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## Working Paper on the Evolution of Interreg B 2020+

*This working paper was prepared by the "Interreg B Working Group" in Germany, namely the Chairs of the German sub-committees of the six programme areas with German participation under the chairmanship of the Federal Ministry of Transport and Digital Infrastructure (BMVI). The chairs of the sub-committees are representatives of the federal state level.*

### Introduction

During times of upheavals and changes within the EU, European Territorial Cooperation is an important stabilising factor for cohesion. Especially the Interreg B programmes with their manifold projects bring about visible results in the regions and municipalities. The transnational and trans-border cooperation among people and institutions which can be experienced in practical ways is promoted as an important and stabilising factor in times when tendencies of leaving the EU are becoming apparent.

Germany participates in six programmes of transnational cooperation. Even if there are differences among the individual cooperation areas, i.e. North and Baltic Seas, Danube Region, Alpine Space, North West and Central Europe, as regards the sectoral focal points of cooperation, the objective of a well-balanced territorial development of the regions is the unifying element. In view of the forthcoming planning activities for the future budgetary and regional policy of the EU and the multiannual financial framework, the aim of this working paper is to show ways and means for the strengthening of transnational cooperation as an important element of EU cohesion policy in the next programming period after 2020.

The emphasis is placed on the different impact dimensions of Interreg B as well as on the European added value of transnational cooperation, illustrated by project examples from the different cooperation areas. The strategic positioning is made on the basis of the three different starting situations in the six cooperation areas with German participation. Finally, specific proposals are made concerning the future outline conditions as well for the purpose of simplification which are derived from the experiences made during the present and past programming periods.

## 1. Summary of the key propositions

### Interreg B programmes today

- promote territorial cooperation in functional regions.
- promote the cooperation of people and institutions across administrative and national borders.
- ensure the cooperation of different stakeholders from several countries and different sectors and thus, consistently implement multi-level governance systems.
- contribute to an enlarged knowledge pool and the development of innovative solutions.
- strengthen capacities of the public sector and territorial cohesion.
- stand for European Integration, strengthen trust and understanding and, consequently, cohesion in Europe.

### Strategic positioning of the Interreg B programmes for 2020+

- **Alignment with other policies** : stronger strategic positioning of the Interreg B programmes to better align the projects funded under the transnational programmes with EU cohesion policy in general as well as with other EU policies.
- **Territory matters**: Further development of the Interreg B areas on the basis of regional strengths and weaknesses as well as opportunities and trends.
- **Strategic synergies**: Territorial strategies (e.g. macro-regions or other strategic collaborative schemes) strengthen the cooperation in these regions already today. In the future, synergies will, however, have to be exploited to an even greater extent.
- **Individuality**: Different initial situations (geography, administrative cultures and structures, political and economic conditions) of the Interreg B programmes have to be taken into account.

### Outline conditions and simplifications for the Interreg B programmes 2020+

- **Measuring**: Adapted and specific indicators to represent the programme outcomes of the European added value of Interreg B.
- **Capitalisation**: Improved capitalisation of the project outcomes and their integration into decision-making processes.
- **Holistic approach**: Promotion of soft and intersectoral topics.
- **Flexibility**: Facilitation of asymmetrical, small-scale and low-threshold projects.
- **Interlinking**: Interaction of Interreg B, mainstream programmes and macro-regional strategies.
- **Complementary character**: Ensuring the complementarity of programmes.
- **Legal certainty**: Simple, clear and singular rules and regulations.
- **Simplification**: Of the designation procedure as well as of the management and control systems.
- **Easing workload**: For the application of the state aid law.
- **Appropriateness**: Of the requirements in the sectors of communication and publicity.

## **2. What are the achievements of Interreg B?**

Interreg B, as part of European Territorial Cooperation, supports transnational European projects in thematic fields which are of common significance for several regions. This strengthens the regional and economic development in certain subregions of the EU and promotes European identity. What is more, Interreg B makes a major contribution to the understanding between people from different European countries and regions as well as to the cooperation of various institutions from states and civil society. Interreg B stands for the consolidation of European integration by its specific transnational cooperation in major EU subregions, thus constituting a special unique feature as compared with all other EU funding programmes.

