

Thirty years of European territorial cooperation

SUMMARY

Established in 1990, the first European territorial cooperation initiative, Interreg I, focused on cross-border cooperation. Action in this area has expanded over the years to cover broader initiatives such as trans-national cooperation, involving countries from wider geographical areas, and inter-regional cooperation, which brings together regions from across the whole EU. These three strands together make up European territorial cooperation (ETC), which is one of the two main goals of cohesion policy today and which is celebrating its 30th anniversary this year.

With the removal of many of Europe's frontier posts, travelling freely across borders has become second nature for millions of EU citizens. European territorial cooperation has brought Europeans closer together, strengthened connectivity and improved the natural environment, supported by EU mechanisms such as the European groupings of territorial cooperation, and macro-regional strategies. Yet despite these achievements, numerous obstacles to closer cooperation still remain, such as divergent national rules in the areas of employment, healthcare and social security. Recent years have witnessed increased calls to address these hurdles, with the 2015 Luxembourg EU Presidency launching discussions on a new instrument for cross-border projects, leading to the 2018 European Commission proposal for a cross-border mechanism, and the Commission rolling out initiatives such as the cross-border review and the b-solutions project, which aims to identify and find solutions to remaining bottlenecks, helping to boost growth and cohesion in EU border regions.

With negotiations under way on post-2020 cohesion policy, there is broad agreement among many stakeholders on the importance of strengthening Interreg beyond 2020. Yet the budget for ETC has been significantly reduced under the current Interreg proposals despite the many achievements of this policy, not least in recent months during which cross-border cooperation has provided a lifeline for many border regions. The coronavirus pandemic has revealed that territorial cooperation arguably needs protecting more than ever, with the sudden closure of EU internal borders a stark reminder that European territorial cooperation cannot be taken for granted.

This is a further updated edition of a briefing from March 2018.



In this Briefing

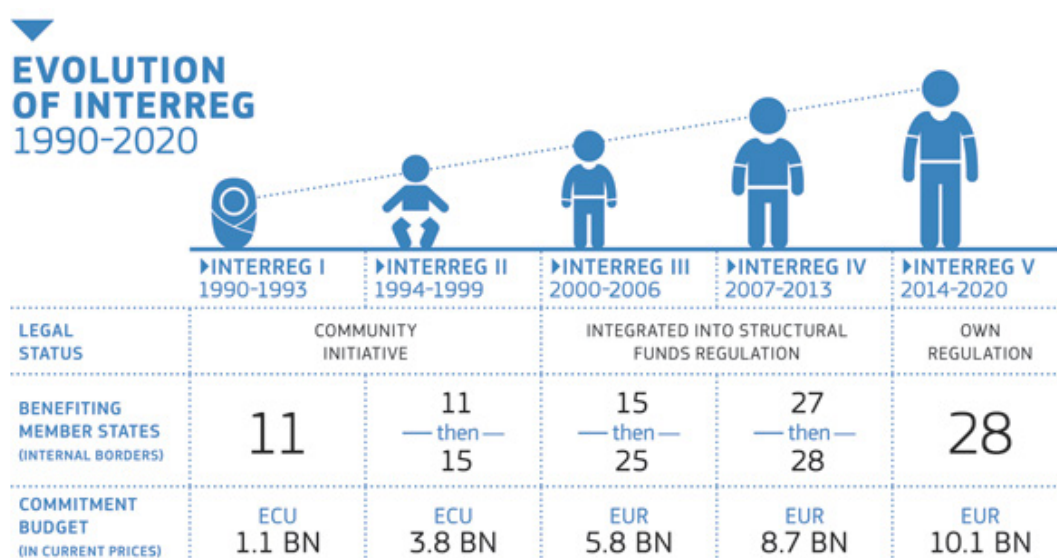
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Introduction

The origins of territorial cooperation in Europe can be traced back to the pioneering town-twinning [projects](#) of the post war years and the subsequent cross-border cooperation initiatives developed along the [Dutch-German border](#) and in [Scandinavia](#) during the 1950s. European territorial cooperation at EU level began with the launch of the [Interreg Community initiative](#) in 1990, building on the new opportunities provided for by the fledgling cohesion policy framework, in particular the 1988 [Regulation](#) on the European Regional Development Fund, which ensured the financial support needed to get the project off the ground. Focusing largely on the situation of border regions to help support the completion of the European single market and strengthen the process of European integration, Interreg I had a relatively modest budget of €1.1 billion.

European territorial cooperation (ETC) has since grown to become the EU's principal instrument for cooperation between partners from different countries and the last 30 years have seen Interreg evolve from a Community initiative to a cornerstone of EU cohesion policy, endowed with its own regulation for the 2014-2020 period, the [ETC Regulation](#). ETC is firmly established as one of the two main goals of cohesion policy for 2014-2020 under the [Common Provisions Regulation](#).

Figure 1 – Evolution of Interreg 1990-2020



Source: European Commission, DG Regio [website](#).

