Considerations for a look into the crystal ball ...

Back to the Future: Intereg Post 2027

Severina, Kevin, Bernhard | Interact | 06.12.2023



Setting the scene



Drivers & concerns for Europe

Geopolitics

- Aggression
- Accession
- Migration
- Quest for primary resources

Policy-making

- Geography of discontent
- Poverty
- Demographic change
- Regions in development traps
- Regions on the external EU border

Sustainability

- Climate change
- Net zero
- Energy transition
- Water management
- Economic volatility



Council (2023) - 1/3

Council on cohesion policy post 2027

- 1. STRESSES that cohesion policy must remain <u>a key pillar of</u> <u>the EU</u> and is a policy for all regions; particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps
- 2. IS OF THE OPINION that the cohesion policy regulatory framework should be able to adapt to new developments and unexpected events, while recalling the long-term transformational nature and structural objectives of cohesion policy;
- ASKS the Commission to develop options as part of the upcoming cohesion policy post 2027 debate for a <u>more agile</u>, <u>effective and focused cohesion policy</u>



Council (2023) - 2/3

Council on performance-based approach and RRF

- 1. CALLS on the Commission to: assess all aspects of the 2021-2027 legislation, further <u>explore opportunities presented by the performance-based approach and make maximum use of it in preparing the next legislative framework;</u>
- 2. TAKES NOTE that the <u>Recovery and Resilience Facility (RRF)</u> has been introduced as a temporary instrument to limit the <u>impacts of the COVID-19 pandemic</u>. RECOGNISES the importance of taking into account the results of audit and evaluation of the Facility to draw timely lessons from its performance;

Council (2023) - 3/3

Council on Interreg

- UNDERLINES the importance and opportunities of crossborder, transnational, interregional and outermost regions' cooperation for the Member States and their regions,
- 2. HIGHLIGHTS that mutual cooperation contributes to the regions' development and the EU's integration;
- 3. INVITES the Commission to facilitate the operational coordination of Interreg and the Neighbourhood, Development and International Cooperation Instrument;

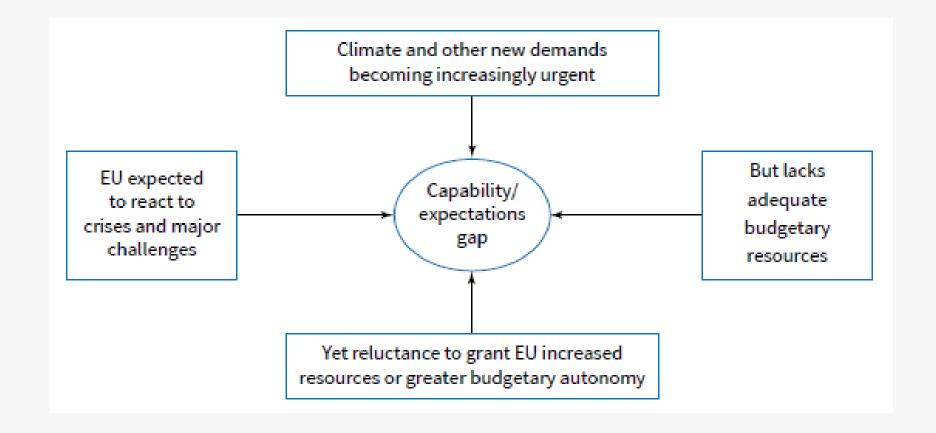
Committee of the Regions (CoR)

CoR Commission for Territorial Cohesion Policy and EU Budget

- 1. STRESSES therefore the need for the "do no harm to cohesion" principle to apply to all EU policies so that they support the objectives of social, economic and territorial cohesion, as referred to in Article 3 of the TFEU
- 2. STRESSES that the overall budget of cohesion policy in the post-2027 period should be at least equivalent to the 2021-2027 one (including the REACT-EU top-up) in real terms, while the European Territorial Cooperation component should represent no less than 5% of the total amount;
- 3. RECALLS that 30% of the European population lives in border regions and that European Territorial Cooperation represents the essence of European added value;



EU Budget quandary



EU Budget quandary

Headings	Current	Proposal for	Difference vs	% change vs
	MFF	Revision	current MFF	current MFF
1.Single market, innovation and digital	134,416	137,436	3,020	+2.2%
2.Cohesion, resilience and values	378,124	378,124	0	0%
2a. Economic, social & territorial cohesion	328,134	328,134	0	0%
2b. Resilience and values	49,990	49,990	0	0%
3. Natural resources and environment	356,294	360,605	4,311	+1.2%
of which: market-related expenditure and direct payments	252,640	252,605	0	0%
4. Migration and border management	23,052	24,745	1,693	+7.3%
5. Security and defence	13,182	14,475	1,293	+9.8%
6. Neighbourhood and the world	98,419	107,475	9,056	+9.2%
7. European public administration	73,102	74,723	1,621	+2.2%
of which: administrative expenditure of the institutions	55,852	57,183	1,331	+2.4%
TOTAL commitments	1,076,589	1,097,583	20,994	+2.0%
In % of GNI (EU-27)	1.01%	1.03%		
TOTAL payments	1,065,558	1,076,055	10,497	+1.0%
In % of GNI (EU-27)	1.01%	1.02%		

Source:

EPRS, based on technical update of the MFF of 6 June 2023 (COM(2023) 320 final and proposal for a Council regulation (revision), COM(2023) 337 final;

EoRPA 2023, p. 25



Mid-Term Review of MFF (2023)

Coverage of Cohesion Policy in the Mid-term Review (MTR)

- The MTR is critical of the slow launch of the new Cohesion Policy programmes and the lack of spending;
- 2. Strategic Technologies for Europe Platform (STEP)* Regulation proposes support for STEP by creating a new priority across all cohesion funds. [...] To incentivise uptake by Member States States, the Commission proposes a 30 percent pre-financing in 2024 and an increase in EU cofinancing to 100 percent for STEP projects.