Interreg B funding leads to the cooperation of various regional stakeholders, for example from the public sector and the sector of economic promotion, from enterprises and research establishments as well as from civil society and in this way promotes European identity and the mutual knowledge about structures and cultures prevailing in the cooperating countries and regions. This transnational cooperation extends over many and varied thematic fields such as innovation, education, health, traffic and transport, energy, climate and environmental protection as well as research and development. Knowledge and experiences from different European regions are shared within the framework of cooperation projects, the innovative capacity is strengthened and new strategies for the solution of problems are elaborated which would not be possible solely in a national context. The benefit is felt in many fields and the competitiveness of the regions within the EU which differ considerably in social, cultural and economic terms is enhanced. The added value of the Interreg B programmes is brought about by their essential contribution to the territorial development and the related reduction of regional disparities as well as by the identification with a common and unified Europe.

### **2.1. Impact**

As part of the European cohesion policy, Interreg B projects contribute substantially to regional development and territorial cohesion. In contrast to the mainstream programmes of structural funding, one priority of the Interreg B projects is the transnational cooperation within large areas of interaction. This entails a series of intersectoral and interregional impacts with outstanding significance for European integration.

#### **Cooperation in functional regions**

Cooperation within the framework of Interreg B takes place in functional regions which are not identical with the existing administrative boundaries. The need for transnational cooperation results from the geography of the programme areas and/or from functional relations such as economic and traffic flows, settlement patterns or supraregional labour markets. In many cases, owing to these cross-border functional connections, transnational cooperation can be most efficient when it comes

to addressing similar trends and existing challenges in the regions as well as to making optimum use of the related resources.

*Example North West Europe: The Rhine is a traffic artery of pan-European importance, connecting inter alia the port of Rotterdam in the Netherlands with the industrial centres of the Ruhr valley and Switzerland. Moreover, major urban areas such as Paris, London, Brussels, Cologne and Frankfurt are located in this region which are economic and administrative centres. These large cities require good traffic and economic connections but at the same time it is necessary to strike a balance between the metropolitan regions and the surrounding rural areas.*

### **Cooperation of different stakeholders**

The approach of *multi-level governance* is a characteristic of Interreg B and a unique feature within the framework of EU funding: The project consortia are composed of representatives from institutions and organisations from several countries as well as from different fields of the *Quadruple Helix*, i.e. from politics/administration, research/universities, industry and civil society. The same applies to programme management. Here, the competent public authorities of the Member States involved cooperate with the Managing Authority and with the Commission for the implementation of the programme.

*Example Baltic Sea Region: Within the framework of the “Baltic Sea Labour Network” project, a consortium consisting of 22 partners – trade unions, employers, policymakers, scientists - worked together throughout the entire Baltic Sea Region. Even after the completion of the project, the consortium continues to exist and currently includes 30 partners. The stakeholders remain committed to offering attractive jobs in the Baltic Sea Region.*

*Example Danube Region: Within the context of the “DanuBioValNet” project, the outline conditions for innovations are improved by means of biobased value chains. Numerous enterprises participate in this project through cluster organisations together with policymakers and public authorities. The strategic integration of the altogether 16 partners from 10 countries of the Danube Region (two countries thereof are non-EU countries) ensures the sustainability of the project outcomes and follow-on investment.*

### **Enlarged knowledge pool, development of innovative solutions**

Interreg B merges knowledge and experience of experts and specialists. This enlarges the knowledge base for a forward-looking regional development and improves the efficiency of the regional funding instruments. Interreg B provides financial assistance for the development of new ideas as well as for a more effective and efficient design of work processes. New solutions are tested and improved in pilot actions and transferred to other stakeholders or regions. Key stakeholders learn about innovative approaches, methods and technologies which purposefully extend their scopes for action and form an important basis for the further development of the region.

*Example Central Europe: Within the framework of the “Trolley” project, inter alia handbooks were elaborated on the conversion and energy storing of buses. The measures developed contribute to a*

*more energy-efficient and climate-friendly urban mobility. The project outcomes are now applied in many other cities of the programme area and are also widely disseminated beyond this area.*

*Example North Sea: In the "ICT for SMEs" project, partners from all countries bordering the North Sea have investigated the obstacles preventing the application of information and communications technology. Project results especially consisted in specific advisory and support services for the enterprises in the regions involved. In 2008, the broadband centre of excellence in Lower Saxony evolved from this project as an interface for broadband roll-out. Thus, the initial Interreg funding of approximately 280,000 euros produced follow-on investments and regional financial support of more than 4 million euros for the district until 2015. In addition, new jobs were created and the broadband roll-out in rural areas continues to progress intensively.*

*Example North West Europe: 38% of the EU population is suffering from psychological illnesses. In the North West Europe programme area, the IT sector is highly developed, e-mental health applications offer a high potential but are scarcely used. The "eMEN: e-mental health innovation and transnational platform North-West Europe" project supports SMEs in the development of new products, elaborates its own quality procedures and transnational policy recommendations. This will enhance the average application of e-mental health products in the programme area from currently 8% to 15%. In the medium term, an increase by at least 25% is intended.*

### **Strengthening of administrative capacities**

The economies in Europe have been interlinked by the Single European Market since 1957. Today, public services can also be provided across borders. Interreg B also helps to internationalise administrative governance at local, regional and national level and/or to place it on a more European footing. This is done at project level as well as with regard to the common programme management.

