

# **The Future of European Cooperation in Spatial Development**

Work package 3: Recommendations regarding the future of Interreg B  
Report 3.1: Development of transnational cooperation

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## Abstract

Within the context of the MORO project on the 'Future of European cooperation on spatial development', this report investigates and summarises the development of transnational cooperation (Interreg B) since 1996.

Starting as Community Initiative, from 1997 until 2013 four generations of transnational Interreg programmes have been realised<sup>1</sup>. A fifth phase of Interreg will be implemented until 2020. Since its beginnings, transnational cooperation within Interreg has experienced continuous growth: more Member States, more cooperation areas, more funding.

The Interreg II C programme (1997-1999) was focused on three fields of intervention: General transnational co-operation, flood mitigation, and drought prevention. With the Interreg III B programme (2000-2006) 13 transnational cooperation areas were established, with five of the cooperation programmes involving German federal states. With the EU's multi-annual financial framework of 2017, Interreg ceased to be a Community Initiative and was 'mainstreamed' into the main Cohesion Policy programmes under the objective of 'European territorial cooperation'. Currently, in the funding period 2014-2020, German federal states contribute to six transnational cooperation programmes (North West Europe, North Sea Region, Baltic Sea Region, CENTRAL EUROPE, Danube Region and Alpine Space).

During the 'early' periods of implementation until 2006, in all cooperation areas the focus had been on thematic priorities with strong spatial impact – local and regional development, transport and accessibility, environmental protection and risk management, with a certain focus on environmental issues. This emphasis on an integrated spatial planning approach in the transnational cooperation programmes was inspired by the 'European Spatial Development Perspective' (ESDP), which the then EU-15 had adopted in 1999.

In the programming period 2007-2013 (Interreg IV) the term 'European territorial cooperation (ETC)' was introduced as new brand for cross-border, transnational and interregional cooperation, and the Interreg approach became part of the Structural Funds regulation (Objective 3). The topic of innovation was added to the list of thematic priorities, but still environmental issues and transport issues remained to be in the focus of attention. Additionally, activities in the field of local and regional development were supported.

In the current programming period (2014-2020, Interreg V) cohesion policy has been aligned with the EU 2020 strategy. European territorial cooperation became one of two objectives of cohesion policy and is guided by a separate regulation. The issue of local and regional development disappeared from the agenda, and – as for other Cohesion

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<sup>1</sup> The Community Initiative INTERREG on cross-border cooperation, that is, in smaller spaces of adjacent regions across national borders, had already been set up in 1990.

Policy programmes – more focused and measurable results are demanded from cooperation projects and programmes. Additionally, several cooperation programmes have been linked (and geographically aligned) with EU macro-regional strategies.

Since 1997 the initial focus of Interreg thus shifted from integrated spatial planning (addressing stakeholders of spatial development and local and regional public authorities) significantly towards a more thematic orientation in support of jobs and growth (addressing stakeholders of economic development and 'strategic actors'). Spatial aims were amended by general (sectoral) aims, and the demand for measurable results increased.

## 1 Introduction and structure of the report

This report contributes to Work package 3 'Recommendations on the future of Interreg' of the project 'Future of European cooperation on spatial development', which is realised within the research programme 'Demonstration Projects of Spatial Planning (MORO)'. The structure of this research project is shown in Figure 1.

**Figure 1: Work packages of the MORO project on the 'Future of European cooperation on spatial development'**



Work package 3 consists of four components:

- LB 3.1: Development of transnational cooperation (Interreg B) since 1996
- LB 3.2: Evaluation of the revised orientation of transnational cooperation in the current programming period 2014-2020
- LB 3.3: Identification of the unique selling point (USP) of Interreg B compared to other EU-assisted programmes
- LB 3.4: Monitoring and analysis of current framework conditions on EU level, which might affect the design of future European cooperation

This report investigates and summarises the development of transnational cooperation (Interreg B) since 1996 (LB 3.1). Within the work package, focus is on content-related and strategic issues, and therefore operational issues of Interreg B implementation are not given dedicated attention. Based on existing analyses and studies, complementary research and existing evaluations of the programmes, an assessment of the changing framework conditions for Interreg B was undertaken and recommendations were prepared to support and to facilitate the discussion on the future of transnational cooperation within Interreg.

Results and conclusions of work were discussed with representatives of German federal states during work group meetings, preparing a dedicated workshop on the unique selling point (USP) of Interreg B. With regard to the work package, the following research questions have been formulated:

- Do the existing delimitations of Interreg B cooperation areas comply with functional areas? Are they appropriate to address spatial challenges? What are the possibilities to adapt territorial cooperation to large cross-border functional areas?
- What are the possibilities to highlight the specific nature and added-value of transnational cooperation within Interreg (planning, implementation, monitoring) more adequately?
- What are the possibilities to strengthen the delimitation and synergies between Interreg B and other funding programmes and to promote the application of innovative financing instruments, in order to better contribute to the objectives of spatial development?

Due to the great complexity, diversity and dynamics, a comprehensive study on Interreg B is hardly possible. Accordingly, the experience of the stakeholders involved is an important resource to inform the discussion.

In order to mobilise this experience and to create a common ground for debate, the general lines of development of transnational cooperation are outlined according to programming periods (chapter 2) and cooperation areas (chapter 3). The findings of this first step of analysis are summarised in chapter 4.

For each programming period and for each cooperation area, the most significant features are highlighted and explained. Details are provided as far as necessary to understand the general trends of development.

## **2 The development of the transnational Interreg programmes over successive programming periods**

From 1990 until 2013 four generations of Interreg programmes have been realised. A fifth phase of Interreg, which started in 2014, will be finalised until 2020. Starting as Community Initiative, in the funding period 2007-2013 cross-border, transnational and inter-regional cooperation became part of the Structural Funds regulation as a Cohesion Policy objective on 'European territorial cooperation' (Objective 3). In the current funding period a separate regulation on European territorial cooperation (Objective 2) has been introduced to account for the specific nature of cooperation programmes involving different member states.

The origins of Interreg are closely connected to cross-border cooperation. After several years of discussion, in 1989 altogether 14 cross-border pilot projects were granted financial support under article 10 of the European Regional Development Fund (ERDF) regulation. These pilot projects addressed structural development difficulties in border regions in two areas (Interact 2015: 2):

1. Institutional separation of border communities, where economic and social separation prevents coherent management of the ecosystems, and
2. actual peripheral location of cross-border regions in relation to their respective national economic centres.

In the period 1990-1993, 31 operational programmes were established along the internal borders of the Member States of the European Economic Community (EEC) to support cross-border cooperation. Until today, following the enlargement process of the European Union (EU), the number of cross-border programmes increased to 60. At the same time, from 2007 the 'one border, one programme' principle was implemented to limit the number of cross-border programmes.

In the period 1994-1999 two strands of Interreg were introduced: Interreg II A on cross-border cooperation and Interreg II B on the completion of selected energy networks. In parallel a process of intergovernmental cooperation on European spatial planning took place, which eventually resulted in the adoption of the European Spatial Development Perspective (ESDP) by the then EU-15 in 1999.

The member states were keen to set up an instrument to support the application of the ESDP in large transnational spaces, and together with the European Commission and European Parliament (that sought to introduce a spatial dimension into EU policy-making), in 1997 a third strand on transnational cooperation was launched – Interreg II C. The decision to add a transnational strand to the Community Initiative INTERREG was also facilitated by the disastrous floods along the Rhine and Meuse in 1993-1995. The Commission's policy studies 'Europe 2000' (1991) and 'Europe 2000+' (1994) were influential for the design of the Interreg II C programmes.

Since 2000 Interreg is composed of three strands on **cross-border cooperation** (Interreg A), **transnational cooperation** (Interreg B) and **interregional cooperation** (Interreg C).

