

### Post 2027 | Consultation Report 4. External cooperation

14 January 2025

### Interreg and its role in EU external cooperation

This report is part of Interact's <u>Post 2027 Consultation reports</u>. This report additionally refers to the following subject specific reports:

- Enlargement (IPA)
- Neighbourhood (NEXT and ENI CBC) ('Post-27 thoughts and ideas', published by TESIM)
- Outermost regions cooperation (OMR)

### Overview

The European Union's external cooperation is built on strong partnerships between EU Member States and non-EU countries, fostering deeper connections and promoting stability and prosperity across regions. In recent years, this cooperation has played a critical role in advancing the EU's neighbourhood and enlargement policies, while also supporting development in its outermost regions with their neighbours.

Despite global crises, EU cooperation programmes have remained resilient, maintaining dialogue and collaboration, as seen in ongoing actions with Ukraine and the Mediterranean. For countries in the EU accession pipeline, Interreg IPA programmes have served as a valuable tool to align with EU regulations and practices, offering a practical framework for integration and engaging local and regional authorities in the European cooperation framework, They serve as essential mechanisms for preparing candidate countries for EU membership by enhancing institutional capacities, harmonizing standards, building trust and connections across borders. These programmes foster partnerships that promote shared growth, stability and development in the regions of the Western Balkans and Türkiye which have been successful examples of this work over three programme periods. All types of Interreg programmes - cross-border, transnational and interregional - play a role in this work.

However, the increasingly tense geopolitical landscape, particularly due to Russia's military aggression against Ukraine, has posed significant challenges. In response, the EU has suspended cooperation with Russia and Belarus. Bordering regions on the EU side now face notable security threats, alongside economic and development challenges.

This report explores proposals for the future of EU external cooperation, addressing the current three key dimensions: the neighbourhood (NEXT), enlargement (IPA) and the cooperation on outermost regions (OMR). This report also introduces policy suggestions for the regions bordering Russia and Belarus. It highlights security and safety concerns, particularly related to external borders, as a crucial area for future cooperation programmes. These reflections are grounded on dialogue with the relevant Interreg programmes.

#### Methodology

The dialogue with Interreg programmes began at the Interreg Knowledge Fair in Riga in March 2024, setting the stage for further analysis and debate. The key takeaways from Riga formed the foundation for subsequent discussions led by Interact and TESIM, which took place in various formats, including focus group meetings, bilateral exchanges, and broader events and conferences. In addition, input was gathered through interviews with programme's representatives. The draft messages were tested and discussed with the representatives of Interreg programmes, EU Member States and Partner Countries in the harvesting event in Brussels in November 2024 after which the presented discussion paper was finetuned and finalised into this report.

This report presents the most significant suggestions for EU external cooperation post2027 and is supported by annexes that provide information in more detail about each of the three EU external cooperation dimensions. Discussions with programmes, collection of information and compiling the report have been done by Interact and TESIM experts.

### Key messages to decision makers

#### **Cooperation architecture**

# Given the unique challenges Europe is currently facing, it is crucial to secure the continuity of EU external cooperation beyond 2027, with a focus on its various dimensions, including neighbourhood relations, enlargement efforts, and support for outermost regions

Cooperation between the EU and non-EU countries is becoming increasingly important for the countries preparing for accession. This applies not only to current Interreg IPA programmes but also to certain Interreg NEXT programmes. The role of these cooperation programmes in the accession process should be carefully considered when planning the framework for the future period. Keeping internal and external cooperation programmes distinct, with a clear focus of the latter on enlargement and development, would ensure that they complement each other rather than duplicate. At the same time, more alignment between Interreg IPA and IPA-IPA programmes is called for.

Current and previous Interreg IPA programmes have provided substantial added value by preparing the candidate countries and their regions for EU accession. They build on their past success from three consecutive programming periods. Their role has been vital in building the administrative and institutional capacities of pre-accession countries.

Cooperation within the EU's neighbourhood requires special attention, particularly in light of developments in the southern neighbourhood, including North Africa and the Near East. Programmes in the Eastern neighbourhood also face significant challenges, especially due to the ongoing war. It is, therefore, essential to ensure that these programmes continue addressing broader regional needs and challenges. The role of these programmes in capacity building within the partner countries without EU aspiration is also notable in the neighbourhood context.