The Europeanisation of the Member States by the joint management of Interreg programmes is of special importance. All transnational programmes have a management structure which is unique throughout Europe. Nowhere else do regional and national administrations from several Member States work together in common monitoring committees to jointly adopt regional policy objectives and to decide on the use of European funding to promote regional development. This leads to the emergence of important cooperation structures beyond the regional and national administrations. These cooperation structures strengthen cohesion within the EU since they make attitudes and positions of other regions more transparent and make their needs more visible. In this way, mutual understanding can be enhanced and administrative governance can be placed in a more European context.

Furthermore, Interreg B projects directly contribute to the strengthening of administrative capacities by improving the structural conditions which are necessary for the evolution of the regions, for example in the sectors of research transfer or initial and continuous vocational training.

*Example Alpine Space Programme: Within the "PlurAlps" project, local authorities in the Alpine region cooperate to jointly develop a culture of welcome for refugees and to provide for their reception and integration.*

*Example Danube Region: The “EDULAB” project tries to open up professional opportunities for young people in the Danube Region by creating the conditions for the implementation of the successful model of a “University of Cooperative Education” which offers practice-oriented teaching programmes. This does not only enhance the attractiveness of vocational academic education and effectively counteract youth unemployment but it also increases the competitiveness of enterprises and strengthens the economic development of the Danube Region.*

## **2.2. Territorial cohesion by process-oriented approaches**

Interreg B offers specific experience which illustrates the significance of European integration for the European citizens. It builds up trust and understanding, supports the development of common strategies and strengthens cohesion in Europe. Interreg B has a process-oriented impact dimension which focuses on cooperation and territorial cohesion. Within the framework of Interreg B it is not only the direct output (e.g. number of transnational flood defence plans) which is of crucial importance. Insights on how to incorporate outcomes into political and strategic decisions and how to implement them within organisations or wider policy areas also count among the performance indicators. The transnational programmes thereby directly implement the territorial cohesion goal as provided for in Article 3 of the EU Treaty and Articles 174 and 175 of the Treaty on the Functioning of the European Union (TFEU) on all levels of governance.

For Interreg B, the transnational cooperation of people and institutions is a central characteristic and that is why the transnational added value is applied as a decision-making criterion for the selection of projects. People and institutions involved in an Interreg project have developed an understanding, awareness and grasp for other Europeans and have worked together in their professional environment, thereby directly experiencing and embodying the European idea.

*Example North West Europe: One project stakeholder said: “At a meeting of the project partners, we met one partner who does grass root work with property owners in precarious neighbourhoods in Mantes-La-Jolie near Paris. Subsequently, the CAN project partners have exchanged ideas and experiences on new approaches for increasing the rate of refurbishment. It is good to see this rare interlinkage of local and European experiences - and this is made possible thanks to the Interreg project.”*

## **3. Strategic positioning of Interreg B programmes 2020+**

As all programmes of European Territorial Cooperation, Interreg B, too, must respond to current developments and changed outline conditions in Europe and in the EU. This includes the strategic positioning of the Interreg B programmes to ensure that the projects funded are even better incorporated into the EU cohesion policy as well as into the Political Guidelines of the EU such as the current EU 2020 strategy. Whereas Interreg B in its beginnings more than 20 years ago was only an experiment to enhance the visibility of the EU in marked-off territories, it is today a highly effective

instrument of EU cohesion policy offering impact-oriented approaches across different tiers of government, the significance of which must not be underestimated in view of the major upheavals the EU is confronted with.

Transnational programmes implement large-scale territorial strategies and functional approaches at regional level for the development of the relevant cooperation area. These strategies are elaborated on the basis of joint analyses and objectives jointly defined by the EU Member States and their neighbouring countries. Thereby all six transnational programme areas with German participation are strongly based in a common strategy and have a clear strategical outline. In the current programme period 2014-2020, these strategy developments were based on a SWOT analysis and the ensuing programme priorities, as defined jointly by the participating partner states. In addition, there are other territorial strategies in the cooperation areas which are already effective, such as the macro-regional strategies of the EU (Baltic Sea Region, Danube Region, Alpine Space) or within other multilateral cooperation bodies (e.g. North Sea Commission or Energy Cooperation of the North Sea Countries).

