Objective 3

North West Europe Programme

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Objective 3 Transnational territorial cooperation
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Draft table of contents

1. Introduction
   1.1 Introduction
   1.2 NWE territorial transnational cooperation: achievements under previous INTERREG programmes, shortcomings and challenges
   1.3 The Joint Programming Process

2. Analysis of the North West Europe programme area: the context for transnational territorial cooperation (Art. 12-1)
   2.1 Analysis of the situation of the cooperation area
   2.2 SWOT analysis

3. The joint transnational strategy (Art. 12-3)
   3.1 Introduction
   3.2 Programme aim
   3.3 The added value of transnational territorial cooperation in North West Europe
   3.4 Justification of the priorities chosen
      3.4.1 The relation to the Community Strategic Guidelines on cohesion
      3.4.2 The National Strategic Reference Frameworks
      3.4.3 Results of the ex-ante evaluation

4. Priorities for transnational territorial cooperation, priority objectives and possible actions, target values and output, result and impact indicators (Art. 12-4)
   4.1 Priority 1: Developing the NWE knowledge-based economy by capitalising on our capacity for innovation in all sectors
   4.2 Priority 2: Managing our natural resources efficiently
   4.3 Priority 3: Improving connectivity in NWE by promoting intelligent and sustainable transport solutions
4.4 Priority 4: Promoting sustainable and dynamic communities
4.5 Quality requirements for future projects

5. Strategic initiatives

6. Programme Management
6.1 Programme management bodies
6.2 Selection of operations
6.4 Monitoring, reporting and evaluation
6.5 Controls and financial corrections
6.6 Compliance with Community policies
6.7 Complementarity with other Community policies and EU funded programmes (Art. 12-7)

7. Publicity (Art. 12-8 e)
[To be completed]

8. Financial Plan (Art. 12-6 a and b)
9.1 Allocation of funds by Priority and year 2007–2013
9.2 Allocation of funds by Priority 2007–2013

Appendices
A) The eligible area – list of NUTS III areas (Art. 12-2)
B) List of responsible ministries in the participating countries
C) Overview of EU initiatives with connection to the future Objective 3 Operational Programme for NWE
D) Maps
E) Overview of the priorities in National Strategic Reference Frameworks of Member States involved in the NWE programme in relation to Cohesion Policy Objectives 2 and 3
1. Introduction

1.1 Introduction

Regions in Europe are becoming increasingly interdependent as a consequence of effects from globalisation, liberalisation and new emerging forms of governance. The effects of the technological revolution, the need to position the EU as an economically competitive counterbalance to the USA and Asia, EU enlargement and progress towards completion of the Single European Market present considerable challenges for territorial cohesion in an integrated Europe. The increasing interdependence of regions is demonstrated by numerous connections, such as freight and passenger transportation. For example, the port of Rotterdam serves an area stretching far beyond the Alps, and investments in high-speed train connections are currently altering the geography of North-West Europe (NWE) due to considerably reduced travel times. At the same time, competition between major urban areas, seaports and transport hubs results in negative economic and environmental impacts. Demographic change and climate change risks are affecting different parts of the territory differently, thus threatening to increase imbalances across the territory.

It is for these reasons that there is a growing awareness for the need to coordinate objectives and policies with a spatial impact, and there is a political will to cooperate on important areas of concern across administrative boundaries. The need for territorial cooperation across large contiguous transnational areas on topics that cannot be sufficiently tackled by single nation-states is therefore given considerable support by European institutions and EU member states and regions. The EU’s Lisbon-Gothenburg Strategy to develop the knowledge economy whilst achieving sustainable development is since 2000 the core overarching goal for the EU. The EU Cohesion Policy for the period 2007-2013 is expected to contribute to achieving these objectives by promoting a balanced and sustainable development of the territory, making Europe and its regions more attractive places to invest and work, improving knowledge and innovation for growth, and creating more and better jobs.

In response to the recognition that the diverse potentials of the EU regions have not been sufficiently taken into account in the Lisbon Strategy, the Ministers for Spatial Planning in Europe have in 2004 started a process towards a document on the “Territorial State and Perspectives of the European Union” which will be adopted in 2007. The view that integrated territorial development approaches can enable regions to exploit their endogenous potential more effectively is promoted in this process.

This Operational Programme (OP) on transnational cooperation in North-West Europe promotes an integrated approach to territorial development, both horizontally (among different policy sectors), vertically (among different levels of government) and geographically (across administrative boundaries). The programme promotes transnational cooperation through the financing of action projects conducive to integrated territorial development. In line with the draft ERDF Regulations (dated 28 April 2006), the main focus is on priorities concerned with innovation, the environment, accessibility and sustainable urban development in the North-West Europe transnational cooperation area in pursuit of the objectives of the Lisbon-Gothenburg Strategy. The OP for North West Europe in the Cohesion Policy period 2007-2013 will build on the achievements of the INTERREG IIIB North-West Europe programme on transnational cooperation on spatial planning, which was
implemented over the period 2000-2006. With this in mind, the Operational Programme is being submitted to the European Commission by the members of the NWE which are, namely the Kingdom of Belgium, France, the Federal Republic of Germany, Ireland, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland and the Swiss Confederation.

1.2 NWE territorial transnational cooperation: achievements under previous INTERREG programmes, shortcomings and challenges

Territorial cooperation is well established across North West Europe. Many bilateral cooperation agreements between European countries, for instance the Benelux countries, have been in place for several decades now, and multilateral conferrals have been early on institutionalised (for example the ‘Conference for Spatial Planning in North-West Europe’ – CRONWE since 1962). The main reasons for these cooperation efforts can be found in the rapid urbanisation and industrialisation in North-West Europe after the Second World War, and effects on the economy and standard of living that this implied. There are also numerous examples of significant cross-border cooperation, such as the Grand-Région Saar-Lor-Lux Trier-Westpfalz and the Euregios. Since the early 1990s, many cross-border cooperation initiatives are being supported by the EU Community Initiative INTERREG.

Various studies and documents have raised the awareness for the need for a transnational perspective on the sustainable and mutually interdependent territorial development of North West Europe. These include Europe 2000+ and the study on the ‘Central and Capital Cities’ Region (CCC Study). The Community Initiative INTERREG IIC (1997 -1999) provided the ‘North Western Metropolitan Area Programme’ with ERDF funding for altogether forty-five projects, which focused on ‘soft actions’ such as studies, exchanges of experience and good practice, joint territorial strategies and seminars. Among these 45 projects, the drawing up of a ‘Spatial Vision for North-West Europe’ has played a central role. This document aimed to translate the objectives and policy options of the ‘European Spatial Development Perspective’ (ESDP) into more concrete planning principles based on the characteristics and potential of the NWMA territory.

The successful implementation of the INTERREG IIC programme and the overall encouraging signals from the Spatial Vision strategy paved the way for the continuation of transnational cooperation. The EU Community Initiative INTERREG IIIB North West Europe (NWE) (2000-2006) continued the efforts begun under the NWMA programme as well as the IRMA Programme on flood management along Rhine and Maas with a considerably higher budget.

Projects under IIIB NWE Programme aimed to take further European policies and directives. A number of projects used EU directives as a starting point (Water Framework Directive, Natura 2000, EU Habitats Directive etc) and developed joint strategies, including at river basin wide level, with view of a coordinated implementation of such directives. ERDF was in these cases used to harmonise practices across administrations from different member states enabling thus a smoother and better coordinated approach.

Another area where projects took advantage of INTERREG funding was the exchange and transfer of know-how such as in flood risk management practices.
Different member states are at different stages of technical and administrative know-how, enabling fruitful exchanges between regions immediately affected by each other (e.g. Germany and the Netherlands) but also between regions which are not (e.g. the UK and the Netherlands). Such successful exchanges led to money saving investments for local authorities and governments by shifting understanding of flood defence techniques and raising awareness to citizens.

Transnational strategic actions for tourism networks, development of urban complementary functions and joint tackling of common issues of concern have been at the heart of many projects. Towards the end of the NWE IIIB programme the first projects working on SME development and innovation support were approved. Despite the diversity of characteristics in North West Europe, a number of regions are faced with similar dilemmas such as the efficient organisation of territories, sustainable development and connectivity. The opportunity to join forces and examine such cases from a multi-sectoral and governance level has been admittedly one of the most important side-effects of INTERREG partnerships.

This example was also followed at Programme level. The Maritime Safety Umbrella Operation (MSUO) was established to co-ordinate cooperation between European INTERREG funded Maritime Safety Projects, related initiatives and maritime stakeholders. Apart from the IIIB NWE Programme, the North Sea, Baltic Sea Region and Northern Periphery have all come together to become a collective driving force for maritime safety on the European and International agenda.

The notion of spreading the principle of cooperation has therefore been promoted at all levels of European administrations. The NWE Programme aimed at enlarging the geographical and typological spread of project partners in the zone. At the same time, all efforts were made to simplify the procedures and decode the key message of sustainable territorial development, according to regional needs.

The Spatial Vision strategy was updated in parallel through the guidance of the NWE Spatial Vision Working Group. The outcome of 3 thematic studies and their synthesis gave a fresh look at territorial trends in North West Europe and a further insight into stakeholders’ views. Stakeholders confirmed the important role of INTERREG in strengthening regional actors and making European integration more visible. Furthermore, the initiative was seen as establishing long-term networks and enabling regional development at a faster pace.

However, not all problems and regional disparities have disappeared. This was also confirmed in the SWOT analysis for the new Objective 3 NWE programme. Despite positive outcomes from the first two INTERREG initiatives it seems that transnational cooperation in North West Europe still faces problems and shortcomings. Cooperation is often ad hoc and as a rule does not become institutionalised (the Benelux Economic Union being the notable exception). There is a need to take the territorial implications of sectoral policies at all levels – from EU to local – into consideration. The need to carry on with the cooperation initiatives becomes even more relevant at present. The feedback of the past years and voices of project partners need to be considered as well.

Administratively, the position of transnational activities could be improved. Projects often occupy a rather marginal position in national or regional administrative systems; frequently being concentrated in the hands of a few people in a specific division or unit. A culture of cooperation has yet to pervade planning administrations on a large scale, and the added value of transnational cooperation has to be made more
obvious in order to ensure the continuing support for the efforts begun. Procedures for project development and selection will also need to be reviewed. The Programme has a long standing commitment of high level of support through the Joint Technical Secretariat officers and the network of Contact Points.

All these issues need to be addressed in a more consolidated and simplified manner. To this end, all relevant programming documents and procedures were drafted in a more user-friendly language with a view of cutting red tape and maximising impact. Key emphasis of the new Objective 3 NWE Operational Programme is a more transparent and clearer structure at all levels. Thematically a more strategic approach is secured by aligning objectives with NSFRs and key EU objectives such as those of the Lisbon and Gothenburg strategies and the Territorial State of the Union. Furthermore, the proposed strategic initiatives (see section 5) should capitalise on the experience of NWE and the previous community initiatives.

ERDF will target actions and investments with a clear added value to the cooperation zone. Simple studies and research proposals not linked to concrete actions will no longer be funded. Neither will previously approved projects be encouraged to extend their activities in the future period. Rather the focus will be on innovation all round and the attraction of fresh ideas and fresh partners to enrich the large network of partnerships across the zone. This is expected to give a renewed boost to the value of transnationality which remains at the heart of cooperation for the new Programme.

The overall aim of simplification and transparency will need to be aligned with existing requirements such as rigorous reporting and monitoring procedures. The continuation of the N+2 rule for example will mean the need for detailed reporting (both on content and financial management) and a careful consideration of the ability of a project to carry out its activities in due time. This may pose problems for the introduction of risky operations linked with a renewed focus on innovation. Striking the right balance of these two elements will be of crucial importance. A full review of the new elements compared to the IIIB NWE programme is given on section 3.1.

As part of the workshops carried out during the studies of the Spatial Vision Working Group stakeholders pointed out that differences in government and legal structures could delay or inhibit cooperation. Furthermore, institutional capacity varies considerably across the zone including the limited availability of human resources. Key actors are often uninterested by developments at EU level; “commonality” across the borders is often lacking.

These challenges have been present in the past and remain for the future of INTERREG cooperation. They set the framework for action and will need to be addressed with due consideration when preparing the next Operational Programme. This Programme aims to capitalise on work carried out at regional and national level and to put its own mark on the way for a more competitive Europe.

The new transnational territorial cooperation programme for NWE provides an important opportunity to achieve a more balanced and integrated territorial development while contributing to the Lisbon-Gothenburg objectives for jobs and growth. The foundations were laid under the previous IIIB NWE Programme. The new Programme aims at building on the acquired benefits and filling the gaps in the promotion of interregional cooperation and regional development (see section 3.1).
1.3 The Joint Programming Process

An International Working Party (IWP) was set up to prepare the Operational Programme (OP) for transnational territorial cooperation for North West Europe. The IWP comprises representatives of national and regional planning authorities of the seven participating Member States and the Swiss Confederation. The first IWP meeting took place on 19 January 2006, and was followed by eight (tbc) subsequent meetings (10 February 2006, 13/14 March 2006, 9/10 May 2006, 19-21 June 2006, 10/11 July 2006, 11-13 September 2006, 9/10 October 2006, and 14/15 November 2006). (post July 2006 dates will be checked again before submission). The final draft of the Operational Programme was discussed in a wide public consultation between July and September 2006 (final dates to be confirmed). The national authorities in the Member States organised consultations following their own administrative procedures and major stakeholders were contacted for consultation. Further consultation rounds took place online through the INTERREG IIIB NWE Programme website. The outcome of these consultations and comments received were incorporated into the Operational Programme. The NWE OP is thus the result of a national and transnational consultative process based on a broad dialogue in which institutional partners from national, regional and local authorities as well as non-governmental bodies were able to contribute. The process of preparing the Operational Programme for the Objective 3 North West Europe cooperation area culminated in the submission to the European Commission on **XX.XX.2006**.
2. Analysis of the North West Europe programme area: the context for transnational territorial cooperation

2.1 Analysis of the situation of the cooperation area

The NWE cooperation area covers 844,239 km², amounting to 21% of the total EU25 land area (Figure 1. The list of eligible regions is listed in Appendix A). The largest proportion of its area is located in France (33%) and the UK (28.9%), followed by Germany (17.4%), Ireland (8.3%), Switzerland (4.9%), Netherlands (3.6%), Belgium (3.6%) and Luxembourg (0.3%). Geographically, it is fragmented by seas separating the UK and Ireland from mainland Europe.

The NWE area has a population of 179 million, which accounts for about 39.5% of the EU-25 population. The average population density of NWE is with 307 inh/sq km more than 2.5 times that of the EU-25 average (118 inh/sq km in 2003). Three-quarters of the population live in mainly urbanised areas with more than 500 inhabitants per km², an indication of the urban character of NWE. On the other hand, about 180,000 km² (23%) of the cooperation area is sparsely populated.

