Basic information

2018/0199(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Specific provisions for European territorial cooperation goal (Interreg) supported by European Regional Development Fund (ERDF) and external financing instruments 2021–2027 **Subject** 3.20.15.06 Maritime or inland transport agreements and cooperation 4.70.05 Regional cooperation, cross-border cooperation 4.70.06 Outlying and outermost regions, overseas countries and territories 4.70.07 European Regional Development Fund (ERDF) 6.30.02 Financial and technical cooperation and assistance 6.40.04.02 Relations with Russian Federation 6.40.15 European neighbourhood policy 8.20.04 Pre-accession and partnership	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Development	ARIMONT Pascal (EPP)	03/09/2019
	Shadow rapporteur MARQUES Pedro (S&D) BIJOUX Stéphane (Renew) ROPĖ Bronis (Greens/EFA) KRUK Elżbieta (ECR) CONTE Rosanna (ID) KIZILYÜREK Niyazi (GUE/NGL)	

Former committee responsible	Former rapporteur	Appointed
REGI Regional Development	ARIMONT Pascal (PPE)	20/06/2018

Former committee for opinion	Former rapporteur for opinion	Appointed
AFET Foreign Affairs (Associated committee)	CASTALDO Fabio Massimo (EFDD)	10/07/2018

DEVE	Development (Associated committee)	THEOCHAROUS Eleni (ECR)	10/08/2018
BUDG	Budgets	The committee decided not to give an opinion.	
CONT	Budgetary Control	KOHN Arndt (S&D)	10/07/2018
EMPL	Employment and Social Affairs	The committee decided not to give an opinion.	
ENVI	Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
ITRE	Industry, Research and Energy	The committee decided not to give an opinion.	
TRAN	Transport and Tourism	The committee decided not to give an opinion.	
PECH	Fisheries	The committee decided not to give an opinion.	
CULT	Culture and Education	MIZZI Marlene (S&D)	03/07/2018

Council of the European Union

European Commission

Commission DG	Commissioner
Regional and Urban Policy	CREȚU Corina

European Economic and Social Committee

European Committee of the Regions

Key events

Date	Event	Reference	Summary
29/05/2018	Legislative proposal published	COM(2018)0374	Summary
11/06/2018	Committee referral announced in Parliament, 1st reading		
05/07/2018	Referral to associated committees announced in Parliament		

03/12/2018	Vote in committee, 1st reading		
18/12/2018	Committee report tabled for plenary, 1st reading	A8-0470/2018	Summary
15/01/2019	Debate in Parliament		
16/01/2019	Decision by Parliament, 1st reading	T8-0021/2019	Summary
16/01/2019	Results of vote in Parliament		
16/01/2019	Matter referred back to the committee responsible for interinstitutional negotiations		
26/03/2019	Decision by Parliament, 1st reading	T8-0238/2019	Summary
26/03/2019	Results of vote in Parliament		
02/10/2019	Committee decision to open interinstitutional negotiations after 1st reading in Parliament		
09/10/2019	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 73)		
18/12/2020	Approval in committee of the text agreed at early 2nd reading interinstitutional negotiations	PE663.009 PE689.787	
01/06/2021	Council position published	05488/1/2021	
07/06/2021	Committee referral announced in Parliament, 2nd reading		
15/06/2021	Vote in committee, 2nd reading		
18/06/2021	Committee recommendation tabled for plenary, 2nd reading	A9-0205/2021	
23/06/2021	Decision by Parliament, 2nd reading	T9-0300/2021	Summary
23/06/2021	Debate in Parliament		
24/06/2021	Final act signed		
30/06/2021	Final act published in Official Journal		

Technical information

Procedure reference	2018/0199(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Rules of Procedure EP 61 Treaty on the Functioning of the European Union TFEU 349-p1sub1-as1 Treaty on the Functioning of the European Union TFEU 209-p1 Treaty on the Functioning of the European Union TFEU 178-p1 Treaty on the Functioning of the European Union TFEU 212
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	REGI/9/01377