For the forthcoming funding period, the aim should be to achieve a closer cooperation of these territorial strategies and Interreg B in order to generate maximum synergies and, thus, to support the efficient use of all funding strands available for the benefit of an improved territorial development within the EU and its neighbouring countries.

To make differentiation easier, this paper presents three Interreg B spatial categories. These categories explain the different initial situations for the evolution of Interreg B after 2020, based on the concrete experiences with the six Interreg B programme areas with German participation.:

- Interreg B areas with a functional strategy (North West Europe - NWE, Central Europe)
- Interreg B areas with a territorial cooperation strategy (North Sea)
- Interreg B areas with macro-regional strategies (Baltic Sea Region, Danube Region, Alpine Space)

From the German perspective, all six transnational cooperation areas with German participation are of equally high strategic importance.

### **3.1. Interreg B areas with functional spatial strategy (North West Europe - NWE, Central Europe)**

#### **North West Europe**

##### **Initial situation and potential**

The area of the North West Europe programme comprises the “powerhouse” of Europe: the growth regions from London to the Upper Rhine with the “European capitals” Brussels, Luxembourg and Strasbourg. At the same time, this area includes vast rural areas and regions with a great variety of structures as well as areas and regions undergoing structural changes. Consequently, North West

Europa is a very heterogeneous region. This heterogeneity is also reflected by socioeconomic and ecological indicators. The gap between rural and urban areas in North West Europe also has an impact on the accessibility of the regions in North West Europe. The area is characterised by various economic interdependencies and at the same time faces the challenge of promoting a harmonious overall development. Many of the differences between the subregions seem to increase over time. Therefore, one of the main challenges for the NWE programme area is to bring into line excellence and multiplicity. The area pursues a strategy for the strengthening of economic performance by innovation which also includes sustainability and cohesion. The aim is to preserve North West Europe as an attractive place where people live and work.

### **Future requirements**

The North West Europe cooperation area will be subject to major changes in the years to come. It is not only Brexit but also other challenges which will have to be met.

Regional patterns with Eurosceptics and Pro-Europeans can primarily be identified in less favoured rural areas and smaller towns on one hand and heavily industrial and urban areas on the other: 55% of the population in rural areas voted for Brexit.

Starting with the Lisbon process, which pursued the aim of the EU becoming the strongest, most competitive and most dynamic economy worldwide until 2010, an increasingly liberal course was followed in favour of growth centres and at the expense of cohesion policy as compensation policy<sup>1</sup>. This focus on growth and innovation which is a key element especially of the NWE programme, risks to lose the grip on the citizens, the local authorities and the project partners who cannot benefit from this approach which increasingly leads to the formation of elites with high-end products. Interreg B and especially the NWE programme must raise their profile as an instrument of territorial balance in the future. This also includes the intensive integration of the relevant administrative levels into the projects of European Territorial Cooperation as project partners. Only thus will the programme be capable of coping with the challenge of promoting a harmonious development, of moving away from sectoral or research-oriented programmes and of achieving a better organisational, social and territorial distribution of its impacts which will result in greater justice and balance. Especially in cases where no macro-regional strategies are available, more territorially-oriented objectives of the Interreg B programmes are of highest priority. It will be necessary and useful to gain support through the next generation of Cohesion Policy regulations which should contain indicators focussing on cohesion rather than high end products.

In this context, programmes like the NWE and Central Europe programmes will in future have to assume a stronger role for the integration of different funding options. In interaction with sectoral financial assistance programmes, Interreg B should raise its profile with a view to integrating different programmes and co-ordination of investment planning. The interlinking of various available funding strands would encourage a harmonious territorial development of the cooperation area.

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<sup>1</sup> Cf. the spatial scenarios of the ESPON Project ET2050.



Brexit, too, will have a lasting effect on the conditions for the cooperation among the institutions in North West Europe. After the withdrawal of the UK from the EU, the need for cooperation will increase considerably and Member States will be called upon to work together more intensively. The Interreg B programme North West Europe is an important instrument to promote cooperation - on the one hand among the EU Member States and on the other with the non-EU countries as is currently the case with Switzerland and in the future will be the case with the UK. After Brexit, cooperation with the UK will be of special economic and social significance and will have to be strengthened. For some individual British regions it may still be possible to participate in European cooperation via Interreg.

