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Interreg: Key changes for 2021-2027

The next generation of cooperation

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Our team of expert researchers provide regular updates on funding opportunities, policies, trends and insights about the funding landscape. This article looks at the next generation of Interreg, what it is, project funding and future proposals.

What is Interreg?

Established in 1990, the Interreg programme is one of the key instruments of the European Union (EU), supporting cooperation through project funding to jointly tackle common challenges and find shared solutions in fields such as health, environment, research, education, transport, sustainable energy and more.

Primarily funded by the European Regional Development Fund (ERDF), Interreg supports projects between EU Member States, their outermost regions, the EU acceding countries and the neighbourhood countries.

There have been five previous iterations of the programme: INTERREG I (1990–1993); INTERREG II (1994–1999); INTERREG III (2000– 2006); INTERREG IV (2007–2013); and INTERREG V (2014–2020).

As the sixth programme is set to roll out throughout 2022, this article looks at the key changes set for the new version.

Interreg 2021-2027

The sixth version of Interreg has an aggregate budget of €9.2 billion for 2021-27. This consists of €8 billion in ERDF funds, with the remainder derived from three Commission-managed instruments:

- Interregional Innovation Investments
- The European Urban Initiative
- European Social Fund transnational cooperation (ESF+)

Financial allocations to Interreg are initially calculated by country. After consultation with EU Member States, funds are then allocated to individual Interreg programmes.

The available budget is split between the four strands of Interreg, which relate to cooperation at varying scales.

The four strands are as follows:

Cross-Border (Interreg A) – Approximately €6.5 billion (72% of the total Interreg budget)

European Cross-Border cooperation, known as Interreg A, supports cooperation between adjacent NUTS level 3 regions to promote coordinated regional development between neighbouring land and maritime border regions. This strand involves internal cross-border cooperation between adjacent border regions of two or more Member States, or external cross-border cooperation of at least one Member State and one or more eligible third country.

Transnational (Interreg B) – Approximately €1.6 billion (18%)

Transnational cooperation, known as Interreg B, supports NUTS level 2 regions of the Union, including outermost regions, covering larger transnational territories and taking into account, where applicable, macro-regional strategies or sea-basin strategies. This strand involves regions from several countries of the EU to form bigger areas, which often share similar societal, economic and geographic characteristics or problems, and encourages a joint approach to tackling common issues. Existing projects cover issues including innovation, the environment, accessibility, telecommunications, urban development and more.

Interregional (Interreg C) – Approximately €552 million (6%)

Interregional cooperation, known as Interreg C, works at pan-European level, covering all EU Member States and more. This strand builds networks to develop good practice and facilitate the exchange and transfer of experience by successful regions throughout Europe. It showcases what regions do well in order to bring the benefits of these to those still investing.

Integration of Outermost Regions in their neighbouring environment (Interreg D) – Approximately €316 million (3%)

This strand, new for 2021-27, will strengthen the cooperation of Outermost Regions of the EU (namely French Guiana, Guadeloupe, Martinique, Mayotte, Reunion Island and Saint-Martin (France), Azores and Madeira (Portugal), and the Canary Islands (Spain)) with neighbouring third countries. The ambition is to stimulate economic exchanges among regional partners and foster their mutual development.

Key changes for 2021-2027

Interreg will continue to support cooperation between regions, citizens and economic operators over their respective land and maritime borders, while helping to share examples of experience, good practices and capacity building through the four interregional programmes: Interreg Europe, Urbact, Interact and ESPON.

Speaking at the Interreg Annual Event 2021, Moray Gilland, Head of Unit for Policy Development and Economic Analysis, expanded on how Interreg has been simplified and stated that both delivery and implementation have been streamlined. Designation has been eliminated, technical assistance has been automated, and audit and management requirements have been significantly reduced.

Also speaking at the event, Pascal Boijmans, Head of Unit Interreg for Cross-border Cooperation, Internal Borders at DG REGIO, stated that the 2021-27 programme formally introduces the concept of 'functional areas' for the first time. The aim is to encourage programmes to look beyond not only borders, but also specific administrative units, and involve distant areas that could have a positive impact on their activities where relevant.

An example of this would be a hypothetical programme seeking to improve flood defences, which would benefit most significantly from implementing anti-flood measures far upstream, outside of the programme area. Additionally, R&D partnerships may benefit from the input of a specific research institution based outside of the immediate locality of the partnership. Individual programmes can have multiple and different functional areas, depending on the project being supported.

Elsewhere, the management of cooperation at external borders is also now controlled by Interreg under shared management, combining support from the ERDF and EU external instruments (the Instrument for Pre-Accession Assistance – IPA and NDICI).

Also new for the 2021-27 programming period is the PEACE PLUS programme, replacing the previous ERDF-funded PEACE programme. The UK will participate in and provide financial contributions to the PEACE PLUS programme due to the unique circumstances of the region. However, it will not pursue participation in other 2021-2027 cooperation programmes – including Interreg funds. The UK will instead seek to replace EU structural funding through a new Shared Prosperity Fund, expected to launch in 2022.

As a third country, Switzerland can access Interreg funding through countries it shares a border with. However, it cannot directly apply for funding, and it is the managing authority's (a Member State or sub-division of a Member State) decision to decide whether all or part of an action can be implemented outside the EU part of the programme area. Where an entity is eligible, funding for the portion outside the EU cannot exceed 20% of support from the ERDF at programme level. Where Swiss entities are not eligible for EU funding but still wish to participate, they can request co-financing via the Swiss National Research Programmes (NRPs). To be eligible for these federal funds, the projects need to contribute to competitiveness and value creation in the respective region. Transnational projects can also be supported if they are of national strategic importance. If these criteria are not met, interested parties can always launch projects on their own, with or without public funding.

Our ResearchConnect service continues to track progress of the new generation of Interregs. Pending formal approval of individual cooperation programmes, the first calls for proposals are scheduled to continue launching throughout 2022.

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