

Joint paper on Interreg NEXT Strategic Programming 2021 - 2027

**Interreg NEXT programmes on EU external borders
with the neighbouring partner countries**

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Table of contents

1 EU policy and objectives

1.1 EU Policy context

2 Policy context

2.1 Internal EU

2.1.2 Cross-border, transnational and interregional cooperation

2.1.3 Macro-regional strategies

2.2 Neighbouring partners

2.2.1 Southern Neighbourhood

2.2.2 Eastern Neighbourhood

2.2.3 Russian Federation

3 Economic and social analysis of border areas

3.1 Description of the border areas

3.2 Economic and social characteristics of the border areas

3.3 Specific challenges and opportunities in border areas

4 Overview of past and ongoing cooperation

4.1 Neighbourhood CBC programmes and their predecessors

4.2 Other support to local and regional cooperation

4.3 Lessons learned

4.3.1 ENPI CBC 2007-2013

4.3.2 ENI CBC 2014-2020

4.4.3 Result Oriented Monitoring exercise on ENI CBC 2014-2020

5 Response strategy

5.1 Principles/basic parameters

5.2 Objectives

5.3 Proposed geography of Interreg NEXT Programmes 2021-2027

5.4 Consultation with stakeholders

6 Programming for 2021-2027

6.1 Key actors

6.2 Programmes' preparation

6.3 Rules and procedures

6.4 Programming governance

7 Proposed provisions for financial allocations under the draft EU regulations

Abbreviations

EaP	Eastern Partnership
ENI CBC	European Neighbourhood Instrument for CBC
ENP	European Neighbourhood Policy
ETC	European Territorial Cooperation
JS	Joint Secretariat
MA	Managing Authority
MC	Monitoring Committee
MS	Member States
MFF	Multiannual Financial Framework
NDICI	Neighbourhood, Development and International Cooperation Instrument
IPA	Instrument for Pre-Accession
ITI	Integrated Territorial Investment
PO	Policy Objective
ISO	Interreg Specific Objective
CLLD	Community Led Local Development
NUTS	Nomenclature of territorial units for statistics
UN SDG	United Nations Sustainable Development Goals

Introduction

This document serves as a basis for programming discussions on post-2020 Cross-Border Cooperation (CBC) on EU external borders with Member States (MS) and partner countries, in the framework of the European Neighbourhood Policy (ENP) and the Cohesion Policy for the period 2021-2027.

It is supposed to launch the debate and help reach a timely agreement on the main programming principles and orientations with MS, partner countries and programme authorities.

The paper will frame the formal multiannual strategy document, provided for in Articles 12(2) and 18(6) of the proposal for the Neighbourhood Development and International Cooperation Instrument (NDICI) Regulation and Article 10(1) of the European Territorial Cooperation (ETC) Regulation. This strategy document can only be finalised once these basic legal acts are adopted. As the negotiations of the above-mentioned legal acts are still ongoing, this paper is based on the assumption that the main programming principles and policy orientations will not fundamentally change. However, provisions concerning budgetary arrangements such as allocations and pre-financing are only preliminary and will be further developed only after the conclusion of the Multiannual Financial Framework (MFF) negotiations.

The cooperation programmes covered by this paper are proposed to be called “Interreg NEXT programmes” (Interreg External Neighbourhood Programmes).

The paper is divided into two parts:

a) the **main document** that includes: a description of the EU and partner countries policy context, an outline of the socioeconomic situation of the relevant border areas, lessons learnt from previous programmes, the proposed response strategy (guiding principles, objectives, themes, as well as possible scenarios for the programmes' geography), main elements for post-2020 Interreg NEXT programming, proposed list of future programmes and broad orientations on financial allocations.

b) **annexes 1-5 - geographic clusters** which include: socio-economic and territorial characteristics of the different Interreg NEXT cooperation areas, orientations for cooperation themes and actions as well as future geography and governance considerations.

The paper main references are:

- within the framework of the European Neighbourhood Policy, **jointly agreed documents** which define priorities between the EU and its neighbouring countries (Partnership Priorities, Association Agendas and other equivalent), regional strategies and policies (such as Euro-Mediterranean Partnership, Eastern Partnership, EU Strategy for the Baltic Sea region, EU Strategy for the Danube Region, Black Sea Synergy) – in line with Articles 12(3) of the proposal for the NDICI regulation
- Conclusions of the **Ex-post evaluation of 2007-2013 ENPI programmes**.
- Results of the 2019 **Result Oriented Monitoring** exercise for the ENI CBC programmes.
- 2019 **External expert study** bringing comparable data for both MS and partner countries.

- Outcomes of the **2019 TESIM** (technical assistance project to support ENI CBC programmes) survey of ENI CBC programme authorities and partner countries on lessons learnt and potential orientations for the future.
- Outcomes of **consultations of EU Delegations** in partner countries of August 2019.
- **Expertise** input provided by **TESIM**.
- **Orientation Papers** for internal Interreg programmes for the relevant countries.
- **Priorities of the new Commission**, namely the European Green Deal.

Methodology note for the geographical clusters

Regional data are not available for all regions and for all indicators of the areas covered by the Interreg NEXT programmes. Furthermore, data from Eurostat are not often available for partner countries. In order to be able to compare data and draw conclusions for regions and countries of the future Interreg NEXT, available data were therefore collected at both national and regional level mainly from international sources. This explains the sometimes old data sets presented.

Where regional data were available, they have in particular been used to present a more fine-grained analysis.

For the purposes of the geographical annexes, “adjoining regions” are considered as regions composing the given cluster area.

1 EU policy and objectives

Added value of the CBC in the Neighbourhood and with Russia

CBC along EU's external land and sea borders is a **unique form of cooperation** between EU MS¹ and neighbouring² countries. It provides the framework and opportunities for enhanced people-to-people contacts, cooperation and exchanges essentially at regional and local level, and involves a broad range of actors (local authorities, NGOs, universities and other stakeholders). Current European Neighbourhood Instrument (ENI) CBC programmes are highly appreciated by all stakeholders and are widely perceived as successful ways of bringing together EU and neighbouring countries, including the Russian Federation, around common challenges and priorities, with ownership and partnership at the centre of this cooperation.

The **strategic importance** of CBC cannot be underestimated. CBC plays a particular role as part of the EU's foreign policy toolbox. In a number of cases, CBC programmes have enabled cooperation, which would have otherwise not taken place or would have faced difficulties in implementation for political reasons; cooperation between Israelis on the one hand and Palestinians and other Arab neighbours on the other is just one example. CBC is also one of the very few channels through which the EU and Russia have continued to cooperate. As such, CBC represents an important confidence-building tool. This is in itself a major asset and added value of CBC, recognised by all partners involved.

CBC programmes are of key importance in addressing gaps in the **development of the border areas** and **challenges that cross national borders**. They have a clear cross-boundary impact (e.g. environmental and transport connection). Addressing such issues at the border, through regular interactions by actors on both sides and via a specific cooperation governance model, CBC has proved to be an effective instrument in the search for joint solutions.

1.1 EU policy context

European Neighbourhood Policy and relations with Russia³

Due to its unique contribution to the EU external relations, CBC is featured in the EU's Global Strategy, the **ENP** and in its regional dimensions, namely in the Southern and Eastern Neighbourhood, as well as in the EU's bilateral relations, including with Russia. The ENP, reviewed in 2015⁴, puts a particular emphasis on the promotion of the people-to-people contacts, to which existing CBC programmes directly contribute.

¹ Bulgaria, Cyprus, Estonia, Finland, France, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Spain, Sweden.

²Eligible partners as per ENI CBC multiannual strategic document 2014-2020: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Morocco, Palestine (this designation shall not be construed as a recognition of a State of Palestine and is without prejudice to the individual positions of the MS on this issue), Republic of Moldova, Russian Federation, Syria (the EU restrictions on cooperation with Syria are also applicable to the future Interreg NEXT programmes, in line with Council Conclusions on Syria of 23 May 2011 by which the EU has decided to suspend all cooperation programmes with the Syrian authorities), Tunisia, Ukraine and Norway and Turkey.

³ Principles on EU relations with Russia, in accordance with the European Council Conclusions of 16 July 2014, need to be respected.

⁴ Joint (2015) 500 of 18.11.2015

The ENP translates the EU's wish to build on common interests with neighbouring countries and on the joint commitment to work together in key priority areas: the promotion of democracy, rule of law, fundamental rights and freedoms, economic and social cohesion and environmental protection. The ENP aims to build more effective partnerships between the EU and its partners towards a stable EU Neighbourhood in political, security and socio-economic terms. Strengthening the state and societal resilience of the EU's partners against the threats and pressures they are experiencing and which have also an impact on the EU, is a key priority.

The revised ENP builds on the principles of partnership, differentiation, flexibility, joint ownership, greater involvement of the EU MS, and shared responsibility. Through the ENP, the EU offers partner countries opportunities for greater access to the EU's market and regulatory framework, standards and internal agencies and programmes. Currently, the EU provides its support to ENP partner countries mainly through the ENI, with almost EUR 16,5 billion for 2014-2020. 15 ENI CBC programmes are currently implemented. The programmes involve 31 countries (17 EU MS and 14 CBC partner countries), for a total EU funding of approximately EUR 1 billion.

The successful implementation of CBC programmes at EU land borders and around sea basins with the neighbouring partners is closely linked to the respect and full implementation of the ENP and its principles. Partner countries should be involved on an equal footing at all stages of the programming process and the implementation of projects.

The proposal for the NDICI reconfirms the ENP as the policy framework for future support to the ENP partner countries, with all key specific features of the current ENI retained in the NDICI proposal. These include programming based on jointly agreed strategic documents and an incentive - based approach specific to the Neighbourhood.

Cohesion policy and European Territorial Cooperation

Cohesion Policy is the EU's main investment policy, aiming to reduce the disparities between the development levels of the various EU regions. The policy targets all regions and cities in the EU to support job creation, business competitiveness, economic growth, sustainable development, and improve citizens' quality of life. In order to reach these goals and address the diverse development needs in EU regions, EUR 351.8 billion – almost a third of the total EU budget – has been set aside for Cohesion Policy for the period 2014-2020.

European Territorial Cooperation (ETC), better known as **Interreg**, is one of the two goals of the Cohesion policy. It provides a framework for the implementation of joint actions and policy exchanges between national, regional and local actors from different MS, but also third countries. The overarching objective of ETC is to promote a harmonious economic, social and territorial development and cohesion of the Union as a whole. In 2020 Interreg celebrates 30 years of its foundation.

Interreg 2014-2020 has a total budget of EUR 10.1 billion⁵ invested in over **100 cooperation programmes** between regions and territorial, social and economic partners. This budget also includes the ERDF allocation for MS to participate in EU external border cooperation programmes supported by other instruments: ENI and Instrument for Pre-Accession (IPA).

⁵ Planned ERDF contribution of EUR 242 million to the IPA CBC 2014-2020 programmes as well as EUR 634 million for ENI CBC 2014-2020 programmes.

Interreg is currently built around three strands of cooperation: cross-border (Interreg A - CBC), transnational (Interreg B) and interregional (Interreg C). For post-2020 period, a new strand for cooperation (D) is proposed to be added for outermost regions' territorial cooperation.

The cross-border and sea-basin cooperation in Interreg aims at reducing the negative effects of borders as administrative, legal and physical barriers and at healing the scars of history. It strengthens the development of border regions, which are often remote, less connected and suffering from low accessibility to the services of public interest. It enables regional and local partners from both sides of the border to work jointly on commonly identified issues and reap the potential of border areas, while enhancing mutual trust. Sea-basin programmes promote cooperation among greater European regions, surrounding sea basins (e.g. Mediterranean or Baltic Sea). They respond to joint challenges like environmental quality and risk prevention. They address joint opportunities, such as the creation of transport corridors, the promotion of international business, research linkages and urban development.

Interregional cooperation works at pan-European level, covering all EU MS, and more. It builds networks to develop good practice and facilitate the exchange and transfer of experience by successful regions. It will also be possible to support activities involving non-EU partner countries in interregional cooperation in post-2020 period.

In 2017, the Commission adopted, as part of its "Cross-Border Review" initiative, the Communication "Boosting Growth and Cohesion in EU Border regions". The initiative aimed to map and respond to the challenges persisting in EU border regions. It revealed that crossing internal EU borders to find employment, receive better healthcare, make use of public facilities or receive emergency support can still cause substantial difficulties. The post-2020 policy framework for CBC programmes enables to tackle some of the identified border obstacles via the focus on specific objectives. For the next programming period the external cooperation programmes should be inspired by this policy framework.

Transition from ENI CBC to Interreg NEXT

The legal framework for ENI CBC 2014-2020 programmes is provided by the *ENI Regulation*⁶, *Common Implementing Regulation (CIR)*⁷ and *ENI CBC Implementing Regulation*⁸. When implementing ENI CBC programmes, MS expressed the wish to better align legal rules for ENI CBC cooperation programmes on EU external borders with those of the Interreg programmes' ones, similarly to the IPA CBC programmes for Enlargement countries.

The Treaty on the Functioning of the European Union ('TFEU') clearly distinguishes between territorial cooperation (Interreg) among EU MS and cooperation with non-EU countries. However, in a major effort to simplify and maximise synergies between the two policies, the Commission proposed that for post-2020 all Interreg cooperation programmes on EU internal and external borders

⁶ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, (OJ L 77 of 15.3.2014).

