

Nota bene: This is a provisional first version of the 2021-2027 Interreg Europe cooperation programme. It includes only the first section dedicated to the overall strategy of the programme. Updated versions will be published when available. The final text of the programme will only be confirmed at the end of the programming process. If you have any comments on this version, please submit them at info@interregeurope.eu



INTERREG EUROPE 2021-2027

Cooperation Programme document

Draft Version 1

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TEMPLATE FOR INTERREG PROGRAMMES

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1. Programme strategy: main development challenges and policy responses

1.1 Programme area

Text field: [2 000]

The programme area covers the whole territory of the EU 27, as well as Norway and Switzerland. They are referred as Partner States (PS) in this document. It corresponds to [number to be inserted] regions¹ according to the nomenclature as of 2021.

1.2. Summary of main joint challenges

Text field: [50 000]

1.2.1. Context of the programme, including EU major strategic orientations

In terms of strategic orientations, the EU is committed to deliver results on several strategies over the coming decades.

The rapid rise of digital technologies is making science and innovation more open, collaborative, and global. The three goals for EU research and innovation policy, summarised as **Open Innovation, Open Science and Open to the World** show how research and innovation contribute across the European Commission's political priorities. Europe needs to become more inventive, reacting more quickly to changing market conditions and consumer preferences in order to become an innovation-friendly society and economy. The key drivers of research and innovation are most effectively addressed at the regional level.

To overcome climate change and environmental degradation, the **European Green Deal** provides a roadmap for making the EU's economy sustainable with action to boost the efficient use of resources by moving to a clean, circular economy, and to restore biodiversity and cut pollution. It outlines investments needed and financing tools available, and explains how to ensure a just and inclusive transition.

The EU is committed to becoming climate-neutral by 2050. To do this, a European Climate Law will be proposed, turning the political commitment into a legal obligation and a trigger for investment. The strategy shows how Europe can lead the way to climate neutrality by investing in innovative technological solutions, empowering citizens, and aligning action in key areas such as industrial policy, finance, or research – while ensuring social fairness for a just transition.

The 2030 Agenda for Sustainable Development is also another major objective for the EU. Adopted in 2015, this Agenda is a commitment to eradicate poverty and achieve sustainable development by 2030 worldwide, ensuring that no one is left behind. The adoption of the 2030 Agenda was a landmark achievement, providing for a shared global vision towards sustainable development for all. The scale, ambition and approach of the Agenda are unprecedented. One key feature is that the 17 Sustainable Development Goals are global in nature and universally applicable, taking into account national realities, capacities and levels of development and specific challenges. All countries have a shared responsibility to achieve the SDGs, and all have a meaningful role to play locally, nationally as well as on the global scale.

The implementation of all EU strategies needs to fully consider the territorial dimension, and limit their potentially negative differentiated impacts. The aim of the proposed **Territorial Agenda 2030** is to strengthen territorial cohesion in Europe. This means ensuring a future for all places, by enabling equal

¹ *Regions at NUTS 2 level in the EU27 Member states + Norway and Switzerland*

opportunities for citizens and enterprises, wherever they are located. Territorial cohesion reinforces cooperation and solidarity and reduces inequalities between better-off places and those with less prosperous future perspectives. This is to the benefit of Europe as a whole and for each individual country. To do so, the Territorial Agenda provides strategic orientations for spatial planning and for strengthening the territorial dimension of all relevant policies at all governance levels. The draft Territorial Agenda 2030 outlines two overarching objectives: (i) a Just Europe that offers future perspectives for all places and people; (ii) a Green Europe that protects our common livelihoods and shapes societal transition processes broken down into six priorities for the development of the European territory.

More generally, the programme will accommodate any form of crisis (e.g. migratory, climatic with health waves for instance, pandemic, etc.) that could emerge over its lifetime.

In this respect, at the start of the 2021-2027 programming period, Europe faces an unprecedented situation of health crisis due to the COVID-19 pandemic which took hold in spring 2020. It is set to have very severe and long-lasting effects on many economic sectors (e.g. cultural and creative sector) and probably on other aspects like use of transport modes, consumer habits, way of life, etc. in Europe's regions.

The challenges arising from this health crisis have to be taken into account, next to the ecological transition, the digital transitions and the demographic change that remain crucial issues to be addressed by the EU over the next decades. All these challenges will have strong impacts on a wide range of policy fields at EU, national, regional and local level.

Overall, public policies will undoubtedly need to support the capacity of the European economy and society to recover on the way out of the crisis.

In this regard, the EU cohesion policy remains an essential public policy to support the economic and social recovery in all EU regions. With this policy, the EU aims at contributing to the harmonious development across the Union by strengthening its economic, social and territorial cohesion in the EU regions and Member States. Interreg Europe continues to be one of the instruments and accelerators for the implementation of this policy by promoting a large-scale exchange and transfer of experiences, peer-learning and benchmarking across Europe.