Figure 1: The North West Europe Cooperation area
The economy of NWE: trends in the labour market, knowledge base and ‘Lisbon performance’

North West Europe is in socio-economic terms one of the most prosperous parts of Europe and accommodates some of the regions with the highest GDP/capita. NWE continues to have a stronger economy than the EU average in terms of GDP (PPS) per capita, with the highest rates in Luxembourg, London, the ‘M4 corridor’ of Southern England and the areas around Paris, Frankfurt, Brussels, the southern half of the Netherlands, Dublin and much of the rest of Ireland. NWE is home to important financial and decision-making headquarters. The cooperation area’s contribution to achieving the objectives of the Lisbon strategy is thus unquestionable. However, there are great regional differences as regards economic performance across NWE (Figure A in the Appendix). In 2004, 10 new members joined the EU, increasing its area by 34% and its population by 20%, but adding only 5% to its GDP. Thus, enlargement has so far led to a decline of GDP per capita across the EU by 18%. However, the new member states seem to be catching up. Although NWE continues to have a higher than EU average GDP per capita, enlargement has begun to shift the centre of gravity eastward. This is reflected in the growth in GDP per capita between 1995 and 2002 (Figure 1). The economic growth in some regions of North West Europe, in particular Ireland, the South of England and parts of the Netherlands, is offset by relative losses in most continental parts of the cooperation area and the English Northern regions, Northern Ireland and Scotland.
The levels of employment in NWE continue to be comparatively high in comparison to wider Europe. However, there are again regional differences in the levels of unemployment, with regions in Germany, France and Belgium being in general more affected than other parts of NWE (Figure 2). Demographic trends, including ageing and low fertility rates will pose an increasing challenge to the economic performance of European regions, with a need to increase activity rates of people aged 55+ and improve the integration of young people and immigrants into the labour market.
**NWE’s knowledge economy**

NWE is well placed to play an important role in achieving the Lisbon-Gothenburg objectives. The European Innovation Scoreboard 2005 lists Germany and Switzerland under the five innovation performance leaders\(^1\). The highest competitiveness levels – in Lisbon terms – are in the main metropolitan and industrial centres across Europe, excluding those industrial areas that are in the process of restructuring. In NWE, a group of regions mainly centred on South West Germany, South East England, Paris, Luxemburg, Brussels, Southern Netherlands and Switzerland achieved the highest Lisbon performance levels. There are also relatively high levels in much of the rest of the UK, Ireland, the Netherlands and

\(^1\) The others are Sweden, Finland and Denmark, cf. http://trendchart.cordis.lu/scoreboards/scoreboard2005/index.cfm
Belgium (Figure 3). NWE is performing well as regards highly educated population (Figure B in the Appendix) and staff in the R&D business enterprise sector (Figure C). In terms of investment in R&D, countries in NWE are however only just above the EU average (Figures D and E), with the exception of Germany; and none spend as much on R&D (as a proportion of GDP) as the Nordic counties. Moreover, there are major regional disparities within NWE with regard to R&D expenditure and employment. An extreme example is the Ile de France region (centred on Paris) which is home to 45% of France’s R&D expenditure. Generally, the highest levels of investment are found around capital regions, such as London, Paris, Brussels, and also the Rhine Valley in Germany and Switzerland. Outside such Metropolitan European Growth Areas (MEGAs) with above average R&D are often linked to the presence of universities which tend to have a relatively polycentric pattern. Thus, while much of the cooperation region has a strong position, or is developing in, knowledge intensive services and high-technology sectors (Figure 4), regional disparities persist across NWE. The economic situation in NWE is increasingly varied, and the fact that Lisbon-relevant economic performance (in terms of R&D) is generally found in urban areas only, will potentially make a significant contribution to widening the gap between the core and periphery in NWE.

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2 Areas of potential growth identified in research carried out by ESPON. These are identified on the basis of the following criteria: demographic mass, competitiveness, connectivity and knowledge base.
Figure 3: Lisbon performance and competitiveness

Degree of Lisbon performance as an aggregate of 9 indicators:
- Productivity (GDP per person employed 2002) +
- Employment rate (Employed population / population aged 15-64 2003) +
- Expenditure on R&D (Expenditure on R&D / Total GDP 2001) +
- R&D Business Enterprise Sector (Personnel / 1000 active person 2001) +
- High educated population (Highly educated population / total educated population 2002) +

Standardised based on the European mean value
**Figure 4:** Economically successful regions in knowledge intensive services and high-technology sectors

Natural and cultural resources and environmental trends

NWE enjoys a wealth of diverse cultural and natural heritage. The natural diversity is closely related to its landscape characteristics. Cultural assets tend to cluster in coastal and urbanised areas. This rich cultural and natural heritage attracts a large number of tourists from across the world, creating increasing pressures on the resources and limiting the access by local people. In recent years cultural heritage and creative industries have come to be considered as assets for future development and economic competitiveness. The concentration of such assets in NWE creates an opportunity for economic innovation in response to the Lisbon-Gothenburg Agenda.

Landscape fragmentation and loss of biodiversity are considerable problems for NWE. Overall, NWE consists, to a large extent, of highly fragmented semi-natural areas with disconnected ‘green islands’ within urbanised regions. Figure 11 shows that the core area of NWE is affected by a decline in natural areas. The most extreme fragmentation in NWE is in the coastal regions bordering the English Channel and south of North Sea (i.e. South and Central England, North France, North and Central Belgium and the Netherlands), and generally in the densely urbanized part of the Benelux countries. The least fragmentation is generally found in mountainous areas, which in NWE is mostly limited to the North and West of Scotland.

Climate change and environmental trends

One of the main contributors to climate change is greenhouse gas emission. In NWE, while some countries such as UK and Germany have reduced their emissions, others have either remained constant, such as France, or have experienced a rise, such as Ireland (Figure 5).

Climate change can affect both the frequency and intensity of natural hazards. In particular, changes in precipitation patterns is likely to lead to increased incidences of floods, drought and forest fires. Evidence shows a clear north-south split in this regard, with NWE faring better than southern Europe. There are also major spatial differentiations in terms of exposure to natural and technological hazards (Figure 6 and 7). NWE is vulnerable to a combination of natural and technological hazards (such as winter storms and oil hazards in East Scotland). Although there are large disparities within all countries, particularly within the UK and Germany, in general the more peripheral regions of Europe have a lower degree of exposure to hazards. There is a small increase in drought potential in the western and eastern borders of France, Belgium, Luxembourg, South of the Netherlands and parts of the southern Rhine Valley in Germany (Figure 8).
Figure 5: Total greenhouse gas emissions

Source: Structural Indicators, 2005
**Figure 6: Natural hazards**

N.B.: the indicators should be disaggregated to show those with main relevance for NWE, i.e. flooding and winter storms

Regional Classification of Europe: Natural Hazards
Figure 7: Technological hazards

Regional Classification of Europe: Technological Hazards

Figure 8: Impacts of climate change
An area of environmental risk which is likely to get worse by the effects of climate change is river flooding (Figure 9). However, there are differences in river flood events both within NWE and within individual countries. While the periphery of NWE experiences very low risk, places such as South West Germany have witnessed a great number of flood events in recent years\(^3\). Frequent flooding has also happened in South Belgium, the Rhine-Maas area, Eastern France, and parts of England and Wales. As rivers often form boundaries between countries, river flooding and its risk management is a particularly significant transnational issue. The Rhine Valley is a clear case.

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\(^3\) This analysis is based upon flood recurrence statistics for 1987-2002.
The same can be said about air, water and soil pollutions which respect no boundaries. In NWE, levels of pollution are highest in the core areas where the greatest concentrations of industrial and urban development exist. For example, a clear core-periphery pattern can be identified in Nitrogen Dioxide (NO₂) levels with the highest values in major industrial and metropolitan areas such as the Frankfurt area (Figure 10).
Figure 10: NO₂ density in the European atmosphere

Source: KNMI/BIRA/ESA, 2004; image produced by S. Beirle, U. Platt and T. Wagner of the University of Heidelberg's Institute for Environmental Physics. See www.esa.int/esaCP/SEM340NKPZD_Protecting_0.html
Figure 11: Degree of ‘naturalness’ of landscapes in Europe

Regional Classification of Europe: Naturalness

Degree of naturalness as an aggregate of 3 indicators:
- Artificial surface (Share of total area, CORINE) -
- Natural surface (Share of total area, CORINE) +
- Agriculture intensity (Output/input ratio) -

Below average
Moderately below average
Average
Moderately above average
Above average

Source: ESPON 1.3.2
Energy

A growing world-wide imbalance between the supply and demand of oil and gas products is driving up energy prices. While Europe as a whole has become less dependent on imported energy, some countries in NWE, such as Luxembourg, Belgium and Ireland show strong energy dependence, which in turn offers challenges for transnational cooperation. The probability of high energy prices in the future, in particular due to possible oil depletion and increasing energy demand in emerging economies, will have important consequences in terms of spatial development, ranging from interregional imbalances related to transport costs.

Figure F in the Appendix shows that all countries covered by the NWE programme – with the exception of the UK and the Netherlands who have North Sea oil reserves – depend to a high degree on imported energy. Given the rising energy prices (cf. Figure G in the Appendix) and the ongoing depletion of oil resources, the development of renewable energy sources is crucial not only in addressing environmental concerns, but also in terms of economic development, security of supply and reduction of energy dependency. There are great variations amongst European countries in the use of renewable energy. In NWE, only France currently generates more than 10% of its energy from renewables, and much of that is in fact nuclear energy. While there is obvious potential for a significant increase in the proportion of electricity generated by renewable energy sources, such as hydro-electric, nuclear, wind, solar, tidal and biomass, the potentials for increasing the use of renewable energy are not equally distributed. In NWE, the UK in particular has a high potential for using solar and wind energy.
Accessibility and connectivity in NWE: transport and the information society

Transport infrastructure is often considered as crucial for economic competitiveness, but as Figure H in the Appendix shows, this relationship is not straightforward. Generally, NWE already benefits from high levels of accessibility through a dense motorway network, an excellent network of inland waterways, a concentration of major seaports, the most developed High Speed Train (HST) network in the world, the largest airport hubs in Europe and a strong position in logistics. However, the high level of accessibility is not universal across the area, and dependent on the mode of transport (cf. Figures I, J and K in the Appendix). Figure 12 shows that there is a clear core-periphery pattern within Europe, with the majority of NWE having above average accessibility. In NWE, while there is high accessibility potential in West Germany, the Netherlands, Belgium, Luxembourg, and the Paris and London regions, the more peripheral parts of the area, particularly Northern Scotland, have a much lower level of accessibility and infrastructure endowment.

The transport system in NWE is characterised by a steady increase of flows, with growing traffic congestion especially in the central part of the area. However, major flows are more multi-directional than they used to be ten years ago, with the growing importance of East-West flows complementing the traditional North-South movements. The most rapidly increasing modes are air and road transport, which are the least sustainable ones. A related trend is the emergence of low-cost airlines which has led to substantial increase in air travel within Europe and the expansion of regional airports.

A more effective integration between transnational and secondary rail networks and an efficient and sustainable organization of the whole network through, for instance, integrated territorial development strategic actions is therefore more relevant for NWE than the development of new infrastructure. At EU level, the re-launching of the Lisbon Strategy in 2005 put the emphasis on the completion of TENs and the achievement of cross-border interconnections. However, policy measures introduced since the early 1990s in favour of a modal shift towards more environmentally-friendly transport modes have had limited success despite progress being made in areas such as HST for passenger transport and container shuttles on specific corridors for freight transport (see Figure 13). The continuous growth of container traffic in ports is because of the growth in intercontinental flows rather than European ones.

It is also important to note that there has been a shift in policy direction at the national level away from an emphasis on environmental sustainability towards economic development. In terms of investment priorities, a key issue is the optimisation of the use and maintenance of the existing networks. There are also increasing policy concerns about safety and security in transportation in relation to a whole host of issues such as accidents, criminal offences in public transport, terrorism and transportation of hazardous substances.

The rising energy prices will have important consequences in terms of territorial development, ranging from interregional imbalances related to transport costs and planning measures.

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4 Here accessibility is measured by the number of opportunities for the population to be reached, weighted by the time it takes to reach them, based on multi-modal (road, rail, air) transport.
Figure 12: Accessibility of centres in Europe

Accessibility of Centres in Europe

Accessibility by car of MEGA cities. Weighted by travel time and significance of destination

- Central area
- Extended central area
- Adjacent area
- Peripheral area
- Ultra peripheral area
- MEGA-City

Source: Continuous Spatial Monitoring System of the BBR
Database: BBR Accessibility Model, Project results ESPON 2006, Project 1.1.1
Geometric Basis: Eurostat GISCO
Figure 13: Volume of freight transport relative to GDP

Long-distance intermodal services and rail transport

The performance and profitability of long-distance intermodal systems and services beyond NWE is limited, particularly on East-West corridors. Trends show that long-distance intermodal services to and from NWE have progressed only weakly in recent years. In some areas, they have even declined. A number of obstacles remain to be overcome. The most important ones are:

- problems of interoperability of national railway systems
- insufficient effective liberalisation in the railway transport sector
- the attitude of various national railway companies, including competition between them and related protectionist attitudes
- the costs of rail freight transport.

There is a strong relationship between the development of transportation and the price of energy. For example, higher prices will increase the pressure for modal shifts in transportation in NWE. In the context of objectives for more sustainable transport policies and increased accessibility, public transport will have to play a more

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important role in the future. In this respect, various issues are important in the transnational context of NWE.

Firstly, the progress of the HST network, which significantly increases the accessibility of cities that are directly serviced, is often accompanied by the reduction of services on traditional railways, which in turn negatively affects the accessibility of a number of other towns, sometimes in border areas. Solutions will need to be found to counteract this negative evolution. This may partly consist of increasing the regional accessibility of the HST stations. The lack of coordination arises partly because the new cross-border services are often run by dedicated companies such as Thalys or Eurostar which are themselves in competition with the existing national rail companies.

A second category of issues concerns public transport in rural areas. With the increasing share of elderly people in these areas, demand for public transport will increase but will also require innovative solutions to ensure viability. Due to the increasing importance of this issue in all NWE countries and the fact that a number of rural regions cut across the national boundaries, this should also be considered as a transnational issue.

Thirdly, outside the HST network, a number of deficits still exist in transnational and cross-border public transport connections. There are a variety of obstacles, related to:

- inadequate infrastructure
- limited interoperability and technical standards
- differences in national regulations
- limited number of operators working at transnational level
- absence of transnational access to specific national tariff rebates, etc.

Inland waterways, short sea shipping and maritime transport

NWE has a navigable inland waterway network that is intensively used. It is almost 18,000 km in length and thus almost half of the total network in the EU-25. Inland waterways play a role in the transport system in all countries covered by the cooperation area, although to varying degrees depending on geographic characteristics. They are of great significance in Germany, the Netherlands, Belgium and France, where freight transported on waterways ranges from 12% (Belgium) to 42% (The Netherlands) of the total volume⁶. In addition, maritime transport connections from the many important sea ports and inland ports in NWE play an important role for the accessibility of the area (see Figure 14). The importance of inland waterways for a more sustainable modal split and connections to and from the region's ports and seas is unquestionable and also recognised by the EU's transport policy. However, while the navigable inland waterway network is generally well interlinked, thus allowing seamless transport across NWE and to other regions in Europe and the world, there continue to be some missing links in the network which affect the most efficient use of this mode of transport (see Figure 15).

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**Figure 14: Accessibility by water**

Source:
The situation with maritime transport is rather contradictory. On the one hand, intercontinental container transport growth, driven by globalisation processes, leads to significant programmes of expansion for coastal ports. This may lead to overcapacity problems. On the other hand, intra-European maritime traffic is not progressing, with the exception of container feeder services which are part of intercontinental transport chains.

The ‘motorways of the sea’ programme, which was supposed to reduce inland traffic flows throughout the European continent, has not been successful so far. The solution, therefore, will be to promote intra-European maritime transport in such a way that it takes advantage of the restructuring of intercontinental transport.

In addition, port development will remain an area of intense competition and weak cooperation. It could, however, be conceived in terms of better coherence and complementarity between intra-European and intercontinental flows.

*Regional airports*
Development of regional airports across NWE is mainly driven by the low-cost airlines in the context of air transport liberalisation. These airports are developed largely in regions which previously had low air transport access. It has therefore contributed to significantly increasing the accessibility of the regions concerned (cf. also Figure K in the Appendix).

However, this new trend has considerable territorial implications. Firstly, in regions where the related airports are not connected to public transportation networks, significant flows of motor-car traffic are generated, which in a number of cases are of a cross-border and transnational nature. Secondly, a number of air connections compete successfully against railway transport, including HST. This makes the financial viability of large-scale investment in modern railway infrastructure more difficult. Thirdly, the promotion of airports by the airlines may not always conform to the marketing desired by the airports themselves, especially where these could develop clear cross-border markets. Finally, if the prospect of a steady increase in the relative price of oil products comes about, both low-cost air traffic and access to airports by private cars could be affected.

**Advanced telecommunication infrastructure**

The geography of development and activities is closely linked to economic and social relations among cities and regions. The enlargement of the EU, globalisation, demographic trends and the increasing use of ICT (the 'network society') all strongly affect spatial development patterns across the territory and the movements and locational preferences of individuals and companies.

The new economic structures of the network society are the joint product of technological innovation, political-economic restructuring and new enterprise strategies. One indicator of this change in socio-spatial relationships is the rise in mobility, and the most direct consequence for spatial planning is that in a network structure 'proximity' may become less relevant for social organisations than 'connectivity'. Technological innovation in transport has resulted in the speeding up of movement and the 'shrinking of space', though sometimes with large interregional differences. The increasing use of ICT has led to a revolutionary change in the organisation of production processes, allowing for a spatial separation of functionally interdependent activities through complex logistics systems. Since distances are increasingly measured in time, locations and places that are well connected in terms of logistics and transport technologies may be more attractive for investment than those that demonstrate physical 'nearness'.