⁷ Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action, (OJ L 77 of 15.3.2014)

⁸ Commission implementing Regulation No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of CBC programmes financed under Regulation (EU) No 232/2014 establishing the ENI, (OJ L 244 of 19.8.2014).

are governed under **a single rulebook** in the proposal for the ETC Regulation.

The ETC Regulation is part of the cohesion policy package adopted by the Commission in May 2018. It contains, among others, the *Common Provisions Regulation* ('CPR'), the *European Regional Development Fund (ERDF) Regulation* and the *European Social Fund (ESF) Regulation*. The *ETC Regulation* provides Interreg-specific rules, including special rules for ETC programmes where MS cooperate with non-EU countries. For matters not regulated under the ETC Regulation, the CPR applies.

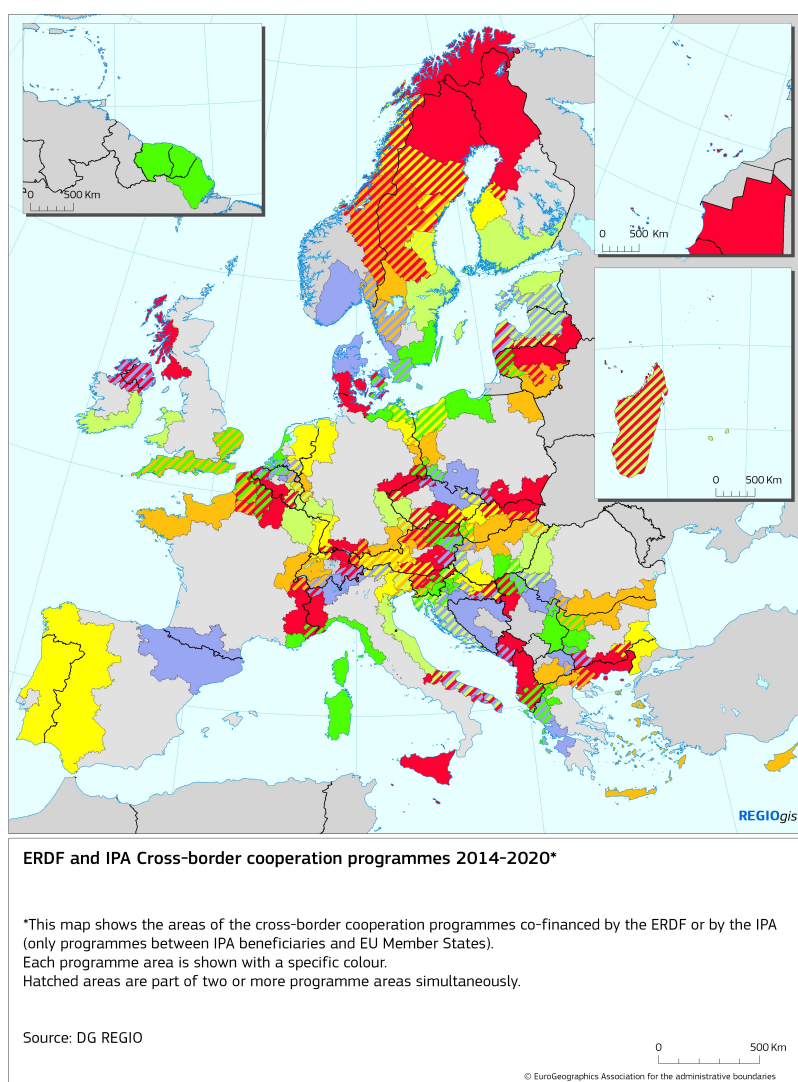
2. Policy context

2.1 Internal EU

2.1.2 Cross-border, transnational (including sea-basin) and interregional cooperation

In 2014-2020, 60 Interreg **CBC** programmes are implemented along EU internal borders with an ERDF contribution of some EUR 6,6 billion.

Internal CBC – Interreg 2014-2020 – and CBC on EU external borders with Enlargement countries supported by IPA (“IPA CBC”):



15 **transnational** (including sea-basin) cooperation programmes Interreg 2014-2020:



There are currently 14 internal CBC programmes and 7 transnational cooperation programmes including EU geographic areas also covered by ENI CBC programmes.

The Baltic Sea Region programme and the Danube programme currently benefit from the ENI funding for the cooperation with Russia, the Republic of Moldova and Ukraine.

There are four programmes supported under **interregional cooperation**: INTERREG Europe, Urbact III, Interact III and ESPON.

2.1.3 Macroregional strategies

Macro-regional strategies address common challenges faced by several MS and third countries located in the same geographical area, which thereby can benefit from strengthened cooperation contributing to the achievement of economic, social and territorial cohesion.

The strategies offer a platform for multi-sectoral, multi-country and multi-level governance, also open to non-EU countries. They play a substantial role in helping these countries to strengthen their links with the EU.

There are three macro-regional strategies covering a substantial part of the territories of some ENI CBC (future Interreg NEXT) programmes:

- **EU Strategy for the Baltic Sea Region** (EUSBSR; adopted in 2009)
- **EU Strategy for the Danube Region** (EUSDR; adopted in 2010)
- **EU Strategy for the Adriatic and Ionian Region** (EUSAIR; adopted in 2014)

EU Strategy for the Baltic Sea Region is the first macro-regional strategy in the history of the EU, adopted in 2009. Following a 2011 progress report and General Affairs Council Conclusions⁹, the European Commission adopted a Communication in March 2012 re-focusing the three overall objectives for the Strategy: ‘*Save the Sea*’, ‘*Connect the Region*’ and ‘*Increase Prosperity*’.

Under the “Save the Sea”, participating countries committed to strive for objectives such as clear water in the sea, rich and healthy wildlife, clean and safe shipping and better cooperation. As for the “Connect the region” objective, they work on good transport conditions, reliable energy markets, connecting people in the region and better cooperation in fighting cross-border crime. When contributing to the “Increase prosperity” objective, they aim e.g. in the Baltic Sea region as a frontrunner for deepening and fulfilling the single market, for improved competitiveness of the region and climate change adaptation, risk prevention and management.

The EUSBSR unites eight EU MS (Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, and Poland) representing 80 million inhabitants or nearly 16% of the EU population. The Strategy is welcoming cooperation with non-EU countries from the region, namely Belarus, Iceland, Norway and Russia in actions and projects of common interest.

⁹ https://ec.europa.eu/regional_policy/sources/cooperate/baltic/pdf/council_conclusions_eusbsr_15112011.pdf



The **EU Strategy for the Danube Region** is a united response to challenges affecting an area which stretches from the Black Forest to the Black Sea: flooding, transport and energy links, environmental protection and challenges to security. The Danube countries, with the support of the Commission, are cooperating to develop projects and actions that meet these challenges and build prosperity in the region.

EUSDR addresses a wide range of issues, divided among 4 pillars '*Connect the Region*', '*Protecting the Environment*', '*Building prosperity*', '*Strengthening the Region*'.

The EUSDR unites nine MS (Germany, Austria, the Slovak Republic, the Czech Republic, Hungary, Slovenia, Croatia, Romania and Bulgaria) and five non-EU countries (Serbia, Bosnia and Herzegovina, Montenegro, the Republic of Moldova and Ukraine) and is home to 115 million inhabitants.



The **EU Strategy for the Adriatic and Ionian Region (EUSAIR)** covers partly the area of the ENI CBC Mediterranean programme and Italy-Tunisia programme (areas of Greece and Italy). The Strategy incorporates the Maritime Strategy for the Adriatic and Ionian Seas, adopted by the Commission in 2012.

The objective of the strategy is to promote sustainable economic and social prosperity in the region through growth and jobs creation, and to improve its attractiveness, competitiveness and connectivity, while preserving the environment and ensuring healthy and balanced marine and coastal ecosystems. This will be achieved through cooperation between countries with long shared history and geography.

The EUSAIR encompasses eight participating countries: four EU MS (Croatia, Greece, Italy, and Slovenia) and four (potential) candidate countries (Albania, Bosnia Herzegovina, Montenegro and Serbia¹⁰).



2.2 Neighbouring partners

2.2.1 Southern Neighbourhood

The political importance of CBC in the **Mediterranean Sea Basin** is recognised by the EU and its neighbouring Southern partners. It represents a confidence-building tool and contributes to closer cooperation on the one hand between the EU MS and partners and, on the other hand, among the ENP Southern neighbours. All partners from the Mediterranean region participating in CBC express interest in being fully involved in the process for the preparation of the future Interreg NEXT architecture and geography, in line with the principles of partnership and ownership.

The current ENI CBC Mediterranean Sea Basin programme is the biggest single coordinated effort, bringing together a great number of stakeholders from the 13 participating MS and partners – MS: Cyprus, France, Greece, Italy, Malta, Portugal and Spain; ENP partners: Egypt, Israel¹¹, Jordan, Lebanon, Palestine¹² and Tunisia.

¹⁰ Inclusion of North Macedonia into the EUSAIR is envisaged.

¹¹ In accordance with the EU policy, the CBC programme does not apply to the territories occupied by Israel since June 1967. Thus, in accordance with the Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJ C 205/9 of 19.7.2013) only Israeli entities having their place of establishment within Israel's pre-1967 borders are

The focus on people-to-people contacts and social challenges represents a significant opportunity for countries' local authorities and societies, some of which have limited or no bilateral cooperation. It is therefore imperative to seek ways to further develop and strengthen this cooperation.

The Mediterranean configuration of the future Interreg NEXT programmes opens avenues for cooperation between other eligible EU and non-EU countries, such as **Algeria**¹³, **Morocco** or **Turkey**, which are currently not participating in the CBC activities. Experience-sharing with 'newcomers' by current CBC participants could represent an additional contribution in support of regional integration. Further enlargements to third countries¹⁴ could be taken into consideration in the light of further developments.

Tunisia is a very active participant in existing ENI CBC programmes. The closeness between Tunisian and European societies constitutes an essential pillar of the EU-Tunisia Privileged Partnership. Tunisia has expressed its attachment to the CBC Med programme as a strategic platform to answer in particular to socio-economic and environmental challenges. The existing Italy (Sicily) – Tunisia program is the only CBC small programme in the Mediterranean. It has specific needs and supports sectors of common interest, for example agro-food and social development.

Jordan and **Lebanon** are performing well under the current ENI CBC programme. For both countries opportunities were already explored through the current regional programme in areas such as protection of the environment, maritime cooperation, new business opportunities through new technologies, smart and sustainable growth, smart energy, tourism.

CBC is an issue of mutual interest in the EU-**Egypt** relations. The Partnership Priorities between the EU and Egypt call for a stronger regional and sub-regional (South-South) cooperation. Specific CBC projects have proven important in reinforcing people-to-people engagement but also contributing to socio economic development in areas such as entrepreneurship, business environment, climate change, higher education and cultural heritage.

2.2.2 Eastern Neighbourhood

In recent years, CBC has become an essential instrument to achieve political and policy objectives jointly agreed with Eastern neighbouring partners.

The promotion of CBC among the **Eastern neighbouring countries** is also a key component of the Eastern Partnership (EaP) and other multilateral initiatives (for instance the Black Sea Synergy, Northern Dimension). CBC can contribute to further fostering exchanges and cooperation between the EU and neighbouring partner countries, as well as partners and their local and regional authorities.

The EU has currently regional and urban policy dialogues with the following EaP countries: Ukraine, the Republic of Moldova and Georgia. They have helped to pool international policy experience for the benefit of policy makers from regions and cities on both sides, provide EU regions and cities with

considered eligible for EU funding. In addition, activities of Israeli entities funded by the EU must not be carried out in the territories occupied by Israel since June 1967.

¹² This designation shall not be construed as a recognition of a State of Palestine and is without prejudice to the individual positions of the MS on this issue.

¹³ Algeria has recently made steps to adhere to the current ENI CBC MED programme.

¹⁴ The potential participation of the UK depends on the outcome of negotiations on the future relationship.

networking opportunities to engage in broader cooperation with partner countries and project the EU model of regional and urban development.

Closer co-operation between EU MS and **Ukraine** is of strategic importance including for its role as gateway for transport and energy. Priority fields for current CBC with Ukraine include: environment (for instance access to non-polluted drinking water), sustainable transport, energy education, health care and culture, economic/tourism cooperation and tackling cross-border challenges in multiple sectors.

Through the ongoing ENI CBC **the Republic of Moldova** has expressed specific interest in policy areas such as energy interconnections, transport, environment, education and culture. Closer cooperation with Ukraine with EU support (EUBAM) has been instrumental to help gaining some level of control of flows of goods and people and for countering illicit trade across that part of the border.

CBC is also of particular importance for EU's relations with **Belarus**, following the February 2016 Council Conclusions aimed at enhancing EU-Belarus cooperation with the goal of modernising its economy. Current ENI CBC helps facilitate the sustainable development of the border regions in Belarus and the relevant EU countries, including through a coordinated management of the Bug and Neman river basins to the benefit of citizens.

The 17 June 2019 Foreign Affairs Council (FAC) Conclusions reaffirmed EU's long-standing commitment to fostering prosperity, stability, and security in the **Black Sea** area. This enhanced engagement should build on the lessons learnt from the implementation of the Black Sea Synergy initiative (reviewed in March 2019). The challenges and risks for this particular regional cooperation include the geopolitical landscape of the Black Sea area, with its complex web of diverse and often conflicting interests and interactions and the volatile security situation¹⁵. The current Black Sea CBC is an important part of regional cooperation developed under the Black Sea Synergy umbrella and is complementary to EU's bilateral cooperation with neighbouring partner countries¹⁶. It is an important driver for cooperation among local and regional stakeholders, with tangible results on the welfare of the coastal communities.