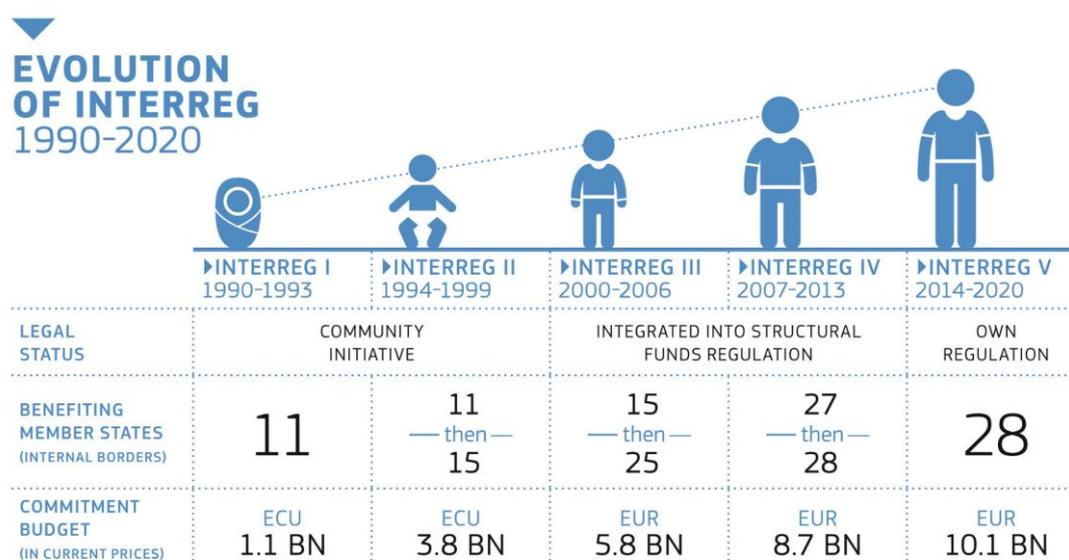
In the current programming period 2014-2020 the strand on interregional cooperation includes four sub-programmes:

- Interreg Europe: Exchange of experience focusing on good practices with a view to their transfer to operational programmes under the Investment for growth and jobs goal and, where relevant, to cooperation programmes
- URBACT: Exchange of experience concerning good practices in relation to sustainable urban development, including urban-rural linkages
- Interact: Exchange of experience concerning good practices and innovative approaches in relation to the implementation of cooperation programmes
- ESPON (European Observation Network for Territorial Development and Cohesion): Analysis of development trends in relation to the aims of territorial cohesion, including territorial aspects of economic and social cohesion, and harmonious development of Union territory

The following illustration (Figure 2) visualises the process of growth of Interreg and summarises the most relevant figures for the development of Interreg since 1990.

In the current programming period, 6.6 bn EUR are dedicated to cross-border cooperation, 2.1 bn EUR to transnational cooperation and 0.5 bn EUR to interregional cooperation. The total amount of 10.1 bn EUR also includes the ERDF allocation for Member States to participate in EU external border cooperation programmes supported by IPA (Instrument for Pre-Accession) and ENI (European Neighborhood Instrument).

**Figure 2: The evolution of Interreg 1990-2020**



Source: European Commission, 5 June 2017: Interreg: European Territorial Cooperation. Access: [http://ec.europa.eu/regional\\_policy/de/policy/cooperation/european-territorial](http://ec.europa.eu/regional_policy/de/policy/cooperation/european-territorial). Please note: Interreg remained to be a Community Initiative until 2006

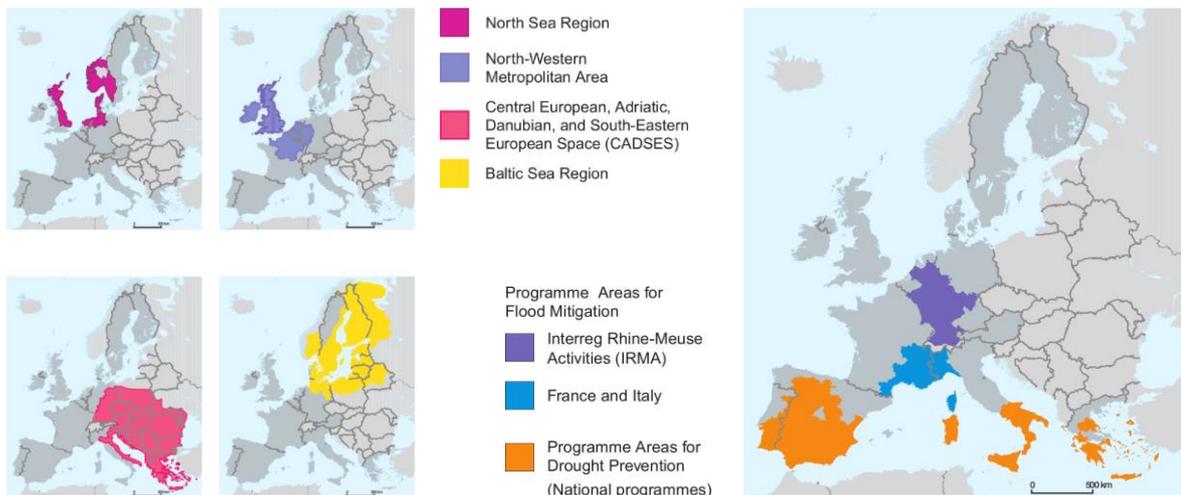
## 2.1 Interreg II C (1997-1999)

The Interreg II C programme was focused on three fields of intervention:

- General transnational co-operation
- Flood mitigation
- Drought prevention

Within each field of intervention several cooperation areas were defined, for which Member States prepared joint Operational Programmes with tailored sets of measures. Figure 3 shows the cooperation areas on general transnational cooperation involving Germany and the cooperation areas on flood mitigation and drought prevention.

**Figure 3: Selected cooperation areas of the Interreg II C programme on general transnational co-operation (with involvement of German states), and programmes on flood mitigation and drought prevention**



Source: European Commission 1999: 41-42

In parallel to the Interreg II C programme, and following the same objectives and types of co-operation, four additional cooperation areas – including the Eastern Alps – were adopted as pilot actions under Article 10 of the ERDF regulation.

As laid down in the Commission's first 'Report on economic and social cohesion', the Interreg II C programme was to address persisting inconsistencies and imbalances in the European territory, such as severely congested urban centres, the absence of genuinely trans-European communications and energy networks, the unsustainable use of resources and depopulation in rural areas (European Commission 1996a: 125). The report stated that such imbalances resulted "in part from the problems generated by the historical legacy of separate development – and development planning – within the confines of 15 nation states [...]. **Accordingly, there is a case for more resolute action in territorial planning.** This is very much the purpose of the actions proposed under the new *INTERREG IIc* Community Initiative" (ibid., emphasis added by author).

In the 'Communication 96/C 200/07' (European Commission 1996b) the aims of the Interreg II C programme were defined as follows (emphasis added by author):

- To help **restore the balance between different areas of the European Union** by contributing to the **promotion of economic and social cohesion**
- To seek an **ordered and optimum allocation of activities in spatial terms**, the **development of adequate communication networks between these activities**, and the **correction of disparities and development differences**
- To **foster transnational cooperation within a framework of common territorial development priorities** adopted for continuous geographical entities covering areas in more than one Member State
- To **improve the impact of Community policies on spatial development**
- To help Member States and their regions take a **preventive and cooperative approach to the problems of water resources management** posed by floods and drought

According to the first report on economic and social cohesion, the Community Initiatives Interreg, Leader and Urban "have strengthened the integrated nature of local development policies and have had a marked effect on the ground, mobilising those concerned into action" (European Commission 1996a: 111).

In the second report on economic and social cohesion an attempt was made to describe the effects of Community Initiatives aimed at the support of transnational, cross-border and interregional cooperation, taking into consideration the first experiences with Interreg II C on transnational cooperation on spatial planning, which had only been running for three years, by saying that:

"While the benefits are difficult to quantify, those who have participated in transnational exchanges **tend to acquire a greater appreciation of the European Union and of other societies and cultures**. In institutional terms, added-value is evident in the sustainable European networks which have been established and which will continue the **exchange of experience and transfer of best practice** in the future, a form of cooperation which would be unlikely to develop to the same extent without Community support." (European Commission 2001: 142; emphasis added by author).

