

Technical Note

June 2018

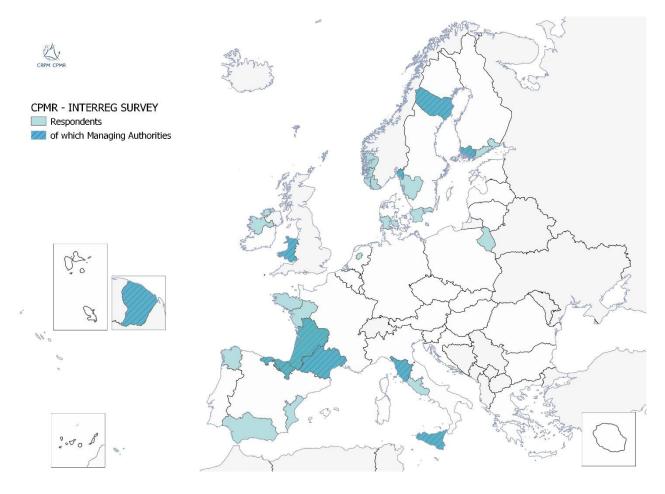
The future of INTERREG: 10 messages from the CPMR

Analysis of CPMR questionnaire on European Territorial Cooperation

- The CPMR Political Bureau approved in June 2017 a <u>policy position for a strong and</u> <u>reformed post-2020 Cohesion Policy</u> which includes proposals on the future of European Territorial Cooperation (ETC).
- It was agreed at the last meeting of the Political Bureau meeting in Patras (March 2018) to build on the above-mentioned policy position to develop messages on the future of INTERREG through a survey sent out to CPMR member regions. This note also complements the <u>CPMR Open Letter on European Territorial Cooperation</u> sent out in April 2018 stressing the achievements and added value of INTERREG.
- This document presents:
 - **the results of the CPMR survey on INTERREG** carried out in spring 2018, aiming at collecting CPMR Members' feedback on their experience regarding INTERREG programmes for 2014-2020 and how INTERREG should be shaped for post-2020;
 - **10 key messages on INTERREG**, arising from the results of the survey and reflections on INTERREG carried over the past months;
 - an initial reaction from the CPMR Secretariat on the European Commission's legislative proposal on INTERREG post-2020 published on 29 May 2018.
- This document will help shape the CPMR position on INTERREG for post-2020 in view of the upcoming negotiations between the European Parliament and Member States.

METHODOLOGY

- The CPMR Secretariat launched an **online survey on INTERREG in April 2018 to its Members**. Contributions were collected and analysed during May 2018. The online survey consists of **30 questions addressing key issues at stake for the future of INTERREG**, such as the budget, the architecture, links with macro-regional and sea-basin strategies and external cooperation.
- The online survey was sent to all CPMR membership except the Members of the Intermediterranean Commission (IMC) since a reflection on INTERREG had already been launched within the IMC. This document does fully takes into account the IMC reflections on INTERREG and the many individual contributions from IMC regions. It also reflects and **builds on reflections and discussions on INTERREG carried out by the different CPMR geographical commissions** and the **CPMR Secretariat** over the past months.
- A fairly balanced geographical distribution of respondents was ensured during the survey process. Regions from 12 different Member States are represented. 3 respondents are from island regions, 1 respondent is from a mainland region, 31 respondents are from coastal regions, 2 respondents are from outermost regions, 1 respondent is from a Northern Sparsely Populated Area region. 30% of participating regions are managing authorities from at least one INTERREG programme.
- In total, **32 regions** and **1 Euroregion** contributed to the development of this document. 27 regions participated in the online survey and 6 regions from the IMC contributed via a written questionnaire. The **lists of respondents** and **of INTERREG programmes** in which respondents are involved can be found in the **Annex.**



10 CPMR MESSAGES



ON THE FUTURE OF INTERREG



INTERREG should be reinforced for the post-2020 period



Regions should continue to be at the core of INTERREG



INTERREG budget should be ambitious and increased for the post-2020 period



INTERREG should be simplified and work better with other EU programmes



INTERREG should continue to have at least 3 distinct and complementary cooperation strands



Interreg should continue to support cooperation with non-EU countries



INTERREG programmes should continue to be based on territorial needs and adapted to the local context



INTERREG should better support macroregional and sea basin strategies



INTERREG maritime cross-border cooperation programmes should be maintained as a priority for the post-2020 period



INTERREG should better support interregional cooperation on smart specialisation strategies



Message 1 - INTERREG should be reinforced for the post-2020 period

1. ...because it brings a substantial European added-value for regional development

There is a strong consensus among CPMR regions about the European added-value brought by INTERREG
as it helps to address challenges actors could not have solved on their own. The achievements of
INTERREG listed by respondents can be categorised in **four areas**:

A. Connecting people and territories

INTERREG contributes to strengthen and build unique contacts and solid networks at three levels

- <u>Territories</u>: a significant number of respondents stressed that INTERREG contributes to the establishment of unique, new, sustainable partnerships between regions with similar identities, opportunities and challenges.
- <u>Actors</u>: INTERREG enables a wide range of actors from different sectors (private/public) and different regions and Member States to work together to solve joint challenges (universities, SMEs, research centre, regional authorities...).
- <u>Multi-scale cooperation:</u> respondents also highlighted that INTERREG supports cooperation at local, macro-regional and interregional level.

B. Contributing to a more integrated and united EU

INTERREG builds trust and increases mutual understanding between citizens

- INTERREG contributes to **build a conscience of community** and fosters a **European identity.**
- INTERREG **enhances links and trust across national borders**. It reinforces the ties between neighbouring regions but also actors from different geographic areas of Europe which is essential looking at the rise of nationalist trends.
- INTERREG helps to **shift the perception of borders** being **obstacles** to borders becoming **unique opportunities for cooperation.** Without INTERREG, 'borders would remain barriers' according to respondents.
- INTERREG brings **Europe closer to the citizens**. It contributes to **increase the visibility of the EU action on the ground** since the projects have a direct & tangible impact on citizens' lives.