2.2.3 Russian Federation

CBC is one of the key components in **EU-Russia** cooperation. The current state of relations makes this ever more important as the CBC is one of the few remaining areas for dialogue, trust building and cooperation between EU and Russia. It allows determining joint priorities and brings concrete benefits to the citizens of the border regions. It is highly valued by both Russia and EU MS concerned as well as Norway, helping in this way to build bridges between the EU and Russia as well as their peoples. A clear acknowledgement of the crucial role of the CBC is reflected in the Council¹⁷ decision to exclude CBC and support to civil society from the case-by-case assessment with a view to suspending existing financial cooperation programmes with Russia.

¹⁵ The general EU restrictions on cooperation in regions that are illegally annexed by Russia are also applicable to CBC. Therefore, Crimea and Sevastopol are currently not eligible. As regards Georgia, all its territory is considered eligible by the 2014-2020 CBC programme.

¹⁶ The FAC conclusions indicated that 'The Council supports the CBC for the Black Sea, particularly the Joint Operational Programme Black Sea Basin.

¹⁷ European Council conclusions of 16 July 2014

The importance of **Arctic cooperation** is likely to increase in the near future because of the immense environmental challenges and the new opportunities that climate change will present. Increased focus on the cooperation between EU and Russian Arctic and sub-Arctic regions should be called for. The role of regional councils, such as the Barents Euro-Arctic Council and the Council of the Baltic Sea States, in fostering links and practical cooperation, should be used to inform CBC. Interreg and CBC programmes should also support the implementation of projects that are related to the **Northern Dimension** policy and its partnerships.

3. Economic and social analysis of border areas

3.1 Description of the border areas

Interreg NEXT Programmes intend to benefit those regions in the partner countries that share a land or maritime border with the EU, and their counterparts on the EU side. In line with ETC practice, the regions eligible to participate in the CBC programmes will be those departments or provinces directly sharing the border on both sides, defined at NUTS III¹⁸ level on the EU side, and on the external side, in the absence of such a classification, in terms of the territorial units most closely corresponding to this definition.

In the case of sea basins, the sea is considered a common border. The regions eligible to participate in these programmes continue to be at NUTS II level on the EU side and on the external side, in the absence of such classification, the territorial units most closely corresponding to this definition.

Generally, the border areas are characterised by sparsely populated regions in the North, a much higher population density along the Central European borders, and in the South around the sea basins a concentration of population in the coastal regions. In terms of **income**, there are very large differences in income levels on the two sides of the EU's external borders, both in the North and East and in the South, though the difference varies significantly from region to region.

Another essential characteristic to take into account in these border areas are the deep-seated and long-standing **historical and cultural links**, which have been established over the centuries across what are today the external borders of the European Union.

3.2 Economic and social characteristics of the border areas

The **Mediterranean Sea**-basin is characterised inter alia by striking economic and social contrasts between its Southern and Northern shores, as per capita income levels in the South are well below those in EU MS (more than ten times less than the EU for a number of partner countries in the South). Mediterranean coastal areas offer a lot of opportunities for economic development – notably with the development of the blue economy. However sea borders also face a number of challenges such as economic growth and job creation (especially for youth), irregular migration, organised crime, security issues and environment degradation. The macroeconomic and financial situation in the Southern Mediterranean region remains weak, with a fragile political and security situation and a

¹⁸ Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

difficult business environment hampering investment and private sector activity. The future Interreg NEXT could contribute to develop a positive narrative and showcase shared engagements, such as common efforts on preserving the Mediterranean natural resources and habitats for sustainable social and economic development.

The EU's **Eastern borders** encompass eight MS and five neighbouring countries, stretching some 5,000 km from the Barents Sea in the North to the Black Sea in the South. This border covers regions with very different geographic, economic and social characteristics and with a very significant income differential. At the same time, the border regions in the partner countries in most cases have incomes higher than the national average of their countries.

The **Black Sea** area faces considerable economic, social and environmental challenges. Regional security concerns and protracted conflicts continue to impede the social and economic development of these transition economies. In a number of countries in the area, the growth outlook remains relatively stable, but unaddressed challenges keep growth below potential. Nevertheless, there are new opportunities for economic development, resilience and connectivity in the region and beyond. Moreover, the 'bridging role' in terms of interconnectivity of the Black Sea basin should be further developed, and its links with the Caspian, plays a key role in the energy and transport sector.

The **Baltic Sea** basin has a long tradition of cooperation, with active regional cooperation bodies (notably the Council of the Baltic Sea States, the Helsinki Commission (HELCOM) and the Northern Dimension), and a substantial experience of sea-basin at the level of regional and local authorities. Economic and social issues, environmental challenges, and maritime safety, inter alia, have traditionally been important here.

3.3 Specific challenges and opportunities in border areas

Despite the substantial differences characterising the different regions on the EU's Eastern and Southern borders, a number of common challenges and opportunities exist. In addition to the overarching objective of promoting people-to-people contacts, issues such as protection of the environment, climate change mitigation and adaptation, promotion of socio-economic development and combatting unemployment, in particular among youth, regional development, connectivity, public health, migration and fight against organised crime are of particular importance in a trans-boundary context, as is the question of ensuring efficient and secure borders. The following list is not exhaustive.

Environmental protection and climate change issues are important in the context of shared sea basins. Water pollution, whether from agricultural activities, industrial or urban discharges are critical problems, exacerbated by risks of marine pollution in regional seas and in the Mediterranean. Air pollution is a transboundary issue too in marine areas also due to maritime transport. Dealing with the adverse effects of climate change on the Mediterranean ecosystems, as well as facing sea level rise due to the changing climate are additional considerable challenges. The Black Sea is one of the seas in the world most heavily impacted and polluted by human activities. Environmental issues are equally important on land-borders, particularly in relation to trans-boundary waters (river basins, including groundwater, and lakes), transboundary air pollution (e.g. from industry and the use of solid fuel for domestic heating) and waste management, or shared protected areas.

An **integrated regional development** across the EU border is particularly important in a situation characterised by different rates of economic development, high-income disparities and different demographic dynamics. Joint development and governance strategies may help in addressing disparities and assist in dealing with their most visible effects, such as the increase in regular and irregular, temporary and permanent migration flows, as well as with organised crime.

A major challenge is to promote **socio-economic development**, creating economic opportunities and reducing unemployment rates, for instance via innovation, education, business and SMEs development, in particular for the youth. Increasing cooperation between businesses, supporting start-up enterprises and enhancing cross border value chains can be important for the sustained development of the economic base of border regions, improving utilisation of existing resources and better exploitation of the market potential, for instance encouraging sustainable agro-food and sustainable tourism initiatives and promoting technological transfer.

Investment through land and sea-basin cooperation could, in some areas, bring added value for **connectivity**, in particular digital connectivity and the development of sustainable, intelligent and intermodal infrastructures. In geographic clusters with high level of internet connectivity, internet could be used to help improve cross-border mobility. In cluster areas with low levels of internet connectivity, cross-border investment could create a critical mass of connected businesses to encourage further investment or enable further R&D opportunities. In relation to sustainable transport infrastructures in the North and Eastern Europe clusters railway and motorway connectivity is lower than the countries average. It could therefore be improved namely through investment in border crossing infrastructures and integration of cross-border transport networks, while improving the sustainability of transports. In relation to Black Sea, activities related to the modernisation of port infrastructure and management could have a land border and sea-basin cooperation added value.

Public health issues also take on a particular importance in a cross-border context, for example in relation to communicable diseases, or possible epidemic or pandemic disease. Consumer protection, food safety and the enforcement of quality assurance and surveillance systems are likewise relevant in a cross-border context. Strengthening institutional capacities, including for the management risk associated with the transport of sensitive materials and waste management capabilities remain a priority as well.

The fight against **organised crime** is another challenge in border areas. The EU supports bilateral, regional cross-border and international cooperation with third countries in improving the prevention of and fight against organised crime, corruption and terrorism. Specific emphasis should be put on combating all sorts of organised crime, including trafficking of human beings, smuggling, trade of illegal and counterfeited goods, firearms and stolen vehicles or other contraband. Close cooperation at the local and regional level between law-enforcement bodies and other competent authorities on both sides of the EU's external borders could complement cooperation at the national level.

Effective **border management** requires that the EU's external borders are both efficient (facilitating legal migration, legitimate trade and transit) and secure (preventing illegal trade and transit as well as irregular migration). In many respects, this requires close cooperation at the national level, but CBC has also an important role to play, for example in upgrading border-crossing infrastructure, in enhancing information exchange and cooperation between border authorities at the local level or in improving governance via a more coordinated approach to management.

4. Overview of past and ongoing cooperation

4.1 Neighbourhood CBC programmes and their predecessors

In the context of the ENP review, the ENI CBC Programming Document for the period 2014-2020 laid down the following **three strategic objectives of ENI CBC**:

- Promote economic and social development in regions on both sides of common borders
- Address common challenges in environment, public health, safety and security
- Promote better conditions and modalities for ensuring the mobility of persons, goods and capital

The current ENI CBC is building on the achievements of its predecessor, the European Neighbourhood and Partnership Instrument (ENPI).

A total of 16 out of the 17 Joint Operational Programmes initially foreseen in the Programming Document have been submitted and adopted by the European Commission¹⁹.

The adopted ENI CBC programmes are financed from the ENI and the ERDF, with a contribution from IPA in the case of the Black Sea Basin programme. They cover 12 EU land borders, 2 sea basins and 1 sea crossing, managing together a total amount of approximately **EUR 1 billion €** of EU funding, topped with the national contributions of the participating countries.

At the time of drafting this paper (December 2019), more than 4.100 applications have been submitted in response to the calls for proposals which have been launched so far, and 500 projects have been awarded a grant covering nine thematic objectives out of the eleven identified in the ENI CBC Programming document. Eleven programmes have defined in their programmes a list of large infrastructure projects (LIPs) to be selected via direct award²⁰. 49 out of the 53 approved LIPs have been contracted.

4.2 Other support to local and regional cooperation

The EU provides support to local and regional co-operation through a variety of instruments, including ENI. Priorities for bilateral cooperation have been set out on the basis of strategic documents jointly agreed with partner countries (Partnership Priorities, Association Agendas and equivalent documents).

In terms of regional cooperation within the EaP, the three strategic objectives of CBC correlate strongly with the four key priorities agreed during the Brussels summit in 2017:

¹⁹ The Mid-Atlantic programme covering cooperation between Spain, Portugal and Morocco was proposed, but could not be adopted. The Baltic Sea Region (BSR) programme has also been part of the ENI CBC 2014-2020 multiannual strategy document. However, the programme is governed under the ETC Regulation as the transnational cooperation programme (with a small proportion of ENI funding added into the programme). Therefore, the future BSR programme is not treated under this document and we will refer to **16 ENI CBC programmes** (without BSR, but including Mid-Atlantic) further in the paper.

²⁰ Only 9 programmes have adopted the LIPs and are going to implement them.

- a) Economic development and market opportunities;
- b) Strengthening institutions and good governance;
- c) Connectivity, energy efficiency, environment and climate change, and;
- d) Mobility and people-to-people contacts.

Meanwhile, the Northern Dimension and the Black Sea Synergy promote effective cooperation with the borders of the Eastern Neighbourhood region. The EU Strategy for the Baltic Sea Region and the EU Strategy for the Danube Region strengthen cooperation between the countries bordering the Baltic Sea and the Danube River. Coordinated initiatives take place within the EU Arctic Policy.

Regional cooperation with the Southern Neighbourhood is pursued through a number of formats, but priority is given to the Union for the Mediterranean due to its potential to bring together partners and deliver direct benefits in terms of youth employment, entrepreneurship, environment and infrastructure, all of which are supported by CBC programmes operating in the region.

A number of MS have provided support for CBC activities, including through cooperation and capacity-building for regional and local authorities. The Council of Europe also has a long tradition of support to CBC, in particular through providing a legal framework for CBC actions (developed with the agreement of all its members), as well as supporting local and regional networks.

Several EU and national institutions have financially promoted CBC along the internal and external borders of EU such as the European Bank for Reconstruction and Development or the European Economic Area and Norway Grants that have funded through regional and CBC projects, as well as the transfer of resources, knowledge and experience between cross-border regions.

Other regional and international institutions, such as the Nordic Council of Ministers as member of the Association of European Border Regions, have also, under different frameworks, supported CBC i.e. by the use of the European Grouping for Territorial Cooperation (EGTC) and by contributing to the development of cross-border statistics.

Russia and Norway provide own national funds to the programme budget for all cross-border and sea-basin cooperation programmes where they participate, additional to the minimum of 10% non-EU co-financing obligatory for all ENI CBC programmes.