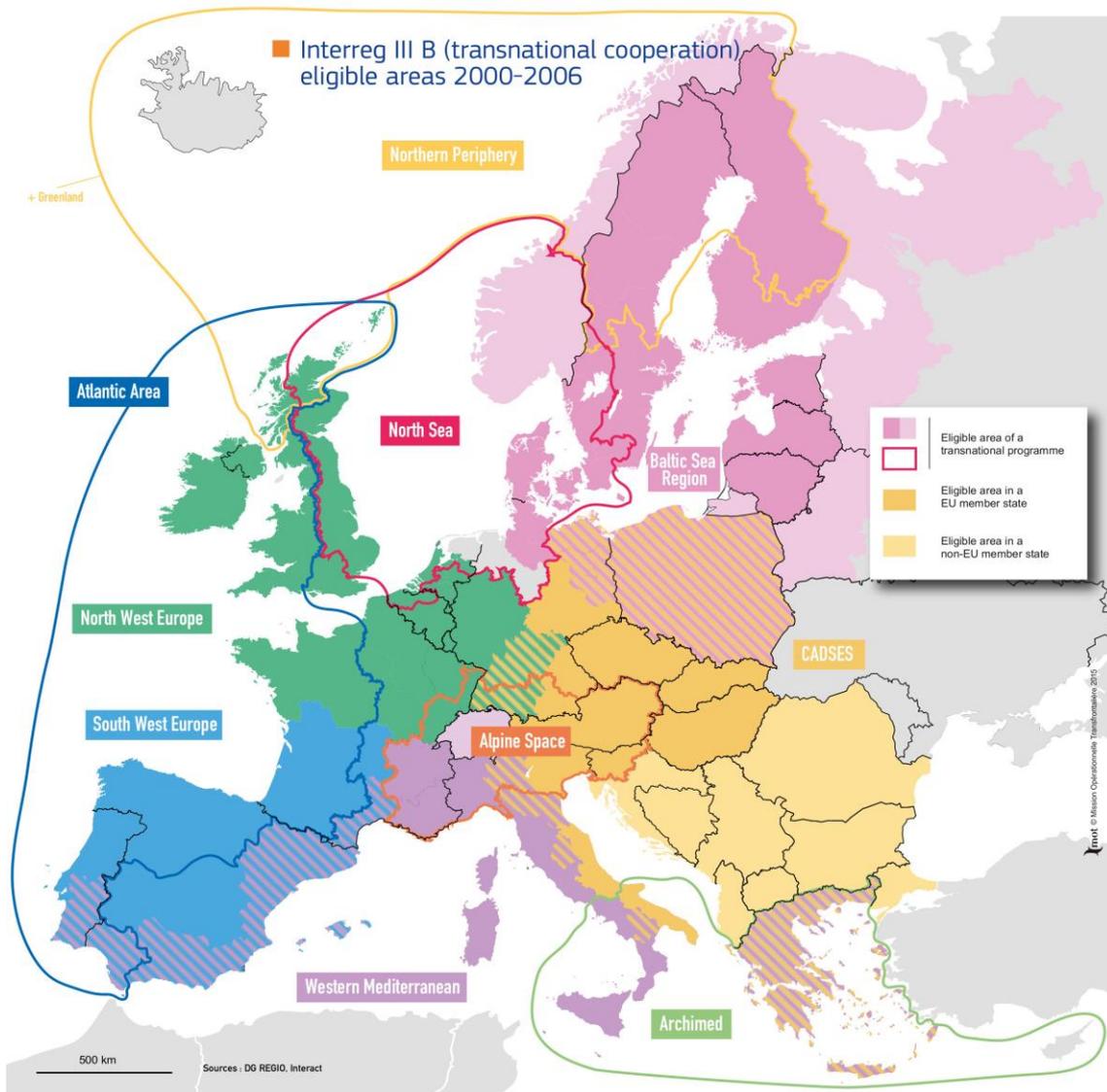
Furthermore, the area-based or 'bottom-up' approach was described as particular strength of Interreg, Leader and Urban, leading to capacity building, greater local autonomy and enhanced targeting of action, as well as a greater ability to concentrate on areas of particular need (European Commission 2001: 144).

## 2.2 Interreg III B (2000-2006)

With the Interreg III B programme, 13 transnational cooperation areas were established (see Figure 4), with five cooperation programmes involving German federal states:

- North West Europe
- North Sea Region
- Baltic Sea Region
- CADSES (Central European Adriatic Danubian South-Eastern European Space)
- Alpine Space

**Figure 4: Transnational cooperation areas in the programming period 2000-2006 (Interreg III B)**



Source: European Commission 2015a: 40 © Mission Opérationnelle Transfrontalière 2015

In the Commission's 'Communication 2000/C 143/08' (European Commission 2000) the objective of the Interreg III B programme was defined as follows:

"Transnational cooperation between national, regional and local authorities aims to promote a **higher degree of territorial integration across large groupings of European regions**, with a view to achieving **sustainable, harmonious and balanced development in the Community** and better territorial integration with candidate and other neighbouring countries" (emphasis added by author).

This definition was still quite closely related to the goals defined for the Interreg II C programme. However, following the evolution of the role of the Cohesion reports to do both a backward look (evaluation) as well as a forward look (outlook) in the third report on economic and social cohesion the European Commission outlined as well the directions of the future policy (European Commission 2004: xxx-xxxii, emphasis added by author):

- **Creation of a new objective** dedicated to furthering the harmonious and balanced integration of the territory of the Union by supporting cooperation at cross-border, transnational and interregional level
- Focus on integrated, single-authority programmes **in pursuit of key Community priorities linked to the Lisbon and Gothenburg agendas**
- **Introduction of a new legal instrument for cross-border cooperation** in the form of a European cooperation structure ('Cross-border regional authority')
- **Revision of transnational cooperation areas** in the light of enlargement, which can also be interpreted as a move away from the 'functional spaces' arguments initially towards a more openly acknowledged political integration objective
- **Incorporation of actions in the field of interregional cooperation in regional programmes and facilitation of exchange of experience and good practice on a European scale** by organising networks involving regions and cities

According to the third report on economic and social cohesion, Interreg had a positive impact on the perception of Community policies due to its "focus, visibility and stimulus to cooperation" (European Commission 2004: xx). In the same report, Interreg-type programmes were recommended to the transport sector to be able to better address bottlenecks and missing links in trans-European networks at national borders (European Commission 2004: 144).

In the fourth report on economic and social cohesion all Community Initiatives were acknowledged as laboratories for policy innovation:

"All of the initiatives provided an opportunity to develop policy in respect of **territorial cohesion**, encompassing **area-based solutions, networking within and across national boundaries** and **new forms of partnership**" (European Commission 2007: 117; emphasis added by author).

With regard to Interreg (in a chapter entitled “INTERREG: a success story”), the report emphasised leverage effects and practical benefits – the effects of borders were reduced, both people and business in border areas received benefits from joint development strategies, and networking helped to find common solutions to problems through large-scale sharing of experience and good practice. Additionally, sustained exchange of experience, knowledge and know-how across borders and countries were seen as broadening the perspectives of participants and resulted in public sector officials with more cooperative project management skills (European Commission 2007: 118).

Finally, the report acknowledged that the management of Interreg programmes – and in particular transnational programmes – was challenging given the number and composition of participating countries, which were seen as having important implications for programme performance (ibid.: 119).

### 2.3 European Territorial Cooperation – Objective 3 (2007-2013)

Reflecting the mainstreaming of the Interreg initiative and its integration into the ERDF regulation, in the programming period 2007-2013 the term ‘European territorial cooperation (ETC)’ was introduced as new brand for cross-border, transnational and interregional cooperation. However, the effects of such regulatory changes influenced the discussion and communication about the cooperation programmes – the term ‘Interreg’ disappeared from official communication, but in fact it remained in use. At the same time, the term ‘European territorial cooperation’ gained only limited popularity.

**Figure 5: Branding of transnational cooperation areas in the programming period 2007-2013 (Interreg IV B)**



There were other important changes in this programming period, which influenced the operation of transnational cooperation albeit to greater or lesser extents depending on the

programme area. For example, the former CADSES programme was divided into two programmes – the CENTRAL EUROPE programme and the South East Europe (SEE) programme. This development significantly limited cooperation opportunities in particular for partners from Bavaria and Baden-Württemberg with partners in South-East Europe, since Germany was not involved in the SEE programme. The Joint Technical Secretariat (JTS) and the Managing Authority (MA) of the CADSES programme, located in Dresden, were dissolved, and new bodies for programme management were established in Vienna (CENTRAL EUROPE) and Budapest (SEE) respectively.

The objective of European territorial cooperation was defined in Article 3 of the Council Regulation (EC) No 1083/2006 (General regulation, European Council 2006). Accordingly, transnational cooperation shall be strengthened “by means of actions conducive to integrated territorial development linked to the Community priorities”. It is noticeable that the reference to spatial development and spatial planning (drawing on the ESDP) was forthwith replaced by less clearly defined references to ‘territorial development’.

These priorities were specified in Article 6 of Regulation (EC) No 1080/2006 (ERDF regulation, European Parliament and European Council 2006), setting out the thematic fields to be supported by cooperation programmes, namely:

- a) **Innovation:** the creation and development of scientific and technological networks, and the enhancement of regional R&TD and innovation capacities, where these make a direct contribution to the balanced economic development of transnational areas
- b) **Environment:** water management, energy efficiency, risk prevention and environmental protection activities with a clear transnational dimension
- c) **Accessibility:** activities to improve access to and quality of transport and telecommunications services where these have a clear transnational dimension
- d) **Sustainable urban development:** strengthening polycentric development at transnational, national and regional level, with a clear transnational impact

Based on the results of the evaluation of the previous programming period, in the fifth report on economic and social cohesion the results of cross-border, transnational and interregional cooperation were summarised. It was concluded that Interreg extended well beyond mutual learning, supporting a large number of innovative projects, initiating new forms of cooperation and establishing arrangements for longer-term collaboration (European Commission 2010: 222).

However, from the point of view of the European Commission, there would have been better opportunities for policy learning if better links had been established with mainstream programmes. Additionally, it was criticized that the knowledge gained from the cooperation experience often stayed within the Interreg community (ibid.).

The 'lessons learned' included in the fifth report on economic and social cohesion describe the directions of policy design during preparation of the 2014-2020 programming period (ibid.):

- **Clearer and more realistic policy goals**, recognising the different framework conditions in Eastern and Western Europe
- Definition of **better and more focused strategies**, identifying the needs in the cooperation areas and defining concrete and measurable targets
- **Better coordination with other EU-assisted programmes** to ensure compatibility and to realise potential synergies
- **Extension of the exchange of experience and good practice** from interregional programmes to mainstream programmes to improve policy-making.

