Interreg post-2027

The Commission's EU budget proposals: Continuity and Change

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European Commission

Intro: Interreg in 2021-2027

Four cooperation strands

64 Cross-border	13 Trans-national	4 Inter-regional	5 Outermost regions
incl. 15 external (10 IPA & 5 NEXT) and PEACE+	incl. 2 external		
€6.7 bn	**€2.3 bn**	**€0.56 bn**	**€0.33 bn**

86 programmes = EUR 10 billion

Objectives 2021-2027

5 general policy objectives

- Smarter Europe
- Greener Europe
- More connected Europe
- More social Europe
- Europe closer to citizens

2 Interreg-specific objectives:

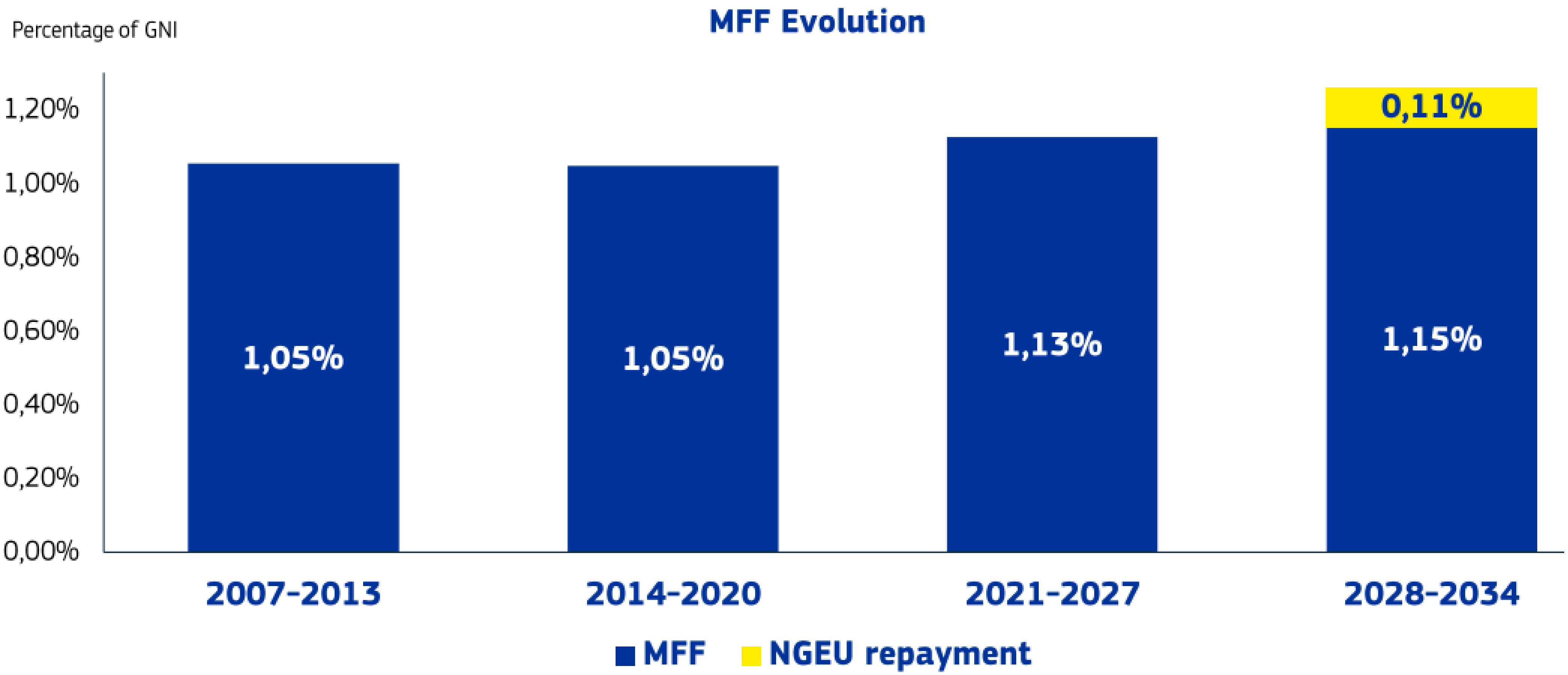
- Cooperation governance
- Safer & secure Europe