4.3 Lessons learned

4.3.1 ENPI CBC 2007-2013

The thirteen ENPI CBC programmes implemented during the 2007-2013 period covered nine EU land borders, three sea basins and one sea crossing. The financial resources allocated amounted to EUR 947.2 million combining funds from ENPI, ERDF and IPA. The contribution from participating countries and/or project beneficiaries brought the total allocation to EUR 1.2 billion. The programmes involved 19 EU MS and 12 neighbourhood partner countries plus Norway, Russia and Turkey. The ex post evaluation of ENPI CBC 2007-2013 praised the impressive number and variety of CBC projects²¹ as well as the solid basis for cooperation compared to the previous period, with well-

²¹ EUR 910 million (as of April 2017), out of which 38% was channelled to projects promoting economic development, 32% to environment, 19% for social development and 11% for security issues. The bulk of EU funding (70%) was channelled through standard projects selected through calls for proposals. Large-scale projects (LSPs) represented 22% of

established programme authorities and more experienced beneficiaries. At the same time, the evaluation noted the insufficient evidence on the achievements of the ENPI CBC programmes, delays in the programme and project implementation, as well as the broadly formulated programme objectives and priorities of calls that diminished the overall impact.

The overall conclusion of the evaluation was that the positive net benefits of ENPI CBC 2007-2013 validated the continuation of Neighbourhood CBC in 2014-2020.

4.3.2 ENI CBC 2014-2020

According to the mid-term review carried out in 2017 by the European Commission and the European External Action Service, lessons learnt from the past seem to have been applied successfully in terms of better thematic focus, improved orientation on the achievement of programme results, enhanced ownership and more clearly defined responsibilities, improved procedures and capacity-building measures and increased visibility. ENI CBC programmes are in better position as compared to their predecessors to demonstrate their achievements by using better designed output and result indicators in more focused fields of intervention.

The findings pointed out to the satisfaction of all stakeholders concerned with the overall set up of ENI CBC programmes. In particular, it was found that the specific ENI CBC Programming Document 2014-2020:

- ☐ remained appropriate in the context of the EU policy framework;
- ☐ provided response to the developments in the region;
- ☐ addressed common challenges across the Neighbourhood.

Another important finding was that **better coordination and synergies should be sought** between on the one hand ENI CBC and other ENP instruments (bilateral, regional and neighbourhood-wide assistance) and on the other hand between ENI CBC and EU political frameworks and strategies.

4.3.3 Result Oriented Monitoring exercise on ENI CBC 2014-2020

The overarching conclusion from the ROM exercise was that the ENI CBC has been a unique instrument promoting stability in the EU's Neighbourhood.

Apart from its specific governance model, the report acknowledged a series of other positive achievements of ENI CBC and gives policy and operational recommendations for the future such as:

- EC should avoid fundamental changes to the strategic and thematic objectives of ENI-CBC.
- It is essential to lengthen the duration of project implementation and reduce the duration of programme set up.
- Emphasis should be put on communication about the unique governance model of the ENI CBC widely to raise its awareness among EU and national stakeholder and decisions makers.

the total EU funding contracted (approximately EUR 195 million). In total, there were 867 standard projects, 51 LIPs and 23 strategic projects. The participation in calls for proposals has been very high (in total, more than 7 000 applications were submitted across all programmes), attesting the appeal of CBC among stakeholders in the eligible areas. In total, ENPI CBC involved 4 569 organisations, out of which 2 106 were from partner countries.

Certain findings and recommendations outlined by the ROM report have been confirmed also by the programme and partner countries stakeholders who answered to the consultation launched in April 2019 during the ENI CBC Annual event by TESIM. In particular:

- ENI CBC is recognised as a valuable instrument. It is relevant in terms of challenges tackled and stakeholders involved and based on a high level of co-ownership.
- Simplified procedures and rules, appropriate financial allocation and strengthened synergies with other instruments/initiative are key.
- For several programmes, the implementation has been hindered by the delays in negotiation and signature of Financing Agreements.
- Cooperation and communication among stakeholders after two programming periods are efficient.
- As for future programme strategies, the five future policy objectives and their sub-themes have been indicated as relevant by the majority of the respondents.

5. Response strategy

The aim of this paper is to propose a response strategy which safeguards and builds on the added-value and unique character of this cooperation, at the same time addressing existing shortcomings and bringing cooperation to a new, even more ambitious level, striving to maximise the results and impact of the programmes.

5.1 Principles/basic parameters

Programming for the future Interreg NEXT programmes builds on the key principles established in the legal and policy frameworks for both the ENP and the Cohesion policy.

- Interreg NEXT should continue to **contribute to the development, territorial cohesion and cooperation** of the border regions covered, while continuing to play its **strategic political role** as part of the EU's foreign relations toolbox.
- **Coherence and complementarity** of future Interreg NEXT programmes with the EU-partner countries and regions political frameworks should be fully ensured. Furthermore, deeper embedding in the Interreg policy and implementation context can enable easier and effective coordination between Interreg NEXT programmes and internal Interreg ones. In this context, full involvement of EU MS, partner countries and all relevant stakeholders in the programming process is essential.
- The actions financed by the Interreg NEXT programmes need to be **coherent with the existing strategic frameworks**, regional and bilateral ENP strategies and with the regional and local development plans in the policy area concerned. The funding provided should complement the resources allocated by the relevant regional and local public authorities.
- **Result-orientation** will be ensured through solid performance frameworks established by each Interreg NEXT programme. In order to achieve better impact and results, the EU resources invested under the Interreg NEXT programmes will have to be **more concentrated**

on a more limited number of policy/specific objectives. Sustainability of the results needs to be ensured.

- The **co-ownership** on the side of the partner countries is a key factor for success. The programming will thus take into account their specificities and views.
- A unique **territorial cooperation governance** has been developed during the last 30 years by internal Interreg programmes. While respecting the specificities of external cooperation programmes, this successful model should be applied, to the maximum possible extent, also to future Interreg NEXT programmes.
- In terms of programme management, particular focus in this programming exercise will be put on the **simplification of procedures**. There is room for improvement of programmes efficiency and exchange of practices among Interreg NEXT programmes themselves, and with other CBC programmes along EU's external borders and internal cooperation programmes.

5.2 Objectives

The menu of five policy objectives proposed for the European Structural and Investment Funds, as set in Article 4 of the CPR²² is considered sufficiently broad to cover actions suitable for the cooperation areas and territories proposed by this paper.

However, in order to take into account the specificity of the Interreg NEXT programmes and reflect the principles of co-ownership and partnership, it is proposed to refer to these objectives in relation to the Interreg NEXT programming as follows:

Policy Objective (PO) 1 meaning “**A smarter** Europe *and its neighbourhood*”;

Policy Objective (PO) 2 meaning “**A greener** low-carbon Europe *and its neighbourhood*”;

Policy Objective (PO) 3 meaning “**A more connected** Europe *with its neighbourhood*”;

Policy Objective (PO) 4 meaning “**A more social** Europe *and its neighbourhood*”;

Policy Objective (PO) 5 meaning “Europe *and its neighbourhood* **closer to their citizens**”.

Interreg specific objectives (ISO):

ISO 1 meaning “**A better cooperation governance** for Europe *and its neighbourhood*”;

ISO 2 meaning “**A safer and more secure** Europe *and its neighbourhood*.”

PO 1 (“**A smarter** Europe *and its neighbourhood*”) should be achieved through innovation, digitisation, economic transformation and support to small and medium-sized businesses in both MS and partner countries.

Actions supporting this PO include enhancing research and innovation capacities and uptake of advanced technologies in countries participating in the Interreg NEXT programmes. Furthermore, the objective aims to reap the benefits of digitisation for citizens, companies and governments in both EU

²² Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument (COM/2018/375 final - 2018/0196 (COD))

and partner countries, enhancing growth and competitiveness of their SMEs or development of skills for smart specialisation, industrial transition (also towards a circular economy) and entrepreneurship.

PO 2 (“**A greener low-carbon Europe and its neighbourhood**”) should enhance greener, carbon-free Europe and partner countries. It should contribute to the implementation of the Paris Agreement and invest in energy transition, clean renewables and the fight against climate change.

In line with the European Green Deal, launched by the Commission in December 2019, cooperation actions supporting this PO should promote among others: energy efficiency, clean renewable energy, climate change adaptation, risk prevention and disaster resilience, sustainable water management and the transition towards a circular economy in both the Union and the partner countries. They can also contribute to the development of smart energy systems, grids and storage at local level. PO 2 aims as well at enhancing biodiversity, green infrastructure in the urban environment and reducing pollution (air, water and soil) in the areas covered by the programmes.

In the context of the Interreg NEXT programmes, **PO 3** (“**A more connected Europe with its neighbourhood**”) promotes more connected EU border territories with the partner countries border territories through strategic sustainable transport and digital networks.

Actions supporting this PO should enhance digital connectivity. They should contribute to the development of a sustainable, climate resilient, intelligent, secure and intermodal regional and local cross-border mobility. Sustainable multimodal urban mobility across borders should also be strengthened. Projects within the Union should be located on the trans-European transport network (TEN-T).

PO 4 (“**A more social Europe and its neighbourhood**”) would support cooperation in the areas of quality employment, education, skills, social inclusion and access to healthcare in both the Union and the partner countries.

Where possible, under this policy objective, programmes can work on enhancing the effectiveness of cross-border labour markets (e.g. via the exchange of good practice) and improving access to quality employment across borders in both the Union and the partner countries. They should aim at improving access to and the quality of education, training and lifelong learning across borders with a view to increasing the educational attainment and skills levels. Enhancing timely access to quality, sustainable and affordable healthcare services across borders can also be supported, as well as improving accessibility, effectiveness and resilience of healthcare systems and long-term care services across borders.

Cooperation actions under this objective can also promote social inclusion and tackle poverty, including by enhancing equal opportunities and combating discrimination against minorities and women across borders.

PO 5 (“**Europe and its neighbourhood closer to their citizens**”) is a new policy objective that offers opportunities to regions, cities and local authorities to cooperate on specific issues identified by integrated territorial strategies. Contrarily to policy objectives 1-4 having a sectoral approach, this PO applies a territorial one. It is focused on a specific (smaller) territory within a programme with specific needs and potentials and aims to improve the situation by implementing an integrated territorial strategy through a series of related projects. PO 5 has to be implemented with a participatory angle, involving territorial authorities - and, if relevant, other levels of governance -

stakeholders and citizens, in particular in the identification of the selection criteria and the selection of projects.

Under **ISO 1** (“**A better cooperation governance** for Europe *and its neighbourhood*”) Interreg NEXT programmes can work, as well as internal Interreg programmes, on the reduction of some “border” obstacles e.g. of administrative nature, in the respect of the legislation of the participating countries.

The Small Projects Fund (SPF) might be a helpful tool to finance smaller projects or people-to-people projects. Given its simplified delivery rules, SPF makes it easier for local stakeholders and NGOs having less financial and institutional capacities to participate in an Interreg NEXT programme. As an example, projects that bring institutions closer to each other for more permanent/structural joint actions or working on cross-border data via observatories (either generic or thematic) can be supported.

Under ISO 1 Interreg NEXT programmes are nonetheless specifically asked to **enhance sustainable democracy and support civil society actors** and their role in reforming processes and promoting democratic transition. Trust building via e.g. people-to-people actions is also an important element to be supported under this objective.

ISO 2 (“**A safer and more secure** Europe *and its neighbourhood*”) offers the possibility to build a strong partnership between the EU and partner countries to address, where relevant, the common challenges of security, also in relation to migration (implemented in particular by actions in the fields of border crossing management and accessibility and migration management). Under ISO 2, cooperation programmes could inter alia continue to support the upscaling and replication of infrastructures in border crossing point’s, integrate people with migrant background, foster cohesive and inclusive societies, promote better management of disaster risks especially in health.

Priority themes within the overall objectives, proposed for the future Interreg NEXT programmes are presented in the annexes per geographic cluster. The five following clusters are considered:

- 1) Orientations for the Interreg NEXT cooperation between Finland, Sweden, Norway and Russia
- 2) Orientations for the Interreg NEXT cooperation between Baltic States, Poland, Russia, Belarus and Ukraine
- 3) Orientations for the Interreg NEXT cooperation between Hungary, Romania, Slovakia, Republic of Moldova and Ukraine
- 4) Orientations for the Interreg NEXT Black Sea Basin²³
- 5) Orientations for the Interreg NEXT Mediterranean Sea Basin²⁴

²³The general EU restrictions on cooperation in regions that are illegally annexed by Russia are also applicable to Interreg NEXT. Therefore, Crimea and Sevastopol are currently not eligible. As regards Georgia, all its territory is considered eligible.

²⁴ In accordance with the EU policy, the CBC programme does not apply to the territories occupied by Israel since June 1967. Thus, in accordance with the Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJ C 205/9 of 19.7.2013) only Israeli entities having their place of establishment within Israel’s pre-1967 borders are considered eligible for EU funding. In addition, activities of Israeli entities funded by the EU must not be carried out in the territories occupied by Israel since June 1967.

5.3 Proposed geography of the future programmes

Based on:

- the analysis of the thematic and functional areas and the assessment of advantages and disadvantages of different geographical scenarios in full respect of the overall political framework which guides the relations between the EU and the neighbouring partners;
- the overall outcomes of the consultation with the MS and partner countries;
- the need to safeguard the specific character, ownership, dynamics and political dimension of the cooperation on EU external borders;
- the need to start the Interreg NEXT programmes on time and build on existing implementation structures established for 2014-2020,

It is proposed to keep the geographical architecture of the 2014-2020 ENI CBC programmes. The Mid-Atlantic programme for cooperation between Spain, Portugal and Morocco is also envisaged.