Finally, in the sixth report on economic and social cohesion the benefits of 'European territorial cooperation' for territorial cohesion were listed, highlighting the following aspects (European Commission 2014: 254-255):

- **Effective solution of trans-border problems** (such as pollution), avoiding disproportionate costs for some and free-riding by others
- Provision of a means of **sharing good practice and know-how**
- Realisation of **economies of scale** and **achievement of a critical mass**, e.g. in relation to clusters of a particular activity
- **Improvement of governance** through coordination of policy measures and investments which span national borders
- **Safety, stability and establishment of mutually beneficial relationships** through cooperation with EU neighbouring countries
- **Management of eco-systems in support of sustainable growth and employment** through cooperation in macro-regions

## 2.4 European Territorial Cooperation / Interreg – Objective 2 (2014-2020)

In the current programming period European territorial cooperation became one of two objectives of cohesion policy (Figure 6). The term ‘Interreg’, while always continued to be used informally, returned to official communication, and a harmonised visual brand mark was created to increase visibility (Figure 7).

**Figure 6: Objectives of cohesion policy in the programming periods 2007-2013 and 2014-2020**

2007-2013	2014-2020
Convergence	Investment for Growth and Jobs
Regional competitiveness and employment	
European Territorial Cooperation	European Territorial Cooperation

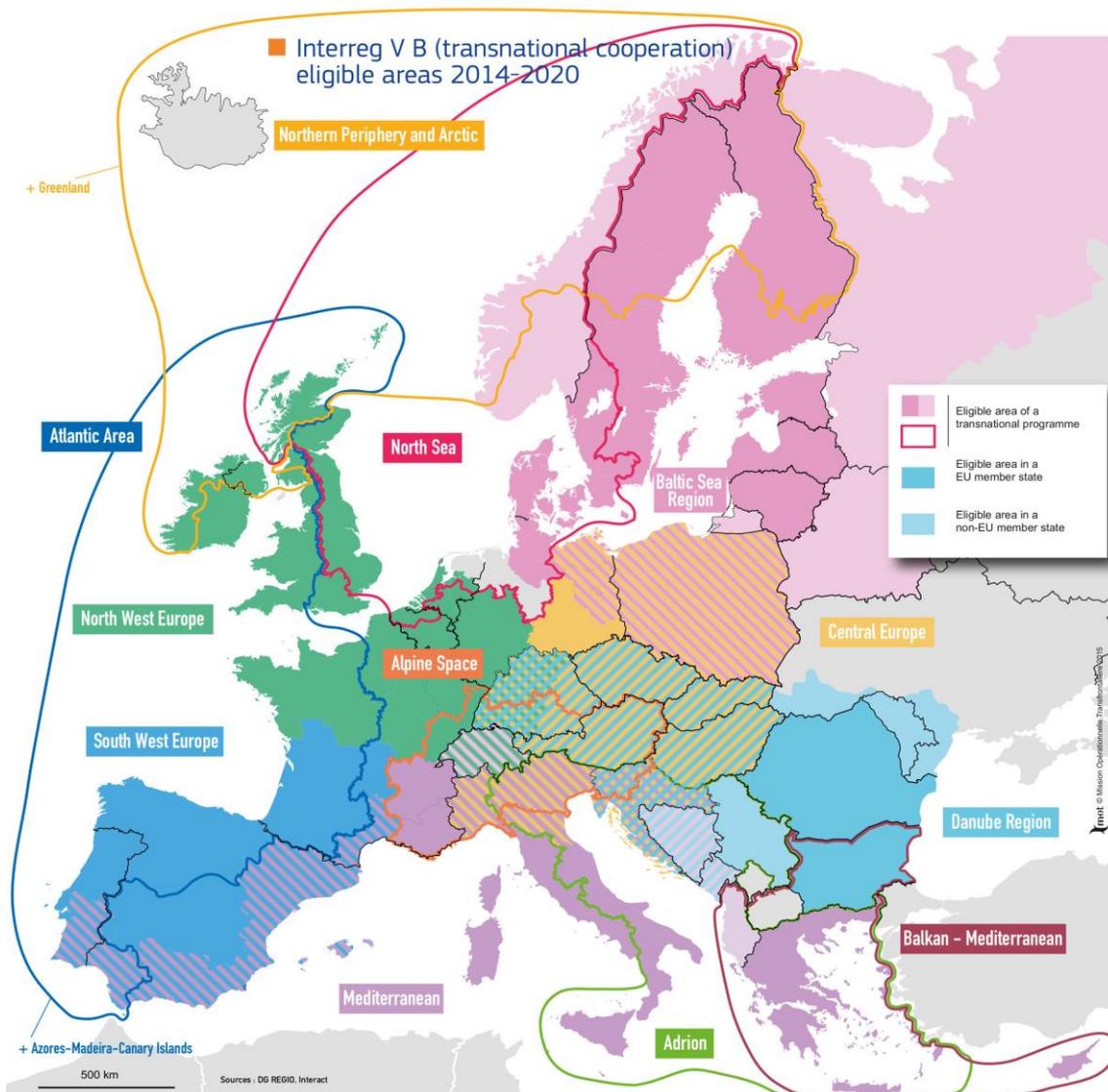
Source: European Commission 2015b: 15

**Figure 7: The Interreg brand in the programming period 2014-2020**



Following the creation of the EU Strategy for the Adriatic and Ionian Region (discussed in more detail below) and the harmonisation of macro-regional strategy areas and transnational cooperation areas, the former SEE programme was divided into two programmes – the Danube programme and the Adriatic-Ionian programme. Since the German federal states of Bavaria and Baden-Württemberg became part of the Danube programme, they regained opportunities for cooperation with partners in South-East Europe. As a result, German federal states contribute since 2014 to six transnational cooperation programmes (see Figure 8).

**Figure 8: Transnational cooperation areas in the programming period 2014-2020 (Interreg V B)**



Source: European Commission 2015a: 41 © Mission Opérationnelle Transfrontalière 2015

In the current programming period the objective of European territorial cooperation has been laid down in the preamble of Regulation (EC) No 1299/2013 (ETC regulation, European Parliament and European Council 2013). Accordingly, transnational cooperation “should aim to strengthen cooperation by means of actions conducive to integrated territorial development linked to the Union's **cohesion policy** priorities” (emphasis added by author). This definition clearly reflects the strong link between Interreg and cohesion policy.

A new element of the transnational cooperation landscape in the European Union are EU macro-regional strategies and sea-basin strategies. Since 2009 four macro-regional strategies have been approved (Figure 9):

- 2009: EU Strategy for the Baltic Sea Region (EUSBSR)

- 2011: EU Strategy for the Danube Region (EUSDR)
- 2014: EU Strategy for the Adriatic and Ionian Region (EUSAIR)
- 2015: EU Strategy for the Alpine Region (EUSALP)

**Figure 9: EU macro-regional strategies and sea basin strategies**



Source: European Commission 2015a: 47 © Mission Opérationnelle Transfrontalière 2015

Macro-regional strategies are aimed at increasing the coherence of EU policies around shared transnational agendas, and improve the overall impact and effectiveness of public funding. Initially, macro-regional strategies were to receive no support through additional funds, new institutions or new legislation ('three no's rule'). Instead, the wide range of EU-assisted programmes – and in particular regional programmes – should be used to pursue joint objectives. However, in the funding period 2014-2020 the transnational Interreg cooperation areas and macro-regional strategy areas have become explicitly aligned, and specific funding priorities have been included in the transnational Interreg programmes to support strategy implementation.

### 3 A review of the evolution of Transnational Cooperation within Interreg in programme areas with German participation

Germany is currently (2014-2020) involved in six transnational cooperation programmes. Each programme is managed by joint programme bodies established by the Member States, and the Member States jointly decide – independent from the European Commission – about the allocation of funds to projects.

Due to different framework conditions, different levels of experience in cooperation and different challenges for future development, the cooperation programme of each cooperation area reflects different approaches and different priorities towards transnational cooperation. However, there are many similarities, which can be explained by the increasing emphasis on a ‘strategic approach’ in EU Cohesion Policy (i.e. strong EU guidelines for Cohesion Policy programmes, including their thematic priorities).

The following charts show the evolution of thematic priorities in each transnational area since Interreg III B (2000-2006). To visualise patterns of development, each priority has been marked with colours representing the set of thematic objectives applied in the current programming period. The colour scheme has been developed as part of the Interreg branding exercise (Figure 10).

