

The view of the Austrian regions on “INTERREG post-2020”

Introduction

The Austrian regions support the continuation of cross-border, transnational and interregional cooperation within the framework of the European territorial cooperation objective – INTERREG – to achieve the territorial dimension and the integration-policy objectives of the Cohesion Policy.

For INTERREG to remain an effective and visible territorial instrument of the Cohesion Policy, the legal framework should be determined through specific regulations – following the principle of proportionality.

To put the strategic component into greater focus, the programmes should be increasingly guided by the EU’s strategic objectives (such as macro-regional strategies, the Urban Agenda for the EU, and climate and energy targets). In this way, exceptional and visible European added value can be secured over the long term and INTERREG can be established as a true European support instrument.

Financial outline

European territorial cooperation has substantially contributed to European integration through knowledge transfer and the elaboration of mutual innovative solutions and processes and therefore justifies the use of EU funds. Without the INTERREG programmes, cooperation between regions, which is essential for Europe, would have taken place to a much lesser extent in terms of content and in financial respects. To keep providing a sustainable basis for this territorial cooperation, the following framework conditions are indispensable for the future implementation of INTERREG:

- A Cohesion Policy that is sufficiently funded to correspond to European challenges and where added value should still be secured for INTERREG in the future.
- The emphasis of cooperation and the linked financial allocations should, as has been the case so far, be placed on cross-border INTERREG programmes.
- With regards to the availability of funds, sufficient pre-financing of the programmes is required for the future, to secure liquidity based on the method applied in the 2007 – 2013 programming period.
- The principle of annual financial statements is incompatible with the multi-annual principle of the INTERREG projects, making programme implementation further complicated. Instead, an interim financial statement based on the progress of the financial programme is proposed.
- The current N+3 rule should be retained.
- The EU funding rates should be determined consistently at the programme level and should present a maximum quota rather than a fixed one.
- In order to continue to ensure sustainable, long-term regional development in the programme areas already initiated, multi-annual programming and funding of at least 7 years should be provided for.
- To be able to specifically react to altered framework conditions during multi-annual programmes, adequate flexibility has to be ensured for financial redeployment that can be autonomously implemented by the programmes. In addition, a lower level of detail should be adopted for the categories of expenses.

Thematic outline

INTERREG programmes, with their focus on cooperation, are an innovative further development of funding instruments. They are capable of introducing integrative and innovative solutions for regional level issues and challenges, as they particularly enable the promotion of networking and cooperation within the programme region and thereby also strengthen the knowledge necessary for the implementation of territorial cooperation.

To further secure INTERREG in the long run in terms of European added value, reform of the

specifications and framework conditions to be developed and necessary renewal in terms of more strategic programming with the following objectives are essential:

- Focus by the programmes on a few thematic priorities is expressly welcome. To allow for the consideration of territorial conditions (such as functional spaces), programming should be provided that is increasingly strategic. In this process, it must be ensured that the regions concerned autonomously choose themselves the specific objectives, based on the selected strategies.
- Increasing the impact and visibility of the results within the respective programme region by further developing the programmes, extending them beyond the mere funding aspect into a strategic, integrated instrument of cooperation in regional development.

This reform approach requires better coordination within INTERREG (cross-border, transnational, interregional coordination) on the one hand, and on the other hand actively supporting the thematic utilisation of synergies with other assistance instruments (ESF, EAFRD, Horizon 2020 etc.). Therefore, a revision of the guidelines is required, making them better applicable to the specifics of INTERREG.

