

# ORIENTATION PAPER

## Transnational Cooperation Programme

### Central Europe 2021-2027



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## A. Introduction

1. This Orientation Paper sets out the key characteristics of the Central Europe Programme (CEP) covering a largely diverse area in terms of geographical features (mountainous, coastal areas and low lands), which includes 9 Member States (Austria, Croatia, Czech Republic, Germany, Hungary, Italy, Poland, Slovakia and Slovenia).
2. The programme area is home to more than 145 million people. Regions in Central Europe share a common historic and cultural root that differs distinctively from that in neighbouring areas such as the Balkans or the Baltic Sea Region.
3. Due to its cultural and historical value, the CEP has, more than other programmes, still an important integrating function. This still includes bringing together countries, regions and people from two former different ideological systems. Therefore, the CEP through the fostering of transnational cooperation is able to create a foundation for the common European values in the area.
4. The very complex territory covers with the exception of some regions (for example Meckleburg-Western Pomerania from Germany) a key industrial core of the EU, which consists of Austria, the Czech Republic, Germany, Hungary, and the Northern regions of Italy, Poland, Slovakia and Slovenia. Excluding the German regions not being part of the programme, this industrial core produces around 35% of total EU manufacturing gross value added) and is also the most dynamic region in terms of (re-) industrialisation.
5. The programme territory is also a key economic area in the EU with a distinct function (as industrial core) and a high level of functionality based on geographic proximity and strong trade, investment and industrial cooperation relationships.
6. Based on the above it can be stated that the very complex territory of the programme is characterized by the following distinctive elements: historical-cultural background that provides for an integrative role for the programme, the urban-rural/industrial-rural disparities and spatial segregation (closely linked to educational segregation), which call for the promotion of integrated territorial approaches to be enhanced in the area.
7. This Paper<sup>1</sup> will serve as a basis for discussion between Member States, programme authorities and the European Commission on the Transnational Cooperation Programme for Central Europe 2021-2027. It does not represent the negotiating position of the European Commission, but is destined to provide ideas, options and orientations on the thematic focus of the future programme. The paper relies on Commission Reports and data from Eurostat, ESPON and Interact, and takes into account lessons learned from the previous and current programming periods 2007-2013<sup>2</sup> and 2014-2020<sup>3</sup>.
8. The definition of **Functional Area** (*cooperation should concentrate on areas defined by joint characteristics, challenges and development opportunities, and the need and potential to address them jointly with the aim of delivering tangible results*) and **Thematic Concentration** (*to focus support in areas where EU funds can achieve the highest benefit by concentrating on a limited set of objectives and policy areas, thus achieving the highest possible impact*), together with the horizontal

<sup>1</sup> Orientations, geographical information, and thematic information is highlighted.

<sup>2</sup> CCI 2007CB163PO014.

<sup>3</sup> CCI 2014TC16RFTN001.

need for **better prioritisation and streamlining** of the available EU funds, form the guiding principles for this Orientation Paper.

9. The Programme area also partially overlaps with the four macro regional strategies: EU-Strategy for the Danube Region (EUSDR), EU-Strategy for the Adriatic and Ionian Region (EUSAIR), EU-Strategy for the Alpine Region (EUSALP) and EU-Strategy for the Baltic Sea Region (EUSBSR).

## **B. Challenges and foundation of the area of Central Europe**

10. The cooperation area of the 2014-2020 CEP has been extended compared to the 2007-2013 programming period by the participation of Croatia. The programme area currently covers:

- all regions from Austria, Croatia, the Czech Republic, Hungary, Poland, Slovakia and Slovenia, as well as eight Länder from Germany (Baden-Württemberg, Bayern, Berlin, Brandenburg, Mecklenburg-Vorpommern, Sachsen, Sachsen-Anhalt, Thüringen) and nine regions/autonomous provinces from Italy (Emilia-Romagna, Friuli Venezia Giulia, Liguria, Lombardia, Piemonte, Provincia Autonoma Bolzano, Provincia Autonoma Trento, Valle d’Aosta, and Veneto).

11. The Central Europe area is highly heterogeneous in geographical terms (including coastal areas, mountain ranges, rural areas, large urban agglomerations, medium and small cities etc.) as well as in economic and social terms (with a still visible East-West divide). The area owns a large number of assets but also faces numerous challenges, which can be classified according to eight main topics. These topics are:

- Globalisation and economic development
- Social cohesion and inequalities
- Demographic change
- Climate change, including natural hazards
- Energy
- Air pollution
- Natural and cultural resources
- Accessibility, transport and communication infrastructure
- Governance structures

12. There are many relations between cities in Central Europe. These networks are used for economic relations but also for institutional exchanges. Central Europe has also functional integration when it comes to biodiversity and habitats. An example of this is the “European Green Belt” that forms the backbone of a Pan-European ecological network crossing the continent along the former Iron Curtain.