Multiannual Financial Framework (MFF) 2028-2034

A smarter, sharper, larger EU budget

Larger in scale	EUR 2 trillion (1.26% EU GNI) to match Europe's needs and ambition
Smarter in design	Results oriented, simpler for beneficiaries, more agile
Sharper in priorities	Focus on European priorities

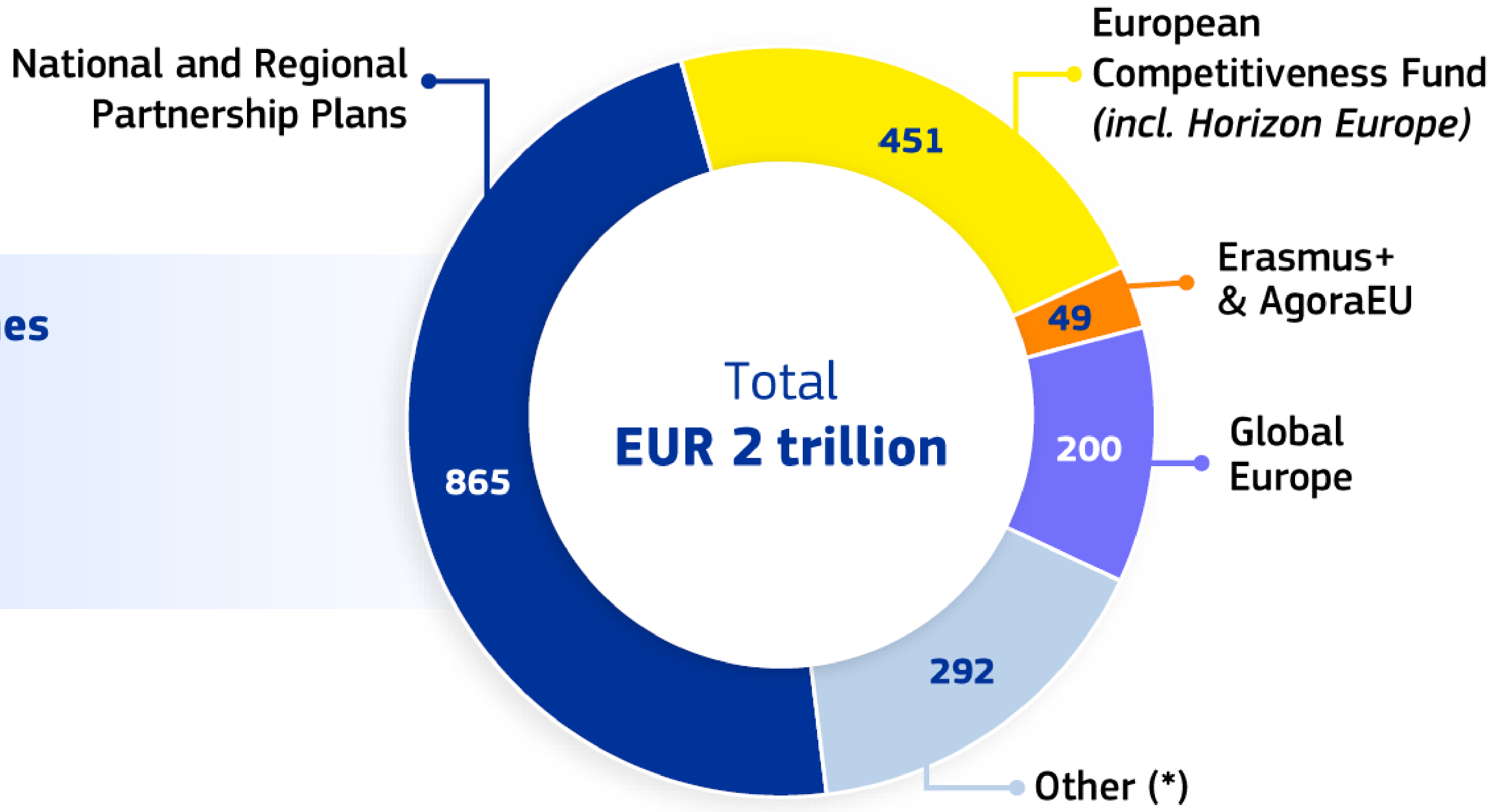
Scale: Current and previous MFFs (%GNI)



Commitment appropriations are based of adopted Multiannual Financial Frameworks (including European Union Solidarity Fund and European Aid Reserve. Gross National Income amounts are based on the first Technical Adjustments of the respective Multiannual Financial Framework.