Outermost regions cooperation positioned as part of external cooperation is vital and should be recognised as such – their neighbours are also EU neighbours and supporting their specific challenges through cooperation is essential for their regional integration. They play a crucial role in redefining outermost regions (OMR) as strategic assets for the EU (rather than simply remote peripheries). The dedicated strand that goes beyond transnational and cross-border cooperation should be kept for the Outermost Regions' programmes, along with a specific strategic framework and financing model.

Geographical coverage of current programmes is in general appreciated and opinions for the needs for changes vary. Beyond adjusting the programme territories, future programmes should be encouraged and allowed to extend their partnerships beyond their defined programme regions. This approach would help to spread the impact more widely, rather than limiting it to immediate neighbours. Greater efforts should be made to capitalise on successful practices and projects in other regions and work on utilizing synergies, both within and outside the EU. For OMR programmes, widening the partnerships can be considered as long as geographic coherence is guaranteed, to keep the focus on fostering regional integration with neighbouring regions and partner countries.

# Recognise the specific situation of regions bordering Russia and Belarus and consider the possibility of establishing cooperation programmes involving regions with similar challenges, even in the absence of a shared border<sup>1</sup>.

Russia's military aggression against Ukraine has placed the regions bordering Russia and Belarus in a new and challenging situation marked by socio-economic and security concerns. The termination of external cooperation programmes with Russia and Belarus has further complicated the regional development efforts and restricted opportunities for these regions to leverage their cooperation programme potential. In response, the affected regions have proposed establishing a cooperation programme

<sup>&</sup>lt;sup>1</sup> Neighbourhood (NEXT and ENI CBC), page 3

tailored to the needs of areas facing similar challenges. This initiative emphasizes the importance of enabling regions to cooperate on shared challenges, even without direct adjacency.

### Objectives, purpose and orientation

Consider how the offered thematic menu would best serve programmes' needs. While current policy objectives seem to cover most of the needs of external cooperation, the specific objectives are considered too restrictive<sup>2</sup>. Additional topics are also suggested for future support to better reflect evolving regional challenges.

Consider eliminating the compulsory objectives and direct programmes to focus on areas where cooperation truly adds value and is necessary for success. Current broad policy objectives may not always be the best for external cooperation programmes and specific objectives make the programmes fragmented. To simplify and focus on actual needs, giving up on specific objectives could be considered.

To effectively address evolving global and regional challenges emerging priorities such as resilience, safety and security, civil protection and refugee support (also climate refugees) should be considered in the future thematic menu. These emerging objectives are essential components that reflect the contemporary realities of cooperation on EU external borders. Addressing these challenges requires tough, coordinated, and sustained efforts. Varying levels of commitment and capacity to tackle these issues may hinder the progress and the lessons of current Interreg specific objective 2 – Safer and More Secure Europe are to be learned<sup>3</sup>.

To support the capacity building dimension of external cooperation programmes, enabling all policy objectives to include education, training and skills development actions should be considered.

Note also that in the current period there is no possibility to work on topics directly related to the enlargement/accession process, or negotiation chapters, and security related aspects (energy security, cyber security). Better thematic alignment with negotiation chapters would still help to focus and tailor made the capacity building efforts in programmes.

### Focus on building sustainable partnerships and introduce flexibilities on applying the partnership principles as introduced in the European code of conduct on partnerships.

Partnership is a fundamental principle of Interreg and cross-border cooperation, with strong partnerships serving as the cornerstone of sustainable collaboration. As such, partnership principles should remain central in the future. However, flexibility in forming partnerships is also necessary, as

 $<sup>^2</sup>$  Enlargement (IPA), page 5, Neighbourhood (NEXT and ENI CBC) page 5

<sup>&</sup>lt;sup>3</sup> Enlargement (IPA), page 5, Neighbourhood (NEXT and ENI CBC) page 5-6

strict application of these principles may hinder the creation of effective structures, particularly in multicountry programmes. The specific needs of non-EU countries must also be recognised, with particular attention given to ensuring the deep commitment of key partners, such as national authorities in non-EU countries<sup>4</sup>.

Coordination and relationship-building with cooperation partners differ depending on the geographical area and context, e.g., bilaterally with non-EU countries and with intergovernmental organisations (CARICOM, Indian Ocean Commission). EU Delegations also have a key role to play in supporting the awareness and alignment of the EU's external action in these territories.

