

**Joint paper on Interreg NEXT Strategic Programming  
2021 - 2027**

**Interreg NEXT programmes on EU external borders  
with the neighbouring partner countries**

**20 January 2020**

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## Abbreviations

EaP	Eastern Partnership
ENI CBC	European Neighbourhood Instrument for CBC
ENP	European Neighbourhood Policy
ETC	European Territorial Cooperation
JS	Joint Secretariat
MA	Managing Authority
MC	Monitoring Committee
MS	Member States
MFF	Multiannual Financial Framework
NDICI	Neighbourhood, Development and International Cooperation Instrument
IPA	Instrument for Pre-Accession
ITI	Integrated Territorial Investment
PO	Policy Objective
ISO	Interreg Specific Objective
CLLD	Community Led Local Development
NUTS	Nomenclature of territorial units for statistics
UN SDG	United Nations Sustainable Development Goals

## Introduction

This document serves as a basis for programming discussions on post-2020 Cross-Border Cooperation (CBC) on EU external borders with Member States (MS) and partner countries, in the framework of the European Neighbourhood Policy (ENP) and the Cohesion Policy for the period 2021-2027.

It is supposed to launch the debate and help reach a timely agreement on the main programming principles and orientations with MS, partner countries and programme authorities.

The paper will frame the formal multiannual strategy document, provided for in Articles 12(2) and 18(6) of the proposal for the Neighbourhood Development and International Cooperation Instrument (NDICI) Regulation and Article 10(1) of the European Territorial Cooperation (ETC) Regulation. This strategy document can only be finalised once these basic legal acts are adopted. As the negotiations of the above-mentioned legal acts are still ongoing, this paper is based on the assumption that the main programming principles and policy orientations will not fundamentally change. However, provisions concerning budgetary arrangements such as allocations and pre-financing are only preliminary and will be further developed only after the conclusion of the Multiannual Financial Framework (MFF) negotiations.

The cooperation programmes covered by this paper are proposed to be called “Interreg NEXT programmes” (Interreg External Neighbourhood Programmes).

The paper is divided into two parts:

a) the **main document** that includes: a description of the EU and partner countries policy context, an outline of the socioeconomic situation of the relevant border areas, lessons learnt from previous programmes, the proposed response strategy (guiding principles, objectives, themes, as well as possible scenarios for the programmes' geography), main elements for post-2020 Interreg NEXT programming, proposed list of future programmes and broad orientations on financial allocations.

b) **annexes 1-5 - geographic clusters** which include: socio-economic and territorial characteristics of the different Interreg NEXT cooperation areas, orientations for cooperation themes and actions as well as future geography and governance considerations.

The paper main references are:

- within the framework of the European Neighbourhood Policy, **jointly agreed documents** which define priorities between the EU and its neighbouring countries (Partnership Priorities, Association Agendas and other equivalent), regional strategies and policies (such as Euro-Mediterranean Partnership, Eastern Partnership, EU Strategy for the Baltic Sea region, EU Strategy for the Danube Region, Black Sea Synergy) – in line with Articles 12(3) of the proposal for the NDICI regulation
- Conclusions of the **Ex-post evaluation of 2007-2013 ENPI programmes**.
- Results of the 2019 **Result Oriented Monitoring** exercise for the ENI CBC programmes.
- 2019 **External expert study** bringing comparable data for both MS and partner countries.

- Outcomes of the **2019 TESIM** (technical assistance project to support ENI CBC programmes) survey of ENI CBC programme authorities and partner countries on lessons learnt and potential orientations for the future.
- Outcomes of **consultations of EU Delegations** in partner countries of August 2019.
- **Expertise** input provided by TESIM.
- **Orientation Papers** for internal Interreg programmes for the relevant countries.
- **Priorities of the new Commission**, namely the European Green Deal.

#### **Methodology note for the geographical clusters**

Regional data are not available for all regions and for all indicators of the areas covered by the Interreg NEXT programmes. Furthermore, data from Eurostat are not often available for partner countries. In order to be able to compare data and draw conclusions for regions and countries of the future Interreg NEXT, available data were therefore collected at both national and regional level mainly from international sources. This explains the sometimes old data sets presented.

Where regional data were available, they have in particular been used to present a more fine-grained analysis.

For the purposes of the geographical annexes, “adjoining regions” are considered as regions composing the given cluster area.

## 1 EU policy and objectives

### Added value of the CBC in the Neighbourhood and with Russia

CBC along EU's external land and sea borders is a **unique form of cooperation** between EU MS<sup>1</sup> and neighbouring<sup>2</sup> countries. It provides the framework and opportunities for enhanced people-to-people contacts, cooperation and exchanges essentially at regional and local level, and involves a broad range of actors (local authorities, NGOs, universities and other stakeholders). Current European Neighbourhood Instrument (ENI) CBC programmes are highly appreciated by all stakeholders and are widely perceived as successful ways of bringing together EU and neighbouring countries, including the Russian Federation, around common challenges and priorities, with ownership and partnership at the centre of this cooperation.

The **strategic importance** of CBC cannot be underestimated. CBC plays a particular role as part of the EU's foreign policy toolbox. In a number of cases, CBC programmes have enabled cooperation, which would have otherwise not taken place or would have faced difficulties in implementation for political reasons; cooperation between Israelis on the one hand and Palestinians and other Arab neighbours on the other is just one example. CBC is also one of the very few channels through which the EU and Russia have continued to cooperate. As such, CBC represents an important confidence-building tool. This is in itself a major asset and added value of CBC, recognised by all partners involved.

CBC programmes are of key importance in addressing gaps in the **development of the border areas** and **challenges that cross national borders**. They have a clear cross-boundary impact (e.g. environmental and transport connection). Addressing such issues at the border, through regular interactions by actors on both sides and via a specific cooperation governance model, CBC has proved to be an effective instrument in the search for joint solutions.

### 1.1 EU policy context

#### European Neighbourhood Policy and relations with Russia<sup>3</sup>

Due to its unique contribution to the EU external relations, CBC is featured in the EU's Global Strategy, the **ENP** and in its regional dimensions, namely in the Southern and Eastern Neighbourhood, as well as in the EU's bilateral relations, including with Russia. The ENP, reviewed in 2015<sup>4</sup>, puts a particular emphasis on the promotion of the people-to-people contacts, to which existing CBC programmes directly contribute.

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<sup>1</sup> Bulgaria, Cyprus, Estonia, Finland, France, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Spain, Sweden.

<sup>2</sup>Eligible partners as per ENI CBC multiannual strategic document 2014-2020: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Morocco, Palestine (this designation shall not be construed as a recognition of a State of Palestine and is without prejudice to the individual positions of the MS on this issue), Republic of Moldova, Russian Federation, Syria (the EU restrictions on cooperation with Syria are also applicable to the future Interreg NEXT programmes, in line with Council Conclusions on Syria of 23 May 2011 by which the EU has decided to suspend all cooperation programmes with the Syrian authorities), Tunisia, Ukraine and Norway and Turkey.

<sup>3</sup> Principles on EU relations with Russia, in accordance with the European Council Conclusions of 16 July 2014, need to be respected.

<sup>4</sup> Joint (2015) 500 of 18.11.2015

The ENP translates the EU's wish to build on common interests with neighbouring countries and on the joint commitment to work together in key priority areas: the promotion of democracy, rule of law, fundamental rights and freedoms, economic and social cohesion and environmental protection. The ENP aims to build more effective partnerships between the EU and its partners towards a stable EU Neighbourhood in political, security and socio-economic terms. Strengthening the state and societal resilience of the EU's partners against the threats and pressures they are experiencing and which have also an impact on the EU, is a key priority.

The revised ENP builds on the principles of partnership, differentiation, flexibility, joint ownership, greater involvement of the EU MS, and shared responsibility. Through the ENP, the EU offers partner countries opportunities for greater access to the EU's market and regulatory framework, standards and internal agencies and programmes. Currently, the EU provides its support to ENP partner countries mainly through the ENI, with almost EUR 16,5 billion for 2014-2020. 15 ENI CBC programmes are currently implemented. The programmes involve 31 countries (17 EU MS and 14 CBC partner countries), for a total EU funding of approximately EUR 1 billion.