## **Central Europe**

### **Initial situation and potential**

The Central Europe region is characterised by a variety of large- and medium-sized cities with important European cultural monuments, as well as by densely populated industrialized regions on the one hand and predominantly rural areas on the other. Moreover, this region is still affected by the impacts of the division of Europe into East and West. With the accession of the Middle and Eastern European Countries in 2004, the EU took a major step towards deeper integration. Interreg contributes to supporting the regions of the former Eastern Bloc in their transformation process. This does not only serve the purpose of territorial cohesion but also the overarching objective of European integration. Central Europe assumes the function of a hinge, making an important contribution to the linking of subregions of the EU since it interconnects several programme areas (Baltic Sea Region, Danube Region, Alpine Space, Adriatic Region) and can thereby address crucial interfaces. In this way, all four macroregional strategies also benefit directly and indirectly from the Central Europe programme.

Accordingly, the development strategy for the Central European region is particularly aimed at territorial cohesion and the reduction of the still existing East-West divide, while making use of the rich cultural and natural heritage as well as of the strong economic hubs as a potential for development. The improvement of the connectivity and accessibility of the region, i.e. the development of common transport arteries and the creation of hinterland connections for the economic centres are equally challenges and opportunities for the development of the region after 2020.

### **Future requirements**

The disparities and common features along the former Iron Curtain - in 2020, this will be 30 years after German reunification and 15 years after the accession of the Middle and Eastern European Countries to the EU - call for a more intensive cooperation and the setting of clear priorities in the regional strategy when designing the thematic objectives of the future programme. This becomes

even more important with a view to the nationalistic tendencies which have been re-emerging for some years.

It would be essential to harmonize the conditions of funding within the Central Europe Programme. With the abolition of automatic reciprocal financing of the shares of the project partners, the equality of opportunities for the filing of applications and the project implementation would be ensured. Furthermore, an enhanced cooperation among the Member States involved would be desirable to overcome the great reluctance which is currently apparent in strategic decision-making processes, especially as regards the selection processes for the projects. The possibility of developing overarching strategically designed projects which, for example, pool thematic areas of ongoing projects, thus transforming them to another level, or which develop spatial strategies for certain sectors, should be better supported within the context of the multi-level approach. Currently, these holistic projects are effectively banned from funding because projects have to be narrowed down to individual thematic priorities.

## **3.2. Interreg B areas with territorial cooperation strategy (North Sea)**

### **Initial situation and potential**

The North Sea is one of the most intensively used sea basins of the world. Already today, there are many often competing interests (e.g. wind power, energy supply, fishing, shipping and nature conservation) which have to be coordinated and balanced. Therefore, maritime spatial planning as well as international cooperation on other issues play an important role. Currently, the states bordering the North Sea are working together in the Interreg B North Sea programme, in the North Sea Commission and the Energy Cooperation of the North Sea Countries. Moreover, there are joint efforts by the EU to strengthen the Blue Economy of the North Sea region and cooperation schemes and bodies in the sectors of maritime spatial planning and fishing.

The North Sea Commission (NSC) is a cooperation platform for currently 34 regions located at the North Sea coasts. These regions belong to Norway, Sweden, Denmark, the Netherlands, France, the United Kingdom (England and Scotland) and Germany. The NSC is one of the commissions under the umbrella body of the "Conference of Peripheral Maritime Regions of Europe (CPMR). The aim of the NSC is to strengthen and enlarge partnerships between the regional authorities which are confronted with the challenges and opportunities of the North Sea region. For this purpose, NSC develops different strategies, e.g. the "North Sea Region 2020 Strategy". The evidence and findings from the strategy development have been taken into account in the development and implementation of the Interreg B North Sea programme for many years. The intensive cooperation within NSC generates projects which are funded by Interreg B.

Since June 2016, the EU Member States bordering the North Sea have been working together at national level on the subject of renewable energy sources. This cooperation is based on a political declaration of the North Sea countries and is aimed at specific goals in connection with the expansion of wind energy and the setting up of joint energy networks. There is a great thematic consistency

with the objectives of the Interreg B North Sea programme which will in the future have to play an important role to support this cooperation.

### **Future requirements**

Growth as well as regional, economic and social convergence in the North Sea region can only be ensured with all riparian states on the basis of partnership. Therefore, cohesion policy to promote the economic, social and territorial cohesion in Europe enjoys a high priority for the riparian states.