13. There are long-standing institutionalised cooperation settings in the Central Europe area. At a broader transnational level, the Three Seas and the Central European Initiative are the most prominent institutionalised cooperation:

- **The Three Seas Initiative** aims at stimulating more rapid development of the region stretching between the Baltic, Black and Adriatic Seas, it involves seven out of the nine Member States participating in the CEP (Austria, Croatia, Czech Republic, Hungary, Poland, Slovakia and Slovenia). The overarching pillars of the Three Seas Initiative are threefold - economic development, European cohesion and transatlantic ties.
- **Central European Initiative (CEI)**, founded in 1989, is a regional intergovernmental forum aiming to supporting European integration and sustainable development through cooperation between and among its Member States and with the European Union, international and regional organisations as well as with other public or private institutions and non-governmental organisations. While acting as a platform for political dialogue, the CEI has developed a strong operational, result-oriented approach to regional cooperation.
- Another, recent, institutionalised cooperation in Central Europe is the **European Green Belt Initiative**. Founded in 2014, it is an association of 23 governmental and non-governmental organisations aiming at harmonising human activities with the natural environment and increasing opportunities for the socio-economic development of local communities along the former Iron Curtain.
- Cooperation under the Commission Initiative on Central and South-Eastern European Energy Connectivity (CESEC) was launched in 2015, aims to strengthen solidarity and enable a safer energy supply for citizens and businesses across the region (**Austria**, Bulgaria, **Croatia**, Greece, **Hungary**, Italy, Romania, **Slovakia** and **Slovenia**) in the field of gas, electricity, renewables and energy efficiency. The transnational Cooperation Programme could play a role in the region, for renewable energy and energy efficiency in particular.

14. The CEP area is partially overlapping with four other transnational programme areas: Adriatic-Ionian (Slovenia, Croatia, Italy), Alpine Space (parts of Germany, Austria, Slovenia, Italy), Mediterranean (Croatia, Italy, Slovenia), Baltic Sea (parts of Germany, Poland) and - most largely - with Danube (Germany, Austria, Czech Republic, Slovakia, Slovenia, Hungary, Croatia).

15. The large overlapping between the CEP and the Danube Transnational Programme calls for a better coordination between the two programmes already in the programming phase in order to identify thematic complementarities between the two programmes and to build up synergies. Therefore, it is advisable to organise joint programming events between CEP and the Danube Programme in the framework of a Joint Task Force meeting.

**Lessons learned from previous programming periods:**

16. The **CEP 2007-2013** was centred on four **thematic priorities** (allocation in brackets)<sup>4</sup>:

1. Facilitating innovation across Central Europe (21%)
2. Improving accessibility of and within Central Europe (18%)
3. Using our environment responsibly (30%)
4. Enhancing competitiveness and attractiveness of cities and regions (22%)

**Projects were implemented under the following areas of interventions:**

- ad 1. Enhancing framework conditions for innovation;
- ad 1. Establishing capabilities for the diffusion and application of innovation;
- ad 1. Fostering knowledge development;

<sup>4</sup> European Territorial Cooperation 2007-2013 - Operational Programme Central Europe. Total ERDF allocation EUR 246,011,074.

- ad 2. Improving Central Europe's interconnectivity;
- ad 2. Developing multimodal logistics' cooperation;
- ad 2. Promoting sustainable and safe mobility
- ad 2. Promoting Information and Communication Technologies and alternative solutions for enhancing access
- ad 3. Developing a high quality environment by managing and protecting natural resources and heritage;
- ad 3. Reducing risks and impacts of natural and man-made hazards;
- ad 3. Supporting the use of renewable energy sources and increasing energy efficiency;
- ad 3. Supporting environmentally friendly technologies and activities;
- ad 4. Developing polycentric settlement structures and territorial cooperation;
- ad 4. Addressing the territorial effects of demographic and social change on urban and regional development;
- ad 4. Capitalising on cultural resources for more attractive cities and regions

17. During its implementation, the CEP managed to **allocate all available funds** to 124 transnational projects well covering the four programme Priority Axes and the 14 programme Areas of Intervention (Aoi).

18. Projects were selected through four open calls for proposals, whereby the fourth call focused on closing existing gaps and a strategic call where a more top down approach was applied in tackling existing regional and transnational challenges. A special attention along the programme implementation has been paid to the **mainstreaming and capitalisation of project results**.

19. The **CEP 2014-2020** centres on **four thematic objectives (priority axes)** (allocation in brackets)<sup>5</sup>:

- 1. Cooperating on innovation to make CENTRAL EUROPE more competitive (31%)
- 2. Cooperating on low-carbon strategies in CENTRAL EUROPE (17%)
- 3. Cooperating on natural and cultural resources for sustainable growth in CENTRAL EUROPE (35%)
- 4. Cooperating on transport to better connect CENTRAL EUROPE (11%)

Projects are implemented under **seven specific objectives (investment priorities)**:

- ad 1. promoting business investment in R&I
- ad 2. supporting energy efficiency smart energy management and renewable energy use in public infrastructure
- ad 2. promoting low-carbon strategies for all types of territories, in particular for urban areas
- ad 3. conserving, protecting, promoting and developing natural and cultural heritage
- ad 3. taking action to improve the urban environment, to revitalise cities
- ad 4. enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes
- ad 4. developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems.

