Specific provisions for European territorial cooperation goal (Interreg) supported by European Regional Development Fund (ERDF) and external financing instruments 2021–2027

2018/0199(COD) - 18/12/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Regional Development adopted the report by Pascal ARIMONT (EPP, BE) on the proposal for a regulation of the European Parliament and of the Council on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments.

The Committee on Foreign Affairs and the Committee on Development, exercising their prerogatives as associated committees in accordance with Rule 54 of the Rules of Procedure, also gave their opinions on the report.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows.

Subject matter

This Regulation lays down rules for the European territorial cooperation goal (Interreg) with a view to fostering cooperation between Member States and their regions inside the Union and between Member States, their regions and third countries, partner countries, other territories or overseas countries and territories ('OCTs'), or regional integration and cooperation organisations, or group of third countries forming part of a regional organisation, respectively.

Under the European Territorial Cooperation Objective (Interreg), support would be provided by the ERDF and, where appropriate, by the Union's external financing instruments for the following four components: (1) cross-border cooperation between adjacent regions; (2) transnational cooperation and maritime cooperation; (3) cooperation involving the outermost regions and (4) interregional cooperation.

Members deleted the proposal to introduce a new strand 5 (‘interregional innovation investments’).

The transnational cooperation and maritime cooperation component should aim to strengthen cooperation by means of actions conducive to integrated territorial development linked to the Union's cohesion policy priorities, in full respect of subsidiarity.

Resources and co-financing rates

Members proposed that the resources allocated to the European Territorial Cooperation Objective (Interreg) amount to **EUR 11 165 910 000 at 2018 prices** from the total resources available for ERDF, ESF+ and Cohesion Fund budget commitments for the 2021-2027 programming period.

An amount of **EUR 10 195 910 000** (91.31 %) of these resources should be allocated as follows:

- EUR 7 500 000 000 000 (67.16 %) for cross-border cooperation (strand 1);

- EUR 1 973 600 880 (17.68 %) for transnational cooperation (strand 2);

- EUR 357 309 120 (3.2 %) for cooperation involving the outermost regions (strand 3);

- EUR 365 000 000 000 (3.27 %) for interregional cooperation (strand 4).

An amount of EUR 970 000 000 000 (8.69 %) of the resources would be allocated to a **new initiative on interregional innovation investments.**

Members proposed to increase the co-financing rate from 70% to **80%**.

Thematic concentration

Under the amended text:

- up to 15% of ERDF allocations of the external financing instruments of the Union allocations under priorities other than for technical assistance to each Interreg programme under components 1, 2 and 3, up to15 % shall be allocated on the Interreg-specific objective of 'a better Interreg governance' and up to **10 %** may be allocated on the Interregspecific objective of 'a safer and more secure Europe';

- where a component 1 or 2 Interreg programme supports a macro-regional strategy or a sea-basin strategy, at least **80 %** the ERDF and, where applicable, part of the external financing instruments of the Union allocations under priorities other than for technical assistance shall contribute to the objectives of that strategy.

Small Project Fund

Members proposed that the total contribution from the ERDF or, where applicable, from an external EU funding instrument to one or more funds for small projects under an Interreg programme should not exceed 20% of the total allocation for the Interreg programme and should amount, under an Interreg cross-border cooperation programme, to at least 3% of the total envelope.

Technical assistance

The percentage of ERDF and EU external financing instruments to be reimbursed under technical assistance would be as follows:

- for Interreg internal cross-border cooperation programmes supported by the ERDF: 7%;

- for Interreg programmes under components 2, 3 and 4, both for the ERDF and, where applicable, for the Union's external financing instruments: 8 %.

Payments and pre-financing

Members considered that the rules on pre-financing should take due account of the specificities of European territorial cooperation, which is why they have provided for greater pre-financing, particularly at the beginning of the financing period.

State aid

Members stressed that in the light of experience gained, aid for European Territorial Cooperation projects should only have limited effects on competition and trade between Member States, and thus the Commission should be able to declare that such aid is compatible with the internal market and that financing provided in support of ETC projects is able to be block-exempted.