The successful implementation of CBC programmes at EU land borders and around sea basins with the neighbouring partners is closely linked to the respect and full implementation of the ENP and its principles. Partner countries should be involved on an equal footing at all stages of the programming process and the implementation of projects.

The proposal for the NDICI reconfirms the ENP as the policy framework for future support to the ENP partner countries, with all key specific features of the current ENI retained in the NDICI proposal. These include programming based on jointly agreed strategic documents and an incentive - based approach specific to the Neighbourhood.

### **Cohesion policy and European Territorial Cooperation**

Cohesion Policy is the EU's main investment policy, aiming to reduce the disparities between the development levels of the various EU regions. The policy targets all regions and cities in the EU to support job creation, business competitiveness, economic growth, sustainable development, and improve citizens' quality of life. In order to reach these goals and address the diverse development needs in EU regions, EUR 351.8 billion – almost a third of the total EU budget – has been set aside for Cohesion Policy for the period 2014-2020.

**European Territorial Cooperation (ETC)**, better known as **Interreg**, is one of the two goals of the Cohesion policy. It provides a framework for the implementation of joint actions and policy exchanges between national, regional and local actors from different MS, but also third countries. The overarching objective of ETC is to promote a harmonious economic, social and territorial development and cohesion of the Union as a whole. In 2020 Interreg celebrates 30 years of its foundation.

Interreg 2014-2020 has a total budget of EUR 10.1 billion<sup>5</sup> invested in over **100 cooperation programmes** between regions and territorial, social and economic partners. This budget also includes the ERDF allocation for MS to participate in EU external border cooperation programmes supported by other instruments: ENI and Instrument for Pre-Accession (IPA).

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<sup>5</sup> Planned ERDF contribution of EUR 242 million to the IPA CBC 2014-2020 programmes as well as EUR 634 million for ENI CBC 2014-2020 programmes.

Interreg is currently built around three strands of cooperation: cross-border (Interreg A - CBC), transnational (Interreg B) and interregional (Interreg C). For post-2020 period, a new strand for cooperation (D) is proposed to be added for outermost regions' territorial cooperation.

The cross-border and sea-basin cooperation in Interreg aims at reducing the negative effects of borders as administrative, legal and physical barriers and at healing the scars of history. It strengthens the development of border regions, which are often remote, less connected and suffering from low accessibility to the services of public interest. It enables regional and local partners from both sides of the border to work jointly on commonly identified issues and reap the potential of border areas, while enhancing mutual trust. Sea-basin programmes promote cooperation among greater European regions, surrounding sea basins (e.g. Mediterranean or Baltic Sea). They respond to joint challenges like environmental quality and risk prevention. They address joint opportunities, such as the creation of transport corridors, the promotion of international business, research linkages and urban development.

Interregional cooperation works at pan-European level, covering all EU MS, and more. It builds networks to develop good practice and facilitate the exchange and transfer of experience by successful regions. It will also be possible to support activities involving non-EU partner countries in interregional cooperation in post-2020 period.

In 2017, the Commission adopted, as part of its "Cross-Border Review" initiative, the Communication "Boosting Growth and Cohesion in EU Border regions". The initiative aimed to map and respond to the challenges persisting in EU border regions. It revealed that crossing internal EU borders to find employment, receive better healthcare, make use of public facilities or receive emergency support can still cause substantial difficulties. The post-2020 policy framework for CBC programmes enables to tackle some of the identified border obstacles via the focus on specific objectives. For the next programming period the external cooperation programmes should be inspired by this policy framework.

#### Transition from ENI CBC to Interreg NEXT

The legal framework for ENI CBC 2014-2020 programmes is provided by the *ENI Regulation*<sup>6</sup>, *Common Implementing Regulation (CIR)*<sup>7</sup> and *ENI CBC Implementing Regulation*<sup>8</sup>. When implementing ENI CBC programmes, MS expressed the wish to better align legal rules for ENI CBC cooperation programmes on EU external borders with those of the Interreg programmes' ones, similarly to the IPA CBC programmes for Enlargement countries.

The Treaty on the Functioning of the European Union ('TFEU') clearly distinguishes between territorial cooperation (Interreg) among EU MS and cooperation with non-EU countries. However, in a major effort to simplify and maximise synergies between the two policies, the Commission proposed that for post-2020 all Interreg cooperation programmes on EU internal and external borders

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<sup>6</sup> Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, (OJ L 77 of 15.3.2014).

<sup>7</sup> Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action, (OJ L 77 of 15.3.2014)

<sup>8</sup> Commission implementing Regulation No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of CBC programmes financed under Regulation (EU) No 232/2014 establishing the ENI, (OJ L 244 of 19.8.2014).



are governed under **a single rulebook** in the proposal for the ETC Regulation.

The ETC Regulation is part of the cohesion policy package adopted by the Commission in May 2018. It contains, among others, the *Common Provisions Regulation* ('CPR'), the *European Regional Development Fund (ERDF) Regulation* and the *European Social Fund (ESF) Regulation*. The *ETC Regulation* provides Interreg-specific rules, including special rules for ETC programmes where MS cooperate with non-EU countries. For matters not regulated under the ETC Regulation, the CPR applies.

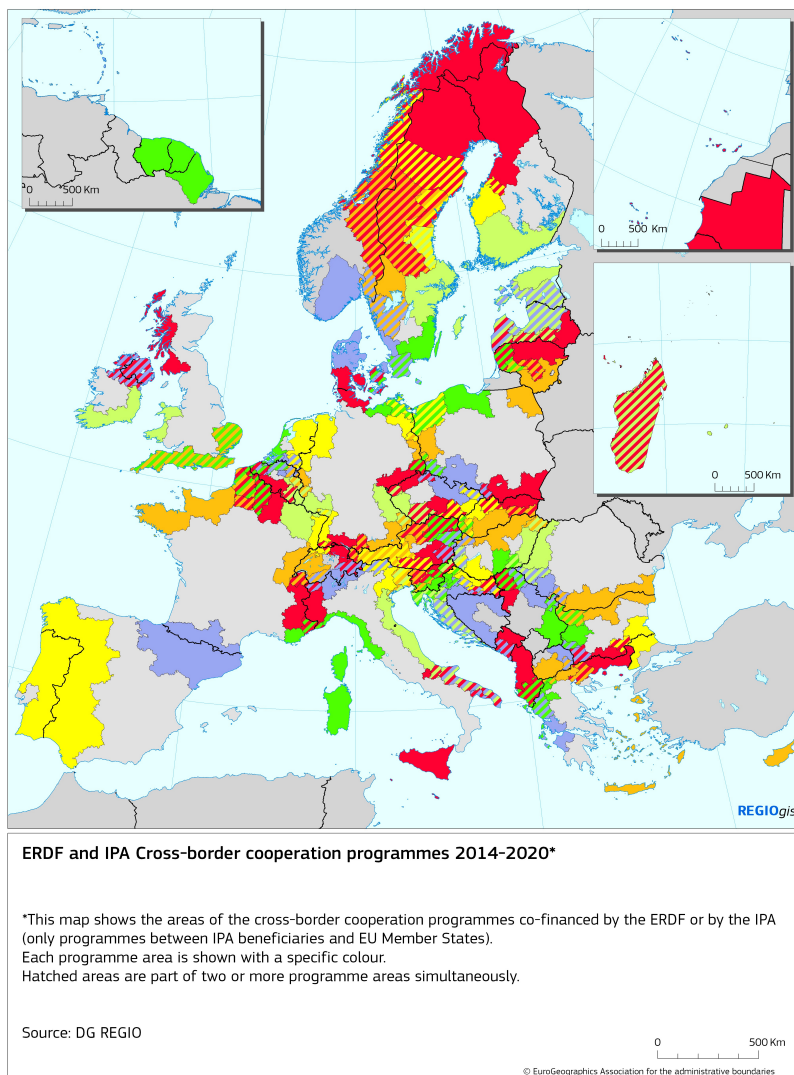
## 2. Policy context

### 2.1 Internal EU

#### 2.1.2 Cross-border, transnational (including sea-basin) and interregional cooperation

In 2014-2020, 60 Interreg **CBC** programmes are implemented along EU internal borders with an ERDF contribution of some EUR 6,6 billion.