Evolution of European territorial cooperation

As the Interreg budget has changed considerably over the years (see Figure 1), growing ten-fold since 1990, so too has the nature of the European territorial cooperation programmes supported by the EU, with the number of Member States involved more than doubling. Originally focusing on plugging existing gaps in basic infrastructure and services, with investments in transport infrastructure representing as much as 45 % of European Regional Development Fund (ERDF) support over the 1990-1993 period (Interreg I), there has been a clear decrease in the amount of funding allocated to this area over the years, with a corresponding rise in investments in environment and climate change projects. In addition, while cross-border cooperation concentrated on strengthening integration across the internal borders of the EU in the years 1990 to 1993, it acquired a new external dimension during the period after 1994, with the introduction of the first [cooperation programmes](#) between the Member States and the countries of central and eastern Europe. A new form of cooperation, transnational cooperation – [Interreg II C](#) – was initiated in 1997, and, over time, European territorial cooperation has gradually gained a more permanent

place within EU cohesion policy. In 2000, Interreg was incorporated into the [Structural Funds Regulation](#), a process that paved the way for a dedicated ETC Regulation for the 2014-2020 period.

The three strands of European territorial cooperation

Cross-border cooperation promotes integrated regional development between neighbouring land and maritime border regions and aims to tackle common challenges identified jointly in the border regions, such as poor infrastructure connectivity or environmental pollution, and to exploit the untapped growth potential of such regions, such as through the development of cross-border research facilities or labour market integration.

Trans-national cooperation aims to strengthen cooperation over larger transnational territories through measures that promote integrated territorial development linked to the EU's cohesion policy priorities. It helps regions from several Member States to work together on issues such as the development of networks of universities and research institutions, the delivery of flood management strategies, the completion of communication corridors, or sustainable urban development projects.

Inter-regional cooperation meanwhile aims to reinforce the effectiveness of cohesion policy by promoting exchanges of experience, focusing on the design and implementation of [operational programmes](#) and good practices in the area of sustainable urban development. It also seeks to promote analysis of development trends in relation to [territorial cohesion](#), whose aim is to secure more balanced and sustainable development. Covering all Member States, it provides a platform where local and regional bodies from different Member States can share experiences.

Interreg and the 2014-2020 cohesion policy framework

The [Common Provisions Regulation](#) introduced common rules for all five European structural and investment funds (the ESIFs: 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 established a link between these funds and the Europe 2020 strategy, identifying 11 [thematic objectives](#) aligned to the [five headline targets](#) of the Europe 2020 strategy for smart, sustainable and inclusive growth.

In light of these changes, Interreg, like many other policy areas, was redesigned with a view to ensuring that investments are used more effectively and that they deliver better results by focusing support on investments that bring the greatest added value in relation to the Europe 2020 strategy, a process known as **thematic concentration**, and through the use of indicators and targets to assess progress in programme implementation, referred to as **results orientation**. Action in the area of European territorial cooperation is funded by the [European Regional Development Fund](#) (ERDF). In terms of thematic concentration, the European Territorial Cooperation [Regulation](#) stipulates that at least 80 % of the ERDF allocation to each cross-border cooperation and transnational programme must be concentrated on a maximum of four of these eleven thematic objectives. As each thematic objective is further divided into **investment priorities**, which set out in more detail the specific areas where Member States may target spending, Interreg is based on the 40 investment priorities under the [ERDF Regulation](#). However, the ETC Regulation identifies a number of additional investment priorities that may also receive ERDF support for European territorial cooperation, such as supporting labour mobility by integrating cross-border labour markets or promoting social inclusion through the integration of communities across borders.

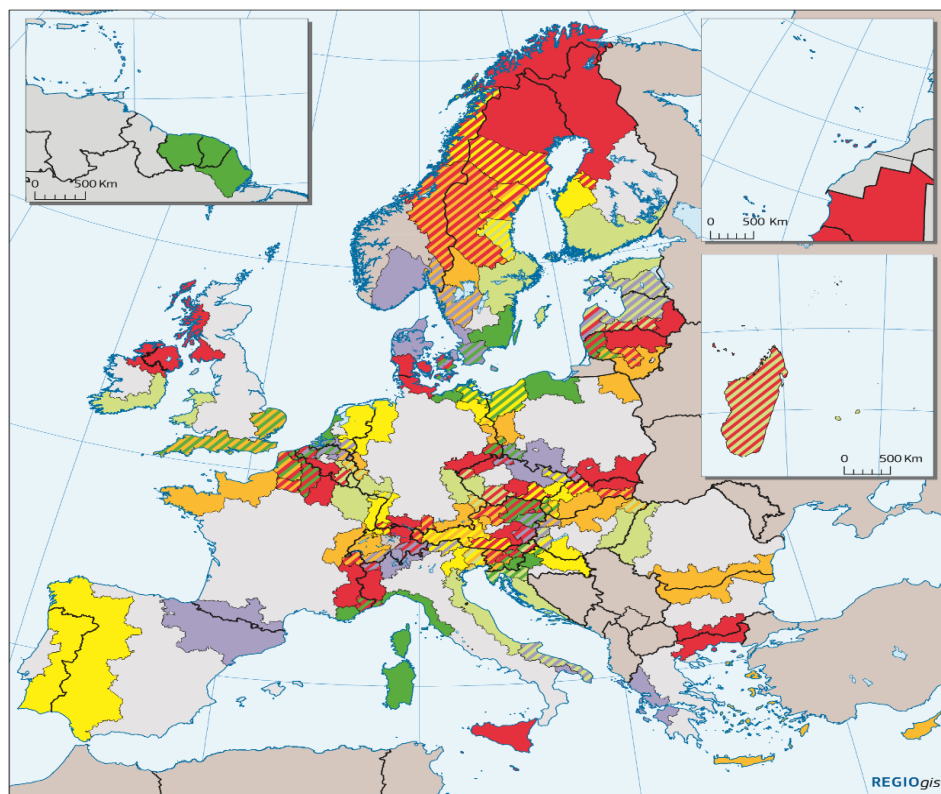
European territorial cooperation projects in the 2014-2020 period