<sup>5</sup> Interreg Central Europe Programme – Cooperation programme 14/20. Total ERDF allocation EUR 246 million.

20. After three calls for proposals, the programme allocated 101.5%<sup>6</sup> of the available funds to 129 projects. 21.6 % of the programme funds have already been certified to the European Commission. The CEP is well on track with its programme implementation regarding output indicators.
21. In addition, the CEP 2014-2020 implemented an experimental call for proposals. The call aimed to **mix CEP stakeholders and newcomers from projects funded under directly-managed EU programmes** (Horizon 2020, LIFE, Connecting Europe Facility, etc.). The cooperation beyond the Interreg community offers the possibility to make results of the currently funded CEP projects even more effective.
22. The expected impacts of projects are considerable: more than 2,700 institutions are expected to adopt new or improved strategies and action plans, more than EUR 500 million of additional funds are expected to be leveraged, almost 2,800 jobs will be created based on project achievements and approx. 31,000 people will be trained.
23. In the 2014-2020 programming period, several EU cross-border programmes coexist in Central Europe, which partly overlap with the territory of the Programme. In addition, there are a number of national and/or regional ESIF mainstream programmes for the nine Member States, which cover the relevant national and/or regional territory participating in Central Europe Programme. Annex 1 lists these programmes. An important objective of the future CEP is to achieve complementarities with other programmes in Central Europe.
24. Several participating states benefit also from support from other funding mechanisms and schemes like the EEA grants <https://eeagrants.org/about-us>
25. The current programme put appropriate mechanisms in place for developing synergies with other EU programmes. The programme bodies foster the generation of synergies through diverse coordination and cooperation measures.<sup>7</sup>

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<sup>6</sup> Operational Evaluation of the Interreg CENTRAL EUROPE Programme  
Final Evaluation Report

<sup>7</sup> According to the findings of the Operational Evaluation of the Interreg CENTRAL EUROPE Programme  
Final Evaluation Report

### C. Investment objectives linked to the challenges

26. In this section, orientations are presented with respect to the five policy objectives and one (of two) Interreg-specific objective<sup>8</sup>, under which funding of the **future CEP** can take place. The current programme objectives of Central Europe focus on addressing globalisation and economic development, social cohesion and inequalities, demographic change, energy, natural and cultural resources, accessibility, transport infrastructure and governance structures. In general, these trends are still relevant today to describe the main features and challenges in Central Europe. Namely, differences between urban and rural areas, mountain and not-mountainous areas and former Eastern and Western countries.
27. With the potential focus on a) being a key industrial core of the EU, b) promoting economic, social and territorial cohesion along the former Iron Curtain and c) connecting Europe from North to South and from East to West, the current Central Europe Programme fits well into the post 2020 Cohesion policy architecture as outlined in the recent proposals for the Common provisions, ERDF and European Territorial Cooperation regulations.

#### **PO 1: A smarter Europe by promoting innovative and smart economic transformation**

28. Economic patterns across the world will change, as new technologies lead to what is called the 4<sup>th</sup> industrial revolution of production systems, characterised by a fusion of technologies and a blurring of lines between physical, digital and biological systems. By 2030, firms and industry will be predominantly digitalised. The so-called Internet of Things, supported by big data analytics, artificial intelligence, and machine learning tools, will enable smart machines to be increasingly adjustable through sensor technology, cheap computing power and the real-time use of algorithms. This will disclose opportunities for new business models and entrants, together with new challenges concerning the substitution of labour and the role of the European economy in new patterns of production at world level. Innovation networks become more relevant in the light of the 4<sup>th</sup> industrial revolution.
29. The CEP area is characterized as the industrial core of Europe. Therefore, industry 4.0 and the support of industrial partnerships might be the guiding principle under PO1 for the programme in the future. In parallel, the large territorial diversity about innovation and competitiveness has to be also considered and tackled. The most innovative regions can be found in Germany and Austria as well as in “innovation islands” mostly coinciding with highly urbanized areas, whereas most of the Eastern and southern regions are classified as moderate innovators and large parts of Poland are modest innovation regions<sup>9</sup>.
30. Development of smart specialisation strategies should focus on flexible technologies and competencies that can be applied to different industries. These strategies should reflect the specific context of the respective region, include the relevant actors and stakeholders and provide links to research and innovation. This includes the local cultural and creative sector, which not only is an important driver of innovation, modernisation (e.g. through digitisation) and smart specialisation strategies but also an important provider of employment and income (e.g. in the tourism and creative industry sectors).