Design

- From 52 to **16 programmes**
- **Simpler** for beneficiaries
- **Results** oriented
- More **agile**



(*) CEF, Civil protection and health, Single Market Programme, Euratom Research & Training, CFSP, Justice, Nuclear Decommissioning, OCT, Pericles.
Excludes NextGenerationEU repayment

All amounts in EUR, current prices

Regulatory architecture

Horizontal regulations

- **MFF Regulation**, accompanied by political communication
- **Performance Regulation**, covering:
  - MFF level common rules – DNSH, reporting
  - Environmental, climate adaptation and mitigation social tracking and gender scoring
  - Common intervention fields and indicators

The "Plan" Regulation

- Establishes the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security
- Objectives and requirements for the NRPP
- Rule of law and Charter horizontal conditions
- Budget
- Financial rules
- Governance
- Audit and control

Funds-specific Regulations

- **ERDF/CF (incl. Interreg)**
- European Social Fund
- Common Market Organisation
- Common Agricultural Policy
- Common Fisheries Policy
- HOME affairs
- EU School Scheme

National and Regional Partnership Plans

Simplified Structure

Streamlining from ~540 programmes to 27 NRP Plans + 1 Interreg Plan, reducing admin costs and easing access to funds

Integrated Programming

Tailored, flexible approach aligned with national/regional needs and challenges; stronger policy synergies

Ownership

Multi-level governance and shared management to reflect local and regional priorities

Performance-Driven Spending

Funds linked to results, encouraging high-impact, cross-border, and multi-country projects

Flexibility & Crisis Response

Progressive fund allocation, easier plan revisions, and EU-level reserve for emerging needs

14 current Funds brought together under the National and Regional Partnership Plans

NRPP Financial envelope (EUR bn)

National and Regional Partnership Fund	**865**
National and Regional Partnership Plans of which at least to:	**783**
• Less developed regions	218
• Agriculture direct payments and part of CFP	296
• HOME funds	34
• Non pre-allocated amount	235
Social Climate Fund (on top of 865 bn)	**(50)**
+ 150 billion EUR of (optional) loan support to top-up the plans	
Interreg Plan	**10.3**
EU Facility of which:	**72**
• Union actions	63
• Emerging challenges and priorities cushion	8.7

EUR bn, in current prices, rounded

Specific objectives

1) **Europe’s sustainable prosperity across all regions,** including e.g.:
   - Fostering the attractiveness of territories to support the right to stay
   - Supporting a just transition
   - Supporting research, development and innovation
   - Supporting social and affordable housing
   - Supporting water management, environment and climate

2) **Europe’s defence capabilities and security**

3) **Supporting people, strengthening Europe’s societies and Europe’s social model**

4) **Sustaining Europe’s quality of life**

5) **Protecting Europe’s democracy and enhancing institutional capacity**

European Semester and Reforms

- NRP Plans must address (all or a significant subset of) challenges identified in the context of the European Semester and the Country-Specific Recommendations
- Linking funding with reforms at national and regional level
- Thematic enabling conditions transformed into tailor-made reforms
- Legl safeguards guarantee that regions:
  - are not penalised for national reforms outside their control
  - receive the full EU contributions due to them