**Internal CBC – Interreg 2014-2020 – and CBC on EU external borders with Enlargement countries supported by IPA (“IPA CBC”):**



15 **transnational** (including sea-basin) cooperation programmes Interreg 2014-2020:



There are currently 14 internal CBC programmes and 7 transnational cooperation programmes including EU geographic areas also covered by ENI CBC programmes.

The Baltic Sea Region programme and the Danube programme currently benefit from the ENI funding for the cooperation with Russia, the Republic of Moldova and Ukraine.

There are four programmes supported under **interregional cooperation**: INTERREG Europe, Urbact III, Interact III and ESPON.

### 2.1.3 Macroregional strategies

Macro-regional strategies address common challenges faced by several MS and third countries located in the same geographical area, which thereby can benefit from strengthened cooperation contributing to the achievement of economic, social and territorial cohesion.

The strategies offer a platform for multi-sectoral, multi-country and multi-level governance, also open to non-EU countries. They play a substantial role in helping these countries to strengthen their links with the EU.

There are three macro-regional strategies covering a substantial part of the territories of some ENI CBC (future Interreg NEXT) programmes:

- **EU Strategy for the Baltic Sea Region** (EUSBSR; adopted in 2009)
- **EU Strategy for the Danube Region** (EUSDR; adopted in 2010)
- **EU Strategy for the Adriatic and Ionian Region** (EUSAIR; adopted in 2014)

**EU Strategy for the Baltic Sea Region** is the first macro-regional strategy in the history of the EU, adopted in 2009. Following a 2011 progress report and General Affairs Council Conclusions<sup>9</sup>, the European Commission adopted a Communication in March 2012 re-focusing the three overall objectives for the Strategy: ‘*Save the Sea*’, ‘*Connect the Region*’ and ‘*Increase Prosperity*’.

Under the “Save the Sea”, participating countries committed to strive for objectives such as clear water in the sea, rich and healthy wildlife, clean and safe shipping and better cooperation. As for the “Connect the region” objective, they work on good transport conditions, reliable energy markets, connecting people in the region and better cooperation in fighting cross-border crime. When contributing to the “Increase prosperity” objective, they aim e.g. in the Baltic Sea region as a frontrunner for deepening and fulfilling the single market, for improved competitiveness of the region and climate change adaptation, risk prevention and management.

The EUSBSR unites eight EU MS (Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, and Poland) representing 80 million inhabitants or nearly 16% of the EU population. The Strategy is welcoming cooperation with non-EU countries from the region, namely Belarus, Iceland, Norway and Russia in actions and projects of common interest.

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<sup>9</sup> [https://ec.europa.eu/regional\\_policy/sources/cooperate/baltic/pdf/council\\_conclusions\\_eusbsr\\_15112011.pdf](https://ec.europa.eu/regional_policy/sources/cooperate/baltic/pdf/council_conclusions_eusbsr_15112011.pdf)



The **EU Strategy for the Danube Region** is a united response to challenges affecting an area which stretches from the Black Forest to the Black Sea: flooding, transport and energy links, environmental protection and challenges to security. The Danube countries, with the support of the Commission, are cooperating to develop projects and actions that meet these challenges and build prosperity in the region.

EUSDR addresses a wide range of issues, divided among 4 pillars ‘*Connect the Region*’, ‘*Protecting the Environment*’, ‘*Building prosperity*’, ‘*Strengthening the Region*’.

The EUSDR unites nine MS (Germany, Austria, the Slovak Republic, the Czech Republic, Hungary, Slovenia, Croatia, Romania and Bulgaria) and five non-EU countries (Serbia, Bosnia and Herzegovina, Montenegro, the Republic of Moldova and Ukraine) and is home to 115 million inhabitants.



The **EU Strategy for the Adriatic and Ionian Region (EUSAIR)** covers partly the area of the ENI CBC Mediterranean programme and Italy-Tunisia programme (areas of Greece and Italy). The Strategy incorporates the Maritime Strategy for the Adriatic and Ionian Seas, adopted by the Commission in 2012.

The objective of the strategy is to promote sustainable economic and social prosperity in the region through growth and jobs creation, and to improve its attractiveness, competitiveness and connectivity, while preserving the environment and ensuring healthy and balanced marine and coastal ecosystems. This will be achieved through cooperation between countries with long shared history and geography.

The EUSAIR encompasses eight participating countries: four EU MS (Croatia, Greece, Italy, and Slovenia) and four (potential) candidate countries (Albania, Bosnia Herzegovina, Montenegro and Serbia<sup>10</sup>).



## 2.2 Neighbouring partners

### 2.2.1 Southern Neighbourhood

The political importance of CBC in the **Mediterranean Sea Basin** is recognised by the EU and its neighbouring Southern partners. It represents a confidence-building tool and contributes to closer cooperation on the one hand between the EU MS and partners and, on the other hand, among the ENP Southern neighbours. All partners from the Mediterranean region participating in CBC express interest in being fully involved in the process for the preparation of the future Interreg NEXT architecture and geography, in line with the principles of partnership and ownership.

The current ENI CBC Mediterranean Sea Basin programme is the biggest single coordinated effort, bringing together a great number of stakeholders from the 13 participating MS and partners – MS: Cyprus, France, Greece, Italy, Malta, Portugal and Spain; ENP partners: Egypt, Israel<sup>11</sup>, Jordan, Lebanon, Palestine<sup>12</sup> and Tunisia.

<sup>10</sup> Inclusion of North Macedonia into the EUSAIR is envisaged.

<sup>11</sup> In accordance with the EU policy, the CBC programme does not apply to the territories occupied by Israel since June 1967. Thus, in accordance with the Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJ C 205/9 of 19.7.2013) only Israeli entities having their place of establishment within Israel's pre-1967 borders are

The focus on people-to-people contacts and social challenges represents a significant opportunity for countries' local authorities and societies, some of which have limited or no bilateral cooperation. It is therefore imperative to seek ways to further develop and strengthen this cooperation.

The Mediterranean configuration of the future Interreg NEXT programmes opens avenues for cooperation between other eligible EU and non-EU countries, such as **Algeria**<sup>13</sup>, **Morocco** or **Turkey**, which are currently not participating in the CBC activities. Experience-sharing with 'newcomers' by current CBC participants could represent an additional contribution in support of regional integration. Further enlargements to third countries<sup>14</sup> could be taken into consideration in the light of further developments.

**Tunisia** is a very active participant in existing ENI CBC programmes. The closeness between Tunisian and European societies constitutes an essential pillar of the EU-Tunisia Privileged Partnership. Tunisia has expressed its attachment to the CBC Med programme as a strategic platform to answer in particular to socio-economic and environmental challenges. The existing Italy (Sicily) – Tunisia program is the only CBC small programme in the Mediterranean. It has specific needs and supports sectors of common interest, for example agro-food and social development.

**Jordan** and **Lebanon** are performing well under the current ENI CBC programme. For both countries opportunities were already explored through the current regional programme in areas such as protection of the environment, maritime cooperation, new business opportunities through new technologies, smart and sustainable growth, smart energy, tourism.

CBC is an issue of mutual interest in the EU-**Egypt** relations. The Partnership Priorities between the EU and Egypt call for a stronger regional and sub-regional (South-South) cooperation. Specific CBC projects have proven important in reinforcing people-to-people engagement but also contributing to socio economic development in areas such as entrepreneurship, business environment, climate change, higher education and cultural heritage.

### 2.2.2 Eastern Neighbourhood

In recent years, CBC has become an essential instrument to achieve political and policy objectives jointly agreed with Eastern neighbouring partners.

The promotion of CBC among the **Eastern neighbouring countries** is also a key component of the Eastern Partnership (EaP) and other multilateral initiatives (for instance the Black Sea Synergy, Northern Dimension). CBC can contribute to further fostering exchanges and cooperation between the EU and neighbouring partner countries, as well as partners and their local and regional authorities.