**Figure 10: Colour scheme of thematic objectives applied for the branding of Interreg in the current programming period**

Colour	Thematic objective (TO)
	TO1 Strengthening research, technological development and innovation
	TO4 Supporting the shift towards a low-carbon economy in all sectors
	TO5 Promoting climate change adaptation, risk prevention and management
	TO6 Preserving and protecting the environment and promoting resource efficiency
	TO7 Promoting sustainable transport and removing bottlenecks in key network infrastructures
	TO11 Enhancing institutional capacity of public authorities and stakeholders and efficient public administration
	Integrated spatial development; local and regional development *
	Cross-border cooperation (Baltic Sea Region programme) *

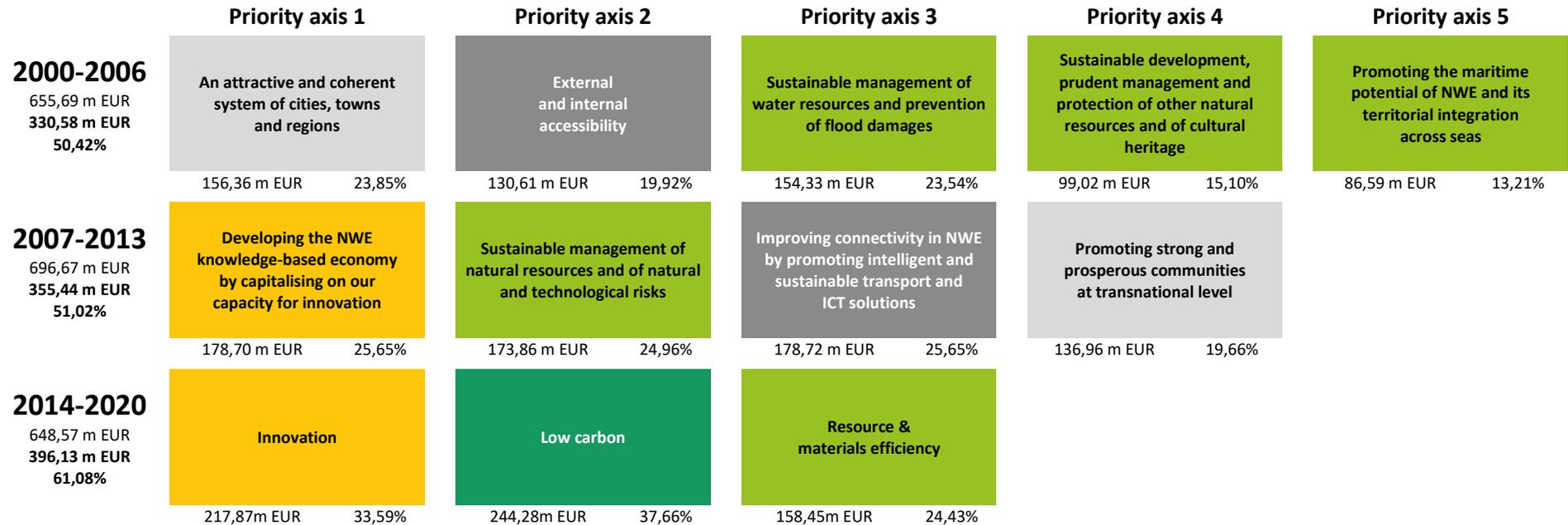
Source: Interact 2014: 22; \* Colours added for the purpose of this analysis. These issues are not covered by the set of thematic objectives applied in the current programming period

Of course, thematic priorities defined and applied in previous programming periods do not match entirely with thematic objectives applied in the current programming period.

However, the approach followed enables to visualise long-term patterns of development, drawing particular attention to aspects of continuity and discontinuity.

### 3.1 North West Europe

Figure 11: Thematic priorities and budget allocation in the NWE programme in the period 2000-2020



Source: Authors' analysis of programme documents and programme websites. Total budget includes funds for technical assistance

#### Framework conditions and challenges:

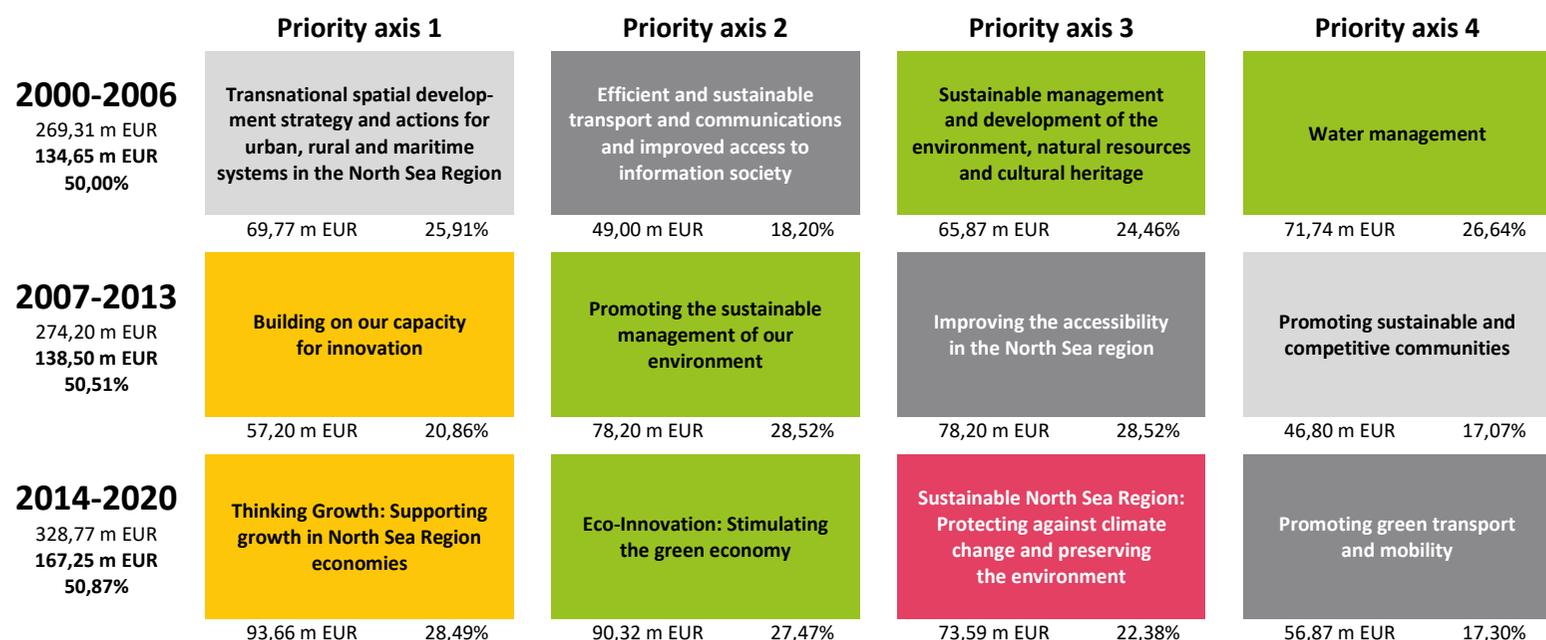
- 188 million inhabitants in 7 Member States and Switzerland
- 'Largest' cooperation area with many metropolitan areas; densely urbanised, economically strong, highly competitive and highly accessible

#### Development of priorities:

- Strong focus on environmental priorities in the initial programming periods, starting with the IRMA programme. Continuous support of projects in the field of water management until 2013
- Most significant concentration of thematic priorities in the current programming period

## 3.2 North Sea Region

Figure 12: Thematic priorities and budget allocation in the North Sea Region programme in the period 2000-2020



Source: Authors' analysis of programme documents and programme websites. Total budget includes funds for technical assistance

### Framework conditions and challenges:

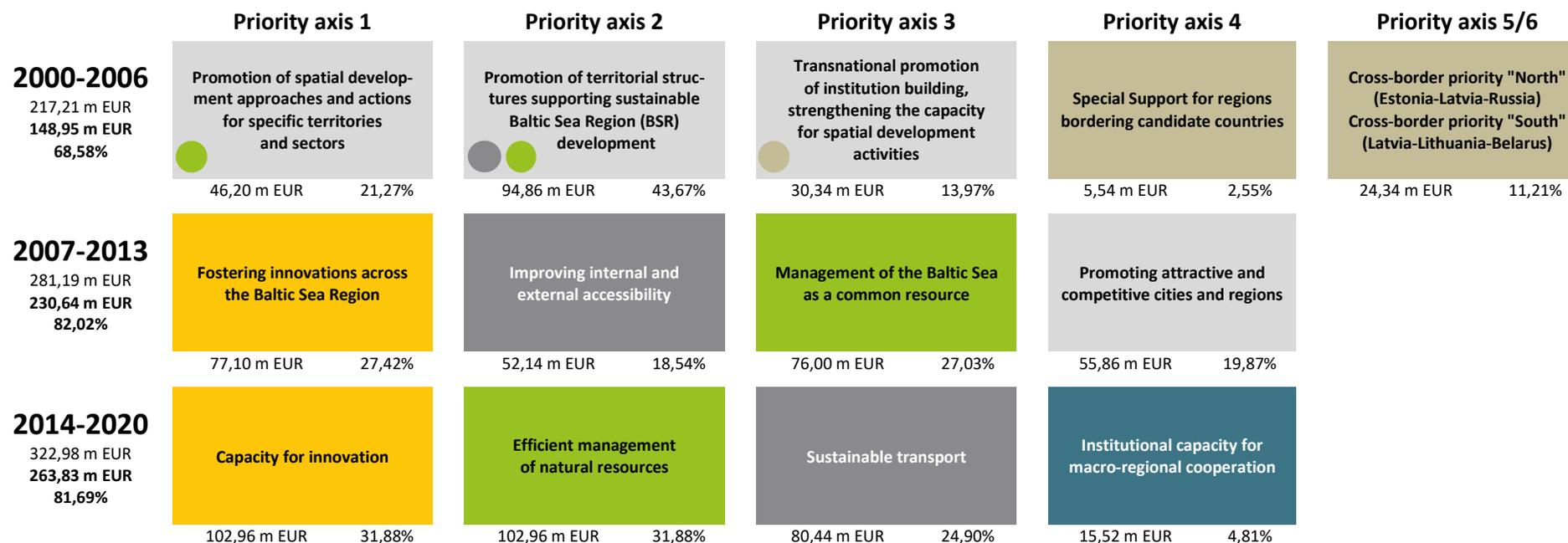
- 63 million inhabitants in 6 Member States and Norway
- The cooperation area is dominated by the North Sea with strong economies of its surrounding states, good quality of infrastructure, qualified workforce and the need for the efficient management of environmental risks

