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'I/A' ITEM NOTE

From: General Secretariat of the Council

To: Permanent Representatives Committee (Part 2)/Council

No. prev. doc.: 10460/21

Subject: Draft Council conclusions on Special Report No 14/2021 by the European Court of Auditors: Interreg cooperation: The potential of the European Union's cross-border regions has not yet been fully unlocked

- Approval

1. On 1 July 2021, the General Secretariat of the Council received the Special Report No 14/2021 "Interreg cooperation: The potential of the European Union's cross-border regions has not yet been fully unlocked".
2. Pursuant to the rules laid down in the Council conclusions on improving the examination of special reports drawn up by the Court of Auditors¹, the Permanent Representatives Committee, at its meeting on 14 July 2021, instructed the Working Party on Structural Measures and Outermost Regions to examine this report according to the rules laid down in the above-mentioned conclusions.

¹ Doc. 7515/00 FIN 127 + COR 1.

2. The Commission presented the report at the meeting of the Working Party on Structural Measures and Outermost Regions of 6 September 2021. Draft Presidency conclusions were examined at the meetings of the Working Party on Structural Measures and Outermost Regions of 16² and 30 September 2021³. A silence procedure was launched on 4 October 2021 with a revised set of Council conclusions⁴ that took into account the comments received from delegations during the final discussion at working party level on 30 September 2021. Since the silence procedure was broken, a revised set of Council conclusions⁵ was circulated on 8 October and agreed under silence procedure. Delegations agreed to the draft Council conclusions as set out in the Annex⁶ to this note.

3. The Permanent Representatives Committee is therefore invited to recommend to the Council to approve, as an "A" item at a forthcoming meeting, these Council conclusions as set out in the Annex to this note.

² WK 10534/21.
³ WK 10534/1/21 REV1.
⁴ WK 10534/2/21 REV2.
⁵ WK 10534/3/21 REV3.
⁶ WK 10534/4/21 REV4.

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**Council conclusions on Special Report No 14/2021 by the European Court of Auditors:
Interreg cooperation: The potential of the European Union's cross-border regions has not yet
been fully unlocked**

THE COUNCIL OF THE EUROPEAN UNION:

- (1) WELCOMES the Special Report No 14/2021 by the European Court of Auditors (hereafter referred to as "the Court") and the observations of the programme authorities and the Commission to the Report;
- (2) CONSIDERS the Report as a useful contribution in view of the preparation and implementation of the Interreg cooperation programmes (Strand A) for the 2021- 2027 period;
- (3) NOTES that the Court's audit described in the Report focused on whether, in the 2014-2020 programming period, the European Commission and Member States addressed the challenges of the cross-border regions in the internal border cooperation programmes effectively. The Report also refers to the Commission support to Interreg in the 2021-2027 period, emphasizing that the border orientation papers for the 2021-2027 period provided a more focused analysis of the cross-border challenges, and to the COVID-19 impact on Interreg programmes;

- (4) TAKES NOTE of the findings of the Report, in particular that:
- the cooperation programmes examined had clear strategies but not all of the cross-border challenges could be addressed due to various reasons;
 - the scarcity of resources allocated to the European Territorial Cooperation goal (Interreg) requires funding to be directed where it is likely to add most value;
 - the frequent absence of a clear demarcation between the cooperation and the mainstream programmes could lead to a situation where both sources of funding finance the same kind of operations;
 - most of the examined programme authorities did not rank the projects in terms of merit to ensure that only the best proposals for funding were considered;
 - the specific objectives were based on SMART criteria and output and result indicators were generally measurable. However, there were weaknesses in the relevance and achievability of the output and result indicators;
 - The cross-border effect of the supported operations was not always captured as a result of data either not available or not sufficiently coordinated between Member States;
 - Cooperation programme authorities made use of the measures available under the CRII and CRII+ initiatives to mitigate the effects of the COVID-19 outbreak;
- (5) ACKNOWLEDGES the recommendations given by the Court:
- to better focus the cooperation programmes;
 - to prioritise and award support to projects based on merit using scores;
 - to use indicators that aim to capture the effect of cross-border projects;

- (6) Broadly SHARES the observations of the examined programme authorities to the findings and recommendations included in the Court's Report, in particular that:
- coordination between the cooperation and mainstream programmes is already tackled by the existing legal requirements;
 - representatives of the institutions of the mainstream programmes are present in the Interreg monitoring committees' meetings but CONSIDERS their presence could be further enhanced;
 - projects are prioritized and support is awarded based on merit using scores; although a merit approach leads to a more transparent and clear selection process, IS OF THE VIEW that this may not always capture the added value of innovative projects. Thus, it could be complemented with a qualitative assessment for each project;
- (7) Broadly SHARES the observations of the Commission to the findings and recommendations included in the Court's Report, in particular that:
- projects in cooperation programmes are different to the mainstream projects due to their obligatory cooperation character and, thus, cooperation and mainstream programmes can in principle fall under the same specific objectives and be complementary;
 - the regulatory framework for the 2021-2027 period aims at facilitating and increasing cooperation between regions and Member States within the "mainstream" Cohesion policy programmes and CONSIDERS that mainstream programmes of cross-border regions could benefit from capitalising on successful Interreg results and, where applicable, from synergies and complementarities with the priorities of the macro-regional strategies and sea-basin strategies/initiatives;
 - for the 2021-2027 period the need to prioritise cross-border challenges has been translated into the legislative requirements;
 - the ERDF/Cohesion Fund Regulation 2021-2027 includes dedicated Interreg common output and result indicators that should help in capturing the effect of cross-border projects;

- (8) STRESSES that:
- the regulatory framework 2021-2027 already improved the situation and that taking up the recommendations given by the Court could boost programming and programme implementation;
 - the COVID-19 pandemic also resulted in a delay in the adoption of the 2021-2027 regulatory framework;
- (9) ENCOURAGES the Commission, in cooperation with Member States, to continue its endeavor in supporting new data developments, especially in cross-border statistics, within the framework of Eurostat; WELCOMES initiatives taken for cross-border indicators in ESPON and INTERACT.
- (10) INVITES the Commission to continue monitoring the COVID-19 impact on Interreg programmes.
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