C. Unlocking regional potential

INTERREG enables targeted investments in strategic areas boosting regional development

- There is a strong consensus among respondents that INTERREG investments are targeted in areas corresponding to regional needs and has increased opportunities for cooperation in key areas for regional development.
- When asked where INTERREG adds most value, respondents listed support to businesses (18 times), innovation (17 times), transport (13 times), environment and renewable energies (12 times). Other sectors mentioned include support to health, tourism, education and reinforcing institutional capacity.

D. Triggering innovative ideas INTERREG as an impetus for the experimentation and development of new tools

 There is a general consensus among respondents that INTERREG creates unique opportunities to exchange experiences, knowledge and best practises between partners from different regions and countries. INTERREG inspires the development of know-how and enables to test pilot projects and new approaches on the ground.

2. ...because INTERREG is a unique and indispensable tool to foster cooperation across borders

- For 90% of CPMR Regions, INTERREG is a **unique source of funding to facilitate cooperation across borders**. INTERREG has an essential role for cooperation which cannot be replaced by other existing limited mechanisms.
- If some regions in France, Sweden, Ireland, Norway, Denmark, Italy and Spain mentioned having other cooperation schemes at national or regional level, they strongly stressed that these mechanisms do not facilitate cooperation across borders in a similarly structured manner, are not as effective, and have limited financial capacity to support major projects. There is no other existing instrument comparable to INTERREG.

If INTERREG didn't exist...

"There would be less contacts of the neighbours on both sides of the border, less infrastructure built that impacts everyday life of people living close to the border. Often small peripheral municipalities receiving INTERREG funds have great opportunity to realize undertakings that would not be possible without such financial support". Podlaskie Voivodeship, Poland.

- **Respondents also referred to the principle of multilevel governance and subsidiarity as a unique feature of INTERREG**. INTERREG is one of the only EU instrument where regions are the most involved, from the design of the programmes to their implementation and governance.
- Findings from the survey confirm that the role of regions is perceived as stronger in INTERREG crossborder cooperation programmes (CBC) than in INTERREG transnational programmes. INTERREG has also ensured the participation of local and regional stakeholders as both applicants and beneficiaries.
- INTERREG was also mentioned as being **indispensable to reduce disparities between regions** and to integrate peripheral regions in Europe.



<u>Message 2</u> – INTERREG adds indisputable 'European added-value'. The share of INTERREG should therefore be substantially increased in the 2021 – 2027 Cohesion Policy budget

- The vast majority of CPMR Regions stated that the **budget allocated for INTERREG within Cohesion Policy was too low in the 2014-2020 period**. Two-thirds of responding regions are unsatisfied with the overall share of the budget allocated for INTERREG within Cohesion Policy for 2014-2020.
- If the share for INTERREG in the overall Cohesion Policy has increased from €8.7bn for 2007-2013 to about €10.1bn for 2014-2020, respondents believe that the overall budget for INTERREG programmes should receive a much greater portion of the Cohesion Policy budget for 2021-2027.
- A bigger INTERREG financial envelope would...
 - enable <u>the approval of more INTERREG projects</u>. A large number of respondents emphasised that for 2014-2020, many (good) INTERREG project applications could not be approved due to budgetary constraints.
 - \circ be able to <u>fund ambitious projects</u> that are riskier but with a higher impact.
 - be able to respond to territorial needs of cooperation and tackle more effectively issues which require a cross-border approach.
- The large number of projects applicants for INTERREG calls is testimony to the need and the wish for more cooperation across borders.

Norwegian respondents call for continuous and stronger Norwegian contribution to INTERREG

- Four CPMR respondents from Norway emphasise that the Norwegian contribution to INTERREG for 2014-2020 is too low and was reduced in 2016, undermining cooperation with European partners.
- The Norwegian contribution to INTERREG should be set and maintained for the overall programming period to guarantee the smooth running of relevant INTERREG programmes

ABOUT <u>FUNDING</u> FOR EUROPEAN TERRITORIAL COOPERATION

Commission proposal for 2021-2027

 The ETC regulation for the post-2020 period foresees a budget of €8.4bn (2018 prices) which represents 2,5 % of the Cohesion policy budget. For 2014-2020 the ETC budget is €9.7bn (2018 prices, excluding the UK for a fair comparison) and represents 2,75% of the Cohesion policy budget.

CPMR General Secretariat initial reaction

- The proposal to reduce the ETC budget for post-2020, both in real terms and in proportion, is regrettable. Bearing in mind that Member States are likely to substantially cut the budget line dedicated to INTERREG during the upcoming negotiations¹, the risk is that INTERREG will not be able to deliver due to very limited financial resources. The CPMR General Secretariat suggests calling on the European Parliament and Member States to increase the budget for INTERREG for the post-2020 period.
- The fact that INTERREG will go from three strands to five components also means that the **European Territorial Cooperation 'objective' will have to 'do more with less'**.
- The new ETC regulation also foresees a reduction of EU co-financing rates from currently 85% to 70% maximum. This could make the participation of local and regional actors with limited financial capacity more difficult. Smaller actors would particularly suffer from the reduction of the co-financing rate.
- This means a **double reduction of the funds allocated to European Territorial Cooperation** and a double burden for Regions and Member States participating in ETC programmes.

<u>Message 3 -</u> INTERREG should continue to have at least 3 distinct and complementary cooperation strands

1. Regarding the current architecture of INTERREG

- For 80 % of the respondents, the 2014-2020 architecture of INTERREG with 3 stands and their respective areas of intervention is appropriate to the context and needs of the region.
- INTERREG CBC programmes (strand A), and INTERREG transnational cooperation programmes (strand B) and interregional programmes (INTERREG C) have their own added-value and fulfil their own purposes. The actors involved, identity, the structure of the projects and the budget of the programmes are different. In light of this, several regions stressed that the overlapping of some ETC programmes are not an issue.