1.2.2. Disparities and inequalities across Europe and challenges for regions

The characteristics, situation and prospects of European regions in light of the described challenges and strategic orientations are very diverse. Like in the previous programming periods, the regional diversity in terms of opportunities and needs across the EU requires tailor-made policies. It calls for a place-based approach that gives regions the ability and means to deliver policies that meet their specific needs. The uniqueness of each region is also of enormous added-value for other regions in Europe through various forms of mutual learning. It lays the foundation for its role in Europe's push for a smarter Europe, a greener, low-carbon and resilient Europe, a more connected Europe, a more social Europe and a Europe closer to citizens.

The triennial report on economic, social and territorial cohesion provides a very valuable insight on major trends at work. The 7th Cohesion Report released in 2017 highlighted key aspects that are still to be considered for the 2021-2027 programming period, such as the narrowing of regional disparities, the fact that investments in innovation, skills and infrastructure are insufficient and more investments are needed in energy efficiency, renewables and low-carbon transport to reduce greenhouse gas emissions. However, other trends need to be interpreted with a lot of caution as the economic and social consequences of the 2020 health crisis could have very huge, damaging and long-lasting effects in many sectors, and on the employment after its progressive recovery since the 2008 financial crisis.

Key economic, social and territorial disparities for each of the five pillars selected at EU level are listed below², as well as some crucial policy challenges for European regions, in particular those governance-related. Disparities between European regions still persist and might be even deepened by the effects of the COVID-19 health crisis.

In the following descriptions, references are made to large areas across Europe based on the compass points, but the reality is hardly ever so simplistic and existing discrepancies within each large area should be kept in mind.

A smarter Europe

Innovation in the EU remains highly concentrated in a limited number of regions. In the southern and eastern Member States, innovation performance is poorer and regions close to innovation centres - mainly capitals - do not benefit from their proximity. It is therefore necessary to develop policies that support innovation in less developed regions and that connect businesses, research centres and specialized services to businesses in different regions.

Despite being drivers of economic growth, the concentration of knowledge economies also contributes to widening the development gap between regions. Regions differ in terms of the intensity and mix of knowledge and innovation activities, thus having different capacities to innovate and innovation processes of various levels of complexity. Each territorial innovation pattern can be reinforced by knowledge acquisition from outside the region. Achieving positive regional economic development based on research and innovation depends on ability of regions to capitalise on their assets.

A clear core-periphery polarisation exists as a result of the existing mechanisms of knowledge production. Regional specialisation patterns by technology use reveal that technology regions (i.e. sectors that actively produce technological solutions) are mainly capital city regions. The adoption of increasing 4.0 technologies and processes based on the cyber-physical systems and the internet of things (IoT) which requires new policies regional patterns of technology production show that “islands of innovation” can emerge in less advanced regions. From a societal perspective, a specific emphasis shall be put on digital skills acquisitions to limit the exclusion risk of certain groups, such as the elderly, that may not be well prepared for this rapid transformation.

SMEs in the EU represent 99% of enterprises, 57% of the value added, and employ 66% of the EU labour force. SMEs are considered the backbone of the European economy. However, regions provide different enabling conditions, challenges, opportunities and threats with respect to SMEs growth. Local and regional governance is increasingly important for economic development and competitiveness, as it has the capacity to support companies on many levels. The role of quality governance systems defined as providing two advantages (i) ensuring transparency in decision making and stability and (ii) fostering entrepreneurship and SME creation is crucial.

The development of the digital economy and society is uneven in EU Member States. Rural and peripheral regions are vulnerable in the shift towards a digital economy. Digitally more developed regions of northern and central Europe overlap with the knowledge and innovation regions.

Larger, more developed cities provide more digital services than small and medium- sized cities, towns and rural communities. The interoperability of public services is considered as an important factor for reducing digital gaps between countries and regions. Public institutions, civil society and companies should cooperate and exchange knowledge, as this helps to boost the local digital ecosystem and foster the co-creation and delivery of new types of services.

² *Seventh report on economic, social and territorial cohesion. My Region, My Europe, Our Future - 2017*
State of the European Territory – Contribution to the debate on Cohesion Policy post 2020 - ESPON - 2019

Interregional cooperation can contribute to a smarter Europe by enabling European regions to improve their regional policies and programmes for innovation and R&D support, particularly within their Smart specialisation strategy. Experience exchange and policy learning in key areas like, for instance, skills development for smart specialisation and entrepreneurship, digitalisation of the economy and the society, uptakes of advanced technologies, innovation in SMEs, will enable regions to accelerate and improve the implementation of their regional growth policies.

A greener, low-carbon and resilient Europe

Climate change has different impacts on each biogeographical areas in Europe. Observed impacts include environmental changes, a variety of ecosystem changes, changes in the food system and the energy system. Vulnerability to climate change varies considerably from region to region. Coastal areas are threatened by rising sea levels, rising water temperatures and increased marine dead zones.