The EU has currently regional and urban policy dialogues with the following EaP countries: Ukraine, the Republic of Moldova and Georgia. They have helped to pool international policy experience for the benefit of policy makers from regions and cities on both sides, provide EU regions and cities with

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considered eligible for EU funding. In addition, activities of Israeli entities funded by the EU must not be carried out in the territories occupied by Israel since June 1967.

<sup>12</sup> This designation shall not be construed as a recognition of a State of Palestine and is without prejudice to the individual positions of the MS on this issue.

<sup>13</sup> Algeria has recently made steps to adhere to the current ENI CBC MED programme.

<sup>14</sup> The potential participation of the UK depends on the outcome of negotiations on the future relationship.



networking opportunities to engage in broader cooperation with partner countries and project the EU model of regional and urban development.

Closer co-operation between EU MS and **Ukraine** is of strategic importance including for its role as gateway for transport and energy. Priority fields for current CBC with Ukraine include: environment (for instance access to non-polluted drinking water), sustainable transport, energy education, health care and culture, economic/tourism cooperation and tackling cross-border challenges in multiple sectors.

Through the ongoing ENI CBC **the Republic of Moldova** has expressed specific interest in policy areas such as energy interconnections, transport, environment, education and culture. Closer cooperation with Ukraine with EU support (EUBAM) has been instrumental to help gaining some level of control of flows of goods and people and for countering illicit trade across that part of the border.

CBC is also of particular importance for EU's relations with **Belarus**, following the February 2016 Council Conclusions aimed at enhancing EU-Belarus cooperation with the goal of modernising its economy. Current ENI CBC helps facilitate the sustainable development of the border regions in Belarus and the relevant EU countries, including through a coordinated management of the Bug and Neman river basins to the benefit of citizens.

The 17 June 2019 Foreign Affairs Council (FAC) Conclusions reaffirmed EU's long-standing commitment to fostering prosperity, stability, and security in the **Black Sea** area. This enhanced engagement should build on the lessons learnt from the implementation of the Black Sea Synergy initiative (reviewed in March 2019). The challenges and risks for this particular regional cooperation include the geopolitical landscape of the Black Sea area, with its complex web of diverse and often conflicting interests and interactions and the volatile security situation<sup>15</sup>. The current Black Sea CBC is an important part of regional cooperation developed under the Black Sea Synergy umbrella and is complementary to EU's bilateral cooperation with neighbouring partner countries<sup>16</sup>. It is an important driver for cooperation among local and regional stakeholders, with tangible results on the welfare of the coastal communities.

### 2.2.3 Russian Federation

CBC is one of the key components in **EU-Russia** cooperation. The current state of relations makes this ever more important as the CBC is one of the few remaining areas for dialogue, trust building and cooperation between EU and Russia. It allows determining joint priorities and brings concrete benefits to the citizens of the border regions. It is highly valued by both Russia and EU MS concerned as well as Norway, helping in this way to build bridges between the EU and Russia as well as their peoples. A clear acknowledgement of the crucial role of the CBC is reflected in the Council<sup>17</sup> decision to exclude CBC and support to civil society from the case-by-case assessment with a view to suspending existing financial cooperation programmes with Russia.

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<sup>15</sup> The general EU restrictions on cooperation in regions that are illegally annexed by Russia are also applicable to CBC. Therefore, Crimea and Sevastopol are currently not eligible. As regards Georgia, all its territory is considered eligible by the 2014-2020 CBC programme.

<sup>16</sup> The FAC conclusions indicated that 'The Council supports the CBC for the Black Sea, particularly the Joint Operational Programme Black Sea Basin.

<sup>17</sup> European Council conclusions of 16 July 2014



The importance of **Arctic cooperation** is likely to increase in the near future because of the immense environmental challenges and the new opportunities that climate change will present. Increased focus on the cooperation between EU and Russian Arctic and sub-Arctic regions should be called for. The role of regional councils, such as the Barents Euro-Arctic Council and the Council of the Baltic Sea States, in fostering links and practical cooperation, should be used to inform CBC. Interreg and CBC programmes should also support the implementation of projects that are related to the **Northern Dimension** policy and its partnerships.

### 3. Economic and social analysis of border areas

#### 3.1 Description of the border areas

Interreg NEXT Programmes intend to benefit those regions in the partner countries that share a land or maritime border with the EU, and their counterparts on the EU side. In line with ETC practice, the regions eligible to participate in the CBC programmes will be those departments or provinces directly sharing the border on both sides, defined at NUTS III<sup>18</sup> level on the EU side, and on the external side, in the absence of such a classification, in terms of the territorial units most closely corresponding to this definition.

In the case of sea basins, the sea is considered a common border. The regions eligible to participate in these programmes continue to be at NUTS II level on the EU side and on the external side, in the absence of such classification, the territorial units most closely corresponding to this definition.

Generally, the border areas are characterised by sparsely populated regions in the North, a much higher population density along the Central European borders, and in the South around the sea basins a concentration of population in the coastal regions. In terms of **income**, there are very large differences in income levels on the two sides of the EU's external borders, both in the North and East and in the South, though the difference varies significantly from region to region.

Another essential characteristic to take into account in these border areas are the deep-seated and long-standing **historical and cultural links**, which have been established over the centuries across what are today the external borders of the European Union.

#### 3.2 Economic and social characteristics of the border areas

The **Mediterranean Sea**-basin is characterised inter alia by striking economic and social contrasts between its Southern and Northern shores, as per capita income levels in the South are well below those in EU MS (more than ten times less than the EU for a number of partner countries in the South). Mediterranean coastal areas offer a lot of opportunities for economic development – notably with the development of the blue economy. However sea borders also face a number of challenges such as economic growth and job creation (especially for youth), irregular migration, organised crime, security issues and environment degradation. The macroeconomic and financial situation in the Southern Mediterranean region remains weak, with a fragile political and security situation and a

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<sup>18</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

difficult business environment hampering investment and private sector activity. The future Interreg NEXT could contribute to develop a positive narrative and showcase shared engagements, such as common efforts on preserving the Mediterranean natural resources and habitats for sustainable social and economic development.

The EU's **Eastern borders** encompass eight MS and five neighbouring countries, stretching some 5,000 km from the Barents Sea in the North to the Black Sea in the South. This border covers regions with very different geographic, economic and social characteristics and with a very significant income differential. At the same time, the border regions in the partner countries in most cases have incomes higher than the national average of their countries.

The **Black Sea** area faces considerable economic, social and environmental challenges. Regional security concerns and protracted conflicts continue to impede the social and economic development of these transition economies. In a number of countries in the area, the growth outlook remains relatively stable, but unaddressed challenges keep growth below potential. Nevertheless, there are new opportunities for economic development, resilience and connectivity in the region and beyond. Moreover, the 'bridging role' in terms of interconnectivity of the Black Sea basin should be further developed, and its links with the Caspian, plays a key role in the energy and transport sector.

The **Baltic Sea** basin has a long tradition of cooperation, with active regional cooperation bodies (notably the Council of the Baltic Sea States, the Helsinki Commission (HELCOM) and the Northern Dimension), and a substantial experience of sea-basin at the level of regional and local authorities. Economic and social issues, environmental challenges, and maritime safety, inter alia, have traditionally been important here.

### 3.3 Specific challenges and opportunities in border areas

Despite the substantial differences characterising the different regions on the EU's Eastern and Southern borders, a number of common challenges and opportunities exist. In addition to the overarching objective of promoting people-to-people contacts, issues such as protection of the environment, climate change mitigation and adaptation, promotion of socio-economic development and combatting unemployment, in particular among youth, regional development, connectivity, public health, migration and fight against organised crime are of particular importance in a trans-boundary context, as is the question of ensuring efficient and secure borders. The following list is not exhaustive.

**Environmental protection and climate change** issues are important in the context of shared sea basins. Water pollution, whether from agricultural activities, industrial or urban discharges are critical problems, exacerbated by risks of marine pollution in regional seas and in the Mediterranean. Air pollution is a transboundary issue too in marine areas also due to maritime transport. Dealing with the adverse effects of climate change on the Mediterranean ecosystems, as well as facing sea level rise due to the changing climate are additional considerable challenges. The Black Sea is one of the seas in the world most heavily impacted and polluted by human activities. Environmental issues are equally important on land-borders, particularly in relation to trans-boundary waters (river basins, including groundwater, and lakes), transboundary air pollution (e.g. from industry and the use of solid fuel for domestic heating) and waste management, or shared protected areas.

