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REPORT

on European Territorial Cooperation - best practices and innovative measures
(2015/2280(INI))

Committee on Regional Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on European Territorial Cooperation - best practices and innovative measures (2015/2280(INI))

The European Parliament,

- having regard to the Treaty on the Functioning of the European Union, and in particular Title XVIII thereof,
- having regard to Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (hereinafter ‘the Common Provisions Regulation’)¹,
- having regard to Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006²,
- having regard to Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal³,
- having regard to Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 amending Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings⁴,
- having regard to 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 action⁵,
- having regard to Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II)⁶,

¹ OJ L 347, 20.12.2013, p. 320.

² OJ L 347, 20.12.2013, p. 289.

³ OJ L 347, 20.12.2013, p. 259.

⁴ OJ L 347, 20.12.2013, p. 303.

⁵ OJ L 77, 15.3.2014, p. 95.

⁶ OJ L 77, 15.3.2014, p. 11.

- having regard to Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument¹,
- having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020²,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002³,
- having regard to the ‘Territorial Agenda of the European Union 2020: Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions’, agreed on at the Informal Ministerial Meeting of Ministers responsible for Spatial Planning and Territorial Development meeting in Gödöllő, Hungary on 19 May 2011,
- having regard to its resolution of 14 January 2014 on EU Member States’ preparedness to an effective and timely start of the new Cohesion Policy Programming period⁴,
- having regard to its resolution of 27 November 2014 on delays in the start-up of cohesion policy for 2014-2020⁵,
- having regard to the Commission communication of 26 November 2014 entitled ‘An Investment Plan for Europe’ (COM(2014)0903),
- having regard to the Sixth Report on Economic, Social and Territorial Cohesion (COM(2014)0473),
- having regard to its resolution of 9 September 2015 on ‘Investment for jobs and growth: promoting economic, social and territorial cohesion in the Union’⁶,
- having regard to the Commission communication of 3 March 2010 entitled ‘Europe 2020 – A strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to its resolution of 28 October 2015 on cohesion policy and the review of the Europe 2020 strategy⁷,
- having regard to its resolution of 26 November 2015 entitled ‘Towards simplification and performance orientation in cohesion policy 2014-2020’⁸,
- having regard to Regulation (EU) No 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending

¹ OJ L 77, 15.3.2014, p. 27.

² OJ L 347, 20.12.2013, p. 884.

³ OJ L 298, 26.10.2012, p. 1.

⁴ Texts adopted, P7_TA(2014)0015.

⁵ Texts adopted, P8_TA(2014)0068.

⁶ Texts adopted, P8_TA(2015)0308.

⁷ Texts adopted, P8_TA(2015)0384.

⁸ Texts adopted, P8_TA(2015)0419.

Regulations (EU) No 1291/2013 and (EU) No 1316/2013 - the European Fund for Strategic Investments¹,

- having regard to the report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the added value of macro-regional strategies (COM(2013)0468), and to the relevant Council conclusions of 22 October 2013,
- having regard to the study by its Directorate-General for Internal Policies (Department B - Structural and Cohesion Policies) of January 2015 entitled ‘New Role of Macro-Regions in European Territorial Cooperation’,
- having regard to the study by its Directorate-General for Internal Policies (Department B - Structural and Cohesion Policies) of July 2015 entitled ‘European Grouping of Territorial Cooperation as an instrument for promotion and improvement of territorial cooperation in Europe’,
- having regard to the Commission communication of 22 February 2016 entitled ‘An Investment Plan for Europe: new guidelines on combining European Structural and Investment Funds with the European Fund for Strategic Investments (EFSI)’,
- having regard to the opinion of the Committee of the Regions issued in May 2015 entitled ‘Financial Instruments in support of territorial development’,
- having regard to the Commission communication of 14 December 2015 entitled ‘Investing in jobs and growth – maximising the contribution of ESI Funds’ (COM(2015)0639),
- having regard to the declaration of the Committee of the Regions of 2 September 2015 entitled ‘25 years of Interreg: new impetus for cross-border cooperation’²,
- having regard to the opinion of the Committee of the Regions issued in December 2015 entitled ‘Territorial Vision 2050: what future?’,
- having regard to the opinion of the Committee of the Regions of 17 December 2015 entitled ‘Strengthening Cross-border Cooperation: the need for a better regulatory framework’,
- having regard to the background document prepared by the Luxembourg Presidency of the Council, ‘Looking back on 25 years of Interreg and preparing the future of territorial cooperation’,
- having regard to the Council’s conclusions on ‘25 years of Interreg: its contribution to Cohesion Policy goals’,
- having regard to the initiative of the Luxembourg Presidency on specific legal provisions for border regions with a view to responding to the needs and challenges in these areas, entitled ‘Tool for the attribution and application of specific provisions in

¹ OJ L 169, 1.7.2015, p. 1.

² COR-2015-04462-00-00-DECL-TRA (EN).

cross-border regions'¹,

- having regard to the Commission's EU-wide public consultation on remaining obstacles to cross-border cooperation, launched on 21 September 2015 on the occasion of the European Cooperation Day²,
 - having regard to the results of the first-ever Eurobarometer survey conducted by the Commission in 2015 to identify and map attitudes of citizens living in the border areas with a view to arriving at more targeted EU interventions³,
 - having regard to the OECD report of 2013 entitled 'Regions and Innovation: collaborating across borders',
 - having regard to the report by the Committee of the Regions entitled 'EGTC monitoring report for 2014 - Implementing the Strategy Europe 2020'⁴,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development (A8-0202/2016),
- A. whereas around 38 % of Europe's population lives in border regions and whereas the EU is confronted with a major economic, financial and social crisis that particularly handicaps women on all fronts; whereas the EU must include gender equality as a main element in all policies and practices relating to European Territorial Cooperation (ETC);
- B. whereas the overarching objective of ETC is to lessen the influence of national borders in order to reduce disparities between regions, removing the remaining obstacles to investment and cooperative working across borders, reinforce cohesion, and promote the harmonious economic, social, cultural and territorial development of the Union as a whole²¹;
- C. whereas ETC is an integral part of cohesion policy, as it strengthens the territorial cohesion of the Union;
- D. whereas Member States have the possibility of making use of ETC in order to respond to challenges arising from the migration crisis;
- E. whereas there is still only a low number of European citizens using the full potential of the EU internal market and freedom of movement;
- F. whereas following the principles of shared management, multi-level governance and partnership, ETC programmes have been developed through a collective process bringing together a wide range of European, national, regional and local actors to tackle