<sup>8</sup> The external Interreg-specific objective “a safer and more secure Europe” does not apply to this programme.

<sup>9</sup> Regional Innovation Scoreboard 2017

31. A region's competitiveness level depicts the ability to offer an attractive and sustainable environment for firms and residents. In particular German, Austrian and capital regions in Slovenia, Slovakia and the Czech Republic had high regional competitiveness scores in 2016. Lower scores can be observed in rural regions in Poland, Slovakia and Croatia. Regional competitiveness scores have been relatively stable between 2010 and 2016.

32. **Orientation:** The programme should **support interregional industrial partnerships by expanding and promoting them** through transnational cooperation. The future CEP can also support the commercialisation and scale-up of interregional innovation projects that can create or reshape Central European value chains by enhancing the respective capacities of the interregional industrial partnerships. CEP could also consider how cooperation projects can improve the business environment to improve economic, social and territorial cohesion in the area. Possible thematic focus for innovation and SME cooperation could be on strengthening the standing of the region in the shift to a green or circular economy and the 4<sup>th</sup> industrial revolution. All these efforts of the future CEP should be in line with the existing and future SMART Specialization Strategies in the area.

## **PO 2: A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management**

33. The programme area is an industrial core of the EU and produces around 35% of total EU manufacturing gross value added) and is also the most dynamic region in terms of (re-) industrialisation. Citizens and businesses of this area could benefit from sustainable green transition.

34. To achieve this, the European Commission presented the **European Green Deal** in December 2019,<sup>10</sup> the most ambitious package of measures that should enable European Union to become the world's first climate-neutral continent by 2050.

35. Measures accompanied with an initial roadmap of key policies range from ambitiously cutting emissions of greenhouse gases and air pollutants, to investing in cutting-edge research and innovation, to preserving Europe's natural environment.

36. Supported by investments in green technologies, sustainable solutions and new businesses, the European Green Deal can contribute to the growth of this area. Above all, the **European Green Deal** sets out a path for a transition that is just and socially fair. It is designed in such a way as to leave no individual or region behind in the great transformation ahead.

37. A greener, low-carbon Europe demands rethinking energy production, consumption storage and transportation as well as general economic value chains. This is closely linked to UN Sustainable Development Goal number 7 on affordable and clean energy. Changing energy production and consumption habits supports dealing with climate change and air pollution.

<sup>10</sup> The European Green Deal [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en), accessed 18.12.2019

38. This industrial core produces around 35% of total EU manufacturing gross value added) and is also the most dynamic region in terms of (re-) industrialisation.
39. The former Iron Curtain, which symbolised the division between East and West for 40 years, due to its restricted border zone character, prevented the significant human activity in the concerned areas, granted a nature pause, and created a “zone of life”. This extraordinary ecological network and living memorial landscape is more than 12,500 kilometres long (from the Barents Sea at the Russian-Norwegian border, along the Baltic Coast, through Central Europe and the Balkans to the Black and the Adriatic Sea). Therefore it forms the backbone of a Pan-European ecological network and provides a significant contribution to the European "Green Infrastructure".
40. The Central European part of Green Belt crosses a variety of cultural landscapes, some of which are intensively used by agriculture. It passes the Bohemian massif with its well-wooded transboundary national parks such as the Bavarian Forest/Šumava, and follows the courses of near-natural rivers such as in the floodplains of the Mura and Drava. After passing through the long mountain ridge of the Karavanke Mountains and the Julian Alps, the Green Belt ends in the Adriatic Sea. Hence the Central European Green Belt offers the possibility to identify the Central European niche on PO2 for the CEP by developing the respective measures on the sub aspects of PO2 based on this ecological network.

*Good Practice*

*Good practice can be drawn from the project **Greennet** (<https://www.keep.eu/project/5552/promoting-the-ecological-network-in-the-european-green-belt?ss=f671908a264ecaa1cddb3112fd709c2e&espon=>) through the promotion of an interconnected and barrier free ecological corridor, especially in the areas of utmost ecological importance (National Parks etc.). The project has envisioned not only to connect nature but also to bring people together by connecting cultural heritage with natural one at the same time.*

41. **Energy:** Between 2002 and 2012 the final energy consumption for space heating, domestic hot water production and cooling in residential buildings has decreased in many regions in Central Europe. The exploitation of renewable energy has increased in all regions, but the energy sources differ depending on regional characteristics and policies. Nevertheless, air pollution, notably from domestic heating with solid fuel, remains a very serious problem, affecting the health and quality of life of many tens of millions of people in the CEP region.
42. **Green economy:** A region’s green economic performance illustrates its capacity to adapt to a greener and low-carbon Europe. Central European regions show a large variety of green economic performance. Alpine regions are among Europe’s highest performing regions on the green economy, while former Eastern-European countries are among the regions with lowest green economic performance.
43. **Climate change:** Central European regions have different levels of exposure to climate change effects, including e.g. increasing numbers of climate change related natural hazards and impacts on biodiversity i.e. permafrost melting in mountain areas and changing precipitation patterns should be considered, as they are likely to increase the already high flood and landslide risks.