The indicative list of the Interreg NEXT programmes 2021-2027 includes:

Kolarctic
Karelia
SE Finland/Russia
Estonia/Russia
Latvia/Russia
Lithuania/Russia
Poland/Russia
Latvia/Lithuania/Belarus
Poland/Belarus/Ukraine
Hungary/Slovakia/Romania/Ukraine
Romania/Republic of Moldova
Romania/Ukraine
Italy/Tunisia
Black Sea Basin²⁵
Mediterranean Sea Basin²⁶
Mid-Atlantic

1.4 Consultation with stakeholders

²⁵The general EU restrictions on cooperation in regions that are illegally annexed by Russia are also applicable to Interreg NEXT. Therefore, Crimea and Sevastopol are currently not eligible. As regards Georgia, all its territory is considered eligible.

²⁶ In accordance with the EU policy, the CBC programme does not apply to the territories occupied by Israel since June 1967. Thus, in accordance with the Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJ C 205/9 of 19.7.2013) only Israeli entities having their place of establishment within Israel's pre-1967 borders are considered eligible for EU funding. In addition, activities of Israeli entities funded by the EU must not be carried out in the territories occupied by Israel since June 1967.

In the development of the Interreg NEXT strategy document, the key stakeholders of the programmes are consulted through meetings, as well as through bilateral contacts. So far, in order to gather the key stakeholders' preliminary views both within the EU and from the partner countries, a written consultation has been launched and results summarised by TESIM. Consultation on the joint paper with MS and partner countries is called for 28-29 January (ENI CBC Annual Conference). Discussions with individual partner countries as well as with MS should take place on particular programmes during the Joint Programming meetings.

In addition, a substantial dialogue with both MS and the European Parliament is taking place in the process of negotiating the NDICI and especially the ETC Regulation, which includes a considerable amount of detail on Interreg external border cooperation. Related discussions on funding aspects and allocation mechanisms also take place in the process of MFF discussions.

6. Programming for 2021-2027

For ENP countries, programming for the individual Interreg NEXT programmes builds on the key elements established in the legal and policy frameworks of both the ENP and the Cohesion policy. As it is the case for the overall Cohesion policy programming, it is important that it is evidenced-based. At the same time, the unique added value of CBC with neighbouring partners needs to be considered at all stages of the programming. Political strategic framework and guidance as well as consultation with MS, programme authorities, partner countries are essential parts of the process.

Partnership principle

The principle of partnership is a key feature of the whole programme cycle (including preparation, implementation and participation in monitoring committees). It builds on the multi-level governance approach and ensures the involvement of economic, social and environmental partners, including NGOs. Examples of good practice include involving representatives of different interests in the programming processes such as evaluation. An active involvement of public, economic, civil society and environmental partners should be ensured with the help of the technical assistance.

Functional areas

According to different sectors, a cooperation programme may cover several overlapping functional areas²⁷. For some topics, the solution can only be found if partners outside the programme area are involved.

The proposal to address the issues through a functional area offers some flexibility in planning and implementation and linkages with other projects can be easily established. The Monitoring Committee shall have the competence to decide on projects outside the eligible area, but with clear benefit for the cross-border/sea-basin region covered by the programme.

6.1 Key actors

²⁷ Functional areas are not defined by the administrative borders, but by people's needs. They can be at pan-European, urban, cross-border or macro-regional level and aim to provide the framework for action to ensure service provision, economic development, mobility, etc.

Interreg NEXT programmes for the post-2020 period are developed by programme partners from the eligible areas. A strategic approach to the programme logic and intervention, based on the needs of the territories covered should be applied. The programme partners define the target groups/eligible beneficiaries, within the definition of eligible local and regional key actors, in order to ensure an appropriate participation in the programme.

There are no specific rules in terms of target groups for the programmes. However, interests and capacities of the local and regional authorities and civil society should be taken into account when setting the programme's strategies. Involvement of national authorities will be necessary all along the programme preparation and implementation.

The institutional capacity of local and regional authorities will also play a central role in particular in relation to the efficient management of the programmes and their sustainability. Both in the Eastern and the Southern Neighbourhood, questions of local government reform are of particular importance, and are also part of joint bilateral policy priorities (as included in the Partnership Priorities, Association Agendas and other equivalent jointly agreed strategic documents).

6.2 Programmes preparation

After the programme geographies are settled, it will be the task of the programme partners to analyse the needs in the programme area, to identify the specific policy objectives and investment priorities which are most relevant to their own local circumstances, and to propose these for Commission agreement in the context of the adoption of the individual Interreg NEXT programmes. Such choices will reflect the different circumstances and needs in terms of cooperation and investments of each individual programme, as well as the different contexts of cooperation.

In order to ensure synergies, cooperation programmes covering the same territories and-or territories covered by macro-regional strategies should foresee joint programming meetings and consultations which will help align their respective strategies and cooperation/coordination modalities.

The programme partners prepare an agreed operational programme and submit this proposal to the EC. When an agreement on the programme proposal is reached following negotiations between EC and the programme partners, the programme is adopted as a Commission Decision.

The Managing Authorities are responsible for the implementation of the operational programme, with the support of the national authorities and programme partners. The participating countries need to set sound management and control and monitoring systems, as described in the proposal for the CPR and ETC Regulations.

6.3 Rules and procedures

The *complexity* of the current rules has been repeatedly reported as the recurring, most important factor hindering the smooth implementation of cooperation (both through ETC and ENI CBC). **Simplifying** the Interreg framework is therefore **a key objective** of the new draft legal proposals, including e.g. absence of procedures for the designation of authorities or for approval the LIPs, reduction of reporting obligations etc.

To ensure a consistent **monitoring of performance**, the proposed ETC Regulation maintains and refines the common set of output indicators, in place already for the 2014-2020 Interreg programmes. However, the new framework adds for the first time a common set of result indicators. Result indicators will also feed into discussions on performance and successful evaluations.

6.4 Programming governance

Role of the (joint) monitoring committee (MC)

The MC is the strategic decision-making body of the programme and has a prominent role in supervising programme performance. MCs should promote strategic discussions, invite contact points of macro-regional strategies (where relevant) or institutions playing a key role in the border area.

The MC composition must be representative of the respective border areas and include partners relevant to programme objectives, e.g. institutions or organisations representing environment, SMEs, civil society or education. Every supported project must have, as a basic pre-requisite, a cross-border impact. The four criteria for cooperation among beneficiaries (joint preparation, implementation, financing and staffing of projects) continue to be applied.

Role of the Managing authority (MA)

The MA shall ensure effective implementation of the programme(s) under its responsibility. It is at the service of the programme and its MC. It acts as the programme authority representing all countries participating in an programme. Therefore, it is recommended that the Member State hosting the programme authorities is represented in the MC separately from the MA (i.e. a different person). The MA shall ensure the effectiveness and transparency of the project selection, reporting and monitoring systems. The use of Harmonised Implementation Tools (HIT)²⁸ and electronic monitoring system (eMs) is recommended where possible.

The MA will be assisted by the national authorities set in the countries participating in an Interreg NEXT programme.

Role of the Joint Secretariat (JS)

The JS should be the cross-border executive body of the programme, implementing the decisions taken by the MA and the MC. It should consist of professional and independent staff from the participating countries, with linguistic competences and relevant border area knowledge. Its procedures should be efficient and transparent, avoiding unnecessary bureaucracy. JS will ensure communication with beneficiaries, potential applicants and the general public in a speedy and transparent manner. Regional contact points/antennas operating directly under the JS' responsibility may be useful in border areas covering large distances and/or having a difficult accessibility.

Project selection shall take place in the MC or in steering committee(s) established under the MC in full respect of the partnership principle. The selection process has to be genuinely joint, based uniquely on the quality of the applications, with no pre-selection or limitations imposed from the national level.

Selection criteria must be clear, non-discriminatory and transparent and enable the assessment of whether projects correspond to the strategy of the programme. They are to be consulted with the

²⁸ Developed by Interact programme – interregional cooperation programme providing support and assistance to Interreg programmes. Interact should closely cooperate with TESIM project on the development of HIT for programmes on EU external borders.

Commission and clearly communicated to applicants. Clear distinction between expert evaluators (if appropriate) and MC roles in project selection needs to be defined and described in the rules of procedure.

Operational performance

The ENI CBC programmes experienced slower take off in programme set-up and project contracting and implementation than e.g. internal Interreg. This lesson learnt should lead to better identify underlying bottlenecks and structural problems. The responsible authorities are therefore strongly encouraged to implement recommendations from the ROM exercise and apply targeted mitigating measures to accelerate the programme implementation in 2021-2027. In coordination with the Interact programme and TESIM project, technical assistance can be used for developing such measures.

LIPs, flagship projects or projects of strategic importance may be pre-defined in the programme document or selected via a transparent and agreed procedure. It is up to each programme partnership to decide on the optimal balance between different types of projects to reach the overall programme objectives (flagship projects, regular projects, bottom-up or top-down project selection, small projects etc). However, decision-making on all projects must be non-discriminatory, transparent and inclusive.

Like all other Interreg programmes the Interreg NEXT ones will cover seven years. In order to start implementation of the programmes it will be necessary to negotiate ***financing agreements*** with non-EU participating countries and to adopt programme documents.

7. Proposed provisions for financial allocations under the draft EU regulations

In 2021-2027, the Interreg NEXT programmes at the EU external borders with neighbourhood partners will receive funding from NDICI and ERDF. They can also be financially supported through the IPA instrument.

The two sources of funding (ERDF and NDICI) are presented together under one budget line of the EU annual budgets (with two sub-lines corresponding to the NDICI and ERDF contributions). Both sources of funding will contribute to each of the Interreg NEXT programmes, and both sources of funding may be used on either side of the EU external border, for actions of common benefit.

In line with the NDICI proposal, the maximum indicative funding to be allocated from the Neighbourhood envelope of the instrument to Interreg NEXT programmes for the period 2021-27 stands at 4% (Art. 18 of the proposed NDICI Regulation). ERDF allocation available will be communicated to MS in accordance with the provisions of Art. 9 of the proposed ETC Regulation.

On the basis of information provided by the MS the Commission will adopt an implementing act with the full list of Interreg NEXT programmes and its global allocations. The total budget per programme including both sources of funding without any distinction will be set out in detail in the Joint Operational Programmes. It is also possible to include an IPA contribution in a programme and participating non-EU countries may also decide to transfer resources to a programme.

In addition to the funding for the programmes, an allocation will be made for the technical assistance supporting the Interreg NEXT programmes implementation²⁹. This will include actions aimed at facilitating the exchange of experience and best practices among the programme partners and building up the capacity of partner countries in particular with a view to helping enhance the preparation, implementation and management of current and future programmes.

Annexes

Annexes I – V: orientations per geographical clusters of the future Interreg NEXT programmes

²⁹ Currently represented by the TESIM project.

Orientations for the Interreg NEXT Black Sea Basin cooperation

This Cluster paper (Annex IV) is the fourth of the five annexes accompanying the Joint paper on Interreg NEXT Strategic Programming 2021 – 2027, proposed by the Commission and European External Action Service (EEAS). It aims at launching a discussion on the Black Sea Basin Cluster with Member States and partner countries.

Notwithstanding that the future cross-border cooperation on the EU's external borders is designed on the principles of the territorial cooperation between EU Member States, the cooperation with partner countries represents a unique dimension, with its own specificities. The Interreg NEXT programmes are bound both to contribute to the development of cross-border and sea-basin areas they cover, but also, to foster cooperation and promote people-to-people contacts between regional and local stakeholders across borders.

This document does *not* represent the negotiating position of the European Commission and EEAS. It aims at providing ideas, options and orientations on the thematic focus of the future Black Sea Basin programme. It relies on key strategic and political frameworks covering the area, on external expertise as well as on input provided by the programme authorities and the partner countries, and takes into account lessons learned from the previous and current programming periods.

Executive Summary

The 2014-2020 ENI CBC programme Black Sea Basin area promotes cooperation between three Member States (Bulgaria, Greece, Romania) and five partner countries (Armenia, Ukraine, Georgia, Republic of Moldova, Turkey)¹. Eligible and adjoining regions within the cooperation area have a population of 78.2 million inhabitants. The Russian Federation (certain regions) and Azerbaijan are eligible for participating in the cooperation programme but both countries decided not to join the current ENI CBC programme. The area is diverse in terms of demographic dynamics and socioeconomic development: significant differences in terms of GDP per capita exist between EU Member States and partner countries.

The Black Sea is the leading territorial feature of the area. All regions around its basin represent a functional area. It remains one of the seas most heavily impacted by human activities in the world: the pressing issues related to the environment of the basin and to the economic activities related to the Black Sea need to be addressed.

The **Black Sea Synergy (BSS)** is the key political framework for the EU's engagement and enhanced cooperation in the region. Actions proposed have to be in line with BSS. Synergies need to be sought with the **EU Strategy for the Danube Region (EUSDR)**, too.

¹ The general EU restrictions on cooperation in regions that are illegally occupied by Russia are also applicable to CBC. Therefore, Crimea and Sevastopol are not eligible. As regards Georgia, all its territory is considered eligible by the 2014-2020 CBC programme

Given the size of the area covered, there is a need for strong concentration of resources. In line with the Common Maritime Agenda and the Strategic Research and Innovation Agenda for the Black Sea,² and based on the analysis of the area and the added value which could be in particular provided by the future Interreg NEXT programmes, the following policy objectives are found to be the most relevant for support:

1. **Policy Objective 1** (focusing on blue economy, entrepreneurship, support for small and medium enterprises).
2. **Policy Objective 2** (focusing on water availability, quality and pollution, climate change, natural risks, biodiversity and natural resources).
3. **Interreg Specific Objective 1** (focusing on institutional capacity, civil society, people-to-people and regional and local stakeholders' cooperation).