An **integrated regional development** across the EU border is particularly important in a situation characterised by different rates of economic development, high-income disparities and different demographic dynamics. Joint development and governance strategies may help in addressing disparities and assist in dealing with their most visible effects, such as the increase in regular and irregular, temporary and permanent migration flows, as well as with organised crime.

A major challenge is to promote **socio-economic development**, creating economic opportunities and reducing unemployment rates, for instance via innovation, education, business and SMEs development, in particular for the youth. Increasing cooperation between businesses, supporting start-up enterprises and enhancing cross border value chains can be important for the sustained development of the economic base of border regions, improving utilisation of existing resources and better exploitation of the market potential, for instance encouraging sustainable agro-food and sustainable tourism initiatives and promoting technological transfer.

Investment through land and sea-basin cooperation could, in some areas, bring added value for **connectivity**, in particular digital connectivity and the development of sustainable, intelligent and intermodal infrastructures. In geographic clusters with high level of internet connectivity, internet could be used to help improve cross-border mobility. In cluster areas with low levels of internet connectivity, cross-border investment could create a critical mass of connected businesses to encourage further investment or enable further R&D opportunities. In relation to sustainable transport infrastructures in the North and Eastern Europe clusters railway and motorway connectivity is lower than the countries average. It could therefore be improved namely through investment in border crossing infrastructures and integration of cross-border transport networks, while improving the sustainability of transports. In relation to Black Sea, activities related to the modernisation of port infrastructure and management could have a land border and sea-basin cooperation added value.

**Public health issues** also take on a particular importance in a cross-border context, for example in relation to communicable diseases, or possible epidemic or pandemic disease. Consumer protection, food safety and the enforcement of quality assurance and surveillance systems are likewise relevant in a cross-border context. Strengthening institutional capacities, including for the management risk associated with the transport of sensitive materials and waste management capabilities remain a priority as well.

The fight against **organised crime** is another challenge in border areas. The EU supports bilateral, regional cross-border and international cooperation with third countries in improving the prevention of and fight against organised crime, corruption and terrorism. Specific emphasis should be put on combating all sorts of organised crime, including trafficking of human beings, smuggling, trade of illegal and counterfeited goods, firearms and stolen vehicles or other contraband. Close cooperation at the local and regional level between law-enforcement bodies and other competent authorities on both sides of the EU's external borders could complement cooperation at the national level.

Effective **border management** requires that the EU's external borders are both efficient (facilitating legal migration, legitimate trade and transit) and secure (preventing illegal trade and transit as well as irregular migration). In many respects, this requires close cooperation at the national level, but CBC has also an important role to play, for example in upgrading border-crossing infrastructure, in enhancing information exchange and cooperation between border authorities at the local level or in improving governance via a more coordinated approach to management.

## 4. Overview of past and ongoing cooperation

### 4.1 Neighbourhood CBC programmes and their predecessors

In the context of the ENP review, the ENI CBC Programming Document for the period 2014-2020 laid down the following **three strategic objectives of ENI CBC**:

- Promote economic and social development in regions on both sides of common borders
- Address common challenges in environment, public health, safety and security
- Promote better conditions and modalities for ensuring the mobility of persons, goods and capital

The current ENI CBC is building on the achievements of its predecessor, the European Neighbourhood and Partnership Instrument (ENPI).

A total of 16 out of the 17 Joint Operational Programmes initially foreseen in the Programming Document have been submitted and adopted by the European Commission<sup>19</sup>.

The adopted ENI CBC programmes are financed from the ENI and the ERDF, with a contribution from IPA in the case of the Black Sea Basin programme. They cover 12 EU land borders, 2 sea basins and 1 sea crossing, managing together a total amount of approximately **EUR 1 billion €** of EU funding, topped with the national contributions of the participating countries.

At the time of drafting this paper (December 2019), more than 4.100 applications have been submitted in response to the calls for proposals which have been launched so far, and 500 projects have been awarded a grant covering nine thematic objectives out of the eleven identified in the ENI CBC Programming document. Eleven programmes have defined in their programmes a list of large infrastructure projects (LIPs) to be selected via direct award<sup>20</sup>. 49 out of the 53 approved LIPs have been contracted.

### 4.2 Other support to local and regional cooperation

The EU provides support to local and regional co-operation through a variety of instruments, including ENI. Priorities for bilateral cooperation have been set out on the basis of strategic documents jointly agreed with partner countries (Partnership Priorities, Association Agendas and equivalent documents).

In terms of regional cooperation within the EaP, the three strategic objectives of CBC correlate strongly with the four key priorities agreed during the Brussels summit in 2017:

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<sup>19</sup> The Mid-Atlantic programme covering cooperation between Spain, Portugal and Morocco was proposed, but could not be adopted. The Baltic Sea Region (BSR) programme has also been part of the ENI CBC 2014-2020 multiannual strategy document. However, the programme is governed under the ETC Regulation as the transnational cooperation programme (with a small proportion of ENI funding added into the programme). Therefore, the future BSR programme is not treated under this document and we will refer to **16 ENI CBC** programmes (without BSR, but including Mid-Atlantic) further in the paper.

<sup>20</sup> Only 9 programmes have adopted the LIPs and are going to implement them.

- a) Economic development and market opportunities;
- b) Strengthening institutions and good governance;
- c) Connectivity, energy efficiency, environment and climate change, and;
- d) Mobility and people-to-people contacts.

Meanwhile, the Northern Dimension and the Black Sea Synergy promote effective cooperation with the borders of the Eastern Neighbourhood region. The EU Strategy for the Baltic Sea Region and the EU Strategy for the Danube Region strengthen cooperation between the countries bordering the Baltic Sea and the Danube River. Coordinated initiatives take place within the EU Arctic Policy.

Regional cooperation with the Southern Neighbourhood is pursued through a number of formats, but priority is given to the Union for the Mediterranean due to its potential to bring together partners and deliver direct benefits in terms of youth employment, entrepreneurship, environment and infrastructure, all of which are supported by CBC programmes operating in the region.

A number of MS have provided support for CBC activities, including through cooperation and capacity-building for regional and local authorities. The Council of Europe also has a long tradition of support to CBC, in particular through providing a legal framework for CBC actions (developed with the agreement of all its members), as well as supporting local and regional networks.

Several EU and national institutions have financially promoted CBC along the internal and external borders of EU such as the European Bank for Reconstruction and Development or the European Economic Area and Norway Grants that have funded through regional and CBC projects, as well as the transfer of resources, knowledge and experience between cross-border regions.

Other regional and international institutions, such as the Nordic Council of Ministers as member of the Association of European Border Regions, have also, under different frameworks, supported CBC i.e. by the use of the European Grouping for Territorial Cooperation (EGTC) and by contributing to the development of cross-border statistics.

Russia and Norway provide own national funds to the programme budget for all cross-border and sea-basin cooperation programmes where they participate, additional to the minimum of 10% non-EU co-financing obligatory for all ENI CBC programmes.

### **4.3 Lessons learned**

#### **4.3.1 ENPI CBC 2007-2013**

The thirteen ENPI CBC programmes implemented during the 2007-2013 period covered nine EU land borders, three sea basins and one sea crossing. The financial resources allocated amounted to EUR 947.2 million combining funds from ENPI, ERDF and IPA. The contribution from participating countries and/or project beneficiaries brought the total allocation to EUR 1.2 billion. The programmes involved 19 EU MS and 12 neighbourhood partner countries plus Norway, Russia and Turkey. The ex post evaluation of ENPI CBC 2007-2013 praised the impressive number and variety of CBC projects<sup>21</sup> as well as the solid basis for cooperation compared to the previous period, with well-

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<sup>21</sup> EUR 910 million (as of April 2017), out of which 38% was channelled to projects promoting economic development, 32% to environment, 19% for social development and 11% for security issues. The bulk of EU funding (70%) was channelled through standard projects selected through calls for proposals. Large-scale projects (LSPs) represented 22% of

established programme authorities and more experienced beneficiaries. At the same time, the evaluation noted the insufficient evidence on the achievements of the ENPI CBC programmes, delays in the programme and project implementation, as well as the broadly formulated programme objectives and priorities of calls that diminished the overall impact.