With a total budget of €10.1 billion, [Interreg](#) accounted for 2.8 % of the total cohesion policy budget for the planning period now ending. Cross-border cooperation made up the lion's share of this amount, with €6.6 billion allocated to 60 cross-border programmes located along the EU's internal borders (see Figure 2), and a further €876 million funding an additional 28 projects at the EU's external borders under the Interreg Instrument for Pre-Accession Assistance (IPA) and the Interreg

European Neighbourhood Instrument (ENI). Some €2.1 billion was earmarked for transnational cooperation, while the remaining €500 million was allocated to four EU-wide inter-regional programmes: [Interreg Europe](#), an inter-regional cooperation programme, and three networking programmes [Urbact](#), [Interact](#) and [ESPON](#).

According to Commission [figures](#), 41 % of Interreg funding was to support sustainable growth through 73 cooperation programmes, which would cover measures on water management and the prevention of natural risks such as flooding, with investments in smart growth representing the next highest share of ETC funding under the ERDF (27 %), through 46 programmes investing in research and innovation. Promoting inclusive growth, meanwhile, accounted for 13 % of the Interreg budget.

Figure 2 – ERDF cross-border cooperation programmes 2014-2020



Source: European Commission, DG [Regio](#) (each programme area is shown with a specific colour, striped areas are part of two or more programme areas simultaneously).

Structures for territorial cooperation

As all ETC programmes, by definition, are delivered across borders, projects must bring together organisations from at least two Member States. While Member States are free to decide among themselves how best to work together, a number of specific structures exist to facilitate cooperation, particularly for cross-border and transnational cooperation.

European groupings of territorial cooperation (EGTCs)

An EGTC allows bodies from two or more Member States to work together under a common structure with legal personality. Flexible in structure, the aim is to facilitate cross-border, transnational and inter-regional cooperation and this was the first EU legal instrument to enable local and regional authorities to cooperate without the need for an agreement ratified at Member State level. Created on 5 July 2006 by [Regulation \(EC\) 1082/2006](#) of the European Parliament and of the

Council, EGTCs may be set up by local, regional or national authorities. Their decisions are legally binding and their membership is also open to non-EU countries under certain conditions.

Macro-regional strategies (MRS)

Embracing regions from Member States as well as non-EU countries that face common challenges, [macro-regions](#) are often defined on the basis of geographical features. Macro-regions may be inspired by a sense of regional identity, or a desire to engage in closer cooperation or to pool resources, yet they all share a common aim: to ensure a coordinated approach to issues best tackled together. Although the issues involved differ from one region to another, priority is given to matters of strategic importance covering challenges where closer cooperation is vital, such as environmental protection, and opportunities, where cooperation is of mutual benefit, e.g. in research and innovation. The EU's first macro-regional strategy, the [European Union Strategy for the Baltic Sea Region](#) (EUSBSR) has acted as a model for a further three EU strategies: [the Danube Strategy](#), the [Adriatic-Ionian Strategy](#) and the [Alpine Strategy](#).

European territorial cooperation structures in detail

European groupings of territorial cooperation (EGTCs) cover a wide area of activities, including the operation of cross-border facilities, such as hospitals and transport networks, management of cross-border development projects, and sharing of best practices, and there are currently around 80 registered [EGTCs in place](#). According to the 2018-19 EGTC [monitoring report](#) issued by the European Committee of the Regions (CoR), the majority of EGTCs (64) address cross-border issues, with EGTCs particularly popular in cross-border areas of Hungary and Slovakia (25) and Iberia and Southern France (15). In total, EGTCs involve 20 Member States, covering a population of 137 million, as well as four non-EU countries (Albania, Palestine, Switzerland, Ukraine), with 2019 recording a significant increase in the number of ETC projects implemented by EGTCs. While EGTCs still face typical cross-border obstacles in their daily work, the report considers that they provide added value and remain an attractive instrument, with a total of 25 potential EGTCs in the pipeline.

