



Brussels, 12.8.2022
C(2022) 5740 final

ANNEX

Multi-annual strategy document on Interreg NEXT Strategic Programming 2021-2027

ANNEX

to the

COMMISSION IMPLEMENTING DECISION

setting out the multi-annual strategy document with regard to external cross-border cooperation programmes supported by the European Regional Development Fund and the Neighbourhood, Development and International Cooperation Instrument - Global Europe and transnational cooperation programmes supported by these funds and the Instrument for Pre-Accession III

Multi-annual strategy document on Interreg NEXT Strategic Programming 2021-2027

Interreg NEXT programmes on EU external borders with the neighbouring partner countries

This draft has not been adopted or endorsed by the European Commission. Any views expressed are the preliminary views of the Commission services and may not in any circumstances be regarded as stating an official position of the Commission. The information transmitted is intended only for the Member State or entity to which it is addressed for discussions and may contain confidential and/or privileged material.

TABLE OF CONTENTS

ABBREVIATIONS	4
INTRODUCTION	5
1. EU policy and objectives	8
1.1. Added value of cross-border and transnational cooperation with the Neighbourhood	8
1.2. EU policy context	8
1.2.1. European Neighbourhood Policy	8
1.2.2. Cohesion policy and European Territorial Cooperation	9
1.2.3. Transition from ENI CBC to Interreg NEXT	11
2. Policy framework	13
2.1. Internal EU territorial cooperation programmes	13
2.2. Transnational Interreg programmes 2014-2020 (including sea basin):	15
2.2.1. Macroregional strategies	16
2.3. Neighbouring partners	17
2.3.1. Southern Neighbourhood	17
2.3.2. Eastern Neighbourhood	19
3. Economic and social analysis of border areas	20
3.1. Description of border areas	20
3.2. Economic and social characteristics of the border areas	21
3.3. Specific challenges and opportunities in border areas	22
4. Overview of past and ongoing cooperation	24
4.1. Neighbourhood CBC programmes and their predecessors	24
4.2. Other support to local and regional cooperation	25
4.3. Lessons learnt	27
4.3.1. ENPI CBC 2007-2013	27
4.3.2. ENI CBC 2014-2020	27
4.3.3. Result Oriented Monitoring exercise on ENI CBC 2014-2020	28
5. Response strategy	28
5.1. Principles	29
5.2. Priority areas for Union financing and their specific objectives	30
5.3. Expected results and performance indicators	33

5.3.1.	Performance framework for Interreg NEXT (and other Interreg) programmes	34
5.4.	Geography and indicative list of the 2021-2027 programmes under this document	35
5.5.	Consultation with stakeholders.....	37
6.	Programming for 2021-2027	37
6.1.	Key actors	38
6.2.	Programmes preparation.....	39
6.3.	Rules and procedures.....	39
6.4.	Programme governance	39
6.5.	Visibility and communication	40
7.	Financial allocations under the EU Regulations	41

Abbreviations

CBC	Cross-border cooperation ¹
EaP	Eastern Partnership
ENI CBC	European Neighbourhood Instrument for CBC
ENP	European Neighbourhood Policy
ETC	European Territorial Cooperation
JS	Joint Secretariat
MA	Managing Authority
MC	Monitoring Committee
MS	Member States
MFF	Multiannual Financial Framework
NDICI	Neighbourhood, Development and International Cooperation Instrument
IPA	Instrument for Pre-Accession
ITI	Integrated Territorial Investment
PO	Policy Objective
ISO	Interreg Specific Objective
CLLD	Community Led Local Development
NUTS	Nomenclature of territorial units for statistics
UN SDG	United Nations Sustainable Development Goals

¹ The Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU and repealing Regulation (EU) 2017/1601 and Council Regulation (EC, Euratom) No 480/2009 refers to “CBC” in the meaning of the whole cooperation under Interreg, including cross-border, transnational and interregional cooperation (see Articles 2 and 22 of the Regulation). To the contrast, the Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments *distinguishes* among the different strands for cooperation, where “CBC” is the “Strand A” type of cooperation covering NUTS 3 or equivalent border regions, whereas e.g. the sea-basin Interreg NEXT programmes are defined as “Strand B” – transnational cooperation programmes due to their nature and geographical coverage (bigger regions: NUTS 2 or equivalent).

INTRODUCTION

This multiannual strategy document is required under Articles 14(2) and 22(6) of the Neighbourhood, Development and International Cooperation Instrument – Global Europe Regulation (NDICI-GE Regulation)² and Article 10(1) of the European Territorial Cooperation (ETC) Regulation (Interreg Regulation)³. It takes into account the agreed legislation, comments received from stakeholders in the programming process as well as the changes in the socioeconomic situation of Europe and the Neighbourhood caused brought by the COVID-19 pandemic.

In line with Article 14(2) of the NDICI-GE Regulation and Article 10(1) of the Interreg Regulation, this document sets out priority areas for support, their specific objectives, expected results and performance indicators. It also includes the overall EU allocations for the Interreg NEXT (Interreg External Neighbourhood) programmes, and other Interreg programmes receiving NDICI-GE and ERDF funding.

The Interreg NEXT programmes will be implemented in shared management and will cover both cross-border cooperation (CBC) on land borders and sea crossing as well as transnational cooperation programmes covering sea basins.

The Interreg NEXT programmes aim to support cooperation between border regions in EU MS⁴ partner countries and territories⁵ in the Neighbourhood area. The programmes will be developed and implemented jointly and the essential value-added will be the governance model, involving stakeholders and beneficiaries from both EU and non-EU countries on equal footing thus creating strong ownership and commitment. The programmes will enable cooperation activities between regions which would have otherwise not existed or which would have faced difficulties for political reasons at national level.

At the beginning of 2022, the preparation of cross-border cooperation programmes with Russia and Belarus was well advanced. However, the participation of Russia and Belarus in Interreg programmes was suspended following Russia's unprovoked and unjustified military aggression against Ukraine and Belarus complicity in this aggression which grossly violates international law and international humanitarian law as well as the core principles of the UN Charter and undermines European and global security and stability. The programmes' preparation and adoption was put on hold.

A particular feature of the programmes is how they are funded under the European Regional Development Fund (ERDF) and external funds – the NDICI-GE and the

² Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU and repealing Regulation (EU) 2017/1601 and Council Regulation (EC, Euratom) No 480/2009.

³ Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments.

⁴ Bulgaria, Cyprus, Estonia, Finland, France, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Spain and Sweden.

⁵ For the definition of 'partner countries', see Article 2 of the Interreg Regulation (EU) 2021/1059.

Instrument for Pre-accession Assistance (IPA). In line with Article 10(3) of the Interreg Regulation, for the Interreg NEXT cross-border cooperation programmes, the amount of external funding must be at least equivalent to the amount of ERDF. By contrast, for Interreg NEXT transnational cooperation programmes, in line with Article 10(2), the external EU funding should reflect the composition of the programme partnerships.

In line with the agreed legal basis, the multi-annual strategy document covers as well other Interreg programmes where participation of partner countries is also financed through NDICI-GE.

This document includes:

- the description of the EU and partner countries policy context;
- an outline of the socioeconomic situation of the relevant border areas;
- lessons learnt from previous programmes;
- the response strategy (guiding principles, objectives, themes, geographic coverage);
- main elements for post-2020 Interreg NEXT programming, including expected results and performance indicators;
- the indicative list of future programmes;
- indicative overall financial allocations.

The main references are:

- the **legal and political framework** for the EU Cohesion Policy and the European Neighbourhood Policy (ENP) for 2021-2027;
- the Commission’s priorities and the EU response to the COVID-19 pandemic supporting partners;
- **jointly agreed documents under ENP** which define priorities between the EU and its neighbouring partners (Partnership Priorities, Association Agendas and equivalent), regional strategies and policies (a new Agenda for the Mediterranean, Eastern Partnership, EU Strategies for the Baltic Sea region and for the Danube region, EU Arctic policy, the Northern Dimension, Black Sea Synergy) – in line with Article 14(3) of the NDICI-GE Regulation;
- outcomes of the programming process for the preparation of Interreg NEXT programmes in 2020 and 2021;
- conclusions of the ex-post evaluation of the 2007-2013 ENPI programmes;
- results of the 2019 **Result Oriented Monitoring** exercise for the ENI CBC programmes;
- the 2019 **external expert study** comparing data in both EU MS and partner countries;

- outcomes of the 2019 survey of ENI CBC programme authorities and partner countries on lessons learnt and potential directions for the future – carried out by the **technical assistance project to support ENI CBC programmes (TESIM)**;
- outcomes of **consultations with EU Delegations** in partner countries in August 2019;
- expertise provided by TESIM.

1. EU POLICY AND OBJECTIVES

1.1. Added value of cross-border and transnational cooperation with the Neighbourhood

Cross-border and transnational (sea-basin) cooperation along EU's external land and sea borders is a **unique form of cooperation** between EU MS and neighbouring⁶ countries. It provides the framework and opportunities for enhanced people-to-people contacts, cooperation and exchanges essentially at regional and local level, and involves a broad range of actors (local authorities, NGOs, Civil Society Organisations (CSO), universities and other stakeholders). The currently implemented European Neighbourhood Instrument (ENI) Cross-border Cooperation (CBC) 2014-2020 programmes are highly appreciated by all stakeholders and are widely perceived as successful ways of bringing together EU and neighbouring partner countries around common challenges and priorities, with ownership and partnership at the centre of this cooperation.

The **strategic importance** of this cooperation cannot be underestimated. It plays a particular role as part of the EU's foreign policy toolbox. In a number of cases, CBC programmes have enabled cooperation, which would have otherwise not taken place or would have faced difficulties in implementation for political reasons; cooperation between Israelis on the one hand and Palestinians and other Arab neighbours on the other is just one example. As such, CBC represents an important apolitical, confidence-building tool. This is in itself a major asset and added value of CBC, recognised by all partners involved.

CBC programmes are of key importance in addressing gaps in the **development of border areas** and **challenges that cross national borders**. They have a clear cross-border impact (e.g. on the environmental and transport connection). Addressing such issues at the border, through regular interactions by actors on both sides and via a specific cooperation governance model, CBC has proved to be an effective instrument in the search for joint solutions.

EU MS and partner countries have also benefited and will benefit again in 2021-2027 from some internal Interreg transnational programmes (see information on p.15). These are programmes mainly supported by the ERDF, with the financial support from NDICI-GE and IPA III funding allowing for participation of non-EU countries.

1.2. EU policy context

1.2.1. *European Neighbourhood Policy*

Due to its unique contribution to the EU external relations, CBC is featured in the EU's Global Strategy, the ENP and in its regional dimensions, namely in the Southern and

⁶ Eligible partners as set out in the 2014-2020 ENI CBC multiannual strategic document: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Morocco, Palestine (this designation shall not be constructed as a recognition of a State of Palestine and is without prejudice to the individual positions of EU countries on this issue), Republic of Moldova, Russian Federation (EU restrictions on cooperation with Russia also apply to the future Interreg NEXT programmes, following the European Council Conclusions on Russia's military aggression against Ukraine of 24 February 2022), Syria (EU restrictions on cooperation with Syria also apply to the future Interreg NEXT programmes, in line with the Council Conclusions on Syria of 23 May 2011 in which the EU decided to suspend all cooperation programmes with the Syrian authorities), Tunisia, Ukraine, Norway and Turkey.