Countries and regions are at different stages of adopting climate change adaptation and mitigation strategies.

44. **Biodiversity:** Likewise, climate change and energy consumption and production, biodiversity is dependent on environmental trends and human activities. All Central European countries, except Hungary had a higher loss of biodiversity than the European average.
45. **Orientation:** Initiatives for a greener and low-carbon Europe support the EU's commitment to the Paris Agreement and UN Sustainable Development Goals. Accordingly, the further development of activities supported under axis 2 (low-carbon strategies) of the current programme could be advisable. In principle the Central European Green Belt maybe considered as a framework for the future measures under PO2.
46. Given the connected habitats for flora and fauna in Central Europe, efforts to stop the loss of biodiversity could be a field of activities to be explored in the future. In this aspect a strong coordination with the regional and rural development funds in the CEP Countries is advisable to generate quality and complementary projects, regarding the unique biodiversity of Central Europe.
47. Climate change adaptation, and in particular climate change related natural hazards, in Central Europe are relevant issues and might deserve attention in the future. However, the future CEP due to the characteristics of a transnational cooperation programme, cannot offer a complete solution for tackling climate change. Therefore, the programme's approach in this respect should promote the transnational perspective by supporting transnational learning, networking and pilot actions.
48. Considering the ambition of the European Green Deal to work towards a zero pollution ambition, the fact that large parts of Central Europe face massive exceedances of air pollutants cannot be ignored. As air pollution is a transboundary problem, the future CEP is well placed to promote transnational cooperation between countries and regions, to help set up transnational monitoring and warning mechanisms of peak pollution periods and to promote the exchange of best practices, synergies and complementarity resulting from the LIFE and ESIF programmes.

### **PO 3: A more connected Europe by enhancing mobility and regional ICT connectivity**

49. Societies get increasingly connected. Digital technologies are transforming societies and altering the ways people live, work and communicate. At the same time people demand more, faster and flexible transportation. These trends demand networks that can cope with changing demand as well as solutions to support safe and environmental-friendly solutions. A few points for consideration for the new CEP concern the low accessibility in some parts of Central Europe, transport pollution and digital connectivity.

50. **Orientation:** Transport and digital infrastructure are important issues in Central Europe, having the focus mainly on implementation and large-scale investments. However, such investments require substantial funding provided through national funds, CEF, mainstream or EIB financial instruments, rather than the very limited Interreg funding the CEP could provide. Especially the complementarities between potential CEP projects and the CEF Transport's cross-border projects on removing bottlenecks or bridging missing links in various sections of the Core Network and on the Comprehensive Network (link), as well as for horizontal priorities such as traffic management systems and the promotion of clean inland waterway transport, should be highlighted. These

complementarities should be promoted through the building up of synergies which will lead to considerable capitalisation efforts. In any case a particular niche for transnational cooperation could be further examined, if relevant. Notwithstanding, the programme could play a catalyst role in the preparation of the larger investments, if appropriate.

#### **PO 4: A more social Europe implementing the European Pillar of Social Rights**

51. The integrative character of the CEP due to its historical/cultural background and the urban-rural disparities, which characterise the programme territory, can be well manifested and captured within the framework of policy objective 4.
52. The less developed regions in the programme territory suffer from the concentration of individuals being at **risk of poverty or social exclusion**. In parallel the phenomena of **young people not in employment, education or training (NEET)** represents another major problem of the area. Finally, the interrelation between social exclusion and the functioning of the labour market is clearly seen and calls for cooperation in tackling the skills mismatch in the possible Central European labour market. This could have also implications on the internal labour migration within the programme territory.
53. Demographic trends are drivers for increasing territorial diversity. Current trends such as urbanisation, ageing, migration, changing family and household structures are continuing and affect a growing number of places. At the same time, there is an increasing demand for more labour forces in healthcare, education, cultural activities, environmental protections and entertainment. These jobs demand human-to-human interaction and social capital.
54. A great divergence is noted among the countries of the CEP in terms of applying the horizontal principles (gender equality, rule of law, involvement of civil society etc.) Therefore the promotion of transnational learning in this respect within the framework of the future CEP could represent a great added value.
55. **Orientation:** Heterogeneous demographic challenges and its effects with availability of services of general interest is an important concern in Central Europe, as it contributes to growing territorial imbalances. Furthermore, spatial segregation (which is closely linked to educational segregation) should be addressed with specific actions. Linked to Policy Objective 4, innovative approaches ensuring the economic and social viability of rural areas deserve attention in a future programme.
56. The future CEP could consider supporting the partnerships of social partners, competent regional and local authorities, education and vocational training institutions to tackle labour market shortages in the programme territory. However, a close coordination/cooperation in the elaboration of the specific measures is needed with ESF+, which allocates also financial resources for transnational cooperation.
57. The development of networks between different stakeholders (including local industry, public authorities) to discuss and create innovative strategies for improving the functioning of local labour markets might be beneficial. Just like the development of networks and platforms for the establishment of social enterprises that allow transfers of managerial knowledge and skills as well as the availability of coaching. The establishment of platforms to improve the matching between labour market needs and skills development (employers and employees), would be

important. It should include different actions, in particular the better aligned vocational training programs, and innovative trainee programs to react in the labour market trends.

