

# Ideas for Interreg post-2020 – Cross-border programmes

Report - May 2017

## Background

Interact facilitated a participatory process with Cross-border programme representatives in order to discuss the unique selling points of Interreg Cross-border cooperation programmes and what pre-conditions Interreg Cross-border programmes would need to be more successful, easier to implement and more strategic in the future.

From November 2016 until April 2017, Interact utilised its Cross-border Regional Networks to discuss these points as well as present the Cross-border Review, which is coordinated by DG Regio. There were four network meetings organised 'per zone'; i.e., programmes clustered from the four parts of Europe: South East (22 November 2016), South West (7-8 February, 2017), North-East (21-22 March, 2017) and North-West (4-5 April, 2017). Representatives from Managing Authorities, Joint Secretariats and National Authorities of Cross-border programmes attended these meetings.

The outcomes from the discussions that took place at each meeting have been recorded, and new ideas from each meeting added to this report. The result of this work is a final (summarised and edited) short input paper presenting outcomes of the discussions<sup>1</sup>. Both documents will be submitted to the European Commission as input into their initial discussions on the European Territorial Cooperation Objective post-2020.

## Session Outline

All four network meeting sessions on Interreg Cross-border post-2020 were designed in the same way. They started with a short presentation from DG Regio EC, who gave an insight into the work of DG Regio on the post-2020 period as well as on the Cross-border Review process, which aims at introducing more strategic thinking at the borders and unleashing their potential. More information about this can be found on the EC Europa website: [http://ec.europa.eu/regional\\_policy/en/policy/cooperation/european-territorial/cross-border/review/#3](http://ec.europa.eu/regional_policy/en/policy/cooperation/european-territorial/cross-border/review/#3)

Interact's work plans for post-2020 were then presented. These presentations can be viewed on [the Interact website](#). A brainstorming exercise was also delivered in groups, aimed at

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<sup>1</sup> Ideas for Interreg post-2020 – Cross-border Programmes – Input paper – May 2017. This paper does not represent any official positions.

discussing what Interreg Cross-border programmes, both within EU and with the IPA countries, are good at and how their delivery can be improved in the future.

Below is a summary of outcomes of this brainstorming with the programmes (Sofia, Valencia, Hamburg and Brussels).

### Unique selling points of Interreg Cross-border cooperation programmes

European Territorial Cooperation, commonly known as Interreg, is an integral part of the Cohesion Policy as stated in the Treaty.

- Interreg Cross-border cooperation programmes are at the heart of European integration and have a **true cooperation focus**. Their focus is not on individual countries or regions but rather on cooperation and shared ownership within and between neighbouring countries, bridging cultural divides and enabling one country to better understand the other(s).
- Interreg Cross-border cooperation programmes **build capacity and trust**, facilitate a change in the mindset of EU citizens and promote a long-term cooperation culture. For example, reacting to the migration crisis and encouraging tolerance and respect by promoting an intercultural dialogue and exchange, or supporting cities in preparing integrated action plans to manage similar situations both now and in the future.
- Interreg Cross-border cooperation is good at identifying **common problems in border regions (land or maritime) and solving them together** (i.e., between two-three (or more) countries, on local and regional levels). They address challenges that are not usually a priority at national level in a single country, no matter whether these challenges are territorial or sectoral.
- Interreg Cross border cooperation creates a **critical mass** and enables the **joint ownership** of the results. It helps to build new and reinforce existing cooperation, as well as optimise and maximise resources. For example, the development of common training curricula which can be implemented on different sides of the border(s). Jointly-developed methods and curricula that are implemented result in more advanced training approaches and incorporate good practices from different countries. Such practices also encourage a more mobile labour force.
- Interreg Cross-border cooperation strengthens the **common identity** of the Cross-border region. It taps into the diversity of **Cross-border assets** and uses them as an opportunity to advance the region in a more creative way. This is particularly helpful when border regions are “too far” from the capital or are peripheral and may lack appropriate resources or a strong identify. For example, regional identities can be commonly agreed and promoted within tourism destination development projects attracting critical masses of tourists and enhancing their position.
- Interreg Cross-border cooperation enables multi-level participation, capacity building and shared responsibility. It provides **public administrations – national, regional and local authorities, civil society and NGOs, academia, the private sector and**

**enterprises** – with the opportunity to learn from each other and develop **new horizons**, possibilities and contacts in different types of projects (from soft activities to large scale investment projects and strategic policy-making actions). For example, by connecting research institutes, regional authorities and businesses on different sides of the border (s) through the formation of interregional networks and research clusters which enable faster connections and smoother exchanges.