Eastern Neighbourhood, as well as in the EU's bilateral relations. The **ENP**, reviewed in 2015⁷, puts a particular emphasis on the promotion of the people-to-people contacts, to which existing CBC programmes directly contribute.

The ENP translates the EU's wish to build on common interests with neighbouring partners and on the joint commitment to work together in key priority areas: the promotion of democracy, rule of law, fundamental rights and freedoms, economic and social cohesion and environmental protection, including the consistency with the Do No Significant Harm Principle. The ENP aims to build more effective partnerships between the EU and its partners towards a stable EU Neighbourhood in political, security and socio-economic terms. Strengthening the state and societal resilience of the EU's partners against the threats and pressures they are experiencing and which have also an impact on the EU, is a key priority.

The revised ENP builds on the principles of partnership, differentiation, flexibility, joint ownership, greater involvement of the EU MS, and shared responsibility. Through the ENP, the EU offers partner countries opportunities for greater access to the EU market and regulatory framework, standards and internal agencies and programmes. Over the period 2014-2020 the EU provided its support to ENP partner countries mainly through the ENI, with almost EUR 16.5 billion for 15 ENI CBC programmes currently implemented. The programmes involve 31 countries (17 EU MS and 14 CBC partner countries), for a total EU funding of approximately EUR 1 billion.

The successful implementation of ENI CBC programmes at EU land borders and around sea basins with the neighbouring partners is closely linked to the respect and full implementation of the ENP and its principles. Partner countries are involved on an equal footing at all stages of the programming process and in the implementation of projects.

The NDICI-GE reconfirms the ENP as the policy framework for future support to the ENP partners, with all key specific features of the ENI retained in the NDICI-GE Regulation. These include programming based on jointly agreed strategic documents and an incentive-based approach specific to the Neighbourhood.

1.2.2. Cohesion policy and European Territorial Cooperation

Cohesion policy is the EU's main investment policy, aiming to reduce the disparities between the development levels of the various EU regions. The policy targets all regions and cities in the EU to support job creation, business competitiveness, economic growth, green transition, sustainable development, and improve citizens' quality of life. In order to reach these goals and address the diverse development needs in EU regions, EUR 351.8 billion – almost a third of the total EU budget – has been set aside for Cohesion Policy for the period 2014-2020. For the 2021-2027 period the allocation for the “Economic, social and territorial Cohesion” under the multiannual financial framework (MFF) is EUR 373⁸ billion (including around EUR 227 billion for European Regional Development Fund).

European Territorial Cooperation (ETC), better known as **Interreg**, is one of the two goals of the cohesion policy. It provides a framework for the implementation of joint actions and policy exchanges between national, regional and local actors from different

⁷ JOIN(2015) 50 of 18.11.2015

⁸ In current prices.

MS, but also third countries. The overarching objective of ETC is to promote a harmonious economic, social and territorial development in the EU. In 2020, Interreg celebrated its 30th anniversary.

Interreg 2014-2020 had a total ERDF budget of EUR 10.1 billion⁹ invested in over **100 cooperation programmes** between regions and territorial, social and economic partners. This budget also included the ERDF allocation for MS to participate in EU external border cooperation programmes, which were supported also by the ENI and Instrument for Pre-Accession (IPA).

In the 2014-2020 programming period, Interreg was built around three strands of cooperation: cross-border (Interreg A), transnational (Interreg B) and interregional (Interreg C). For the 2021-2027 programming period, a new strand was created for territorial cooperation in the outermost regions (Interreg D).

Cross-border cooperation in Interreg (Strand A programmes) aims at reducing the negative effects of borders as administrative, legal and physical barriers and at healing the scars of history. It strengthens the development of border regions, which are often remote, less connected and suffering from low accessibility to the services of public interest. It enables regional and local partners from both sides of the border to work jointly on commonly identified priority areas, including healthcare, ICT solutions etc. and reap the potential of border areas, while enhancing mutual trust. For maritime borders accessibility is the crucial issue, "remedied" thanks to cross-border cooperation.

Transnational Interreg programmes (strand B) promote cooperation within greater European regions, often with a distinct common territorial feature such as a mountain range (e.g. Alpine Space programme), a river basin (e.g. Danube programme) or a sea-basin (e.g. Mediterranean programme). They respond to joint challenges like environmental quality and risk prevention. However, they also address joint opportunities, such as creating transport corridors, promoting international business, research links and urban development. When they cover an area with an EU macro-regional or sea basin strategy, they are an important catalyst in promoting implementation of such strategies.

In terms of future geographic coverage, Article 4(1) of the 2021-2027 Interreg Regulation specifies the regions eligible to participate in CBC programmes as those areas/regions classified as NUTS level 3¹⁰ on the EU side (NUTS is classification system for EU territorial units for statistics). On the non-EU side, in the absence of a NUTS classification, the areas most closely corresponding to this definition can be included in line with Article 4(3). Following an agreement with the EU, some regions adjacent to those directly on the border can be part of a CBC programme area for consistency and/or continuity.

For sea basins, the sea is considered a common border. The regions eligible to participate in transnational sea basin programmes continue to be at NUTS level 2 on the EU side. In the absence of such a classification on the non-EU side, the areas most closely

⁹ Including ERDF contribution of EUR 242 million to the IPA CBC 2014-2020 programmes as well as EUR 634 million for ENI CBC 2014-2020 programmes.

¹⁰ Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

corresponding to this definition can participate.

At the EU's external borders, the future Interreg NEXT transnational programmes (Black Sea Basin, Mediterranean and Mid-Atlantic) will therefore aim to enable cooperation between bigger EU regions (classified as NUTS level 2) and neighbourhood regions. The sea basin programmes should also support the existing macro-regional and sea basin strategies and related regional/sub-regional policies covering their territories, for example the EU Common Maritime Agenda for the Black Sea, the Initiative for the sustainable development of the blue economy in the Western Mediterranean (WestMED), the new Agenda for the Mediterranean for the Southern Neighbourhood¹¹ and other.

Some Interreg transnational programmes, with predominance of EU countries, will include also cooperation with IPA beneficiary countries and/or partner countries of the Eastern Neighbourhood (e.g. the Danube programme).

Interregional cooperation (strand C¹²) works at pan-European level, covering all EU MS, and more. It builds networks to develop good practice and facilitate the exchange and transfer of experience by successful regions. It will also be possible to support activities involving non-EU partner countries in interregional cooperation in 2021-2027 period. In addition, the strand C Interact programme provides targeted assistance to all Interreg cooperation programmes through events, publications and online tools thus fostering the exchange of experience and good practice and improving the management capacity of these programmes.

As part of its "Cross-Border Review" initiative, the Commission adopted the Communication *Boosting Growth and Cohesion in EU Border regions* in 2017. The initiative aimed to map and respond to challenges in EU border regions. It revealed that substantial difficulties still exist when people cross internal EU borders to find work, receive better healthcare, use public facilities or receive emergency support. The post-2020 policy framework for CBC programmes enables to tackle some of the identified border obstacles via the focus on specific objectives. For the 2021-2027 programming period, the external cooperation programmes should draw on this policy framework.

1.2.3. Transition from ENI CBC to Interreg NEXT

The legal framework for ENI CBC 2014-2020 programmes included the *ENI Regulation*¹³, *Common Implementing Regulation (CIR)*¹⁴ and *ENI CBC Implementing Regulation*¹⁵. When implementing ENI CBC programmes, MS expressed the wish to better align legal rules for ENI CBC cooperation programmes on EU external borders

¹¹ 'Renewed partnership with the Southern Neighbourhood. A new Agenda for the Mediterranean', [JOIN\(2021\)2](#)

¹² The European Territorial Cooperation also supports Outermost regions cooperation under Strand D, which is not covered by this document as there is no (potential) involvement of the Neighbourhood partner countries.

¹³ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, (OJ L 77 of 15.3.2014).

¹⁴ 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 action, (OJ L 77 of 15.3.2014)

¹⁵ Commission implementing Regulation No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of CBC programmes financed under Regulation (EU) No 232/2014 establishing the ENI, (OJ L 244 of 19.8.2014).

with those of the Interreg programmes, similarly to the IPA CBC programmes for Enlargement countries.

The Treaty on the Functioning of the European Union (TFEU) clearly distinguishes between territorial cooperation (Interreg) among EU MS and cooperation with non-EU countries. However, in a major effort to simplify and maximise synergies between the two policies, it has been agreed that all 2021-2027 cooperation programmes on EU internal and external borders are governed under a **single rulebook** in the Cohesion policy package and in particular the Interreg Regulation.

The Interreg Regulation is part of the cohesion policy package, which entered into force on 1 July 2021. The package also contains the Common Provisions Regulation (CPR)¹⁶, the European Regional Development Fund and the Cohesion Fund (ERDF&CF) Regulation¹⁷ and the European Social Fund (ESF+) Regulation¹⁸. The Interreg Regulation includes for those programmes in which MS cooperate with non-EU countries. For matters not covered under the Interreg Regulation, the CPR applies.

Interreg NEXT programmes will continue to be an important tool for cooperation in the EU neighbourhood policy. The NDICI-GE Regulation¹⁹, adopted on 9 June 2021, contains some rules relevant to these programmes. These rules include the scope of the multiannual policy document, the rule for the cooperation programmes to be co-financed through both the NDICI-GE and the ERDF, the ceiling for the financial allocation from NDICI-GE for the future programmes, the financial management and other provisions.

2. POLICY FRAMEWORK

2.1. Internal EU territorial cooperation programmes²⁰

2.1.2 Cross-border, transnational (including sea basin) and interregional cooperation

From 2014 to 2020, 60 Interreg **cross-border cooperation (CBC)** programmes were implemented along EU internal borders with an ERDF contribution of approximately EUR 6.6 billion.

¹⁶ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy. Cross-border cooperation is specifically covered in Article 22.