### Development of priorities:

- Continuous development of thematic priorities, remarkable orientation towards innovation and growth in the current programming period
- The only cooperation area with a priority on climate change adaptation

### 3.3 Baltic Sea Region

Figure 13: Thematic priorities and budget allocation in the Baltic Sea Region programme in the period 2000-2020



Source: Authors' analysis of programme documents and programme websites. Total budget includes funds for technical assistance

#### Framework conditions and challenges:

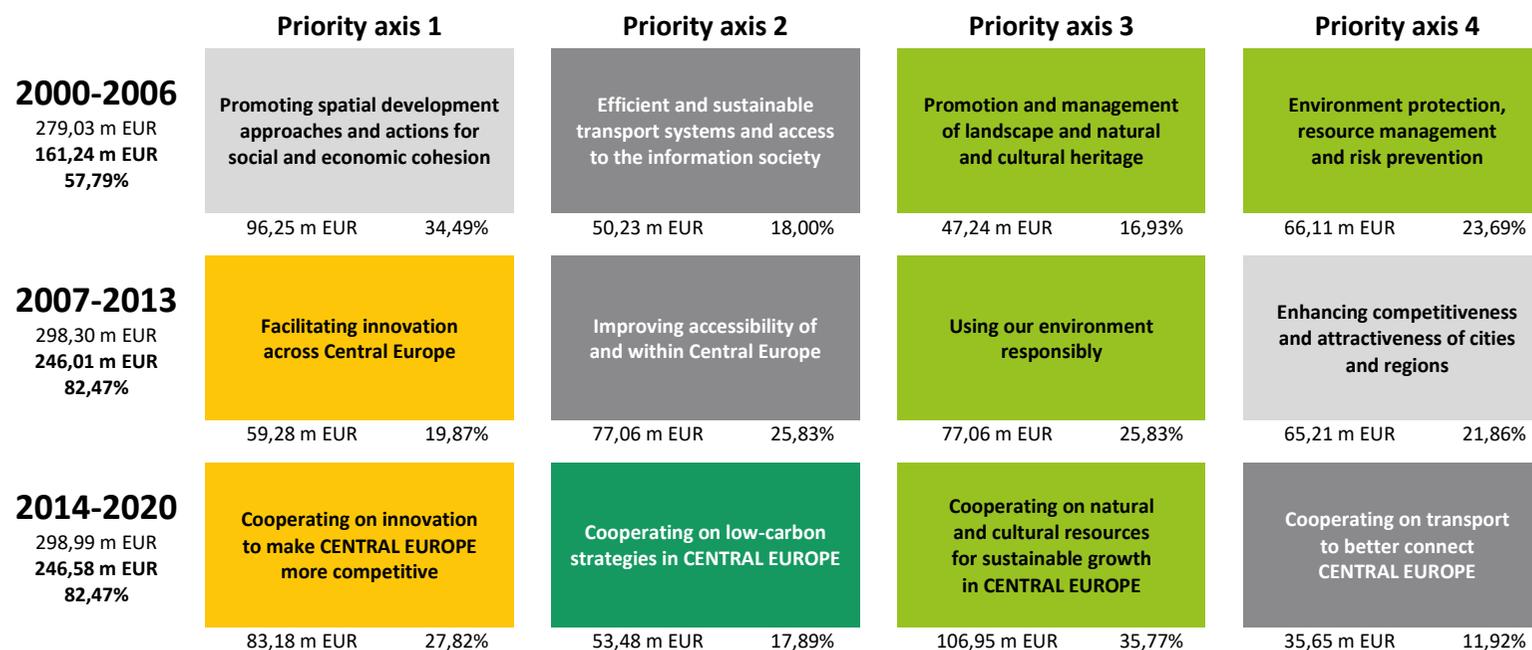
- 108 million inhabitants in 8 Member States, Norway, Russia and Belarus
- The cooperation area is characterised by the Baltic Sea and significant economic differences of its surrounding countries; relevant resources for spatial planning through long-standing VASAB cooperation (Visions and Strategies Around the Baltic Sea)

#### Development of priorities:

- Strong emphasis on spatial development in the programming period 2000-2006, strong planning approach
- Support of the EU Strategy for the Baltic Sea Region in the current programming period

### 3.4 CADSES | Central Europe

Figure 14: Thematic priorities and budget allocation in the CADSES programme (period 2000-2006) and in the CENTRAL EUROPE programme (period 2007-2020)



Source: Authors' analysis of programme documents and programme websites. Total budget includes funds for technical assistance

#### Framework conditions and challenges:

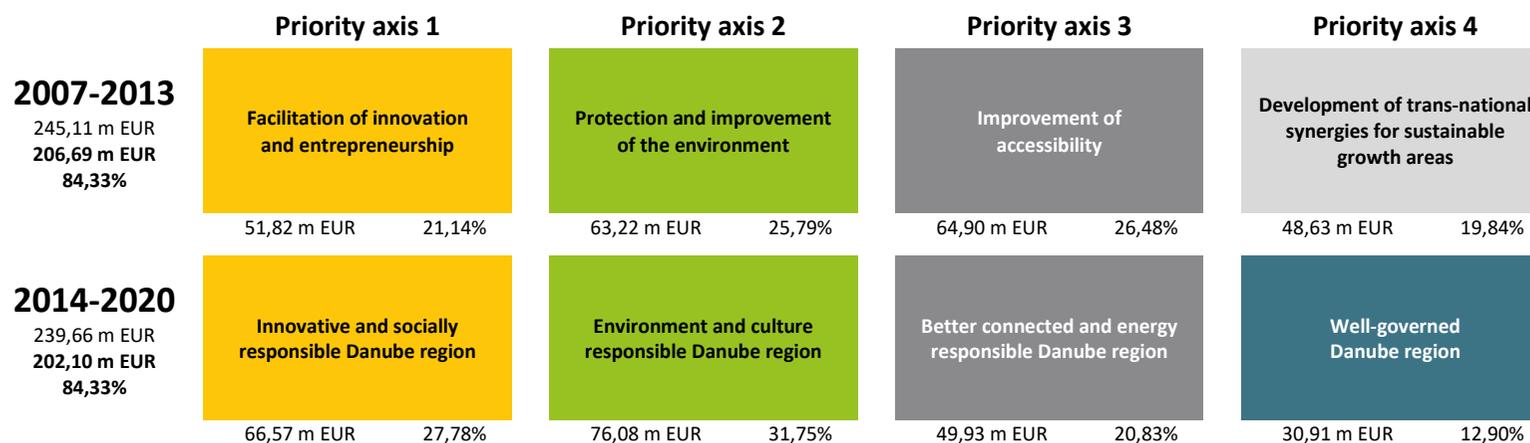
- 146 million inhabitants in 9 Member States
- Large and diverse cooperation area, characterised by the former East-West divide and significant economic differences; rather complicated political situation

#### Development of priorities:

- 'Standard' set of thematic priorities derived from EU strategic guidelines, with certain emphasis on natural and cultural resources
- Decreasing relevance of transport and connectivity

### 3.5 South East Europe (SEE) | Danube

Figure 15: Thematic priorities and budget allocation in the SEE programme (period 2007-2013) and in the Danube programme (period 2014-2020)



Source: Authors' analysis of programme documents and programme websites. Total budget includes funds for technical assistance