In-built flexibility

Flexibility by design

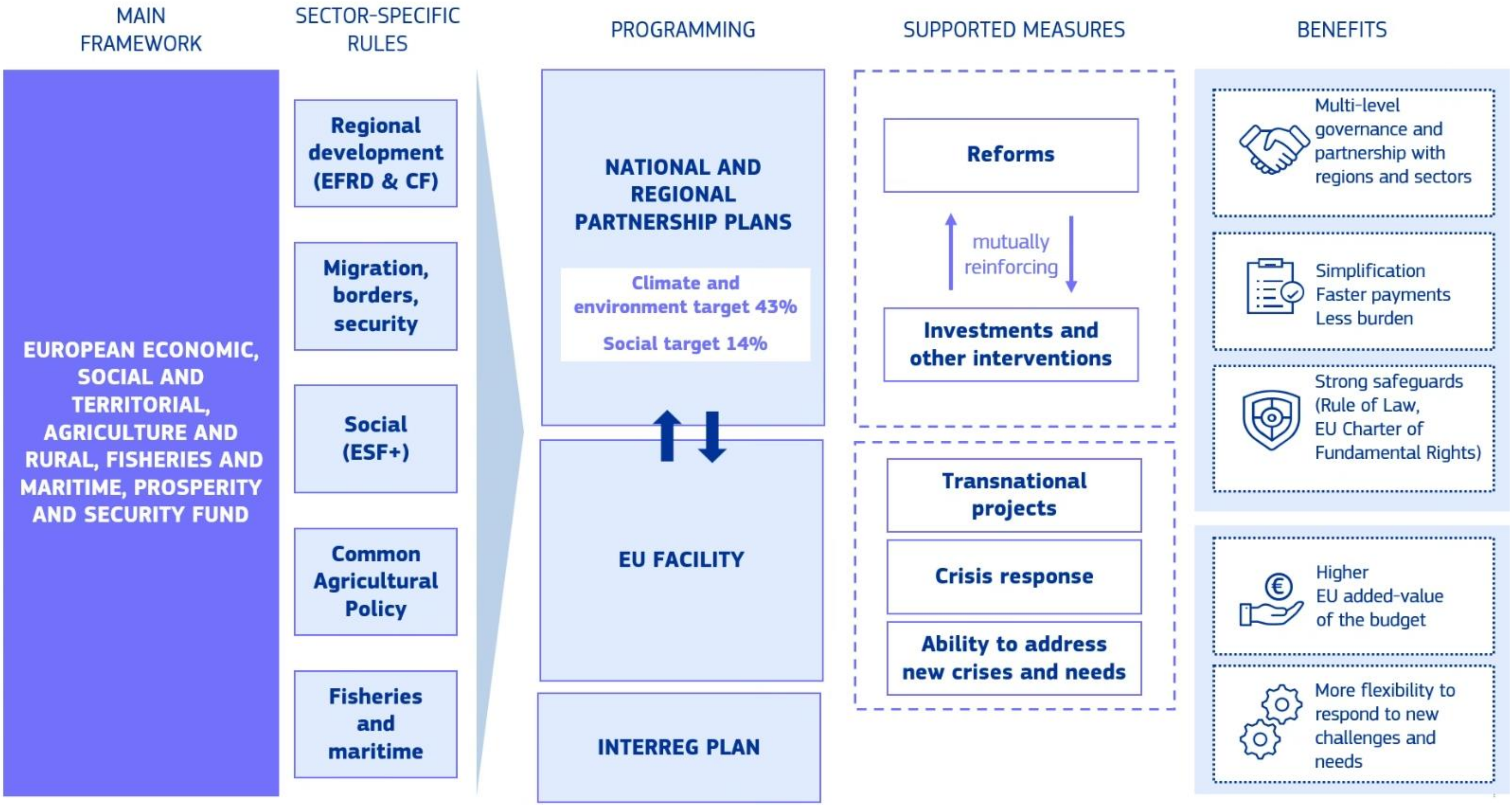
More efficient and flexible funding allocation across policy areas, enabling Member States to **address new priorities and respond to unforeseen challenges & crisis**

Flexibility amount

25% of the national envelope of each Member State constitutes the **flexibility amount** for crisis (5%+5%) and mid-term review measures (15%)

EU Facility

Increasing flexibility and catering for unforeseen crises;
financing interventions complementing and reinforcing the NRP Plans that require Union-level steer or coordination


MAIN FRAMEWORK
SECTOR-SPECIFIC RULES
PROGRAMMING
SUPPORTED MEASURES
BENEFITS
EUROPEAN ECONOMIC, SOCIAL AND TERRITORIAL, AGRICULTURE AND RURAL, FISHERIES AND MARITIME, PROSPERITY AND SECURITY FUND
Regional development (EFRD & CF)
Migration, borders, security
Social (ESF+)
Common Agricultural Policy
Fisheries and maritime
NATIONAL AND REGIONAL PARTNERSHIP PLANS
Climate and environment target 43%
Social target 14%
EU FACILITY
INTERREG PLAN
Reforms
mutually reinforcing
Investments and other interventions
Transnational projects
Crisis response
Ability to address new crises and needs
Multi-level governance and partnership with regions and sectors
Simplification
Faster payments
Less burden
Strong safeguards (Rule of Law, EU Charter of Fundamental Rights)
Higher EU added-value of the budget
More flexibility to respond to new challenges and needs