Yet, while the development of ICT was expected to lead to a 'democratisation' of the territory and an alignment of core and periphery, in reality the differences between the densely populated parts of NWE and the more peripheral areas have often been more intensified or may have led to a more diverse pattern across the territory. More peripheral parts of NWE are generally less well connected in terms of provision with new ICT services than metropolitan areas. It is still the case that face-to-face interaction and physical proximity often make densely populated areas more desirable as locations for businesses.

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NWE is confronted with two major issues in the field of advanced telecommunications infrastructure. The first one is better use of its position as a global centre to make a substantial contribution to implementation of the Lisbon Strategy through further promotion and take up of ICTs. The second issue relates to overcoming the existing digital divide in mature ICT and in new high-speed connectivity.

As regards digital divide and the take up of ICT, there are two main concerns: one is the existing digital divide in mature and leading-edge technologies; and the other is an emerging digital divide in the field of new high-speed connectivity. There are large disparities in development of ICT within NWE, with Ireland and France (with the exception of the Paris region), having a below average take-up (cf. Figure 16).

**Figure 16: Level of telecommunications development**

![Level of telecommunications development](Image)

Source: ESPON 1.2.2

**Use of Intelligent Transport Systems**

There has only been a limited take-up of ITS (Intelligent Transport Systems) so far, despite the fact that ITS can contribute to the solution for a number of important challenges for transportation in NWE, namely:

- Increasing transport security in areas such as:
  - Maritime transport in the heavily congested seas and rivers
  - Road transport on the motorway networks
  - Public transport at various scales
• Air transport, which is becoming increasingly congested

• More efficient and inter-linked freight transport systems and logistic chains, with a view to alleviating congestion and facilitating inter-modal solutions

• Sustainable urban mobility in the metropolitan areas and cities of NWE, with a view to improving traffic fluidity by the use of traffic management systems, and by strengthening the efficiency and complementarity of different types of public transport systems.
The territorial structure of NWE and demographic characteristics

Settlement patterns

At the macro level (EU-wide), NWE is home to a significant part of the ‘pentagon’, which is seen by the ESDP as the only zone of global economic significance. However, research undertaken under the ESPON Programme has identified other potential economic growth areas: Metropolitan European Growth Areas (MEGAs)\(^9\). When MEGAs are considered in the context of the growth of GDP per capita the following observations can be made: firstly, while some of the strongest MEGAs are in NWE, areas with high GDP growth are not, with the exception of Ireland and the M4 corridor in South East England. Secondly, there are MEGAs in NWE which, although strong in terms of GDP, are relatively weak in terms of population size or accessibility. These include for example, Geneva, Manchester and Dublin. Thirdly, some of the weakest MEGAs are located in high growth regions. Cork is a clear example. Finally, some potential MEGAs are located in close transnational proximity to each other, such as in Holland and Belgium. There is a high degree of spatial concentration in the form of transnational agglomerations across Europe (cf. Figure 17 and Figure L in the Appendix). In NWE, three such agglomerations can be found: Ireland and southern Scotland, countries bordering the English Channel, and South West Germany and East France.

At the meso scale (within NWE), however, it becomes clear that the strong economy of NWE is not universal across the territory, and great disparities exist both within the core and between the core and periphery. The most striking trend is that the move towards polycentrism at the European level parallels a move towards monocentrism at the national level in countries such as Ireland. The Irish economic boom of the last decade, which has turned the country into one of Europe’s star performers and contributed to the polycentric development of the EU, has mainly gravitated in the Greater Dublin Area, creating a monocentric spatial pattern within the country.

At the micro level, an urban-rural typology, developed by ESPON research, shows that while NWE is predominantly urban, there are also large areas with low population density. Indeed, although 75% of NWE’s population live in urban areas, 23% of the territory is sparsely populated. In general, urban-rural interdependencies are increasing partly because of the spatial deconcentration of economic activities and the expansion of city hinterlands. Some aspects of this trend are transnational. For example, some of the long distance and ‘weekly’ commuting to large cities cut across national boundaries. Also, visitors from the cities in one country to the rural areas in another create a form of transnational urban-rural relations.

\(^9\) These are identified on the basis of the following criteria: demographic mass, competitiveness, connectivity and knowledge base.
Demographic changes

Demographic change is one of the most significant challenges for spatial development in the EU. Demographic restructuring is the outcome of two trends: natural population change and migration, each of which exhibits different spatial patterns.
The predominant trend in demographic change in Europe is the ageing of population, due to a fall in fertility rate, fall in mortality rate, and increase in longevity. Whilst fertility rates in NWE in general are not as low as those in Southern and Eastern Europe, in countries such as Germany the rate stands at 1.3, well below the reproduction rate of 2.1 (cf. Figure 18). As regards longevity, it is estimated that by 2015, in Europe life expectancy at birth will be 82 years for men and 87 years for women, compared to the 1999 average of 76.5 years. The proportion of the European population above the age of 60 will increase from 21% in 2000, to 30% by 2015. Also, the proportion of the population below the age of 20 will decline from 23% in 2000 to 15% by 2015. This ageing society plus high inactivity rate will increase the dependency ratios in Europe to the extent that by 2025, for every 2 people in work one will be dependent on them if employment rates remain the same.

Figure 18: Fertility rates in countries covered by the NWE programme (national average; regional data not available)

However, given that the dominant intra-European migratory flows are from periphery to core, and from East to West, and that there are significant flows into NWE from outside Europe, the combined effect of migration and natural population change currently results in an increase in population in most parts of the NWE. While this contrasts with a decline of population in the South, East and Nordic countries, it should be noted that NWE is also home to pockets of decline notably in the North of Scotland and parts of Central France (cf. Figure 19). A particularly alarming trend is the depopulation of small towns and rural areas; referred to as a 'triple demographic time bomb'- too few children, too many old people and too many young people leaving rural areas. A parallel but opposite trend is that of counter-urbanisation in the affluent parts of NWE and in countries such as the UK where every week some 1700 people move out of the cities to live in the countryside.

There are also significant flows into and out of Europe, with the former comprising both legal and illegal immigration. Highly qualified workers make up a large proportion of out-migration to countries such as North America, Japan and
increasingly Singapore. This ‘brain-drain’, which works against the Lisbon agenda, adds to the challenges of a rising dependency ratio. Together, they will have important implications for the economic performance and spatial development of the North West Europe.

Figure 20 shows the net migratory balance between 1996 and 1999, and includes both intra-European and global migration. The key contrast in NWE is between northern France and southern UK. The majority of the in-migration in England is likely to be from outside the EU or from elsewhere in the UK. Much of the high levels of migration into west and south Germany is accounted for by migrants from East Germany. There are also relatively high levels of in-migration in the Netherlands, Ireland and Brittany, while much of Northern England has significant out-migration.
Figure 19: Population development 1995-2002

* Switzerland 1995-2000, Data of OPGC
NJ.T.3.3
Source: Eurostat OPGC
Continuous Spatial Monitoring System of the BBR
The combined effect of migration and natural population change is shown on Figure 20. While population is still increasing in some areas of NWE, there are different combinations of reasons for this. In Ireland, the Netherlands, Luxembourg, most of Belgium, Central England, West and South Germany, and parts of Southern England, West and Central France, population is increasing because of both positive natural population growth and a positive migratory balance. In the rest of Southern England and some other parts of NWE population growth is because of net immigration only, while in Northern Ireland and much of Eastern France and part of Switzerland it is due to natural population growth only. It should be noted that the universally low fertility rates are of relatively recent origin and have not yet had a major effect. Population decline can be seen mainly in the more peripheral parts of the UK and in parts of France. In the case of the North and West of Scotland and parts of North East England it is due to both natural population decline and net out-migration.

Overall, NWE's population profile is quite different from most of the rest of Europe, with population growth and high population densities currently presenting bigger challenges than depopulation, particularly in metropolitan areas. The regions with demographic problems lie outside the boundaries of NWE, to the south and east, with only a part of Central France, which already has an above average share of elderly people, coming into this category. The areas least affected by the demographic challenges in NWE are large metropolitan areas such as Paris and London, a region stretching from South East England via the Netherlands to northern Germany, all of the island of Ireland, some parts of Southern Germany, Northern
Switzerland and Alsace. The most significant regional disparities for this combined indicator can be found in France and the UK.

**Figure 20:** Shrinking and growing regions in Europe

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**Governance: the institutional perspective**

It is widely recognised that transnational co-operation faces problems arising from differences in the organisation and competences of government administrations. North-west Europe exhibits considerable variety in the fundamental organisation of government from the more unitary nations to the federal. However, it must be remembered that the actual situation is much more complex with significant variations in the distribution of competences within countries. For example, in Switzerland the German speaking cantons have more autonomy than the French speaking cantons. Variation in the regulatory frameworks of countries and regions means that a particular process or strategy may be compatible with the existing framework of one country while it may be incompatible with that of another country.

A comparison of the governmental systems in each country and the views of key actors in NWE countries\(^{10}\) suggest two key issues for transnational co-operation:

- the capacity of regional level institutions to engage with regions in other countries and/or
- the existence and capacity of co-operative arrangements among local authorities which may provide a larger platform from which to engage in transnational co-operation.

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\(^{10}\) The information is based on Spatial Vision Study No. 1
This is linked to other points about the significant resources and expertise (capacity) that are needed to engage in transnational working and the creation of strategic actions at the regional level which can identify planning and development issues of transnational significance.

Where regions are large and have strong competence there are more opportunities to engage at the transnational scale and the experience of the Belgium regions and the German Länder bear this out. Here, ‘regions’ play a strong role in cross-border collaboration networks such as the Saar-Lor-Lux and Euroregions. For the other countries of north-west Europe, regions are likely to find more difficulties in engaging transnationally because of a more narrow range of competences and less capacity. For example, Dutch provinces are much smaller and this is considered a disadvantage in regional co-operation. There is an informal and ‘low key’ form of inter-provincial co-operation in Landsdelen which may offer opportunities for more appropriate scale collaboration.

Where ‘regional governance’ is made up of indirectly elected members and/or associations of local authorities there is also the need to reach agreement among and be accountable to, the constituent bodies, which can make for very complex planning and reporting arrangements. For example, in England, regional bodies outside London are established by co-operation among many local authorities and other business and civic actors. They have limited capacity, although there is a general tendency for increased administrative capacity at regional levels, and informal arrangements do not necessarily preclude effective co-operation. In Ireland, long standing regional competences for and experience in co-ordinating structural fund spending has lend some support to regions engaging in the INTERREG programme.

At the local level, small local authority units generally lack the critical mass and thus the capacity to engage independently in transnational co-operation. There is a need for inter-authority working, even to some extent in England where the local authorities are relatively large. Groupings of local authorities for other purposes such as to create critical mass for service delivery is very common and particularly well established in France. These groupings sometimes provide a platform for transnational co-operation and there is more potential here. For example, in parts of Germany there are associations of local authorities at the regional level where collaboration has been encouraged as a response to international place competition and to secure national investments. These local authority co-operation networks also work transnationally, for example the QuattroPole co-operation initiative among Saarbrücken, Trier, Metz and Luxembourg, and the Rijn Schelde Delta.

There is some evidence of the building of inter-authority institutions also for functional regions such as national parks or river catchments and for informal ‘associations’ of local authorities in city networks or across urban-rural regions such as the ‘urban communities’ in Wallonia and the regional city networks and city-regions in Holland. In Ireland, the National Spatial Strategy has designated a number of population centres for improved linkages to achieve critical mass to act as ‘gateways’, and possibly in the longer term to become city regions, for example the Athlone-Tullamore-Mullingar area of the Midland Region. In England, inter-regional networks have been formed linking the regional bodies and identifying city-regions for informal strategic planning purposes. There are also groupings of particular types of authority, for example the G4 group of largest cities in the Netherlands.
These varied arrangements for building the capacity of governments to engage with service delivery and strategic planning at an appropriate level offer considerable potential as platforms for transnational working. One example is the long tradition of transnational co-operation between municipalities around three cross-border agglomerations involving Luxembourg, Belgium and Germany. However, from discussions with key actors and examination of documents, it is apparent that the transnational dimension (and to a lesser extent the cross-border dimension) to strategic planning issues is seldom addressed in their plans. There are examples of transnational working by inter-authority groupings but our assessment is that these are the exception rather than the rule, and few such organisations are systematically considering the transnational dimension.

The reasons may be self-evident. The legal status of such organisations may be weak and may be questionable for working at the transnational level. There may be little attention to the transnational dimension in the ‘terms of reference’ for such organisations. They have relatively limited resources for difficult co-ordinating tasks. In addition, they are already complex partnerships, thus working transnationally means dealing with exceedingly complex administrative and reporting arrangements.

Co-operation networks are not limited to formal government. Business co-operation networks such as the ‘Grand Région’ (Saar-Lor-Lux) and for the metropolitan area around Lille; or representative bodies such as the German Chamber of Industry and Commerce (Deutscher Industrie-und Handelskammertag) may provide a basis for transnational co-operation. However, whilst they may be playing important roles in international networks, they have only very limited engagement with INTERREG and in some cases with governmental networks generally.

Building up governance relations is not easy and needs sufficient time, long-term external assistance and investment, and devolved powers and responsibilities. Developing such relations is much more challenging in the context of a transnational cooperation area, because here, firstly, partners are drawn from beyond the boundaries of formal institutions of government. Secondly, they are spread among public, private and voluntary sectors (NGOs and non-profit organizations). Thirdly, they are also spread across the boundaries of different political and administrative jurisdictions. Fourthly, at the transnational level, there are very different forms of constitutions and governments in the countries of NWE, ranging from federal, through strongly regionalised, to highly centralised. As a consequence, competences for policy and action on spatial development vary considerably.

In general, there are three forms of interconnected co-operation which need to be in place for effective transnational spatial development. These are vertically among levels, horizontally among sectors, and geographically across administrative boundaries.

### 2.2 SWOT analysis

The NWE cooperation area has a strong position within Europe, being home to important global command centres and with a high concentration of important economic and political structures. Being the ‘economic powerhouse’ of Europe, NWE plays an important role in achieving the Lisbon objectives of strengthening the competitiveness of the whole of Europe. The density in the central part of NWE and the overall polycentric pattern of cities and towns is another important strength of the
area, and offers considerable potential for urban networking based on functional interdependencies. The high level of education and highly qualified professionals, including in knowledge-intensive industries, give NWE a crucial competitive advantage in becoming a highly successful knowledge economy. Geographical features, such as NWE’s excellent network of inland waterways, and generally high levels of accessibility will help to achieve more sustainable modes of transport and can contribute to decouple transport growth from economic growth as promoted by the Lisbon-Gothenburg strategy.

However, despite the general strength of NWE in Europe, the SWOT table (Table 1) also shows significant weaknesses and threats to NWE – in particular regional disparities in terms of accessibility and population density between the core area of NWE and the more peripheral and rural areas. Furthermore, in order to maintain its economic position, NWE needs to increase or at least maintain its economic growth, in particular in knowledge-based sectors, and aim to overcome regional disparities with regard to R&D expenditure and employment. This implies a better and more efficient distribution of work, labour and functions.

Furthermore, while overall NWE is characterized by high levels of accessibility, increasing transport volumes and congestion in the central parts of the area as well as poor access in peripheral areas are of increasing concern both as regards the environmental effects from traffic and in terms of economic performance. The increase in energy prices will strengthen the case for a better modal shift, and for most efficient use of modern Information and Telecommunications Technologies to substitute physical mobility. The digital divide as regards access to advanced ICTs, which continues to disadvantage the more remote parts of NWE, is therefore of particular concern.

The high density of population, traffic and industrial activity in NWE is responsible for high levels of pollution of air, water and soil. The large amount of greenhouse gas emissions, which result from this dense human activity are an important factor for climate change. Effects from climate change, in particular (river) floods and winter storms, are expected to increase in NWE. Human-made hazards, such as oil spills, are also of increasing concern from both an environmental and an economic perspective, and require more attention to maritime safety. In addition, landscape fragmentation (especially in coastal regions bordering the Channel and the Southern part of the North Sea) and loss of biodiversity are increasing across NWE.