Macro-regional strategies are guided by three basic principles: no new EU funds, no additional EU structures, no new EU legislation. The idea is to improve the alignment of existing funds and policies at EU, national and regional level and to rely on existing bodies for implementation. New rules were introduced for the 2014-2020 period to help facilitate the uptake of ESIF for macro-regional strategies, among others through a requirement for operational programmes to take account of such strategies. Transnational cooperation programmes, such as the [Interreg Baltic Sea programme](#), which is investing some €278 million for projects in the region, are a key source of funding. According to a 2020 EC [report](#), MRS have delivered meaningful results yet funding can pose a problem, with all four strategies also facing [challenges](#) with governance, political commitment and ownership.

Assessing European territorial cooperation

Achievements

In a [statement](#) marking 30 years of Interreg in February 2020, European Commissioner Elisa Ferreira highlighted that Interreg has brought the 170 million European citizens who live in border regions closer together, improved their lives and created new opportunities for cooperation. Noting that Interreg has been acting for 30 years to ensure that no one is left behind and to build Europe brick by brick, Commissioner Ferreira emphasised that this mission should be continued and that this year's celebrations should be used to question, re-think and breathe new life into a fundamental value of the EU – the spirit of cooperation, driven by the firm belief that we are stronger together.

Celebrating 30 years of Interreg

Organised under the motto of '30 years together', the [celebrations](#) to mark the 30th anniversary of Interreg in 2020 cover a wide range of activities, focusing on three key topics. 'We all have a neighbour' highlights the importance of cross-border cooperation for developing strong communities along borders. 'Youth' examines how Interreg supports young people and their role in the future of ETC, including the launch of an ETC [youth manifesto](#), while 'Green and Climate Europe' discusses Interreg and its past and future links to environmental cooperation. The campaign will serve not only to take stock of the past achievements of Interreg but will also act as a source of inspiration for the next 30 years of European territorial cooperation.

During a [speech](#) to celebrate 25 years of Interreg in September 2015, then European Commissioner Corina Crețu outlined five key achievements of European territorial cooperation. First and foremost, in her assessment, ETC helped to generate **trust**, with projects such as the PEACE programme in Northern Ireland helping to foster much-needed reconciliation, providing the necessary foundation on which other achievements had been built: **greater connectivity**, delivered through infrastructure projects brought regions and people closer together; **a healthy environment** developed thanks to cooperation on environmental issues such as pollution; and **risk prevention and protection**, strengthened through joint action to prevent and tackle potential disasters. Lastly, the Commissioner highlighted the way in which ETC creates **growth and jobs**, fostered through inter-regional programmes improving know-how and the sharing of experience.

An equally positive assessment was provided by the [Luxembourg government](#) in 2015, drawing its conclusions on the 2010 ex-post evaluation of Interreg III. Highlighting four areas where ETC provides added value, it considered that Interreg generated **socio-economic added value** by developing more integrated labour markets and accessible border regions, provided **added value for sustainable development** in view of its joint approach to addressing environmental problems, generated **socio-cultural added value** through the close interpersonal contacts that the joint organisation of programmes entailed and, lastly, provided **political-institutional added value** by strengthening political and administrative exchanges across Europe.

The European Parliament, meanwhile, considers that European territorial cooperation makes a significant contribution to strengthening territorial cohesion, noting the importance of cross-border cooperation for the development of border regions. Inter-regional projects also have **significant potential to unlock growth**, as highlighted in a 2019 [study](#) prepared for Parliament's Committee on Budgetary Control on the effectiveness of cohesion policy. Noting that the relative importance in a region of inter-regional projects correlates strongly with higher unexplained economic growth, the report found that ETC projects appear to be more effective in this respect than the average ERDF project and that, put simply, the best-performing regions have more regional projects.

Interreg responses to the coronavirus pandemic

In the wake of the pandemic, the healthcare systems of many Member States and regions have come under significant pressure, with patient numbers often exceeding local capacity. A number of healthcare projects in cross-border regions, supported by Interreg programmes, have helped to tackle the virus, especially in certain regions of Germany, France, Italy and Spain. Emphasising that many border regions already have a history of cooperation in the area of health, the European Commission [recommended](#) on 3 April 2020 that Member States as well as local and regional authorities make full use of the flexibility provided by Interreg programmes to address the pandemic. Cross-border regions' fight against the Covid-19 virus has been supported by a number of Interreg V [projects](#), involving, for example, the mobility of intensive care patients and healthcare professionals, and the development of medical equipment. Specific examples include the [SHG-Kliniken Voelkingen](#) hospital, located in Germany close to the border with France, which has admitted French patients in need of hospitalisation, and which benefits from Interreg cross-border cooperation projects such as COSAN, or the hospitals in Zimnicea, Romania, and Svishtov, Bulgaria, both of which have received support to develop cross-border cooperation under the Interreg project [Your Health Matters!](#).