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.663	26/07/2018	
Amendments tabled in committee		PE628.537	03/10/2018	
Amendments tabled in committee		PE628.538	03/10/2018	
Committee opinion	CULT	PE625.467	16/10/2018	
Committee opinion	CONT	PE627.880	21/11/2018	
Committee opinion	DEVE	PE628.552	22/11/2018	
Committee opinion	AFET	PE627.593	06/12/2018	
Committee report tabled for plenary, 1st reading/single reading		A8-0470/2018	18/12/2018	Summary
Text adopted by Parliament, partial vote at 1st reading /single reading		T8-0021/2019	16/01/2019	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0238/2019	26/03/2019	Summary
Text agreed during interinstitutional negotiations		PE663.009	02/12/2020	
Committee letter confirming interinstitutional agreement		PE689.787	20/01/2021	
Committee draft report		PE693.556	04/06/2021	
Committee recommendation tabled for plenary, 2nd reading		A9-0205/2021	18/06/2021	
Text adopted by Parliament, 2nd reading		T9-0300/2021	23/06/2021	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position	05488/1/2021	01/06/2021	
Draft final act	00049/2021/LEX	24/06/2021	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2018)0374	29/05/2018	Summary
Document attached to the procedure	SWD(2018)0282	29/05/2018	
Document attached to the procedure	SWD(2018)0283	29/05/2018	
Commission response to text adopted in plenary	SP(2019)437	30/07/2019	
Commission communication on Council's position	COM(2021)0289	01/06/2021	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2018)0374	18/07/2018	
Contribution	DE_BUNDESRAT	COM(2018)0374	25/09/2018	
Contribution	CZ_SENATE	COM(2018)0374	25/10/2018	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES2789/2018	19/09/2018	
CofR	Committee of the Regions: opinion	CDR3595/2018	05/12/2018	

Additional information

Source	Document	Date
EP Research Service	Briefing	
European Commission	EUR-Lex	

Final act

Regulation 2021/1059
OJ L 231 30.06.2021, p. 0094

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

2018/0199(COD) - 16/01/2019 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 570 votes to 80, with 25 abstentions, amendments to 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 matter was referred back to the competent committee for interinstitutional negotiations.

The main amendments adopted in plenary concern the following issues:

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** which should be used to support thematic platforms for smart specialisation in areas such as energy, industrial modernisation, circular economy, social innovation, environment or agri-food and to help bring together actors in smart specialisation strategies.

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 to 15% 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 clarified the rules governing funds for small-scale projects, which are an important and successful instrument for eliminating border and cross-border obstacles. They 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.

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.

Indicators

The proposal introduces specific Interreg indicators to measure the results and European added value of cooperation programmes. However, Members considered that it might be necessary to adapt the indicators, or to leave more room for manoeuvre in the programmes to define the system of indicators during the discussions.

Simplification

Provisions on the preparation, approval and amendment of Interreg programmes as well as on territorial development, on the selection of operations, on monitoring and evaluation, on the programme authorities, on audit of operations, and on transparency and communication should be adapted to the specificities of Interreg programmes and should be kept simple and clear in order to avoid gold-plating and additional administrative burdens for Member States and beneficiaries.

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

2018/0199(COD) - 23/06/2021 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a legislative resolution approving the Council position at first reading with a view to the adoption of 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 proposed regulation is part of the legislative package on cohesion policy for the period 2021-2027. It lays down specific provisions relating to the ‘European territorial cooperation’ objective (Interreg) supported by the European Regional Development Fund (ERDF) and the external financing instruments where one or more Member States and their regions, as well as one or more Member States and third countries and their regions, cooperate across borders.

Support objectives

As regards support from the **Union's external financing instruments** (Instrument for Pre-Accession Assistance (IPA III) and the Instrument for Neighbourhood, Development and International Cooperation (NDICI) to Interreg programmes, the Regulation sets out additional specific objectives and rules for the integration of these funds into Interreg programmes. It also provides for the possibility for OCTs to participate in Interreg programmes.

As regards support from **Interreg funds** (the ERDF and the Union's external financing instruments) for Interreg programmes, the regulation defines the specific objectives of Interreg, the eligibility criteria for Member States, third countries, partner countries, OCTs and their regions, the financial resources and the criteria for their distribution

Interreg strands

Four Interreg strands will be supported: (1) cross-border cooperation, (2) transnational cooperation, (3) interregional cooperation and (4) cooperation involving the outermost regions. For cross-border cooperation, regions should in principle be located along land or sea borders separated by up to 150 km of sea.

The geographical coverage is defined in detail for each strand. The Regulation empowers the Commission to adopt implementing acts establishing the list of areas covered by the Interreg programme to be supported.

Interreg specific objectives and thematic concentration

In addition to the specific objectives of the ERDF, under Interreg programmes, the ERDF and, where appropriate, the Union's external financing instruments may also support the specific Interreg objectives ‘better cooperation governance’ and ‘a safer and more secure Europe’.

At least 60 % of resources allocated for cross-border, transnational and outermost regions’ cooperation should go to a maximum of three policy objectives, one of which has to be ‘a greener, low-carbon Europe’.

