

Transnational Cooperation 2021+: An analysis of the proposed regulations

Introduction

Transnational projects (Interreg B) are an important format to collaborate with European partners on the challenges of territorial development and to implement innovative solutions for the sustainable development of cities and regions. In the current programming period (2014-2020) Germany takes part in six transnational cooperation programmes.¹ In May 2018, the European Commission adopted proposals for the new Multiannual Financial Framework and draft regulations concerning the EU cohesion policy post-2020, including proposals for the future of the transnational cooperation programmes (Interreg B). They include changes regarding the content and procedures for future Interreg B-programmes. This paper summarizes the most relevant changes regarding transnational cooperation and draws some initial conclusions on their consequences for programming phase and the alignment of future transnational projects. The final version of the relevant regulations and their adoption by the Council and the European Parliament is expected until mid-2020.

Proposals concerning transnational cooperation 2021-2027

Components of European territorial cooperation (Interreg): The three traditional cooperation strands – cross-border (Interreg A), transnational (Interreg B) and interregional (Interreg C) – will be reshaped into five components. Interreg B will be part of component 2.² This component will integrate cooperation over larger transnational territories (component 2A) and maritime cooperation around sea-basins (component 2B) both with a view to achieving a higher degree of territorial integration.

Objectives of Interreg B: Transnational cooperation will contribute to the five policy objectives set out for the European Regional Development Fund (ERDF). These objectives are in brief (1.) a smarter Europe, (2.) a greener, low-carbon Europe, (3.) a more connected Europe, (4.) a more social Europe and (5.) a Europe closer to citizens. The proposed ERDF regulation breaks down these policy objectives into 21 specific objectives (Commission 2018, art. 2). They replace the 11 thematic objectives of the current period and are formulated in less detail. In addition, the proposed ETC regulation includes two Interreg-specific objectives. The first, “a better Interreg governance”, aims at strengthening the institutional capacity for the implementation of macro-regional or sea-basin strategies and to build up mutual trust. The second Interreg-specific objective, “A safer and more secure Europe”, addresses actions in the fields of border crossing management as well as mobility and migration management (see Commission 2018a, art. 14).

¹ Alpine Space, Danube Region, Central Europe, North Sea Region, North-West Europe and Baltic Sea Region

² The other components are cross-border cooperation (component 1), outermost regions' cooperation (component 3), interregional cooperation (component 4) and the new instrument of interregional innovation investments (component 5).

Thematic concentration: Like in the current funding period, Interreg B-programmes will be obliged to concentrate on a selection of objectives. In comparison to the current period, the proposed rules on thematic concentration are less strict: At least 60 % of the funds for each programme should be allocated on a maximum of three out of five ERDF policy objectives and another 15 % on the two Interreg-specific objectives. In 2014-2020, at least 80 % of the funds had to be allocated on four (out of 11) thematic objectives. The proposal contains a new provision for programme areas with macro-regional strategies. In Germany, these are the Alpine Space (EUSALP), the Danube Region (EUSDR) and the Baltic Sea Region (EUSBSR). Those regions should allocate 100 % of their resources on the objectives of these strategies.

Financial resources: The Commission proposes to reduce the overall funding for European territorial cooperation (ETC). However, for component 2, transnational cooperation and maritime cooperation, the available financial envelope would be slightly higher than in the present period. The proposed 2021 to 2027 ETC budget is EUR 8.43 billion (compared to EUR 10.1 billion in 2014-2020). This would represent 2.5 % of the overall budget of the European Structural and Investment Funds (compared to 2.8 % in 2014-2020). For transnational and maritime cooperation (component 2) the proposed financial envelope is EUR 2.65 billion (compared to EUR 2.1 billion 2014-2020 for Interreg B). The financial envelope foreseen for component 2 represents 31.4 % of the overall ETC budget (compared to 20 % for Interreg B in 2014-2020) (Commission 2018a, Art. 9).³

Incorporation of cooperation outside EU: The EU supports economic, financial and technical cooperation with non EU-countries – including countries that are part of transnational programme areas (Instrument for Pre-Accession Assistance IPA, Neighbourhood, Development and International Cooperation Instrument NDICI). From 2021 on, these EU financing instruments will transfer parts of their resources to Interreg, adding to the budget of the respective transnational programmes (Commission 2018a, art. 1, No. 3).