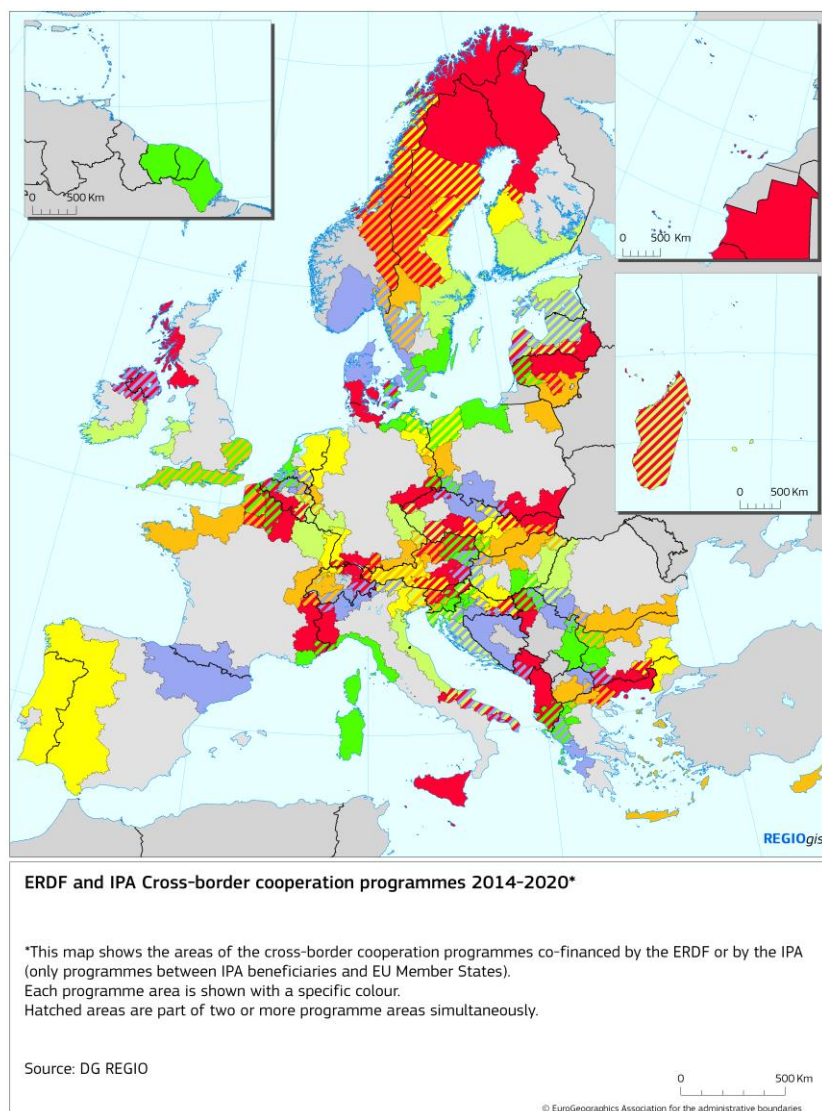
¹⁷ Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund.

¹⁸ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013.

¹⁹ Regulation (EU) 2021/947 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe of 9 June 2021.

²⁰ Covering either cooperation only among MS, or among mainly MS with the possible involvement of 1-2 non-EU countries, including EFTA countries such as Norway or Iceland. This cooperation is supported exclusively, or in vast majority, by ERDF.

Internal CBC (2014-2020 Interreg) and CBC on EU external borders with enlargement countries supported by IPA (IPA CBC):



2.2. Transnational Interreg programmes 2014-2020 (including sea basin):



There are currently 14 internal CBC programmes and 10 transnational cooperation programmes, including EU geographic areas also covered by ENI CBC programmes.

The 2014-2020 Danube programme received ENI funding for cooperation with the Republic of Moldova and with Ukraine. In the past, Baltic Sea Region programme received funding for cooperation with Russia and Belarus²¹.

There are four programmes supporting **interregional cooperation** covering all the EU and some non-EU countries: INTERREG Europe, Urbact III, Interact III and ESPON.

²¹ Following the Russian military aggression against Ukraine on 24 February 2022, the Commission has suspended the financing agreement with Russia while Belarus eventually didn't participate to the Baltic Sea Region programme.

2.2.1. Macroregional strategies

Macro-regional strategies are dynamic political cooperation platforms which address common challenges faced by several MS and third countries located in the same geographical area.

The strategies offer a platform for multi-sectoral, multi-country and multi-level governance. They play a substantial role in helping these third countries to strengthen their links with the EU and to participate in EU initiatives. The strategies enhance political debate, increase knowledge on the ESIF and the co-funded programmes, facilitate cooperation, exchange of best practices and know-how among participating countries. They foster the European Integration, build capacities of all partners and implementers of the macroregional strategies.

There are three *macro-regional strategies covering a substantial part of the territories of some ENI CBC (future Interreg NEXT) programmes:*

- EU Strategy for the Baltic Sea Region (EUSBSR; adopted in 2009)
- EU Strategy for the Danube Region (EUSDR; adopted in 2010)



- EU Strategy for the Adriatic and Ionian Region (EUSAIR; adopted in 2014)

EU Strategy for the Baltic Sea Region is the first macro-regional strategy in the history of the EU, adopted in 2009. Following a 2011 progress report and General Affairs Council Conclusions, the European Commission adopted a Communication in March 2012 re-focusing the three overall objectives for the Strategy: ‘*Save the Sea*’, ‘*Connect the Region*’ and ‘*Increase Prosperity*’.

Under the “Save the Sea” objective, participating countries are striving for objectives such as clean water in the sea, rich and healthy wildlife, clean and safe shipping and better cooperation. As for the “Connect the region” objective, they work on good transport conditions, reliable energy markets, connecting people in the region and better cooperation in fighting cross-border crime. When contributing to the “Increase prosperity” objective, they aim e.g. in the Baltic Sea region as a frontrunner for deepening and fulfilling the single market, for improved competitiveness of the region and climate change adaptation, risk prevention and management.

The EUSBSR unites eight EU MS (Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, and Poland) representing 80 million inhabitants or nearly 16% of the EU population. The Strategy is welcoming cooperation with non-EU countries from the region, such as Iceland or Norway²² in actions and projects of common interest.

²² Following the Russian military aggression against Ukraine on 24 February 2022, the cooperation with Russia and Belarus is suspended in the EUSBSR.



The **EU Strategy for the Danube Region** is a united response to challenges affecting an area which stretches from the Black Forest to the Black Sea: flooding, transport and energy links, environmental protection and challenges to security. The Danube countries, with the support of the Commission, are cooperating to develop projects and actions that meet these challenges and build prosperity in the region.

EUSDR addresses a wide range of issues, divided among 4 pillars ‘*Connect the Region*’, ‘*Protecting the Environment*’, ‘*Building prosperity*’, ‘*Strengthening the Region*’.

The EUSDR unites nine MS (Germany, Austria, the Slovak Republic, the Czech Republic, Hungary, Slovenia, Croatia, Romania and Bulgaria) and five non-EU countries (Serbia, Bosnia and Herzegovina, Montenegro, the Republic of Moldova and Ukraine) and is home to 115 million inhabitants.

In 2022, the Ukraine is holding the rotating presidency of the **EU Strategy for the Danube Region**.

The **EU Strategy for the Adriatic and Ionian Region** (EUSAIR) covers partly the area of the ENI CBC Mediterranean programme and Italy-Tunisia programme (areas of Greece and Italy) and to some extent the ENI CBC Black Sea Basin programme (areas of Greece). The Strategy incorporates the Maritime Strategy for the Adriatic and Ionian Seas, adopted by the Commission in 2012. EUSAIR covers a wide range of topics such as blue growth, accessibility and energy networks, environmental protection and biodiversity fostering sustainable tourism, innovation and support to entrepreneurship.

The Alpine strategy area also covers some Italian regions participating in the ENI CBC MED programme, but its focus is on the Alpine territory, not the Mediterranean.

2.3. Neighbouring partners

2.3.1. Southern Neighbourhood

On 9 February 2021, the Commission and the High Representative of the Union for Foreign Affairs and Security adopted the Joint Communication on the *Renewed Partnership with the Southern Neighbourhood*, which sets a new, ambitious and innovative Agenda for the Mediterranean. The Agenda aims to realise the untapped potential of our shared region. It is based on the conviction that by working together, common challenges can be turned into opportunities, in the mutual interest of the EU and its Southern neighbours. The *Agenda for the Mediterranean* guides the EU's policy towards the region and the 2021 – 2027 multi-annual programming.

The political importance of transnational cooperation in the **Mediterranean Sea Basin** is recognised by the EU and its neighbouring Southern partners. It represents a confidence-building tool and contributes to closer cooperation on the one hand between the EU MS and partners and, on the other hand, among the ENP Southern neighbours. In this regard, the future Interreg NEXT programmes can play an important role in supporting the implementation of the objectives of the new Agenda for the Mediterranean.

All partners from the Mediterranean region participating in the 2014-2020 ENI CBC programme have expressed their interest in being fully involved in the process to prepare the future Interreg NEXT architecture and geographic coverage, in line with the principles of partnership and co-ownership.

The ENI CBC Mediterranean Sea Basin programme is the biggest single coordinated effort, bringing together a great number of stakeholders from 13 participating MS and partners (MS: Cyprus, France, Greece, Italy, Malta, Portugal and Spain; ENP partners: Egypt, Israel²³, Jordan, Lebanon, Palestine²⁴ and Tunisia).

The focus on people-to-people contacts and social challenges represents a significant opportunity for countries' local authorities and societies, some of which have limited or no bilateral cooperation. It is therefore imperative to seek ways to further develop and strengthen this cooperation.

Research and innovation play an important role as enablers of economic growth and job creation in the region.

Algeria and Turkey, which are currently not participating in the CBC, are joining the Interreg NEXT MED programme. Experience sharing with 'newcomers' by current CBC participants could represent an additional contribution in supporting regional integration. Further enlargements to third countries could be taken into consideration in the light of further developments.

Tunisia is a very active participant into existing ENI CBC programmes. The closeness between Tunisian and European societies constitutes an essential pillar of the EU-Tunisia Privileged Partnership. Tunisia has expressed its attachment to the CBC Med programme as a strategic platform to answer in particular to socio-economic and environmental challenges. The existing Italy (Sicily) – Tunisia program is the only ENI CBC bilateral programme in the Mediterranean. It has specific needs and supports sectors of common interest, for example agro-food, social development, digitalisation and entrepreneurship.

Jordan and Lebanon are performing well under the 2014-2020 ENI CBC programme. For both countries opportunities were already explored through the current regional programme in areas such as protection of the environment, maritime cooperation, new

²³ In accordance with the EU policy, the CBC programme does not apply to the territories occupied by Israel since June 1967. Thus, in accordance with the Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJ C 205/9 of 19.7.2013) only Israeli entities having their place of establishment within Israel's pre-1967 borders are considered eligible for EU funding. In addition, activities of Israeli entities funded by the EU must not be carried out in the territories occupied by Israel since June 1967.

²⁴ This designation shall not be construed as a recognition of a State of Palestine and is without prejudice to the individual positions of the MS on this issue.

business opportunities through new technologies, smart and sustainable growth, smart energy, tourism.

CBC is an issue of mutual interest in the EU-**Egypt** relations. The political framework of the relations between the EU and Egypt call for a stronger regional and sub-regional (South-South) cooperation. Specific CBC projects have proven important in reinforcing people-to-people engagement but also contributing to socio economic development in areas such as entrepreneurship, business environment, climate change, higher education and cultural heritage.

2.3.2. Eastern Neighbourhood

Following the Russian aggression against Ukraine, **Ukraine, the Republic of Moldova and Georgia** have submitted applications to join the European Union.

In recent years, CBC has become an essential instrument to achieve political and policy objectives jointly agreed with partners in the Eastern Neighbourhood and a closer co-operation between EU MS and Ukraine in particular is more than ever, of strategic importance.