¹ <http://www.dat.public.lu/eu-presidency/Events/Informal-Ministerial-Meetings-on-Territorial-Cohesion-and-Urban-Policy-26-27-November-2015-Luxembourg-City-/Material/IMM-Territorial-LU-Presidency---Input-Paper-Action-3.pdf>

² Commission press release IP/15/5686.

³ Flash Eurobarometer 422 - Cross-border cooperation in the EU.

⁴ http://cor.europa.eu/en/documentation/studies/Documents/EGTC_MonitoringReport_2014.pdf

common challenges across borders and facilitate the exchange of good practice;

G. whereas there is a need for a joint reflection on the structure of ETC post-2020;

European Added Value of ETC, best practices and contribution to the goals of the Europe 2020 strategy

1. Notes that ETC has become one of the two equally important goals of cohesion policy for 2014-2020, with its own regulation; underlines, however, that the ETC budget of EUR 10.1 billion represents 2.8 % of the cohesion policy budget, does not match the great challenges that ETC has to meet, and does not reflect the high level of its European added value; recalls, in this connection, Parliament's disappointment at the outcome of the negotiations on the MFF 2014-2020 regarding the cut in appropriations for ETC; believes that an increased budget for ETC in the next programming period will boost the added value of cohesion policy; calls for greater respect for Article 174 TFEU on territorial cohesion, in particular as regards rural areas and areas affected by industrial transition, and regions that suffer from severe and permanent natural or demographic handicaps, such as outermost regions, northernmost regions with low population density, and island, cross-border and mountain regions; asks the Commission and the Member States to pay particular attention to the most geographically and demographically disadvantaged areas when implementing cohesion policy;
2. Notes that, in line with the Europe 2020 targets, ETC has been reshaped with a view to achieving a greater impact through focusing on thematic concentration and results orientation, without any prejudice to a territorially sensitive approach allowing for regional priorities to be continued; believes that further attention to the specificities of ETC is needed; calls, therefore, for better evaluation of ETC programmes in order to demonstrate their impacts and added value;
3. Acknowledges that cross-border cooperation (CBC) is a key tool for the development of border regions, which are considered true laboratories of European integration; underlines that during the periods 2000-2006 and 2007-2013 CBC was marked by a clear orientation to more strategically focused priorities, and achieved best practices in the fields of better connectivity and accessibility, knowledge and innovation transfer, strengthening regional identity, tackling environmental challenges, enhancing institutional capacity, healthcare, education, employment and labour mobility, as well as civil protection, creating new partnerships and consolidating existing ones;
4. Acknowledges that transnational cooperation has helped in terms of supporting research, innovation and the knowledge economy, adapting to climate change, and promoting sustainable transport and mobility through transnational approaches, and has contributed to enhancing institutional capacity; stresses that an integrated territorial approach and transnational cooperation are particularly important for the protection of the environment, especially in the areas of water, biodiversity and energy;
5. Acknowledges that interregional cooperation has allowed cities and regions to cooperate on a variety of issues and themes, involving exchange of experience and good practices, and that this has improved the effectiveness of many regional and local policies; considers that the significant development gaps between rural and urban areas

and the problems of metropolitan regions should be addressed;

6. Believes that efficient cross-border and transnational cooperation makes a geographical area more attractive for trading companies, by using local, regional and cross-border potential, as well as human capital, as effectively as possible in order to better address the needs and expectations of trading companies, but also to avoid company relocation to third countries, depopulation of EU regions and increased unemployment;
7. Is convinced that ETC offers significant European added value, contributing to peace, stability and regional integration, including in the framework of enlargement and neighbourhood policy, as well as across the world by dissemination of best practices; believes that cross-border cooperation can bring added value to the management of the migration crisis;
8. Points out that for 2014-2020 about 41 % of the ETC ERDF budget¹ will be invested in measures to improve the environment, while 27 % will be invested in strengthening smart growth, including research and innovation, and 13 % will go to promote inclusive growth through activities linked to employment, education and training, while 33 programmes will be aimed at improving general connectivity across borders; further notes that EUR 790 million will be allocated to enhancing institutional capacity through setting up or strengthening cooperation structures and improving the efficiency of public services;
9. Underlines that the concept of results orientation requires that Interreg programmes ensure high-quality project-level cooperation and adopt a new type of evaluation, taking into account the specific nature of each programme and contributing to reducing the administrative burden for recipients and managing authorities; calls on the Commission, the Member States and the managing authorities to work together and exchange information and good practices in order to undertake assessments and issue guidelines as to how results orientation can be adapted to ETC specificities; acknowledges that the full added value of ETC programmes cannot be only evaluated by quantitative indicators, and calls on the Commission to establish more qualitative indicators in order to better reflect the results achieved by territorial cooperation;
10. Notes with concern the late adoption of Interreg programmes, and urges the Commission and the Member States to mobilise their efforts for their efficient and successful implementation and for the removal of barriers to cross-border cooperation, in order to avoid the critical issues already highlighted in the 2007-2013 programming period; calls on the Commission to take all necessary measures in order to accelerate the implementation of ETC programmes;
11. Deplores the lack of reliable cross-border data and evidence on the effectiveness of cross-border cooperation with regard to reporting on performance framework; calls, accordingly, on the Commission, Eurostat and the managing authorities to cooperate to set up common evaluation criteria and to jointly coordinate a single database and set out methodologies for the provision and use and exchange of reliable data across borders; notes the existing challenges to the implementation of integrated territorial approaches

