

CONSULTATION REPORT Interreg Post 2027 | Executive Summary



Executive Summary of the Consultation of Interreg programmes conducted throughout 2024.

January 2025





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Foreword

Throughout 2024, Interact was offered a unique opportunity, to work with Interreg and seek to establish views of Interreg programmes on what is working and what could be improved. There was also an opportunity to present some more significant changes through a vision of the future.

Through Interact's work, in close cooperation with Interreg programmes, a large number of discussions have taken place. These discussions have been explored also through two major events leading to the publication of **ten-subject reports**, some of which are supported by additional **subject specific reports**, where additional subjects needed more specific exploration.

The views of 86 Interreg programmes were sought through surveys and events. The Harvesting event in November 2024 shared the findings, and validated them with the programmes attending.

Interact is grateful for the close cooperation of DG REGIO throughout the process, to ensure the work underway was understood, and the opportunity for programmes to participate in the discussion was well communicated.

From the Annual Event in Santiago de Compostela, to the Interreg Knowledge Fair in Riga and the Harvesting Event in Brussels; the contents of these reports reflect Interact's best effort to collect and share the perspectives of Interreg programmes. They also aim to identify the challenges and opportunities that lie ahead.

As ever, Interact remains grateful to the Interreg community who responded so meaningfully to the opportunity offered by the consultation, and engaged in the exercise.

We all hope Interreg will continue to play an important role in building the cohesion of Europe and its territories by reducing barriers and promoting cooperation across borders.

Pita Moraican

Petra Masácová Head, Interact programme

Table of contents

The full Post 2027 Consultation Report can be read through the documents listed below.

Readers are encouraged to navigate into each subject reports, as well as the subject specific reports, to understand the individual topics. The Executive Summary references key points from the various reports, but it is not a substitute for reading the ten subject reports, and five subject specific reports.

1. Performance-based approaches and Simplified Cost Options

2. Synergies and cooperation

- a. Capitalisation
- b. Macro-regional and Sea-basin strategies

3. Territorial instruments

a. Maritime cooperation

4. External cooperation

- a. Enlargement IPA
- b. Neighbourhood NEXT
- c. Outermost regions cooperation
- 5. Flexibility and adaptability
- 6. Greener Europe
- 7. Future of ISO1
- 8. Interreg visibility
- 9. Sustainability
- 10. Data in Interreg

In addition, the Informal working group on indicators published a detailed review of the use of common Indicators, a '<u>Stock taking of common Interreg indicators in 2021-2027</u>', includes specific recommendations for the future which should be noted by readers of these reports.

Overview

Overwhelmingly, Interreg programmes share the view that the current regulations and general setup work. The main simplifications introduced in the 2021-2027 period have been adopted. There are, of course, still opportunities to improve, both in terms of regulation and in the wider approach to Interreg in the Post-2027 period.

Through ten-sectoral consultation reports, and additional subject reports, Interact has created this Executive Summary, which highlights a number of opportunities: to enable pioneers to develop best practices (including in performance-based approaches); to consolidate and expand other financial simplifications; to achieve a greater impact through getting the right people to work together on the right issues; to continue to work across borders for a Greener Europe; to strengthen the internal and external cooperation, and more.

Key opportunities identified in the consultation are noted in this paper, and expanded upon in the individual report documents. This document is anticipated to act as an overview and introduction and as a reference tool to support navigation through the wider report.

Methodology

At the Interreg Annual Event 2023, Interact was invited by DG REGIO to solicit the opinion of Interreg on the future. In particular to note areas where the regulations work well, and where there are opportunities for improvements. Interact was also encouraged to seek a broader vision for the future.

Detailed discussions at the Interreg Knowledge Fair¹ in March 2024. Over the following months, different methodologies were used to consult programmes and other bodies, ranging from Working groups to one-to-one interviews, to develop findings. These findings were summarised in discussion papers, which were published ahead of the Harvesting Event² in November 2024. Each report explains its own methodology in more detail, to provide transparency on the different processes undertaken per report.

The final documents were revised following the Harvesting Event, to include the reflections offered by the more than 80 Interreg programmes present.

¹ <u>https://www.interact.eu/events/70</u>

² https://www.interact.eu/events/140

What is working

The consultation process reflected that, by and large, the current regulations and set up works.

