

Post 2027 Discussion Paper

Greener Europe

5 November 2024

Please note | This discussion paper was produced for the Post 2027 Harvesting event, taking place in Brussels on 25-26 November 2024. It is a tool to stimulate discussion and engagement on the topic. **It does not represent an opinion of Interact, Interreg or any other actor**. For more information about the Harvesting process, please see the Post 2027 section of <u>Interact.eu</u>

Interreg for a Greener Europe

Overview

In 2021-2027 period, Interreg programmes were specifically tasked to focus on Policy Objective 2 (PO2) which was mandatory for programmes. They also were asked to focus financially on this topic. This decision became obvious, considering growing climate related challenges, but most importantly the capacity of Interreg of providing appropriate solutions through territorial cooperation, since its very beginning.

Building upon this mandate, it is now essential to explore how Interreg can effectively enhance its support for climate action and position itself as a vital tool within the EU for achieving its objectives in the upcoming programming period.

It is generally recognised that maintaining a strong emphasis on green challenges is a key priority. The perception of mandatory PO2 has generally been well received, as it helps sustain focus on climate-related issues within Interreg. However, greater flexibility while ensuring consistency with territorial needs is what should be highlighted and enabled.

Taking into account all topics currently covered as specific objectives under PO2 - such as climate change adaptation, energy, water, circular economy, nature protection, and mobility - this 'thematic menu' allows for addressing these challenges. Yet, there is a growing need for a more integrated approach at territorial and sectoral levels, and within POs. Additionally, there is a call for simplification and adaptability to avoid limiting the approach within constrained frameworks.

It is crucial to continue supporting climate change-related actions in regions where awareness is already high, even amidst security and economic concerns. There are also inequalities in awareness of climate challenges between regions, highlighting the need for a just transition and a place-based approach. Interreg provides solutions that positively impact citizens' daily lives. Engaging local communities, stakeholders and the wider public is essential for them to embrace these solutions.

This paper aims to further explore the various options that would enhance support for Interreg programmes in delivering climate resilience solutions tailored to their respective territories and address the interconnected challenges they face.

Methodology

The information serving as basis for this document has been collected through various events and activities:

- Interreg survey gathering reflections on current and future perspectives of Greener Europe (August-September 2024)
- Interreg Knowledge Fair 2024 surveys and sessions (March 2024)

• Interact facilitated networks and events, such as the Greener Europe Thematic Community providing support, visibility, exchange and keeping track of Interreg programmes' development in the field. Interact webinars (October 2024), workshops organised by national authorities (e.g. France May 2024)

What is working well for Interreg programmes in addressing climate related challenges for their area?

Interreg programmes have **extensive experience** in addressing climate-related challenges, having provided climate solutions for several programming periods. Climate change is **directly connected to specific territorial needs**, and as such it is considered one of the most prominent Interreg topics. Making it a mandatory PO and tackling it as a topic itself has helped to sustain this focus.

Strong stakeholder involvement has been integral to ensuring that the solutions developed are adapted and well-suited to local needs, with dedicated efforts in **stakeholder engagement and capacity building** within programme teams, including expert groups and thematic communities. Climate action has also been embedded as a strategic priority in programme strategies, contributing to a long-term vision for sustainable impact and legacy on the programme area.

Partnerships are essential to deliver green solutions, ensuring relevant stakeholders are on board, and strengthening the role of public authorities.

In operational terms, project results such as action plans serve as roadmaps for tackling climate issues at local and regional levels, while pilot actions provide tested solutions ready for adoption beyond the initial partnerships. A **result-oriented approach** guides these efforts, with territorial impact as key criteria, responding to clear indicators to measure change. In certain areas, programmes have adapted their delivery models to local needs, with both small-scale and strategic large infrastructure projects making significant contributions.