¹ Member States had agreed on a 25% overall reduction for the European Territorial Cooperation budget line for the 2014 – 2020 package, based on the Commission initial proposal

- However, the complementary between the three strands of INTERREG should be increased. Respondents identify several options to strengthen the complementarities between INTERREG CBC and transnational programmes:
 - Setting up an ex ante mechanism to ensure coherence between CBC and transnational programmes
 - \circ $\;$ Redefining the perimeter or the geography of some programmes $\;$
 - Stronger division of tasks between INTERREG A and INTERREG B
 - Merging some programmes
- On INTERREG Europe, several regions stressed that this strand would make a more efficient tool if it could support development of concrete projects between regions anywhere in Europe. INTERREG Europe should also be capable to finance projects beyond policy learning such as demonstration projects. Several regions also call for developing INTERREG Europe to enable concrete cooperation with thematic focus rather than geographical.

2. Regarding merging INTERREG programmes

- CPMR regions have **mixed views** on merging INTERREG programmes. It could undermine cooperation but merging could be considered relevant under certain conditions.
- CPMR regions have identified the following risks associated to merging INTERREG programmes:
 - ✓ Downgrading cooperation
 - ✓ **Dilution of priorities**, specific objectives and territorial specificities of the programmes
 - ✓ Weakening of the participation of smaller stakeholders in INTERREG programmes
 - ✓ Increasing bureaucracy
 - ✓ Weakening of the local character of cooperation
 - ✓ **Difficulties for newcomers** to benefit from the programmes
 - ✓ Difficult to merge different programmes as they try to solve different problems
 - ✓ Difficulties of managing bigger programmes with a large number of actors involved
 - ✓ Difficulties to agree upon the priorities of the programme
 - Weakening of the participation of regional authorities in programmes as they are generally involved in less tangible way in the programming process of transnational programmes than CBC programmes
- It was mentioned by 8 regions that merging some programmes or redefinition of the perimeter of the geography of some programmes could be envisaged in specific cases and only if regional priorities are still fully considered. For example, some regions stress that merging programmes could be relevant when it responds to macro-regional and sea basin strategies geography.

Some suggestions to update specific INTERREG programmes for the post-2020 period

<u>Flevoland</u>: Flevoland suggests combining or have stronger connection between INTERREG B North Sea Programme and INTERREG B North West Europe programme in the future.

<u>Pays de la Loire</u>: mentions that a maritime programme could be foreseen between the North Sea, the Channel and the Northern part of the Atlantic area that may replace all the CBC programmes that will disappear after Brexit.

Østfold: suggest splitting the INTERREG Sweden/Norway programme in 2 programmes North & South.

ABOUT THE <u>ARCHITECTURE</u> OF EUROPEAN TERRITORIAL COOPERATION

Commission proposal for 2021-2027

• The European Commission suggests adding **2 new cooperation components to the 3 traditional strands** (cross-border, transnational, Interregional), as follows:

<u>Component 1</u> - Cross-border cooperation (52,7%): focus on land border regions at *NUTS 3 level*. <u>Component 2</u> - Transnational cooperation (2A) and maritime (2B) cooperation (31,4%) over larger transnational territories and sea-basins at *NUTS level 2 regions*.

<u>Component 3</u> - **Outermost regions' cooperation (3,2%):** Among themselves and with their neighbouring or partner countries, including Overseas Countries and Territories (OCTs).

<u>Component 4</u> - Interregional cooperation (1,2%) covering the whole Union. Unlike the current period, this strand would be limited to 2 programmes, 1 to enable the exchange of experiences, the development of innovative approaches and capacity building in relation to implementation of the programmes and the functioning of EGTCs, & one focusing on the analysis of development trends. <u>Component 5</u> - <u>Interregional innovation investments</u> (11,5%) to support the interregional innovation projects on the basis of existing smart specialisation strategies

CPMR General Secretariat initial reaction

- The fact that the three traditional strands are preserved is welcome.
- The new Interregional innovation investments and outermost regions' cooperation strand components are interesting additions. The possibility offered for cooperation among outermost regions is most welcome. However, some question marks remain regarding the management of both components under either direct 'indirect management', and not under shared management as it is traditionally the case for INTERREG programmes.
- Specific CPMR messages on the future of maritime cooperation programmes (cross-border and transnational) can be found under **message 6** of this document. Specific CPMR messages on the new Interregional innovation investments strand can be found under **message 12**.



<u>Message 4</u> – INTERREG programmes should continue to be based on territorial needs and adapted to the local context

- There is a strong consensus among respondents that **the choice of focus of each programme should be based on territorial needs**. Programmes need to have a strong and visible connection to local and regional strategies while leaving sufficient room to address complementary issues related to the socioeconomic challenges of each region.
- CPMR respondents have emphasised the need for greater flexibility at the level of priorities and themes of INTERREG programmes. For almost 85% of respondents the flexibility of INTERREG programmes is not sufficient to adapt to unforeseen challenges and to embrace new opportunities. Several options to increase the flexibility of INTERREG programmes were identified, such as:
 - a specific call dedicated to new priorities
 - $\circ \quad$ easier, more flexible process to amend programmes
 - o an unallocated amount of money
 - $\circ~$ the possibility to move for instance at least 10% to 20% of the allocated funds between thematic objectives.