Simplification – Subsidiarity

The administrative burden currently required for the implementation of the projects and programmes bears no relation to the applied funds or the thereby achievable quantitative outputs. The objective of simplification has to be to make the development and implementation of projects more user-friendly and less risky regarding the obtaining of EU funds. The desirable simplifications should be particularly customised for the beneficiaries and the authorities tasked with programme management. Still, the premise has to be that the simplifications sought must not lead to an increase in complexity, as has happened in the past. The following essential steps have to be taken:

- A central design of the framework conditions, while simultaneously preserving proportionality and the INTERREG specifics (such as the HiT-Tools developed by INTERACT). This would, on one hand, lead to substantial relief of the programme authorities and partners regarding the design and implementation of funding programmes and, on the other hand, allow for enhanced focus on strategic and content oriented programming.
- The importance of INTERREG as a standalone instrument of cooperation must be explicitly reemphasised. However, proportionality and complexity have again to be taken into account. Prospective INTERREG legal bases (regulation texts) should preferably include all framework conditions (no additional delegated or implementing acts) and be worded in such a manner that they are understandable, specific and applicable. Their interpretation has to be unambiguous. (Reliability is demanded).
- The regulation texts have to be submitted in a timely manner.
- The further development and improvement of the currently effective EU-eligibility rules as well as the suspension of national interpretations are welcome. Equal treatment of all project partners within the cooperation programmes can only be achieved through universally valid rules that do not differ on a national basis. This implies that rules have to be composed as maximum standards and also be realised as such.
- In respect of joint financing, the principle of common costs should also be taken into account within the INTERREG framework. The subsequent assessment should follow the “single audit principle”. Currently, this is subject to national regulations and interpretations.
- It is desirable to increase the derogations from state aid law in the context of INTERREG programmes. On one hand, it has been experienced that, due to the inherent aspect of cooperation, projects from these programmes rarely lead to distortion of competition, and on the other hand there is a call for equal treatment, referring to the programmes administered by the European Commission that are exempt from state aid law, since the project activities within INTERREG are comparable to these programmes (such as HORIZON 2020).

Simplification – Audit

Currently *First level Control (FLC)* incurs significant costs for lead partners and administration in Austria, which goes against the principles of economy, efficiency and expediency. The complex of issues regarding “control” is therefore regarded as an area with potential for substantial simplifications, demanding a radical reduction in the number of controls:

- The different levels of control (FLC, Second Level Control (SLC), administrative authority, certifying authority, DG Regio-Audit) need to be reviewed in terms of their expediency, and should be significantly reduced.
- Different interpretations of legal bases by individual authorities are rejected. To avoid this, a unified authority should be provided – if possible at the EU level, or at least freedom of choice.
- Further possibilities for simplified costing should be developed and their unconditional implementation at national/regional levels should be ensured. Therefore, it is required to preclude national interpretations of the legal bases in terms of “gold-plating”. To avoid issues with the audit at a later stage, a standardised Vademecum for the audit could be compiled in addition and provided ex ante to the beneficiaries.
- The objective of the controls should be to support the beneficiaries and the programme authorities with the project implementation in the best way possible (searching for solutions) and impose fewer sanctions. Therefore, a new awareness within the controlling bodies is required.
- Raising the rate of error to 5% due to the unsuitability of the applied method of inspection, which means that even small errors due to multiple extrapolations can lead to exceeding the currently valid error rate of 2%.
- The currently provided complex designation process, which even established programme authorities have to undergo, is rejected.

Integrated territorial approach

In the past, project initiatives that have been implemented within the framework of a fund for small projects have had a positive impact on the climate of cooperation, particularly at a local level. For this instrument to be (further) applicable in the future, clear – and especially simple – framework conditions for its establishment have to be included from as early as the regulation texts.

Instruments that enable an integrated territorial approach (such as CLLD) and are currently mentioned in the ERDF or the General Regulation should, with regard to their application within the objective of European territorial cooperation, be autonomously embedded within a regulation which has to be developed, and determined, in a realisable form.

Flexibility

Increased flexibility in the programme execution should make it possible to react faster and in a more targeted way to current developments. Therefore, simplified processes to alter the respective programmes are needed – regardless of external influences.

Continuity

As a prospective working hypothesis, awareness should be raised of the term continuity, which would lead to increased success in the implementation of INTERREG programmes. This must be understood, in the broadest sense, as the retention of EU regulations across programme periods. Established learning effects and knowledge transfer benefit from continuity and they should not be destroyed. However, necessary adaptations to regulations should be possible at a reasonably chosen point in time between two programme periods. This refers to both strategic and content-based adaptations, as well as organisational and structural ones.