Programmes are generally satisfied with the current level of quality of green projects:

- PO2 does not pose any specific challenge in terms of absorption, evidencing interest from stakeholders, and the need for substantial investment in green solutions achieved through cooperation.
- **Thematic platforms**/communities/clusters and **capitalisation pathways** enhance transfer of results to a broader audience and increase policy uptake
- Important to clarify programme expectations, especially in terms of indicators, to better guide beneficiaries and increase relevance
- Better selection criteria to identify truly sustainable projects

It is important to maintain a geographical approach - as many funding opportunities exist for cities, they should be developed further within Interreg, highlighting the added-value of solutions achieved through cooperation. In the meantime, Interreg has a potential and responsibility to **support all territories in their diversity and specificity**, e.g. islands, sea and coastal areas across borders, rural areas, small municipalities.

Interreg's contribution to the wider EU green policy framework

Projects clearly align with thematic targets and the wider EU green policy framework - within this "topdown" approach, Interreg serves as a tool through which the EU implements its policies. This is also reflected by Interreg embracing UN Sustainable Development Goals.

Alignment also means being realistic about what can be achieved. It may be difficult to balance with regional priorities and contexts which do not always align. Projects bring **place-based solutions as evidence to solve bigger challenges** ensuring a just transition, especially in regions with social-economic disparities.

This is a credit to Interreg's true impact and added-value – with modest funding, it achieves big impact increasing capacity of (small) public authorities to operate in a greener way.

What needs to be improved (to better respond to climate challenges)?

Topics covered as part of current PO2 naturally call for **integrated and cross-sectoral approaches allowing comprehensive climate-related actions** (regulation repair, currently too limiting).

This is apparent when looking at the current allocation per Specific Objective (SO), the majority of programmes having selected SO2.4 (70) and SO2.7 (65) allowing more comprehensive action and focus shift in implementation (conversely becoming a "catch-all", within which many different topics are addressed, including those covered by other narrower SOs). As such, there is a need to increase capacity of adaptation to new climate reality and prominent challenges (e.g. water management, disaster risks) - as such, **flexibility and adaptability** are key factors to **better respond to increasing recurrence of climate risks and changing conditions**, such as heatwaves, wildfires, flooding (ability to re-prioritise).

Reviewing the current thematic menu, there is a need to simplify and narrow SOs – no artificial division (i.e. energy) and tighten around climate-related challenges (i.e. adaptation measures, risk prevention, nature-based solutions).

Although it supports climate action as a whole, requirements for financial focus, as outlined in the Interreg regulation (Article 15.1 mandates at least 60% allocation to PO2 for A, B, D and combined with PO4 for internal land borders), cannot always be easily transposed at Interreg level, as they are often too broad and challenging to implement in certain areas.

Regarding **partnerships**, the participation and **capacity of key enablers/implementers of local solutions**, e.g. municipalities and regions, needs to be increased, as well as providers of green technologies solutions (in particular SMEs). Thematic experts (universities, sectoral agencies) also play a crucial role in developing and promoting these solutions. Finally, civil society and NGOs act as the catalyst/ultimate beneficiaries of the Interreg results. Attracting private investment should help partnerships improve the jointly developed solutions and capitalisation of results, therefore the participation of the private sector in Interreg projects should be facilitated.

Several programmes have been able to boost their capacity to **transfer relevant results**, and implement capitalisation mechanisms to support reach into territories, in particular aiming at local policies - this should be supported and reinforced. It is important to recognise specific approaches corresponding to Interreg strand levels for better adapted solutions, considering **cross-border and transnational challenges and opportunities**. Finally, climate actions are often defined at national level – as such, Interreg should focus on its role acting at local level on shared natural resources, across borders in a more systemic approach.

Regarding the **impact of green projects**, it is currently difficult to closely and continuously monitor the environmental impact throughout the project life cycle. Programmes should be supported to monitor and assess the effectiveness/impact of funded solutions in the area in a longer term.

Climate resilience and climate change adaptation must be considered as transversal policy or even as element of the horizontal principle on sustainability: a call for useful, tangible links between climate resilience and other POs supporting awareness-raising and better integration into projects.