¹ Annex I (European Territorial Cooperation/Interreg) to the Commission communication ‘Investing in jobs and growth – maximising the contribution of ESI Funds’.

stemming from the highly variable degree of empowerment of Member States' regional and local authorities;

12. Calls on the Commission, the Member States and the managing authorities to set up appropriately structured monitoring systems and evaluation plans in order to better evaluate the achievements of the results in terms of the Europe 2020 goals and territorial integration;

Contribution to territorial cohesion

13. Highlights that ETC makes a significant contribution to strengthening the EU's objective of territorial cohesion through integrating diverse sectoral policies on a territorial scale; welcomes the study by the European Observation Network for Territorial Development and Cohesion (ESPON) entitled 'ET2050: Territorial Scenarios and Visions for Europe', which can function as a reference framework for further discussions on cohesion policy preparation post-2020;
14. Recalls the importance of Integrated Territorial Investment (ITI) and Community-Led Local Development (CLLD), which are not implemented widely enough in the Interreg programmes for 2014-2020, and encourages Member States to make greater use of them, stressing that this will require stronger participation of regional and local bodies; calls on the Commission and the Member States to propose information and training programmes for the beneficiaries;
15. Is of the opinion that the new territorial development instruments, such as ITI and CLLD, can translate into investments in social, health and education infrastructure, the regeneration of deprived urban areas, job creation, and other measures aimed at reducing migrants' isolation and supporting their inclusion;
16. Recommends that special focus be placed on projects that strive to adapt localities and regions to the new demographic situation and counteract the inequalities resulting from it, namely through: 1) the adaptation of social and mobility infrastructure to demographic change and migratory flows; 2) the creation of specific goods and services aimed at an ageing population; 3) support for job opportunities for older people, women and migrants that contribute to social inclusion; 4) enhanced digital connections and the creation of platforms that enable and foster the participation of the citizens of more isolated regions and their interaction with the various administrative, social and political services of authorities at all levels (local, regional, national and European);
17. Points out the role of ETC in island regions, outermost regions, sparsely populated regions and mountain and rural areas, as an important tool for strengthening their regional cooperation and integration; calls on the Commission and the Member States to pay particular attention to the use of the Funds in these regions, including those bordering on third countries, with a view to improving the implementation of cross-border projects funded by ETC;
18. Points out the complementary nature of ETC and macro-regional strategies in addressing common challenges in larger functional areas, as well as the positive role that macro-regional strategies can play in helping to address common challenges faced

by macro-regions;

19. Considers that better coordination, synergy and complementarity should be sought between cross-border and transnational strands with a view to improving cooperation and integration over wider strategic territories; calls for better coordination between managing authorities and macro-regional strategies' actors; urges the Commission to enhance the cooperation, as well as to reinforce the links and consistency of the ETC programmes with national and regional programmes at the development stage, with the aim of boosting complementarity and avoiding overlaps;
20. Notes that some regions face serious migration challenges, and encourages the use of Interreg programmes and their urgent implementation in order to respond to, among other things, the challenges of tackling the refugee crisis and the exchange of good practices between local and regional authorities in border areas, including third countries in particular through macro-regional strategies;

Support for research and innovation

21. Highlights the achievements in the field of research and innovation, such as joint research projects, cooperation between research institutes and companies, establishment of international border universities, cross-border research centres and cross-border training institutes, creation of cross-border clusters and networks of companies, cross-border incubators and advisory services for SMEs, high-tech branding to attract foreign investors, etc; notes the important role that Interreg programmes play in enhancing the competitiveness and innovation potential of regions, by fostering synergies between smart specialisation strategies, collaboration between clusters and development of innovation networks; asks the Commission to come forward with a comprehensive overview of territorial cooperation in the ERDF and ESF on the basis of the Common Strategic Framework (Annex I to the Common Provisions Regulation (Regulation (EU) No 1303/2013));
22. Is aware that investments for strengthening smart growth, including research and innovation, represent 27 % of ERDF allocation to CBC programmes for 2014-2020¹; notes also that 35 % of the budget of the transnational programmes goes to support smart growth by strengthening research and innovation;
23. Stresses the need to create cross-border innovation policy approaches, such as joint research and mobility programmes, joint research infrastructures, partnerships and cooperation networks; draws attention to the fact that differing legislation across Member States is hampering joint efforts to extend research and innovation across borders;
24. Urges that synergies and complementarity between programmes and funds including the European Structural and Investment Funds (ESI), Horizon 2020, the European Fund for Strategic Investments (EFSI), etc, and other EU funds need to aim at maximising the quantity, quality and impact of research and innovation investments; recommends that local and regional authorities take full advantage of the possibilities of combining those

¹ Annex I (European Territorial Cooperation/Interreg) to the Commission communication 'Investing in jobs and growth – maximising the contribution of ESI Funds'.

funds to support SMEs and research and innovation projects, including cross-border projects, where appropriate; calls on SMEs to make full use of the opportunities offered by those funds to contribute to the implementation of those ETC programmes;

25. Urges the adoption of cross-border innovation strategies while establishing complementarities with already existing Smart Specialisation Strategies, as well as with other existing programmes and strategies; encourages assessing the potential for cross-border synergies and mobilising different sources of funding;
26. Considers that financial instruments need to be an integral part of ETC programmes through complementing grants with a view to supporting SMEs' access to financing, research and innovation; considers that increased use of financial instruments could attract more investment to the Interreg projects, creating new jobs and allowing better results to be achieved; recalls the fundamental importance of technical support and adapted training initiatives for reaping the full benefit of the use of financial instruments, even in less developed regions;