Several Interreg programmes have also organised calls for applications linked specifically to the coronavirus crisis. A [call](#) launched by the Interreg EMR Euregio Meuse-Rhine programme in May 2020 has made €4.2 million available for projects tackling the pandemic. Open to cross-border initiatives developing crisis response capacities in relation to the pandemic in sectors such as health, public safety or social services, selected projects are eligible for up to 90 % ERDF co-financing from the programme. The INTERREG Northern Periphery and Arctic programme (NPA), meanwhile, has launched a preparatory project [call](#) for Covid-19 project applications, which seeks to explore adaptive responses to the Covid-19 virus. It is open to short-term projects with an indicative budget of up to €45 000 and a co-financing rate of 100 %.

According to the Commission's September 2017 [seventh cohesion report](#), European territorial cooperation has played a key role in mitigating the negative effects of internal borders and in delivering innovative solutions in areas such as research, the environment, transport, education, healthcare or cross-border security. The report nevertheless notes that despite the removal of many

regulatory barriers, borders continue to act as an obstacle to the movement of services, people, capital, goods and ideas. Indeed, while Interreg has delivered numerous benefits over the past 30 years, it is clear that a number of challenges still remain.

Challenges

One issue raised by many stakeholders is the **low amount of funding** available for European territorial cooperation. Although the 2014-2020 budget for Interreg was the largest ever, it still represented only 2.8 % of the cohesion policy budget. Many believe that this is not enough, a point raised in the European Parliament's [2016 resolution](#) on European territorial cooperation. A second problem area is **the absence of EU-level data** about the impact of territorial cooperation, what it delivers and the areas where it works best. This can have direct consequences for the success of **results orientation**, which is also proving to be something of a challenge, with participants at the 2016 annual [Interreg meeting](#) noting that low amounts of funding mean that it is particularly difficult to apply the same results indicators as those used for mainstream cohesion programmes. **Evaluating the impact of Interreg programmes** continues to be a challenge, a point highlighted by a 2019 [study](#) by Spatial Foresight, which emphasised that while result indicators are able to measure change, they cannot capture the extent to which a given ETC programme has contributed to that change, making it difficult to measure the territorial effects of transnational cooperation.

In its capacity as a network bringing together stakeholders involved in ETC, Interact has [pointed to](#) a **lack of sufficient political backing for Interreg** and **weak complementarity between Interreg and other ESIF programmes**, noting also that the coordination and administration of multi-country programmes and projects is often **complex and costly**, with the European Parliament also calling for more simplification. Another problem that has been raised is the fact that **local and regional stakeholders are insufficiently represented in the governance of programmes**, a point highlighted by CECICN, the Conference of European Cross-Border and Interregional City Networks, which has also drawn [attention](#) to the difficulties of **getting the private sector involved**.

One particular challenge to cross-border cooperation that has emerged in recent years is the **reintroduction of border controls** in the Schengen zone. This issue first came to prominence during the so-called 'migration crisis', with the annual [Mission Opérationnelle Transfrontalière](#) conference highlighting in 2016 that these measures were already having an impact, causing long delays in regions where people regularly crossed the border. The advent of the coronavirus crisis has seen countries close their borders once again in 2020, stifling cross-border cooperation and having a damaging effect on local economies. A June 2020 [report](#) on the economic and social impact of closing borders prepared by the Euskadi Navarre Nouvelle Aquitaine Euroregion found, for instance, that as many as 80.1 % of respondents had stopped shopping across the border, with a further 49.4 % refraining from leisure activities in their neighbouring country, such as eating out. Yet the **coronavirus pandemic** has also had a broader impact on the delivery of Interreg programmes, with an April 2020 [report](#) by Interact drawing attention to such issues as delays in the implementation of projects, reporting of expenditure and changes to project activities, as a result of which many preparatory and programming activities for the period post-2020 are now on hold.

Strengthening cross-border cooperation

In light of these challenges, recent years have seen renewed emphasis on improving territorial cooperation, with a focus on strengthening cross-border cooperation, the most important of the three strands of ETC in terms of both funding and the number of programmes involved.

Cross-border review

Organised by the European Commission from July 2015 to February 2017, the [cross-border review](#) covered three main pillars: the preparation of a study on easing legal and administrative obstacles in EU border regions; the facilitation of four workshops with key stakeholders; and the organisation

of a public consultation, held from September to December 2015 to examine the obstacles to closer cooperation between people in border regions and help identify possible solutions in this area. The [findings](#) of this consultation, published in April 2016, reveal legal and administrative barriers to be the most important obstacle to cross-border cooperation: as many as one in two respondents mentioned this problem, with the key issues in this respect being employment legislation, including the lack of recognition of qualifications, and continuing differences between social security, pension and taxation systems. Language barriers and difficult physical access were the second and third most widely cited obstacles, suggesting that it is also important to continue improving cross-border mobility initiatives and to strengthen language learning. The consultation would appear to confirm the need for new measures that can help overcome the remaining obstacles to closer cooperation in border regions. The [study](#) on easing legal and administrative obstacles in EU border regions, completed in 2017, included a set of 15 case studies and an [inventory](#) of over 200 [legal and administrative obstacles](#), as well as a [final report](#) that outlined a series of conclusions and recommendations for action at local, national and European level. At local level, the report stressed the need for local authorities to drive forward the process of easing legal and administrative obstacles through the creation of cross-border structures and processes, noting that at national level, authorities should strive to align and harmonise regulations with neighbouring countries, and ensure their implementation. At EU level, meanwhile, action should be taken to support efforts at local and national levels and to improve the operation of EU legislation, financial instruments and the role of coordinating and information instruments.