The promotion of CBC among the **Eastern neighbouring partner countries** is also a key component of the Eastern Partnership (EaP) and other multilateral initiatives (EUSBSR, EUSDR, the Black Sea Initiative, the Arctic Policy). CBC can contribute to further fostering exchanges and cooperation between the EU and neighbouring partner countries, as well as partners and their local and regional authorities.

The EU currently has regional and urban policy dialogues with the following Eastern Partnership countries: Ukraine, the Republic of Moldova and Georgia. These have helped to pool international policy experience to the benefit of policy makers from regions and cities on both sides, provide EU regions and cities with networking opportunities to engage in broader cooperation with partner countries and project the EU model of regional and urban development.

There are more than 1,000 existing partnerships between regional and local authorities of the EU and Ukraine border regions, and over 260 projects involving Ukrainian beneficiaries such as municipalities, rescue and border authorities, hospitals, social centres, SMEs, schools etc. Building on the existing partnerships and ENI CBC projects, the future Interreg NEXT programmes with Ukraine will aim to provide mid- and long-term support to the territories and people impacted by the Russian aggression, preserve the administrative capacity of Ukrainian authorities and stakeholders and deepen the Ukraine-EU cooperation to support Ukraine in pursuing its European path.

Priority fields for current CBC with Ukraine focus on several areas such as the environment (e.g. access to non-polluted drinking water and clean air), sustainable transport, energy, education, health care and culture, economic/tourism cooperation and tackling cross-border challenges in multiple sectors.

Through the ongoing ENI CBC **the Republic of Moldova** has expressed specific interest in policy areas such as energy interconnections, transport, environment, education and culture. Closer cooperation with Ukraine through EU support (EUBAM) has been instrumental to help gaining some level of control of flows of goods and people and for countering illicit trade across that part of the border.

The 17 June 2019 Foreign Affairs Council (FAC) Conclusions reaffirmed EU's long-standing commitment to fostering prosperity, stability, and security in the **Black Sea** area. This strengthened engagement builds on the lessons learnt from the implementation of the Black Sea Synergy initiative (reviewed in March 2019). The challenges and risks for this particular regional cooperation include the geopolitical landscape of the Black Sea area, with its complex web of diverse and often conflicting interests and interactions and the volatile security situation²⁵. The 2014-2020 Black Sea ENI CBC is an important part of regional cooperation developed under the Black Sea Synergy umbrella and is complementary to EU's bilateral cooperation with neighbouring partner countries²⁶. It is an important driver for cooperation among local and regional stakeholders with tangible results for the welfare of the coastal communities.

The importance of **Arctic cooperation** is to increase in the near future inter alia because of the immense environmental challenges of environmental degradation and climate change. The Arctic Council is the preeminent forum for circumpolar cooperation in the Arctic. Interreg provides a framework for people-to-people contacts across borders in the European part of the Arctic, tailored to the specific characteristics of the region. The role of regional councils, such as the Barents Euro-Arctic Council and the Council of the Baltic Sea States, in fostering links and practical cooperation, should be used to inform CBC. Interreg and CBC programmes should also support the implementation of projects that are related to the EU's **Northern Dimension** policy and its partnerships.

3. ECONOMIC AND SOCIAL ANALYSIS OF BORDER AREAS

3.1. Description of border areas

Given the nature of the territories they aim to support, Interreg NEXT programmes will include both cross-border cooperation (land and maritime) and transnational (sea-basin) cooperation programmes.

Interreg NEXT cross-border cooperation programmes intend to benefit those regions in the partner countries/territories that share a land or maritime border with the EU, and their counterparts on the EU side.

Generally, the border areas are characterized by sparsely populated regions in the North, a much higher population density along the Central European borders, and in the South around the sea basins a concentration of population in the coastal regions. In terms of **income**, there are very large differences in income levels on the two sides of the EU's external borders, both in the North and East and in the South, though the difference varies significantly from region to region.

Another essential characteristic to take into account in these border areas are the deep-seated and long-standing **historical and cultural links**, which have been established over the centuries across what are today the external borders of the European Union.

²⁵ Following the unprovoked and unjustified Russian aggression against Ukraine the participation of Russia in the Interreg Black Sea Basin programme 2021-2027 is suspended.

²⁶ The Foreign Affairs Council conclusions indicated that '*The Council supports the CBC for the Black Sea, particularly the Joint Operational Programme Black Sea Basin*'.

3.2. Economic and social characteristics of the border areas

Many countries participating in the ENI CBC programmes have been hit hard by the COVID-19 pandemic, and this is having a negative impact on the macroeconomic and financial situation of the border regions. The pandemic continues to affect implementation of the current ENI CBC programmes and projects, not least due to difficulties for the programmes' partners to travel.

Cohesion policy will be crucial after the coronavirus crisis to ensure a balanced recovery both in the EU regions and will support recovery at the external borders. It should foster convergence and restore growth and employment as quickly as possible, making economy and society resilient in the long-term, based on the policy's twin objectives of a green and digital transition.

The **Mediterranean Sea** basin is characterised on the one hand by exceptionally rich cultural, historical and natural assets, and on the other, by striking economic and social contrasts between its Southern and Northern shores. For instance income levels in the South are well below those in EU MS²⁷. Insular and coastal areas also face a number of challenges from low economic growth, unemployment (especially among young people), irregular migration, organised crime, security issues, environmental degradation, and climate change impact. The macroeconomic and financial situation in the Southern Mediterranean region remains weak. A fragile political and security situation along with a difficult business environment hampers investment and private sector activity.

The COVID-19 pandemic has hit the region particularly hard – the socio-economic impact on sectors such as tourism, for instance, is enormous. Most countries experienced a recession in 2020, in contrast to the economic growth recorded in 2019. Private consumption dropped dramatically in most countries, as a consequence of lockdowns, subdued economic activity, income losses and unemployment. Despite this, unemployment spiked in several countries in 2020, before decreasing again towards the end of the year, while others saw a continued increase. In most countries, unemployment remains particularly high amongst the youth, women and university graduates. Higher poverty has been observed in particular in crisis regions (Lebanon, Libya and Palestine). COVID-19 pandemic has illustrated starkly shared vulnerabilities and our interdependence. At the same time the Mediterranean coastal and insular areas offer many concrete opportunities for economic development, especially in the blue economy.

The future Interreg NEXT Mediterranean transnational programme should contribute to develop a positive narrative and showcase shared engagements, such as joint action to preserve the Mediterranean's natural resources and habitats for sustainable social and economic development.

The EU's **Eastern borders** encompass eight MS and five neighbouring countries, stretching some 5,000 km from the Barents Sea in the North to the Black Sea in the South. This border covers regions with very different geographic, economic and social characteristics and with a very significant income differential. At the same time, the border regions in the partner countries in most cases have incomes higher than the national average of their countries. The pandemic has hit the economies of the Eastern partners hard, and it has put serious pressure on the respective health systems. Economic

²⁷ Average GDP per capita is less than one eighth of the EU's 2020 Edition, [Statistics on European Neighbourhood Policy countries 2020 Edition, Eurostat](#).

output contracted in all of them in 2020 due to a dual shock from tight lockdowns (with the exception of Belarus) that restrained domestic consumption, and a fall in external demand. International support was key to cushion the economic shock. The EU, together with the EIB, mobilised over 2.5 billion euros to support the partner countries in tackling the health crisis and addressing the socio-economic recovery. The economic outlook for the region remains clouded by the uncertainty related to the containment of the COVID 19 pandemic and political instability.

The **Black Sea** area faces considerable economic, social and environmental challenges. Regional security concerns and protracted conflicts continue to impede the social and economic development of these transition economies. In a number of countries in the area, the growth outlook remains relatively stable, but unaddressed challenges keep growth below potential. Nevertheless, there are new opportunities for economic development, resilience and connectivity in the region and beyond. Moreover, the 'bridging role' in terms of interconnectivity of the Black Sea basin should be further developed, and its links with the Caspian Sea, plays a key role in the energy and transport sector.

The **Baltic Sea** basin has a long tradition of cooperation, with active regional cooperation bodies (notably the Council of the Baltic Sea States, the Helsinki Commission (HELCOM), the EU Strategy for the Baltic Sea Region (EUSBSR) and the Northern Dimension), and a substantial experience of sea-basin at the level of regional and local authorities. Economic and social issues, environmental challenges, and maritime safety, inter alia, have traditionally been important here.

Russian military aggression against Ukraine and the consequent suspension of most forms of economic and social cross-border co-operation, including the suspension of the Interreg NEXT programmes, with Russia and Belarus have aggravated the challenges of the concerned EU external border regions. Notably the regions are left without their long established partnerships and regional development resources from Interreg NEXT programmes.

3.3. Specific challenges and opportunities in border areas

Despite the substantial differences characterising the different regions on the EU's Eastern and Southern borders, a number of common challenges and opportunities exist. In addition to the overarching objective of promoting people-to-people contacts, issues such as protection of the environment, climate change mitigation and adaptation, promotion of socio-economic development and combatting unemployment, in particular among youth, regional development, connectivity, public health, migration and fight against organised crime are of particular importance in a trans-boundary context, as is the question of ensuring efficient and secure borders. The following list is not exhaustive.

Environmental protection and climate change issues are important in the context of shared sea basins. Water pollution, whether from agricultural activities, industrial or urban discharges are critical problems, exacerbated by risks of marine pollution in regional seas and in the Mediterranean. Air pollution, whether from domestic heating with solid fuels, industrial or agricultural activities, is a transboundary issue too in marine areas also due to maritime transport. Reports by the Intergovernmental Panel on Climate Change (IPCC)²⁸ highlight that the Mediterranean Sea will be one of most impacted areas by climate change, which is adding to the challenges of other natural or men-made hazards and population growth. Ecosystems preservation and biodiversity are

²⁸ <https://www.ipcc.ch/>

also highly relevant areas to be supported. The Black Sea is one of the seas in the world most heavily impacted and polluted by human activities. Environmental issues are equally important on land-borders, particularly in relation to trans-boundary waters (i.e. river basins, including groundwater, and lakes), transboundary air pollution (e.g. from industry, agriculture and the use of solid fuel for domestic heating), waste management, and shared protected areas. Coordination with the EU Strategy for the Danube Region should be reinforced, as the Danube River is the Black Sea's largest tributary. The Arctic environment is also particularly vulnerable to the impacts of environmental degradation and climate change.

An **integrated regional development** across the EU border is particularly important in a situation characterised by different rates of economic development, high-income disparities and different demographic dynamics. Joint development and governance strategies may help in addressing disparities and assist in dealing with their most visible effects, such as the increase in regular and irregular, temporary and permanent migration flows, as well as with organised crime.

Also in the light of the COVID-19 pandemic effects, promoting **socio-economic development**, creating economic opportunities and reducing unemployment rates, for instance via innovation, education, business and SMEs development, in particular for the youth will be a major challenge. Increasing cooperation between businesses, supporting start-up enterprises and enhancing cross border value chains can be important for the sustained and sustainable development of the economic base of border regions. It will improve (re-)utilisation of existing resources, circular economy and better exploitation of the market potential, for instance encouraging sustainable agro-food and sustainable tourism initiatives and promoting technological transfer.