Governance and policy coordination

27. Recalls that the Sixth Cohesion Report has paid insufficient attention to ETC, given that it has been a fully-fledged cohesion policy objective since the 2007-2013 programming period; recalls the potential of the European Grouping of Territorial Cooperation (EGTC), not only as an instrument supporting and promoting European territorial cooperation and managing cross-border projects, but also as a vehicle contributing to a comprehensive integrated territorial development and a flexible platform for multilevel governance;
28. Welcomes the simplified EGTC Regulation (Regulation (EU) No 1302/2013), and calls on Member States to intensify their efforts to facilitate the creation of EGTCs; points out, however, that this regulation is not sufficient to overcome all existing legal obstacles to cross-border cooperation; welcomes, therefore, the initiative of the Luxembourg Presidency, which proposed a specific legal tool for border regions, giving Member States the opportunity to agree on specific legal provisions; welcomes the Commission's initiative of carrying out, by the end of 2016, an analysis of the barriers to cross-border cooperation that will look at solutions and examples of good practices; asks the Commission to include a study on border regions' needs in this analysis; awaits with interest the results of the Commission's EU-wide public consultation on the remaining obstacles to cross-border cooperation, launched on 21 September 2015; asks the Commission to take into account in its analysis the recommendations of Parliament and the results of the public consultation;
29. Considers that Interreg programmes should, while respecting agreed programme priorities and agreed intervention logic and in complementarity with other appropriate funding, support responses in matters of migration and asylum and foster effective integration policies; calls for advantage to be taken of the Commission's openness to quickly examine and approve changes to the 2014-2020 operational programmes, where they are requested by the Member States concerned and only with the objective of dealing with the imperatives of the refugees crises;
30. Considers the broader use of financial instruments (FIs) as flexible mechanisms to be

used alongside grants; highlights that financial instruments, if implemented effectively, can significantly increase the impact of financing; stresses, in this regard, the need for clear, consistent and focused rules on FIs to help simplify the preparation and implementation process for fund managers and recipients; draws attention to the opportunity to benefit from specific expertise and know-how through financial engineering and technical assistance instruments from the EIB;

31. Underlines that during the programming period 2007-2013 the possible complementarities between the Interreg programmes and other EU-funded programmes were not sufficiently assessed; calls for the setting-up of appropriate coordination mechanisms to ensure effective coordination, complementarity and synergy between the ESI Funds and other Community and national funding instruments, such as Horizon 2020, as well as with the EFSI and the EIB;
32. Encourages the inclusion in the evaluation plans of the managing authorities of ongoing evaluations focusing on specific assessment of the effectiveness of the synergies between programmes;
33. Stresses the ever increasing importance of cross-border labour markets with huge dynamics for wealth and job creation; calls on the Commission and the Member States to make full use of the opportunities provided by the Interreg programmes to facilitate cross-border labour mobility, including by promoting the principle of equal opportunities, by adjusting, if necessary, the administrative and social regulatory framework, as well as by reinforcing the dialogue between all governance levels;
34. Considers it crucial to increase synergies and complementarity between ETC programmes and EURES services, since these have a particularly important role to play in cross-border regions with significant levels of cross-border commuting; calls on the Member States and regions to fully exploit the opportunities offered by EURES services for employment and job mobility across the EU;
35. Is convinced that the multi-level governance principle, the partnership principle and the actual implementation of the European code of conduct are particularly significant for the development of Interreg programmes;

Simplification

36. Stresses that, irrespective of the existence of a separate regulation for ETC, the implementation of territorial cooperation programmes should be further simplified, and calls on the High Level Group on Simplification¹ to consider measures for simplification and reducing the administrative burden on beneficiaries prior to the ETC legislative proposal and the programming of the Interreg programmes for the period after 2020;
37. Calls on the Commission to propose specific actions to simplify the rules on reporting, auditing and state aid and to harmonise procedures; urges drawing up standard requirements for all Interreg programmes on a strand-by-strand basis;
38. Calls on the Member States to simplify their national provisions and to avoid 'gold-plating'; urges the implementation of e-cohesion and streamlining of administrative

procedures;

39. Stresses that the arrangements for involving civil society and private stakeholders must be broadened and simplified, always taking into account the need for transparency and accountability; recommends that the establishment of public-private partnerships could offer a number of potential benefits but entails a risk of conflict of interests that should be adequately addressed by both hard-law and soft-law tools; calls on the Commission to provide timely, consistent and clear guidance on the application of financial instruments in ETC programmes;
40. Stresses that all simplifications of growth and jobs programmes must also apply to Interreg programmes;
41. Stresses the importance of creating mechanisms for monitoring beneficiaries within the scope of the simplification measures;
42. Considers that priority should be given to joining forces on the ground and fostering mutual trust among the actors across the borders, and that financial instruments can provide valuable assistance to these efforts;

Future recommendations

43. Considers that ETC has proved its effectiveness and that its potential should be further developed; highlights its potential beyond regional policy, in areas such as the single market, the digital agenda, employment, mobility, energy, research, education, culture, health and the environment, and therefore calls on the Commission and the Member States to consider preserving ETC as an important instrument, allocating it a more distinct role within cohesion policy post-2020 and significantly increasing its budget;
44. Considers that the basic cooperation philosophy and current structure of ETC should be maintained, including compliance with the lead beneficiary principle, as well as the emphasis on the cross-border component; calls on the Commission to analyse the possible development of a set of harmonised criteria, drawing on the experience of its 25-year history, on the basis not only of population size but also of socio-economic and territorial specificities;
45. Stresses the importance of cross-border cooperation at the external borders of the EU under the Instrument for Pre-Accession Assistance and the European Neighbourhood Instrument; calls on the Member States to ensure that good practices that allow the administrative burden for beneficiaries of Interreg programmes to be reduced can also be applied to programmes implemented at the external borders of the EU;
46. Recalls the potential for grassroots cooperation among citizens offered by the so-called 'small projects fund', in relation to amounts for small and micro projects for the promotion of civil engagement, paying particular attention to small cross-border cooperation projects between neighbouring border areas; calls for the funding of such projects to be encouraged, recalling that this will require additional efforts in terms of simplification and flexibility;
47. Encourages the joint establishment of strategies for border areas in order to boost

integrated and sustainable territorial development, including implementation and dissemination of integrated approaches and harmonisation of administrative procedures and legal provisions across borders; notes the importance of promoting balanced territorial development within regions;