As regards energy, increased efforts will be necessary to achieve the key element of the amended directive (EU 2018/2002), as part of the "[Clean energy for all Europeans package](#)". With a view to showing global leadership on renewables, the EU has set an ambitious, binding target of 32% for [renewable energy](#) sources in the EU's energy mix by 2030.

Reaching the EU's low-carbon objectives requires infrastructure investments targeting geographically specific renewable energy potentials, increased energy efficiency in regions where resources are scarce, regional cooperation and an increased focus on bottom-up governance. Rural regions in south-eastern Europe and most of Eastern Europe are the most vulnerable to energy poverty. Many of these regions have the potential to develop renewable energy, but lack the administrative capacity, the vision or the financial resources. Regional and interregional cooperation can support the development of stakeholder networks, the transfer of knowledge and practices of sustainable energy supply and consumption across regions, alignment of actions related to energy transition across the different governance levels.

The circular economy is making an increasing contribution to meeting the EU's environmental and climate objectives. It is also a stimulus to local and regional development. The region is a relevant level to organise sustainable economic ecosystems, but the regulatory frameworks at regional and local levels should be adapted to the principles of a circular economy. Implementation and diffusion of circular business models (CBMs) is favoured by agglomerations (both economic and urban) in proximity to knowledge hubs. Circular economy material providers play a particularly predominant role in rural regions.

Finally, the potential network coverage of green infrastructure (GI) at the regional level is relevant to multiple policy frameworks (e.g. biodiversity, water management and climate change). Regions with low potential GI network coverage in north-western Europe need to improve the connectivity of existing GI. Regions with high potential GI network coverage should be supported through policies promoting sustainable land use and increased biodiversity. The development of GI can be facilitated by collaboration between local and regional stakeholders, awareness and capacity building, and knowledge exchange between professionals operating at different implementation stages and scales.

Interregional cooperation can support European regions in delivering a greener, low-carbon and resilient Europe by enabling them to integrate successful experiences and policies from other regions into their own regional programmes in areas including promoting the transition to a circular economy, climate change adaptation, water management, risk prevention and disaster resilience, energy efficiency measures, investing in biodiversity and green infrastructures.

A more connected Europe

By 2030, the accessibility potential³ of mountain and coastal regions by road or rail will barely reach 80 % of the European average. Sparsely populated places and islands will remain below 20 %. Overall, there are significant disparities in accessibility at the regional and local levels.

Good accessibility is a precondition for economic development. Considering that the transport sector remains one of the main contributors to greenhouse gas emissions, public actions supporting the decarbonisation of transport is more important than ever. The supported actions should be inspired by the European strategy for low-emission mobility which aims at ensuring a regulatory and business environment that is conducive to meeting the competitiveness challenges that the transition to low-emission mobility implies.

The core-periphery pattern visible in terms of physical accessibility is also valid for digital connectivity. Considering the high cost of digital infrastructure in territories with geographical specificities and rural areas, digital connectivity could be supported through local measures aimed at increasing demand through the promotion of ICT use and dematerialisation of services.

Interregional cooperation can contribute to a more connected Europe by supporting policy learning and capacity building in relation to regional policies enhancing digital connectivity and promoting sustainable multimodal mobility in urban and rural areas.

A more social Europe

Due to the financial crisis of 2008, the unemployment rate in the EU reached a record high of 11% in 2013, and dropped later on to 6.2% in late 2019. But the situation is set to deteriorate strongly in the early 2020s.

There are large and long-lasting gaps between regions in terms of employment and unemployment rates, with significantly higher unemployment rates in countries of southern Europe. Youth unemployment varies widely between around 6 % in countries of central Europe and over 30 % in southern European countries. The employment situation of workers over 50s remains also a worrying issue in most countries while the data also shows that the employment rate of 35 to 49 year olds is also worsening.

Overall, the average employment rate was 74% in the more developed regions in 2016, while in less developed regions, the average rate was only 65%.

The ability of regions to withstand economic shocks and address high unemployment is determined by a combination of factors, including the structure of the economy, labour market flexibility, the level of skills and place-based characteristics, in particular the quality of governance.

For example, regional economies dominated by sectors heavily affected in the COVID-19 crisis, such as tourism or the cultural sector, may experience more severe and prolonged negative impacts on their socio-economic condition compared to regions with a more diversified economic structure. In this context, it will be important to consider how the budgets as part of the recovery plans and corresponding packages will be used and coordinated at European, national and regional levels.

Working conditions are also an increasing issue, with aspirations for a better balance between work life and private life. Moreover, pensioners' role and place in the society should be better considered in an ageing society.

As regards migration, the specific measures at EU level taken during the most critical years around the mid-2010s need to be evaluated and extended where relevant. Among the key lessons, the positive economic impact of the presence of refugees is largely determined by the success of their integration into the labour

³ This concept is defined as the number of people that can be reached by car/train, where the attractiveness of destinations is defined by their population size, subject to the car/train travel time to reach them. Source: https://bsr.espon.eu/openncms/openncms/Domains/Access_to_services_markets_and_jobs/Potential_accessibility/index.html

market. Differentiation is needed between policies targeting the socio-economic integration of migrants in urban and rural contexts. When considering the social dimension, the important role of local authorities and NGOs in the successful integration of migrants should be emphasized.