Demographic change is – besides climate change – the most fundamental challenge for territorial development in Europe, and polarisation tendencies in NWE will exacerbate existing regional disparities in terms of population, access to infrastructure and services. This will affect the economic potential of peripheral and rural areas which are experiencing depopulation tendencies, but also those of urban areas faced with growing land use pressures and increasingly heterogeneous populations. It is therefore of great importance to strive for a more balanced settlement structure across the territory. An important precondition for this will be improved transnational governance in order to overcome institutional differences in the field of territorial planning, and the better integration of sector and spatial policies at all levels of scale.

The following table 1 summarises the main strengths, weaknesses, opportunities and threats for the NWE cooperation area.
Table 1: SWOT table

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The economy of NWE: trends in the labour market, knowledge base and ‘Lisbon performance’</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High economic performance (GDP/capita): the ‘powerhouse of Europe’</td>
<td>Regional disparities in economic performance and growth (metropolitan versus more rural areas)</td>
<td>Large number of potential economic growth areas: due to economic mass potentially well placed to contribute to Lisbon objectives</td>
<td>Low economic growth rates in many parts of NWE following EU enlargement</td>
</tr>
<tr>
<td>Critical mass in terms of high density of population and economic activities (e.g. human resources, proximity to large consumer markets)</td>
<td>Innovation and knowledge-economy sectors mainly concentrated in and around urban areas / regional disparities in R&amp;D expenditure and employment</td>
<td>Further development in knowledge-intensive services and high-technology sectors</td>
<td>Regional disparities in levels of unemployment</td>
</tr>
<tr>
<td>Home to important financial and decision-making headquarters</td>
<td>Comparatively low level of R&amp;D investment and</td>
<td>Immigration of highly-skilled young people to metropolitan areas from other parts of Europe and the world</td>
<td>Widening gap between urban and rural areas in Lisbon-relevant economic performance</td>
</tr>
<tr>
<td>High levels of employment</td>
<td></td>
<td></td>
<td>Rising dependency ratios as result of demographic change (ageing and low fertility rates)</td>
</tr>
<tr>
<td>Good ‘Lisbon performance’: highly educated people and high number of staff in the R&amp;D business enterprise sector</td>
<td></td>
<td></td>
<td>Brain drain of highly qualified workers from NWE to the US, Japan, or Singapore</td>
</tr>
<tr>
<td>Good provision of universities and research institutes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Natural and cultural resources and environmental trends</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wealth of diverse natural and cultural heritage</td>
<td>High levels of pollution in core due to density of transport, population and economic activities</td>
<td>Decoupling economic growth from increase in pollution and greenhouse gas emissions</td>
<td>Overuse of natural and cultural assets (high population density, large number of tourists)</td>
</tr>
<tr>
<td>Comparatively lower exposure to natural and technological hazards</td>
<td>Landscape fragmentation and loss of biodiversity</td>
<td>Increasing levels of energy efficiency and use of renewable energy sources as a consequence of rising oil prices</td>
<td>Increasing number and severity of natural and technological risks, especially in highly urbanised parts of NWE</td>
</tr>
<tr>
<td></td>
<td>Strong dependence on imported energy in some parts of NWE</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Low levels of use of</td>
<td></td>
<td>More serious river flood</td>
</tr>
</tbody>
</table>
renewable energy events as consequence of climate change in parts of NWE

- Affects of rising energy prices on the territory given unequal distribution of potentials for increasing use of renewable energy

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
</table>
| Accessibility and connectivity in NWE: transport and the information society | • High levels of accessibility: good road and rail networks, excellent network of inland waterways, concentration of major seaports, largest airport hubs in Europe  
• Strong position in logistics  
• Crucial geographical position in Europe, connecting North-South and West-East  
• Comparatively advanced level of ICT development in many parts of NWE | • Core-periphery difference in levels of accessibility  
• Transport congestion in core areas of NWE  
• Lack of interoperability / integration between transnational and secondary networks  
• Limited performance and profitability of long-distance and intermodal services  
• Continuing digital divide and regional disparities in take up of ICTs  
• Limited take-up of Intelligent Transport Systems to date | • Improved and more sustainable modal split prompted by rising energy prices and geographical characteristics (e.g. inland waterways, maritime transport)  
• Better organisation and use of existing networks, especially road and rail  
• Strengthen NWE's position as a global centre and its contribution to the Lisbon-Gothenburg Strategy through further take-up of ICTs and overcoming the digital divide  
• Increase use of ITS by building on NWE's innovation potential in relevant sectors | • Steady increase of flows through the area, increasingly multi-directional  
• Rapidly increasing unsustainable modes of transport: road and air  
• Different passenger transportation requirements due to demographic ageing, especially in rural areas  
• Competition among ports, among airport authorities, and between airports and rail service providers preventing better territorial balance  
• Increasing regional imbalances (urban versus rural) through unequal provision with ICT |

The territorial structure of NWE and demographic characteristics

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
</table>
| • High density of population and activities  
• Currently still growing | • Increasing territorial imbalances between urban and rural areas | • Transnational agglomerations (Ireland/Southern) | • Polarisation and depopulation tendencies as effect of demographic characteristics |
<table>
<thead>
<tr>
<th>Population (mainly due to in-migration)</th>
<th>Due to migration movements</th>
<th>Scotland; countries bordering the English Channel; SW Germany and East France) with great potential for territorial integration</th>
<th>Change and migration (e.g. increasing land use pressures in urban areas; overcapacity of infrastructure in rural areas)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good secondary urban networks</td>
<td></td>
<td>Demographic gain in metropolitan areas due to immigration of mainly young people</td>
<td>Spatial and economic effects of low fertility rates and ageing of population</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Variety in the organisation of governments as barrier to efficient transnational cooperation</td>
<td></td>
</tr>
</tbody>
</table>
3. The joint transnational strategy (Art. 12-3)

3.1 Introduction

This joint transnational strategy responds to the identified strengths and weaknesses of the North West Europe transnational territorial cooperation area by setting out an overarching aim and by defining priority axes for the programming period 2007-2013. The programme priorities take the Community Strategic Guidelines on Cohesion, the National Strategic Reference Frameworks of the Member States involved in the programme, and the results from the ex ante evaluation into consideration, and identify the range of actions and transnational projects envisaged to achieve the priority objectives as well as the key actor groups which should be involved in the delivery. The priority axes are specified by targets, and quantified by output and result indicators, which shall help to measure the progress in relation to the baseline situation and the effectiveness of the targets implementing the priorities.

North West Europe is the ‘economic powerhouse’ of Europe, and home to important global command centres. While this is an important contribution of the cooperation area to the objectives set out in the Lisbon-Gothenburg strategy, the future performance of the region might be affected by the slow economic growth, especially in the continental parts of NWE, over recent years. Overall, NWE is a diverse territory where regional imbalances continue to present a challenge for spatial integration. Joint transnational cooperation projects under the previous INTERREG IIC (1997-1999) INTERREG IIIB (2000-2006) programmes have aimed to increase territorial integration by promoting a balanced spatial development and by supporting durable co-operation networks between organisations and institutions within NWE.

The North West Europe programme (2007-2013) presents the next phase of transnational territorial cooperation in the area, by building on the achievements of its two predecessor programmes. The mutual learning process, which began with exchanges of experience in spatial planning under INTERREG IIC and continued with joint actions and strategies under INTERREG IIIB will for this period aim to achieve better territorial cohesion through transnational cooperation, thus strengthening the competitiveness of the cooperation area. In doing so, the Operational Programme addresses the challenges formulated by the EU Lisbon and Gothenburg strategies to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs, greater social cohesion and environmentally sustainable development patterns.

The North West Europe Programme 2007-2013 – reflecting the trends and tendencies of the region’s socio-economic situation – will address those issues which require intervention at the transnational level. The programme will concentrate on the need to strengthen the knowledge economy by providing a more conducive climate for innovation and thus contribute to maintaining the competitiveness of the NWE cooperation area. It will seek to actively maintain the natural and cultural resources of the region and alleviate negative environmental impacts on the territory, including the promotion of innovative approaches to the management of natural and technological risks in the context of climate change. It will address the regional disparities in the region with a view to achieving better accessibility and connectivity across the territory and a balanced settlement pattern. The programme will also include adaptation strategic actions for global trends that have a considerable effect on the territorial development of the territory, such as demographic change, with a view to
actively strengthen the performance of urban networks and alleviating negative developments in rural and more peripheral areas. In doing so, the NWE programme will not substitute any national or EU-funded programmes in related areas, but will concentrate on achieving an added-value by demonstrating the transnational and territorial dimension of the envisaged actions.

Operations financed under the Objective 3 NWE Programme are set apart from any initiatives financed under Cross-Border and Interregional programmes. Firstly, transnational cooperation involves larger regions compared to the cross-border cooperation component. Furthermore, transnational programmes focus on actions of concrete transnational impact on the territory. Its area of operation is distinct as are the types of projects that will be financed in the new programming period. The new element of strategic initiatives (as detailed in section 5) aims to provide even further added value to the distribution of funds.

3.2 Programme aim

The overall aim of the North West Europe Operational Programme on transnational territorial development (2007-2013) is as follows:

The Objective 3 North West Europe Programme, through an innovative and integrated approach of transnational cooperation on territorial issues and by building on NWE’s territorial potentials, aims to achieve a more cohesive, balanced and sustainable development of the NWE area, and thus to contribute to the overall competitiveness of the Community territory in a globalised world.

3.3 The added value of transnational cooperation in North-West Europe

The Operational Programme for North West Europe aims to strengthen the endogenous potential of this contiguous region and to provide a governance climate conducive for innovation. In doing so, the Programme promotes an integrated approach vertically (among different levels of government), horizontally (among different policy sectors) and geographically (across administrative boundaries). This approach makes the Programme unique in comparison to other EU programmes that are aimed at the integration of different policy sectors, different levels of government, or cross-border cooperation of adjacent regional entities, but not a combination of these across a large geographical area.

The essential element is transnational cooperation which by involving national, regional and local authorities aims to promote better integration within the Union through the formation of large groups of European regions. Transnational cooperation programmes encourage a sustainable and balanced development of the European territory. It offers the advantage to establish links to actions at regional, national, cross-border and inter-regional levels, thereby enhancing the complementarity of activities, policies and programmes for this contiguous space. The outcome of such joint efforts is in principle larger than the sum of its parts.

The Operational Programme for North West Europe, therefore, has the potential to strengthen the leading role of this region ever more by becoming a showcase for effective transnational cooperation on issues of territorial importance. Furthermore, support is given to addressing obstacles across national borders and the
encouragement of networks, the development of knowledge clusters and of stronger institutional links between universities and businesses is a crucial precondition for achieving synergies between different policies, programmes and initiatives at different levels of scale.

The specific added value of transnational territorial cooperation is particularly obvious for projects with the following features:

- The problem addressed is of such nature that it cannot be satisfactorily tackled within one nation-state;
- The project objectives defined and work carried out are consequently shared between partners from different countries;
- Cooperation between partners improves the quality of results compared to the possible achievements of a partner working alone;
- The project results are of relevance to the wider NWE area and can therefore be transferred to other parts of the transnational territory; and
- Cooperation is integrated vertically, horizontally and geographically in pursuit of achieving sustainable development and economic competitiveness.

The consideration of other European programmes and initiatives is crucial for transnational territorial cooperation, as all of these are targeted towards achieving the objectives set out in the Lisbon-Gothenburg Strategy. The most relevant EU Programmes and initiatives in relation to the identified priorities for the OP NWE are set out in the relevant sections in chapter 4 and summarised in Appendix C.

In addition, the complementarity with other territorial cooperation programmes focusing on cross-border and inter-regional cooperation, and transnational cooperation in programme areas partly overlapping NWE (such as the North Sea Region or the Atlantic Area) is crucial in order to make the best use of available resources and achieve best possible results for the territory concerned. The transnational territorial cooperation programme for NWE aims at achieving synergy effects with these other programmes and initiatives by inviting project promoters to identify gaps and make the appropriate links between the programmes at transnational level, and – most crucially - to consider the territorial implications of proposed actions and respond to these appropriately.

3.4 Justification of the priorities chosen

The NWE region has a competitive advantage with regards to comparatively high levels of education, R&D expenditure and employment which is above EU average. The area is characterised by a rich variation of natural ecosystems and landscapes. The generally high levels of accessibility and the excellent network of inland waterways imply the potential for modal shift to more integrated and sustainable means of transport. The high population density and ‘critical mass’, as well as a good network of secondary cities and towns besides the metropolitan and more rural areas, provide a great opportunity to achieve territorial integration.

Yet, especially the continental parts of North West Europe have also been affected by sluggish economic growth over the last years, and the high density of population and activities, especially in the core area, have considerable negative effects on the environmental quality in the region. Climate change effects also increase the need for more integrated approaches to risk management, especially along the large river basins in the cooperation area. Transport growth on road and rail have resulted in
increasing congestion in the core area of NWE, whereas the more peripheral parts of NWE continue to have low levels of connectivity. The development of regional airports across Europe has important territorial implications and arguably balances the dominant position of the large urban areas in terms of accessibility. However, rising energy prices will require a shift to more energy-efficient and integrated modes of transport, and more consideration to the use of ICT to manage transport flows and reduce the need to travel. Demographic change, ageing and migration affect different parts of the NWE differently, with large urban areas continuing to grow in population and rural and more peripheral regions declining. The challenge is therefore to counteract this trend and through transnational cooperation among cities, and between urban and rural areas, achieve a better territorial balance.

The sustainable development of these opportunities and challenges will be a focus of the programme. The programme will be delivered through four priorities of strategic character which are of particular relevance to NWE. The programme places a strong emphasis on the integration of different policy sectors and different levels of governance across the transnational territory. Consequently, the following four priorities have been defined to facilitate the identification of the main emphasis of actions, while projects are explicitly encouraged to make appropriate connections between the objectives of different priorities and wherever appropriate to respond to more than one programme priority. In addition, project proposals under all four priorities should respond to the following three cross-cutting themes:

- To strengthen the economic competitiveness of NWE in response to the Lisbon agenda;
- To increase the environmental sustainability of NWE in response to the Gothenburg agenda, and
- To achieve a stronger territorial cohesion of NWE by reducing territorial disparities reflecting the aim of the EU Cohesion Policy.

The four priorities defined for this programme cover the following:

1) **Fostering innovation and strengthening the knowledge-based economy** in NWE is an important aspect for the further development of the cooperation area. Better use of human resources and improving the institutional climate for innovation, as well as better networking across the region to improve the transfer of knowledge are of key concern in this context. Although innovative approaches will be promoted across all four priorities, this specific priority is dedicated to innovation in the field of natural and technical sciences of relevance to NWE and governance aspects in order to create a better ‘innovation climate’ across national boundaries and thereby strengthen the knowledge-based economy of NWE. The specific focus of this priority will be on three main issues: (a) to promote the application of knowledge by facilitating the transfer of innovation and knowledge from the scientific/academic community to businesses and other relevant actors; (b) to develop new, and strengthen existing, growth clusters; and (c) to improve the ‘innovation climate’ in NWE by addressing institutional capacities and barriers and to appropriately respond to the spatial implications from the ‘knowledge economy’ by for instance better coordinating spatial strategic actions with research development policies at all levels of scale.

2) The high density of people and activities in NWE imply that the environment is under considerable pressure. Environmental problems from congestion in the core
area, for instance, are of increasing concern. The **sustainable management of natural resources**, including the management of natural and technological risks, strategic actions to better adapt to spatial effects from climate change and for improved energy efficiency are therefore of great importance to NWE. Given the dominance of large river basins in NWE and important maritime environments such as the English Channel, the Irish Sea and the North Sea, emphasis will be placed on transnational actions to improve risk management related to river flooding, increasing maritime safety, and the protection of the marine environment. In addition, actions aimed at addressing the spatial impacts of distribution structures for renewable energy and increased energy efficiency where transnational benefits can be demonstrated will be supported.