The guiding principles for drawing this Annex are the following:

1. Coherence with other programmes and EU strategies
2. Contribution to the major policy goals proposed by the new Commission
3. The thematic concentration principle.

² The agendas were endorsed by the Ministers of seven Black Sea countries and commended by the Foreign Affairs Council conclusions of 17 June 2019.

Table of Contents

Introduction	1
Executive summary	1
Analysis of the border areas	4
Major strategic frameworks and political initiatives covering the area.....	7
Thematic concentration.....	10
Policy Objective (PO) 1: “A smarter Europe and its neighbourhood”	10
Policy Objective (PO) 2: “A greener low-carbon Europe and its neighbourhood”;.....	13
Policy Objective (PO) 3: “A more connected Europe with its neighbourhood”	17
Policy Objective (PO) 4 “A more social Europe and its neighbourhood”;.....	18
Policy Objective (PO) 5 “Europe and its neighbourhood closer to their citizens”	19
ISO 1: "A better cooperation governance for Europe and its neighbourhood"	19
ISO 2: "A safer and more secure Europe and its neighbourhood"	20
Main geographic features and possible synergies with other cooperation Programmes.....	21
Governance of the programmes.....	21
Conclusions.....	22

I. Analysis of the border areas³

1. The 2014-2020 Black Sea basin programme involves three Member States (Romania Bulgaria and Greece) and five partner countries (Armenia, Georgia, Republic of Moldova, Ukraine⁴ and Turkey). The Russian Federation (certain regions) and Azerbaijan are also eligible under the programme but decided not to participate.
2. This area is covered by the Black Sea ENI CBC 2014-2020 programme. Based on the geography of Black Sea programme, eligible and adjoining regions within the cooperation area have a population of **78.2 million**⁵.
3. EU Member States and Partner Countries involved in the area are characterised by **different demographic dynamics**. While in the EU Member States the population growth rate is negative, the average yearly growth rate of the population of the partner countries is static. Most inhabitants of both Member States and Partner Countries live **in urban centres**. In Member States this accounts, on average, for 69% of entire population, while in the Partner Countries this is 62%, a slightly positive trend. These rates of population growth imply an increasing ageing population, with consequent impact on social services, as well as shortage in labour force.
4. In terms of economic development, the area is characterised by **low GDP per capita**. Both MS and Partner Countries are significantly below the EU28 average (\$ 36,735). While between 2010-2013 Partners Countries rise in GDP was greater than Member States' relevant regions (+3.7% against -0.5%), in 2014-2017 the gap has again widened with Member States GDP growing at 2.7% per year against 1.8%% for partner countries.

Table 0-1 GDP per capita (constant 2010 US\$)

	Trend 2010-2013	Trend 2014-2017	2017
Armenia	3.6%	2.5%	4,219
Georgia	4.7%	2.6%	4,271
Turkey	4.8%	2.9%	14,936
Ukraine	1.6%	-1.0%	2,996
Bulgaria	1.1%	3.3%	8,331
Greece	-4.6%	0.5%	23,055

³ **Important Note:** the situational analysis of the Black Sea Basin cluster area is based in part on data collected at national level. Conclusions should be interpreted in the light of these limitations in terms of data. Where regional data is available, this is used to create more a fine-grained analysis of the regions composing the cluster area. For the purposes of this study “adjoining regions” are considered as regions composing the cluster area.

⁴ The general EU restrictions on cooperation in regions that are illegally annexed by Russia are also applicable to Interreg NEXT. Therefore, Crimea and Sevastopol are currently not eligible. As regards Georgia, all its territory is considered eligible by the 2014-2020 CBC programme.

⁵ National data for Moldova, Georgia, Armenia and Azerbaijan refers to 2017 (World Development Indicators, World Bank). Data for the EU regions are from Eurostat and refers to 2018. For Russian and Turkish regions data are from OECD and refers to 2015 and 2017 respectively. For regions in Ukraine, data, data on population refers to 2009 respectively and is taken from ESPON (2013) “*Territorial units in Russia, Ukraine, Belarus and Republic of Republic of Moldova and NUTS classification*”.

Romania	2.2%	4.4%	11,046
Republic of Moldova	3.8%	2.2%	2,165

Source: World Bank indicators, statistics at national level

- EU Member States and partner countries exhibit **similar unemployment rates**: 10.9% of the workforce of Member States is unemployed compared to 11.2% in the Partner Countries. In both groups, therefore, the rate of unemployment is higher than the EU28 average (7.6%).

Table 0-2 Unemployment rate

	Trend 2014-2017	2017
Armenia	0.5%	17.8%
Georgia	-1.2%	13.9%
Turkey	2.3%	10.8%
Ukraine	0.6%	9.5%
Bulgaria	-14.3%	6.2%
Greece	-5.1%	21.5%
Romania	-7.7%	4.9%
Republic of Moldova	1.5%	4,1

Source: based on WDI.

Lessons learnt from previous programming period

Black Sea Basin ENPI 2007-2013 programme

- The ENPI programme, adopted in 2008 focused on three priorities: Priority 1: “Supporting cross border partnerships for economic and social development based on combined resources”, Priority 2: “Sharing resources and competencies for environmental protection and conservation” and Priority 3: “Supporting cultural and educational initiatives for the establishment of a common cultural environment in the Basin”.
- The programme financed **60 successful projects** in the fields such as prevention of natural disasters generated by earthquakes, preservation and development of the cultural traditions and medieval heritage in the border region, improvement of the competitiveness of the regional SMEs and their performance on the international markets etc.

Black Sea Basin ENI CBC Programme (2014-2020)

8. The Black Sea Basin (BSB) ENI CBC programme 2014-2020 builds upon the previous cooperation framework, the Black Sea Basin ENPI CBC programme 2007-2013 programme, under which 62 projects were awarded and implemented in 8 countries surrounding the Black Sea Basin. Relevant lessons learned from this past experience have been integrated in the Black Sea Basin ENI CBC 2014-2020 programme strategy along with a mapping of projects awarded and a survey on current priorities and future needs.

Black Sea Basin ENI Cross-Border Cooperation programme 2014-2020 - Objectives and Priorities:

Overall objective	Specific objectives	Priorities	ENI EU funding (provisional)
Improve the welfare of the people in the Black Sea basin regions through sustainable growth and joint environmental protection	1. Promote business and entrepreneurship within the Black Sea basin	1.1 Jointly promote business and entrepreneurship in the tourism and cultural sectors	€25.34 million
		1.2 Increase cross-border trade opportunities and modernisation in the agricultural and connected sectors	
	2. Promote coordination of environmental protection and joint reduction of marine litter in the Black Sea basin	2.1 Improve joint environmental monitoring	€18.80 million
		2.2 Promote common awareness-raising and joint actions to reduce river and marine litter	

9. A number of important elements for successful, sustained and inclusive cross-border cooperation will also be supported as horizontal issues or modalities to be deployed across any of the priorities. They include:
- ‘People-to-people’ actions
 - Promotion of local and regional good governance
 - Promotion of regional integration/coordination
 - The use and development of relevant information and communication technologies
 - Promotion of gender equality, and opportunities for youth.
10. The programme has launched two calls and awarded 55 projects which are currently on-going.
11. Despite being small in comparison with other CBC programmes, BSB is still perceived as an important programme in all participating countries. While in the member states complementarity with other funding is a main feature, in non-EU countries BSB is essential for development, given the relative lack of other funding opportunities (especially in Armenia but also in other partner countries). The small-scale infrastructure component that has been included in BSB programme for the first

time has increased the interest of programme beneficiaries. Twenty four percent (24%) of applications submitted included an infrastructure component.

12. The success rate for the project applicants is only 10%: the demand is ten times higher than available funding.
13. The programme is well designed with simple and coherent indicators' system, able to measure its achievements and progress.
14. The complexity of the programme and the large programme area are the main challenges for the efficient programme implementation. Solid management, good steering of the programme, experienced and committed teams, are the main drivers for efficiency. Simplification and flexibility adopted in agreement with all partners, an efficient distribution of responsibilities and the dynamic involvement of the stakeholders, may contribute to increased efficiency.
15. BSB plays the main role in coordinating the cross-border cooperation in the Black Sea Basin, and no other coordinating structure covers the same territorial or thematic extent of BSB. The programme is well designed with simple and coherent indicators' system, able to measure its achievements and progress.

II. Major strategic frameworks and political initiatives covering the area

Black Sea Synergy

16. Black Sea Synergy (BSS) is a regional cooperation initiative of the EU towards the Black Sea region, launched in 2007 after the accession of Bulgaria and Romania to the EU. The initiative is sector-orientated and complementary to the EU's bilateral activities and the broader EU policy towards the region, set out in the pre-accession strategy with Turkey and the European Neighbourhood Policy.
17. BSS develops cooperation within the Black Sea region and between the region and the European Union, based on the common interests. It also intends to enhance synergies with existing regional initiatives linking the region to the EU, such as the EU Strategy for the Danube Region, and with existing international organisations active in the region, such as the Organization for the Black Sea Economic Cooperation and the General Fisheries Commission for the Mediterranean.
18. In its conclusions on EU's engagement to Black Sea regional cooperation of 17 June 2019⁶, the Council reaffirmed its long-standing commitment to fostering prosperity, stability, and resilience in the Black Sea area and emphasised the increasing strategic importance of the Black Sea area for the EU. It called for enhanced EU involvement in the regional cooperation via the Black Sea Synergy.

⁶ <https://www.consilium.europa.eu/media/39779/st10219-en19.pdf>

19. The Council particularly commended the commitment, achieved with EU support, of the six littoral states and the Republic of Moldova to work together towards **a more** sustainable blue economy.
20. The Council welcomed the Common Maritime Agenda for the Black Sea - a sea basin cooperation agenda agreed during a Ministerial meeting in Bucharest in May 2019 - and the Strategic Research and Innovation Agenda for the Black Sea, launched in Bucharest on 8 May 2019.

*The objective of the **Common Maritime Agenda for the Black Sea (CMA)** is to exploit the strengths and address the weaknesses of the sustainable blue economy in the area. This is done through a dialogue among the coastal countries resulting in concrete joint actions and projects.*

The CMA was agreed by Ministers of the six coastal countries: Bulgaria, Georgia, Romania, Russia, Turkey, Ukraine and Republic of Moldova. It sets three major goals, as well as 10 concrete priorities and more than 46 actions which aim at promoting the blue economy of the sea basin and improve its sustainability.

The three goals are as follows:

- 1) Healthy marine and coastal ecosystems*
- 2) A competitive, innovative and sustainable blue economy*
- 3) Fostering investment*

EU Strategy for the Danube Region

21. The cluster area is partly covered by the EU Strategy for the Danube Region (EUSDR), namely the parts of Bulgaria, Romania, Ukraine and Republic of Moldova. The Strategy brings together 14 countries along the Danube River, and covers an area which is home to 112 million people.
22. EUSDR is supported at the highest political level by all participating countries.



23. The Strategy focuses currently on four pillars, and within each pillar, concrete cooperation actions specify priority areas. For the work of the future Black Sea Basin programme, the following areas are the most relevant:

PROTECTING THE ENVIRONMENT:

- Restore and maintain water quality
- Manage environmental risks
- Preserve biodiversity, landscapes and the air and soil quality

BUILDING PROSPERITY:

- Develop the Knowledge Society
- Support the competitiveness of enterprises

STRENGTHENING THE REGION:

- Step up institutional capacity and cooperation

24. The EUSDR is coherent with BSS. It facilitates the implementation of the fields of cooperation mentioned above at a macro-regional scale. For example, the “Sturgeon 2020” programme launched in 2013 supported in the framework of the EUSDR aims to foster the synergies of existing organisations and support the conservation of native sturgeon species in the Danube River Basin and Black Sea.

25. The actions under the programme need to take into account and contribute, where relevant, to the EUSDR objectives and be in line with its Action Plan. This is particularly relevant for issues such as cleaning of the Danube River and its basin, having impact on the pollution of the Black Sea.

Eastern Neighbourhood and Eastern Partnership (EaP).

26. In recent years, CBC programmes have become an essential part of the EU's external action toolbox to achieve political and policy objectives jointly agreed with our partners in the Eastern neighbourhood. It has proved successful in promoting people-to-people exchanges and the implementation of the strategic framework of EU's relations with the Eastern neighbouring partners.
27. The promotion of cross-border cooperation between the Eastern neighbouring partners is also a key component of the multilateral dimension of the Eastern Partnership (EaP). Cross-Border Cooperation, especially its people-to-people focus and participative approach, can contribute to further fostering exchanges and cooperation between the EU and the six EaP partner countries, as well as between the Eastern Partners themselves and their local and regional authorities.

III. Thematic concentration

28. In order to focus EU support on areas where EU funds can achieve the highest benefit and in view of the limited budgetary resources, programmes should concentrate on thematic key areas where joint actions can have the biggest impact.

