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ANNEX 1

ANNEX

ANNEX I: EUROPEAN TERRITORIAL COOPERATION/INTERREG

to the

Communication from the Commission

**Investing in jobs and growth - maximising the contribution of European Structural and
Investment Funds**

ANNEX I: EUROPEAN TERRITORIAL COOPERATION/INTERREG

Introduction

European territorial cooperation (ETC), also known as Interreg, is the second goal of cohesion policy. It provides a framework for joint action between Member States, to find common solutions to shared problems. It promotes trans-boundary cooperation through 79 programmes organised in three strands: cross-border, transnational and interregional.

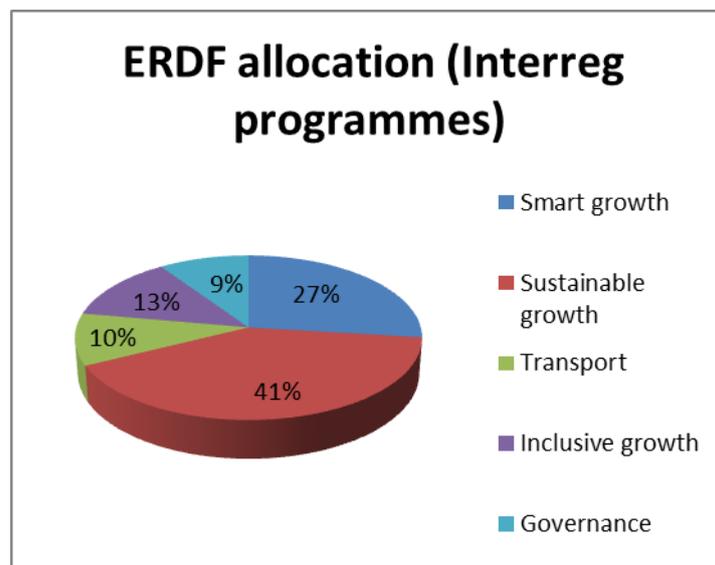
The resources for Interreg amount to just under 3 % of the ERDF, ESF and Cohesion Fund resources, i.e. EUR 10 billion. The data below refers to the EUR 9.1 billion invested across the EU and EFTA countries (i.e. excluding programmes at the EU's external borders).

ETC/Interreg contribution to smart, sustainable and inclusive growth

Sustainable growth receives by far the largest share of Interreg investment. 73 cooperation programmes will invest 41 % of the total Interreg ERDF budget into measures to improve the environment and support joint actions in the fields of water management, wastewater treatment, conservation and restoration of habitats and species, prevention of natural and man-made risks such as floods or fires, sustainable tourism and energy efficiency. This is in line with the general perception that environmental protection is by its very nature blind to administrative borders and is therefore a joint responsibility which calls for strong coordination and cooperation.

Some of the expected achievements include:

- 2.1 million ha of habitats with a better conservation status;
- 2.9 million people better protected from floods;
- 2.9 million people better protected from forest fires;
- 5 200 companies supported in promoting sustainable growth.



Climate change-related actions are 20% of the Interreg programmes' allocations which is in line with the EU objective to spend at least 20 % of the EU's budget on such actions.

Investment in smart growth has the second highest share of funding, with 27 % of the budget. In particular, 46 programmes will invest in strengthening R&I. Some of the expected results include:

- 22 500 companies supported in promoting smart growth;
- 6 900 companies working in cooperation with research institutions across EU borders;
- 1 300 researchers directly involved in cross-border and transnational research activities.

13 % of the Interreg budget is dedicated to promoting inclusive growth. Activities linked to employment and education & training will yield significantly more opportunities for joint employment or training initiatives. Some of the expected results include:

- 53 250 participants in joint employment and training initiatives;
- 238 000 participants in labour mobility initiatives across borders;
- 1 400 companies located in border regions supported in promoting inclusive growth.

Transport investment comes next, with 33 programmes aiming to improve general connectivity, mainly via road and port investment and through the promotion of multimodal, clean and intelligent transport systems across borders. Rail investment is very limited due to the comparatively smaller amount of funding available under Interreg programmes.

Finally, the Interreg programmes also address institutional cooperation, with EUR 790 million allocated for setting up or strengthening cooperation structures and improving the efficiency of public services. In addition, some programmes will contribute to institutional cooperation with funding from sector-specific activities such as environment, health-care provision or social inclusion.

Governance

(1) Management structures

The management structures of Interreg programmes have remained generally stable compared to the previous period. However, there have been several significant changes in the delivery structures, i.e. three new transnational programme areas have been defined (Danube, Adrion and Balkan Med) and 13 cross-border cooperation programmes have appointed new managing authorities.

The introduction of the performance framework has proved a real challenge for the cooperation programmes, mainly due to the acute lack of meaningful cross-border and transnational data. Baselines and targets are difficult to set when there is a lack of evidence of specific flows.

(2) Coordination between Interreg and IfGJ programmes

The coordination arrangements between the administrative structures of Interreg programmes and those of the IfGJ programmes are mostly of an organisational nature: representatives of the Interreg programmes take part in national ESIF coordination bodies and are therefore involved in the decision-making process.

(3) Simplification

The programmes address the European Commission's drive towards simplification and

reducing beneficiaries' administrative burden to varying degrees. Simplification will result partly from harmonising rules and templates across Interreg programmes. Moreover, most programmes use the simplified cost options offered by the regulations and many have committed to specific actions to reduce the administrative burden placed on beneficiaries.

(4) Financial contributions

Even though the regulations allow an ERDF co-financing rate of up to 85 %, it is worth noting that Interreg programmes involving (mostly public) partners who have worked together via Interreg for many years often use a lower co-financing rate. This illustrates the growing maturity of established cooperation mechanisms in the regions concerned.