Europe faces increasing and territorially different demographic challenges. Some of these factors entail ageing and depopulation / high density population, which may affect many regions, including rural and peripheral areas at the same time many metropolitan/urban areas are facing an increase of inhabitants, with possible severe impacts, including effects on social and territorial cohesion, public service provision, labour markets and housing, among others.

Access to services of general interest, education, healthcare and social protection, appears to be especially difficult for vulnerable groups and for people living in specific types of territories, such as rural areas with low accessibility or areas with geographical specificities, including mountains, islands, sparsely populated areas and coastal areas. Cohesion Policy governance and implementation mechanisms at the national level, and the regional level where relevant, should support capacity building among local stakeholders and institutional multilevel, interregional networking and cooperation.

Interregional cooperation can contribute to a more social Europe by supporting policy learning and experience transfer on regional policies that will get people back into employment and enhance the effectiveness of labour markets and integration of migrants and disadvantaged groups. Other key fields of action are, for instance, ensuring sufficient and equal access to health care through developing infrastructures, including primary care and specialised health services and enhancing the role of culture and tourism in economic development, social inclusion and social innovation.

A Europe closer to citizens

Good territorial governance and cooperation are preconditions to counter current social, economic, connectivity and environmental challenges in the European territory. The diversity of the European territory in terms of geography, administrative and governance settings and political differences across regions emphasises the importance of tailored, place-based approaches.

To ensure no places and citizens are left behind, stronger cooperation between places across territorial boundaries is needed, as well as across sector policies. This requires high-quality governance, capacity building and empowerment of the various actors involved.

Interregional cooperation can contribute to a Europe closer to citizens by supporting key pointers for the development of effective integrated place-based strategies and policies, which could for instance cover cultural heritage among other themes. The support could facilitate better spatially adapted governance, as governance for collective action requires capacity for consensus building and long-term commitment. Besides, experimentation in terms of building governance networks and structures is an important aspect of efficient cooperation structures, and capacity building is a key precondition for efficient territorial policies. Additionally, Interreg Europe could help in ensuring that integrated territorial strategies are concretely implemented on the ground.

1.2.3. Lessons-learnt from past experience⁴

The Interreg Europe 2014-2020 cooperation programme co-financed two types of intervention: interregional cooperation projects and policy-learning platform (PLP).

In total, 258 projects were selected, almost evenly distributed over each of the four thematic priorities, namely: 1) Research and innovation; 2) SME competitiveness; 3) Low-carbon economy; 4) Environment and energy efficiency. This balanced situation relates on the one hand to the selection of most of the core investment priorities entering into the thematic concentration for IG&J programmes set in the regulatory

⁴ The sources of information used in this section are: the Interreg Europe Annual Implementation Report 2018, the Interreg Europe programme evaluations carried out in 2018 and in 2020, the conclusions of the Interreg Europe Programming Committee (March 2020) and the survey to PC members (April 2020).

framework and on the other hand to their proactive management throughout the calls for proposals to strengthen less popular themes at some stage.

In any project, each partner region had to select a policy instrument and work out an action plan to be implemented in the second phase. 78% of the policies targeted related directly to structural fund programmes. The policy makers were direct partners for 40% of the addressed policy instruments. 88% of all NUTS 2 regions across Europe were represented in these approved projects⁵.

The PLP supported four main categories of services: a) Expert support, with peer-reviews and policy advice helpdesk; b) Community of policy makers with thematic events and webinars; c) Knowledge hub, with articles and policy brief; d) Good practice database.

Lessons on operational aspects of cooperation projects and the PLP

All programme evaluation reports have confirmed the efficient and effective programme support to projects and the related satisfaction of beneficiaries.

In the 2014-2020 period, the programme applied a new structure of interregional cooperation projects with 2 phases and a mid-term review between periods. The action plan at the end of phase 1 and the possibility of having pilot actions in phase 2 have been appreciated as allowing for concrete implementation of the learning phase. However, the final evaluation highlights the need to reinforce the practice-based learning, which happened in phase 2 in particular through pilot actions under the 2014-20 programme.

A second main aspect in project implementation regards the link to European Structural and Investment Funds (ESIF) programmes, which was a mandatory element for all Interreg Europe projects. The experience in 2014-20 has indicated some obstacles in establishing an effective link, especially as regards the timing gap between the implementation of ESIF and the implementation of Interreg Europe projects.

Therefore, the main learning point focuses on the need to ease the obligation of linking the project to a certain number of ESIF programmes and the need to foster an effective link with regional policies in a broader sense. The final evaluation also points to the need to involve as project partners the organisations that are directly responsible for the targeted policy instruments.

The stakeholder group is an appreciated feature of the projects, as an effective opportunity for exchange between partners and project stakeholders and for the planning and implementation of all phases of the project, especially phase 2. It is also the opportunity to influence policy change.