Boosting growth and cohesion in EU border regions

After two years of discussions held within the framework of the cross-border review, the European Commission published a [communication](#) on boosting growth and cohesion in EU border regions in September 2017. It put forwards a series of measures and recommendations for facilitating cooperation between people and businesses in land border regions, helping people and businesses to tap into the potential of these regions by focusing on a list of 10 actions: deepening cooperation and exchanges, improving the legislative process, using e-government to enable cross-border public administration, providing reliable and understandable information and assistance, supporting cross-border employment, promoting border multilingualism, facilitating cross-border accessibility, promoting greater pooling of health care facilities, considering the legal and financial framework for cross-border cooperation and, lastly, building evidence for better decision-making.

One of the key developments following the publication of this communication was the creation of a [Border Focal Point](#) within the Commission at the end of 2017. This new resource provides a space for the development of an online professional network where border stakeholders can share their experiences and will also support the implementation of the 10 actions of the communication. To build further on the commitment to deepen cooperation and exchanges, the Commission launched an [open call](#) in February 2018 for proposals for pilot projects that set out pilot actions for tackling legal or administrative problems in border areas to identify tested solutions that can be replicated across the entire EU. Originally scheduled to last 24 months, the b-solutions (border solutions) pilot initiative has been extended until December 2021. Early 2019 saw the organisation of a second call for proposals focusing on public authorities and cross-border bodies at the EU's internal borders, which was also open to partners from EFTA countries. The aim of the call was to support public authorities experiencing obstacles of an administrative and/or legal nature with the help of external legal experts, who would seek to identify solutions to the given obstacles. Following the first two-calls, a total of 43 obstacles were analysed in detail by legal experts, culminating in the publication of a [compendium](#) in March 2020. A third [call for proposals](#) was launched in July 2020, under which the AEBR and European Commission selected 23 cases of legal and administrative border obstacles for specialist support, with a [call for expressions of interest](#) recently announced to select legal experts to provide advice on the obstacles identified in this call.

Towards a new tool for cross-border cooperation

Although public authorities across Europe have adopted a variety of approaches to addressing barriers to cross-border cooperation, such solutions can lack legal certainty. Against this background, the Luxembourg Presidency put forward a [proposal](#) in November 2015 for a European regulation that would make it possible for the authorities involved to draw up a specific local agreement, referred to as a 'European convention on specific provisions in cross-border regions', which would be legally binding on both sides of the border. The convention would define a set of common provisions used to determine the application and implementation of a wide variety of rules including existing laws and regulations, technical standards and various types of soft legislation. According to the proposal, the convention would apply to a specific cross-border project and participation would be on a voluntary basis only. A [working group](#) on innovative cross-border solutions was set up in July 2016 to further develop the tool presented under the Luxembourg Presidency and establish a toolbox of cross-border solutions. Its July 2017 final [report](#) proposed a European cross-border convention (ECBC) as a systematic bottom-up procedure and tool that would allow authorities and stakeholders of one Member State to apply the administrative or legal rules applicable in the neighbouring Member State in a defined area along the border in order to address an obstacle to a cross-border activity or service, providing a fast-track procedure for overcoming cross-border obstacles by verifying whether solutions already existed and, if this was not the case, coming up with a solution. The findings of the working group, and the ECBC model in particular, helped feed into the work that led to the May 2018 proposal for a mechanism to resolve legal and administrative obstacles in a cross-border context, part of the post-2020 cohesion policy package.

Mechanism to resolve legal and administrative obstacles in a cross-border context

Building on its commitment to move forward with the work on the cross-border instrument begun in 2015, the Commission published a [proposal](#) for a regulation to create a cross-border mechanism, as part of the May 2018 legislative package for EU cohesion policy post 2020. It provides for a voluntary mechanism to tackle legal and administrative obstacles in border regions which focuses on neighbouring EU land borders at [NUTS 3 level](#) and covers joint projects for any item of infrastructure or service of general economic interest operating in a cross-border region. The mechanism would enable the application, in a given Member State and in relation to a common cross-border region, of the laws of a neighbouring Member State if the laws of the former were a legal obstacle to the delivery of a joint project. It has two main measures: a European cross-border commitment, which is self-executing and allows the 'committing' Member State to transfer a law from a neighbouring Member State (transferring Member State) across the border, thus creating a derogation from national law, and a European cross-border statement, involving a legislative procedure in the Member State to amend its national law in order to apply, by way of an explicit derogation, the law of a neighbouring Member State.

