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Position paper by the Four Motors for Europe

on the Importance and Future of European Territorial Cooperation

As border regions at the heart of transnational innovation areas in Europe, the Interreg programmes of European Territorial Cooperation are of particular importance to the Four Motors for Europe. **Together the Four Motors for Europe participate in 19 Interreg programmes and host six Managing Authorities**. **These programme areas are among the most innovative areas in Europe, where the added value of Europe becomes tangible for its people**.

The Interreg A programmes **are key funding instruments for cross-border cooperation**. **They support the implementation of politically significant projects in areas such as the economy and employment, mobility, science, as well as energy, climate and tourism**. Through their small project funds, they directly involve citizens.

The Transnational Programmes (Interreg B) contribute to regional development leading to a common placed-based implementation of EU policies and **play a crucial role in implementing EU Macroregional Strategies** such as the Danube or Alpine Region Strategy, in which three of the Four Motors' regions participate. They are particularly important as they foster collaboration between countries, regions and stakeholders, enabling them to jointly address shared challenges.

Border regions in the EU account for around 40 per cent of the EU's total area; approximately 30 per cent of the population live there, and they contribute around 30 per cent to the EU's GDP. Removing further legal and administrative barriers would have positive effects on economic development and job creation. For this reason, Enrico Letta, President of the Jacques Delors Institute and former Prime Minister of Italy, advocates in his report on the future of the Single Market of April 2024 for further deepening of cross-border cooperation. Cross-border cooperation is particularly suited to advancing projects with European added value to strengthen competitiveness. In his report on the Future of European Competitiveness, former ECB President Mario Draghi identifies key areas for the future that could be addressed specifically within the framework of cross-border cooperation: digitalisation, strengthening small and medium-sized enterprises, promoting innovation, energy supply, and the decarbonisation of the economy.

The European Commission is reflecting on a radical restructuring of the funding policy in the period after 2027. Instead of regionalised EU funding programmes, all funds would flow into national plans at Member States' level, which would then be responsible for distributing the funds. The EU would link the disbursement of funds to the fulfilment of certain criteria and milestones. **European Territorial Cooperation, in its current form with independent Interreg programmes for each border or transnational region, would be practically impossible if the Interreg funds**, which are currently managed in a decentralised way by programme partners, **were integrated into national plans**. This would make support for cross-border cooperation nearly impossible, as the allocation of funds would be tied to achieving national goals rather than cross-border and border-region-specific objectives. This is evident from the experience of implementing the EU's Recovery and Resilience Facility, where almost no cross-border projects were realised, as this would have required complex coordination between national plans.

Due to their specific challenges, border regions will continue to require appropriate and targeted support from the European Union beyond 2027. As noted by the European Commission in its 9th Cohesion Report, border regions are areas with high growth potential, where cultural and linguistic diversity fosters intense social and economic interaction, and where many people engage in daily activities on both sides of the border. Border regions thus play a key role in the European integration process. These potentials of the Single Market and cooperation within Europe must be leveraged even more effectively in times of geopolitical uncertainty.

The promotion of cross-border and transnational projects is regularly associated with particularly high European added value, and cross-border cooperation within the framework of Interreg makes a significant contribution to fostering good and trustful relations across national borders. It holds great symbolic significance for the European ideal and, from the perspective of the Four Motors for Europe, must therefore be **continued and further simplified**.

Transnational programmes offer a **unique benefit by reinforcing territorial cohesion** and achieving stronger impact on communities and regions. To reinforce this dimension, **Territorial Cooperation Programmes must continue to allocate funding which contributes to macro-regional strategies such as the EU Strategies for the Danube and Alpine Region and provide the framework for supporting future initiatives**, including the potential development of a Mediterranean macro-region.

The implementation of European Territorial Cooperation programmes through partnerships between participating regions, involving regional stakeholders, has proven effective. This approach ensures that funds can be allocated appropriately to meet the specific needs of each programme area. A fund management system tied to national, domestic reform goals would neither align with the objectives nor the partnership-based and subsidiarity-driven approach of Interreg, and it would require complex coordination of national plans across all borders of all states. **When preparing the future programme, unnecessary linkages or coordination with other programmes and documents negotiated between the Commission and Member States (e.g. National Reform Plans, conditionality) should be avoided** to ensure that the already time-consuming programme application process is not unnecessarily prolonged and that projects can start without delays.

Three of the Four Motors' regions share a border with Switzerland while Catalonia is neighbour to Andorra. The intensive exchange with third countries in areas such as the economy, science, agriculture, consumer protection, environment, tourism, politics, administration, society, and many others has developed historically and serves as a model within Europe. **The participation of third countries such as Switzerland, Liechtenstein and Andorra in Interreg must therefore continue to be ensured in the future.**

Given the wide-ranging challenges, an **adequate level of funding remains essential beyond 2027. Maintaining the programme's financial resources at least at the current level, adjusted for inflation, is necessary to ensure** that Interreg continues to be an attractive funding instrument for stakeholders in the region to establish new and cross-border cooperation. The **share allocated to Technical Assistance for programme governance and administration should also be maintained and adapted to inflation and rising costs** (currently 7 per cent).

In addition to innovative, investment-driven, and structural policy measures, **projects for civil society play a significant role in cross-border and transnational cooperation**, helping to transform border regions into jointly developed living, economic, and cultural spaces. This is addressed in the 2021–2027 funding period through the instrument of the Small Project Fund. The experiences gained must be evaluated, and the instrument further developed in line with needs. **Small projects and projects for civic encounter must continue to be eligible for funding in the future**. **At the same time, the requirements for project implementation must be adjusted to reflect the smaller funding volumes.** For instance, the financial risk for operators of Small Project Funds should be reduced, for example by introducing flat-rate ERDF contributions to cover administrative costs, regardless of the final utilisation of the Small Project Fund, or by simplifying administrative conditions for beneficiaries and managing authorities as part of the direct programming of small projects. This could include simplified applications and a single-stage selection process.

Overall, a significant **reduction in administrative burdens** and **appropriate flexibility** are needed within Interreg to enable timely responses to global and regional developments. Furthermore, when drafting the legal frameworks, the multinational and multilateral nature of European Territorial Cooperation programmes, particularly cross-border programmes, must be consistently taken into account. **Additionally, the legal frameworks should be finalised well in advance of the start of the funding period** to avoid delays in programme launches, as observed in previous periods.

Performance-based approaches need to be adapted for Interreg cooperation, as the projects primarily focus on mutual exchange, joint strategies, and only occasionally on actual investments (e.g., in the construction sector). If such approaches are introduced, they should be appropriately applied and with due consideration of the specific characteristics of Interreg programmes (e.g. ad hoc targets and indicators should be defined).

Where appropriate, Interreg programmes should be encouraged to explore light-touch coordination and synergies among them in order to capitalise on results and amplify their territorial impact - provided this does not create additional obligations and bureaucracy or delay programme implementation.