The future Interreg NEXT programmes will also seek synergies with the European Research Framework Programmes and Horizon Europe, as an additional means to increase the access of regions to excellent R&I results. Horizon Europe missions and Research Infrastructures can provide directionality, increase impact for regional development, promote cross-disciplinary and multi-level governance, engage citizens and local/regional stakeholders, give visibility to cohesion policy investment as well as access to new networks, policy learning platforms and funding instruments.

As it has turned out, public health issues take on a particular importance in a cross-border context, for example in relation to communicable diseases, or possible epidemic or pandemic diseases. Consumer protection, food safety and the enforcement of quality assurance and surveillance systems are likewise relevant in a cross-border context. Strengthening institutional capacities, including for the management risk associated with the transport of sensitive materials and waste management capabilities remain a priority too.

Synergies and complementarities between Interreg NEXT and Erasmus+, Marie Skłodowska-Curie Actions programme will be looked at, in particular in the field of 'education & lifelong learning' and the related specific objectives, as appropriate. The same applies for the synergies with the Horizon Europe in the field of training and career development of researchers, particularly the MSCA COFUND action and the MSCA Seal of Excellence.

Investment through land and sea-basin cooperation could, in some areas, bring added value for **connectivity**, in particular digital connectivity and the development of sustainable, intelligent and intermodal infrastructures. In geographic clusters with high

level of internet connectivity, internet could be used to help improve cross-border mobility. In cluster areas with low levels of internet connectivity, cross-border investment could create a critical mass of connected businesses to encourage further investment or enable further R&D opportunities. In relation to sustainable transport infrastructures in the North and Eastern Europe clusters railway and motorway connectivity is lower than the countries average. It could therefore be improved namely through investment in border crossing infrastructures and integration of cross-border transport networks, while improving the sustainability of transports. In relation to Black Sea, activities related to the modernisation of port infrastructure and management could have a land border and sea-basin cooperation added value.

The fight against **organised crime** is another challenge in border areas. The EU supports bilateral, regional cross-border and international cooperation with third countries in improving the prevention of and fight against organised crime, corruption and terrorism. Specific emphasis should be put on combating all sorts of organised crime, including trafficking of human beings, smuggling, trade of illegal and counterfeited goods, firearms and stolen vehicles or other contraband. Close cooperation at the local and regional level between law-enforcement bodies and other competent authorities on both sides of the EU's external borders could complement cooperation at the national level.

Effective **border management** requires that the EU's external borders are both efficient (facilitating legal migration, legitimate trade and transit) and secure (preventing illegal trade and transit as well as irregular migration). In many respects, this requires close cooperation at the national level, but Interreg NEXT has also an important role to play for example in upgrading border-crossing infrastructure, in enhancing information exchange and cooperation between border authorities at the local level or in improving governance via a more coordinated approach to management.

4. OVERVIEW OF PAST AND ONGOING COOPERATION

4.1. Neighbourhood CBC programmes and their predecessors

As part of the ENP review, the 2014-2020 ENI CBC programming document laid down **three strategic objectives**:

- promote economic and social development in regions on both sides of common borders;
- address common challenges in environment, public health, safety and security;
- promote better conditions and modalities for ensuring the mobility of persons, goods and capital.

ENI CBC builds on the achievements of its predecessor, the European Neighbourhood and Partnership Instrument (ENPI).

Of the 17 joint operational programmes set out in the programming document, 15 have been submitted to and adopted by the European Commission²⁹.

The ENI CBC programmes are financed by the ENI and the ERDF, with a contribution from the IPA for the Black Sea Basin programme. They cover 12 EU land borders, 2 sea basins and 1 sea crossing, managing approximately **EUR 1 billion** of EU funding, topped up with national contributions from participating countries.

Almost 4 700 applications have been submitted in response to calls for proposals launched so far, and almost 800 projects have been awarded a grant covering 9 of the 11 thematic objectives in the ENI CBC programming document. Altogether, 11 programmes included lists of large infrastructure projects (LIPs) to be selected without calls for proposals ('direct award')³⁰. So far, 49 of 53 approved LIPs have been contracted.

4.2. Other support to local and regional cooperation

The EU provides support for local and regional cooperation through several instruments, including the ENI and now the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-GE). Priorities for bilateral cooperation are set out in strategic documents jointly agreed with partner countries (Partnership Priorities, Association Agendas and equivalent documents).

For regional cooperation within the **Eastern Partnership**, the three strategic objectives of CBC correlate strongly with the partnership's policy framework. Support will focus on the five policy areas of the Eastern Partnership, based on the Joint Communication of 2020³¹:

- (1) resilient, sustainable and integrated economies;
- (2) accountable institutions, rule of law and security;
- (3) environmental and climate resilience;
- (4) resilient digital transformations;
- (5) resilient, fair and inclusive societies.

Special attention will be given to COVID-19 economic and social recovery. The Joint Staff Working Document "Recovery, resilience and reform: post 2020 Eastern Partnership priorities"³² and notably the proposed Economic and Investment Plan (worth EUR 2.3 billion) including country flagships have a clear focus on COVID-19 socio-economic recovery (investments in key sectors like transport, SMEs, digital, environment and health resilience).

²⁹ The Mid-Atlantic programme covering cooperation between Spain, Portugal and Morocco was proposed, but could not be adopted. The Baltic Sea Region (BSR) programme has also been part of the ENI CBC 2014-2020 multiannual strategy document. However, the programme is governed under the Interreg Regulation as the transnational cooperation programme (with a small proportion of ENI funding added into the programme).

³⁰ Only 9 programmes have adopted the LIPs and are going to implement them.

³¹ Joint Communication on 'Eastern Partnership policy beyond 2020: Reinforcing Resilience – an Eastern Partnership that delivers for all' – JOIN(2020)7 final of 18.03.2020

³² SWD(2021)186 of 02/07/2021.

Meanwhile, the **Arctic policy** and the **Black Sea Synergy** promote effective cooperation with the borders of the Eastern Neighbourhood region. The EU Strategy for the Baltic Sea Region and the EU Strategy for the Danube Region strengthen cooperation between the countries bordering those regions. Coordinated initiatives are run under the updated EU Arctic policy³³.

A strong **Mediterranean** partnership remains a strategic imperative for the European Union. The challenges that the region is facing require a common response.

The Joint Communication on the *Renewed Partnership with the Southern Neighbourhood* proposes an ambitious agenda for the Mediterranean. It sets the key directions for this partnership and a range of actions along five key policy areas:

- (1) human development, good governance and the rule of law;
- (2) resilience, prosperity and digital transformation;
- (3) peace and security;
- (4) migration and mobility;
- (5) green transition, climate resilience, energy and environment.

Regional cooperation with the Southern Neighbourhood is pursued through a number of formats, with focus put on the Union for the Mediterranean due to its potential to bring together partners and deliver direct benefits in terms of youth employment, entrepreneurship, environment and infrastructure, all of which are supported by CBC programmes operating in the region.

A number of MS have supported CBC activities, including through cooperation and capacity-building in regional and local authorities. The Council of Europe also has a long tradition of supporting CBC, in particular through a legal framework for CBC actions (developed with the agreement of all its members) as well as supporting local and regional networks.

Several EU and national institutions have funded CBC along the EU's internal and external borders. For example, the European Bank for Reconstruction and Development and the European Economic Area and Norway Grants have funded regional and CBC projects as well as the transfer of resources, knowledge and experience.

Regional and international institutions, such as the Nordic Council of Ministers as a member of the Association of European Border Regions, have also supported CBC. Examples are the use of the European Grouping for Territorial Cooperation (EGTC) and contributions to the development of cross-border statistics.

Norway provides their own national funding to all cross-border and sea basin cooperation programmes in which it participates. This is in addition to the minimum 10% that non-EU countries must co-finance ENI CBC programmes.

33 Joint Communication on a stronger EU engagement for a peaceful, sustainable and prosperous Arctic (JOIN(2021)27 final).

4.3. Lessons learnt

4.3.1. ENPI CBC 2007-2013

The thirteen ENPI CBC programmes implemented during the 2007-2013 period covered nine EU land borders, three sea basins and one sea crossing. The financial resources allocated amounted to EUR 947.2 million combining funds from ENPI, ERDF and IPA. The contribution from participating countries and/or project beneficiaries brought the total allocation to EUR 1.2 billion. The programmes involved 19 EU MS and 12 neighbourhood partner countries plus Norway, Russia and Turkey. The ex post evaluation of ENPI CBC 2007-2013 praised the impressive number and variety of CBC projects³⁴ as well as the solid basis for cooperation compared to the previous period, with well-established programme authorities and more experienced beneficiaries. At the same time, the evaluation noted the insufficient evidence on the achievements of the ENPI CBC programmes, delays in the programme and project implementation, as well as the broadly formulated programme objectives and priorities of calls that diminished the overall impact.

The overall conclusion of the evaluation was that the positive net benefits of ENPI CBC 2007-2013 validated the continuation of Neighbourhood CBC in 2014-2020.

4.3.2. ENI CBC 2014-2020

According to the mid-term review carried out in 2017 by the European Commission and the European External Action Service, lessons learnt from the past seem to have been applied successfully in terms of better thematic focus, improved orientation on the achievement of programme results, enhanced ownership and more clearly defined responsibilities, improved procedures and capacity-building measures and increased visibility. ENI CBC programmes are in better position as compared to their predecessors to demonstrate their achievements by using better designed output and result indicators in more focused fields of intervention.

The findings pointed out to the satisfaction of all stakeholders concerned with the overall set up of ENI CBC programmes. In particular, it was found that the specific ENI CBC Programming Document 2014-2020:

- remained appropriate in the context of the EU policy framework;
- provided response to the developments in the region;
- addressed common challenges across the Neighbourhood.

Another important finding was that **better coordination and synergies should be sought** between on the one hand ENI CBC and other ENP instruments (bilateral, regional

³⁴ EUR 910 million (as of April 2017), out of which 38% was channelled to projects promoting economic development, 32% to environment, 19% for social development and 11% for security issues. The bulk of EU funding (70%) was channelled through standard projects selected through calls for proposals. Large-scale projects (LSPs) represented 22% of the total EU funding contracted (approximately EUR 195 million). In total, there were 867 standard projects, 51 LIPs and 23 strategic projects. The participation in calls for proposals has been very high (in total, more than 7 000 applications were submitted across all programmes), attesting the appeal of CBC among stakeholders in the eligible areas. In total, ENPI CBC involved 4 569 organisations, out of which 2 106 were from partner countries.

and neighbourhood-wide assistance) and on the other hand between ENI CBC and EU political frameworks and strategies.

4.3.3. Result Oriented Monitoring exercise on ENI CBC 2014-2020

The overarching conclusion from the ROM exercise was that the ENI CBC programmes have been a unique instrument promoting stability in the EU's Neighbourhood.

