

European territorial cooperation (ETC)

Better known as Interreg, European territorial cooperation is one of the most visible examples of how EU Member States can work together for the common good. Gradually growing in importance since its creation 30 years ago, its budget has increased tenfold in this period, with ETC acquiring its own regulation for 2014-2020. The proposal for a new ETC regulation is part of the post 2020 cohesion package, with the European Parliament expected to vote at second reading at its June II plenary session on the text agreed during interinstitutional negotiations.

Background

Established in 1990 and financed by the European Regional Development Fund (ERDF), European territorial cooperation is the EU's key instrument supporting cooperation between partners across borders, removing barriers to development and fostering joint strategies to common problems. It provides support across three strands, covering cross-border, transnational and interregional cooperation.

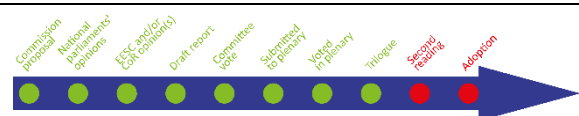
European Commission proposal

On 29 May 2018, the European Commission adopted a [proposal](#) for the European territorial cooperation goal as part of the package of legislative proposals for cohesion policy for the 2021-2027 period. The proposed regulation introduced a significant change to the ETC architecture, involving a reshaping of the three cooperation strands, with cross-border cooperation focusing exclusively on land borders, and the creation of two new strands, with one dedicated to the outermost regions and one on interregional cooperation for innovation. Other new elements include the incorporation of cooperation with countries outside the EU and the definition of two Interreg-specific objectives for all ETC programmes, with the Commission also proposing a reduction in the maximum ERDF co-financing rate for Interreg programmes, from 85 % to 70 %, alongside a decrease in the overall budget for ETC to €8.43 billion (2018 prices).

European Parliament position

The Parliament's Committee on Regional Development (REGI) adopted its [report](#) on the proposal on 3 December 2018, with Parliament adopting its [first-reading position](#) on 26 March 2019. The final [text](#) resulting from interinstitutional negotiations, which was approved by REGI on 18 December 2020, incorporates numerous modifications put forward by Parliament. It successfully called for the reintegration of cooperation on maritime borders into the cross-border cooperation strand, with support under Interreg to be provided under four strands of cooperation – cross-border, transnational, outermost regions and interregional. In addition, Parliament helped secure an increase in the maximum ERDF co-financing rates proposed by the Commission for Interreg programmes, from 70 % to 80 % (85 % in the case of outermost regions' cooperation), and also helped in raising the amount of pre-financing available for Interreg programmes, from 1 % to 3 % each year from 2023, and increasing the amount that may be allocated under ETC programmes to small project funds. The agreed text also increases the share of resources allocated to cross-border, outermost regions' and interregional cooperation, reflecting Parliament's position, although the final ETC budget of €8.05 billion for 2021-2027 falls far short of the Parliament's proposal to increase the budget to €11.6 billion. The Council adopted its [first-reading position](#) on 27 May 2021. REGI voted on 15 June 2021 to recommend adoption of the text, which Parliament is now due to vote on at second reading.

Recommendation for second reading: [2018/0199\(COD\)](#);
Committee responsible: REGI; Rapporteur: Pascal Arimont
(EPP, Belgium). For further information see our 'EU
Legislation in progress' [briefing](#).



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