48. Takes the view that greater attention should be paid to promoting cross-border cooperation between mountainous border areas, with rural areas prioritised;
49. Stresses that cultural cooperation should be one of the objectives of European territorial cooperation; considers, therefore, that greater encouragement should be given to cultural and educational cooperation between cross-border areas that share a single cultural and linguistic heritage;
50. Calls for regional and local bodies to play a greater and more significant role in proposing, managing and evaluating ETC, especially as regards cross-border cooperation, taking into account that some regions already have such powers;
51. Calls on the Commission to consider the role of financial instruments in complementing grants; considers it essential to work more closely with the EIB in supporting SMEs and mobilising the financial and technical expertise of both the Commission and the EIB as a catalyst for investments; calls on the Commission and the EIB to make the financial instruments more coherent with the objectives of territorial cooperation;
52. Calls on the Commission, the Member States and the managing authorities to consider the proposal by the Luxembourg Presidency for the creation of a new legal instrument for cohesion policy post-2020, following the results of the ex post evaluations, the implementation of the 2014-2020 programmes and an appropriate impact assessment;
53. Calls on the Commission and the Member States to initiate in 2016 a structured multi-stakeholder debate at EU level on the future of ETC post-2020, with a view to preparing the post-2020 cohesion policy; stresses that the debate should, first and foremost, cover matters related to the structure of ETC and the procedure for the allocation of programme budgets, and also work on new mechanisms to ensure wider application of the concept of results orientation; urges the Commission to work alongside the Committee of the Regions and relevant civil society and regional stakeholders;
54. Calls for a territorial vision of the EU based on the Green Paper on territorial cohesion (COM (2008)0616), and notes that the future White Paper on territorial cohesion could also be important for the next programming period after 2020;

Raising public awareness and visibility

55. Deplores the low public awareness with regard to ETC programmes and their insufficient visibility, and calls for more effective communication of their objectives, the possibilities they offer and the channels through which projects can be undertaken and, a posteriori, of the achievements of completed projects; calls on the Commission, the Member States and the managing authorities to establish mechanisms and broad institutionalised platforms for cooperation in order to ensure better visibility and awareness-raising; calls on the Commission to map and widely disseminate the

achievements of the ETC programmes and projects so far;

56. Calls on the Commission and the Member States to promote the role that the EGTC can play as a tool for greater efficiency in meeting local needs in cross-border regions;
57. Recognises the important role played by actors on the ground and support for project preparation, and encourages managing authorities to reinforce existing promotional instruments such as regional contact points;
58. Notes that good cooperation between the Commission, the EIB and local and regional authorities is essential to ensure the successful use of financial instruments for territorial development and for the entire cohesion policy; stresses, in this context, the need to intensify the exchange of experience and knowledge between the EC and the EIB, on the one hand, and local and regional authorities, on the other;
59. Acknowledges the importance of the role played by territorial (field) animation, information dissemination, awareness-raising at local level and project support, and therefore encourages managing authorities to reinforce useful tools such as territorial contact points;
60. Calls for better coordination between the Commission, managing authorities and all stakeholders with a view to providing a critical analysis of projects' thematic achievements, highlighting both success stories and gaps and making recommendations for post-2020, while at the same time ensuring transparency and closeness to the citizens;
61. Instructs its President to forward this resolution to the Council, the Commission and the national parliaments.

EXPLANATORY STATEMENT

General information

In 1990, Interreg was developed as a Community Initiative with a budget of just EUR 1 bn. covering exclusively cross-border cooperation and benefiting 11 Member States. Later, Interreg has been extended to transnational and interregional cooperation. In 2015, the 25th anniversary of Interreg was celebrated by a conference held in Luxembourg on 15-16 September, highlighting the ETC as an important instrument of cohesion policy designed to solve problems which transcend administrative borders and require common solutions.

For 2014-2020 a specific regulation has been adopted covering ETC actions supported by the ERDF. Presently, ETC benefits 28 Member States and has become one of the 2 goals of cohesion policy. The amount allocated is EUR 10,1 bn¹: 74.1% for cross-border cooperation - 60 programmes, 20.4% for transnational cooperation - 15 programmes and 5.6% for interregional cooperation - 4 programmes². Interreg co-finances also regional development cooperation programmes outside the EU: 12 IPA cross-border collaboration programmes (242 mln. earmarked for CBC and 16 ENI cross-border collaboration programmes (634 mln. earmarked for CBC).

European Added Value of ETC, best practices and contribution to Europe 2020 Strategy's goals

During 2014-2020 ETC has been reshaped to achieve greater impact and more effective use of the investments through focus on thematic concentration and results-orientation. At least 80% of the budget for each cooperation programme has to be concentrated on a maximum of 4 thematic objectives, thus contributing to the delivery of the Europe 2020 strategy. ETC has a significant contribution to enhancing the economic, social and territorial potential of regions through reflecting and integrating diverse sectoral policies on territorial scale, transgressing national boundaries (*cross-border and transnational cooperation*), as well as in individual cities and regions (*interregional cooperation*)³. Irrespective of the small budget, CBC projects have concrete outcomes: **removing barriers to better security, transport, education, energy, health care, training and employment**. 64 INTERREG IIIA programmes (2000-2006) and 55 INTERREG IVA programmes (2007-2013) made a clear orientation in the funding allocation to more strategic cross-border development priorities and hence they achieved best practices in the following fields⁴:

Better regional connectivity, mobility and accessibility to services

There is an evident added value in the following best practices: overcoming border challenges in terms of transportation and people flow, supporting intelligent transport solutions and

¹ This budget also includes the ERDF allocation for Member States to participate in EU external border cooperation programmes supported by other instruments ([Instrument for Pre-Accession and European Neighborhood Instrument](#)).