There is a need to deepen the coordination between DG REGIO and DG INTPA on the strategic vision and funds available in the same space. The neighbourhood dimension is supported by EU-level strategies, which is somewhat lacking for Outermost Regions allowing for a better integration of Interreg in this framework<sup>5</sup>. Similarly, deeper cooperation between DG REGIO and DG NEAR is called for in the context of enlargement.

#### Future delivery

# Strive to avoid the delay with the launching and implementation of external cooperation programmes and keep the specific features of these programmes, including high co-financing and pre-financing rates <sup>6</sup>

Delays in starting programme implementation due to the time required to sign and ratify the financing agreements have been an issue in several past implementation periods with programmes in neighbourhood and enlargement contexts. To overcome these delays, the negotiations on financing agreements should be started as soon as all the necessary elements for the agreement are in place, before all the legal and programme documents are finalised and approved. This would also decrease the threat of de-commitment based on N+3 rule, applicable to all external cooperation programmes.

To facilitate the smooth transition to the new period and fluent launching of new programmes, the current rules and principles should be mainly kept, with only minor adjustments to areas that require improvement or fine-tuning. This would also facilitate the smoother adoption of the new rules and the financing agreements by the partner countries. It is essential to keep the specific features that foster successful cross-border partnerships and ensure smooth implementation of programmes such as

<sup>&</sup>lt;sup>4</sup> Enlargement (IPA) page 3

<sup>&</sup>lt;sup>5</sup> Outermost regions cooperation (OMR) page 3

<sup>&</sup>lt;sup>6</sup> Neighbourhood (NEXT and ENI CBC) pages 8-9

higher-level pre-financing and co-financing rates. The current practices of pooling of EU funds (ERDF, NDICI, IPA) in Interreg funds in Interreg NEXT and Interreg IPA should be kept and continued

# Efforts to simplify should be continued. By mitigating the heavy, complicated, and challenging procedures, more potential beneficiaries can have access to and benefit from the external cooperation programmes.<sup>7</sup>

Drawing on lessons learned from previous programming periods and integration with other instruments, the need for continuous refinement of Interreg IPA programmes becomes evident. This necessitates a concerted effort to reinforce cross-border cooperation along the EU's external borders, with a strategic focus on key priorities such as simplification, the enhancement of multi-level governance frameworks, and the development of institutional competencies and resources to address common challenges. Furthermore, emphasis should be placed on advancing network infrastructure, facilitating the dual transitions towards green and digital economies, fostering collaborative partnerships with neighbouring third countries, mitigating security risks, and addressing the multifaceted challenges associated with the EU enlargement process.

For Outermost regions programmes the practical integration of ERDF and NDICI funds would simplify the management and give programmes a tangible opportunity to cooperate with third partner country beneficiaries. Therefore, NDICI funds should be made available from the outset allocated in Implementing Decision. In the current period, it is difficult to secure the budget from external funds and find the right interlocutors for the mobilisation of funds, highlighting the need for coherence in EU action in the same regional area. Experiences from NDICI (MAC, Indian Ocean) and EDF (Caribbean) articulation with ERDF, as well as extensive experiences from NEXT and IPA contexts, need to be utilised in the integration. The flexibility in implementation (e.g., indirect management for external funds) provided with the current Strand D should be retained. Having a dedicated strand should allow for a dedicated financing mechanism, adapted to OMR context, to be elaborated and proposed together between Commission and programmes. <sup>8</sup>

Consider also introducing built-in crisis provisions to ensure programme resilience and adaptability, allowing for a swift and effective response to unforeseen disruptions. Functioning examples for such provisions are seen in the Disruption Regulation (2022/2192) or CARE Regulation (2022/562). In crisis situations, the original strategic plans, predefined themes, indicators and financial allocations, may no longer align with the new reality. Therefore, programmes should be enabled to adapt their strategies in response to crises.<sup>9</sup>

<sup>&</sup>lt;sup>7</sup> Enlargement (IPA) page 3 and 5, Neighbourhood (NEXT and ENI CBC) page 9, Outermost regions cooperation (OMR) page 3

<sup>&</sup>lt;sup>8</sup> Outermost regions cooperation (OMR) page 2

<sup>&</sup>lt;sup>9</sup> Neighbourhood (NEXT and ENI CBC) page 2

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