#### Framework conditions and challenges:

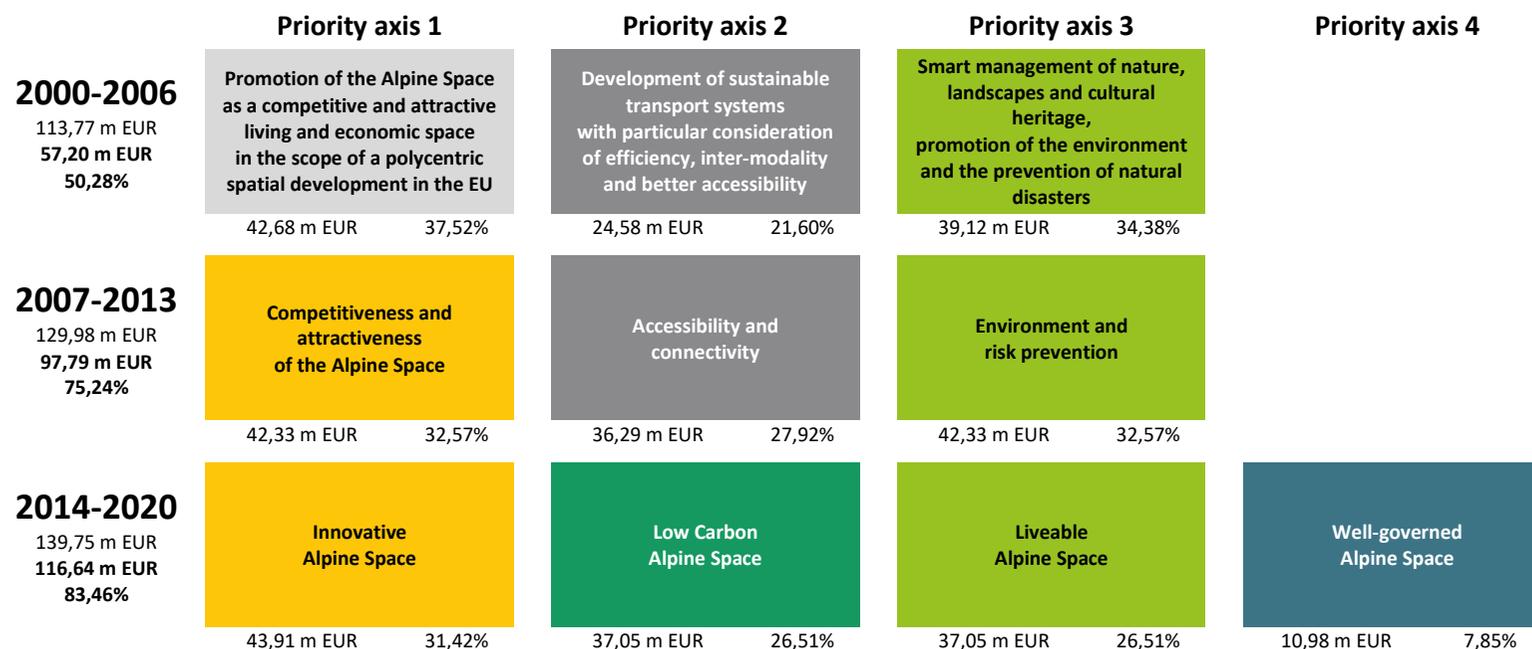
- 113 million inhabitants in 9 Member States, additionally Serbia, Montenegro, Bosnia and Herzegovina, Moldova and Ukraine; so far, the shape of the cooperation area has changed in each programming period
- Huge economic differences, difficult geopolitical situation with many tensions between participating countries, but as well: many opportunities

#### Development of priorities:

- Development of priorities might be compared to the CENTRAL EUROPE cooperation area, interesting focus on social innovation in the current programming period
- Support of the EU Strategy for the Danube Region in the current programming period

### 3.6 Alpine Space

Figure 16: Thematic priorities and budget allocation in the Alpine Space programme in the period 2000-2020



Source: Authors' analysis of programme documents and programme websites. Total budget includes funds for technical assistance

#### Framework conditions and challenges:

- 67 million inhabitants in 5 Member States and Switzerland
- The cooperation area is characterised by the mountain region of the Alps, with limited economic differences and quite similar challenges

#### Development of priorities:

- Continuous development of thematic priorities, certain concentration in the current programming period
- Support of the EU Strategy for the Alpine Region in the current programming period

## 4 Results and findings

Since 1997, transnational cooperation within Interreg has experienced continuous growth: more Member States, more cooperation areas, more funding. This is true in particular for cooperation areas with involvement of German federal states, since most of these cooperation areas were affected by EU enlargement in 2004 and 2007.

The share of ERDF funds in the budget of cooperation areas has increased significantly, from an average of 54,24 % in the programming period 2000-2006 to an average of 70,38 % in the programming period 2014-2020. Besides EU enlargement, the most important reason for this development is the significant increase of the co-financing rate in most cooperation areas. The corresponding reduction of national financing indicates as well a certain shift in ‘ownership’ of the cooperation programmes from the Member States to the European Commission.

**Table 1: Development of the budget of cooperation areas from 2000-2020 (in million EUR)**

Cooperation area	Programming period		Development 2000-2020
	2000-2006	2014-2020	
North West Europe	655,69	648,57	-1,1 %
North Sea Region	269,31	328,77	18,1 %
Baltic Sea Region	217,21	322,98	32,7 %
CADSES   Central Europe   Danube	279,03	298,99	48,2 %
		239,66	
Alpine Space	113,77	139,75	18,6 %
<b>Total</b>	<b>1.535,01</b>	<b>1.978,72</b>	<b>22,4 %</b>
<b>of which financed by ERDF</b>	<b>832,63</b> = 54,24 %	<b>1.392,53</b> = 70,38 %	<b>40,2 %</b>

Source: Authors' analysis of programme documents and programme websites. Budget figures include funds for technical assistance

Since 1997, the character and institutional design of Interreg has changed significantly – from a Community Initiative with an experimental character to a fully established instrument (and objective) of EU Cohesion Policy. Accordingly, the goals pursued by Interreg have changed:

- During the ‘early’ periods of implementation (1997-1999, 2000-2006), in all cooperation areas the focus has been laid on an integrated spatial approach and thematic priorities with strong spatial impact – local and regional development, transport and accessibility, environmental protection and risk management, with a certain focus on environmental issues (Figure 18).

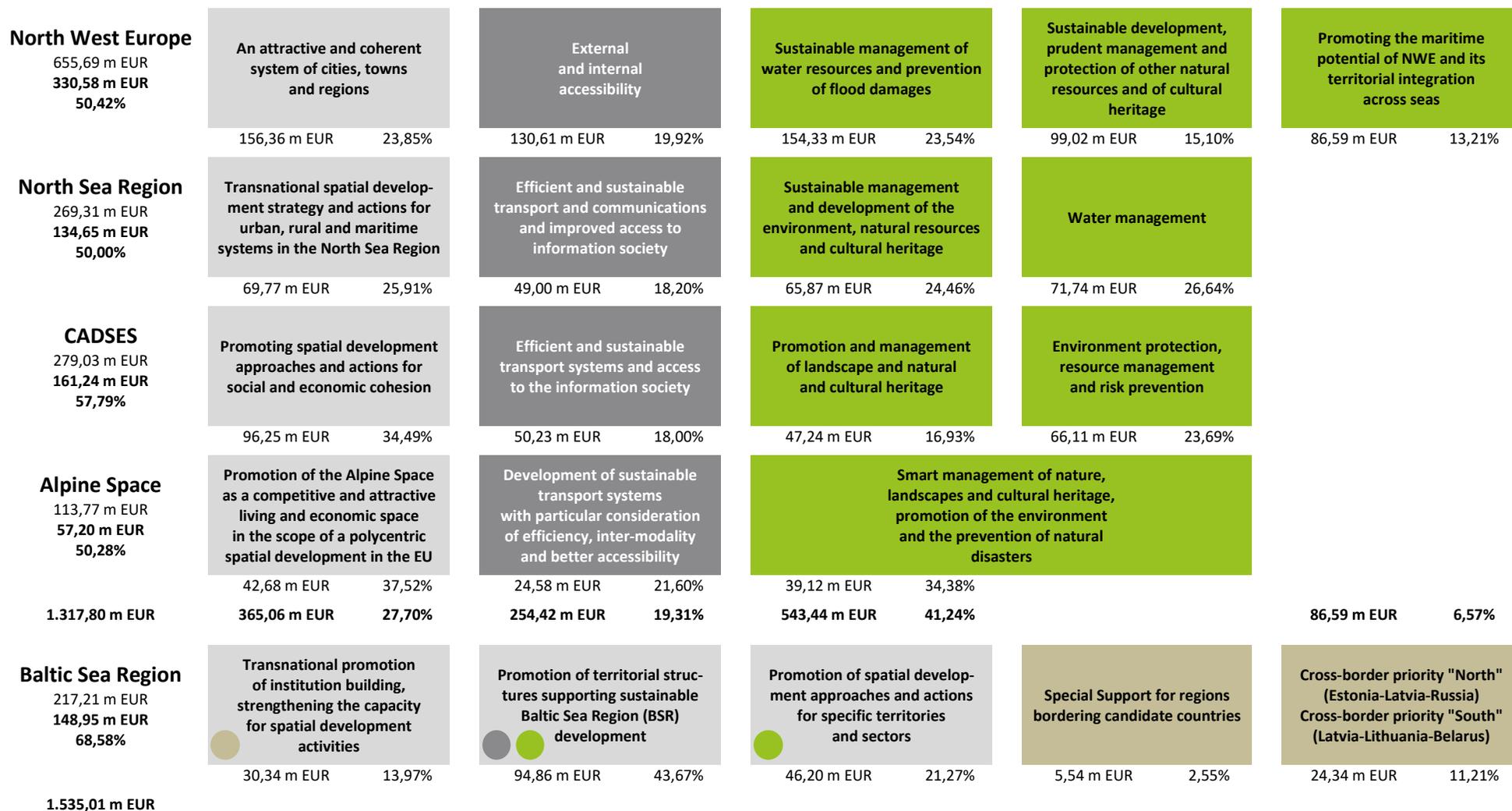
- During the programming period 2007-2013 Interreg became part of cohesion policy, and thematic priorities were pre-defined in the related regulation and in response to the EU's Lisbon-Gothenburg Strategy (adopted 2000/2001) which set out the goal for the EU to become the most competitive, knowledge-based economy in the world by 2010. The topic of innovation was added to the list of thematic priorities, but still environmental issues and transport issues remained to be in the focus of attention. Additionally, activities in the field of local and regional development were supported (Figure 19).
- In the current programming period cohesion policy has been aligned with the EU 2020 strategy, and the principle of thematic concentration has been introduced. On the one hand, this change resulted in a more flexible choice of thematic priorities in different cooperation areas. On the other hand, the issue of integrated spatial development disappeared from the agenda, the previous emphasis on engaging with local and regional authorities is increasingly replaced with a focus on 'strategic actors' and more focused and measurable results are demanded from cooperation projects and programmes. Additionally, several cooperation programmes have been linked with EU macro-regional strategies (Figure 20).