In addition, the knowledge gained by projects along the periods needs to be reused when launching new calls.

As regards the PLP, its structure underwent significant adjustments during the implementation in 2014-20 to make it more effective. The outsourcing of the service implied monitoring from the JS. This together with the necessary adjustments required additional time and resources. It was however the first time such an innovative service was developed by an Interreg programme and the overall results of this initiative remains largely positive as reflected in the high satisfaction rate of its users.

Lessons on policy change and impacts

The high potential of Interreg Europe to influence the implementation of regional development policies including Structural Funds programmes has been demonstrated for years now and was confirmed by the impact evaluation. This influence can be direct or indirect, combining Interreg Europe projects with external factors⁶.

⁵ For more information on project results, please refer to <https://www.interregeurope.eu/projectresults/>

⁶ Please refer to the draft final report *2020 Update Evaluation of Interreg Europe*, pages iii, iv, 79

Projects primarily address three levels of learning (individual, organisational and stakeholder)⁷. At partners and stakeholders levels, their policy learning processes lead to increase the professional capacity of individuals and organisations. The final evaluation indicates that the scope of project-level learning process could be further reinforced in the future programme via a stronger anchoring of practice-based learning⁸. It also recommends that the indicators system capture effectively this increase capacity not only at the individual level but also at the organisational level.

As regards the PLP, the qualifications of the thematic experts and the involvement of projects are key to the quality of the services. The PLP allows the programme to directly address the fourth level of learning (external) meaning to create learning opportunities for individuals and organisations that are not involved in any projects. In this context, the peer review tool has been one of the most successful services. The impact evaluation highlights that even though the PLP contribution to policy changes is smaller than projects' contribution, the PLP should be retained in the future, as it also addresses a target group that is located 'outside' of the Interreg Europe project community.

In the future, the PLP may be further involved in selected project development tasks, for example in the fine-tuning of the partnership or offering targeted peer reviews to support the learning process. This evolution could also result in a stronger participation of projects from all thematic areas.

The learning process needs also to be more demand-driven. In this respect, the targeted groups should be more stimulated by awareness-raising actions as early as possible, performed by the programme and at national level.

Additionally, a study on the policy changes and effects of interregional projects was performed in 2018⁹ on a sample of projects funded by the programme's predecessor, INTERREG IVC. Projects running between 2008 and 2014 represented a great source of evidence about the policy changes and effects in the regions engaged in interregional cooperation. More than 70% of the respondents reported that the policy change had a long-term effect in their territory. The selected projects demonstrated that beyond the immediate and direct benefits gained by the partners during the lifetime of their cooperation projects, the projects often lead to long term impact several years after the project's closure. The study acknowledged the long-term effects of interregional cooperation and its high leverage effect. With a reasonable initial investment (average ERDF budget of MEUR 1.6 per project), projects were able to influence regional or even national strategies leading to structural changes in the participating regions.

The evaluation carried out in the 2014-2020 period confirmed the significant impact of the Interreg Europe programme. By September 2020, at a time where only very few projects were finalised, the amount of funds already influenced by projects was estimated to MEUR 615.

1.2.4. Complementarities and synergies with other forms of support

The complementarity of Interreg Europe with other forms of support focuses on the added value of this cooperation programme against other sources of financing. In some cases, the complementarity may lead to coordination and synergy actions. In other cases, only the added value of Interreg Europe is indicated in the sections below. Therefore, complementarity has a larger scope than coordination. The complementarity and connections that can be established by Interreg Europe refer to the following sources of financing:

The complementarities to the programmes Investment for Jobs and Growth (IJ&G) goal

⁷ For more information, please refer to page 41 of the 2014-20 Programme Manual of the 2014-20.

⁸ Draft final report *2020 Update Evaluation of Interreg Europe*, pages iii, 78, 82

⁹ For details on the study, please refer to:

https://www.interregeurope.eu/fileadmin/user_upload/documents/Effects_of_interregional_cooperation.pdf

These complementarities are already indicated in article 3 of the draft ETC Regulation and lead to a direct link between Interreg Europe and the IJ&G programmes, both at project and at PLP levels.

As regards projects, coordination will be ensured via the link to IJ&G. This link will be established in all projects, as at least one IJ&G programme will need to be addressed by each project.

As regards the PLP, the MA of the IJ&G programmes are one of the main target groups. Furthermore, in case an IJ&G programme foresees interregional cooperation actions (art. 17.3.d.v of the draft CPR), the complementarity happens automatically. The regions that opted so far for this type of cooperation have specific thematic or geographic aims that could not be covered by any of the existing Interreg programmes. As was the case in the past, these regions will need to define and design of their own cooperation rules. This is where INTERACT can help by bringing inspiration from existing Interreg programmes. Beyond the definition of the rules, Interreg Europe can also help in implementing this form of cooperation when regions are looking for relevant partners or for relevant thematic experiences.