3) NWE is characterised by regional disparities in the level of accessibility and connectivity between the central and more peripheral regions. To improve the **connectivity and internal and external accessibility of NWE** is therefore an important priority. The focus will lie on joint transnational solutions in the field of transport and ICT which help to overcome the barriers to both the diffusion of innovation and knowledge and to traffic flows, and thus to strengthen NWE’s sustainable economic growth and territorial cohesion. The barriers include: national borders, which continue to be characterised by low operability of national transport networks; the English Channel and the Irish Sea, which are considered a physical barrier to the better connection through flows of goods and passengers between the UK, Ireland and mainland Europe; interfaces causing low compatibility between European, national and regional transport networks; congestion especially in the central area of NWE; low population density preventing the provision of large-scale public transport infrastructure and market-provided ICT infrastructure in the more peripheral areas; lack of harmonisation of transport and ICT policies with spatial policies at all levels and lack of coherence with comprehensive territorial development actions.

4) The spatial structure of NWE will be considered from the perspective of aiming at a **more balanced settlement structure and making the cities and towns in NWE more competitive** at the European level. The priority will allow for multi-stakeholder and cross-sectoral strategic actions at the transnational level in order to achieve better integration of institutions and governance. Polarisation and depopulation tendencies across the territory should be counteracted and the region, including smaller towns and cities, be made more attractive for young and highly skilled labour from other parts of the world. The thematic scope of the priority includes: urban networking on strategic areas of relevance to the competitive performance of the NWE cooperation area, urban-rural relationships in order to for example reduce the negative effects from long-distance commuting, the impacts of demographic change and migration on the settlement pattern, and improvements to the natural and cultural environment in order to strengthen the economic competitiveness of NWE.

3.4.1 The relation to the Community Strategic Guidelines on cohesion

The draft **Community Strategic Guidelines** for Cohesion Policy 2007-2013\(^\text{11}\) set out the aim of the European territorial cooperation objective as follows:

To promote stronger integration of the territory of the Union in all its dimensions. In so doing, cohesion policy supports the balanced and sustainable development of the territory of the Union at the level of its macro-regions and reduces the ‘barrier effects’ through cross-border cooperation and the exchange of best practices.

Three guidelines for Cohesion Policy 2007-2013 are identified, i.e.:

1. Making Europe and its regions more attractive places to invest and work
2. Improving knowledge and innovation for growth
3. More and better jobs

The Operational Programme for NWE responds to the aim and priorities set out in the Community Strategic Guidelines by promoting transnational territorial cooperation to help to achieve the objectives set out in Lisbon-Gothenburg Strategy under four NWE-specific funding priorities, i.e. developing the knowledge-based economy in NWE; managing natural resources efficiently; improving connectivity by promoting intelligent and sustainable transport solutions; and promoting sustainable and dynamic communities. Furthermore, the OP for NWE takes on board the priorities identified in the National Strategic Reference Frameworks of the member states involved in the transnational programme.

3.4.2 The National Strategic Reference Frameworks

In the Third and Fourth Cohesion Report and the draft ERDF Regulations, the European Commission has advocated a strategic approach to cohesion with an emphasis on economic growth and employment and the objectives of the Lisbon-Gothenburg Strategy. The Community Strategic Guidelines for Cohesion Policy 2007-2013 (COM(2005) 0299) provide the basis for the preparation of the drafting of the National Strategic Reference Frameworks (NSRFs) by the EU Member States and the resulting operational programmes.

The NSRFs of the participating Member States have thus been reviewed in terms of the identified priorities covered by the NWE territorial transnational cooperation Operational Programme, Objective 2 on Regional Competitiveness and Employment and Objective 3 on European territorial cooperation. For Switzerland, which is participating in the NWE Programme as the only non-EU Member State, the focal points for the Swiss territory which were identified in the recent Spatial Development Report are included in order to provide a comprehensive picture of every participating country’s priorities for cooperation.

The proposed priorities of the Objective 3 NWE Operational Programme have been formulated in compliance with, and are complementary to, the relevant NSRFs. The aim is to offer a framework for regional spatial and economic networks to maximise the impact of their actions. NSRFs are currently (July 2006) all in draft stage. They will all be reviewed again before the submission of the final version of the Objective 3 NWE Operational Programme (the table with the overview of the priorities identified in the NSRFs of the Member States of the programme is given in appendix E).

[To be completed]
3.4.3 Results of the ex-ante evaluation

[Section to be completed]
4. Priorities for transnational territorial cooperation, priority objectives and possible actions, target values and output, result and impact indicators (Art. 12-4)

4.1 Priority 1: Developing the NWE knowledge-based economy by capitalising on our capacity for innovation in all sectors

Context and rationale

- The Lisbon strategy (2000) set out the goal to make Europe the world’s most competitive and dynamic knowledge-based economy. In the knowledge economy, knowledge and information are the main inputs and outputs: There is an ever increasing diffusion speed of information and knowledge. The knowledge economy is a network economy, where connectivity increasingly matters. In it there is a high premium on entrepreneurship and innovation. It is additionally very volatile and in an increasing number of sectors (research, biotechnology, etc.) “critical mass” matters.

Across Europe, innovation is considered the most important driving factor behind sustainable economic development. Innovation is the process whereby ideas for new (or improved) products, processes or services are developed and commercialised in the marketplace. The process of innovation affects the whole business – not just specific products, services or technologies.

The NWE area is highly urbanised and urban areas are important focal points of the knowledge economy: it is mainly in cities that knowledge is produced, processed, exchanged and marketed. Cities are best endowed with knowledge infrastructure (universities, other educational institutes, etc), they tend to have higher than average shares of well-educated people, they are best endowed with economic infrastructure, they are well connected to the global economy through airports, they have a function as a place where knowledge is exchanged, and as a breeding nest for talent and new combinations.

However, the knowledge economy also has a tendency to produce a dual economy: socially with an increasing polarization between well-paid knowledge workers and people who lack the skills and resources to participate, but also spatially given the tendency to favour urban areas and geographical proximity in networks, which can increase regional disparities and disadvantage rural areas. The polarisation is also felt strongly in cities with a legacy of declining industries.

There are already examples of bottom-up transboundary city networks in NWE where there is potential to create critical mass in some specific fields. One example for cross-border co-operation to improve the knowledge base is cooperation in research and technology transfer via the Network of Euregional Universities (Münster, Osnabrück, Dortmund, Enschede and Nijmegen), but there is potential to widen this cooperation to the transnational level and to achieve benefits for the whole of NWE.

By defining NWE’s urban system as networks consisting of nodes and linkages (rather than individual cities), larger regions with considerable knowledge resources and potential can be identified. Where resources become better aligned to each other, the potential could be fully reaped. For example, an important electronics manufacturer recently encouraged the cities of Eindhoven, Aachen and Leuven to think in this way.

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12 The question of the eligibility of private partners needs to be clarified before finalising this priority.
Furthermore, the regions of Münster, Osnabrück and Enschede/Hengelo work together to strengthen the networks between research and education institutes and companies. Improvements to the governance of ‘knowledge networks’ in transnational areas and across national borders are crucial if the full potential of ‘knowledge regions’ or ‘knowledge networks’ is to be achieved. It is important that the appropriate institutional and financial framework is in place for actors to engage in innovation and knowledge transfer which will benefit sustainable economic growth in NWE.

**Aim**

The overall aim of the priority is to

> improve the global competitiveness and territorial cohesion of NWE by strengthening the innovative potentials and knowledge-based economy and the mobilisation of regional and local potentials through transnational cooperation

**Benefits of transnational cooperation:**

Encouraging and promoting regional initiatives is not enough to develop the ‘top league’ of the knowledge economy. For an increasing number of activities, there may only be room for one or a few top locations in Europe, because of the critical mass and high investments needed, and because of unprecedented complexity and specialization. Europe has been successful in this respect in the aircraft industry (Airbus) and in the promotion of nuclear research (CERN, Hamburg), and NWE has the potential to strengthen its position in this respect.

Recent studies on innovation in Europe have shown that among the ten current ‘outperformers’ in the EU, six are located within north-west Europe. These are Noord-Brabant (Eindhoven), East of England and Cambridge, Île-de-France, Bavaria, the South East of England and London, and Baden-Württemberg (Stuttgart). [13] The strengths of the knowledge and research base can be found in the areas of mechatronics, automotive, electronics, medical technology, IT and telematics, transport logistics, multimedia devices and cultural industries. There is also potential in emerging areas, such as embedded systems, microelectronics and nanotechnology, and life sciences.

There is a need to build on and strengthen the existing competences and skills in NWE. Real competitive advantage comes from making a difference and therefore a mere repetition of concepts which have been successful elsewhere (e.g. ‘Silicon Valley’ activities, biotechnology, or other high-tech clusters) should be avoided. Instead, the focus needs to be in the strengthening of existing clusters or specializations. A key challenge is how to create or support centres or networks of

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Other relevant studies are for example:


14 Mechatronics is the synergistic combination of mechanical engineering (“mecha” for mechanisms), electronic engineering (“tronics” for electronics), and software engineering. The purpose of this interdisciplinary engineering field is the study of automata from an engineering perspective and serves the purposes of controlling advanced hybrid systems.

15 An embedded system is a special-purpose system in which the computer is completely encapsulated by the device it controls. As opposed to a general-purpose computer, such as a PC, an embedded system performs pre-defined tasks, usually with very specific requirements. In an application where the system is dedicated to a specific task, design engineers are able to optimize the system extensively, thus considerably reducing the size and cost of the end product. Due to the low-cost advantage, embedded systems are commonly built into products designed for mass production.
excellence on a transnational scale. If NWE fails to create more of such centres, it will continue to lose talent and resources to other countries. A better coordination of research and innovation policies within and among EU member states is therefore needed.

**Objectives and possible actions**

The emphasis of this programme priority is on the diffusion of innovation and knowledge and on strengthening the knowledge-based economy.

Three objectives are defined. The list of possible actions is non-exclusive, but should give directions to project promoters on the type of initiatives that are expected.

**Objective 1:** to promote the application of knowledge by facilitating the transfer of innovations and knowledge from the scientific/academic community to businesses and other relevant actors

*Examples of possible actions:*

- promoting public-private partnerships to strengthen support systems for the transfer of technology
- creation and strengthening of institutions for the transfer of technologies including a transnational approach to improving the financial, organisational, legal and administrative support frameworks
- links to improve access to scientific knowledge and technology transfer between R&D facilities and international centres of excellence
- twinning of technology transfer institutions and enabling the collaboration between relevant sectors and actors

**Objective 2:** to develop new, and strengthen existing, growth clusters and networks by building on endogenous potentials

*Examples of possible actions:*

- actions aimed at strengthening the innovation capacity across the NWE territory, with particular emphasis on regions with a currently lower level of knowledge-based activity and services
- stimulation of regional and transnational collaboration within and between various clusters as well as benchmarking of the related public policies and exchange of best practice through jointly developed transferable results
- creation of example solutions to strengthen particular industrial or business clusters through the development of joint longer-term strategic actions and the provision of appropriate social infrastructure (e.g. communication, centres of excellence)
- establishing networks between education facilities, research institutions and SMEs for the joint use of R&D facilities and infrastructure or to undertake joint investments to increase research and technology capacities
- joint marketing concepts and action plans for complementary ‘centres of excellence’ in NWE
• improving the international profile of different types of innovative enterprises through joint efforts to market NWE achievements or attracting FDI

Objective 3: to improve the ‘innovation climate’ in NWE by addressing institutional capacities and barriers and to appropriately respond to the spatial implications from the ‘knowledge economy’

Examples of possible actions:
• actions aimed at better coordinating spatial strategic actions with research development policies at all levels of scale
• enhancing the innovation capacity of NWE through the coordination of national/regional innovation strategic actions
• formation of partnership-based initiatives aimed at improving the functioning of innovation systems and enhancing the innovation capacity of NWE
• development of joint financial engineering instruments directed at supporting R&D in SMEs
• development and application of mutual learning approaches and coordination of approaches to stimulate the knowledge-based economy across NWE
• preparation of pro-active regional strategic actions on territorial impacts from demographic change and on attracting young and skilled labour to NWE in order to strengthen the innovation capacity of NWE

General remarks:
The programme will not support research and development activities or purely academic networking. Project activities should be clearly linked to territorial development, and not be merely focused on networking within the specific scientific/business sector, for which the interregional strand might be more appropriate.

In developing projects under the theme of innovation, it is of great importance to consider other European programmes and initiatives, such as the Research Framework Programme, the Competitiveness and Innovation Framework Programme, the Entrepreneurship and Innovation Programme, as well as the JEREMIE Programme (Joint European Resources for Micro and Medium Enterprises). The coordination of initiatives and activities at national and regional level is encouraged. Transnational cooperation projects should, where appropriate, refer to activities under these programmes and provide synergies through, for instance, transnational knowledge transfer vehicles funded under the NWE programme.

Targets (quantified and qualified using a limited number of indicators for output and results, taking into account the proportionality principle)\(^\text{16}\) (to be reviewed and completed!)

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\(^{16}\) Areas for consideration: Priority target values; Quantitative indicators; Qualitative indicators: to measure the learning effects and added-value of transnational cooperation; as well as the territorial impacts of projects; How to deal with the time-factor in measuring the effects of the transnational cooperation programme (possible implementation / effects after the project / programme is completed)
<table>
<thead>
<tr>
<th>OBJECTIVE (TARGET VALUES?)</th>
<th>OUTPUT INDICATORS at project level for monitoring project activities</th>
<th>RESULT INDICATORS at priority level for gauging the accomplishment of the programme’s purposes</th>
<th>IMPACT INDICATORS at programme level for monitoring the achievement of its overall objective(s)</th>
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<td></td>
<td>data collection: at least once a year at programme level and for project activities (or more frequent)</td>
<td>data collection: at least once a year</td>
<td>data collection: at least once a year</td>
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<td>to promote the application of knowledge by facilitating the transfer of innovations and knowledge from the scientific/academic community to businesses and other relevant actors</td>
<td>• No. of exchanges between public sector, research institute and private sector personnel</td>
<td>• No. of established connections between research institutes, public sector and industry</td>
<td>• increased GDP expenditure on R&amp;D as a percentage of GDP</td>
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<td></td>
<td>• Nr. of twinning actions regarding technology transfer institutions</td>
<td>• No. of new innovative products developed</td>
<td>• Nr. of new technology transfer centres created in NWE</td>
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<td></td>
<td>• (Indicators on the quality of exchanges?)</td>
<td>• No. of PPPs established to strengthen RTD capacity</td>
<td>• increased labour force in the RTD sector</td>
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<td></td>
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<td>• No. of tools for technology transfer between public (universities) and private (SMEs) bodies in different countries adopted in the regions / countries of NWE</td>
<td>• Nr. of innovative products disseminated in the market as a result of transnational R&amp;D activities in NWE</td>
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<td>• Amount of SME investment in R&amp;TD in NWE</td>
<td>• Nr. of new patents applications to the EPO per million inhabitants in NWE</td>
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<td></td>
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<td>• Increased venture capital investments in innovative SMEs as a percentage of GDP in NWE</td>
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<td>to develop new, and strengthen existing growth clusters and networks</td>
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<td>to improve the ‘innovation climate’ in NWE by addressing institutional capacities and barriers and to appropriately respond to the spatial implications from the ‘knowledge economy’</td>
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4.2 Priority 2: Managing our natural resources efficiently

Context and rationale
The high density of people and activities in NWE imply that the environment is under increasing pressure. Transport congestion, especially in the core area, has considerable negative environmental and economic implications. The sustainable management of NWE's natural resources calls for a broad range of activities aimed at minimising and preventing the pollution of land, water and air.

For NWE, sea level rise and more frequent and more damaging occurrences of river floods and storm events are expected and will have considerable spatial impacts. This calls for policies and practices which can reduce damage or address opportunities associated with climate change.

Besides the alleviation and adaptation to effects from climate change, the reduction of further greenhouse gas emissions is important. In this context, the promotion of energy efficiency and transport substitution provide scope for the development and implementation of innovative environmental design and technologies in different sectors and practices.

Coastal zones and wetlands are amongst the areas most vulnerable to the impacts of climate change. Actions in support of coastal areas and inland water systems should concentrate on integrated river basin management and on developing strategic actions and actions to tackle diffuse pollution from e.g. agriculture, traffic and untreated sewage overflows.