Interreg Plan – the ”28th plan"

Interreg: Change aspects

- <u>General part:</u> **Specific Interreg rules to ensure consistent approach** (where appropriate); identification of geographic areas & allocation breakdown for each cooperation chapter
- <u>Second part:</u> Summary chapters – **one chapter is a summary of each currently existing programme**.
  - 4 months for the Commission to assess the Interreg Plan chapters or their amendments
- Amendments to add the chapters as they become available; and to modify chapters during the programming period

General and specific objectives

Interreg: Change aspects

- General objectives are essentially at the traditional fund level
- Specific objectives are more detailed, but with greater options & flexibility than in the past
- **Interreg specific objectives**:
  - Better cooperation governance
  - A safer and more secure Europe
  - **More resilient regions bordering Russia, Belarus and Ukraine**
- No thematic focus in the Plans – except the **35% climate & environment** spending target set at MFF level (43% for NRPPs)

Cooperation between non-Member States

- Possibility of Interreg Plan to cover cooperation between non-EU Member States

Reform dimension & Performance-based approach

Interreg: Change aspects

Reform dimension

- The combination of reforms and investment is central to NRP plans
- This is also important for Interreg, even if less visible in the regulatory proposals given the nature of the reforms possible in the Interreg context
- Nevertheless, Interreg should begin to think more in a reform direction

Performance-based approach

- Relationship with the Commission based on performance
- Each Interreg chapter to contain a list and description of measures to be supported, along with milestones and targets
  - The total estimated costs of the measures to be also included

Some Financial rules

Pre-financing

- Change of approach – **4% per year for the first three years**. All pre-financing to be cleared at closure (currently 14% over 6 years)
- Specific pre-financing rules for chapters including Global Europe funding can be established in the Interreg Plan – to provide continuity with the existing programmes

Automatic decommitment

- Reduction in timing to **n+1** to accelerate the spending

*However, both needs to be viewed along with performance-based payments – procedural targets will provide **additional payments early on** if set as milestones*

Funding levels, Strands and Programming approach

Interreg: Continuity aspects

- Total funding = **EUR 10.264** billion in current prices
- Compares with EUR 8.9 billion in current prices in 2021-27 programmes
- Allocation methodology proposed is identical to the 2021-27 methodology
- Full continuity – **4 strands** with unchanged wording
- **Partnership requirements essentially unchanged** from current period
  - Commission would still expect that programming committees would be formed by each current programme – a longer, more detailed programme document would be written for the partnership

Programmes continuity

- **Expectation that current programmes will continue in the next period**
- Any demand for new programmes or changed geographies will be dealt with case by case

Chapter authorities

- **A single managing authority, a single audit authority and a joint secretariat for each chapter**
- Group of auditors per chapter, as in 2021-27
- No separate accounting function any more
- One monitoring committee per chapter with same role as currently (with list of tasks to be included in the Plan)

Co-financing

- Levels retained, but presentation reversed to show "national contribution rate", not EU rate
- **EU co-financing = 80% for Interreg**, except **85%** for outermost cooperation and **"cross-border cooperation on external borders"**

Technical assistance

- Flat-rate approach retained and text simplified
- 8% flat-rate for all Interreg chapters, with 10% for outermost cooperation and "cooperation on external borders"

Further highlights of MFF

- Special emphasis on Eastern border regions, Northern Sparsely Populated Areas. For HOME affairs policies, Member States bordering Russia and Belarus have extra funding to cover their additional needs
- Min. €34bn for migration and border management *(3x current amounts)*
- €63.2bn Facility for Union Actions to respond to disasters & unforeseen events *(3x current Solidarity Fund + Home Affairs capacity)*
- €200bn Global Europe to strengthen partnerships and EU priorities worldwide, incl. €500mn for **Greenland** *(more than 2x current amount)* and €100bn for Ukraine *(outside MFF ceilings)*
- €100bn for social objectives & investment *(14% of spending; tracked for the first time across the EU budget)*

Thank you

More information: next MFF dedicated website