate	
1.8 Do these categories of costs cover all eligible expenditure for the operation? (Y/N)	
1.9 Adjustment(s) method	
1.10 Verification of the achievement of the unit of measurement - describe what document(s) will be used to verify the achievement of the unit of measurement - describe what will be checked during management verifications (including on-the-spot), and by whom - describe what the arrangements are to collect and store the data/documents	

<sup>43</sup> Several complementary indicators (for instance one output indicator and one result indicator) are possible for one type of operation. In these cases, fields 1.3 to 1.11 should be filled in for each indicator.

1.11 Possible perverse incentives or problems caused by this indicator, how they could be mitigated, and the estimated level of risk	
1.12 Total amount (national and EU) expected to be reimbursed	

**C: Calculation of the standard scale of unit costs, lump sums or flat rates**

1. Source of data used to calculate the standard scale of unit costs, lump sums or flat rates (who produced, collected and recorded the data; where the data are stored; cut-off dates; validation, etc.):

2. Please specify why the proposed method and calculation is relevant to the type of operation:

3. Please specify how the calculations were made, in particular including any assumptions made in terms of quality or quantities. Where relevant, statistical evidence and benchmarks should be used and attached to this annex in a format that is usable by the Commission.

4. Please explain how you have ensured that only eligible expenditure was included in the calculation of the standard scale of unit cost, lump sum or flat rate;

5. Assessment of the audit authority(ies) of the calculation methodology and amounts and the arrangements to ensure the verification, quality, collection and storage of data:

\* Justifications on the underlying data, the calculation methodology and resulting rate or amount and related assessment by the audit authority [(in points 1, 3 and 5)] are not required when the simplified cost options submitted in this Appendix are established at Union level [(other policies or through the DA referred to in Article 88(4)].

**Appendix 3: Union contribution based on financing not linked to costs**

**Template for submitting data for the consideration of the Commission**

**(Article 89 CPR)**

Date of submitting the proposal	
Current version	

**A. Summary of the main elements**

Priority	Fund	<i>The amount covered by the financing not linked to costs</i>	Type(s) of operation	Conditions to be fulfilled/results to be achieved	Corresponding indicator name(s)		Unit of measurement for the indicator	Envisaged reimbursement to the beneficiaries
					Code	Description		
The overall amount covered								

**B. Details by type of operation (to be completed for every type of operation)**

Types of operation:

1.1. Description of the operation type			
1.2 Specific objective(s) concerned			
1.3 Conditions to be fulfilled or results to be achieved			
1.4 Deadline for fulfilment of conditions or results to be achieved			
1.5 Indicator definition for deliverables			
1.6 Unit of measurement for indicator for deliverables			
1.7 Intermediate deliverables (if applicable) triggering reimbursement by the Commission with schedule for reimbursements	Intermediate deliverables	Date	Amounts
1.8 Total amount (including EU and national funding)			
1.9 Adjustment(s) method			
1.10 Verification of the achievement of the result or condition (and where relevant, the intermediate deliverables) - describe what document(s) will be used to verify the achievement of the result or condition - describe what will be checked during management verifications (including on-the-spot), and by whom - describe what arrangements there are to collect and store the data/documents			

1.10a Does the grant provided by Member State to beneficiaries take the form of financing not linked to costs? [Y/N]	
1.11 Arrangements to ensure the audit trail Please list the body(ies) responsible for these arrangements.	

**Appendix 3a: List of planned operations of strategic importance - Article 17(4)**

*Text field [2 000]*

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