² Interreg Europe, Urbact III, Interact III, Espon.

³ http://ec.europa.eu/regional_policy/en/projects/ALL?search=1&keywords=&countryCode=ALL®ionId=ALL&themeId=97&typeId=ALL&periodId=ALL&dateFrom=

⁴ The listed projects outcomes are based on examples provided by DG 'Regional and Urban Policy', EC and the list is not exhaustive.

multi-modal transport centres (*South Baltic – Denmark, Germany, Poland, Lithuania, Sweden*); simplifying travel across borders (*NORTH – Sweden, Finland, Norway*); better interconnectivity with a focus on road infrastructure (*Germany (Saxony)-Czech Republic*); new pedestrian- and cyclist-only bridge between Austria and Slovakia, a cross-border rail line MI.CO.TRA (Italy, Austria), improving maritime accessibility via improvements in regional ports (*Italy, France*), specialized services like senior citizen care, cross-border health solutions, investment scheme aiming at building structures for elderly people to keep them playing an active role in society and live as healthy and fulfilling lives as possible (*Austria, Check Republic*), etc.;

Knowledge and innovations transfer, boosting competitiveness of SMEs

There is an evident added value in the following best practices: SMEs involvement in concrete innovation activities, networking between companies, knowledge institutes and services providers (*Germany-Netherland, Mechatronics for SMEs project*); developing maritime research and development, introduction of new technologies (*Germany-Netherland, MariTIM project*); increasing energy efficiency in buildings (*NORTH – Sweden, Finland, Norway – IEEB project*); developing business incubator projects, serving cross-border business cooperation (*Hungary-Slovakia*); fostering key linkages between industry and knowledge transfer, using e-learning methods (*United Kingdom, Ireland*); stimulating cross-border cooperation between business, universities and other stakeholders to support innovation via knowledge hubs (*France, Belgium, TANDEM project*), setting up a ‘top technology region’ (*Belgium, Netherlands, Germany, Euregio Meuse-Rhin project*), establishing a training centre for applied research in bio-based production, developing the region of Flanders-Southern Netherlands as a knowledge intensive region in the field of hydrogen application (*Belgium-Netherlands*), cooperation between hospitals on cancer research (*Germany, Denmark*), enabling SMEs to access state-of-the-art technology to test product ideas, adopt appropriate manufacturing techniques and market their products worldwide (*Ireland, United Kingdom*); developing specialised services to business in the field of tourism (*Greece, Italy*); cross-border screening of newborns (*Germany, Poland*), SRSnet – Smart resource-aware multi-sensor network (Italy, Austria), ‘Erfolgsmotor 2020’ (‘Power Drive to Success 2020’) project supports small and medium-sized enterprises (SMEs) to become more competitive (*Austria, Germany*), etc.;

Regional branding and enhancing the regional identity

There is an evident added value in the following best practices: joint preparation of a proposal for inscription of the German-Czech mining region on the UNESCO World Heritage List (*Germany (Saxony)-Czech Republic*); developing ‘green’ tourism activities to preserve the unique nature of the area (*Germany/Bayern-Austria*); developing local strategies based on the outcomes of specific projects of the programmes (*Norway, Sweden, Denmark*), Ramsar Eco NaTour project creating recreational areas for the urban cities of Vienna and Bratislava and enhancing local awareness and regional cooperation on climate change and protecting biodiversity (*Austria, Slovakia*), etc.;

Tackling environmental challenges, better risk management and response to disasters

There is an evident added value in the following best practices: new solutions to environmental challenges as a joint river basin monitoring for hazardous substances (*South*

Baltic – Denmark, Germany, Poland, Lithuania, Sweden); enhancing the use of marine resources and by-products, building artificial reefs to improve biodiversity (*France-England*), development of joint management systems for environment protection (*Romania-Bulgaria, RISK and JAMES projects*); joint cooperation in harmonising activities in floods prevention and improvement of water quality (*Hungary-Slovakia, FLOODLOG project*); improved territorial planning and risk management in the Alpine area (*Italy, France, GlaRiskAlp project*); overcoming environmental challenges such as coastal pollution, risk of forest fires within the maritime area (*Italy, France*); enhancing ports monitoring (*Greece, Italy*), etc.;

Enhancing institutional capacity building and social capital, consolidating trans-border network structures and new partnerships creation

There is an evident added value in the following best practices: staff exchange in the field of project planning and realisation (*Germany (Saxony)-Czech Republic, AQUAMUNDI project*); establishing co-operations and networks, establishment of (programme) structures and stabilizing the collaboration of institutions, etc.

A good example for using a financial instrument in terms of cross-border/transnational venture capital ‘fund of funds’¹ is the project *EUREFI INTERREG*² (*CBC Programme Wallonie-Lorraine-Luxembourg 2000-2006 and continued by CBC Programme Grande Region 2007-2013*).

Important is the role of the interregional strand: ESPON and INTERACT programmes, providing territorial evidence (ESPON) and supporting all authorities involved in ETC management and implementation (INTERACT) by developing a wide range of harmonised tools (templates, model forms, fact sheets, etc.) for setting up their management and control systems, etc. INTERREG EUROPE promotes the exchange of experience and good practices between actors at all levels in Europe and URBACT provides networking for exchange of information and good urban practices.