Policy Objective (PO) 1: “A smarter Europe and its neighbourhood”

29. Countries in this cluster region have low levels of innovation infrastructure and investment. However, investment is increasing in a number of countries, alongside an increase in people working in R&D and growth in high-tech export capacity.
30. In terms of investments in R&D as a percentage of GDP, all the countries presently involved in the cluster area are below the European average (EU28) of 2%. Levels of investment range from 0.2% in Armenia to 1 % in Greece. Increasing levels of investment can be observed between 2014 and 2016 in Georgia (+13%), Greece (+4.8%) and Romania (+6%). At a regional level, all the regions involved in the cluster area where data is available (i.e. not Turkey) have levels of investment that are lower than the respective national average.
31. There is a high level of diversity in terms of business conditions and business growth throughout the region.
32. In terms of new business density - i.e. number of new businesses registered per 1,000 people aged 15-54 - the average density across the EU28 is 4.8. Within the cluster area three countries exhibit higher rates of density: Bulgaria with 10.9, Georgia with 8.4 and Romania with 5.6. These countries also experienced marked growth in business density over the period 2010-2017. All other countries have a business density level below 2, ranging from Turkey (1.2) to Republic of Moldova (1.8).
33. Tourism is one of the key sectors for the entire area. The overall number of tourist arrivals in the countries involved has substantially increased during the last decade (with the only exception being Turkey).

34. In the 2014-2020 period the Black Sea Basin programme funded innovation and entrepreneurship following a thematic approach, funding innovation in the tourism and agriculture sectors.
35. “The Black Sea Synergy: **review of a regional cooperation initiative – period 2015-2018**” Joint Staff Working Document from March 2019 identifies lessons learnt and progress made in the area of blue growth, with particular focus on the integrated maritime policy, marine research and innovation. The lessons and conclusions of the paper need to be taken into account when programming under this policy objective.

Summary of challenges

- *Countries in the cluster region have below average levels of innovation infrastructure and investment. However, investment is increasing in a number of countries, alongside a growing number of people working in R&D and growth in high-tech export capacity.*
- *There is a high level of diversity in terms of business conditions and business growth throughout the region.*
- *Tourism has grown significantly across the most part of the region and is an important industry. Considered as a cross-cutting domain, including in relation to innovation, it is particularly relevant for activities under the Blue Growth, especially if sustainable.*
- *Limited marine and maritime research and innovation, ineffective transfer of knowledge into innovation.*
- *Emerging sectors based on new technologies are not yet sufficiently developed and promoted both at national and regional level.*

Most relevant areas for cooperation

<i>Blue Growth</i>	<ul style="list-style-type: none"> • <i><u>Cooperation should build e.g. on:</u></i> • <i>Bucharest Ministerial Declaration on Common Maritime Agenda for the Black Sea from May 2019</i> - <i>The relevant priorities for a more sustainable blue economy, related to smart growth, as set out in the Common Maritime Agenda for the Black Sea Ministerial Declaration and its annexes</i> - <i>The results of the “Facility for Blue Growth in the Black Sea” project, a capacity-building mechanism supporting maritime stakeholders from six coastal countries in the efforts to develop sustainable blue economy</i> - <i>Conclusions of the Annual High-Level Black Sea Stakeholder conferences during 2015-2018</i> - <i>Feasibility study on potential projects on integrated</i>
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		<i>maritime policy in the Black Sea</i> - <i>Results of the Maritime Clusters Network for Blue Growth project etc.</i> ⁷
<i>Innovation</i>		<ul style="list-style-type: none"> • <i>With a growth in innovation in a number of countries across the region and considering also the Strategic Research and Innovation Agenda for the Black Sea from May 2019, cooperation should increase economies of scale and scope for innovation of the whole region.</i>
<i>Entrepreneurship</i>		<ul style="list-style-type: none"> • <i>With high diversity in business conditions cooperation could capitalise on good practice and address imbalances in the region.</i> • <i>Cooperation between tourism stakeholders on innovative terms can further improve the region's offer and generate greater visibility. Work should be built on the results of the projects from the current programme.</i>

Potential cooperation actions should be built on the lessons learnt from the “Black Sea Synergy: review of a regional cooperation initiative – period 2015-2018”. It should also take into account the revised Action Plan of the EUSDR.

Potential cooperation actions:

<i>Innovation</i>	<i>Entrepreneurship</i>
<ul style="list-style-type: none"> • <i>Creation of joint or complementary research infrastructure;</i> • <i>Exchanges or joint R&D programmes to increase cooperation between the universities and the R&D centres of the area.</i> • <i>Creation of spin-offs able to operate at cross-border level;</i> • <i>Creation of cross-border living labs, technology centres to support R&D and technology transfer;</i> • <i>Cross border innovation advisory services.</i> • <i>Develop sustainable fisheries and enhance food systems research including high-tech and eco-friendly aquaculture.</i> • <i>Foster biotechnology by exploring the potential of high value, innovative products from unique organisms inhabiting the Black Sea, along the whole value chain</i> 	<ul style="list-style-type: none"> • <i>Cross border innovation advisory services.</i> • <i>Creation or support to existing clusters or networks</i> • <i>Joint branding (e.g. at trade fairs)</i> • <i>Networking and connectivity among tourism stakeholders</i> • <i>Joint development of environment-friendly and sustainable tourism strategies</i> • <i>Development of innovative joint sustainable coastal and maritime tourism products and services to promote synergies between coastal tourism and other activities (e.g. pesca-tourism, culture and underwater heritage, aquaculture)</i> • <i>Development and joint marketing of innovative cross-border tourism products and transnational thematic itineraries, incl. underwater cultural heritage</i>

⁷ For further examples of potential fields for cooperation under PO1 for this cluster, please see the Joint Staff Paper Working Document: [Black Sea Synergy: review of a regional cooperation initiative](#) - period 2015-2018

Policy Objective (PO) 2: “A greener low-carbon Europe and its neighbourhood”;

36. The Black Sea remains one of the seas most heavily impacted by human activities in the world. A combination of features renders its ecosystem highly sensitive to pressures from such activities. Knowledge of Black Sea ecosystems remains very limited compared to other seas. For example, all biodiversity features of its marine region have an ‘unknown’ status.
37. The Marine Strategy Framework Directive (MSFD)⁸ remains the main instrument promoted by the EU for the protection of the Black Sea marine environment. The Directive encourages enhanced regional cooperation, building upon relevant existing programmes and activities developed in the framework of structures stemming from international agreements.
38. Since 2013, the EU has financed the ‘Improving Environmental Monitoring in the Black Sea’ (EMBLAS) project. It provided support for strengthening policies, monitoring and capacity building in the region. The national pilot monitoring studies and two EMBLAS joint Black Sea surveys in 2016 and 2017 generated a critical amount of data. These provided the first results of the Black Sea environmental status assessment, according to MSFD requirements.
39. At the international level, the EU has played a central role in pushing for basin-wide commitments concerning the sustainable management of shared natural resources in the Black Sea. Based 2018 Sofia Declaration of the General Fisheries Commission for the Mediterranean (GFCM), several commitments have been made to establish sustainable management of fisheries in the Black Sea basin.

EMBLAS project

Overall Objective

The overall objective of the project is to help improve protection of the Black Sea environment. This objective will be pursued through further technical assistance focused on marine data collection and local small-scale actions targeted at public awareness raising and education.

The specific objectives are as follows:

- improve availability and sharing of marine environmental data from the national and joint regional monitoring programmes aligned with the MSFD and WFD principles and the Black Sea Integrated monitoring and Assessment Programme (BSIMAP);
- support joint actions to reduce river and marine litter in the Black Sea basin;
- raise awareness on the key environmental issues and increase public involvement in the protection of the Black Sea.

⁸ Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (MSFD).

Transition to low carbon energy

40. Energy consumption per head is relatively low in the cluster area compared to the pattern observed in Western European countries. Energy intensity is also relatively low, except for in Ukraine. The share of renewable energy in final energy consumption is low on average (a maximum of 29% in Georgia and a minimum of 4% in Ukraine). The area's economies are still largely reliant on fossil fuels (including in some cases nuclear energy), even if energy the intensity ratio is declining in most of the countries and the use of renewable energy is gradually increasing (with exception being Georgia).

Water availability, quality and pollution

41. The rate of connection of inhabitants to a safe drinking water system ranges from low (60% in Armenia) to very high EU Member States' regions. Access to waste water systems is more challenging; with for example less than 35% of the population connected in Turkey (data is not available for other partner countries).
42. Regarding marine and coastal water, the Black Sea's catchment area is very large, with a total surface area of around 2 million km², five times the surface of the Black Sea itself. Some of Europe's longest and largest rivers flow into it including the Danube and the Dnieper. The population living around the Black Sea is unevenly distributed and includes large urban areas (like Istanbul).
43. Concerning pollution, land-based sources are the biggest polluters and account for more than 70% of all pollution. Eutrophying nutrients, which enter the sea from air pollution via surface and ground water or directly through deposition on the ocean surface, are one of the more damaging pollutants. Regarding specifically nutrients stemming from the Danube River (mainly nitrates) remain significant but stable over time. Oil pollution in the Black Sea remains an on-going concern along major shipping routes and in coastal areas around river mouths, sewage outputs, industrial installations and ports.

Climate change and natural risks

44. The effects of climate change have not yet been sufficiently addressed.
45. Carbon dioxide emissions per unit of GDP varies between programme countries in the cluster area; due to differences in the structure of the economy and different patterns in energy efficiency. Across the whole cluster area, the rate is decreasing, except in Armenia and Georgia, showing a gradual decarbonisation of some of main economies in the area.

Circular economy and waste management

46. Waste generation is high in the EU Member States – Romania, Greece and Bulgaria - above the EU28 average (5 tons per head in 2016), but lower in Turkey. Recycling is negligible in Bulgaria, Greece and Romania while higher for Turkey (around one

third of the total waste generated). No data is available for the other countries in the area. Moreover, the circular material use rate is low, for all the EU Member States in the area; showing a poor performance in promoting a circular economy.

47. Main challenges for the cross-border area are related to improving waste management systems, increasing recycling, preventing pollution from waste generation and reducing marine litter.

Biodiversity and natural resources

48. The area covered by forest is low on average compared to other clusters areas; with higher rate observed in the region's Member States. In general, there is a greater number of areas with protected status in Member States, for example freshwater Key Biodiversity areas. Natura 2000 sites cover both land and marine areas.
49. In the 2014-2020 period, the Black Sea Basin ENI CBC programme funded actions to improve joint environmental monitoring, and to reduce river and marine litter.
50. **“The Black Sea Synergy: review of a regional cooperation initiative – period 2015-2018”** Joint Staff Working Document from March 2019 identifies lessons learnt and progress made in the area of environmental protection and climate change. The lessons and conclusions of the paper need to be taken into account when programming under this policy objective, given that BSS is the main strategic framework for actions under the environment-climate change field.

Summary of challenges

- *In general, there is low use of renewable energy in Partner Countries in the region, although there are some examples of countries with higher use of renewables (e.g. Georgia).*
- *There is a limited awareness of human impacts on the Black Sea.*
- *Several countries in the region experiencing water shortages, although the region is characterised by different methods of water extraction and water consuming sectors. There are different levels of access to water treatment facilities and clean drinking water in the region.*

*Main key cross-border challenges related to the **pollution** of the sea-basin include:*

- *Eutrophication and nutrient enrichment of inland water, due to agriculture and households (lack of water treatment systems);*
- *Change in marine living resources due to a decrease in water quality;*
- *Chemical pollution in water and air from coastal and shipping activities (including oil).*
- *Non-fisheries related mortality factors such as marine pollution and land-based sources of pollution such as nutrients, pesticides, heavy metals and plastics.*
- *Environmental protection remains a pressing issue for the region. Without international cooperation, the environmental situation of the Black Sea **is at high risk of degradation**. Achieving ‘good environmental status’ of the Black Sea by*

2020 remains a key EU goal, also taking into account its impact on human health.

- Relevant challenges for the cross-border areas are related to improving waste management systems, increasing recycling, preventing pollution from waste generation and reducing marine litter, increasing the circularity of economy.

Most relevant areas for cooperation

Water availability, quality and pollution		<ul style="list-style-type: none"> • The Black Sea Basin is subject to pollution from different sources (eutrophication and nutrient enrichment in inland waterways; effects of oil industries and port activities). Sources and effects both transcend national borders and require cooperative solutions.
Climate change		<ul style="list-style-type: none"> • Climate change, and its effect on the sea basin's infrastructure need to be monitored and mitigated through cooperation actions.
Biodiversity and natural resources		<ul style="list-style-type: none"> • Several protected areas in Member States are near national borders. Cross-border coordination could improve management of protection areas. • Regional cooperation is needed to ensure sustainable management of marine natural resources
Air quality		<ul style="list-style-type: none"> • All countries border on or are close to the Black Sea and suffer from pollution from maritime transport. Cross border cooperation could develop useful approaches to improve the situation, as such help establishing emission control areas (ECAs) to address significant air pollution from ships.
Circular economy		<ul style="list-style-type: none"> • Exchanging information, best practices and best available technologies in the sector of waste management, recycling, and reducing waste.

Given its impact and relevance for the EU and the neighbourhood area, the cooperation under the PO2 for the Black Sea Basin is strongly encouraged.

Potential cooperation actions need to build on the results and create synergies notably with the EMBLAS project and with EUSDR revised Action Plan.

They could cover:

Water availability, quality and pollution

- Sharing of best practices in water quality monitoring and management;
- Pilot actions and small investments in wastewater treatment in remote areas and isolated communities;
- Joint management plan of cross-border river basins.