58. CEP should support transnational partnerships, which are aimed for the promotion of the implementation of the horizontal principles deriving from the Charter of Fundamental Rights of the European Union in the CEP countries through transnational learning.

## **PO 5: A Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives**

59. **Places left behind:** Central Europe covers a variety of regions with different socio-economic developments and trends. The area also includes areas which can be considered as 'left behind' by mainstream developments and policies. These are mainly 'remote' or isolated rural or mountainous areas often with declining population and low accessibility to services.

60. **Functional Urban Areas** are of outmost importance for the CEP area. Therefore, the CEP 2014-2020 demonstrated to be very successful in tackling the challenges affecting these areas. In particular, the integrated environmental management in urban areas was a priority topic for the programme considering the numerous environmental threats and pollutions encountered in urban areas (air pollution for example). At the same time, the majority of the Central European citizens live in urban areas and are directly affected by these threats. The CEP 2014-2020 addressed these environmental threats and pollutions by improving the capacities in integrated environmental management of relevant stakeholders. The following projects contributed to the indicates sub-topics in this respect:

- Air quality (AIRTRITIA, AWAIR)
- Brownfield rehabilitation and sustainable land use (LUMAT and GreenerSites)
- Green spaces (SALUTE4CE, UGB)
- Waste and resource efficiency (STREFOWA, SURFACE)Water management (AMIIGA, CWC)

61. **These issues should be tackled via territorial strategies:** At transnational level, urban partnerships, urban-rural linkages as well as partnerships in other types of territorial settings (mountainous, maritime, insular or isolated rural areas) may be supported to encourage place-based approaches. This may imply building cooperation between urban - rural partnerships or encouraging cooperation on sustainable urban development (SUD), via Integrated territorial investments (ITI) and Community-led local development (CLLD) strategies, or another tool supporting initiatives designed by the Member State, fostering sustainable and integrated territorial development under Europe Closer to Citizens. In this respect, the Central Europe programme area includes some of the most experienced Member States regarding SUD and ITI. Until August 2017, many SUD strategies were identified in Italy and Germany. Poland, Slovakia, Czech Republic and Italy are the EU Member States that delivered most of Cohesion Policy by ITI. At the same time, the use of ITI is very low in Germany.

62. **Orientation:** Many people feel increasingly detached from national and European policy making. Labels such as 'places that do not matter' or 'areas left behind' indicate that policy making concentrates too much on the division of successful and thriving territories. The motor function of these areas providing positive spill over effects to the rest of the less functioning areas however was not the case.

63. **The CEP area cannot be considered as a single functional area, but as a collection of smaller functional areas.** Therefore, the future programme should identify these areas and support the development and the implementation of focused integrated territorial strategies there within the framework of PO5. Hence, there is the need for the identification of the respective integrated territorial development strategies, the relevant local territorial authorities to be involved in the preparation of the strategies and the selection of the projects, the most appropriate territorial tool to be applied in the transnational framework and the transnational body to manage the selected tool. Nonetheless the involvement of the relevant socio-economic partners and the participatory planning of these integrated territorial strategies is also a key factor for their success
64. **By establishing linkages between the smaller functional areas at the transnational level CEP can play a “catalyst” role which could lead to a more significant territorial impact by creating/enhancing/sharing expertise and knowledge. This means that the programme can stimulate the identified functional areas by offering the possibility of transnational learning through networking, peer-to-peer etc.**
65. **CEP can support the enhancement of existing and new strategies, twinning and pilot initiatives.**
66. In parallel, the CEP should pay attention to be **complementary with the mainstream programmes (including ESF, ERDF, CF, EMFF and EAFRD programmes), other (e.g. LIFE) and CBC Programmes.**
67. It is also advisable for the programme to play a catalyst role in fostering the integrated social, economic and environmental development in urban and surrounding rural areas by offering the transnational framework cooperation between cities and other territories, also across regional and national borders.