According to the recent Communication from the Commission *Investing in jobs and growth – maximizing the contribution of ESI Funds*, 73 cooperation programmes 2014-2020 will invest 41% of the total ETC ERDF budget³ into measures **to improve the environment** and support joint actions in the fields of water management, wastewater treatment, conservation and restoration of biodiversity, environmental risks prevention and management, sustainable tourism and energy efficiency; 27% of the ERDF ETC budget and 46 programmes 2014-2020 will invest in **strengthening research and innovations**, cooperation with research institutions across EU borders; 13% of the ERDF ETC budget is dedicated to promoting **inclusive growth** through activities linked to employment, education and training; 33 programmes 2014-2020 are aiming at **improving general connectivity**, mainly via road and port investment and through promotion of multimodal, clean and intelligent transport systems across borders.

¹ A ‘fund of funds’ role is not to make individual investments to the final beneficiaries but to set up smaller focussed funds based on geography, market category (e.g. renewable energy, biotech) or financial instrument (loan, equity, etc) that will make investments to SMEs.

² <http://www.interreg-4agr.eu/fr/projet-detail.php?projectId=6>

³ Annex I: European Territorial Cooperation/Interreg to the Communication from the Commission Investing in jobs and growth – maximizing the contribution of ESI Funds http://ec.europa.eu/contracts_grants/pdf/esif/invest-progr-interreg-details-annex1_en.pdf

The rapporteur considers the encountered difficulties between the requirements of the regulatory framework 2014-2020 and at the same time the possibilities of the programmes in terms of data availability and resources for data collecting. In this context, it is necessary for the Commission, ESPON and INTERACT programmes, EUROSTAT and ETC Managing Authorities to jointly coordinate and address this challenge through exploring and setting out methodologies on provision and use of reliable data with view to create a sound framework basis of evaluating the performance framework.

Contribution to territorial cohesion

It is necessary to strengthen the cooperation across the various funding and cooperation mechanisms, such as the macro-regional strategies, as well as re-enforcing the links and consistency with national and regional programmes. It is recommended for Member States and regions to develop joint integrated strategies with implementation provisions regarding the coordination mechanism between the respective cross-border and transnational programmes and their respective territorial context, allowing addressing encountered challenges in an integrated and better coordinated way and within a long term perspective.

The implementation of both instruments ITI and CLLD is not satisfactory. CLLD is being implemented on a cross-border basis only as part of the Italy-Austria 2014-2020 INTERREG Cooperation Programme. The ITI instrument is being implemented as part of the Italy-Slovenia 2014-2020 INTERREG Cooperation Programme.¹

The legislative framework 2014-2020 allows more flexibility for outermost regions to include NUTS 3 regions along maritime borders separated by more than 150 km as cross-border areas which may receive support from the corresponding allocation of the respective Member States.

Support for research and innovations

The rapporteur would like to highlight the achievements in the field of research and innovations, such as joint research projects, cooperation between research institutes and companies, establishment of international border universities, cross-border research centres, cross-border training institutes, creation of cross-border clusters and companies networks, cross-border incubators and advisory services for SMEs, 'high-tech' branding to attract foreign investors, etc.

Investments for smart growth represent 27% of the ETC ERDF budget 2014-2020² and the expected outputs are the following: 22 500 companies supported in promoting smart growth, 6900 companies working in cooperation with research institutions across EU borders, 1300 researchers directly involved in cross-border and transnational research activities.

Research and innovation processes, market relations, value chains and location marketing can be organised on a larger scale, thus achieving a benefit for SMEs and the respective business environment, so that a 'critical mass' for research and business cooperation can be achieved in

¹ New Instruments for Financing Sustainable Regional and Urban Development, BBSR-Online-Publikation, Nr. 15/2015.

² Annex I: European Territorial Cooperation/Interreg to the Communication from the Commission Investing in jobs and growth – maximizing the contribution of ESI Funds http://ec.europa.eu/contracts_grants/pdf/esif/invest-progr-interreg-details-annex1_en.pdf

particular fields of technology. The *Food2Market project*¹ (*Interreg IVB North-West Europe*) is an example of this effect. The project built up a transnational innovation incubator for SMEs in the food industry, which is used by SMEs to expand their markets across the borders.

The rapporteur would like to point out the *Euroregional Innovation Strategy*¹² (drawn up and adopted by the Pyrenees-Mediterranean Euroregion in 2014) and *The 2014-2020 Strategic Plan* (prepared and adopted by the *Aquitaine-Euskadi Euroregion*³ EGTC (2014), as good examples for developing the cooperation between public sector, economic players and research centres in border regions to encourage innovations and promote the economic development of the territory. Therefore, it is important to elaborate and adopt cross-border innovation strategies in border regions, at the same time establishing complementarities with already existing Smart Specialisation Strategies, as well as with other regional/sectoral programmes and strategies, thus assessing the potential for cross-border synergies and concrete actions to be implemented, in particular the mobilisation of different sources of funding.

Financial instruments need to be an integral part of an ETC strategy to support SMEs, research and innovation, thus complementing programme activities supported with grants.

Governance and policy coordination

As of 24.04.2015, 54 EGTCs were set up⁴. The rapporteur acknowledges the simplifications made in the amended EGTC Regulation from 22.06.2014. It is recommended for Member States to implement and facilitate the creation of EGTC in their countries. The EGTC regulation is an achievement, but it is not sufficient to overcome all legal and regulatory obstacles in cross-border cooperation. In this regard, it should be pointed out the initiative of the Luxembourg Presidency on considering specific legal tool for border regions in order to respond to the needs and challenges in border areas, as complementary to EGTCs and giving the opportunity of Member States to agree on specific provisions.

The rapporteur considers that ETC programmes may support, where necessary and justified, and in complementarity with other appropriate funding, the migration related challenges within the framework of the existing programme priorities and agreed intervention logic.

ETC programmes are not capitalising fully on their unique features and the rapporteur underlines the necessity of broader use of financial instruments (FIs), which are flexible mechanisms and can be used alongside grants, considering that the multiplier effect, in terms of impact and leverage of FIs, can be much greater. To this end, financial institutions should be involved, in particular the EIB, providing specific financial engineering expertise and know-how.