Resources and co-financing rates

The ERDF resources allocated to Interreg amount to **EUR 8 050 000 000** at 2018 prices out of the total resources available for budgetary commitments from the ERDF, ESF+ and the Cohesion Fund for the programming period 2021-2027.

The resources are allocated as follows:

- 72.2% (i.e. a total of EUR 5 812 790 000) for land and maritime cross-border cooperation;

- 18.2% (i.e. a total of EUR 1 466 000 000) for transnational cooperation;

- 6.1% (i.e. a total of EUR 490 000 000) for interregional cooperation;

- 3.5% (i.e. a total of EUR 281 210 000) for cooperation involving the outermost regions.

The co-financing rate for each Interreg programme is up to 80 %, but it can reach up to 85% for outermost regions' cooperation.

Small project funds

The Council position ensures that small projects can be successfully implemented by simplifying the arrangements for their implementation and by incorporating clear rules on their governance. It also includes a flexible support package for technical assistance, tailored to the needs of each type of programme.

To ensure a consistent monitoring of performance, the agreement adapts the CPR rules to Interreg programmes and refines the common set of output indicators, while adding a common set of results indicators.

Specific rules for indirect management

The proposed Regulation provides for the possibility that Interreg programmes under cooperation with the outermost regions may be implemented under indirect management. Specific rules are set out on how to implement these programmes in whole or in part under indirect management.

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

2018/0199(COD) - 29/05/2018 - Legislative proposal

PURPOSE: to lay down the specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments for the period 2021-2017.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: in order to simplify the legislative structure and ensure clarity of the applicable provisions in the field of cohesion, the common provisions regulation (CPR) lays down common rules and specific rules for the Funds. So goes for the Regulation covering both the ERDF and the Cohesion Fund intervening under 'Investment for jobs and growth' and, for the ERDF, under the 'European territorial cooperation' goal (Interreg).

As part of a major simplification effort, the Commission now proposes to adopt **specific provisions in relation to the European territorial cooperation goal (Interreg)** where one or more Member States cooperate across borders with regard to effective programming.

The Instrument for Pre-Accession Assistance (IPA) actively promotes territorial cooperation. The added value is obvious: actions for reconciliation and confidence-building in the Western Balkans, actions to overcome geographical and psychological obstacles and to establish good neighbourly relations.

The 13 ENPI (**European Neighbourhood and Partnership Instrument**) CBC programmes implemented during the 2007-2013 period covered nine EU land borders, three sea basins and one sea crossing. The programmes involved 34 countries, 19 EU Member States and 12 of the 16 neighbourhood partner countries plus Norway, Russia and Turkey
CONTENT: the proposed Regulation lays down **rules for the European territorial cooperation goal (Interreg)** with a view to fostering cooperation between Member States inside the Union and between Member States and adjacent third countries, partner countries, other territories or overseas countries and territories (OCTs) respectively.

- With regard to support from the Instrument for Pre-Accession Assistance (**IPA III**), the Neighbourhood, Development and International Cooperation Instrument (NDICI) and the funding for all the OCTs for the period 2021 to 2027, the proposal defines additional specific objectives as well as the **integration of those funds into Interreg programmes**, the criteria for third countries, partner countries and OCTs and their regions to be eligible and certain specific implementation rules.
- With regard to **support from the ERDF and the external financing instruments** of the Union (the Interreg funds) to Interreg programmes, this proposed Regulation defines the Interreg-specific objectives as well as the organisation, the criteria for Member States, third countries, partner countries and OCTs and their regions to be eligible, the financial resources, and the criteria for their allocation.

European territorial cooperation (Interreg) objective strands: support shall be provided by the ERDF and, where appropriate, by the Union's external financing instruments for the following **five components**: (i) cross-border; (ii) transnational and maritime; (iii) outermost regions; (iv) interregional cooperation and; (v) the new interregional innovation investments.

Geographical coverage: the cross-border cooperation component shall focus on NUTS level 3 regions of the Union along **all internal and external land borders** with third countries or partner countries, while cross-border cooperation along maritime borders shall be integrated into the broader 'transnational and maritime cooperation' component.

The Commission stresses that access to public services such as hospitals and universities is generally more difficult in border regions. Moreover, navigating between different administrative and legal systems is still often complex and costly. The proposal therefore aims to help cross-border cooperation programmes to focus on institutional cooperation, solving border problems and investment in **common services of public interest**.