### **INTERREG-specific objectives: Better Cooperation Governance**

68. According to the Commission proposal for a 2021-2027 ETC Regulation<sup>11</sup>, ERDF funding for an Interreg programme shall be allocated to the Interreg-specific objective of ‘a better Cooperation governance’.
69. Two main features regarding the application of the Interreg Specific Objective characterize the CEP: Better Cooperation Governance. The first one is the strong linkage to PO5 due to the concentration on the territorial strategy and secondly the existing overlap in the programme territory with numerous other transnational, cross-border and ESIF programmes.
70. In addition, due to the specific cultural and historical background of the CEP’s programme territory, the promotion of the fundamental principles (such as gender equality or fight against discriminations) through transnational cooperation should be an important aspect of the future programme.
71. **Orientation:** Overlaps in thematic focus (at least at programme specific objective level) with other transnational programmes incl. Alpine Space, Danube Area, Baltic Sea, Adriatic Ionian and Mediterranean Area should be avoided, even if the thematic duplication may indicate that the relevance of these topics in the region is such that they are worth being tackled by several programmes. The applicability of projects under several programmes can cause confusion and impair visibility and clarity of Interreg initiatives, as well as potentially increasing the burden for both applicants and programme authorities. This trade-off between provision of adequate

<sup>11</sup> Articles 14 and 15 of the Proposal for a Regulation COM(2018)374 of 23.5.2019.

funding and potential redundancy may be tackled with additional coordination between the programmes.

72. **Orientation: Cooperation beyond the usual.** Although Interreg Central Europe addresses a wide range of different beneficiaries, particular focus could be put to bring on board players who are usually not part of territorial cooperation programmes and projects. This implies also a better geographical balance of beneficiaries – not only across countries, but also between different types of places such as larger urban areas, small cities, rural areas, remote areas etc. Reaching out beyond the “usual suspects” will require additional efforts in reaching out to new target groups and projects might not run as smoothly as they do with experienced players but avoiding a fragmentation between a ‘territorial cooperation community’ and those ‘left behind’ would make this effort worthwhile. Within the framework of this effort, the linkage between the Better Cooperation Governance and PO5 can be ensured.

73. Moreover, the programme governance should be based on the partnership principle, which is a key feature covering the whole programme cycle including preparation, implementation and participation in monitoring committees, building on the multi-level governance approach and ensuring the involvement of economic, social and environmental partners.

#### **D. Conclusions for the 2021-2027 period for the cooperation area, including strategic orientations and relationship to macro-regional strategies/sea-basin strategies**

74. The CEP’s main characteristic derives from the complexity of its own territory which implicates numerous and important disparities. The historical-cultural background of the CEP though offers the possible integrative role for the future. Therefore the future CEP might focus on:

##### **PO 1**

- Support interregional industrial partnerships in Central Europe in different sectors (health etc.) by expanding and promoting them at the transnational level;

##### **PO 2**

- Enhance protection, conservation and ecological connectivity of Central Europe (e.g. biodiversity of habitats, fresh water management, climate change adaptation incl. risk prevention, circular economy, renewable energy, and including relevant and targeted RDI activities);
- Enhance the health and quality of life of the citizens of Central Europe by improving air quality (e.g. transnational cooperation, transnational monitoring and warning mechanisms of peak pollution periods, promoting the exchange of best practices, synergies and complementarity for ESIF and CEF actions);

##### **PO 4**

- Enhance the effectiveness of labour markets and access to quality employment, improve access to inclusive and quality services in education, training and lifelong learning ;

**PO 5**

- Act as a “catalyst” by creating/enhancing/sharing expertise and knowledge among local strategies.
- Promote territorial strategies in functional areas of various territorial settings, such as urban-rural partnerships, sustainable urban development, through the support of territorial tools.
- Support the tackling of urban-rural disparities and support the cooperation of cities and their surrounding rural areas.

**Interreg-specific objective of better governance (15%)<sup>12</sup>**

- Promote horizontal principles (such as gender equality) including those deriving from the Charter of Fundamental Rights of the European Union in the CEP countries.

75. **Orientation:** The **future CEP** should put special emphasis on the promotion of the territorial based approach under PO5 in order to realize a considerable outreach of the Central European functional areas and to tackle effectively the territorial/social disparities in an integrated way. When activities under PO 5 are being developed, the provisions set out in Articles 22 and 23 of the CPR would have to be respected. Territorial strategies would need to be developed in cases where they do not already exist and implemented through appropriate governance mechanisms.

76. **Orientation:** In accordance with the orientations concerning the selection of policy objectives above (section C), a stronger link with relevant national and regional EU Cohesion Policy programmes, as well as cross-border programmes should be promoted. According to the proposed legislation<sup>13</sup>, Member States are encouraged to include cooperation activities with other countries under their national and regional programmes. Policy objective 3 (for connectivity) is not explicitly considered for the future CEP, but cooperation activities under this PO could be promoted under relevant national and regional EU Cohesion Policy programmes, Horizon Europe, Connecting Europe Facility, Invest Europe, and/or other Interreg programmes, where appropriate.