Brexit will have a lasting effect on the situation in the North Sea itself and on the conditions for cooperation among the institutions in the North Sea region. The coastal areas and port cities will have to reposition themselves if there is a new external border of the EU in the North Sea after Brexit. The effects will presumably go beyond the purely economic needs. For this reason, the work within the Interreg B North Sea programme in cooperation with the NSC will in the future assume an even more important role for the North Sea region.

The need for cooperation will, after the withdrawal of the UK from the EU, still be greater and require a stronger working relationship - in any case among the EU Member States but also with non-EU states as is already the case with Norway and in the future with the UK. The Interreg B North Sea programme is an important instrument to promote international cooperation in the North Sea region. In the years to come, it would be useful to endow the Interreg B North Sea programme with more financial resources in order to strengthen the cooperation of the states after Brexit. This platform will also enable individual British regions to continue to participate in the cooperation on important subjects concerning the North Sea. In the forthcoming funding period, it will therefore be ever more important to strengthen the Interreg B North Sea programme and the NSC as a portal for cooperation in the North Sea region.

What is more, the existing structures and strategies in the North Sea region must be used more intensively by the different stakeholders in order to generate synergies. The riparian states might agree on a common territorial strategy (e.g. in the form of a coordinating macro-regional strategy) for the North Sea region which goes beyond the activities of the North Sea Commission. The development of such a strategy for the North Sea region involving all riparian states (including UK and NOR) might contribute to taking more account of specific regional characteristics, potentials and challenges when implementing EU politics. The objective of the common strategy should, among other things, be to mobilise new projects and initiatives in order to create a feeling of common responsibility for the region and for Europe.

## **3.3. Interreg B areas with macro-regional strategies**

### **Initial situation and potential**

Macro-regional strategies (MRS) contribute to realising the economic, social and territorial cohesion by tackling common potentials and challenges in a delimited geographical area on the basis of jointly defined objectives. Owing to their largely identical geographical size and also to their territorial

objectives as well as their, in principle, consistent substantive orientation, the relevant Interreg B programmes assume a special role for the implementation of the MRS, even if other funding instruments also have to be used for this purpose. As a rule, MRS cover more topical issues than the programme objectives as laid down in the Interreg B programmes. It must, therefore, be assumed that every Interreg B project contributes to implementing the objectives of the relevant MRS.

Synergies emerge also in the opposite direction: by means of the multi-fund approach it becomes possible through the MRS to enhance the significance of the pre-investment character of transnational cooperation and to link projects to the implementation of the MRS. Furthermore, the working groups dealing with the MRS develop new project ideas leading to project applications for European Territorial Cooperation and contributing to achieving its objectives.

In addition, the MRS define a political-strategic framework for transnational cooperation. Their governance structures offer the possibility of integrating the relevant political levels into the projects of European Territorial Cooperation and of ensuring a better co-ordination among the existing regional organisations as well as among the transnational programmes themselves. Thus, the governance structures of the MRS enable a more strategic direction and a better political integration of the Interreg B projects. "Policy Learning" which is one of the core objectives of the Interreg B programmes, is being supported.

The programming period 2014-2020 has already led to an approximation process between the macro-regional strategies and the Interreg B programmes and at the same time identified the potentials which have not yet been fully exploited for the achievement of the respective objectives. To make better use of synergies between Interreg and the MRS, it is necessary to ensure a better interaction of the instruments and workflows as is presented in the following.

### **Future requirements**

For the programming period to come, the expansion of synergies between the macro-regional strategies and the transnational programmes is in the centre of efforts in the Baltic Sea Region, Danube region and Alpine Space programme areas. For the Interreg B programmes it is necessary to make the funding options more flexible. Otherwise, it will stay difficult for the programmes to respond to the thematic, temporal and structural conditions of the MSR, which do not necessarily correspond to the programme priorities.

The co-ordination and cooperation mechanisms between the B programmes and the MRS have to be improved in order to create more synergies. Exchanges of ideas and experience between the representatives of the political steering levels of the strategies (e.g. EUSALP Executive Board or EUSDR National Coordinator) and representatives of the programme bodies (Programme Committees or Monitoring Committees) has to be provided for. First important steps were already made during the current programming period. In the future, the managing authorities and the EU Commission should support this cooperation more actively and enhance better co-ordination of the strategy and programme stakeholders also at the national level.