The complementarity to the Interregional Innovation Investment Instrument ***(section to be completed later)***

The complementarities to other Interreg programmes

The complementarities among all Interreg programmes are set in article 3 of the draft ETC Regulation. In the case of strands A and B, both the geographical coverage and the approach of each strand reveal the added value of strand C and of Interreg Europe in particular. Whereas strands A and B focus on solutions to solve the cross-border or transnational challenges, Interreg Europe allows for interregional capacity building to improve regional policies. Cooperation among all Interreg strands is furthermore ensured by the INTERACT programme in the various programme management areas.

As concerns strand C, art 3 defines the aims and the added value of each interregional (or Pan-European) programme. The dividing lines [and complementarities] between Interreg Europe, INTERACT, URBACT and ESPON are clarified by the draft Regulation. Interreg Europe focuses on policy objectives to identify, disseminate and transfer good practice into regional development policies, whereas INTERACT focuses on the implementation of Interreg programmes and capitalization of their results. Therefore, the area of intervention of Interreg Europe covers regional development policies in a wider sense, whereas INTERACT's area of intervention stays in the cooperation domain.

In particular, INTERACT and Interreg Europe respective platforms (KEEP and the PLP) have two different objectives, serve two different needs and have different target groups. Whereas KEEP includes data on Interreg, ENI CBC and IPA CBC programmes and projects, Interreg Europe's database gathers data on regional development practices. The regular exchanges between INTERACT and Interreg Europe also ensures close coordination for subjects of common interest like the implementation of Investment for Jobs and Growth programmes.

The dividing line between Interreg Europe and URBACT is the specificity of URBACT's thematic focus (integrated and sustainable urban development). Finally, ESPON deals with the analysis of development trends, a distinctive focus among all strand C programmes. The provision of territorial data on recent European development trends can inform the development of Interreg Europe projects and Interreg Europe programme activities. At the same time additional knowledge demand arising from Interreg Europe cooperation might be addressed through targeted analysis by the ESPON programme.

The four Pan-European programmes hold regular meetings (coordinated by INTERACT) and bilateral meetings to define the cooperation and collaboration areas, both at the programming and at the implementation stages. Among other actions, the four programmes have been working together to clarify their respective types of interventions and target groups to ensure both the complementarity and the identification of synergies. At the implementation stage, synergies refer to the mutual promotion of the programme activities, exchange of information for the benefit of each programme activities, and joint organisation of activities.

The complementarities to other EU instruments and other EU policies

Interreg Europe operations (projects and PLP) could offer the interregional policy learning processes specific to each thematic field for these other EU instruments and policies to use.

On research and innovation, complementarities with some Horizon Europe actions could be established. Interreg Europe operations could support in the policy learning process leading to improve skills development for smart specialisation and entrepreneurship, digitalisation of the economy and the society and uptakes of advanced technologies. As regards innovation in SMEs, policy learning support could be envisaged towards the COSME programme, the Start-Up Europe initiative and the SME instrument.

The Interreg Europe support to a greener, low-carbon and resilient Europe could benefit the specific instruments derived from the European Green Deal, the Resource Efficient Europe Flagship Initiative, the Circular Economy Package, the Life Programme, the EU Biodiversity Strategy and the EU Strategy on Green Infrastructure.

The EU Urban Mobility Package could also benefit from the interregional policy learning on sustainable multimodal urban mobility, whereas the Digital Europe Programme could be targeted as for the digital connectivity.

As regards the access to healthcare, the Health Programme together with Horizon Europe could be an area for complementarities.

The complementarities to smart specialisation strategies (S3) and its Platform

During 2014-20, Interreg Europe operations (PLP and projects) were coordinated with the S3 Platform. Constant contact between the S3 Platform and the Interreg Europe JS has led to an efficient coordination and joint actions. It also contributed to raise awareness on the approach and possibilities of each instrument, as the target groups were partly coincident. In addition, a number of Interreg Europe projects deal with smart specialisation.

In 2021-27, this operational coordination will be followed-up considering that innovation has always been a popular topic in interregional cooperation. At a strategic level, Interreg Europe 2021-27 contribution to smart specialisation could be regarded as a space for experimentation, learning and generation of good practice in smart specialisation strategies that can serve broader purposes. In addition, the interregional policy learning process helps to build capacities for S3 implementation and to exploit synergies between S3 and other EU Funds, including Horizon Europe¹⁰.

The complementarities to the Territorial Agenda 2030

A balanced development of the European territory, and a future for all places, by enabling equal opportunities for citizens and enterprises, wherever they are located is at the heart of the Territorial Agenda 2030. With Interreg Europe being part of Cohesion Policy with the aim to reduce disparities between European regions and being the only Interreg programme that provides cross-European policy learning the complementarities are quite obvious. On project level, especially under the Interreg specific objective “a better cooperation governance” and PO5 “A Europe closer to citizens” the exchange of good practices, capacity building and policy learning on integrated territorial strategies will contribute to the implementation of the Territorial Agenda 2030. At the same time Interreg Europe can on programme level assure awareness of the territorial settings of project partnerships and such reinforce cooperation and solidarity as well as reduce inequalities between better-off places and those with less prosperous future perspectives.