The rapporteur regrets that during 2007-2013 all possible complementarities between the ETC

¹ www.food2market.be

² http://www.euroregio.eu/sites/default/files/sei_fr.pdf

³ http://www.espaces-transfrontaliers.org/fileadmin/user_upload/documents/Documents_Fiches_Projets/Strategie_Innovation_EPM_EN.pdf

⁴ Study 'European Grouping of Territorial Cooperation as an instrument for promotion and improvement of territorial cooperation in Europe', European Parliament, Directorate General for Internal Policies, July 2015

programmes and other EU-funded programmes were not sufficiently assessed and deployed. Therefore, appropriate coordination mechanisms should be set up to ensure effective coordination and synergies between the ESI Funds and other Union and national funding instruments, as well as with the EFSI and EIB. It is also important for the Managing Authorities to carry out on-going evaluations focusing on specific assessment of the effectiveness of the synergies between programmes.

The rapporteur is convinced that the multi-level governance principle and the code of conduct are particularly significant for the development of INTERREG programmes, as the success of the cooperation programmes is contingent on regional and local authorities playing an active role in the process of deciding on how these programmes might be best used to address cross-border bottlenecks.

Simplification

The rapporteur stresses the need for the management and implementation of ETC programmes and projects to become less bureaucratic. Irrespective of the separate regulation, the implementation of ETC programmes remains too complicated and therefore urges the *High Level Group of Independent Experts on Monitoring Simplification for Beneficiaries of ESI funds*, to consider measures for significant simplification and reducing the administrative burden on beneficiaries.

On one hand, the Commission should propose specific actions to simplify rules on reporting and auditing, state aid, SEA, harmonising rules and templates across ETC programmes. On the other hand, Member States should simplify their national provisions, to avoid ‘gold plating’, which very often adds administrative burden not required by the Community rules. It is import also to implement e-cohesion, as well as to streamline administrative procedures.

It is necessary for the Commission to draw up standard requirements for all ETC programmes (per strand), templates for applications and contracts. Member States and Managing Authorities should make better use of simplified procedures, introducing simplifications for smaller projects and speeding up the decision-making process.

Financial contributions from the private sector for ETC projects remain stills limited. Arrangements for involving private stakeholders must be broadened and simplified. The rapporteur recommends setting up financial instruments, participation of private stakeholders and establishment of public-private partnerships. The Commission should provide timely, consistent and clear guidance on the application of financial instruments in ETC programmes.

Future recommendations

The rapporteur highlights the leverage effect of the European Territorial Cooperation, its high value for money and future potential beyond regional policy. Therefore, calls on the Commission and Member States to work towards preserving ETC as an important and positive instrument for the European integration process, through allocating ETC a more distinct role within Cohesion policy post 2020. The rapporteur is convinced that ETC should further strengthen its innovative dimension and urges for involvement of more private actors building successful public private partnerships across borders.

The rapporteur encourages a joint elaboration of approaches or strategies across regions to

boost integrated and sustainable territorial development, including implementation and dissemination of integrated approaches, development of governance approaches, harmonization of planning instruments, administrative procedures and legal provisions across borders.

The Commission, Member States and Managing Authorities should consider the proposal of the Luxembourg Presidency of setting up a new legal tool on CBC in the framework of the preparation of the legislative package for Cohesion policy post-2020, following the results of ex-post evaluation 2007-2013, the implementation of 2014-2020 CBC programmes, as well as an adequate Impact Assessment on the needs and ways of functioning of a new legal tool with view to facilitate a better implementation of cross-border projects. The principle of proportionality should be applied when designing the new instrument.

In 2016, a structured multi-stakeholder debate on EU level on the future of ETC post 2020 should be initiated in the framework of the debate on the future of Cohesion policy.

Raising public awareness and visibility

The survey Flash Eurobarometer ‘Cross-border cooperation in the EU’ (2015)¹ established that the majority of the people living in EU border regions are not aware of EU-funded cross-border cooperation activities in their region. Therefore, more effective communication on the results and achievements from completed projects is needed. The Commission, Member States and Managing Authorities should establish a mechanism to ensure better visibility and awareness raising about the results of ETC programmes, and to enhance synergies with the other EU-funded programmes/initiatives.

It is important to have better coordination between the Commission, Managing Authorities and all stakeholders during the implementation of cross-border programmes, so as to provide critical analysis of project thematic achievements, highlighting success stories and gaps, thus providing recommendations for post-2020, and at the same time ensuring for projects a high level of quality, transparency and closeness to citizens.

¹ file:///C:/Documents%20and%20Settings/UserPRR6/My%20Documents/Downloads/fl_422_sum_en.pdf

RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

Date adopted	24.5.2016
Result of final vote	+: 36 -: 3 0: 2
Members present for the final vote	Pascal Arimont, Franc Bogovič, Victor Boștinaru, Mercedes Bresso, Steeve Briois, Rosa D'Amato, Iratxe García Pérez, Michela Giuffrida, Krzysztof Hetman, Ivan Jakovčić, Constanze Krehl, Sławomir Kłosowski, Andrew Lewer, Louis-Joseph Manscour, Martina Michels, Iskra Mihaylova, Jens Nilsson, Andrey Novakov, Younous Omarjee, Stanislav Polčák, Julia Reid, Liliana Rodrigues, Fernando Ruas, Monika Smolková, Ruža Tomašić, Monika Vana, Matthijs van Miltenburg, Lambert van Nistelrooij, Derek Vaughan, Joachim Zeller
Substitutes present for the final vote	Ivana Maletić, Miroslav Mikolášik, Sophie Montel, Dimitrios Papadimoulis, Tonino Picula, Maurice Ponga, Branislav Škripek, Davor Škrlec, Hannu Takkula, Damiano Zoffoli, Milan Zver