Apart from its specific governance model, the report acknowledged a series of other positive achievements of ENI CBC and gives policy and operational recommendations for the future such as:

- EC should avoid fundamental changes to the strategic and thematic objectives of ENI-CBC.
- It is essential to lengthen the duration of project implementation and reduce the duration of programme set up.
- Emphasis should be put on communication about the unique governance model of the ENI CBC widely to raise its awareness among EU and national stakeholders and decision makers.

Certain findings and recommendations outlined by the ROM report have been confirmed also by the programme, partner countries and stakeholders who answered to the consultation launched in April 2019 during the ENI CBC Annual event by TESIM. In particular:

- ENI CBC is recognised as a valuable instrument. It is relevant in terms of challenges tackled and stakeholders involved and based on a high level of co-ownership.
- Simplified procedures and rules, appropriate funding and working better with other instruments and initiatives are essential.
- For several programmes, the implementation has been hindered by the delays in negotiation and signature of Financing Agreements.
- Cooperation and communication among stakeholders after two programming periods are efficient.
- As for future programme strategies, the five future policy objectives and their sub-themes have been indicated as relevant by the majority of the respondents.

5. RESPONSE STRATEGY

This section proposes a response strategy which safeguards and builds on the added value and unique character of this cooperation, and addresses existing shortcomings. By doing so, Interreg NEXT can bring cooperation to a new and even more ambitious level, making the best use of the programmes' results and impact.

5.1. Principles

Future Interreg NEXT programmes and internal Interreg transnational cooperation programmes involving neighbouring partner countries build on the key principles set out in the legal and policy frameworks for both the ENP and cohesion policy.

- Interreg NEXT should continue to **contribute to the development, territorial cohesion and cooperation** of the border regions covered, while continuing to play its **strategic political role** as part of the EU's foreign relations toolbox.
- The actions financed by the Interreg NEXT and other Interreg programmes involving NDICI-GE financial support need to be **coherent with the existing EU strategic frameworks**, regional and bilateral ENP strategies and with the regional and local development plans in the policy area concerned. The funding provided should complement the resources allocated by the relevant regional and local public authorities.
- Future Interreg NEXT programmes should also aim to be fully **coherent and complementary** to the political framework of EU-partner countries and regions.
- Furthermore, **deeper embedding** in the Interreg policy and implementation context can enable easier and effective coordination between Interreg NEXT programmes and internal Interreg ones. In this context, full involvement of EU MS, partner countries and all relevant stakeholders in the programming process is essential.
- Interreg internal transnational cooperation programmes covering also cooperation with some neighbouring partners such as the Danube or Baltic Sea Region transnational programme should continue to offer the possibilities for beneficiaries from partner countries to participate in projects with MS beneficiaries on an **equal footing**.
- **Result-orientation** will be ensured through solid performance frameworks established by each programme. In order to achieve better impact and results, the EU resources invested under the Interreg NEXT programmes will have to be **better focused on a more limited number of policy/specific objectives**, in line with the principle of thematic concentration which is applicable to Interreg programmes. **Sustainability** of the results needs to be ensured.
- **Co-ownership** on the side of the partner countries, resulting from the **partnership on equal footing**, is a key factor for success. The programming will thus take into account their specificities and views.
- A unique **territorial cooperation governance** has been developed during the last 30 years by internal Interreg programmes. While respecting the specificities of external cooperation programmes, this successful model should be applied, to the maximum possible extent, also to future Interreg NEXT programmes.
- In terms of programme management, particular focus in this programming exercise will be put on the **simplification of procedures**. The simplification measures should cover both programme and project level.

- There is room for **improvement of programmes efficiency** and exchange of practices among Interreg NEXT programmes themselves, and with other CBC programmes along EU's external borders and internal cooperation programmes.
- The funds should support activities that **respect the climate and environmental standards** and that would not harm environmental objectives within the meaning of Article 17 of Regulation (EU) No 2020/852 of the European Parliament and of the Council³⁵.

5.2. Priority areas for Union financing and their specific objectives

The menu of five policy objectives set in Article 4 of the CPR and their specific objectives listed in the Article 3 of the ERDF Regulation³⁶, complemented by two Interreg-specific objectives defined in Article 14 of the Interreg Regulation is considered sufficiently broad to cover actions suitable for the cooperation areas and territories proposed by this paper.

The Interreg NEXT programmes use the policy objectives and specific objectives as set in the Cohesion policy legal framework mentioned above. However, for the purpose of these programmes the objectives have to be understood as to be implemented with the aim of benefitting the whole programmes' areas both in the European Union and in the neighbouring partners.

To take into account the specific nature of Interreg NEXT programmes and their co-ownership and partnership principles, it is proposed to refer to these objectives in the Interreg NEXT programming period as follows:

- Policy Objective (PO) 1 meaning “**A smarter** Europe *and its neighbourhood*”;
- Policy Objective (PO) 2 meaning “**A greener** low-carbon Europe *and its neighbourhood*”;
- Policy Objective (PO) 3 meaning “**A more connected** Europe *with its neighbourhood*”;
- Policy Objective (PO) 4 meaning “**A more social** Europe *and its neighbourhood*”;
- Policy Objective (PO) 5 meaning “Europe *and its neighbourhood* **closer to their citizens**”.

Interreg specific objectives (ISO):

- ISO 1 meaning “**A better cooperation governance** for Europe *and its neighbourhood*”;
- ISO 2 meaning “**A safer and more secure** Europe *and its neighbourhood*.”

³⁵ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Text with EEA relevance) (OJ L 198, 22.6.2020, p. 13).

³⁶ Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231, 30.6.2021, p. 60–93.).

PO 1 (“**A smarter Europe and its neighbourhood**”) should be achieved through innovation, digitisation, economic transformation and support to small and medium-sized businesses in both MS and partner countries.

Actions supporting this PO include enhancing research and innovation capacities and uptake of advanced technologies in countries participating in the Interreg NEXT programmes. Furthermore, the objective is to reap the benefits of digitisation for citizens, companies and governments in both EU and partner countries, enhancing growth and competitiveness of their SMEs or development of skills for smart specialisation, industrial transition (also towards a circular economy) and entrepreneurship.

PO 2 (“**A greener low-carbon Europe and its neighbourhood**”) should enhance greener, carbon-free Europe and partner countries. It should contribute to the implementation of the Paris Agreement and invest in energy transition, clean renewables and the fight against climate change.

In line with the European Green Deal, launched by the Commission in December 2019, cooperation actions supporting this PO should promote among others: energy efficiency, clean renewable energy, climate change adaptation, risk prevention and disaster resilience, sustainable water management and the transition towards a circular economy in both the Union and the partner countries. They can also contribute to the development of smart energy systems, grids and storage at local level. PO 2 aims as well at enhancing biodiversity, green and blue infrastructure and reducing pollution (air, water and soil) in the areas covered by the programmes.

In the context of the Interreg NEXT programmes, **PO 3** (“**A more connected Europe with its neighbourhood**”) promotes more connected EU border territories with the partner countries border territories through strategic sustainable transport and digital networks.

Actions supporting this PO should enhance digital connectivity³⁷. They should contribute to the development of a sustainable, climate resilient, intelligent, secure and intermodal regional and local cross-border mobility. Sustainable multimodal urban mobility across borders should also be strengthened. Projects within the Union should be located on the trans-European transport network (TEN-T).

PO 4 (“**A more social Europe and its neighbourhood**”) would support cooperation in the areas of quality employment, education, skills, social inclusion and access to healthcare in both the Union and the partner countries.

Where possible, under this policy objective, programmes can work on enhancing the effectiveness of cross-border labour markets (e.g. via the exchange of good practice) and improving access to quality employment across borders in both the Union and the partner countries. They should aim at improving access to and the quality of education, training and lifelong learning across borders with a view to increasing the educational attainment and skills levels. Enhancing timely access to quality, sustainable and affordable healthcare services across borders can also be supported, as well as improving accessibility, effectiveness and resilience of healthcare systems and long-term care services across borders.

³⁷ Synergies should be sought with the relevant EU instruments supporting digitalization.

Cooperation actions under this objective can also promote social inclusion and tackle poverty, including by enhancing equal opportunities and combating discrimination against minorities and women across borders.

Tourism and culture are particularly hit by the COVID-19 pandemic crisis. They can be supported either under one of the specific objectives of PO4, as part of integrated territorial strategy under PO5 or under other policy objectives, provided the support is in line with the aims of that PO.

PO 5 (“*Europe and its neighbourhood closer to their citizens*”) is a new policy objective that offers opportunities to regions, cities and local authorities to cooperate on specific issues identified by integrated territorial strategies. Contrarily to policy objectives 1-4 having a sectoral approach, this PO applies a territorial one. It is focused on a specific (smaller) territory within a programme with specific needs and potentials and aims to improve the situation by implementing an integrated territorial strategy through a series of related projects. PO 5 has to be implemented with a participatory angle, involving territorial authorities - and, if relevant, other levels of governance - stakeholders and citizens, in particular in the identification of the selection criteria and the selection of projects.

ISO 1 (“**A better cooperation governance** for *Europe and its neighbourhood*”) should address gaps in the cooperation governance in the border areas under any sector covered by POs 1- 4. It can also support development of territorial strategies under PO5. However, the governance aspect should be the main one when programming this objective.

Cross-border cooperation Interreg NEXT programmes can work on improving the institutional capacity of their public authorities, as well as on promoting legal and administrative cooperation and cooperation between citizens, civil society actors and institutions, to resolve legal and other obstacles in border regions. Support to people-to-people actions is specifically recommended, e.g. via the Small Projects Funds in order to build trust. Improving capacities of regional and local authorities to deliver quality public services to citizens in border regions and empowering local communities, as well through civil society participation, is particularly important. Under ISO1, transnational cooperation Interreg NEXT programmes are namely asked to enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies.

Interreg NEXT programmes may work on enhancing sustainable democracy and by supporting civil society actors and their role in reforming processes and democratic transitions. When programming these actions, it is recommended to take inspiration from global documents treating good governance, such as UN Sustainable Development Goals or the Council of Europe 12 recommendations on governance.

ISO 2 (“**A safer and more secure** *Europe and its neighbourhood*”) offers the possibility to build a strong partnership between the EU and partner countries to address, where relevant, the common challenges of security, also in relation to migration (implemented in particular by actions in the fields of border crossing management and accessibility and migration management). Under ISO 2, cooperation programmes could inter alia continue to support the upscaling and replication of infrastructures in border crossing points, integrate people with migrant background, foster cohesive and inclusive societies, promote better management of disaster risks especially in health.

Thematic concentration and priority themes

In order to address the socioeconomic recovery after the COVID-19 pandemic and enhance green transitions through cooperation, every Interreg programme (including Interreg NEXT) has to invest at least 60% of the EU funds allocated to it into the maximum of three POs, one of which has to be PO2.

Where an Interreg NEXT programme territory is covered by a macro-regional or sea-basin strategy, at least 80% of the EU funds allocated to such programme should contribute to the objectives of such strategy.