Measures introduced in this period that have been particularly successful include:

- **SCOs**, which have been widely adopted, and the various programme bodies involved in the control and audit processes have (or are now) adapting their work to respond to them. Of course, like any new system, it takes a while to establish best practices and the movement away from real costs moves faster in some places, and slower in others.
- The efforts to foster collaboration and build **synergies** between programmes and funding streams are bearing fruit. While no one-size-fits-all solution has emerged, various programmes have actively worked to establish relationships and explore ways to connect their activities with other initiatives to maximize impact. These efforts include capitalisation, joint networking, and administrative collaboration, and supporting partners' initiatives to evolve and enhance cooperation.
- The adoption of Interreg **common indicators** marks a major step forward in systematic monitoring, with a high adoption rate reflecting their acceptance and utility. The system's flexibility, compared to the more rigid ERDF indicators, better supports the diverse needs of Interreg programmes.³
- All topics currently covered by Policy Objective 2, 'A Greener Europe', are central to Interreg's mission: Tackling climate related challenges through territorial cooperation should remain a top priority for Interreg, with a focus on practical, locally-adapted solutions that address mitigation and particularly adaptation challenges.
- Interreg Specific Objective 1, was adopted by 68 programmes and is being utilised by all strands through different approaches to increase the impact of programmes. However, its designation as an ISO could cause a perception that this objective has 'a lower value' than the five Policy Objectives. The flexibility ISO1 offers is crucial and of high added value. This should be retained in the future.
- Interreg programmes are confident in their role as long-term, place-based planning tools using territorial instruments. Furthermore, 2025 marks the 35-year anniversary of Interreg (European Territorial Cooperation), showing the longevity of this role. The core focus on long-term territorial intervention was also noted when reviewing the flexibility and adaptability of programmes. Interreg offers a unique contribution within European funding, and tools to engage and work with citizens directly exist, with a range of maturity and self-reliance.
- The current implementation framework provides a certain level of operational **flexibility and adaptability** which is appreciated by programmes.

³ Stock taking of common Interreg indicators in 2021-2027

- The current framework of **external cooperation**, with IPA, NEXT, and OMR separately constructed and with their own specifications, is working. Alongside the new focus on enlargement, with Georgia, Moldova, and Ukraine all having candidate country status, the underlying rationale of Interreg interventions must not be lost. All external programmes should continue to address the regional development needs.
- The overall approach to the **visibility and communication** rules are generally well understood, albeit with a few specific issues. Enabling Interreg to work with a harmonised brand and communicate its unique contribution and the way it works across borders to improve the lives of citizens.

What could be improved or repaired?

Interventions to promote a **Greener Europe** require stronger coordination to be truly effective. Interreg programmes must be able to develop more integrated approaches, allowing for more cross-sectoral solutions to climate related challenges. To achieve this more flexibility, simplification, and less fragmentation in objectives are needed.

Additionally, effective stakeholder engagement and collaboration across borders are essential for delivering solutions that are impactful, sustainable, and replicable. Especially in a context where climate action is regulated at national level, it is essential to boost the capacity of regional and local public authorities, as holders of the solutions, to solve challenges of their territories and citizens. Interreg should be seen as the main tool for the delivery of these solutions across borders. Collaboration is key.

Another space where collaboration is key is in enhancing synergies between the numerous funds operating in the same territories. Achieving this requires a shift from traditional approaches to achieve win-win outcomes. Key elements for improving synergies include defining specific roles for relevant actors and strands, clarifying concepts, and incorporating cross-references to relevant funding instruments within regulations. These steps can foster stronger cooperation, concentrate efforts on shared territories, and amplify the overall impact of funding.

Additionally, increasing coordination between Interreg and IJG programmes could better address territorial challenges, as frameworks like Macro-Regional Strategies (MRS) and Sea Basin Strategies (SBS) provide effective tools for leveraging synergies.

Non-financial incentives are preferable to mandatory approaches for those seeking to maximise synergies. The programming stage represents the clearest opportunity to build synergies, provided there is proper follow-up.