- Interreg Cross-border cooperation programmes provide a platform for SMEs to **cooperate rather than compete with one another**. Through cooperation they are able to develop clusters and advance mutually-beneficial support services. For example, by providing training courses on innovation competences and entrepreneurial capacities, as well as facilitating international and interdisciplinary cooperation through cross-border company visits.
- Interreg Cross-border cooperation programmes use cooperation to address the specific needs of each border region:
  - They are able to focus their efforts on finding solutions to **assets and specific characteristics and/or social, economic or environmental issues** which directly affect the citizens on both sides of the border within sectors such as education, tourism, security and medical services, cultural and natural heritage, as well as social services, job opportunities and mobility issues. For example, promoting a more mobile labour force by engaging with teachers and pupils and enabling them to gain more insight into the career opportunities, customs and languages operating on different sides of the border(s).
  - They play a key role in supporting **emergency preparedness** and are able to develop tailor-made responses and protocols to manage specific territorial challenges of Cross-border regions. For example, prevention and protection against disasters i.e. flooding or fires by developing joint integrated systems, forecasting models and disaster resource databases containing the relevant information needed for coping with a crisis including lists of experts, details about emergency accommodation and provision of first aid resources.
  - Cross-border co-operation is not just limited to land borders but has demonstrated significant added-value in tackling Cross-border **maritime issues**. Cross-border cooperation programmes are well placed to identify opportunities for common growth and find innovative solutions across maritime borders in the blue and green economy sectors. For example, jointly developing new or adapted procedures for improving maritime safety and minimising the risks of pollution as well as joint initiatives to develop training and careers in the marine and maritime sector.
- Interreg cross border cooperation programmes find innovative ways to **overcome political bottlenecks** and influence legislation between the countries concerned. For example, exchange of expertise which can contribute to new legislation enabling additional investment in offshore energy.

- There is a high level of interest and participation in Interreg Cross-border cooperation programmes at the local level. This is an asset, as the local level has a good understanding of the joint needs of the area. Their results are based on a **“bottom-up” approach** which can achieve recognised results among Cross-border territories. For example, jointly developing transferable strategies with neighbouring countries which improve the way local citizens participate in public decision-making, thereby bringing administrations closer to citizens.
- Interreg Cross-border cooperation programmes provide the ground for **testing and experiencing new solutions** at a local level and on a scale necessary for the characteristics of the territory. Projects share experiences and best practices to test their experimental ideas, pilot new approaches and find new, better or alternative services and solutions to existing ones used or implemented at regional or national levels. This is especially important in the case of IPA countries, as they don’t have the possibility to benefit from Horizon 2020. For example, supporting operators from different neighbouring countries to exchange transport-related data covering public transport as well as road transport, with the aim of providing accurate services to travellers on different sides of a border(s).
- Interreg Cross-border cooperation programmes ensure **the absorption of funds and achievement of indicators** (e.g., in comparison to other ETC programmes). Per capita absorption of money in border regions (invested in projects) is high and shows the local population's significant need for Interreg programmes. For example, pooling resources on different sides of the border (s) to develop service models to help the elderly live in their own homes for as long as possible by using technology to support their social interaction, improve the quality of their life and feeling of security.
- The Interreg Cross-border cooperation programme model has **inspired other countries**. For example, the concept of cross-border cooperation has been extensively considered in Latin America.

### **What pre-conditions would Interreg Cross-border need to be more successful, easier and more strategic?**

#### **Legal framework and budget issues**

- The **rules to be applied in the programmes should be more flexible**. The audit should be involved in avoiding overregulation, so that the rules at national level do not become stricter than the ones at EU level.
- To **reduce the number of pages of legislation** at EU level. Throughout the years, the level of legislative documents at EU level alone has increased dramatically. The EU level legislation should **focus on principles**; the responsibility of the Member States should be to find ways to implement those principles (extensive shared management). At the same time, programmes should represent the strategic framework, while decisions on implementation issues are taken by the Monitoring Committee (as is current practice for eligible expenditures).

- A **single regulation reflecting Interreg-specific implementation provisions** should be created. There is currently a range of legislative references that complicates implementation (Common Provisions Regulation, ETC Regulation, Implementing Acts, and Guidance Notes etc.). This would be eliminated by having a separate and complete Interreg regulation which also includes a list of non-eligible costs. There should be a continued exemption of ETC programmes from ex-ante conditionalities.
- Interreg Cross-border programmes should be **exempt from the State Aid rules as they have a minor impact on competition** and there is a need to align the implementation rules of similar activities at EU level. At the same time, private sector participation should be more welcome. In order to avoid State Aid correlated problems, clear rules adapted to the Interreg context should be defined in advance and foreseen in the regulations.
- In order to increase and promote the EU's identity, spirit and positive economic impact in Cross-border regions, the **Interreg Cross-border funds should be increased. In addition, more financial resources are especially needed** for technical assistance, taking into account the scope of tasks foreseen in the Regulation.