5.3. Expected results and performance indicators

The implementation of the Interreg NEXT programmes and other programmes involving non-EU partners will take place from the moment of their adoption and signing of the financing agreements, i.e. from 2022-2023 for most programmes and will end by 2030.

When these programmes end, they are expected to have helped redress regional imbalances in border areas, strengthened regional cooperation and discussions, contributed further to good neighbourly relations, and built trust and resilience in the regions, countries and territories they covered.

They should also have helped EU and partner countries in the COVID-19 socio-economic recovery and supported the green transition.

The Union's commitments to implement the Paris Agreement adopted under the United Nations Framework Convention on Climate Change and to achieve the United Nations' Sustainable Development Goals, and the Paris Climate Agreement are also applicable to the Interreg programmes, including the Interreg NEXT and other programmes involving neighbouring partners. The support of **Policy objective 2 “Greener Europe”** (to be understood as “Greener Europe and its neighbourhood” for Interreg NEXT) **is compulsory** within the 60% thematic concentration rule mentioned above.

The programmes covered by this document will therefore significantly contribute to mainstreaming of the climate actions and to the achievement of an overall target of 30 % of Union budget expenditure supporting climate objectives.

In addition, the programmes will further promote energy efficiency, clean renewable energy and the transition to a circular and resource-efficient economy. They will help reducing greenhouse gas emissions and air pollution, as well as enhancing protection and preservation of nature, biodiversity, and green infrastructure in the order areas of the EU and beyond.

For the COVID-19 recovery, the programmes will also contribute to a “more social and inclusive Europe” (including its neighbourhood). The programmes would achieve this objective namely by enhancing the effectiveness and inclusiveness of labour markets and access to quality employment, improving equal access to inclusive and quality services in education and training, ensuring better access to healthcare and fostering resilience of health systems, and by enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation.

The programmes will also encourage people-to-people contacts in border regions, thus building confidence and partnerships at regional and local level.

The preparation of the Interreg NEXT programmes is strongly impacted by the Russian aggression against Ukraine, which is on-going at the moment of the adoption of this strategy document. The outcome of the war and its impact on the adoption and strategic orientations of the Interreg NEXT cannot be predicted. It is possible that namely the programmes with Ukraine and the Republic of Moldova, considered of major importance for the support of the two partner countries, will have to be adapted. The future of cooperation with Russia and Belarus is also unclear³⁸.

Furthermore to operating in sensitive political environment the programme partners need to adapt to the new, cohesion policy rules, standards and procedures for both programming and implementation process.

The **number of 2021-2027 Interreg NEXT programmes³⁹ that have been adopted and started their implementation** will be used as a process-oriented indicator in the multi-annual strategy. The target date to meet this indicator will be **end 2025** considering the time needed to adopt the programmes, set up management and control structures, negotiate and sign financing agreements, launch calls, etc.

In line with Article 44 of the Common Provision Regulation, meeting the objectives and achieving the intended results will also be integrated into the evaluation of the programmes.

5.3.1. Performance framework for Interreg NEXT (and other Interreg) programmes

For **performance orientation** and **monitoring**, a performance framework will be drawn up for each programme covering all output and result indicators with corresponding milestones and targets. This will enable programme performance to be monitored, reported on and evaluated.

The list of common output and common result indicators, including those specific to Interreg programmes are included in annex I of the European Regional Development Fund and Cohesion Fund Regulation. These indicators are specific to each PO, but also to the underlying Specific Objectives under each PO and under ISOs.

Programme performance will be assessed taking into account, among other elements, the progress in achieving the milestones fixed for 2024 for output indicators, and the targets for all indicators defined for 2029. The examination of the achievement of the milestones set by programme for all output indicators forms part of the mid-term review (see Article 18 of the CPR).

The performance framework will therefore provide, when each Interreg NEXT programme is adopted, a very detailed and clear picture about the expected results and targets to be reached by the end of the implementation.

³⁸ The “suspension” status of the cooperation with Russia and Belarus can be changed depending on the developments related to the Russian aggression against Ukraine and in the case of Belarus on the assessment of the domestic situation in Belarus. This will require a mandate from the (European) Council.

³⁹ The reference is the 17 Interreg NEXT programmes proposed in Section 5.3. The performance assessed in 2025 will take into account the suspension of cooperation with Russia and Belarus in 2022.

As for the monitoring, every Interreg NEXT programme will set up its own monitoring committee composed of all participating countries/territories, respecting the rules on the programme partnership set by the Common Provisions Regulation. These committees will monitor the progress in programme implementation and in achieving the milestones and targets of the Interreg programme, which will be reported (four times per year for financial data, two times per year for data on achievements), to the Commission and made available to the large public through a dedicated Commission website portal⁴⁰ and the website of the programme.

The *Commission Staff Working Document on the performance, monitoring and evaluation of the ERDF, CF and JTF in 2021-2027*⁴¹ explains the practicalities and specific arrangements linked to monitoring and evaluation that are valid also for Interreg NEXT programmes.

5.4. Geography and indicative list of the 2021-2027 programmes under this document

The Interreg NEXT programme areas for cross-border cooperation are identified as regions and areas at the border or separated by a maximum of 150 km of sea where cross-border interaction may effectively take place or in which functional areas can be identified. The Interreg NEXT programme areas should be able to ensure the coherence and continuity of cooperation programme areas established for the 2014-2020 programming period.

Transnational Interreg NEXT cooperation should cover larger territories on the mainland of the Union and around sea-basins with maximum flexibility to ensure the coherence and continuity of cooperation programmes, including previous external maritime cross-border cooperation within a larger maritime cooperation framework.

The EU proposed to keep the architecture of the 2014-2020 ENI CBC programmes based on the:

- analysis of the thematic and functional areas and the assessment of advantages and disadvantages of different geographical scenarios in full respect of the overall political framework which guides the relations between the EU and the neighbouring partners;
- overall outcomes of the consultation with the MS and partners;
- need to safeguard the specific character, ownership, dynamics and political dimension of the cooperation on EU external borders;
- need to start the Interreg NEXT programmes on time and build on existing implementation structures established for 2014-2020.

However, based on the follow-up discussions with the relevant partners, the trilateral programme Latvia-Lithuania-Belarus will be split into two bilateral programmes with

⁴⁰ Open Data Platform <https://cohesiondata.ec.europa.eu/>

⁴¹ https://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/performance2127/performance2127_swf.pdf

Belarus⁴². The Mid-Atlantic programme for cooperation between Spain, Portugal and Morocco is also envisaged and will be developed by the participating countries. In this regard, Spain has proposed a substantial ERDF allocation to the future programme.

Taking into consideration the discussions between the relevant stakeholders concerning preparation of the Interreg NEXT programmes and the possible reduction of the available resources for the programmes (especially the ERDF component) it is recommended to limit the programme areas to the core territories lying directly at the borders. In order not to hamper existing partnerships between institutions and potential beneficiaries of the future programmes coming from hinterland (currently “adjoining”) areas, inclusion of these areas in the future programmes could nonetheless be justified to ensure continuity and coherence of cooperation.

The indicative list of the Interreg NEXT programmes 2021-2027 includes⁴³:

Cross Border Cooperation Programmes on land borders and sea crossing	
(1)	Kolarctic (cooperation with Russia suspended)
(2)	Karelia (suspended)
(3)	South-East Finland / Russia (suspended)
(4)	Estonia/Russia (suspended)
(5)	Latvia/Russia (suspended)
(6)	Lithuania/Russia (suspended)
(7)	Poland/Russia (suspended)
(8)	Latvia/Belarus (suspended)
(9)	Lithuania/Belarus (suspended)
(10)	Poland/ Belarus/Ukraine (cooperation with Belarus suspended)
(11)	Hungary/Slovakia/Romania/Ukraine
(12)	Romania / Republic of Moldova
(13)	Romania/Ukraine
(14)	Italy/Tunisia
Transnational programmes, including sea basins	
(1)	Black Sea Basin ⁴⁴

⁴² Currently suspended.

⁴³ Following the Russian military aggression against Ukraine, with the complicity of Belarus, the participation of Russia and Belarus in the programming of Interreg NEXT has been suspended.

(2)	Mediterranean Sea Basin ⁴⁵
(3)	Mid-Atlantic

In addition to the Interreg NEXT programmes above, this paper covers the (internal) Danube Transnational Programmes (with the participation of Ukraine and Moldova).

The Interreg Regulation also allows neighbouring partners to participate in the interregional cooperation programmes referred to in Section 2.1.2. Their participation is based on mutual interest confirmed by the programme partnership and the neighbouring partners in question.

5.5. Consultation with stakeholders

The Interreg NEXT multiannual strategy has been developed on the basis of the Joint Paper, consulted with the programmes' key stakeholders through meetings and bilateral contacts. In order to gather the key stakeholders' preliminary views both within the EU and from the partner countries, TESIM launched a written consultation and summarised the results. Consultation with MS and partner countries on the Joint Paper took place at the ENI CBC annual conference from 28 to 29 January 2020. Discussions with individual MS and partner countries took place during the joint programming meetings.

In addition, a substantial dialogue with both MS and the European Parliament took place while negotiating the NDICI-GE and especially the Interreg Regulations, which includes a considerable amount of detail on Interreg external border cooperation. Related discussions on funding aspects and allocation mechanisms also take place in the process of MFF discussions.

Preparation of the Interreg NEXT programmes involves relevant partners representing public authorities, economic and social partners, and bodies representing civil society in accordance with the European code of conduct on partnership in the framework of the European Structural and Investment Funds⁴⁶.

6. PROGRAMMING FOR 2021-2027

Programming for the individual Interreg NEXT programmes builds on the key elements established in the legal and policy frameworks of both the ENP and the Cohesion policy.

⁴⁴ Following the Russian military aggression against Ukraine, the participation of Russia in the Interreg NEXT Black Sea Basin has been suspended.

⁴⁵ In accordance with the EU policy, the CBC programme does not apply to the territories occupied by Israel since June 1967. Thus, in accordance with the Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJ C 205/9 of 19.7.2013) only Israeli entities having their place of establishment within Israel's pre-1967 borders are considered eligible for EU funding. In addition, activities of Israeli entities funded by the EU must not be carried out in the territories occupied by Israel since June 1967.

⁴⁶ Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds

As foreseen by the Cohesion policy programming, it is important that this is in particular evidenced-based. At the same time, the unique added value of CBC with neighbouring partners needs to be considered at all stages of the programming. Political strategic framework and guidance as well as consultation with MS, programme authorities, partner countries are essential aspects of the process.

Partnership principle

The principle of partnership is a key feature of the whole programme cycle (including preparation, implementation and participation in monitoring committees). It builds on the multilevel governance approach and ensures that economic, social and environmental partners, including NGOs, are involved. Examples of good practice include involving different stakeholders in all programming steps, including evaluation. Technical assistance can help ensure that public, economic, civil society and environmental stakeholders are involved.

Functional areas

According to different sectors, a cooperation programme may cover several overlapping functional areas⁴⁷. For some topics, solutions to the jointly identified challenges in the border areas can only be found if partners outside the programme area are involved.