Parliament's February 2019 legislative [resolution](#) on the Commission's May 2018 proposal strengthens the voluntary aspect of the European cross-border mechanism (ECBM), with amendments giving Member States the choice to apply the ECBM, join an existing mechanism or create a new one altogether, as well as the right to choose not to resolve a legal or administrative obstacle. While expressing support for the idea, Member States have raised questions about the proposal, particularly the instrument's voluntary nature, the extra administrative burden, the full recognition of existing mechanisms, and other legal implications relating to constitutional law. Although initial discussions have been held on how to move forward with the mechanism, the ECBM proposal has been given [less priority](#) than files relating to the MFF discussions, and interinstitutional negotiations have yet to begin.

European territorial cooperation post 2020

On 29 May 2018, the Commission published a [proposal](#) for ETC programmes (Interreg) as part of a package of four legislative proposals establishing the framework for EU cohesion policy post 2020. The document introduces a number of important changes compared with the provisions in place for the 2014-2020 period. When it comes to the overall architecture of Interreg, the proposal increases the number of cooperation strands from three to five, thanks to the addition of two new strands (renamed components) on outermost region cooperation and inter-regional innovation investments, and moves maritime cooperation from cross-border cooperation, thereby creating a

new component on transnational cooperation and maritime cooperation. In terms of financing, the Commission proposes a decrease in the ETC budget to €8.43 billion, which represents just 2.5 % of the total resources available for cohesion policy funds for the whole 2021-2027 period, with the proposal also reducing the ERDF co-financing rate for Interreg programmes (from up to 85 % in 2014-2020 to 70 % maximum in the period post 2020). Under the proposal, ETC programmes will contribute to the five policy objectives established for the ERDF, which will replace the 11 thematic objectives currently in place. Two new Interreg-specific objectives have been defined for ETC programmes: 'A better Interreg governance', which will strengthen institutional capacity and administrative cooperation, and 'A safer and more secure Europe', focusing on specific external cooperation issues, with ETC programmes required to earmark 15 % of their budget to focus on one of these two objectives. Other new elements include the incorporation of cooperation outside the EU and the introduction of rules for small project funds.

As co-legislator, the **European Parliament** has introduced a number of key amendments to the Commission's ETC proposal. Its [first reading position](#) of 26 March 2019 increases the 2021-2027 ETC budget to €11.16 billion (in 2018 prices), i.e. to 3 % of the overall envelope available for economic, social and territorial cohesion, and raises the ERDF co-financing rate for Interreg programmes from the proposed 70 % up to 80 %. It calls for the reintegration of cooperation on maritime borders into the cross-border cooperation component and introduces more flexibility in thematic concentration by relaxing the obligation to spend 15 % of the budget on one of the two Interreg-specific objectives; also providing more flexibility for programmes supporting a macro-regional or sea-basin strategy.

Reactions to proposed ETC budget and co-financing rates

While welcoming the new regulation on ETC for 2021 to 2027, the December 2018 [opinion](#) of the **European Committee of the Regions** regrets the Commission's proposal to reduce ETC's share of the total cohesion budget from 2.75 % to 2.5 % and to cut EU co-financing rates from 85 % to 70 %. In particular, it regrets the severe reduction in the budgets for cross-border and inter-regional cooperation, and calls for an increase in the ETC budget to up to 3 % of the cohesion budget. The **European Economic and Social Committee's** [opinion](#) of 19 September 2018 also calls for an increase in appropriations for ETC, the maintenance of the 85 % co-financing rate for small projects, and a genuine partnership with civil society. The **Cohesion Alliance**, an EU-wide coalition for a strong cohesion policy after 2020, launched by the CoR together with the major European associations of regions and cities, has expressed general concern about planned [cuts to regional funds](#), and the risks of [centralising](#) cohesion policy while, in a note on the [future of Interreg](#), the **Conference of Peripheral Maritime Regions** regretted the decrease in the ETC budget and warned that the reduction of EU co-financing rates would be particularly detrimental to smaller actors.

Council's partial mandate for negotiations with the European Parliament on the Interreg Regulation agreed on 29 May 2019 sets out four stands of European territorial cooperation, reflecting Parliament's position. At its special meeting of 17-21 July 2020, the **European Council** [agreed](#) that the resources for Interreg should amount to €7.95 billion, a decrease of 5.69 % on the ETC budget set out in the Commission's 2018 proposal, including €5.713 billion for maritime and land cross-border cooperation. Other changes agreed by the European Council include a rise in the maximum co-financing rate for Interreg programmes to 80 %, in line with Parliament's position, and an increase in the amount of pre-financing to be paid for ETC programmes to 3 % each year from 2023. Discussions continued in Council in view of the need to update Council's partial mandate in line with the July 2020 European council conclusions. A balanced compromise text has emerged following these discussions and will form the basis for interinstitutional negotiations with Parliament.

A new focus on cross-border cooperation

With the coronavirus crisis demonstrating the added value that cross-border cooperation can bring in times of need, as well as the limitations that still exist within the current system, recent months have put the issue of cross-border cooperation under the spotlight and seen renewed efforts on the part of the EU institutions to support cross-border regions (see box). However, it is important to

stress that this renewed focus has not been driven solely by the pandemic, with a number of key reports published this year that are the culmination of projects ongoing for many years.