While achieving synergies remains challenging and relies heavily on programmes to build connections, it is crucial to allocate appropriate financial and human resources to ensure this work is effective. Success is further supported by a willingness to collaborate, adapt processes, and maintain proactive engagement to achieve greater impact.

Another required element to achieve programme efficiency is flexibility. While the current implementation framework is generally appreciated for providing a certain level of operational flexibility and adaptability, yet there are still areas for improvement. The need for greater thematic and financial flexibility was indicated, as well as testing new ideas in a safe way.

While working with the framework, it is essential to ensure all elements of the programme framework consistently support the flexibility principles. If only parts of the framework seek flexibility, while another remains restrictive, the overall adaptability is compromised. To achieve this, sufficient resources are required and must be coupled with a mindset to adopt adaptive management practices. Additionally, all

initiatives aimed at increasing flexibility and adaptability should also be assessed from the beneficiaries' perspective.

Sustainability has been a key focus in this programming period, with significant Interreg resources allocated to environmental projects. However, it is not because Interreg is financing green solutions that it is automatically operating in the most sustainable way. Therefore, strengthening sustainability in Interreg as a management practice was explored during consultation. Sustainability should be integrated into the programme and project management through legislative improvements and by providing greater support starting from the programming phase.

Of course, cooperation is complex, within the 27 Member States as well as non-Member States, the 86 programmes, the many regional authorities involved in Interreg, as well as the European Commission, there are many concepts that need to be better explained, clarified and used to build a better shared understanding of that we want to achieve. Synergies, capitalisation and embedding, as well as our definition of governance in **ISO1**, are such terms identified in the consultation.

Interreg, also referred to as European Territorial Cooperation is fundamentally a long-term **territorial** intervention. More should be done to support exchange within Interreg on the impact programmes have. Exchanges on the tools are useful, but their use as a means to tackle challenges, build engagement and strengthen civil society and governance structures. This requires additional focus from Interact and from programmes. In particular, tools which build local decision making and ownership need time to mature and create trust. Once they have this, they can be strong, self-reliant, well-connected anchor points for territorial intervention.

The application of these tools in a transnational and interregional context, as well as along the Urban dimension, needs further consideration. There is unexplored potential to strengthen the positive impact of Interreg if such approaches can be developed.

Europe's **external borders** have experienced dramatic and traumatic challenges, we must remain committed to cooperation beyond the borders of the European Union. The biggest challenges facing Europe are not solved if we only fix them within our borders. Interreg, with its cooperation mindset, is one of the essential tools to build capacity, cooperation and exchange especially in areas with little experience of doing so. Interreg also plays a specific role in the enlargement process being an essential instrument for building capacities and working at the regional level in non-member states.

More specifically, the delays experienced in launching and implementing programmes needs more attention to avoid being repeated. Maintenance of specific features, such as high co-financing and pre-financing rates, would support this. Additionally, while the wider Policy Objective structure works well for external cooperation, the specific objectives are considered too restrictive. New emerging priorities such

as resilience, safety and security and civil protection and refugee support could be considered for the future⁴.

Finally, the role of **Operations of Strategic Importance** (OSIs) is not fully realised, or at least not yet. They were not clearly explained enough to programmes during the programming process, and the practice of working with them and utilising them as intended is only starting. More work in this period is required to ensure that programmes feel the added-value of OSIs, through a tangible EU-level communication impact. At the moment, there is a risk that they are largely seen as a project communication requirement, and an administrative burden on programmes.

⁴ See External cooperation, page 5

Are performance-based approaches the future?

One of the largest discussion points within the consultation was on the future financial funding of programmes and projects, particularly whether Interreg could adopt the performance-based approaches utilised in the Recovery and Resilience Facility (RRF).

A primary concern in changing the fundamental approach to the means of funding programmes is the revolutionary level of change it would be, in a system that is actually working well. The ongoing evolution of programming, and measurable simplifications introduced over the 30 years of Interreg have created an efficient model. Inventing a new system, with very limited demonstrable experience in the cohesion policy, is a measure more appropriate where funding is not meeting its objectives, or as in the case of RRF, where speed was of the absolute and utmost priority.