EORPA 2023: NAVIGATING STORMY WATERS: CRISES AND COHESION POLICY BEYOND 2027, p. 26

^{*} fostering clean-tech, bio-tech, and digitalization

RRF as future model?

RRF as a model for a more national approach? Key criticisms from a CP perspective ...

- The model lacks a territorial dimension and multilevel governance
- Adopting the RRF model may not lead to major simplification of administration
- Performance framework for NRRPs lacks a consistent, rigorous justification for targets and outcomes
- 4. Concerns of the ECA over assurance indicate risks to sound financial management and reputational damage to the EU's largest and politically important intervention



EORPA 2023: NAVIGATING STORMY WATERS: CRISES AND COHESION POLICY BEYOND 2027, pp. 17-18



Many contributions to the debate on future Cohesion Policy urge radical reform. The question is whether there is a strong enough constituency to articulate the case for a powerful Cohesion Policy.

- Eligibility for regional funding is a central point of contention in reform discussions. [...] some shifts may be on the horizon **towards middle-income regions experiencing stagnation** or declining economic growth.
- The transition to a **greener economy** adds another challenge.
- An envisioned **enlargement by 2030** would require that the MFF incorporates interim provisions including integration into Cohesion Policy [...] imposing substantial pressures on the EU budget and/or current beneficiaries.

EoRPA 2023: NAVIGATING STORMY WATERS: CRISES AND COHESION POLICY BEYOND 2027, pp. 17-18



What do you think?

What is the most pressing issue facing Interreg programmes; For improved regulation & (larger!) budget?

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And the results are...



What do you think?

What are the strongest USPs of Interreg facing the political winds of 2024?

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And the results are...



Harvesting process

Approach work in three ways

1. Milestone events in Post 27 (Top down)

- Interreg Knowledge Fair | 5-7 March 2024
- Post 2027 focused event | Oct/Nov 2024
- Event in Gorizia/Nova Gorica | Spring 2025

2. Interact thematic/sectorial events in 2024 (Bottom up)

- Questions in every event and online event
- Opportunities for harmonisation, simplification or repair, policy visioning

3. Exchange with other stakeholders

Committee of the Regions, SMOR, HLG





Individual activities to review

- 1. Interreg Knowledge Fair Workshops
- 2. Event co-organised with CoR
- 3. Interact thematic events
- 4. Interact sectoral events

- 5. Autumn event
- 6. Spring participatory event2025
- **7. More?**

Milestone 1: IKF (March 2024)

Major purposes

- Ideation, brainstorming, sharing
- Collecting the diversity of opinions & ideas on cornerstones of future Interreg
- Presenting our more detailed micro-approach along topics
- (Completeness) check if we missed something!



Milestone 2: Interreg post 2027 (October - November 2024)

Major purposes

- Show what we've harvested up to now
- Hear COM feedback
- Check and prioritisation with large, diverse group

Internally

 Develop a clear picture for our final reflection document / product that should be ready by December 2024, latest January 2025



Proposed building blocks

1. Cooperation architecture and geographies – any critical?

 Strategy, Set up, Individual strands, External, Territorial Agenda, more

2. Objectives, purpose and orientation

 ISOs, Thematic concentration, Climate change, place-based and citizen-centric focus, Interreg & Union policies, more

3. Future delivery

• Financial novelties, programme operation, running project and programme life cycle, communication, more



Proposed building blocks





(Lean, simple smooth) (Smarter, Smoother, Simpler) Financial novelties Small scale Eligability Controlling Working with SCOs | Pay financial bodies projects by result SPF CBC AA / Prog. GOA view TN Programme operation Project life-cycle Including Indicators Selection capitalisation and transferability as (and Value part of the project for Money) cycle Communication, visibility Responsibil Open data Communication provisions and ities of MA & future challenges application

Future delivery

Let's start!

Cooperation architecture and geographies

Partnership & models of cooperation

Strands

Strategy & set up

Thematic concentration

OMR

Maritime dimension

External dimension

Complementarities& synergies acrossprogrammes



Objectives, purpose and orientation

New partners Aggression & & tools (SPF, Citizensmall-scale) Demographic locked centric change borders approaches Future Place-based Needs & Climate **PO5** approaches challenges change **Territorial** Life+ Accession Agenda 2030 Horizon Interreg and Mainstreaming Europe Interreg-Union cooperation specific policies Objectives STEP Guiding 13 CEF (horizontal)

principles



Future delivery

SPF & SCOs reporting

(Common) indicators

Performance based delivery & payment

RBMV

Cost categories & eligiblity rules

Evaluation

Visibility,
Communication,
Capitalisation

In external programmes

Roles & functions of programme bodies

Selection

MA, AA, MV

Cooperation works

All materials will be available on:

Interact website