¹⁰ ‘Synergies between IE and Smart Specialisation’, JRC Technical Report 2018

1.2.5. Macro-regional strategies and sea-basin strategies where the programme area as a whole or partially is covered by one or more strategies

Given the pan-European nature of the Interreg Europe programme, the partner states find it not opportune to introduce a specific focus on or give priority to Interregional Cooperation Projects or activities that target a specific macro-regional strategy or a sea-basin strategy (or initiative). However, proposals for Interregional Cooperation Projects that include issues related to one or more macro-regional strategies and/or sea-basin strategy, as part of the practise sharing and policy learning among regional actors from different parts of Europe will be welcome by the programme.

1.2.6. Strategy of the programme

Interreg Europe is part of the interregional cooperation strand of European territorial cooperation (Interreg strand C), which supports interregional cooperation to reinforce the effectiveness of cohesion policy.

The European Territorial Cooperation (ETC) regulation¹¹ states that the aim of the Interreg Europe programme is to promote the exchange of experiences, innovative approaches and capacity building focusing on policy objectives, in relation to the identification, dissemination and transfer of good practices into regional development policies including Investment for jobs and growth goal programmes.

This statement positions Interreg Europe as a programme dedicated to cooperation between regional policy actors from across Europe with the aim to exchange and learn from each other's practices in the implementation of regional development policies. It emphasises the importance to focus this cooperation on policy objectives, to enable regional policy actors to learn and adopt novel approaches and increase their capacities for the design and delivery of regional policies of shared relevance.

The rationale for this form of interregional cooperation is that by increasing capacities, regional policy actors become more effective and successful in the implementation of regional development policies, which in turn will increase the territorial impact of these policies. This rationale is a continuation of the approach implemented by the Interreg Europe programme in the period 2014-2020.

Overall objective of the Interreg Europe 2021 – 2027 programme

Based on the objective set in the European territorial cooperation regulation and the rationale described above, the following overall objective is defined for the Interreg Europe programme:

To improve the implementation of regional development policies, including Investment for jobs and growth goal programmes, by promoting the exchange of experiences, innovative approaches and capacity building in relation to the identification, dissemination and transfer of good practices among regional policy actors.

The Interreg-specific objective 'a better cooperation governance' as single programme objective

In view of the rationale and the overall objective of the programme presented above, the Partner States have decided to structure the programme on the basis of the Interreg-specific objective 'a better cooperation governance' as the single and overarching objective of the programme.

¹¹ Draft ETC regulation, Art.3.3.a

The Interreg-specific objective ‘a better cooperation governance’¹² enables Interreg programmes to support actions to enhance the institutional capacity of public authorities and relevant stakeholders involved in managing specific territories and implementing territorial strategies.

The choice for the Interreg-specific objective is based on the following considerations:

- It reflects the focus of the Interreg Europe programme on the exchange of experiences and capacity building among regional policy actors to improve their capacity for the design, management and implementation of their regional development policies. This focus on capacity building fits perfectly the definition of the Interreg-specific objective on governance.
- It is in line with the type of results that can be expected from the Interreg Europe programme, which are increased capacities of regional policy actors and improvements in the (implementation of) regional policy instruments.
- It does justice to the diversity of regional policy challenges across the European territory. Under the umbrella of the Interreg-specific objective, regional policy actors can work together on all policy issues of shared relevance in line with their regional needs, as long as this falls within the thematic scope of cohesion policy.
- It offers the programme a certain flexibility to adapt to emerging policy developments - again, within the broader thematic scope of cohesion policy.

Thematic scope of the programme

As indicated above, the thematic scope of the Interreg Europe programme, under the umbrella of the Interreg-specific objective, is defined by the policy objectives and specific objectives of cohesion policy¹³. At the same time, the Partner States recognise the need to concentrate programme resources on those policy areas that are most relevant and urgent for regions in Europe.

To strike a balance between the need to accommodate interregional cooperation on a broad range of policy issues and the need for thematic concentration, the programme will concentrate the largest share of the programme budget (80%) on a selection of 12 specific objectives. The remaining 20% of the programme budget can be allocated to the other specific objectives of cohesion policy. The allocation is as specified below. It may be subject to modifications during the programming period according to the internal rules or procedures defined by the Monitoring Committee.