The overall conclusion of the evaluation was that the positive net benefits of ENPI CBC 2007-2013 validated the continuation of Neighbourhood CBC in 2014-2020.

#### 4.3.2 ENI CBC 2014-2020

According to the mid-term review carried out in 2017 by the European Commission and the European External Action Service, lessons learnt from the past seem to have been applied successfully in terms of better thematic focus, improved orientation on the achievement of programme results, enhanced ownership and more clearly defined responsibilities, improved procedures and capacity-building measures and increased visibility. ENI CBC programmes are in better position as compared to their predecessors to demonstrate their achievements by using better designed output and result indicators in more focused fields of intervention.

The findings pointed out to the satisfaction of all stakeholders concerned with the overall set up of ENI CBC programmes. In particular, it was found that the specific ENI CBC Programming Document 2014-2020:

- remained appropriate in the context of the EU policy framework;
- provided response to the developments in the region;
- addressed common challenges across the Neighbourhood.

Another important finding was that **better coordination and synergies should be sought** between on the one hand ENI CBC and other ENP instruments (bilateral, regional and neighbourhood-wide assistance) and on the other hand between ENI CBC and EU political frameworks and strategies.

#### 4.3.3 Result Oriented Monitoring exercise on ENI CBC 2014-2020

The overarching conclusion from the ROM exercise was that the ENI CBC has been a unique instrument promoting stability in the EU's Neighbourhood.

Apart from its specific governance model, the report acknowledged a series of other positive achievements of ENI CBC and gives policy and operational recommendations for the future such as:

- EC should avoid fundamental changes to the strategic and thematic objectives of ENI-CBC.
- It is essential to lengthen the duration of project implementation and reduce the duration of programme set up.
- Emphasis should be put on communication about the unique governance model of the ENI CBC widely to raise its awareness among EU and national stakeholder and decisions makers.

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the total EU funding contracted (approximately EUR 195 million). In total, there were 867 standard projects, 51 LIPs and 23 strategic projects. The participation in calls for proposals has been very high (in total, more than 7 000 applications were submitted across all programmes), attesting the appeal of CBC among stakeholders in the eligible areas. In total, ENPI CBC involved 4 569 organisations, out of which 2 106 were from partner countries.

Certain findings and recommendations outlined by the ROM report have been confirmed also by the programme and partner countries stakeholders who answered to the consultation launched in April 2019 during the ENI CBC Annual event by TESIM. In particular:

- ENI CBC is recognised as a valuable instrument. It is relevant in terms of challenges tackled and stakeholders involved and based on a high level of co-ownership.
- Simplified procedures and rules, appropriate financial allocation and strengthened synergies with other instruments/initiative are key.
- For several programmes, the implementation has been hindered by the delays in negotiation and signature of Financing Agreements.
- Cooperation and communication among stakeholders after two programming periods are efficient.
- As for future programme strategies, the five future policy objectives and their sub-themes have been indicated as relevant by the majority of the respondents.

## 5. Response strategy

The aim of this paper is to propose a response strategy which safeguards and builds on the added-value and unique character of this cooperation, at the same time addressing existing shortcomings and bringing cooperation to a new, even more ambitious level, striving to maximise the results and impact of the programmes.

### 5.1 Principles/basic parameters

Programming for the future Interreg NEXT programmes builds on the key principles established in the legal and policy frameworks for both the ENP and the Cohesion policy.

- Interreg NEXT should continue to **contribute to the development, territorial cohesion and cooperation** of the border regions covered, while continuing to play its **strategic political role** as part of the EU's foreign relations toolbox.
- **Coherence and complementarity** of future Interreg NEXT programmes with the EU-partner countries and regions political frameworks should be fully ensured. Furthermore, deeper embedding in the Interreg policy and implementation context can enable easier and effective coordination between Interreg NEXT programmes and internal Interreg ones. In this context, full involvement of EU MS, partner countries and all relevant stakeholders in the programming process is essential.
- The actions financed by the Interreg NEXT programmes need to be **coherent with the existing strategic frameworks**, regional and bilateral ENP strategies and with the regional and local development plans in the policy area concerned. The funding provided should complement the resources allocated by the relevant regional and local public authorities.
- **Result-orientation** will be ensured through solid performance frameworks established by each Interreg NEXT programme. In order to achieve better impact and results, the EU resources invested under the Interreg NEXT programmes will have to be **more concentrated**

**on a more limited number of policy/specific objectives. Sustainability** of the results needs to be ensured.

- The **co-ownership** on the side of the partner countries is a key factor for success. The programming will thus take into account their specificities and views.
- A unique **territorial cooperation governance** has been developed during the last 30 years by internal Interreg programmes. While respecting the specificities of external cooperation programmes, this successful model should be applied, to the maximum possible extent, also to future Interreg NEXT programmes.
- In terms of programme management, particular focus in this programming exercise will be put on the **simplification of procedures**. There is room for improvement of programmes efficiency and exchange of practices among Interreg NEXT programmes themselves, and with other CBC programmes along EU's external borders and internal cooperation programmes.

## 5.2 Objectives

The menu of five policy objectives proposed for the European Structural and Investment Funds, as set in Article 4 of the CPR<sup>22</sup> is considered sufficiently broad to cover actions suitable for the cooperation areas and territories proposed by this paper.

However, in order to take into account the specificity of the Interreg NEXT programmes and reflect the principles of co-ownership and partnership, it is proposed to refer to these objectives in relation to the Interreg NEXT programming as follows:

Policy Objective (PO) 1 meaning “**A smarter** Europe *and its neighbourhood*”;  
Policy Objective (PO) 2 meaning “**A greener** low-carbon Europe *and its neighbourhood*”;  
Policy Objective (PO) 3 meaning “**A more connected** Europe *with its neighbourhood*”;  
Policy Objective (PO) 4 meaning “**A more social** Europe *and its neighbourhood*”;  
Policy Objective (PO) 5 meaning “Europe *and its neighbourhood* **closer to their citizens**”.

Interreg specific objectives (ISO):

ISO 1 meaning “**A better cooperation governance** for Europe *and its neighbourhood*”;  
ISO 2 meaning “**A safer and more secure** Europe *and its neighbourhood*.”

**PO 1** (“**A smarter** Europe *and its neighbourhood*”) should be achieved through innovation, digitisation, economic transformation and support to small and medium-sized businesses in both MS and partner countries.

Actions supporting this PO include enhancing research and innovation capacities and uptake of advanced technologies in countries participating in the Interreg NEXT programmes. Furthermore, the objective aims to reap the benefits of digitisation for citizens, companies and governments in both EU

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<sup>22</sup> Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument (COM/2018/375 final - 2018/0196 (COD))



and partner countries, enhancing growth and competitiveness of their SMEs or development of skills for smart specialisation, industrial transition (also towards a circular economy) and entrepreneurship.

**PO 2** (“**A greener low-carbon Europe and its neighbourhood**”) should enhance greener, carbon-free Europe and partner countries. It should contribute to the implementation of the Paris Agreement and invest in energy transition, clean renewables and the fight against climate change.

In line with the European Green Deal, launched by the Commission in December 2019, cooperation actions supporting this PO should promote among others: energy efficiency, clean renewable energy, climate change adaptation, risk prevention and disaster resilience, sustainable water management and the transition towards a circular economy in both the Union and the partner countries. They can also contribute to the development of smart energy systems, grids and storage at local level. PO 2 aims as well at enhancing biodiversity, green infrastructure in the urban environment and reducing pollution (air, water and soil) in the areas covered by the programmes.

In the context of the Interreg NEXT programmes, **PO 3** (“**A more connected Europe with its neighbourhood**”) promotes more connected EU border territories with the partner countries border territories through strategic sustainable transport and digital networks.

Actions supporting this PO should enhance digital connectivity. They should contribute to the development of a sustainable, climate resilient, intelligent, secure and intermodal regional and local cross-border mobility. Sustainable multimodal urban mobility across borders should also be strengthened. Projects within the Union should be located on the trans-European transport network (TEN-T).