ABOUT THE <u>THEMATIC FOCUS AND FLEXIBILITY</u> OF EUROPEAN TERRITORIAL COOPERATION

Commission proposals for 2021-2027

- INTERREG programmes continue to contribute to the objectives set out for the ERDF, which are **now 5 policy objectives (PO)** as laid down in article 4 of the new Common Provisions Regulation.
- In addition, the ETC regulation introduces **2 INTERREG-specific objectives**: a "better INTERREG governance" to enhance legal and administrative cooperation across borders and support institutional capacity-building and a "safer and more secure Europe" focusing on specific cooperation issues such as safety, security, border management and migration.
- The thematic concentration requirements are a bit less flexible than the current period, in particular for Interregional cooperation, with obligations to:
 - o allocate at least 60% on a maximum of 3 out of 5 ERDF policy objectives
 - \circ $\:$ allocate an additional 15% on one of the 2 INTERREG-specific objectives
 - in the case of INTERREG programmes under component 2, allocate 70% to 100% on the objectives of the relevant macro-regional strategy (see **message 11** for more details)
 - in the case of INTERREG under component 4 (Interregional cooperation), allocate 100% of the envelope on the specific objective a 'better INTERREG governance'.



<u>Message 5</u> – Maritime cross-border cooperation programmes should be maintained as a priority for the post-2020 period

- 1. Cooperation would suffer from the removal of maritime cross-border cooperation programmes
- A great majority of respondents stressed that **CBC maritime cooperation programmes are essential for their regions** due to their maritime borders.
- CPMR respondents identified several risks if maritime CBC programmes were to disappear for the post-2020 period and integrated in a new transnational component.
 - ✓ Downgrading and jeopardizing cooperation efforts achieved during the last programming period. The genuine dialogue and common work between regional and local administrations, universities, and other stakeholders, coming from a long tradition of cross-border maritime cooperation would disappear. It comes out very clearly from the CPMR survey that thanks to maritime CBC programmes the shared sea is very much considered as a functional area connecting borders regions.
 - Increase regional disparities. Maritime regions, including islands, face numerous specific handicaps. Maritime regions must not be penalised because of their geographical characteristics, as this would increase the regional disparities across Europe.
 - Narrowing down cross-border cooperation possibilities: for regions which do not have land borders but maritime borders only. These regions have no other choice than maritime cross-border cooperation if they want to cooperate with their direct European neighbours. Removing maritime CBC programmes would exclude them as they currently rely on those programmes to cooperate with their neighbours. There is a strong risk these territories would be more peripheral.

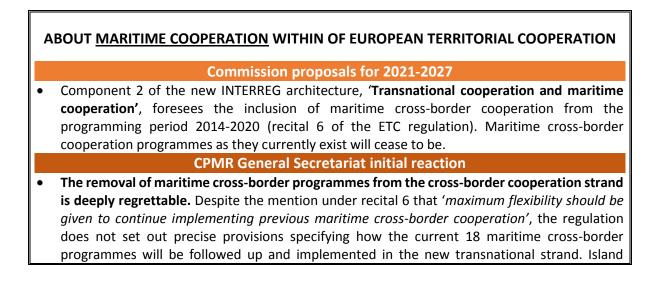
- ✓ Exclusion of smaller actors and difficulties for newcomers to take part in transnational programmes: it was mentioned several times by respondents that CBC programmes are better suited than transnational programmes for the participation of newcomers or smaller actors.
- ✓ Weakening the role of regional authorities: regional authorities have a stronger role in INTERREG CBC programmes in comparison to INTERREG transnational programmes. Several respondents mentioned several times that maritime CBC programmes are better tools for local and regional actors than transnational programmes. There is a strong risk to jeopardize the local dimension of the cooperation.
- ✓ Difficulties to address challenges requiring a cross-border approach/dimension. In peripheral and coastal regions the removal of CBC maritime programmes would have damaging impact in terms of tackling challenges such as resource management, maritime planning and environmental monitoring, offshore energy and maritime transport. It was clearly pointed out that maritime cross-border programmes have brought tangible results.

How many maritime cross-border cooperation programmes?

For the 2014-2020 programming period, there are **18 maritime cross-border cooperation programmes**: 2 seas, Botnia-Atlantica, Central Baltic, Estonia-Latvia, Channel, Guadeloupe-Martinique-OECE, Mayotte/Comores/Madagascar, Germany-Denmark, Greece-Cyprus, Greece-Italy, Ireland-Wales, Italy-Croatia, Maritimo, Italy-Malta, MAC, Northern Ireland-Ireland-Scotland, Öresund – Kattegat – Skagerrak, South Baltic.

2. Maritime cooperation for the post-2020 period should be reinforced

- According to a large number of respondents, maritime cooperation should be better and more systematically integrated as a horizontal perspective within relevant themes such as innovation and research, business development, blue growth, energy, environment, tourism and transport.
- Several regions mentioned that the current limit of 150km for CBC in maritime areas should be extended, even removed, to allow more regions to cooperate and increase flexibility.



territories and coastal regions without internal EU borders are particularly concerned in that respect, as they mostly rely on cross-border cooperation schemes in their respective sea basin (Baltic Sea, North Sea, Western and Eastern Mediterranean Sea).

- <u>CPMR Members have put forward several ideas for maritime cross-border cooperation:</u>
 - \circ Maritime cross-border cooperation should continue to exist after 2020
 - As a last resort, maritime cross-border cooperation carried out under INTERREG during the 2014-2020 programming period should be continued under the new component. An option could be the introduction of specific call or dedicated priority/Axis within the programme to promote maritime cross-border cooperation. In that respect, the CPMR acknowledges the possibility set out under Article 44 (5) of the new ETC Regulation, to define sub-programme areas under component 1 or 2B.
 - **a strong involvement of regional authorities should be ensured** in the design, governance and implementation of the future maritime programmes.
 - **facilitate the participation of smaller actors and newcomers** in the future transnational programmes
 - the managing authorities of the programmes should benefit from **sufficient technical assistance** for running such enlarged programmes



<u>Message 6</u> - Regions should continue to be at the core of INTERREG

- Almost all participating regions report that the involvement of their region in the analysis of the needs, in the identification of priorities and in the management of the programmes for the 2014-2020 INTERREG programmes was either significant or very significant (21 respondents out of 23 responses).
- For INTERREG to be successful in the post-2020 programming period, regions must have a leading position and a strong involvement in the programme life as they have a holistic vision of their territories. It includes having an inclusive approach when defining the geography of future INTERREG programmes.
- In general, regions have a greater role in INTERREG cross-border programmes than in INTERREG transnational programmes in terms of planning and decision-making.
- A large proportion of respondents highlighted the **significant involvement of their regions in the assessment of the programmes and a minority** (5 out of 21 responses) stated that they had a minimum influence.
- Most respondents underlined the **low involvement of regions in the joint technical Secretariat** and in the **allocation of financial resources for the programmes**.