To address the issues through a functional area offers some flexibility in planning and implementation and linkages with other projects can be easily established. The Monitoring Committee will have the competence to accept projects implemented partially outside the eligible area and-or with beneficiaries coming from outside of the area, if such project will bring benefit for the cross-border/sea-basin region covered by the programme.

6.1. Key actors

Programme partners from the eligible areas develop the Interreg NEXT programmes for the post-2020 period. A strategic approach to the programme logic and intervention based on the needs of the involved territories should be applied. Programme partners specify the target groups and eligible beneficiaries, in order to ensure suitable participants are involved in the programme.

There are no specific rules for the programmes' target groups. However, interests and capacities of local and regional authorities and civil society should be taken into account when setting the programme's strategies. Involving national authorities will be necessary throughout the programme's preparation and implementation.

The institutional capacity of local and regional authorities will also play a central role in particular in relation to the efficient management of the programmes and their sustainability. Both in the Eastern and the Southern Neighbourhood, questions of local government reform are of particular importance, and are also part of joint bilateral policy priorities (as included in the Partnership Priorities, Association Agendas and other equivalent jointly agreed strategic documents).

⁴⁷ Functional areas are not defined by the administrative borders, but by people's needs. They can be at pan-European, urban, cross-border or macro-regional level and aim to provide the framework for action to ensure service provision, economic development, mobility, etc.

6.2. Programmes preparation

The programming includes steps such as defining the programme area, analysis of the needs and challenges of the area to draw up the programme's strategy (i.e. policy objectives, specific objectives and types of actions), agreement on the implementing provisions and others. The strategic choices should reflect the specific needs for cooperation and investments of each programme.

In order to ensure synergies, cooperation programmes covering territories of macro-regional or sea-basin strategies should closely work with stakeholders and implementors of those strategies.

The programme partners prepare the cooperation programme, which, in line with the requirements of the Article 16(5) of the Interreg Regulation, has to be agreed in writing by all participating countries. When agreement on a programme proposal is reached following negotiations between the Commission and the programme partners, in line with Article 18 of the Interreg Regulation, the programme is adopted as a Commission decision.

The managing authorities are responsible for implementing the programme, with the support of the national authorities and programme partners. The participating countries need to set up sound management and control and monitoring systems, as laid down in the Common Provisions Regulation and Interreg Regulation.

6.3. Rules and procedures

The *complexity* of the previous rules has been repeatedly reported as the recurring, most important factor hindering the smooth implementation of cooperation (both through European Territorial Cooperation and ENI CBC programmes). **Simplifying** and harmonising the Interreg framework is therefore **a key objective** of the Interreg Regulation. 80 simplifying measures have been introduced in the new legal rules, including e.g. absence of procedures for the designation of authorities or for approval of the LIPs, reduction of reporting obligations, obligatory usage of simplified costs options under certain thresholds etc.

6.4. Programme governance

All Interreg NEXT programmes will be implemented under shared management in line with the Common Provisions Regulation and the Interreg Regulation.

Under shared management, the managing authorities will be responsible for implementing the cooperation programmes, with the support of the national authorities and programme partners. The participating countries will need to set up sound management and monitoring systems.

Among others, the programme governance structures will include:

- **managing authority** hosted by an EU Member State and assisted by the national authorities in the participating countries of the Interreg NEXT programme;
- **monitoring committee** with representatives of the participating countries, the respective border areas and partners relevant to the programme's objectives;

- **audit authority** hosted by an EU Member State and, if needed, assisted by the group of auditors from the participating countries of the Interreg NEXT programme;
- **joint secretariat** assisting the managing authority and the monitoring committee in carrying out their functions and duties, providing information to potential beneficiaries and assisting the project partners in the implementation.

Project selection takes place in the monitoring committees or in steering committees in full respect of the partnership principle. The selection process has to be genuinely joint, based uniquely on the quality of the applications, with no pre-selection or limitations imposed at the national level. Selection criteria must be clear, non-discriminatory and transparent and enable the assessment of whether projects correspond to the strategy of the programme. They are to be consulted with the Commission and clearly communicated to applicants. Clear distinction between expert evaluators (if appropriate) and Monitoring Committee roles in project selection needs to be defined and described in the rules of procedure.

After the Commission adopts the programmes, it will be necessary to negotiate **financing agreements** with non-EU participating countries so that the programmes can be implemented in all countries.

Interreg NEXT programmes will benefit from an additional technical assistance tool which will provide specific tailor-made support during the implementation and management phase and facilitate the exchange of good practice and transfer of experience.

6.5. Visibility and communication

The name “Interreg” is introduced for all programmes under the Interreg Regulation, and Article 8 and Article 17(4) refer to “NEXT” in relation to external cross-border cooperation supported by NDICI-GE. “NEXT” highlights the Interreg external dimension, but it should also be understood as promoting proximity between neighbours and including forward-looking elements.

The branding requirements

The EU branding for all Interreg programmes, including for external ones, is regulated in the CPR. The provisions of Article 36(4) of the Interreg Regulation and Article 47 and Annex IX of the CPR stipulate that the EU emblem together with the ‘funding’ or ‘co-funding statement’ should appear on all communication materials and the term ‘Interreg’ shall be used next to the emblem of the Union.

The EU Interreg NEXT branding is formalised within the Interreg Brand Design Manual 2021-2027. It should therefore be incorporated in all documents and promotional materials, where the EU is providing funding (programme, project, and beneficiary level).

Member States and partner countries are welcome to promote their co-funding contributions on the communication materials, keeping the requirements of the CPR (Annex IX).

7. FINANCIAL ALLOCATIONS UNDER THE EU REGULATIONS

In 2021-2027, the Interreg NEXT programmes at the EU external borders with neighbourhood partners will receive funding from NDICI-GE and ERDF. They can also be financially supported through the IPA instrument when covering cooperation with Enlargement countries.

The two sources of funding (ERDF and NDICI-GE) are presented together under one budget line of the EU annual budgets (with two sub-lines corresponding to the NDICI-GE and ERDF contributions). Both sources of funding will contribute to each of the Interreg NEXT programmes, and both sources of funding may be used on either side of the EU external border, for actions of common benefit.

ERDF allocations available for cross-border and transnational cooperation per MS have been communicated to MS in accordance with the provisions of Article 9 of the Interreg Regulation. Each MS could decide to transfer up to 15% of ERDF between cross-border and transnational cooperation.

The final ERDF envelope for all land and maritime cross-border cooperation programmes under Interreg is EUR 6.1 billion. For transnational cooperation the overall envelope is EUR 1.9 billion. This envelope is distributed among MS applying the methodology provided for in the CPR, broken down by year.

In line with the NDICI-GE Regulation, the maximum indicative funding to be allocated from the Neighbourhood envelope of the instrument to Interreg NEXT programmes for the period 2021-27 stands at 5% (Art. 22(2) of the NDICI-GE Regulation).

In line with Article 10 of the Interreg Regulation, for the Interreg NEXT **cross-border** cooperation programmes (“strand A”) support from the ERDF will be granted to the individual programmes provided that **at least equivalent amounts are provided by NDICI-GE**, subject to the maximum amount set out in the NDICI-GE Regulation as referred to above. The EU funds supporting each Interreg NEXT cross-border cooperation programme will be referred to as **NDICI-CBC**.

For the Interreg NEXT and Interreg **transnational** cooperation programmes, contributions from NDICI-GE and/or IPA III should ensure continuity of the ongoing ENI CBC programmes. The extension of the number of countries participating to the Interreg NEXT Black Sea Basin and the Interreg NEXT Mediterranean Sea will be taken into account.

As per Article 10(2) of the Interreg Regulation the contributions of NDICI-GE and IPA III to Interreg transnational programmes may also be set in this multiannual strategy document.

Given that:

- the Member States expressed a clear commitment for the cooperation programmes on EU external borders with neighbouring partner countries by providing, overall, more ERDF funds to these programmes than in the 2014-2020 period, despite the general reduction of the ERDF envelope for the European Territorial Cooperation;
- the number of programmes proposed has increased from 15 to 17;

- the number of partners participating in the programmes is foreseen to increase for the sea-basin programmes (Algeria in the Interreg NEXT MED);
- the eligible territories of some partner countries were enlarged to take into account the coherence of cooperation and preferences expressed by the partner countries;
- the demand of EU funds in the submitted applications for projects namely in the ENI CBC sea-basin programmes is ten times higher than the available funding;
- NDICI-GE funds should also be used for a meaningful and fully-fledged participation of the Neighbourhood partners in the Interreg transnational cooperation programmes such as the Danube programme or the Baltic Sea Region programme;

it is foreseen that the amount of NDICI-GE covering the participation of the partners in 2021-2027 in the Interreg NEXT and the internal Interreg programmes and the technical assistance is of **EUR 624.25 million**⁴⁸.

The total amount from the ERDF to the future Interreg NEXT and the relevant internal Interreg programmes with participating neighbouring partners is foreseen to be **EUR 929 million**⁴⁹.

In addition, **EUR 49 million** of IPA⁵⁰ funds will be allocated to cover expenditure in IPA countries.

On the basis of the MS information on the ERDF allocations per each Interreg programme (including the Interreg NEXT and the relevant Interreg transnational programmes) and the matching of NDICI-GE and IPA III funds the Commission has adopted an Implementing act⁵¹ with the full list of Interreg, including Interreg NEXT cross-border and transnational programmes, and their allocations per programme. The total budget per programme including all sources of funding without any distinction will be set out in detail in the Cooperation Programmes. Participating non-EU countries may also decide to transfer resources to a programme.

In addition to the funding for the operations supported under the programmes, it is foreseen to finance the technical assistance supporting the Interreg NEXT programmes implementation at a maximum level of 10% of the EU Funds per programme. Additional technical assistance will be needed to provide specific tailor-made support to the implementation of Interreg NEXT programmes to cope with the transfer to the Cohesion

⁴⁸ In current prices. The 2022 tranche of the NDICI-GE allocation for Russia and Belarus is proposed to be re-allocated to support the emerging needs and strengthen the cooperation programmes with Ukraine and the Republic of Moldova.

⁴⁹ The ERDF amount includes the proposed allocation for Interreg NEXT programmes, Interreg Baltic Sea Region programme and Interreg Danube programme.

⁵⁰ The IPA amount includes the proposed allocation for Interreg NEXT programmes and Interreg Danube programme.

⁵¹ Commission Implementing Decision (EU) 2022/74 of 17 January 2022 setting out the list of Interreg programmes and indicating the global amount of the total support from the European Regional Development Fund and from each external financing instrument of the Union for each programme and the list of the amounts transferred between strands under the European territorial cooperation goal for the period 2021 to 2027 (notified under document C(2022) 131)

policy standards and requirements until their closure, as well as to provide targeted, extraordinary assistance to Ukraine in the light of the Russia invasion and new, emerging needs and priorities⁵². This will include actions aimed at facilitating the exchange of experience and best practices among the programme partners and building up the capacity of partner countries in particular with a view to helping enhance the preparation, implementation and management of ongoing and future programmes.

⁵² Currently represented by the TESIM project.