Hazards can include latent conditions that may represent future threats and can have different origins: natural (geological, hydro-meteorological and biological) or induced by human processes (environmental degradation and technological hazards). The risk depends on the potential damage a hazard can cause (probability/magnitude of occurrence) and the perception of potential impacts as perceived by a community or system.

Climate change can be expected to affect mainly the frequency of natural hazards and thus influence decisions on the risk management of all hydro-meteorological hazards. Climate change affects weather variables such as averages and extreme events in temperature, precipitation/rainfall (including snow and ice cover) and wind. The regions most affected by potential technological hazards include harbour areas and major centres of oil and chemical industries (e.g. along the river Rhine). An integrated, multi-hazard approach to disaster risk reduction should be factored into policies, planning and programming related to sustainable development, relief, rehabilitation, and recovery activities. An important aspect in tackling the challenge posed by hazards is to shift from a reactive (post-event) to a preventive orientation.

Civil protection, however, is only part of coping with hazards. In accordance with the preventive orientation, stress should be put on a broader strategy of vulnerability reduction, i.e. not putting people and/or other valuable assets in threatened areas. Vulnerability is defined as the conditions determined by physical, social, economic, and environmental factors or processes, which increase the susceptibility of a community to the impact of hazards. From this perspective, spatial and urban planning can be seen as key instruments.
Priority could lie therefore on avoiding areas with a high population density and those with important and/or fragile ecosystems. Furthermore, spatially balanced development is generally less vulnerable to hazards than the concentration of population and productivity around single growth poles. In sum, a polycentric, spatially and socially balanced economic development that takes necessary environmental precautions, is beneficial for the reduction of vulnerability in NWE, but contributes also to the competitiveness of the European Union.

**Aim**

The overall aim of the priority is to

*Promote an innovative and sustainable approach to natural resource management, risk management and the enhancement of the natural environment.*

**Benefits of transnational cooperation:**

Environmental threats and hazards are by definition of transnational concern. Equally, joint strategic actions may provide the solution to threat minimisation and be of transnational benefit. Climate change and its consequences, rising water levels, extreme environmental and technological hazards and maritime accidents are only a few examples where negative impacts know no borders; they require transnational handling approaches. These present themselves primarily through exchanges of know-how and innovative strategic actions developed jointly by different sectors and levels of administration.

Climate change and its consequences are at the forefront of the debate on natural hazards, but also technological hazards are of increasing concern in NWE, especially in the area of maritime safety. Adding a transnational and territorial dimension to EU directives and initiatives, such as the Water Framework Directive and the EU maritime thematic strategy as well as the emerging thematic strategic actions on waste minimisation, natural resources and soil protection could be considered.

Further, at transnational level, e.g. along large river basins, the monitoring of disasters and integrated and coordinated early warning systems should be achieved. An important prerequisite for a proper mitigation strategy is better communication between the different actors involved, and the better coordination of policy measures at all spatial scales. In particular, this will imply the better integration and co-operation between spatial planning experts and civil protection authorities.

Given the dominance of large river basins in NWE and seas surrounding parts of it, emphasis will be placed on increasing maritime safety, the protection of the marine environment as well as transnational actions to improve risk management related to river flooding.

**Objectives and possible actions**

The emphasis of this programme priority is on sustainable management of natural resources, including the management of natural and technological risks. Strategic actions to better adapt to spatial effects from climate change and for improved
energy efficiency are therefore of great importance to NWE. In addition, actions aimed at addressing the spatial impacts of distribution structures for renewable energy, eco-innovation\textsuperscript{17} and increased energy efficiency where transnational benefits can be demonstrated, will be supported.

Three objectives are defined. The list of possible actions is non-exclusive, but should give directions to project promoters on the type of initiatives that are expected.

**Objective 1:** To promote an innovative and sustainable approach to natural resource management, including water, biodiversity and energy, and to minimise greenhouse gas emissions

*Examples of possible actions:*

- Integrated transnational approaches to the management of trans-boundary river basins, coastal zones, seas, fresh water resources, forests and natural landscapes of transnational significance
- Joint strategic actions and concepts for offshore and onshore planning to protect and enhance the maritime environment and coastal zones, e.g. through common standards, harmonisation of data and information and common principles for use
- Joint measures complementing EU environmental policy and legislation by adding a transnational and territorial dimension, e.g. in the area of enhancing biodiversity
- Promotion of responsible production and consumption patterns and energy efficiency in all economic sectors and society at large, through for example joint awareness-raising measures and integrated concepts and action plans to reduce greenhouse gas emissions and to increase energy efficiency
- Joint strategic actions for energy savings, promotion and transfer of knowledge in alternative and renewable energy management patterns
- Transnational actions to promote eco-innovation, improved management tools for green technologies, lifecycle thinking and cleaner production processes

**Objective 2:** To promote an innovative approach to risk management, in particular water management (impacts of sea level rise on coastal areas and flood risk; the marine environment) in the context of climate change

*Examples of possible actions:*

- Coordinated approaches to improved risk management governance across national borders, e.g. by integrating spatial planning and civil protection policies and better integration of sector and spatial policies
- Integrated flood risk management in large river basins of NWE, including: harmonisation of different standards; improved institutional cooperation and better integration of national and regional administrative structures; interdisciplinary partnerships and PPPs; jointly developed hazard strategies/risk management plans and damage limitation; and harmonised standards for qualifications in the area of risk management.

\textsuperscript{17}Eco-innovation is the process of developing new products, processes or services which provide customer and business value but significantly decrease environmental impact.
• Coordinated actions to increase maritime safety and the protection of the marine environment (e.g. from technological hazards such as oil spills, a harmonised approach to dealing with ships in distress and accidents), for instance through contingency planning for marine pollution at sea and in coastal regions

**Objective 3:** To promote a transnational and spatial approach to improving the quality of soil, water and air

*Examples of possible actions:*

• Transnational actions aimed at improving the quality of water and coastal areas, with a clear link to the territorial development of the NWE territory

• Transnational actions aimed at improving the marine environment and integrating maritime activities with territorial development objectives of the NWE region (e.g. by developing a common maritime spatial planning concept for the English Channel and the Irish Sea).

• Joint innovative approaches to dealing with high groundwater tables in old mining areas

• Joint innovative approaches to territorial development to improve the quality of soil and combat soil erosion which are of transnational relevance

• Joint innovative approaches to territorial development to improve the quality of air which are of transnational relevance

**General remarks:**

Preference will be given to cross-sectoral projects addressing obstacles in legislative systems and lack of integration of institutional and governance structures, which are focused on improved and better integrated responses. Projects limited to data collection and management, or local/regional activities of purely cross-border relevance will not be supported. Sectoral strategic actions on the use and management of natural resources, which do not stimulate the economic development of NWE and do not contribute to wider territorial development objectives, are also not supported.

In developing projects under this priority, synergies and complementarities should be achieved with relevant EU strategies and initiatives, such as the Rural Development Guidelines, the Sixth Environmental Action Programme and its Thematic Strategies, the EU Climate Change Programme and the Green Paper on Energy. Activities in the area of marine environmental policy and legislation, and in the area of maritime safety (e.g. the cross-programme initiative 'Maritime Safety Umbrella Operation') should be given due attention when preparing projects in this area. In addition, while the implementation of EU environmental directives as such is ineligible for funding under this programme, there might be potential to investigate transnational aspects of the legislative frameworks in order to achieve better integration and harmonisation across the territory. Furthermore, projects under this priority should consider other European programmes, such as LIFE+, the Intelligent Energy Europe Programme, Trans-European Energy Networks (TEN-Es) and the EU Emissions Trading Scheme, as only those projects can be funded by the NWE programme which have a significant transnational and territorial dimension.
To promote an innovative and sustainable approach to natural resource management, including biodiversity and energy

- No. of actors from different countries and sectors involved in the development of natural resource management plans
- (Indicators on the quality of exchanges?)

To promote an innovative approach to risk management, in particular water management (impacts of sea level rise on coastal areas and flood risk; the marine environment)

- No. of actors from different countries and sectors involved in the development of risk management plans
- Nr. of strategic actions and plans concerning maritime cooperation and safety
- (Indicators on the quality of exchanges?)

To promote a transnational and spatial approach to improving the quality of soil, water and air

- No. of transnational initiatives to reduce negative impacts on the quality of soil, water and air
- (Indicators on the quality of exchanges?)

<table>
<thead>
<tr>
<th>OBJECTIVE (TARGET VALUES?)</th>
<th>OUTPUT INDICATORS at project level for monitoring project activities</th>
<th>RESULT INDICATORS at priority level for gauging the accomplishment of the programme’s purposes</th>
<th>IMPACT INDICATORS at programme level for monitoring the achievement of its overall objective(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>To promote an innovative and sustainable approach to natural resource management, including biodiversity and energy</td>
<td>data collection: at least once a year at programme level and for project activities (or more frequent)</td>
<td>data collection: at least once a year</td>
<td>reduced consumption of natural resources and loss of biodiversity</td>
</tr>
<tr>
<td></td>
<td>• No. of actors from different countries and sectors involved in the development of natural resource management plans</td>
<td>• No. of natural resource management plans established, responding to anticipated climate change effects (and implemented)</td>
<td>increased share of renewable energies in the energy consumption</td>
</tr>
<tr>
<td></td>
<td>• (Indicators on the quality of exchanges?)</td>
<td>• No. of initiatives implemented to increase energy efficiency</td>
<td>increased number of risk management strategic actions and agreements (e.g. on flood risk or marine protection)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>increased number of common management systems / tools concerning maritime reserves (based on strategic actions and plans developed)</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>increased number of protected biotypes (marine, coastal, wetland and land)</td>
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<td></td>
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<td>decreased pollution of soil, water and air</td>
</tr>
</tbody>
</table>
4.3 Priority 3: Improving connectivity in NWE by promoting intelligent and sustainable transport solutions

Context and rationale

While NWE is characterised by a generally high level of accessibility, regional imbalances persist with the more peripheral and rural areas having a generally lower level of accessibility (through transport infrastructure) and connectivity (through advanced ICT), while the core areas suffer from congestion. There also continues to be a need to improve and harmonise transport connections across national borders, as well as along European and transnational transport corridors. Accessibility is defined as the possibility that activity spaces can be used by individuals or be reached by goods within stated budgets of time, costs and discomfort. Connectivity is the sum of (infrastructural) relations within a city or region, including both transport and Information and Communication Technology connections.

Besides being a hub of extensive economic and transport activity within Europe, NWE is also characterised by considerable transit flows through the region and to other parts of Europe and the world. There is an expected increase in both passenger and freight flows across Europe following EU enlargement and reflecting increasing globalisation, and the impacts of this will be felt strongly in the central area of NWE in terms of worsening congestion and increasing levels of pollution. Besides North-South transport corridors, the volume of and demand for West-East connections are steadily increasing. Greenhouse gas emissions from transport and industrial activity are largely responsible for climate change, and densely populated areas such as the central area of NWE therefore have a particular responsibility to achieve more sustainable forms of mobility. The promotion of Intelligent Transport Systems (ITS) and advanced Information and Communication Technologies (ICT) can help to alleviate transport problems along transnational corridors and bottlenecks and to make better use of existing transport infrastructure capacity. ITS are systems which consist of electronics, communications or information processing and which are used singly or integrated to improve the efficiency or safety of surface transportation.

In addition, the increase in energy prices will demand a thorough rethinking of travel patterns and levels of mobility, and there is a need to achieve more efficient solutions for accessibility and connectivity. The rapid development of information and communication technologies (ICT) has become an important competitiveness factor, which affect the economic and social attractiveness of locations. The promotion of better use of ICT across NWE provides an important opportunity to replace physical mobility through virtual exchanges, and to mitigate the impacts of geographical distances and physical barriers to accessibility. While a digital divide continues to exist in NWE between the central and more peripheral parts of the region, there are also some important problems related to attitude, lack of computer skills and language barriers of the general public and smaller businesses which affect the efficient use of modern ICTs and e-commerce.

Aim

The overall aim of the priority is to

to improve the functional integration of NWE through improved connectivity and accessibility by promoting sustainable transport connections for both
passengers and freight on rail, waterways and sea for the transnational territory and beyond; through achieving a more sustainable modal shift and through promoting advanced ICT to achieve better connectivity and making better use of existing transport infrastructure.

Benefits of transnational cooperation:
The focus of this priority will lie on joint transnational solutions in the field of transport and ICT which help to overcome the barriers to both the diffusion of innovation and knowledge and to traffic flows, and thus to strengthen NWE’s sustainable economic growth and territorial cohesion. The barriers include:

- national borders, which continue to be characterised by low operability of national transport networks;
- the English Channel and other seas, which is considered a physical barrier to the better connection through flows of goods and passengers between the UK, Ireland and mainland Europe;
- Interfaces causing low compatibility between European, national and regional transport networks;
- congestion in the central area of NWE;
- low population density preventing the provision of large-scale public transport infrastructure and market-provided ICT infrastructure in the more peripheral areas;
- lack of harmonisation of transport and ICT policies with spatial policies at all levels and lack of coherence with comprehensive territorial development actions.

A key area for further development is logistics: planning, organisation and execution of transport operations. This currently accounts for 10-15% of the final cost of finished products and Europeans spend around 1 trillion euro each year on logistics expenditure. Optimising the use of all transport modes and facilitate their integration into a single supply chain. This will allow European businesses to cut costs, giving them a more competitive edge and fostering economic growth.

More efficient logistics chains will also serve to tackle pollution, congestion and energy dependence going completely in line with the EU Transport White Paper. Moreover, interoperability, multi-modal transport chains; the introduction of smart technologies at relatively inexpensive prices and simplification of administration are all areas where scale matters. Creating transnational partnerships increases the chances of more efficient responses to such challenges.

Objectives and possible actions
The emphasis of this programme priority is on improving the connectivity and internal and external accessibility of NWE and promoting more sustainable modes of transport.

Three objectives are defined. The list of possible actions is non-exclusive, but should give directions to project promoters on the type of initiatives that are expected.
Objective 1: to manage transport growth through optimisation of the capacity of existing (unimodal) transport infrastructure for both passenger and freight transport

Examples of possible actions:
- more energy-efficient modes of travel by, for instance, achieving a modal shift from road to rail transport
- actions to make more efficient use of existing transport infrastructure capacity

Objective 2: to support effective and innovative multi-modal strategic actions and efficient inter-operable systems on land and water

Examples of possible actions:
- the development of inter-regional territorial development strategic actions to maximise the economic development potential of transnational development corridors (e.g. from Ireland across the English Northern Way to continental Europe and the East; from Randstad and Rhine-Ruhr to Eastern Europe; between Frankfurt-Stuttgart-Rhein/Neckar, Strasbourg and Zürich-Basel; a North-South axis from Randstad-Central Belgian Urban Network-Paris/Luxembourg; and between the ArcManche regions).
- Integrated territorial development programmes to tackle the 'by-pass effect' of major rail transport connections, such as the Channel Tunnel Rail link or other HST lines, on secondary centres. This can include improvements to feeding systems of secondary rail networks into the HST connections to strengthen local and regional access to transnational networks, and enhanced inter-operability of national and regional systems.
- increasing the potential of inland waterway and maritime transport (short sea shipping and long-distance maritime transport), related inter-modal shift and improved hinterland connections
- Improving interoperability and intermodality of passenger and freight transport on land, inland waterways and sea, including harmonisation of all forms of public transport across national borders and on transnational East-West and North-South corridors

Objective 3: to develop innovative approaches to the use of ICT and/or ITS aimed at reducing the need to travel and replacing physical mobility through virtual activity for both passenger mobility and freight transport

Examples of possible actions:
- the use and promotion of advanced ICT or ITS to improve transnational transport connections (in particular rail and sea transport).
- Promoting the use of advanced transport information systems and advanced traffic management systems (e.g. the innovative use of real-time information systems or navigation systems using e.g. Galileo) to improve transnational transport flows.
• Harmonisation of standards in, and compatibility of, ICT and ITS transport technology across national borders, with a view to improving the functional territorial integration of NWE and a more balanced territorial development.

• The use of advanced ICT to reduce the need to travel and to replace physical mobility through virtual exchanges

General remarks:

The programme favours a multi-stakeholder approach in tackling the barriers. It will not support research or purely application-oriented tools in logistics without achieving better spatial integration, increased capacity in multimodal transport corridors, and interoperability of transnational, national and regional networks. Future projects should pay attention to the harmonisation of regional innovation, transport and spatial strategic actions; the better integration of transport and territorial development, especially across national borders; and on strengthening the political and institutional framework for enhancing the quality and performance of infrastructure and services across the transnational territory.