ABOUT THE INVOLVEMENT OF REGIONS IN EUROPEAN TERRITORIAL COOPERATION

Commission proposals for 2021-2027

• The article on partnership from the CPR is mentioned 3 times in the new ETC regulation, for the preparation, monitoring and evaluation of the programmes. A description of the role and the level of involvement of the programme partners will be required for each INTERREG programme.

CPMR General Secretariat initial reaction

- Provisions on multilevel governance and partnership with regions for post-2020 ETC seem fairly positive although we would have liked to see stronger provisions to guarantee the principles of multilevel governance and subsidiarity.
- The involvement of local and regional partners will be critical in the case of INTERREG programmes under component 2, where programmes should be aligned with macro-regional or sea basin strategies, and under component 3 which will be implemented on an indirect management mode.
- Questions remain as well regarding the **possible closure/mergers at regional level of the managing authorities and joint secretariats** of the current cross-border maritime programmes.



<u>Message 7</u>: INTERREG should be simplified and work better with other EU programmes

1. ... simplification, simplification and simplification

- There is a strong consensus among respondents that INTERREG programmes suffer from a high level of bureaucracy. The administrative burden of INTERREG programmes is much higher than other EU funds and is not proportionate to the budget allocated to INTERREG. Especially, smaller actors such as NGOs are reluctant or have not the capacity to submit a project application because of the long and complex procedures.
- Recommendations identified by respondents to simplify INTERREG include:
 - **proportionality** in audit regime
 - o more **trust** between partners
 - o develop a sincere **partnership principle** between different authorities involved
 - removal of state aid rules notification requirements (due to the small size of projects involved)
- Several regions quoted the EU Research and Innovation framework programme, Horizon 2020 as a good example of a simplified EU instrument. According to respondents, compared to INTERREG programmes, Horizon 2020 is less bureaucratic, with less complicated procedures of audit, no state aid rules applied, higher co-financing rates and bigger financial volumes accessible for regions to finance more ambitious projects.
- Several respondents stressed the need for greater flexibility at the level of the implementation and management of the programmes: in terms of duration and budget of the project or to facilitate the cooperation with partners outside the programme area. They pointed out the restrictive rules and the high level of bureaucracy as main obstacles.

2. and more complementarity between INTERREG and other EU funds

- If there are already some complementarities between INTERREG and other EU programmes, 70% of the respondents stress that synergies between INTERREG and other EU programmes such as Horizon 2020, LIFE, CEF, ERASMUS +, Creative Europe could be improved further.
- Recommendations to improve complementarities identified by respondents include increasing thematic complementarities between programmes addressing the same issues from a different angle, simplification, harmonisation of rules and the use of similar indicators. Few regions also stressed that complementarity could lead to more bureaucracy and could be complex since each EU programme has its own specificity and functioning.

ABOUT <u>SIMPLIFICATION</u> OF EUROPEAN TERRITORIAL COOPERATION

Commission proposals for 2021-2027

Regarding simplification:

- A first glance at the post-2020 regulations suggests that there will be simpler rules than the current period:
 - **New**: the 'Small project fund' allowing local and civil society to set up small projects using simplified cost options (article 24)
 - Simplification of audit operations, extension of the single audit principle, more reliance on national management and control systems and procedures
 - Simplification of designation procedures

Regarding flexibility:

- possibility for a Member State to allocate x% (not yet defined, Article 17) of the ERDF allocated from a programme at regional level to the corresponding INTERREG programme
- It seems now much easier to implement operations outside the programme area, as it is not subject to certain conditions as during the 2014-2020 programming period

Regarding complementarity:

• The new CPR introduces several rules to **facilitate complementarities between ERDF and other EU instruments**, in particular with the new Horizon Europe programme and the Connecting Europe Facility (CEF)



- 1. Cooperation with UK partners trough ETC programmes should be continued after Brexit
- The great majority of respondents stated that **cooperation with UK regions and partners should be continued further within the framework of the INTERREG programmes**, which would **benefit to the overall development of the EU economy and regions**. It was clearly pointed out that Brexit will have an important impact on INTERREG and cooperation patterns².
- Respondents stressed that cooperation with UK partners bring added-value in particular in terms of scientific exchange, research and innovation. The impact of stopping cooperation with UK regions would not only affect its direct neighbours but all European regions too.
- UK **immediate neighbours and more distant regions** alike call for maintaining close cooperation with UK partners in the future.
 - CPMR regions stress in particular the important of continuing cooperation with British partners in the **North Sea Region**, the **Channel** and **Atlantic Area**. These areas would be particularly affected by a weakening of cooperation with the UK.
 - The Four **Norwegian regions** responding to the questionnaire stress the importance of continuing cooperation with British partners for the **North Sea Region**. Indeed, the UK takes part in 9 INTERREG programmes, 8 of which cover the North Sea Region entirely or partially.
 - Regions involved in the Atlantic Strategy, such as Irish, French and Spanish regions also emphasise the importance of continuing cooperation with British partners. To that end, they recommend building a strong Atlantic Area programme with the participation of the UK. The CPMR AAC adopted the <u>Brexit Declaration</u> in October 2017 in Helsinki including proposals for future cooperation with the UK.
 - More distant regions, such as **Swedish and Finnish regions** stress that continuing close cooperation with the UK is important after Brexit.
- For Wales, it is politically important to be able to continue cooperating with EU Member States and regions. Indeed, "as an outward-facing nation, the removal of INTERREG would damage Wales's ability to work together with other EU regions in areas of common interest". Wales will be looking for as much flexibility as possible to be able to work with regions through INTERREG in the future³.
- Future UK participation in INTERREG programmes could be based in the same way as other non-EU countries such as Switzerland or Norway ("Norwegian model"), according to respondents. It was also suggested by several respondents a specific maritime programme could be foreseen between the North Sea, the Channel and the Northern part of the Atlantic area. Such programme would focus on issues such as maritime safety or maritime surveillance.
- The large majority of respondents stressed that future areas of cooperation between UK and European partners should continue to focus on existing areas of collaboration in research and innovation, environment, climate, fishery, blue growth economy, marine renewable energies, maritime transport, tourism and cultural heritage.