Co-financing rates: The Commission proposes to reduce the maximum co-financing rate for Interreg programmes from up to 85 % in the current period to 70 % in the coming period. Currently four out of six programme areas with German participation offer co-financing rates that are above 70 % (see Commission 2018a, art. 13).⁴

Common Indicators: The proposed ERDF regulation contains for the first time a set of common output (RCO) and common result indicators (RCR) that are specific for Interreg (Commission 2018, Appendix 1). It is intended that the managing authority shall electronically transmit to the Commission the values of selected output and result indicators every two month.

Administrative simplification and programme management: The proposed regulations contain diverse proposals to simplify programme management and control, e.g. rules concerning audit procedures.

Preliminary Conclusions

The proposed regulation is currently under negotiation of the European Commission, European Parliament and European Council. Nevertheless, some preliminary conclusions can be drawn regarding the future alignment of transnational cooperation programmes:

Continuity of Interreg B: The proposed regulations underline that transnational cooperation (Interreg B) will continue to represent an integral part of European territorial cooperation, regarding substance and resources allocated. At present, future programme geographies are still to be decided. Still, many member states have stated that transnational cooperation should be enabled in transnational territories without macro-regional strategies and that the present delineation of programme areas should be maintained.

Sustainable urban and regional development: The new policy objective 5 „a Europe closer to citizens“ reintroduces the territorial dimension to transnational cooperation. This addresses the sustainable and integrated

³ The proposed funding for cross-border cooperation is EUR 4.44 billion (compared to 6.4 billion 2014-2020, including 18 programmes of maritime cross-border cooperation).

⁴ Maximum co-financing rates for German project partners in the different programme areas 2014-2020: Alpine Space 85%, Danube Region 85%, Central Europa 80%, Baltic Sea Region 75%. North-West Europe (60%) and North Sea Region (50%) have lower co-financing rates.

development of cities and regions – of urban areas as well as rural and coastal areas. This is a major innovation compared to the present funding period, in which programme areas had to derive their specific priorities from a catalogue of sectoral themes like innovation, transport, climate protection. The new objective 5 offers opportunities to develop and implement place-based solutions on important issues of urban and regional development that take into account social, economic and ecological aspects.

Local embeddedness of Interreg: The cooperation of stakeholders of different territorial levels – national, regional and local – as well as different sectors (public administration, academia, business etc.) is part of the unique features of Interreg. The policy objective 5 (a Europe closer to citizens) opens up new opportunities for the programmes, to (re-)integrated municipalities and civil society to Interreg. The draft regulations highlight the importance of community lead local development. It will be an important task during the programming phase to think about project types and opportunities for participation that make it easier for these actors to take part in transnational cooperation.

Linkages to macro-regional strategies: In the three programme areas with macro-regional strategies, the organisational linkages between Interreg and these strategies will gain additional importance.

Measuring results: The draft regulations introduce Interreg-specific indicators that allow to capture and to illustrate the added value of these programmes. The current proposals for these indicators fail to illustrate the cross-thematic and spatial benefits of Interreg. Therefore, the task remains to further develop the set of common indicators and detail these indicators in the programme areas with respect to the chosen priorities.

Simplification of administration and programme management: The proposed regulations contain a number of simplification measures for programme authorities and beneficiaries, e.g. the simplification of audit procedures or the greater use of simplified cost options.

Outlook

Even though the regulations relevant for the future Interreg-B programmes are still to be adopted, it can be expected that the programme areas with German participation can start their programming activities based on a variety of themes for transnational cooperation that is comparable to the present funding period. It seems that even a greater thematic flexibility can be expected. The new political objective 5 (a Europe closer to citizens) brings back integrated approaches to territorial development in focus of structural policies in general. This is a chance to make Europe visible and tangible with the help of Interreg B-projects. To what extent these integrated approaches will play a substantial role in transnational programmes post-2021 is highly dependent on the strategic decisions of the programme areas.

Literature

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