Air quality <ul style="list-style-type: none"> • <i>Sharing of best practices in air quality monitoring and modelling</i> • <i>Sharing best practices of improving air quality in ports and harbours</i> • <i>Actions towards developing a Black Sea Emmission Control Area in line with International Maritime Organisation, building on experiences in the Baltic Sea and the North Sea.</i> 	
Climate change and natural risks <ul style="list-style-type: none"> • <i>Monitoring the impact of climate change at a cross border territorial level;</i> • <i>Setting up common alert and emergency management systems to prevent and manage the risks linked to climate changes;</i> • <i>Joint planning for mitigation (emission reduction) and adaptation to climate change;</i> • <i>Public awareness-raising campaigns and trainings of stakeholders related to impact of human activities on marine ecosystem, climate change, potential impacts and adaptation strategies;</i> • <i>Small demonstrative investments and pilot actions for adaptation and mitigation actions.</i> 	Biodiversity and natural resources <ul style="list-style-type: none"> • <i>Joint management plan of cross-border protected areas;</i> • <i>Joint monitoring and studying in dynamics of cross-border biodiversity losses;</i> • <i>Joint action plan and management to protect endangered species;</i> • <i>Awareness-raising campaigns and training related to the economic and social services provided by biodiversity</i>

Policy Objective (PO) 3: “A more connected Europe with its neighbourhood”;

51. In general there is below average Internet usage in the Black Sea Basin cluster area. Regions around the Black Seas Basin area are less connected than national averages.
52. Trade and transport infrastructure are of lower quality in the Black Sea Basin cluster area than the ENI CBC eligible countries’ average. However, the gap is narrowing over time.
53. EU Member State regions covered by the Black Sea Basin programme area are in general less accessible by motorway and rail than the respective national average. However, many of these regions are likely to benefit from the completion of the TEN-T network.
54. The current ENI CBC Black Sea Basin 2014-2020 programme did not dedicate any specific funding to this theme.

<u>Most relevant areas for cooperation</u>		
<i>Sustainable, intelligent and intermodal infrastructure</i>		<ul style="list-style-type: none"> • <i>Activities related to the modernisation and digitalisation of port infrastructure and management could have cross-border added value if funding is used to align national investments or used to improve integration of services.</i> • <i>Capitalisation on the completion of the TEN-T network.</i>

Given that interventions under this field demand very high investments in infrastructure, the cooperation under this PO is not encouraged.

If chosen, potential cooperation actions under this PO could cover:

Sustainable intelligent and intermodal infrastructure

- *Preparation activities for greener port infrastructure*
- *Joint initiatives to improve the safety of shipping networks*
- *Elaboration of joint strategies/policies/plans to integrate transport network with TEN-T connections*
- *Expand data collection beyond traditional (logistics) data*

Policy Objective (PO) 4 “A more social Europe and its neighbourhood”;

55. Overall unemployment in this cluster is equivalent to national average. Rates of unemployment are higher in specific countries when looking at youth unemployment. As it concerns education, the area as a whole has an above average educated population. Certain countries show nonetheless important proportions of young people out of education, training or employment.
56. Existing blue skills and know-how are not sufficient to ensure the requested standard level in services, which is required by the market, in particular in sectors such as tourism or port services. They do not correspond to businesses’ demand for skilled man-power for existing or emerging sectors.
57. Health provision is highly inconsistent throughout the region. Overall life expectancy is below the ENI CBC eligible countries’ average. Rural communities are less likely to receive quality services.
58. As referred to in point 13, in the 2014-2020 programming period, the ENI CBC Black Sea Basin programme only financed priorities related to labour market and employment, in this way indirectly supporting business growth in the tourist and cultural sector and investing in agricultural modernisation.
59. Employment and social affairs are mentioned by the 2007 Communication on Black Sea Synergy, but they saw poor progress in cooperation at regional level between 2015 and 2018.

Most relevant areas for cooperation

<i>Unemployment and Education</i>		<ul style="list-style-type: none"> • <i>Cooperation in education may be more suited to land borders areas. The need for employment support differs widely throughout the region.</i> • <i>Promote blue skills and know-how to ensure standard level in services provisions, which is required by the market, in line with recommendations of the Common Maritime Agenda.</i>
<i>Health and Social Inclusion</i>		<ul style="list-style-type: none"> • <i>Exchange of best practice in e.g. e-health services for remote areas (e.g. rural areas, minority groups).</i>

		<ul style="list-style-type: none">Given the region's location on refugee "routes", cooperation could facilitate social inclusion of the refugee population.
<p><i>Given the need for concentration of resources and the fact that interventions under this theme are better suited for land-based cooperation; the support under this PO is <u>not</u> encouraged.</i></p>		
<p><i>If chosen, potential cooperation actions could cover:</i></p>		
<i>Unemployment and education</i>		<i>Health and social inclusion</i>
<ul style="list-style-type: none"><i>Joint analyses of regional skills gaps.</i><i>Jointly developed training programmes aimed at developing blue skills and for young people in isolated areas.</i>		<ul style="list-style-type: none"><i>Cooperation on the social inclusion of the region's refugee population.</i>

Policy Objective (PO) 5 “Europe and its neighbourhood closer to their citizens”

60. Bringing Europe and its neighbourhood closer to its citizens is a cross-cutting issue that goes hand in hand with good governance. It also includes participation of the civil society. It is therefore closely linked to the Interreg-specific objective "A better Interreg governance". We are therefore proposing to support the involvement of local communities and civil society under the Interreg Specific Objective (ISO) 1 instead.

Interreg Specific Objective (ISO) 1: “A better cooperation governance for Europe and its neighbourhood”

Institutional capacity

61. Indicators measuring public sectors performance indicate that Member States in the area perform less efficiently than the EU average. According to a recent EC study⁹, on a scale from 1 to 7, the scores given to the public sectors of the three Member States part of this cluster are ranked between 3.6 (Greece) and 3.1 (Bulgaria).
62. Cooperation between EU Member States and partner countries should enable sharing of best practice in e.g. the efficient delivery of public services. Actions can build on existing projects and initiatives, such as the Bucharest Ministerial Declaration on Common Maritime Agenda for the Black Sea from May 2019¹⁰; the ‘Facility for Blue Growth in the Black Sea’ project.

⁹ EC, *Public administration characteristics and performance in EU28*

¹⁰ https://ec.europa.eu/maritimeaffairs/press/black-sea-ministers-endorse-common-maritime-agenda_en

Support to civil society, enhancing trust building and democracy

63. The shrinking space for civil society in the region continued to be a cause for concern. Good governance includes participation of civil society on all phases of programme implementing.
64. The importance of stimulating cooperation with the civil society organisations in the Black Sea region with a view to facilitating sustainable development and increasing societal resilience was reiterated by the Foreign Affairs Council of 17 June 2019. Creating space for civil society remains a constant priority. There is a continuous need for active engagement with representatives of civil society. Where relevant, the actions could build on the work of the Black Sea NGO Forum.
65. Cooperation among local and regional stakeholders with tangible results on the welfare of the coastal communities should be preserved and strengthened through the programme.
66. Measures with a transnational dimension aiming at building mutual trust and confidence at local and regional level might be tackled under this objective.
67. The Small Projects Fund (SPF) might be a helpful tool to finance smaller projects or people-to-people projects that make a strong contribution to the social and civil cohesion of the transnational region. Given its simplified delivery rules, SPF makes it easier for local stakeholders and NGOs having less financial and institutional capacities to participate in the programme.

Interreg Specific Objective (ISO) 2: “A safer and more secure Europe and its neighbourhood.”

Migration management

68. Several countries in the region have been the centre of large-scale migrations in recent years (see the table below). The number of refugees accepted by the EU Member States involved in the Black Sea cluster area is on average 21,000 in 2017 (against 700,000 for the partner countries involved in the Black Sea cluster area).

Table 0-3 Refugee population by country or territory of asylum

Country name	2017	trend 2014-2017	trend 2010-2013
Armenia	17,963	0.5%	42.9%
Bulgaria	19,141	14.7%	-6.0%
Georgia	2,069	24.7%	7.3%
Greece	38,948	39.4%	24.6%
Republic of Moldova	371	2.6%	14.0%
Romania	3,876	15.4%	14.7%
Russian Federation	125986	-14.5%	-8.4%
Turkey	3,480,310	21.7%	179.2%
Ukraine	3,211	-0.1%	-0.4%

Source: World Bank indicators, statistics at national level

(see: <https://data.worldbank.org/indicator/sm.pop.refg>)

69. Actions supporting migration management and protection of migrants could be financed under ISO2.
70. Other actions enhancing the security of the region should be promoted in close coordination with similar actions under BSS and EUSDR.

IV. Main geographic features and possible synergies with other cooperation Programmes

71. Coordination with European Territorial Cooperation programmes operating on the same areas, such as programmes of cooperation with Romania, Bulgaria, Ukraine, Republic of Moldova or Turkey need to be ensured as of the programming phase. In the same way, coordination with bilateral and regional ENP related programmes in the thematic areas covered by the above-mentioned objectives should be also ensured. Overlaps should be avoided and actions coordinated in order to gain maximum synergies.
72. It is proposed to keep the same geographical eligibility to participate in the future programme as the current Black Sea Basin ENI CBC¹¹. Countries of the Black Sea Basin continue to be eligible for the future cooperation, under the conditions applied under the present ENI CBC programme¹².

V. Governance of the programmes

73. The composition of the joint bodies representing the programme must be representative of the transnational area. On the other hand, the Joint Monitoring Committee should include to the extent possible partners relevant to programme objectives (i.e. priority axes), e.g. institutions or organisations representing environment, SMEs, civil society or education. Representatives of the EUSDR or BSS key stakeholders should also be regular members of the monitoring committee of the programme, where relevant.
74. As suggested by the Result Oriented Monitoring of 2019, the efficiency of the implementation mechanisms of this complex programme such as frequent and thorough project monitoring needs to be ensured. This implies, for example, a fair and balanced reconfiguration of roles and tasks among all the implementing bodies (MA/NAs/JTS). The management has to be able to provide adequate support to the beneficiaries, enabling them to enhance systematically the quality of the project outputs.

¹¹ The general EU restrictions on cooperation in regions that are illegally occupied by Russia are also applicable to Interreg NEXT. Therefore, Crimea and Sevastopol are currently not eligible. As regards Georgia, all its territory is considered eligible.

¹² See Foreign Affairs Council conclusions of 16 April 2018 on cooperation with Russia.

75. There is also room to improve the quality of projects outputs, especially concerning “soft” measures. The performance framework needs to be prepared with a view to ensure high quality results.
76. It is important that the capitalisation and dissemination of positive lessons learnt and good practices in ensures during the programming exercise.

VI. Conclusions

77. The Black Sea Basin Programme (BSBP) 2014-2020 is highly relevant for this cluster area. No other coordinating structure covers the same territorial or thematic extent.
78. As the key political initiative for the EU’s engagement in the region, the Black Sea Synergy Initiative (BSS) is the leading strategic framework for thematic orientations for the future Black Sea Basin programme. Actions proposed have to be in line with BSS. Synergies need to be sought with the EU Strategy for the Danube Region, too.
79. The governance of the future programme should build on the solid management, good steering of the programme, experienced and committed teams. There is room for simplification and flexibility in the implementation arrangements, to be adopted in agreement with all partners.
80. Given the size of the area covered and the total available budget of the current programme (EUR 54 million), there will be a need for strong thematic and resources concentration. In line with the Common Maritime Agenda and the Strategic Research and Innovation Agenda for the Black Sea, and based on the analysis of the area and the added value which could in particular be provided by the future Interreg NEXT programmes, the following areas are recommended as the most relevant for support:
 1. **Policy Objective 1** (focusing on blue economy, entrepreneurship, support for small and medium enterprises).
 2. **Policy Objective 2** (focusing on water availability, quality and pollution, climate change, natural risks, biodiversity, natural resources, air quality and circular economy).
 3. **Interreg Specific Objective 1** (focusing on institutional capacity, civil society, people-to-people and regional and local stakeholder’s cooperation).
81. Cooperation actions should make the sea-basin regions more attractive and contribute to improve the quality of life of the people living in the sea-basin area.

Appendix to the Annex IV

List of eligible areas for Black Sea-basin Interreg next cooperation

Black Sea Programme	Romania: Sud-Est Bulgaria: Severoiztochen, Yugoiztochen Greece: Kentriki Makedonia, Anatoliki Makedonia Thraki Turkey: TR10 (İstanbul), TR21 (Tekirdağ, Edirne, Kırklareli), TR42 (Kocaeli, Sakarya, Düzce, Bolu, Yalova), TR81 (Zonguldak, Karabük, Bartın), TR82 (Kastamonu, Çankırı, Sinop), TR83 (Samsun, Tokat, Çorum, Amasya) and TR90 (Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane) Russia: Rostov Oblast, Krasnodar Krai, Adygea republic Ukraine ¹³ : Odessa, Mykolaiv, Kherson, , Zaporosh'ye and Donetsk Oblasts Republic of Moldova, Georgia, Armenia, Azerbaijan: the whole country
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¹³ The general EU restrictions on cooperation in regions that are illegally annexed by Russia are also applicable to CBC. Therefore, Crimea and Sevastopol are currently not eligible. As regards Georgia, all its territory is considered eligible.