In developing projects under the theme of accessibility and connectivity, it is of great importance to consider other European programmes and initiatives, such as the TEN-T priority axes in NWE, the Marco Polo II Programme, the CIVITAS initiative, the NAIADIES Action Programme, and the QuickStart Programme in the field of transport. In the field of ICT, synergies should be explored with the ICT Policy Support Programme, eContentPlus, and IDABC (European eGovernment services).

**Targets (quantified and qualified using a limited number of indicators for output and results, taking into account the proportionality principle) (to be reviewed and completed!)**

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<td>data collection: at least once a year</td>
<td>data collection: at the end of the programming period</td>
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<td>Objective</td>
<td>Indicators</td>
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</table>
| to manage transport growth through optimisation of the capacity of existing transport infrastructure | • No. of local, regional and national actors involved in the transnational transport action project  
• No. of countries covered in terms of improved connectivity by the project actions  
• (Indicators on the quality of exchanges?)  
• No. of actions to improve the modal split and share of sustainable transport solutions at transnational level  
• No. of feasibility studies and actions on the development of integrated transport systems, especially in response to demographic change  
• No. of proposals concerning the harmonisation of national and regional transport systems in NWE  
• % increase in use of inter-modal transport systems in NWE  
• Increased use of alternative solutions to road transport at transnational level  
• Improved use of existing transport infrastructure  
• Increased interoperability and intermodality of passenger and freight transport in NWE  
• Reduced level of congestion on major transport routes  
• Increased use of ICT technologies / ITS to reduce the need to travel and improve transnational transport connections  
• Reduction of greenhouse gas emissions (in tons) |
| to develop functioning multi-modal strategic actions and efficient inter-operable systems on land and water | •                                                                                                                                    |
| to develop innovative approaches to the use of ICT and/or ITS aimed at reducing the need to travel and replacing physical mobility through virtual activity | • Nr. of SMEs involved in projects on ICT improvements connecting rural and urban areas  
• (Indicators on the quality of exchanges?)  
•                                                                                                                                    |
4.4 Priority 4: Promoting sustainable and dynamic communities at transnational level

Context and rationale

The settlement structure of NWE is characterised by a densely populated central part, which is home to global command centres (Paris and London) as well as other important metropolitan areas (Rhine-Ruhr, Frankfurt/Main, Randstad, the Central Belgian Urban Network) and a good network of smaller cities and towns. The more peripheral parts of NWE, in particular Scotland, Western Ireland and parts of France, are of more rural character. Regional disparities, thus, persist in NWE in regard to access as well as demographic 'mass' which impact on the economic potential of the cooperation area. Current migration trends exacerbate this structure, with increasing polarisation and concentration of population in and around metropolitan areas, while at the same time rural areas are affected by out-migration and depopulation.

Due to the settlement structure of NWE, cities and towns in the central part benefit from physical proximity, but cooperation at transnational level should consider the more strategic connections between urban areas. In order to achieve a more balanced territorial development and maintain the economic performance of NWE overall, the concentration should therefore be on networks of flows, both material (e.g. trade, FDI) as well as immaterial (e.g. transfer of knowledge). However, there is still a need to identify strengths and areas that would benefit from strategic cooperation and networking, which should be taken into account for further cooperation between cities and universities.

The high level of economic activity, transport and dense development also affect the natural environment of NWE, and landscape fragmentation and loss of biodiversity are of considerable concern. Likewise, the transnational value of the cultural heritage of NWE can be considered as an important locational factor, as contributing to the regional identity of the transnational area and an important asset for economic development through sustainable tourism activities. For the territorial development of the cooperation area, the relevance of pleasant surroundings to attracting key and highly skilled knowledge workers is considered to be of increasing relevance.

Demographic change and low fertility rates are a concern in most regions of NWE, but much of this population decline is currently still offset by in-migration, certainly in the metropolitan areas. While population decline is less severe in NWE than in other parts of Europe, the low fertility rates and ageing of the population will have their effect on the territorial development of the region in the medium to longer-term. The territorial development consequences of demographic change and ageing are numerous, ranging from changing transport requirements (modes of transport, times of travel) to land use demands (housing needs for the elderly population, imbalanced development due to increasing urban and depopulating rural areas and their effects on the availability and need for infrastructure and services).

This priority, therefore, aims at actions and model solutions for adapting policies to achieve a better balance in the settlement structure and avoid further polarisation and depopulation tendencies, and to make better use of the potentials of NWE in order to enhance its competitiveness. Promoting sustainable and dynamic communities, which contribute to achieving the Lisbon and Gothenburg objectives, requires medium- to long-term efforts in the urban and rural regions of NWE, which help to overcome administrative and institutional boundaries, support the principles of sustainability, engage a wide range of actors and challenge or complement existing
planning policies and strategies. Sustainable and dynamic communities, which contribute to a better territorial balance at transnational level and to the economic competitiveness of the cooperation area overall, build on functional strengths and diversification. They provide examples of good governance at transnational level, by helping to overcome institutional and administrative barriers that prevent the effective use of trans-boundary potentials and share responsibilities for their wider hinterlands.

**Aim**

The overall aim of this priority is to

> Strengthen the balance and sustainability of NWE’s settlement structure through improved transnational governance for urban networking, urban-rural, inter-rural and shore-hinterland partnerships, thus contributing to sustainable growth and jobs in the cooperation area.

**Benefits of transnational cooperation:**

Transnational cooperation could contribute to a more balanced and sustainable settlement structure and to making the cities and towns in NWE more competitive. A more balanced territorial development of the NWE territory, including stronger complementarities and synergies between cities and towns, and between cities and their hinterlands, will be crucial for achieving sustainable communities which are safe, fair, thriving, environmentally sensitive, well run, served, connected and designed, as intended at the agreement of the Bristol Accord.

Under the UK Presidency of the second half of 2005, EU ministers agreed to renew their engagement to deliver jobs, economic prosperity, social justice, and improved quality of life for Europe’s 450 million citizens by signing the Bristol Accord. This builds on the Rotterdam urban acquis, the Lisbon agenda for jobs and growth, the goals of environmental sustainability agreed at Gothenburg, and effective democratic governance agreed at the Warsaw Summit in May 2005.

Sharing experience and exchanging best practice across Europe will help to speed up the process of creating stronger, more competitive, more balanced cities and regions. This will help inform local, national and European regional policy to deliver places where people want to live and work, now and in the future.

**Objectives and possible actions**

The emphasis of this programme priority is on achieving a more balanced settlement structure and making the cities and towns in NWE more competitive at the European level.

Three objectives are defined. The list of possible actions is non-exclusive, but should give directions to project promoters on the type of initiatives that are expected.

**Objective 1:** to strengthen urban nodes and networks at transnational level by promoting social and economic development through cooperation between cities and towns, thus contributing to the competitiveness of NWE overall
Examples of possible actions:

- actions aimed at improving the governance and institutional context for strategic urban networking, including better integration of sector and spatial policies and harmonisation of institutional approaches
- transferable solutions to support the performance of transnational business clusters in NWE (both service and manufacturing) through the provision of appropriate, spatial planning and administrative support
- actions aimed at strengthening the network of secondary cities in NWE in order to develop counterweights to the dominant metropolitan areas
- preparation of cross-sectoral strategic actions at transnational level aimed at improving the territorial performance and at achieving a more balanced and sustainable spatial pattern by building on functional specialisations and different potentials of cities and towns in NWE

Objective 2: to improve the transnational performance of natural environment and cultural heritage and to strengthen urban-rural relationships\(^{18}\) that contribute to a balanced and competitive development of the NWE territory overall

Examples of possible actions:

- elaboration, testing and dissemination of models and tools for efficient urban-rural partnerships, e.g. as regards integrated territorial responses to different challenges from demographic change in urban and rural areas, or from long-distance commuter linkages
- Preparation of strategic actions for the sustainable use and management of natural and cultural resources of transnational relevance in order to strengthen the overall competitiveness of the NWE at European and global level
- Joint strategic actions to strengthen cultural assets in non-metropolitan and rural areas to achieve a better spatial balance across the territory and improve the attractiveness for investments outside the main urban centres

Objective 3: to promote a transnational response to the spatial impacts of demographic change and migration on the NWE territory, and the implications for education and the labour market (supply and demand of skills across the territory)

Examples of possible actions:

- transnational actions for improving the accessibility of, and access to, services like ICT for rural and urban areas affected by ageing and depopulation
- elaboration and implementation of transnational adaptation strategic actions, actions and models addressing demographic change and migration processes

\(^{18}\) The policy notion of urban rural partnerships is seen as a key mechanism for spreading the benefits of dynamic growth zones to their hinterlands, mitigating the adverse effects emanating from these growth zones, and strengthening local initiatives in rural areas.
• capacity building at institutional level to encourage and improve decision-making and new forms of governance to achieve a better spatial balance across NWE, especially in the context of demographic change

• facilitate the better socio-economic integration of highly-skilled migrants in smaller cities and towns through cooperation between global centres and large metropolitan areas and second order cities and thus achieve a better balance between depopulating areas and overpopulated metropolitan areas in NWE

General remarks:
The priority will allow for multi-stakeholder and cross-sectoral strategic actions at the transnational level in order to achieve better integration of institutions and governance. The priority excludes support of purely local/regional actions, as well as the restoration and regeneration of local sites. For projects on urban networking and urban-rural partnerships, projects which concentrate on local actions with no transnational synergy effects, or with weak involvement of private sector and predominantly aimed at improving the performance of the public sector, i.e. without wider territorial development benefits for the transnational area, will not be supported.

In developing projects under this priority, it is of great importance to consider other European programmes and initiatives, such as URBACT, the Thematic Strategy on the Urban Environment (6th Environmental Action Programme), and Objective 1 measures.

Targets (quantified and qualified using a limited number of indicators for output and results, taking into account the proportionality principle) (to be reviewed and completed!)

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>OUTPUT INDICATORS</th>
<th>RESULT INDICATORS</th>
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<tr>
<td>(TARGET VALUES?)</td>
<td>at project level for monitoring project activities</td>
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<td></td>
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<td>data collection: at the end of the programming period</td>
</tr>
<tr>
<td>to strengthen urban nodes and networks at transnational level by promoting social and economic development through cooperation between cities and towns, thus contributing to the competitiveness of NWE overall</td>
<td>Nr. of actors from nodes in the network involved in transnational cooperation</td>
<td>Nr. of strategic actions on city partnerships at strategic level in NWE</td>
<td>Increased balance of settlements and economic activity across the NWE territory</td>
</tr>
<tr>
<td></td>
<td>Networks (Indicators on the quality of exchanges?)</td>
<td>Nr. of strategic actions on strengthening the role of 2nd and 3rd order cities in NWE</td>
<td>Improved responses to the effects of demographic change and migration, as well as climate change, on settlements in NWE</td>
</tr>
<tr>
<td>to improve the transnational performance of natural environment and cultural heritage and to strengthen urban-rural relationships that contribute to a balanced and competitive development of the NWE territory overall</td>
<td>Nr. of actors involved in project actions concerned with urban-rural relationships (Indicators on the quality of exchanges?)</td>
<td>Nr. of transnational actions to reduce the negative impacts of urban growth and sprawl at transnational level</td>
<td>Increased capacity for transnational cooperation and decision-making at</td>
</tr>
</tbody>
</table>
4.5 Quality requirements for future projects

Projects to be funded by the programme should contribute to achieving the programme aim and the priority objectives for territorial transnational cooperation as outlined in this Operational Programme.

In order to receive funding, projects have to be transnational and respect the subsidiarity principle, i.e. the project theme is of such nature that it can not be sufficiently tackled by nation-states or regions alone and requires cooperation of partners from at least two countries, of which at least one shall be a Member State. The requirement for transnationality implies that:

- The project addresses a topic of importance for, or having an impact on, the whole or an important part of the NWE cooperation area;
- The project develops model solutions and provides for exchange of know-how and learning in a transnational context through the involvement of relevant actors in different countries of the programme area; and/or
- The project provides joint strategic actions, programmes or concepts for the whole of NWE or large contiguous parts of the transnational cooperation area.

Transnational projects funded by the NWE cooperation programme should bring about tangible and innovative results which are of common benefit to a large number of partners in NWE. An innovative approach to transnational territorial cooperation implies that projects make appropriate reference to previous transnational projects within the framework for the NWMA INTERREG IIC and NWE INTERREG IIIB programmes, as well as other relevant EU-funded projects and relevant initiatives at wider European level. Project applications should state clearly the state of knowledge on which they build, by making appropriate references to existing projects, actions and studies in the field in order to avoid duplication and to build on the success of the existing transnational cooperation programme. Projects building on existing INTERREG IIIB projects will not be supported if these present merely a continuation of existing activities. While the experiences gained under the INTERREG IIIB programme should be taken forward, this should result in new approaches and a project aiming for tangible and innovative results.

The project proposal should aim to produce results and establish structures which will last beyond the lifetime of the project, i.e. have a long-term perspective, are durable and lay the ground for further investments or initiatives. The following types of projects will be supported: action projects, small-scale investments, and feasibility studies where these can be linked to concrete actions. Study projects without concrete actions will not be supported.
Project proposals should positively contribute to the sustainable territorial development of NWE by incorporating the following three cross-cutting themes in their outline, methodology and actions:\footnote{Cross-cutting themes also to be included in selection criteria?}

1) To strengthen the economic competitiveness of NWE in response to the Lisbon agenda;

2) To increase the environmental sustainability of NWE in response to the Gothenburg agenda, and

3) To achieve a stronger territorial cohesion of NWE by reducing territorial disparities reflecting the aim of the EU Cohesion Policy.

Future transnational projects should contribute to an integrated territorial approach, by fostering cooperation vertically (among different levels of government), horizontally (among different policy sectors) and geographically (across administrative boundaries).

The bidding partnership should be consistent, by bringing together the relevant partners with the capacity to deliver and make use of the project results. If partners from outside the programme area are involved, or if actions are foreseen to take place outside the programme area, it has to be demonstrated that these are crucial to the success of the project and bring additional benefits to the programme area. In such exceptional, duly justified cases, a small part of the Programme budget may be spent outside the Programme area and/or the EU. The partnership should make appropriate provisions to transferring project results outside the partnership, as well as to communicating the project’s key messages to a wide audience of policy- and decision-makers and other potential interest.

Projects should put forward a professional and effective communication strategy which, besides ensuring excellent communication between project partners and the programme management structures, is explicitly aimed at disseminating project information and findings to interesting parties outside the project partnership. One of the key aspects of transnational territorial cooperation programmes is the expectation that projects result in organisational learning effects and that project actions will lead to model solutions which can be transferred to other interests outside the partnership. Due consideration should therefore be given by project partnerships to share the knowledge gained during the project with other actors and thus achieve synergy effects and contribute to making the best use of resources.

Project proposals should in general take into account the findings and achievements of INTERREG IIIB NWE projects which are relevant to the scope of this priority, to avoid duplication of existing knowledge and solutions on how to tackle the identified shortcomings and concerns. Transnational cooperation projects should concentrate on gaps in the territorial and thematic coverage.

5. Strategic initiatives

The draft ERDF Regulations (dated 28 April 2006; Art. 12(9)) propose that an indicative list of major projects, which are expected to be submitted during the programming period for Commission approval, should be included into the transnational territorial cooperation Operational Programmes for the period 2007-
2013. In response to this requirement, the Member States responsible for the North West Europe Programme have decided to promote a novel approach for project development, which effectively combines the tradition of bottom-up involvement of key actors with a stronger strategic top-down perspective.

The Member States involved in the NWE Programme will thus particularly encourage a number of initiatives for transnational action which are of particular strategic relevance for achieving the NWE Programme aim and priority objectives, and which are linked to major issues in the SWOT analysis. These strategic initiatives are expected to:

- make a significant contribution to achieving the Programme aim by promoting a vertically, horizontally and geographically integrated territorial approach in response to several of the identified priority objectives;
- deal with topics of major importance for the NWE co-operation area in response to the NWE SWOT analysis;
- promote a cross-sectoral approach and involve a wide strategic partnership, bringing together key relevant agencies with the capacity to deliver and make use of the project results; and
- focus on providing a joint strategy, programme or concepts for the whole of NWE or large contiguous parts of the transnational co-operation area.