**PO 4** (“**A more social Europe and its neighbourhood**”) would support cooperation in the areas of quality employment, education, skills, social inclusion and access to healthcare in both the Union and the partner countries.

Where possible, under this policy objective, programmes can work on enhancing the effectiveness of cross-border labour markets (e.g. via the exchange of good practice) and improving access to quality employment across borders in both the Union and the partner countries. They should aim at improving access to and the quality of education, training and lifelong learning across borders with a view to increasing the educational attainment and skills levels. Enhancing timely access to quality, sustainable and affordable healthcare services across borders can also be supported, as well as improving accessibility, effectiveness and resilience of healthcare systems and long-term care services across borders.

Cooperation actions under this objective can also promote social inclusion and tackle poverty, including by enhancing equal opportunities and combating discrimination against minorities and women across borders.

**PO 5** (“**Europe and its neighbourhood closer to their citizens**”) is a new policy objective that offers opportunities to regions, cities and local authorities to cooperate on specific issues identified by integrated territorial strategies. Contrarily to policy objectives 1-4 having a sectoral approach, this PO applies a territorial one. It is focused on a specific (smaller) territory within a programme with specific needs and potentials and aims to improve the situation by implementing an integrated territorial strategy through a series of related projects. PO 5 has to be implemented with a participatory angle, involving territorial authorities - and, if relevant, other levels of governance -

stakeholders and citizens, in particular in the identification of the selection criteria and the selection of projects.

Under **ISO 1** (“**A better cooperation governance** for Europe *and its neighbourhood*”) Interreg NEXT programmes can work, as well as internal Interreg programmes, on the reduction of some “border” obstacles e.g. of administrative nature, in the respect of the legislation of the participating countries.

The Small Projects Fund (SPF) might be a helpful tool to finance smaller projects or people-to-people projects. Given its simplified delivery rules, SPF makes it easier for local stakeholders and NGOs having less financial and institutional capacities to participate in an Interreg NEXT programme. As an example, projects that bring institutions closer to each other for more permanent/structural joint actions or working on cross-border data via observatories (either generic or thematic) can be supported.

Under ISO 1 Interreg NEXT programmes are nonetheless specifically asked to **enhance sustainable democracy and support civil society actors** and their role in reforming processes and promoting democratic transition. Trust building via e.g. people-to-people actions is also an important element to be supported under this objective.

**ISO 2** (“**A safer and more secure** Europe *and its neighbourhood*”) offers the possibility to build a strong partnership between the EU and partner countries to address, where relevant, the common challenges of security, also in relation to migration (implemented in particular by actions in the fields of border crossing management and accessibility and migration management). Under ISO 2, cooperation programmes could inter alia continue to support the upscaling and replication of infrastructures in border crossing point’s, integrate people with migrant background, foster cohesive and inclusive societies, promote better management of disaster risks especially in health.

Priority themes within the overall objectives, proposed for the future Interreg NEXT programmes are presented in the annexes per geographic cluster. The five following clusters are considered:

- 1) Orientations for the Interreg NEXT cooperation between Finland, Sweden, Norway and Russia
- 2) Orientations for the Interreg NEXT cooperation between Baltic States, Poland, Russia, Belarus and Ukraine
- 3) Orientations for the Interreg NEXT cooperation between Hungary, Romania, Slovakia, Republic of Moldova and Ukraine
- 4) Orientations for the Interreg NEXT Black Sea Basin<sup>23</sup>
- 5) Orientations for the Interreg NEXT Mediterranean Sea Basin<sup>24</sup>

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<sup>23</sup>The general EU restrictions on cooperation in regions that are illegally annexed by Russia are also applicable to Interreg NEXT. Therefore, Crimea and Sevastopol are currently not eligible. As regards Georgia, all its territory is considered eligible.

<sup>24</sup> In accordance with the EU policy, the CBC programme does not apply to the territories occupied by Israel since June 1967. Thus, in accordance with the Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJ C 205/9 of 19.7.2013) only Israeli entities having their place of establishment within Israel’s pre-1967 borders are considered eligible for EU funding. In addition, activities of Israeli entities funded by the EU must not be carried out in the territories occupied by Israel since June 1967.

### 5.3 Proposed geography of the future programmes

Based on:

- the analysis of the thematic and functional areas and the assessment of advantages and disadvantages of different geographical scenarios in full respect of the overall political framework which guides the relations between the EU and the neighbouring partners;
- the overall outcomes of the consultation with the MS and partner countries;
- the need to safeguard the specific character, ownership, dynamics and political dimension of the cooperation on EU external borders;
- the need to start the Interreg NEXT programmes on time and build on existing implementation structures established for 2014-2020,

It is proposed to keep the geographical architecture of the 2014-2020 ENI CBC programmes. The Mid-Atlantic programme for cooperation between Spain, Portugal and Morocco is also envisaged.

**The indicative list of the Interreg NEXT programmes 2021-2027 includes:**

<b>Kolarctic</b>
<b>Karelia</b>
<b>SE Finland/Russia</b>
<b>Estonia/Russia</b>
<b>Latvia/Russia</b>
<b>Lithuania/Russia</b>
<b>Poland/Russia</b>
<b>Latvia/Lithuania/Belarus</b>
<b>Poland/Belarus/Ukraine</b>
<b>Hungary/Slovakia/Romania/Ukraine</b>
<b>Romania/Republic of Moldova</b>
<b>Romania/Ukraine</b>
<b>Italy/Tunisia</b>
<b>Black Sea Basin<sup>25</sup></b>
<b>Mediterranean Sea Basin<sup>26</sup></b>
<b>Mid-Atlantic</b>

#### 1.4 Consultation with stakeholders

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<sup>25</sup>The general EU restrictions on cooperation in regions that are illegally annexed by Russia are also applicable to Interreg NEXT. Therefore, Crimea and Sevastopol are currently not eligible. As regards Georgia, all its territory is considered eligible.

<sup>26</sup> In accordance with the EU policy, the CBC programme does not apply to the territories occupied by Israel since June 1967. Thus, in accordance with the Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJ C 205/9 of 19.7.2013) only Israeli entities having their place of establishment within Israel's pre-1967 borders are considered eligible for EU funding. In addition, activities of Israeli entities funded by the EU must not be carried out in the territories occupied by Israel since June 1967.

In the development of the Interreg NEXT strategy document, the key stakeholders of the programmes are consulted through meetings, as well as through bilateral contacts. So far, in order to gather the key stakeholders' preliminary views both within the EU and from the partner countries, a written consultation has been launched and results summarised by TESIM. Consultation on the joint paper with MS and partner countries is called for 28-29 January (ENI CBC Annual Conference). Discussions with individual partner countries as well as with MS should take place on particular programmes during the Joint Programming meetings.

In addition, a substantial dialogue with both MS and the European Parliament is taking place in the process of negotiating the NDICI and especially the ETC Regulation, which includes a considerable amount of detail on Interreg external border cooperation. Related discussions on funding aspects and allocation mechanisms also take place in the process of MFF discussions.

## **6. Programming for 2021-2027**

For ENP countries, programming for the individual Interreg NEXT programmes builds on the key elements established in the legal and policy frameworks of both the ENP and the Cohesion policy. As it is the case for the overall Cohesion policy programming, it is important that it is evidenced-based. At the same time, the unique added value of CBC with neighbouring partners needs to be considered at all stages of the programming. Political strategic framework and guidance as well as consultation with MS, programme authorities, partner countries are essential parts of the process.

### Partnership principle

The principle of partnership is a key feature of the whole programme cycle (including preparation, implementation and participation in monitoring committees). It builds on the multi-level governance approach and ensures the involvement of economic, social and environmental partners, including NGOs. Examples of good practice include involving representatives of different interests in the programming processes such as evaluation. An active involvement of public, economic, civil society and environmental partners should be ensured with the help of the technical assistance.

### Functional areas

According to different sectors, a cooperation programme may cover several overlapping functional areas<sup>27</sup>. For some topics, the solution can only be found if partners outside the programme area are involved.