Figure 17 summarises the change of the character of transnational cooperation within Interreg since 1997.

**Figure 17: Development of transnational cooperation within Interreg since 1997**

From ...	To ...
Spatial development	→ Thematic focus on jobs and growth
Stakeholders of spatial development, local and regional public authorities	→ Stakeholders of economic development, 'strategic actors'
Spatial aims	→ General (sectoral) aims
Focus: Cooperation on issues of spatial relevance	→ Focus: Demand for measurable results

**Figure 18: Thematic priorities and budget allocation across cooperation areas in the programming period 2000-2006**



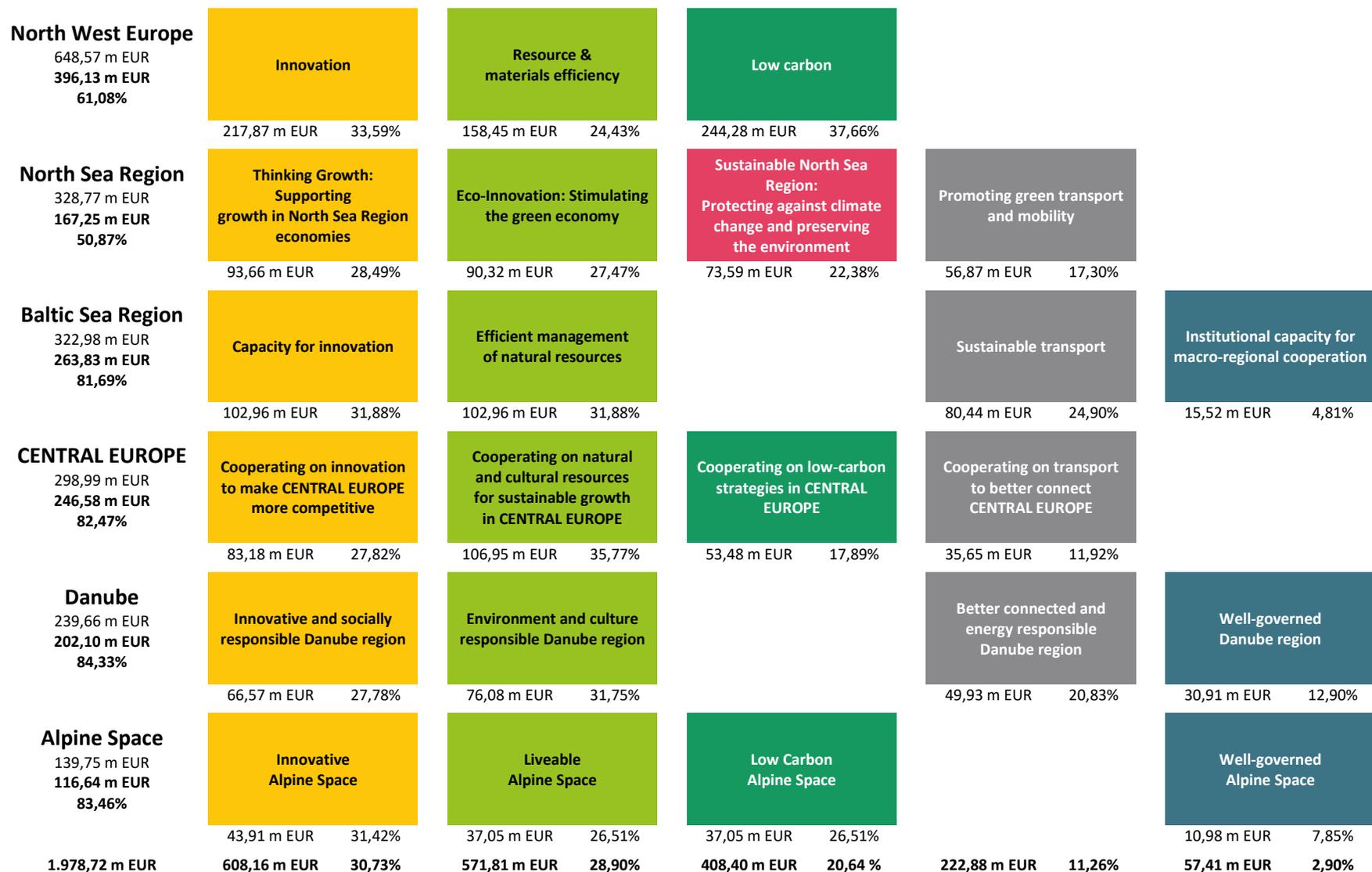
Source: Authors' analysis of programme documents and programme websites. Total budget includes funds for technical assistance

**Figure 19: Thematic priorities and budget allocation across cooperation areas in the programming period 2007-2013**

<b>North West Europe</b> 696,67 m EUR 355,44 m EUR 51,02%	<b>Developing the NWE knowledge-based economy by capitalising on our capacity for innovation</b>	<b>Sustainable management of natural resources and of natural and technological risks</b>	<b>Improving connectivity in NWE by promoting intelligent and sustainable transport and ICT solutions</b>	<b>Promoting strong and prosperous communities at transnational level</b>
	178,70 m EUR 25,65%	173,86 m EUR 24,96%	178,72 m EUR 25,65%	136,96 m EUR 19,66%
<b>North Sea Region</b> 274,20 m EUR 138,50 m EUR 50,51%	<b>Building on our capacity for innovation</b>	<b>Promoting the sustainable management of our environment</b>	<b>Improving the accessibility in the North Sea region</b>	<b>Promoting sustainable and competitive communities</b>
	57,20 m EUR 20,86%	78,20 m EUR 28,52%	78,20 m EUR 28,52%	46,80 m EUR 17,07%
<b>Baltic Sea Region</b> 281,19 m EUR 230,64 m EUR 82,02%	<b>Fostering innovations across the Baltic Sea Region</b>	<b>Management of the Baltic Sea as a common resource</b>	<b>Improving internal and external accessibility</b>	<b>Promoting attractive and competitive cities and regions</b>
	77,10 m EUR 27,42%	76,00 m EUR 27,03%	52,14 m EUR 18,54%	55,86 m EUR 19,87%
<b>CENTRAL EUROPE</b> 298,30 m EUR 246,01 m EUR 82,47%	<b>Facilitating innovation across Central Europe</b>	<b>Using our environment responsibly</b>	<b>Improving accessibility of and within Central Europe</b>	<b>Enhancing competitiveness and attractiveness of cities and regions</b>
	59,28 m EUR 19,87%	77,06 m EUR 25,83%	77,06 m EUR 25,83%	65,21 m EUR 21,86%
<b>South East Europe</b> 245,11 m EUR 206,69 m EUR 84,33%	<b>Facilitation of innovation and entrepreneurship</b>	<b>Protection and improvement of the environment</b>	<b>Improvement of accessibility</b>	<b>Development of trans-national synergies for sustainable growth areas</b>
	51,82 m EUR 21,14%	63,22 m EUR 25,79%	64,90 m EUR 26,48%	48,63 m EUR 19,84%
<b>Alpine Space</b> 129,98 m EUR 97,79 m EUR 75,24%	<b>Competitiveness and attractiveness of the Alpine Space</b>	<b>Environment and risk prevention</b>	<b>Accessibility and connectivity</b>	
	42,33 m EUR 32,57%	42,33 m EUR 32,57%	36,29 m EUR 27,92%	
<b>1.925,45 m EUR</b>	<b>466,43 m EUR 24,22%</b>	<b>510,68 m EUR 26,52%</b>	<b>487,30 m EUR 25,31%</b>	<b>353,46 m EUR 18,36%</b>

Source: Authors' analysis of programme documents and programme websites. Total budget includes funds for technical assistance

**Figure 20: Thematic priorities and budget allocation across cooperation areas in the programming period 2014-2020**



Source: Authors' analysis of programme documents and programme websites. Total budget includes funds for technical assistance

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