² The CPMR North Sea Commission developed a technical note in April 2018 summarising the <u>Brexit impact the North Sea Region</u>. The CPMR Atlantic Arc Commission produced a technical note in February 2017 on the <u>consequences of Brexit for the Atlantic Arc</u> <u>Regions</u>

³ For more information, please read the publication "Securing Wales' Future".

ABOUT THE INVOLVEMENT OF THE UK IN EUROPEAN TERRITORIAL COOPERATION

CPMR General Secretariat initial reaction

• The mention of the **UK** as a future country eligible to cross-border, transnational and maritime cooperation is a very positive step. The cooperation with the UK is foreseen in the regulation in the same way as cooperation with Norway or Switzerland⁴.

2. Continue facilitating cross border cooperation under the European neighbourhood instrument

- Respondents involved in the ENI South-East Finland Russia CBC programme 2014-2020 programme include Kymenlaakso (Core Region of the Program), Helsinki-Uusimaa (adjoining Region) and South-West Finland (City of Turku as an external Center). Respondent involved in the ENI Kolartic CBC programme 2014-2020⁵ is Västerbotten. Since the implementation of the two programmes have been delayed respondents stress that it is not possible to draw conclusions for the 2014-2020 programming period yet. It was emphasised that not a single project has started activities because of administrational reasons. There are no alternative funding sources for co-operation with Russia. The ENI-component in the BSR Program cannot replace the financial volumes of the regional CBC-programmes.
- About the ENI CBC programme Poland-Belarus-Ukraine 2014-2020, Region Podlaskie Voivodeship stressed the importance of this programme to foster cooperation. It was pointed out that entities from Poland, Belarus and Ukraine have been active when preparing common undertakings and submit project proposals but unfortunately financial allocations did not meet the partners' needs. Projects are often rejected due to lack of financial resources. It was also mentioned that competition between applicants is very high.
- About the 2014-2020 ENI CBC MED programme which involved the following CPMR respondents: Sicily, Andalucia, Lazio, Valencia, and Tuscany.
 - <u>The added-value of the programme</u>: respondents stressed the importance of the programme as the only tool to foster cooperation from both shores of the West and East Mediterranean. Without the ENI CBC MED cooperation framework, cooperation would be confined to mere 'trade' relationships.
 - <u>Recommendations from respondents on the future of the programme include:</u>
 - Increasing the budgetary envelope of ENI CBC MED programme: for a better impact on the territories and to enable to cover relevant Mediterranean thematic and fund projects with a real capacity of impacting territories
 - Maintaining the same rules: since southern countries have learnt how the programme works throughout two programming period and they are progressively making a better use of the funds.
 - Possible merge of the ENI CBC MED programme with the INTERREG MED programme. This is an ongoing reflection carried out by the actors in the Mediterranean and within the CPMR IMC. The views are mixed at this stage: if a merge would increase the efficiency, transparency and impact of cooperation at basin level, there are several risks that could jeopardize this possible merge
 - A common regulation for INTERREG and ENI programmes
 - A stronger role of regional authorities to make the programmes closer to the citizens

⁴ The CPMR adopted during its last General Assembly in October 2017 in Helsinki the <u>Cardiff Declaration</u> which stresses the major territorial impacts of Brexit and the importance of maintaining strong relations between EU regions and British partners

⁵ More information can be found <u>here</u>.

ABOUT THE COOPERATION WITH THIRD COUNTRIES

CPMR General Secretariat initial reaction

The new ETC Regulation states that it would not be legally possible to establish a single cooperation fund/regulation inside and beyond the EU borders and therefore to merge some ENI CBC programmes with internal CBC or transnational INTERREG programmes. However, an effort has been made to further simplify and clarify the rules to transfer part of the resources from the EU's external financing instruments (IPA III, NDICI, OCTP) to INTERREG programmes. More information can be found in the IMC policy position on the future of INTERREG⁶.



<u>Message 9</u> – INTERREG should better support macro-regional strategies, sea basin strategies and emerging initiatives

- Several responding regions from different Sea Basin areas, stressed that INTERREG transnational programmes should be designed as a major funding instrument of the macro-regional and sea basin strategies for the sake of consistency between EU priorities and its existing funding mechanism.
- The various CPMR Geographical Commissions are addressing the future geography of INTERREG programmes in their respective Sea Basins and how INTERREG could be better link to the relevant macro-regional and sea-basins strategies and initiatives.