Policy objectives should be sufficiently broad for the programmes to take into account climate resilience and adaptation in a comprehensive and integrated way in all topics. Precisely, a **more horizontal approach across all POs**, and as horizontal activity in all projects, e.g. specific assessment criteria on how climate issues are addressed by the project, in all POs.

The current indicators measure what Interreg projects are achieving but not their environmental impact, which could be worth considering or help specifying. For example, they could target identified local needs which require coordinated approaches (e.g. water quality or flooding risk of a border river/sea), or a global environmental issue with a locally specific character or solution (e.g. biodiversity in the area).

The Do No Significant Harm (DNSH) principle is considered as mere (minimum) formality and/or additional layer ("tick the box") without highlighting or encouraging positive contribution, especially in the context of Interreg - such principle should be reflected to further incentivise positive environmental impact. Several programmes have taken great steps towards achieving more **sustainability and environment protection, to be integrated "by design"** in all project activities. These programmes have developed mechanisms and guidance to support projects in being more sustainable in practice e.g. carbon footprint monitoring, travel guidelines, green events... (for more details, please refer to the Annex on Sustainability in Interreg programmes).

Taking stock of the current framework, governance and capitalisation of results (through ISO1), as well as Operations of Strategic Importance could focus on climate resilience, while addressing also other POs.

Interreg building synergies with other EU funds for climate action and resilience

Considering the vast opportunities for funding on climate action at EU level, it is crucial to promote **complementarity** in selecting thematics and actions, instead of overlapping. In this context, Interreg's knowledge and experience should be duly recognised and valued, as a springboard for new collaborations across programme areas and funds. As decisions on financing frameworks will soon start, it is now time to consider **working together on the drafting of the next programmes.**

The Commission DGs and units playing a central role in this context, more awareness and **coordination** would help – ideally, the synergies at fund level are mirrored **at Commission level**, and similarly at national level. Strong efforts are needed on **aligning mainstream and Interreg objectives**, making sure cooperation is recognised and valued.

At programme level, initiatives around **capitalisation activities** should serve **as inspiration** for this coordination in practice – joint calls within Interreg and with other EU funds, shared assessment criteria, collaborative efforts at programme and project level, e.g. supported by thematic communities/platforms.

Focus may also be on synergies across Interreg programmes and strands, as a starting point. Macroregional strategies in particular should be better exploited, and in line with territorial needs, implementing cross-cutting projects.

Also worth considering, exploring partnerships with organisations and initiatives at EU level that are supporting local authorities in achieving climate goals such as Horizon's Climate-neutral and Smart Cities Mission (e.g. Netzero Cities), or Covenant of Mayors, whose local action plans are aimed as outputs in Interreg projects.

How could green related challenges in Interreg be tackled differently?

- Boost capacity of public authorities, as holders of the solutions, to solve the challenges they face.
- Keep Interreg close to the people, connected to the ground help motivate citizens, when they see local action and impact of EU programmes.
- Consider applying the ISO approach to Green, aimed more at governance and impact of solutions
 fostering compliance and contribution to EU Directives in the field of green agenda. This could prove
 particularly interesting when targeting specific strategic issues at regional/national level, requiring
 commitment from the relevant policy levels.

Key messages

- 1. Climate action is central to Interreg's mission: Tackling climate change through territorial cooperation should **remain a top priority for Interreg**, with a focus on **practical**, **locally-adapted solutions** that address mitigation and particularly adaptation challenges.
- 2. Flexibility, simplification, and integration needed: Interreg programmes must be able to develop more integrated approaches, reducing fragmentation in objectives and allowing for more cross-sectoral solutions to climate challenges.
- 3. Collaboration is key: Effective **stakeholder engagement and collaboration** across borders are essential for delivering solutions that are **impactful**, **sustainable**, **and replicable**. Interreg should be seen as the main tool for the delivery of these solutions **across borders**.
- 4. **Stronger synergies with other funds**: Future Interreg initiatives should be better aligned with broader climate policies, and as such ensure that territorial cooperation complements and enhances the EU's climate resilience related goals

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