- 1. A share of 80%¹⁴ of the programme budget is allocated to the following specific objectives.**
(Exact list to be confirmed at the end of the programming process)

Policy Objective 1: Smarter Europe

- (i) enhancing research and innovation capacities and the uptake of advanced technologies;
- (ii) reaping the benefits of digitisation for citizens, companies and governments;
- (iii) enhancing growth and competitiveness of SMEs and job creation in SMEs;
- (iv) developing skills for smart specialisation, industrial transition and entrepreneurship;

Policy Objective 2: Greener Europe

- (i) promoting energy efficiency measures;
- (ii) promoting renewable energy;
- (iii) developing smart energy systems, grids and storage at local level;
- (iv) promoting climate change adaptation, risk prevention and disaster resilience;
- (v) promoting sustainable water management;
- (vi) promoting the transition to a circular economy;

¹² Draft ETC regulation, Art.14 and 15

¹³ As presented in the draft Common Provisions regulation, Art. 4

¹⁴ Share (%) to be decided

(vii) enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution;

Policy Objective 3: More connected Europe

(iv) promoting sustainable multimodal urban mobility;

Policy Objective 4: More social Europe

(i) enhancing the effectiveness of labour markets and access to quality employment through developing social innovation and infrastructure;

(iv) ensuring equal access to health care and fostering resilience of health systems;

(v) enhancing the role of culture and tourism in economic development, social inclusion and social innovation;

2. A share of 20% is allocated to the following specific objectives.

Policy Objective 3: More connected Europe

(i) enhancing digital connectivity;

(ii) developing a sustainable, climate resilient, intelligent, secure and intermodal TEN-T;

(iii) developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility;

Policy Objective 4: More social Europe

(ii) improving access to inclusive and quality services in education, training and lifelong learning through developing infrastructure, including by fostering resilience for distance and on-line education and training;

(iii) increasing the socioeconomic integration of marginalised communities, migrants and disadvantaged groups, through integrated measures including housing and social services;

Policy Objective 5: Europe closer to citizens

(i) fostering the integrated social, economic and environmental development, cultural heritage and security in urban areas;

(ii) fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community-led local development.

The Specific Objectives listed under point 1 above are selected on the basis of the preferences expressed by the Partner States, in consultation with national stakeholders. This selection underlines the continued importance of the policy objectives of Smarter Europe and Greener Europe, which represent topics that were also at the heart of the Interreg Europe 2014-2020 programme.

At the same time this selection also reflects the emerging urgency at the time of programme development of addressing new fields of regional policy in light of the impact of the Covid-19 pandemic, in particular related to labour market and health care challenges under the More Social Europe objective.

Operationalising the strategy

To achieve its overall objective, the Interreg Europe programme strategy consists of two complementary elements, building on the approach adopted by the Interreg Europe 2014-2020 programme.

On one hand, the programme will support interregional cooperation projects between regional policy actors, dedicated to exchange, capacity building and transfer of good practices and innovative approaches with the specific aim to prepare the integration of the lessons learnt from cooperation into regional policies and actions.

On the other hand, the programme will continue to facilitate policy learning services and capitalisation of regional policy good practices on an ongoing basis – in line with the policy learning platform approach – to

enable regional level actors from across the EU to tap into relevant experiences and practices whenever they need them to strengthen their policies.

These operational elements at programme level are applicable to all the specific objectives supported by the programme.

As specified in the overall objective above, Interreg Europe targets **regional policy actors**. This target group includes national, regional and local authorities as well as other relevant bodies responsible for the definition and implementation of regional development policies. The composition of this target group is quite diverse, reflecting the diversity in institutional and geographical conditions in the Partner States. A more elaborate description of these actors is provided in the target groups' description in section 2 of this document.

As a general rule the **beneficiaries of the programme** are public bodies and bodies governed by public law. Private non-profit bodies may also be beneficiaries under certain conditions (see also Section 2 of this document). Detailed provisions will be outlined in the programme manual.

Private companies, especially **SMEs**, are an important target group in the context of several supported specific objectives and when relevant they are encouraged to participate in the activities of Interreg Europe actions and benefit from the exchange of experience, although they cannot directly receive EU funding as a beneficiary.

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1.3. Justification for the selection of policy objectives and the Interreg specific objectives, corresponding priorities, specific objectives and the forms of support, addressing, where appropriate, missing links in cross-border infrastructure

Table 1

Selected policy objective or selected Interreg-specific objective	Selected specific objective	Priority	Justification for selection <i>Text field: [2 000 per objective]</i>
Interreg-specific objective (ISO) 'a better cooperation governance'	Interreg-specific objective (ISO) 'a better cooperation governance'	1	<p>The choice for the Interreg-specific objective is based on the following considerations:</p> <ul style="list-style-type: none"> • It reflects the focus of the Interreg Europe programme on the exchange of experiences and capacity building among regional policy actors to improve their capacity for the design, management and implementation of their regional development policies. This focus on capacity building fits perfectly the definition of the Interreg-specific objective on governance. • It is in line with the type of results that can be expected from the Interreg Europe programme, which are increased capacities of regional policy actors and improvements in the (implementation of) regional policy instruments. • It does justice to the diversity of regional policy challenges across the European territory. Under the umbrella of the Interreg-specific objective, regional policy actors can work together on all policy issues of shared relevance in line with their regional needs, as long as this falls within the thematic scope of cohesion policy. • It offers the programme a certain flexibility to adapt to emerging policy developments - again, within the broader thematic scope of cohesion policy.