<u>Feedback from the CPMR Baltic Sea Commission (BSC) responding regions regarding the link between</u> INTERREG and the EU Strategy for the Baltic Sea Regions (EUSBSR)⁷

- The INTERREG Baltic Sea Region (BSR) INTERREG programme is overall aligned with the EUSBSR according to respondents. However, since the EUSBSR and the INTERREG Baltic Sea Programme have the same geographical coverage, respondents stress that it is possible to further develop the thematic and strategic alignment between them.
- Currently, the BSR programme is supporting the EUSBSR in several ways: support to governance, EUSBSR flagships project⁸, technical assistance, EUSBSR seed money.
- It was also pointed out that there is room to improve the alignment Interreg cross-border programmes in the Baltic Sea with the EUSBSR according to respondents. Several regions suggested that to improve alignment, specific objectives linked to the EUSBSR in the cross-border programmes could be introduced for the post-2020 period.
- A way to increase coordination between the EUSBSR and INTERREG suggested by several respondents is to have a stronger link between the governance structures of INTERREG and the Strategy, simultaneously ensuring shared-managements components in a multi-level dimension, both in the strategy and the funding.
- There is a strong consensus that regions must have a stronger role in the implementation of the EUSBSR. The CPMR BSC is calling for reinforcing the multi-level governance of the EUSBSR.

⁶ The IMC policy position on the future of European Territorial Cooperation can be found <u>here</u>

⁷ More information on the CPMR Baltic Sea Commission position on ETC can be found in the <u>Oulu Declaration</u>

⁸ 42 flagships projects out of 74 projects approved so far for the BSR INTERREG programme

<u>Feedback from the CPMR Atlantic Arc Commission (AAC) responding regions regarding the link between</u> <u>INTERREG and the Atlantic Maritime Strategy</u>⁹

- Almost all respondents agree that the INTERREG Atlantic Area programme is aligned to **some extent only** to the Atlantic Maritime Strategy
- Recommendations for a stronger connection between INTERREG and the Atlantic Maritime Strategy include:
 - complete thematic and objective alignment of the INTERREG with the Atlantic Strategy.
 - Better coordination between the governance structure between the Atlantic strategy and the Atlantic area programme
 - Stronger dialogue between DG REGIO and DG MARE
 - creation of a bigger and stronger Atlantic area programme with the possibility for the UK to optin with his own contribution. The CPMR AAC has developed a map with a new geography of INTERERG for the Atlantic Area.

Feedback from the CPMR North Sea Commission (NSC).

The CPMR NSC lobbied early for the establishment of a macro-regional strategy in the North Sea but national governments around the North Sea were not particularly interested. The CPMR NSC developed therefore its own "North Sea Region 2020 Strategy" which is a framework of cooperation for the Members of the NSC defining priorities. Once a year, the **NSC organise a joint conference together with the INTERREG North Sea Programme to exchange views and find synergies**. Some of the programme's priorities are relevant for NSC priority areas. The new NSC strategy will be drafted very close in time to the programming of a new INTERREG programme which will enable further connection.

Feedback from the CPMR Intermediterranean Commission (IMC)

The IMC regions support stronger synergies between Interreg and macro-regional and sea basin strategies that should apply to EUSAIR and to the West MED maritime initiative. **The IMC members underlines the importance of the transnational component of Interreg at Mediterranean basin level to foster synergies among different stakeholders, multilevel governance mechanisms and also to overcome the fragmentation between strategies and funding**. These programs in the Mediterranean mean a potential for the implementation of emerging macro regional and sea basin strategies. More information on the IMC views can be found in the IMC policy position on the future of territorial cooperation in the Mediterranean which will be presented at the IMC General Assembly end of June¹⁰.

- If INTERREG is suited to support macro-regional and sea basins strategies, mainstream ESI Funds programmes have also a role to play in supporting macro-regional and sea basins strategies to a certain extent according respondents. 60% of the respondents are in favour of strengthening the alignment between macro-regional and sea basin strategies and the mainstream ESI Funds programmes if it serves a better and more concrete involvement of regional stakeholders in the implementation of the strategies.
- Since they are currently limited incentives offered to managing authorities to encourage project leaders to develop projects with a macro-regional dimension, respondents have identified several options to incentive mainstream ESI Funds programmes to support macro-regional and sea basin strategies:
 - Macro-regional aspects should lead to a higher score in the assessment of project applications
 - A certain earmarking of funds could be considered as long as the shared management principle is safeguarded
 - The <u>CPMR policy position on EU Strategies with a Macro-regional Dimension</u> adopted in March 2017 include a proposal of introducing a co-financing bonus for all cooperation projects meeting the priorities of a relevant strategy

⁹ More information on the CPMR Atlantic Arc Commission position on ETC can be found <u>here</u>
¹⁰ The IMC policy position on the future of ETC in the Mediterranean and the IMC 2018 Final Declaration are available <u>here</u>

ABOUT THE LINKS WITH MACRO-REGIONAL & SEA BASIN STRATEGIES AND INTERREG

Commission proposal for 2021-2027

- The new ETC regulation foresees a stronger alignment between INTERREG and macro-regional strategies.
 - For a transnational cooperation programme (2A) supporting a macro-regional strategy, the total allocation shall be programmed on the objectives of that strategy.
 - For a maritime cooperation programme (2B) supporting a macro-regional strategy, at least 70% shall be allocated on the objectives of that strategy.

CPMR General Secretariat initial reaction

- The Commission proposals to strengthen the support of INTERREG to macro-regional strategies for the post-2020 period are welcome. This should also apply for sea basin strategies as well.
- Regarding the concentration of funding it should be ensured a sufficient degree of flexibility to cope with unforeseen changes and be able to respond to territorial needs. The future involvement of regional and local authorities, along with that of other stakeholders, should be watched closely in the design and implementation of macro-regional and sea basin strategies. The CPMR General Secretariat underlines that a stronger link between macro-regional and sea basin strategies with INTERREG requires strong multi-level governance of these strategies.