Delivered in March 2020 as part of the b-solutions pilot initiative, the [compendium](#) on solving border obstacles not only analyses a total of 43 obstacles in areas such as employment, public transport or health, but also outlines a number of policy recommendations that can feed into future discussions on cross-border cooperation. In this context, it highlights the need for the European Commission to promote the capacity building of local stakeholders in all border regions to improve knowledge of cross-border cooperation practices, and emphasises that action should be taken to promote multi-level engagement to ensure that national authorities can engage in dialogue with local and regional authorities in border regions to identify solutions as part of a multi-level governance model. The report also recommends maximising the value of EU instruments and calls for measures to enable the implementation of the proposed European cross-border mechanism.

Extraordinary measures to support cross-border regions

With border closures affecting the **free movement of citizens**, the Commission published several guidelines, followed by a [proposal](#) on a coordinated approach to the restriction of free movement in response to the pandemic. The resulting Council [recommendation](#) of 12 October 2020 aims to avoid fragmentation and disruption by introducing common EU criteria, a common map with four standard colour codes, and a common approach to travellers. On the rights of **cross-border and seasonal workers**, Parliament's June 2020 [resolution](#) emphasised that restrictions on movement must remain proportionate and exceptional, calling on EU countries to lift all travel restrictions, discriminatory confinement and quarantine measures for cross-border and seasonal workers as soon as possible to avoid labour shortages in key sectors.

A follow-up to the survey organised in 2015, the **2020 cross-border survey** was held from February to April 2020, with its results published in the October 2020 [report on cross-border cooperation in the EU 2020](#). The survey reveals an increase compared with 2015 in the level of cross-border mobility, with travel for leisure activities including tourist visits the most frequently mentioned reason for crossing the border (58 %), followed by shopping for goods or services (34 %). Both percentages have increased since 2015, suggesting that people in border regions are making greater use of the opportunities existing across the border. When it comes to the issue of obstacles to cross-border cooperation, language differences were the most frequently mentioned issue, with as many as one in two respondents highlighting this problem (52 %), closely followed by legal and administrative differences (44 %) and social and economic differences (41 %).

Published alongside the 2020 cross-border cooperation report, a '[manifesto](#)' based on surveys of young people on the subject of ETC reveals that they consider Interreg to be key for breaking down barriers between borders and increasing trust and understanding by solving problems together. The declaration makes a number of recommendations to help Interreg address young people's needs, calling, among other things, for more exchanges between EU staff and young people, more communication aimed at young people through educational programmes and the greater involvement of young people in Interreg programmes, such as through their participation in meetings and monitoring committees.

The European Commission has also organised several consultations at EU level in the area of cross-border cooperation. In July 2020, its Directorate General for Regional and Urban Policy launched an online public [consultation](#) on overcoming obstacles in border regions. The aim was to examine the achievements made in recent years and the remaining obstacles to cross-border interaction, inviting feedback from citizens and border stakeholders so as to assess both the implementation of the 10 point action plan under the 2017 communication on boosting growth and cohesion in border regions and the impact of the pandemic. Meanwhile, as part of its strategy for small and medium-sized enterprises, the Commission launched a [call](#) for expressions of interest in September 2020, to create pioneer partnerships in border regions to enhance cooperation, enforce the single market and remove administrative obstacles, providing guidance to the five selected partnerships.

The participation of both the general public and border stakeholders is vital for the design of inclusive cross-border cooperation policies that take account of cross-border communities. With this in mind, the European Commission and the CoR organised the EU's first ever [Borders Forum](#) in Paris on 9-10 November 2020. This event provided a platform to discuss the challenges facing border regions, with Commissioner Ferreira [announcing](#) plans for a new border regions communication in a context where 'border cooperation matters more than ever before'. The forum also hosted the 10th meeting of the EGTC platform and saw the launch of a [European cross-border citizens' alliance](#), which calls on European and national authorities to ensure an adequate budget and to develop European policies that take account of the specific characteristics of cross-border territories.

This year has seen the delivery of a number of key cross-border cooperation initiatives. Taken together, the above reports and consultations as well as the Borders Forum itself provide a rich source of information that can feed into the ongoing discussions on ETC and help lay the groundwork for policy recommendations to improve the lives of people in cross-border regions.

Outlook

Speaking at the 2020 [annual Interreg event](#) on the challenges that lie ahead, Commissioner Ferreira highlighted the low level of ETC funding, the need to make smarter use of funds through greater coordination, and the importance of communicating better with stakeholders, also stressing the need to increase the role of local actors. Yet despite such challenges, recent initiatives such as the European cross-border mechanism, the b-solutions initiative or the launch of the [Border Focal Point](#) demonstrate a common desire to address barriers to cooperation. European territorial cooperation is arguably one of the EU's success stories and few would appear to question its vital importance. There is certainly no room for complacency, however. The impact of the temporary border closures by several countries as a result of the pandemic is a stark reminder that territorial cooperation cannot be taken for granted.

MAIN REFERENCES

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