Transnational cooperation shall cover larger territories on the mainland of the Union, whereas maritime cooperation shall cover territories around sea-basins and integrate cross-border cooperation on maritime borders during the programming period 2014-2020.

A specific outermost regions' component shall be established in order to enable outermost regions to cooperate with their neighbouring countries and territories in the most effective and simple way.

The list of Interreg programmes to receive financial support shall be set out in an implementing act adopted by the European Commission.

Specific objectives: taking into account the special features of Interreg, two Interreg-specific objectives are set out: (i) 'better Interreg governance'; and (ii) 'a safer and more secure Europe', The proposed Regulation also sets out specific percentages for thematic concentration.

Programming, monitoring, eligibility: the proposal: (i) clarifies the rules governing funds for small projects that offer real added value and play an important role in building trust between citizens and institutions; (ii) ensures consistent monitoring of performance by refining the common set of

performance indicators; (iii) establishes a clear hierarchy between the EU eligibility rules, the specific rules for Interreg programmes and, finally, the national eligibility rules.

BUDGETARY IMPLICATION: this proposal has no budgetary implications. The ERDF resources for the European territorial cooperation goal (Interreg) shall amount to **EUR 8.43 billion of the global resources available for budgetary commitment from the ERDF, ESF+ and the Cohesion Fund** for the 2021-2027 programming period. The resources shall be allocated as follows:

- 52.7% (EUR 4.44 billion in total) for cross-border cooperation (component 1);
- 31.4% (EUR 2.65 billion in total) for transnational cooperation and maritime cooperation (component 2);
- 3.2% (EUR 270.1 million in total) for outermost regions' cooperation (component 3);
- 1.2% (EUR 100 million in total) for interregional cooperation (component 4);
- 11.5 % (a total of EUR 970 million) for interregional innovation investments (component 5).

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.

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

2018/0199(COD) - 26/03/2019 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a legislative resolution 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 position of the European Parliament adopted at first reading under the ordinary legislative procedure has amended the Commission proposal as follows:

Purpose

The regulation would establish rules for the European Territorial Cooperation Objective (Interreg) to encourage cooperation between Member States and their regions within the Union and between Member States and third countries, partner countries, other territories or adjacent overseas countries and territories (OCTs) or regional integration and cooperation organisations, or groups of third countries forming part of a regional organisation.

Under the Interreg objective, support would be provided by the ERDF and, where appropriate, by the Union's external financing instruments for the following four strands: 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 Commission's proposal to introduce a new strand 5 ("interregional investment in innovation").

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

The various strands of Interreg should contribute to the achievement of the sustainable development objectives (SDOs) described in the Sustainable Development Programme for 2030 adopted in September 2015.

Resources and co-financing rates

Parliament proposed that the resources allocated to the Interreg objective should 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 would 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 investment in innovation that should be used to support thematic platforms for intelligent specialisation in areas such as energy, industrial modernisation, circular economy, social innovation, environment or agri-food and to help bring together actors in intelligent specialisation strategies.

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

Thematic focus

Under the amended text:

- up to 15% of ERDF allocations and, where appropriate, EU external financing instruments for priorities other than those relating to technical assistance for each Interreg programme under components 1, 2 and 3 would be allocated to the specific Interreg objective 'better Interreg governance' and up to 10% could be allocated to the specific Interreg external objective 'a safer and more secure Europe';

- where an Interreg programme under strand 1 or 2 supports a macro-regional strategy or a strategy for a sea basin, at least 80% of the ERDF allocations should contribute to the achievement of the objectives of this strategy.

Small Project Fund

Parliament clarified the rules governing funds for small-scale projects, which are an important and effective instrument for removing border and cross-border obstacles. It 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 allocation.

Payments and pre-financing

Members believe 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

Parliament stressed that, in the light of experience, support for European territorial cooperation projects should have only limited repercussions on competition and trade between Member States. Therefore, the Commission should be able to declare that this aid is compatible with the internal market and that funding provided to support European territorial cooperation projects can be block exempted.

Indicators

The proposal introduces specific Interreg indicators to measure the results and European added value of cooperation programmes. However, Parliament considered that it might be necessary, if necessary, to adapt the indicators, or to leave more room for manoeuvre in the programmes to define the system of indicators during the discussions.

Simplification

The provisions on the preparation, approval and amendment of Interreg programmes as well as on territorial development, selection of operations, monitoring and evaluation, programme authorities, audit of operations and transparency and communication should be adapted to the specificities of Interreg programmes and remain simple and clear to avoid over-regulation and additional administrative burden for Member States and beneficiaries.