77. The promotion of horizontal principles should be carried out under the Interreg-specific objective of better governance

78. European Semester Country Reports 2019 for the nine EU Member States concerned (Austria, Croatia, Czech Republic, Hungary, Germany, Poland, Slovakia and Slovenia) and their respective Annexes D, identify potential areas for cooperation and/or refer to the macro-regional strategies. Cooperation should therefore be promoted between Transnational programmes and Cross-border programmes within the same territories, as well as between Transnational Programmes and EU programmes with a particular attention to Cohesion Policy programmes covering the same region or Member State, always in close coordination with the geographical units responsible or relevant Commission services. The list of 2014-2020 programmes (CBC and ERDF) is attached to this document (Annex 1).

<sup>12</sup> See Recital 19 and Articles 14 and 15 (2) of the Proposal for a Regulation COM(2018)374 of 29.5.2018

<sup>13</sup> Proposal for a Regulation COM(2018)375, Article 17 (3) (d).

## Annex 1

<b>PARTIALLY OR FULLY OVERLAPPING CBC AND ERDF PROGRAMMES WITH INTERREG CE 2014-2020</b>
Danube Transnational Cooperation Programme
Interreg Adriatic-Ionian Programme
Interreg Alpine Space Programme
Interreg Mediterranean Programme
Interreg V-A SI-AT
Interreg V-A AT-CZ
Interreg V-A SK-AT
Interreg V-A SI-AT
Interreg V-A AT-DE/Bavaria
Interreg V-A – AT-HU
Interreg V-A DE (Bavaria)-CZ
Interreg V-A DE (Saxony)-CZ
Interreg V-A DE (Brandenburg)- PL
Interreg V-A DE (Mecklenburg-Vorpommern-Brandenburg) - PL
Interreg V-A DE (Saxony)-PL
Interreg V-A PL-SK
Interreg V-A CZ-PL
Interreg V-A SK-CZ
Interreg V-A SK-HU
Interreg V-A SI-HU
Interreg V-A HU-HR
Interreg V-A SI-HR
<b>Germany:</b> OP Baden-Württemberg ERDF 2014-2020 OP Bayern ERDF 2014-2020 OP Berlin ERDF 2014-2020 OP Brandenburg ERDF 2014-2020 OP Mecklenburg-Vorpommern ERDF 2014-2020 OP Sachsen ERDF 2014-2020 OP Sachsen-Anhalt ERDF 2014-2020 OP Thüringen ERDF 2014-2020
<b>Hungary</b> Economic Development and Innovation Operational Programme Environmental and Energy Efficiency OP Integrated Transport OP Territorial and settlement development OP Competitive Central-Hungary OP
<b>Italy</b> ROP PA Bolzano ERDF ROP Emilia Romagna ERDF ROP Friuli Venezia Giulia ERDF ROP Liguria ERDF ROP Lombardia ERDF ROP Piemonte ERDF ROP PA Trento ERDF

<p>ROP Valle d'Aosta ERDF  ROP Veneto ERDF  8 national OPs  with different thematic focus</p>
<p><b>Austria</b>  Investments in Growth and Employment Austria 2014-2020 - Operational Programme for the use of the ERDF funds</p>
<p><b>Slovenia</b>  OP - 2014SI16MAOP001 - Operational Programme for the Implementation of the EU Cohesion Policy 2014-2020</p>
<p><b>Slovakia</b>  Integrated Infrastructure OP  Quality of Environment OP  Research and Innovation OP  Integrated Regional Operational Programme OP</p>
<p><b>Poland</b>  OP Infrastructure and Environment  ROP 1 Regional Operational Programme for Dolnośląskie Voivodeship 2014-2020  ROP 2 Regional Operational Programme for Kujawsko-Pomorskie Voivodeship 2014-2020  ROP 3 Regional Operational Programme for Lubelskie Voivodeship 2014-2020  ROP 4 Regional Operational Programme for Lubuskie Voivodeship 2014-2020  ROP 5 Regional Operational Programme for Łódzkie Voivodeship 2014-2020  ROP 6 Regional Operational Programme for Małopolskie Voivodeship 2014-2020  ROP 7 Regional Operational Programme for Mazowieckie Voivodeship 2014-2020  ROP 8 Regional Operational Programme for Opolskie Voivodeship  ROP 9 Regional Operational Programme for Podkarpackie Voivodeship  ROP 10 Regional Operational Programme for Podlaskie Voivodeship  ROP 11 Regional Operational Programme for Pomorskie Voivodeship  ROP 12 Regional Operational Programme for Śląskie Voivodeship  ROP 13 Regional Operational Programme for Świętokrzyskie Voivodeship  ROP 14 Regional Operational Programme for Warmińsko-Mazurskie Voivodeship  ROP 15 Regional Operational Programme for Wielkopolskie Voivodeship  ROP 16 Regional Operational Programme for Zachodniopomorskie Voivodeship  OP Smart growth  OP Development of Eastern Poland</p>
<p><b>Czech Republic</b>  Transport OP  Environment OP  OP Prague – Growth Pole  Enterprise and Innovation for Competitiveness  Integrated Regional Operational Programme</p>
<p><b>Croatia</b>  Competitiveness and Cohesion OP</p>

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