#### Thematic focus

- **There is a necessity to focus on the specific needs of Cross-border areas** – a joint thematic menu for the whole of Interreg and mainstream programmes is not working.
- **An objective/investment priority should be developed for Cross-border programmes** to help areas with limited integrated territorial approach to prepare for the future use of integrated instruments at local level.
- Providing options to allow **better thematic flexibility** (e.g., combination of TO/IPs) and **adjustment to new challenges** faced by the programme area during implementation period could be provided; for example, allowing 10% ring fencing for such actions (e.g., migration issues nowadays).
- Strengthen **“capitalisation”** as a concept. Starting from programming and project development, all partners should focus on the use of results and outputs produced and presenting them for further use to final beneficiaries. **Capitalisation and ex-ante evaluation should take place before programming (these could be even combined with the negotiation phase)** so that programmes build from their experiences.

#### Harmonisation and simplification

- One complete set of **common indicators tailored to the needs of the Interreg programmes** is needed. In addition, data at NUTS III level in Cross-border areas should be made readily available to programmes to avoid the existing differences in collecting data across Member States.
- Harmonised Implementation Tools (HIT), e-MS and cooperation on the eligibility rules at the EU level are **excellent examples of harmonised rules at the EU level** which

make the life of Interreg programmes and projects easier. There is scope for these tools and rules, as well as new solutions, to be even further advanced post-2020. For example, there is a need for standardized templates for all types of public procurement procedures, observing the relevant EU Directive to be developed.

- **Additional Simplified Cost Options** are very welcome with clear provisions for each category in the Regulations. For example, instead of flat rate being optional it would have to be used by everyone, and perhaps increased to a helpful 40%). Clarifying the applicability of Simplified Cost Options is needed, including the way they mix with public procurement rules and the way in which they are audited. **Simplified eligibility according to location** should be possible as long as it is of clear benefit for the area - locations should not matter. Additionally, for control and liability it is not important where the cost/activity has occurred, but the legal location of the beneficiary is important. No other limitation is necessary. In general, **flat rates and lump sums** would need clearer and more harmonised conditions for applying them.

### Management and control system

- **Better partnerships for programme governance are needed in order to respond to thematic priorities** - not just representing institutions of the Cross-border region.
- European Commission guidance to auditors should clearly allow for more reasonable risks and for more reasonable error rates (2% is not seen as reasonable). More focus on **the proportionality principle** is important; i.e., more focus on risks/errors with major impact. A single set of clear guidelines drafted by the EC should be followed by all auditors.
- Control activities should be **focused on results, not on financial details**. The management and control systems should be correlated to the way the policy is delivered and to the chosen implementation system. A result-oriented implementation system should be defined accordingly.
- Opting for reduced **levels of control** in order to avoid/lessen unnecessary delays in payments and in programme and project implementation.
  - Introduce the obligation (not the option) for CA functions to be performed by MA.
  - Second level control (Audit) should be removed. Instead, the third level control (European Commission) should replace it. EC could, for example, outsource it for all Interreg programmes – to one international body like EGTC, for instance.
- Provide **mandatory provisions** for Audit Authorities so that they will be able to assume responsibility for the final audit report, and enable beneficiaries to appeal in a Court of Law.
- Ensure Certifying and Audit Authorities are familiar with Interreg specificities. There is a need to **change the mindset of Auditors** working with Interreg so that they better understand it. Simultaneously, project applicants should be offered more support

and 'hand-holding' in how to reduce the risks of errors - through preventative audits, for example. In the current programming period, the rules focus on correcting incurred errors instead of preventing errors from incurring to begin with. This generates both additional costs and difficulties during implementation. Therefore, the focus should switch from correction to prevention.

- **Communication between MA, CA and AA** should be improved at all levels (also with Interact's help). The EC could act as a mediator between MA and AA should cases of conflict arise.
- Fewer reporting obligations by introducing **only one reporting period** (either financial or accounting year).
- Reflect on the **usefulness of financial reporting requirements**: what is really needed? (e.g., what is the use in reporting the breakdown of costs between ERDF, private, public funds).
- **Remove the accounting year from 01/07 – 30/06** – which creates complications for Cross-border programmes such as 'double' accounting, and creates a delay for final payments each year.
- **Payments on results** could be possible (only if the system is secured against double funding and takes into consideration an appropriate ceiling).
- **Reduced level of control** at programme level for programmes which have been operating for several or more programming periods.
- A more **flexible** approach to using **exchange rates** would be welcome.
- Clearer rules are needed regarding the **definition of an 'operation'** in order to ensure better interpretation and practical implementation.