

Comment of the German Länder on the current compromise proposal regarding Article 15 (2) of the draft Interreg Regulation of 30.10.2020 (WK 11983/2020 INIT)

The German Länder would like to thank the European Parliament and the German Presidency for the progress they have already made in the negotiations on the regulations of the Cohesion Fund package and encourage them in their efforts to conclude the negotiations within the German Presidency.

At the same time, the last trilogue on 29 October 2020 seems to have produced formulations that would lead to major difficulties in the implementation of Interreg programmes if they were to be maintained in this form. This concerns in particular Article 15, which intends to regulate the thematic concentration of the Interreg programmes. In line 146 of the 4-column table, the provisional common understanding of the EP and the Council is that the ERDF budget that can be allocated to the Interreg specific objective "Better cooperation governance" (ISO 1) should be limited to 10 % of the total ERDF funding.

From the perspective of the Länder this would create major problems for the implementation of programmes and is in part in contradiction with other parts of the draft regulation. In particular this formulation entails the following problems:

- ISO 1 is one possible objective, in which the small project funds (SPF) of the programmes could be established. However, according to Art. 24 (1) of the same regulation, SPF could consist of up to 20% of the total allocation for the programme. A programming of the SPF in other objectives (PO1-PO4) will be difficult for many programmes, because the SPF support very diverse types of activities that cannot be assigned to a single policy area. Establishing the SPF under PO5 also seems difficult to achieve in our view, since this would require a multi-sectoral territorial strategy in advance, which in turn contradicts the great diversity of the mainly people-to-people projects in the SPF.
- Many programmes also see the need to implement further actions within the framework of ISO 1 and not only the SPF. This is especially true for projects dedicated to the removal of cross-border barriers and the implementation of cooperation platforms and formats for administrations. In the current cross-border programmes, there have been e.g. projects funded such as a cross-border drinking water pipeline, the cross-border harmonisation of rescue services to enable mutual assistance across borders in rescue operations or the coordination of timetables for the cross-border local public transport.
The removal of cross-border obstacles through administrative cooperation, common platforms and people-to-people contacts is the core of Interreg and should therefore not be unnecessarily restricted or complicated.
- Within the framework of the transnational programmes, which programme areas cover a macro-regional strategy (MRS), ISO 1 is essential for the development and coordination of the macro-regional strategy and for the implementation of respective governance-related support measures, as requested by the draft regulation itself. In addition to MRS support, these transnational programmes need further leeway for other governance related activities under ISO 1, such as institutional capacity building for better coping with major territorial challenges.

One argument for a stricter limitation of ISO 1 seems to be the concern, that funds under ISO 1 might primarily be used for national administrative structures. However, so-called "governance projects" are not about providing administrations with ERDF funds for their regular functioning, but about concrete projects that reduce legal barriers for citizens in border regions or increase the efficiency of the administration in cross-border cooperation. Should there be doubts in some programmes in the current funding period, it should be taken into account when reviewing the programme documents of the programmes concerned for the new funding period instead of restricting the flexibility of all programmes.

For these reasons, the German Länder, in accordance with the Council proposal, are in favour of setting a minimum percentage of funds to be earmarked for ISO 1, if ISO 1 is chosen. Should the Parliament insist on an upper ceiling, this should be increased to at least 30% of the ERDF budget (whereas programmes could choose from 0 to 30%).