However, several programmes see an opportunity to take financing not linked to costs (FNLC) further. Having moved from real costs, to unit costs, the next stage could well be through performance-based approaches. Creating an optional system, where it is an active choice to join and test, would be an optimal solution that enables front-running programmes to create best practice solutions, without committing massive resources to design a new implementation model in every programme, with only the recent experiences of RRF to be inspired from.

One particular danger during the design stage of a new performance/output-based system will be the tendency to search for well-known solutions, which will be found in the cost-based system. Such solutions will take Interreg funding backwards. Furthermore, the well-functioning indicators system would need to be overhauled. The output and result indicators would need to include new process indicators (i.e. volume ERDF committed to projects, number of concluded projects, etc) as well as the final performance or result indicator, which would need significant adjustments from the large infrastructure and reform basis of RRF to fit the place-based approach, as well as softer intervention types Interreg employs.

A prerequisite for any such innovation will, of course, be additional pre-financing to ensure that the resources required to design, test and implement any such new system exist when they are needed, to avoid extensive and time-consuming amendments at later stages. Interact has already started some work with programmes through a 'Performers Working Group', who will continue to explore the approach, alongside the equivalent working group on indicators. This undertaking demonstrates the genuine effort Interreg is perusing to find and adopt new methods and find best practice ways to make cooperation easier, and reduce the administrative burden of EU funding, whilst complying with European and National rules, and ensuring European taxpayers' money is used most effectively to achieve the adopted strategic goals of the European Union, realised through the Policy and Interreg Specific Objectives that define our intervention.

Vision for the future

The following section showcases a few of the cross-cutting issues identified in the consultation. It cannot usefully summarise the wider vision for the future. Instead, in combination with the previous sections, readers are encouraged to review the subject reports to understand the conclusions.

Recognising its unique position in the EU funding sphere, several programmes expressed an interest, or willingness to embrace uncertainty and test new ideas in a smaller system to establish more practice and experience before ideas are rolled out. Naturally, such approaches need to include appropriate, acceptable 'failure' routes, where vital lessons can be learned without penalties⁵.

Interreg programmes underscored the importance of the **territory** and its specificities, therefore the need for stronger place- and people-based solutions. This aligns with the call for more strategic thinking from all decision-makers involved in Interreg funds, particularly during the European Commission's funding proposal and programming stages. (link to the synergies paper)

It was noted during the consultation that **data collection** and use within Interreg, and EU funding more widely, is fragmented and inefficient. Given how quickly data has become a technological determinist, there is a need to review the context of data in Interreg, and ideally in the wider EU context. The entire project and programme life-cycle occurs through data entered into a few dozen systems. However, despite the regulatory establishment of the systems, the functions and flows of data are not calibrated or established with best practices or templates. It is possible to both improve data flow within Interreg, and wider EU funding, whilst reducing additional demands for data from multiple actors.

In the 2021-2027 period, some less developed border regions have been put under additional socioeconomic and security challenges due to Russia's military aggression against Ukraine. These regions also became areas with no likely cooperation partners as the cooperation with Russia and Belarus was suspended. Through maritime cooperation, transnational and interregional approaches there are ways to support regions working on shared challenges without a land border. There is an identified space here for innovation in cooperation, to seek to build a new, or adapt an existing, form of cooperation between regions facing similar challenges, without a shared border.

Throughout the consultation, Interreg programmes expressed a **strong preference for the overall structure of the current regulations to be maintained**. This would enable a strong focus on efficiencies in the known systems, rather than investing resources to build new systems from scratch. At the same time, whatever the future brings, the Interreg community remains committed to making cooperation work, and to deepening and strengthening cooperation in Europe, and beyond.

⁵ See Performance-based approach, page 14, Flexibility adaptability page 5, as well current examples of this in Future ISO1 page 3, 4, Sustainability page 3, MRS and SBS page 4

Disclaimer: Cooperation can be complex, and while Interact's job is to make it easier, Interact cannot offer assurances on the accuracy of our pan-European information in any specific context.

Furthermore, understanding and knowledge evolves throughout the programming period. If you spot something out of date or inconsistent, please contact us at <u>communication@interact.eu</u> **Copyright**: This product is licensed under Creative Commons, under the 'Attribution-NonCommercial-ShareAlike 4.0 International' license (CC BY-NC-SA 4.0).

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