Equally, the workflows and structures within the context of the MRS must be reviewed and adapted with a view to improve common processes, exchanges of information and consultations with the

Interreg B programmes. A regular exchange of information between representatives of the programmes and of the MRS should take place. Moreover, the exchange of ideas and experience between the Interreg projects and the working level of the MRS must be intensified. Interreg B projects are most suitable to be integrated into the thematic areas of the MRS. The MRS can rely on already existing collaborative schemes of well-established partnerships. In return, they could support better visibility of the projects and foster networks of stakeholders in their thematic field. This may result in new project ideas or capitalisation strategies, which make an important contribution towards the interlinking of comparable or complementary approaches. On the part of the programmes, first activities were already initiated which could be maintained and developed methodologically (e.g. Meet-and-Match Forum of the Alpine programme in March 2017). Such opportunities for the exchange of ideas and experience and joint initiatives should also be financially supported.

#### **4. Requirements for the future programming period**

With the “Europe 2020” strategy, the European Union had developed a “road map” for mastering key challenges and this strategy was adopted by the European Council in June 2010. The measures and the success stories of cohesion policy have effectively supported the objectives of the “Europe 2020” strategy which include a sustainable, integrative and intelligent growth in Europe. For the future programming period, it is necessary to establish overarching general policy guidelines at EU level for the development of cohesion policy. In this context, the “territorial dimension” as the third dimension of cohesion policy must be given central importance in order to strengthen governance in Europe. The relevance of the spatial dimension will make the promotion of cross-border, transnational and interregional cooperation particularly important. The Cohesion Policy regulations should reflect this.

##### **4.1. Adapted indicators for Interreg B**

In the currently applicable Regulation (EU) No 1299/2013, Transnational Cooperation is described as an important instrument of integrated regional development, in accordance with the priorities of EU cohesion policy. The existing regulations for the implementation of the programmes do, however, not take the specific strengths of Interreg B into account. In order to actually illustrate the success of the transnational projects, the indicators for impacts and results should produce real evidence and positive process-oriented outcomes and not only superficial output. Therefore, in the next funding period, it will be necessary to place greater emphasis on the process-oriented cooperation effects which sustainably strengthen cohesion in Europe and to highlight these effects as values and objectives.

Accordingly, success will for example have to be assessed on the basis of the achievements such as lasting networks and strategic transformation processes. Building on this, relevant indicators for evaluation which better represent the cross-sectoral and process-oriented impacts and successes of

Interreg B should be developed. In many cases, the impacts of the projects only become apparent in the long run after the conclusion of the project, for example working contacts which are consolidated and form the basis for long-term cooperation in several fields. When defining the indicators this long-term character should be taken into account.

## **4.2 Improved capitalisation of the outcomes**

The systematic development of added values for regional development from Interreg projects makes the designing of the programmes subject to a series of requirements which are currently not fulfilled to a sufficient extent. The capitalisation strategies of the various programmes have not been sufficiently coordinated with the activities of the Member States and with other EU programmes. This makes it difficult to transfer the project outcomes across the region and to use potential synergies. In accordance with the recommendations from a “Model project for spatial planning (Moro)” on the capitalisation of Interreg results<sup>2</sup>, a concerted effort is required which can make transfer of results much easier in the future.

## **4.3 Promotion of ‘soft topics’**

Apart from the core concern of the European Union, to ensure jobs and prosperity, the projects will also have to address the so-called “soft” topics. These topics are suitable means to promote a sense of community in Europe, to bring together the relevant spatial stakeholders and to counteract anti-EU tendencies. They include projects in the sectors of culture, the promotion of cultural and natural landscape heritage, of cultural and regional identity as well as actions to foster the notion of democracy and the solidarity on the ground. To promote this type of projects, programmes should in future comprise the possibility to have open and experimental projects. This should be reflected in the new generation of Cohesion Policy Regulations.

## **4.4 Small-scale, low-threshold projects**

It should be possible to provide financial assistance within Interreg B as well as within the framework of cross-border cooperation to small-scale and “asymmetrical” projects among partners with greatly varying degrees of know-how or with partnerships which are not well-balanced in spatial terms. These projects should be feasible in a non-bureaucratic way and with an adequately low effort for approval and accounting. For Interreg B, too, small or medium-sized municipalities or associations are important stakeholders which should be granted access to financial support under Interreg B.