These strategic initiatives are expected to be primarily developed along potential transnational ‘development corridors or zones’ in NWE in order to align the economic potential along existing and planned multiple transport axes. Competition among regions and cities and even within member states for the same type of investment still often hinders the full exploitation of the potential of these transnational corridors and zones. Whilst competition among centres may be a force for innovation and positive action, there is at the same time a need to develop more effective co-operation on inter-regional development programmes that maximise the overall benefit to NWE and the EU, make best use of existing infrastructure and skills, and limit the wasteful element of competition among the regions.

Strategic initiatives are also necessary to reflect and build upon the NWE’s distinctiveness. As one example, although the NWE is home to the EU’s economic core and its Member States share economic, cultural and transport links, there are still significant programme, spatial and thematic gaps in strengthening cooperation across maritime areas because more than 40% of the NWE’s territory and a third of its population are physically separated from mainland Europe - and each other - by the North Sea, Irish Sea and the Manche.

Strategic initiatives along development corridors and zones are therefore particularly (but not exclusively) promoted where there is considerable scope for co-ordinating the regional strategic actions of the areas that have potential for economic growth and provision of services. Effective transnational co-operation within these corridors and zones would help to create more balanced development of the territory and maintain and create polycentric urban structures. In order to make the best use of available funds towards achieving transnational territorial benefits in pursuit of the Lisbon-Gothenburg Strategy, project promoters are encouraged to consider applications to relevant Objective 2 programmes for relevant infrastructure investments alongside their application to the NWE Programme.
Several potential ‘corridors’ could be considered, of which the following are examples (see Figure 21):

- the corridor from Dublin and east Ireland coast to Belfast and across to the Northern Way of England (North West, Yorkshire and the Humber and North East, possibly with an arm to Strathclyde) and across to continental Europe and the east;
- Randstadt – Rhine Ruhr – eastern Europe;
- ArcManche Regions;
- from the Channel to the North Sea and Baltic Sea;
- from the Netherlands to the Île de France and beyond; and
- from Ireland and the UK across to France and Switzerland.

Within these corridors, transnational action could be taken to:

- provide incentives for testing the complementarity of regional development and spatial strategic actions and seeking opportunities for mutually beneficial co-operation;
- reward co-operation with selective investment in critical hard and soft infrastructure to help realise the corridor concept;
- create added value from other EU Cohesion Policy and national and regional policy;
- maximise the economic and social benefits of existing and new transport and other infrastructure through territorial development strategic actions;
- create an inter-regional knowledge transfer network linking business and research support providers already existing in the regions;
- connect and facilitate collaboration between emerging strategic zones to complement collaboration between established strategic zones and areas;
- tackle the special challenges of the NWE territory where appropriate and beneficial through the new cross programme and maritime bilateral cooperation flexibilities.

Bringing these objectives and opportunities together within Strategic Initiatives – the strengthening and creation of spatial frameworks of cooperation – provides an effective and appropriate value for money strategy reflecting the NWE’s distinctive character, limited NWE resources, and the spirit of the draft Regulations. The emphasis would not be on creating new instruments and procedures but on ensuring more complementarity of existing spatial and sectoral planning instruments, and thus creating more inter-regional and transnational cohesion.

In order to actively stimulate these strategic initiatives, the Member States in the NWE Programme envisage thematic seminars to which key actors will be invited. External experts might be involved to provide the relevant know-how for the preparation of strategic integrated projects and for the identification of relevant key partners to deliver project objectives.
Figure 21: Examples of transnational development corridors with considerable potential for coordinating regional strategies in north-west Europe

- INTERREG IIIB area NWE until 2006
- Extensions from 2007, constituting the area for the objective “Territorial Cooperation”
  - From Dublin and east Ireland coast, across Northern Way of England, to continental Europe and the East
  - From Randstad and Rhine Ruhr to Eastern Europe
  - ArcManche regions
  - From the Channel to North Sea and Baltic Sea
  - From the Netherlands to the Ille de France
  - Corridor from Ireland via UK, France and Switzerland
6. Programme Management

Building on the experience of the NWMA INTERREG IIC and NWE INTERREG IIIB Programmes, the Member States participating in the North West Europe Objective 3 Programme have established a common structure to manage, co-ordinate and supervise the implementation of the Programme.
6.1 Programme management bodies

National Authorities
The National Authorities of the participating Member States will retain responsibility for the North West Europe Objective 3 Programme. The list of responsible ministries in the participating countries is attached in appendix B.

The Member States will sign a convention with the Managing Authority establishing their shared responsibility concerning the execution of the Programme and the role of the Secretariat.

Managing Authority
The Conseil Régional Nord–Pas de Calais (France) has been appointed to act on behalf of the Member States as the Managing Authority for the North West Europe Objective 3 Programme. The seat and the main offices of the Managing Authority (MA) are located in Lille.

Tasks and responsibilities
Pursuant to Article 59 of the General Regulation, Article 15 of the ERDF regulation and Articles 7, 13 and 21 of the Commission Regulation, the Conseil Régional Nord–Pas de Calais will be responsible for the sound financial management and implementation of the NWE Operational Programme (OP).

This responsibility includes the following:

- Accuracy and legality of payment transactions including internal controls and corrective measures (including the certification of service provision)
- Information and publicity measures related to the OP
- Liaison between the authorities implementing the Programme and other interested parties where necessary
- Liaison with the European Commission and the implementation of all accepted recommendations for amending management and monitoring procedures

The Managing Authority is assisted by the Joint Technical Secretariat in the implementation of its responsibilities and related tasks.

Certifying Authority
The Caisse des Dépôts et Consignations (specifically its ‘Direction Bancaire - Département Gestion sous Mandat’ based in Paris) has been appointed Certifying Authority for the North West Europe Objective 3 Programme.

Tasks and responsibilities
Pursuant to Article 60 of the General Regulation, Article 14 of the ERDF regulation and Articles 19, 21 and 23 of the Commission Regulation, the Certifying Authority will be responsible for the payment of ERDF assistance. This includes the following:
• Drawing up and submitting payment claims to the European Commission
• Certifying the accuracy of payment certificates presented to the Commission
• Receiving funds from the Commission Making payments to final beneficiaries
• Ensuring that the Managing Authority fulfils its financial responsibilities in a legal and proper way
• Maintaining records of all expenditure declared to the Commission and keeping account of all recoverable amounts

A joint bank account held by the Certifying Authority will be opened to receive and effect all necessary payments.

Audit Authority

The Commission Interministérielle de Coordination des Contrôles portant sur les actions financées par les fonds structurels20 (CICC) has been appointed Audit Authority for the North West Europe Objective 3 Programme.

Tasks and responsibilities

Pursuant to Articles 61 and 72 of the General Regulation, Articles 14 and 16 of the ERDF regulation and Articles 16, 17, 22 and 23 of the Commission Regulation, the Audit Authority will be responsible in particular for:

• Presenting an audit strategy to the Commission within nine months of the approval of the OP
• Ensuring that audits are carried out to verify the effective functioning of the management and control systems of the Operational Programme
• Ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared
• Submitting an annual control report to the Commission at the end of each year from 2008 to 2015
• Submitting a closure declaration to the Commission at the latest by 31 March 2017

The Audit Authority will be assisted by a group of auditors from each Member State participating in the programme. The group of auditors will be set up within three months of the approval of the OP.

Monitoring Committee

In line with Article 62 of the General Regulation, a Monitoring Committee (MC) will be set up within three months of the official approval of the OP by the European Commission.

The Monitoring Committee will draw up its own Rules of Procedure and will agree them with the Managing Authority.

Tasks and responsibilities

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20 To be confirmed by a Ministerial decision expected in early summer 2006
Pursuant to Article 64 of the General Regulation, the Monitoring Committee will supervise the effectiveness and quality of the implementation of the ERDF assistance. It is responsible for the overall strategic management and monitoring of the OP. This includes the following responsibilities:

- Implementing the OP including the physical and financial indicators used to oversee the Programme
- Approving amendments to the OP
- Approving the project selection procedure, including relevant eligibility and selection criteria
- Approving the Joint Technical Secretariat workplan and the use of the Technical Assistance budget
- Reorienting the project development process to ensure that the strategic objectives of the Programme are met

Membership

The Monitoring Committee will be made up of representatives of the national and regional authorities of the participating Member States and the Swiss Confederation. Representatives of the European Commission, the Managing Authority and the Certifying Authority will participate in the work of the Monitoring Committee in an advisory capacity. Representatives of the European Investment Bank and transnational non-governmental organisations may participate in the work of the MC in an advisory capacity.

Steering Committee

The Steering Committee (SC) will be set up by the Monitoring Committee at its first meeting. The Steering Committee will draw up its own Rules of Procedure and agree them with the Monitoring Committee.

Tasks and responsibilities

The Steering Committee will take on the following tasks:

- Selecting projects
- Co-ordinating the monitoring of implemented projects

Membership

The Steering Committee will be made up of representatives of the national and regional authorities of the participating Member States and the Swiss Confederation. Representatives of the European Commission, the Managing Authority and the Certifying Authority will participate in the work of the Steering Committee in an advisory capacity.

Transnational advisory working groups may also be formed around specific issues of relevance to the Programme. They will act in a strictly advisory capacity; will not be involved in any kind of pre-selection and their activities will not be funded by the Technical Assistance budget.
Joint Technical Secretariat

Pursuant to Article 14 of the ERDF Regulation, a Joint Technical Secretariat (JTS) based in Lille will assist the Managing Authority, the Certifying Authority, the Audit Authority, the Monitoring Committee and the Steering Committee in the implementation of their tasks and responsibilities.

Tasks and responsibilities

The Joint Technical Secretariat undertakes the day-to-day implementation of the Programme and is responsible for:

- Implementing and following up all Monitoring and Steering Committee decisions
- Preparing and providing all necessary information to the Managing Authority and Certifying Authority to allow the fulfilment of their responsibilities
- Liaising with the Contact Points in their work to develop project ideas and promote the Programme
- Facilitating and proactively initiating the development of transnational projects
- Assisting candidates in the development of projects, including technical and financial advice
- Assisting Lead Partners and project co-ordinators during project implementation
- Implementing the publicity strategy approved by the Monitoring Committee

Network of Contact Points

Contact Points will be established in each of the Member States to facilitate implementation of the Programme within the Member States, to involve authorities responsible for local and regional development in the generation of transnational projects and to act as a network to assist the Joint Technical Secretariat in the project development process.

Tasks and responsibilities

The Contact Points will take on the following tasks:

- Advising candidates in the preparation and implementation of projects
- Acting as ambassadors for transnational co-operation, in particular at local and regional level
- Capitalising on their knowledge of local and regional conditions, advising candidates on the best way to improve the transnational characteristics of their projects and proactively stimulating the project development process
- Facilitating international partner searches
- Assisting the Joint Technical Secretariat in the development and implementation of the publicity strategy in order to catalyse the development of transnational NWE projects

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21 The Member States have yet to decide whether the Contact Points will be funded from the TA budget
The Contact Points, in close association with the Joint Technical Secretariat, will play an advisory role in the development of projects but will not take part in the project selection process.

6.2 Selection of operations

6.2.1 Promoting the Programme and fostering quality projects

The communication and promotion strategy will aim to target a very wide public to make them aware of the opportunities provided by the NWE Programme. Through its public awareness campaigns, the Programme will strengthen the involvement of decision-makers and will actively seek the participation of the private sector.

The Publicity and Communication strategy will be described under chapter 8.

Potential project promoters can approach the Secretariat or the Contact Point in their Member State for advice on their project proposal. They will help the project promoter to define their objectives, identify other partners and draw up a detailed work plan, including a forecast budget.

6.2.2 Who can apply?

A wide range of actors from the public, private and third sectors are potential beneficiaries of NWE ERDF funding, including:

- National, regional and local authorities including sector departments and related public agencies, especially those contributing to the territorial development process (transport, environment, regional development, agriculture etc)
- Transnational bodies and partnerships
- Universities, research and development agencies
- Private enterprises (SMEs, start-ups, consultancies etc)
- Voluntary sector organisations including NGOs and organisations in the social economy

6.2.3 How to apply for funding

The Secretariat will launch an official Call for Proposals three months before each Steering Committee meeting (via the Programme website, specialised press, the Contact Points and by e-mail).

A standard application form will be included in the information and application pack. It will be widely circulated and available from the Joint Technical Secretariat, the Contact Points and on the programme website.

The information and application pack will include the necessary guidance to assist project partnerships in the preparation of their application, including an indicative model of a convention between project partners.

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22 The participation of private partners in projects is to be confirmed by the Member States
23 If Member States decide to fund the Contact Points from the TA budget
Original applications will be submitted in English to the North West Europe Objective 3 Programme Secretariat by the project lead partner.

The starting date for the eligibility of expenditure is xxxx\textsuperscript{24}. Expenditure will not be eligible for an ERDF contribution if it has actually been paid by the final beneficiary prior to this date.

Further information about the selection process will be available to potential partners in a separate document once this Operational Programme is approved.

6.3 Financial implementation

6.3.1 Payments and commitments at Community level

[To be completed]

6.3.2 ERDF contribution

An NWE project may benefit from ERDF contributions from the NWE Objective 3 Programme only. An operation may not be financed simultaneously by more than one Operational Programme or other Structural Funds programme.

The ERDF contribution must be consistent with the financial plan laid down in the decision approving the OP. It shall principally take the form of non-repayable direct assistance as well as other forms, such as repayable assistance, an interest-rate subsidy, a guarantee, an equity holding, a venture capital holding or another form of assistance. Assistance repaid to the Managing Authority will be reallocated to the same purpose\textsuperscript{25}.

In compliance with Article 51.3 of the draft General Regulation, ERDF funds will contribute up to 50% of the project’s total eligible cost. A single indicative ERDF grant rate will be defined by the project and will be applied to the total eligible expenditure claimed. This grant rate will be applied to each submitted payment claim.

6.3.3 Payments to final beneficiaries

[To be completed]

6.4 Monitoring, reporting and evaluation

6.4.1 Monitoring

[To be completed]

6.4.2 Annual and final implementation reports
6.4.3 *Mid-term evaluation*
[To be completed]

6.4.4 *Ex-post evaluation*
[To be completed]

6.5 **Controls and financial corrections**

6.5.1 *Liability*
[To be completed]

6.5.2 *Financial control by the Member States*
[To be completed]

6.5.3 *Financial control by the Commission*
[To be completed]

6.5.4 *Irregularities and financial corrections*
[To be completed]

6.6 **Compliance with Community policies**
[To be completed]

6.7 **Complementarity with other Community policies and EU funded programmes (Art. 12-7)**

[to be completed: Demarcation criteria for operations supported by the ERDF and those supported by the other Community support instruments; e.g. complementarities with measures financed by EAFRD and EFF (where relevant). Links to other EU, transnational, cross-border and bilateral programmes and initiatives, e.g. new EU funding programmes; cross-border programmes, in particular the maritime programmes; convergence and competitiveness programmes; bilateral initiatives of relevance. Prioritise according to relevance for NWE (e.g. North Sea Region versus Atlantic Area programme)
7. Publicity (Art. 12-8 e)
[To be completed]
8. Financial Plan (Art. 12-6 a and b)

The Member States involved in the NWE Objective 3 Programme have not yet finalised their ERDF contributions to the programme. However, it is anticipated that between €200 million and €250 million will be made available.

[To be completed showing the indicative allocation of expenditure co-financed by the ERDF:

- By Priority for the whole commitment period (2007–2013)
- By Priority and year from 2007 to 2013]

The period allocated to project implementation will extend until 31 December 2015.

8.1 Allocation of funds by Priority 2007–2013

8.2 Allocation of funds by Priority and year 2007–2013

According to Article 74.1 of the General Regulation, ERDF commitments by the Commission to the NWE Objective 3 Programme are made on an annual basis. (These commitments should not be confused with funds committed to individual projects by the Steering and Monitoring Committees after signature of the Grant Offer Letter). In line with Article 92.1 of the General Regulation, committed funds not actually paid to final beneficiaries by 31 December of the second year after the year of initial commitment (N+2) will be automatically decommitted by the European Commission and lost to the Programme.