<u>Message 10</u> – There should be stronger EU support for interregional cooperation in Smart Specialisation Strategies in the framework of INTERREG

- For 80 % of the respondents, Smart Specialisation Strategies (S3) Interregional cooperation should be strengthened further for the post-2020 period as regional ecosystems cannot be limited by national borders. S3 need to be enlarged and need to look outwards, connect and find synergies with other S3.
- It was strongly emphasised regions should be at the very heart of any new initiative to support Interregional cooperation on innovation.
- Several regions also pointed out that Interregional cooperation should be allowed at Sea-basin level and not to foresee a compulsory involvement of EU wide partners.
- Respondents' recommendations to facilitate interconnection of S3 across borders via INTERREG:
 - \circ $\,$ S3 should be a part of all the programmes and cooperation
 - When same priorities are shared between border regions, it was suggested several times by respondents, the possibility to have in each <u>regional smart specialisation strategy a cross-border axis</u> to create a cross-border ecosystem
 - Several regions suggested the creation of a <u>dedicated strand</u> to foster Interregional cooperation in the field of S3 of developing further the <u>INTERREG Interregional strand</u>

Initiative to increase Interregional cooperation in the field of Smart Specialisation Strategies The Baltic Sea Region Smart Specialisation Strategy Ecosystem

Initiated by several regions across the Baltic Region and supported by the EUSBSR Policy Area innovation this initiative reflects a collective innovation ambitions across the macro-region. The objective is to build on domestic and regional efforts with S3 and to open up an Interregional approach across the Baltic Sea Region. It aims at creating new innovation opportunities of scale which could not be achieved in isolation. It will help to better define industrial strengths and benefits to regions and overall the macro-region. The funding combines INTERREG and mainstream ERDF support. More information on this initiative can be read here.

ABOUT THE INNOVATION COMPONENT IN EUROPEAN TERRITORIAL COOPERATION

Commission proposal for 2021-2027

• The new architecture of INTERREG includes a specific component 5 for new innovative Interregional investments. It aims to support the clustering of actors involved in smart specialisation strategies all across Europe. The component 5 shall be implemented under direct or indirect management.

CPMR General Secretariat initial reaction

- The **reinforcement of Interregional cooperation on innovation is welcome**. Regional smart specialisation strategies are useful tools to help local and regional authorities to identify local needs and unlock their own regional potential.
- However, questions remain **regarding the future management mode of the component** under direct (by the European Commission) or indirect management (through an Agency or an intermediate body). At this stage it remains unclear for the CPMR Secretariat what this means specifically for component 5. Regions should be at the heart of this new component and its implementation in order to be successful.
- Indirect management should include regional mobilisation: it should promote a regionally based management where S3 regions collaborates and manages the programme via an established and committed module based on "Regional Directors" needs of Interregional exchange and collaboration.
- It also remains to see if this component foresees Interregional cooperation at scale of the whole EU or whether it will also allow Interregional cooperation at sea-basin level.

Annex

1.List of INTEREG programme in which CPMR respondents are involved

INTERREG cross-border programmes

- INTERREG Lithuania-Poland
- INTERREG Nord
- INTERREG POCTEFA
- INTERREG POCTEP (Sapin-Portugal)
- INTERREG Sweden Norway

INTERREG maritime cross-border programmes

- INTERREG Botnia-Atlantica
- INTERREG Central Baltic
- INTERREG Channel (France-England)
- INTERREG Ireland-Wales
- INTERREG Italy-Malta
- INTERREG Germany-Denmark
- INTERREG South Baltic
- INTERREG Øresund-Kattegat-Skagerrak

INTERREG transnational programmes

- INTERREG ADRION
- INTERREG Amazonie
- INTERREG Atlantic Area
- INTERREG Baltic Sea Region
- INTERREG Caraïbes
- INTERREG central Europe
- INTERREG Madeira-Acores-Canarias (MAC)
- INTERREG Mediterranean
- INTERREG North Sea programme
- INTERREG SUDOE

- INTERREG Northern Periphery & Arctic programme
- INTERREG North West Europe

INTERREG Interregional programmes

- INTERREG Europe
- URBACT
- INTERACT
- ESPON

ENI cross-border programmes

- ENI Poland-Russia
- ENI Poland-Belarus-Ukraine
- ENI CBC Kolartic programme
- ENI CBC MED

2. Member States (12)

Denmark, Finland, France, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden, United-Kingdom

3. Names of the participating regions (32 regions)

Eurorégion Aquitaine-Euskadi-Navarre (FR/ES), Andalucia. Basque Country, Blekinge, Bornholm, Bretagne, Cantabria, Galicia, Guyane, Helsinki-Uusimaa, Hordaland, Kymenlaasko, Lazio, Madeira, Navarra, Nouvelle-Aquitaine, NWRA Ireland, Occitanie, Østfold, Pays de la Loire, Podlaskie Voivodeship, Province of Flevoland, Rogaland, Sicily, Skåne, Southwest Finland, Syddanmark, Toscana. Valencia. Västra Götaland. Västerbotten, Vest-Agder, Wales



Contact person: Lucille Ehrhart, CPMR Policy Analyst Email: Lucille.ehrhart@crpm.org

The Conference of Peripheral Maritime Regions (CPMR) brings together some 160 Regions from 25 States from the European Union and beyond.

Representing about 200 million people, the CPMR campaigns in favour of a more balanced development of the European territory.

It operates both as a think tank and as a lobby group for Regions. It focuses mainly on social, economic and territorial cohesion, maritime policies and accessibility.

www.cpmr.org

CONTACT:

6, rue Saint-Martin, 35700 Rennes (FR) Tel: + 33 (0)2 99 35 40 50

Rond-Point Schuman 14, 1040 Brussels (BE) Tel: +32 (0)2 612 17 00

Email: Secretariat@crpm.org; Website: www.cpmr.org

Ref.: CRPMNTP180010

Email: <a>Secretariat@crpm.org; Website: <a>www.crpm.org