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<sup>2</sup> [http://www.bbsr.bund.de/BBSR/DE/Veroeffentlichungen/BMVI/MOROInfo/17/moroinfo-17-1-dl.pdf?\\_\\_blob=publicationFile&v=2](http://www.bbsr.bund.de/BBSR/DE/Veroeffentlichungen/BMVI/MOROInfo/17/moroinfo-17-1-dl.pdf?__blob=publicationFile&v=2)

## **4.5 Support of the MRS governance**

In the next programming period, the support of the governance structures of the MRS by transnational programmes should be made easier. Adequate outline conditions should be developed which are more in line with the specific requirements for the support of the MRS. Such support could for instance be provided by microprojects where the focus is on partner structures.

## **4.6 Cross-sectoral, integrated solutions**

In the next programming period, Interreg B should again put more emphasis on integrated territorial project implementation, while being more clearly delimited from research- and innovation-related programmes such as Horizon 2020. The various funding strands such as investment measures funded under the mainstream structural funds programmes, the exchange of experience from transnational cooperation and research funding under the Horizon 2020 should rather complement each other. This requires that the contents and topics of Interreg B should put stronger emphasis on integrated approaches than only on individual thematic objectives. Therefore, the objectives of an integrated territorial development in accordance with the objectives of the Territorial Agenda 2020 have to be strengthened.

Successful projects and cluster initiatives of the Interreg B programmes have generated stimuli at national and international level. For example, the Broadband Centre of Excellence in Lower Saxony emerged from the Interreg III B project "ICT for SMEs" in the North Sea region (duration: 2005 to 2008). A better co-ordination between the ETC programmes and other EU programmes is necessary to achieve such successful capitalisation processes more frequently. This applies to the ERDF programmes as well as to the programmes which are centrally managed by the EU Commission (HORIZON 2020, LIFE, COSME).

## **5. Proposals for simplification**

EU financial support is subject to tight regulations and is comparatively complex. This is especially true for projects with partners from four, eight or even more EU states. The proof of the proper use of funds must not be disproportionately high. The current practice to apply the administrative rules established for the mainstream programmes also to the ETC programmes with their multilateral management system has proven to be impractical for the implementation of the ETC programmes. The extremely high bureaucracy in the case of Interreg B in many cases leads to great reluctance to participate in application procedures and ultimately the programmes as such. Therefore, there should be fundamental simplification of the implementation of the Interreg B programmes and projects.

### **Simple and clear rules and regulations**

In order to better meet the requirements of ETC with its multilateral management system, legal bases which are considerably simpler and consolidated are necessary in the coming programming period. The numerous delegated acts, implementing acts and guidance documents of the Commission lead to legal uncertainty and to an increased risk of errors for the managing bodies of the programmes. A fundamental simplification by adopting clear rules which are reduced to the essential elements is necessary.

### **Designation procedure and management and control systems**

The complicated procedures of the current programming period have resulted in a situation where many programmes have not yet concluded the designation procedure, thereby delaying the start of the programme. For programmes which have successfully undergone the designation procedure and have not experienced essential changes to their basic management structure, it should be made possible in the new programming period to follow a simplified designation procedure.

Additionally, the "single audit" principle must be reapplied. Projects which were already audited by one institution should not be audited again by another institution (Commission, European Court of Auditors, national audit offices etc.) within a short period of time. The results of the audit should rather be communicated between the competent bodies. Audits should be carried out in line with the principle of proportionality and criteria such as error risks, size of the project and the latest findings have to be included.

For European Territorial Cooperation with its multinational character, particularities occur. However, audits currently do not take this sufficiently into consideration. From an error committed by a single Member State in a cooperation programme it must not automatically be concluded that the management and control system of the whole programme is erroneous. When determining the error rate of the programmes themselves, the particularities of transnational cooperation must also be taken into account. In view of the comparatively small absolute amounts of financial assistance and in view of the fact that in the projects, partners from several EU Member States with different administrative and control structures are co-operating, the materiality level applied by the EU for reclaims of funding from Programme Countries should be raised to 5%.

### **Simplification of the application of state aid law**

In the majority of cases, Interreg B programmes have a pilot character or are of benefit to the general public. The extensive checks which are now required to ensure compliance with state aid rules entail a high level of bureaucracy which is disproportionate to the funding amount. For this reason, financial support under the ETC programmes should be considered as not eligible for state aid. This would make the time-consuming checks unnecessary. Potential competitive advantages can for example be offset by imposing the obligation to publish the results and by prohibiting profit-making.



**Requirements in the sectors of communication and publicity**

In the future, the principle of proportionality should also be reflected in the communication and publicity sectors. Complaints about different sizes of project logos and EU flags and the related reclaims of funds should be reasonably proportionate to the actual project work and project outcomes.