The proposal to address the issues through a functional area offers some flexibility in planning and implementation and linkages with other projects can be easily established. The Monitoring Committee shall have the competence to decide on projects outside the eligible area, but with clear benefit for the cross-border/sea-basin region covered by the programme.

## **6.1 Key actors**

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<sup>27</sup> Functional areas are not defined by the administrative borders, but by people's needs. They can be at pan-European, urban, cross-border or macro-regional level and aim to provide the framework for action to ensure service provision, economic development, mobility, etc.

Interreg NEXT programmes for the post-2020 period are developed by programme partners from the eligible areas. A strategic approach to the programme logic and intervention, based on the needs of the territories covered should be applied. The programme partners define the target groups/eligible beneficiaries, within the definition of eligible local and regional key actors, in order to ensure an appropriate participation in the programme.

There are no specific rules in terms of target groups for the programmes. However, interests and capacities of the local and regional authorities and civil society should be taken into account when setting the programme's strategies. Involvement of national authorities will be necessary all along the programme preparation and implementation.

The institutional capacity of local and regional authorities will also play a central role in particular in relation to the efficient management of the programmes and their sustainability. Both in the Eastern and the Southern Neighbourhood, questions of local government reform are of particular importance, and are also part of joint bilateral policy priorities (as included in the Partnership Priorities, Association Agendas and other equivalent jointly agreed strategic documents).

## **6.2 Programmes preparation**

After the programme geographies are settled, it will be the task of the programme partners to analyse the needs in the programme area, to identify the specific policy objectives and investment priorities which are most relevant to their own local circumstances, and to propose these for Commission agreement in the context of the adoption of the individual Interreg NEXT programmes. Such choices will reflect the different circumstances and needs in terms of cooperation and investments of each individual programme, as well as the different contexts of cooperation.

In order to ensure synergies, cooperation programmes covering the same territories and-or territories covered by macro-regional strategies should foresee joint programming meetings and consultations which will help align their respective strategies and cooperation/coordination modalities.

The programme partners prepare an agreed operational programme and submit this proposal to the EC. When an agreement on the programme proposal is reached following negotiations between EC and the programme partners, the programme is adopted as a Commission Decision.

The Managing Authorities are responsible for the implementation of the operational programme, with the support of the national authorities and programme partners. The participating countries need to set sound management and control and monitoring systems, as described in the proposal for the CPR and ETC Regulations.

## **6.3 Rules and procedures**

The *complexity* of the current rules has been repeatedly reported as the recurring, most important factor hindering the smooth implementation of cooperation (both through ETC and ENI CBC). **Simplifying** the Interreg framework is therefore **a key objective** of the new draft legal proposals, including e.g. absence of procedures for the designation of authorities or for approval the LIPs, reduction of reporting obligations etc.

To ensure a consistent **monitoring of performance**, the proposed ETC Regulation maintains and refines the common set of output indicators, in place already for the 2014-2020 Interreg programmes. However, the new framework adds for the first time a common set of result indicators. Result indicators will also feed into discussions on performance and successful evaluations.

## **6.4 Programming governance**

### ***Role of the (joint) monitoring committee (MC)***

The MC is the strategic decision-making body of the programme and has a prominent role in supervising programme performance. MCs should promote strategic discussions, invite contact points of macro-regional strategies (where relevant) or institutions playing a key role in the border area.

The MC composition must be representative of the respective border areas and include partners relevant to programme objectives, e.g. institutions or organisations representing environment, SMEs, civil society or education. Every supported project must have, as a basic pre-requisite, a cross-border impact. The four criteria for cooperation among beneficiaries (joint preparation, implementation, financing and staffing of projects) continue to be applied.

### ***Role of the Managing authority (MA)***

The MA shall ensure effective implementation of the programme(s) under its responsibility. It is at the service of the programme and its MC. It acts as the programme authority representing all countries participating in an programme. Therefore, it is recommended that the Member State hosting the programme authorities is represented in the MC separately from the MA (i.e. a different person). The MA shall ensure the effectiveness and transparency of the project selection, reporting and monitoring systems. The use of Harmonised Implementation Tools (HIT)<sup>28</sup> and electronic monitoring system (eMs) is recommended where possible.

The MA will be assisted by the national authorities set in the countries participating in an Interreg NEXT programme.

### ***Role of the Joint Secretariat (JS)***

The JS should be the cross-border executive body of the programme, implementing the decisions taken by the MA and the MC. It should consist of professional and independent staff from the participating countries, with linguistic competences and relevant border area knowledge. Its procedures should be efficient and transparent, avoiding unnecessary bureaucracy. JS will ensure communication with beneficiaries, potential applicants and the general public in a speedy and transparent manner. Regional contact points/antennas operating directly under the JS' responsibility may be useful in border areas covering large distances and/or having a difficult accessibility.

**Project selection** shall take place in the MC or in steering committee(s) established under the MC in full respect of the partnership principle. The selection process has to be genuinely joint, based uniquely on the quality of the applications, with no pre-selection or limitations imposed from the national level.

Selection criteria must be clear, non-discriminatory and transparent and enable the assessment of whether projects correspond to the strategy of the programme. They are to be consulted with the

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<sup>28</sup> Developed by Interact programme – interregional cooperation programme providing support and assistance to Interreg programmes. Interact should closely cooperate with TESIM project on the development of HIT for programmes on EU external borders.

Commission and clearly communicated to applicants. Clear distinction between expert evaluators (if appropriate) and MC roles in project selection needs to be defined and described in the rules of procedure.

### ***Operational performance***

The ENI CBC programmes experienced slower take off in programme set-up and project contracting and implementation than e.g. internal Interreg. This lesson learnt should lead to better identify underlying bottlenecks and structural problems. The responsible authorities are therefore strongly encouraged to implement recommendations from the ROM exercise and apply targeted mitigating measures to accelerate the programme implementation in 2021-2027. In coordination with the Interact programme and TESIM project, technical assistance can be used for developing such measures.

***LIPs, flagship projects or projects of strategic importance*** may be pre-defined in the programme document or selected via a transparent and agreed procedure. It is up to each programme partnership to decide on the optimal balance between different types of projects to reach the overall programme objectives (flagship projects, regular projects, bottom-up or top-down project selection, small projects etc). However, decision-making on all projects must be non-discriminatory, transparent and inclusive.

Like all other Interreg programmes the Interreg NEXT ones will cover seven years. In order to start implementation of the programmes it will be necessary to negotiate ***financing agreements*** with non-EU participating countries and to adopt programme documents.

## **7. Proposed provisions for financial allocations under the draft EU regulations**

In 2021-2027, the Interreg NEXT programmes at the EU external borders with neighbourhood partners will receive funding from NDICI and ERDF. They can also be financially supported through the IPA instrument.

The two sources of funding (ERDF and NDICI) are presented together under one budget line of the EU annual budgets (with two sub-lines corresponding to the NDICI and ERDF contributions). Both sources of funding will contribute to each of the Interreg NEXT programmes, and both sources of funding may be used on either side of the EU external border, for actions of common benefit.

In line with the NDICI proposal, the maximum indicative funding to be allocated from the Neighbourhood envelope of the instrument to Interreg NEXT programmes for the period 2021-27 stands at 4% (Art. 18 of the proposed NDICI Regulation). ERDF allocation available will be communicated to MS in accordance with the provisions of Art. 9 of the proposed ETC Regulation.

On the basis of information provided by the MS the Commission will adopt an implementing act with the full list of Interreg NEXT programmes and its global allocations. The total budget per programme including both sources of funding without any distinction will be set out in detail in the Joint Operational Programmes. It is also possible to include an IPA contribution in a programme and participating non-EU countries may also decide to transfer resources to a programme.

In addition to the funding for the programmes, an allocation will be made for the technical assistance supporting the Interreg NEXT programmes implementation<sup>29</sup>. This will include actions aimed at facilitating the exchange of experience and best practices among the programme partners and building up the capacity of partner countries in particular with a view to helping enhance the preparation, implementation and management of current and future programmes.

## **Annexes**

**Annexes I – V:** orientations per geographical clusters of the future Interreg NEXT programmes

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<sup>29</sup> Currently represented by the TESIM project.