



# Cooperation, complementarities and alignment of different funding sources for a more efficient use of resources

A policy brief from the Policy Learning Platform on  
research and innovation

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**Interreg  
Europe**



European Union | European Regional Development Fund



## Executive summary

Alignment of funding puts interregional cooperation into a new dimension and opens-up opportunities for more effective and efficient use of the available resources. This requires alignment of legislations and ad hoc regulations. The Common Provisions Regulation<sup>1</sup> (CPR) offers new possibilities for cooperation and coordination using different funding sources. Moreover, the alignment of funding calls for specialised knowledge, capacities and competences which, as a “consequence”, leads towards new opportunities.

For the 2014-2020 programming period, the Common Provisions Regulation provides different options for cooperation, and explicitly encourages complementarities and the alignment of different funding sources. Cooperation possibilities are mentioned in the CPR Article 11, Article 15(2a), Article 27 (3) and Article 70, which encourage coordination among the various European Structural and Investment Funds (ESIF), including external instruments for cooperation.

Interreg Europe is in a unique position to promote capacity building and synergies<sup>2</sup> with other funding sources. It can foster cooperation by facilitating interaction, identification of complementarities and gaps and by providing access to practices and operational know-how.

This policy brief highlights the possibilities for improving policy measures presented in the Common Provision Regulations (CPR 1303/2013), and in particular its Article 70, which allows investments outside the programme area. The brief also describes the relevance of Article 70 provisions for Interreg Europe partners.

## 1. Interregional and transnational actions

Within the framework of the *Investment for growth and jobs goal* for the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund and for the support from the ERDF to the *European territorial cooperation goal (ETC)*, there is the possibility to make use of interregional and transnational actions<sup>3</sup>.

### Advantages of transnational and interregional cooperation

- Gaining from access to wider business and knowledge networks
- Getting access to the necessary research capacity
- Reaching out to other markets
- Expanding business opportunities for SMEs

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<sup>1</sup> The EC Regulation laying down common provisions on the ERDF, the ESF, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the ERDF, the ESF, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.

<sup>2</sup> Synergies can be taken-up across any other EU co-funded programme such as the ESF, national and regional ERDF programmes, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund.

<sup>3</sup> In accordance with the conditions set up in the CPR – (EU) No 1303/2013, Articles 70 and 96, and in the ETC Regulation – (EU) 1299/2013, Article 20.



- Combining complementary strengths, via e.g. interclustering
- Joining global value chains
- Achieving policy synergies in the context of smart specialisation strategies

## 2. What are the eligibility provisions?

### *Eligibility of operations for interregional and transnational actions*

As a general rule, operations financed by the ESIF have to be located in the programme area, in accordance with the principle of non-transferability of resources between categories of regions.<sup>4</sup>

Operations supported by ESIF are subject to the derogations referred to in paragraphs 2 and 3 of the Article 70.1 of the CPR, and in the Fund specific rules, and shall be located in the programme area.

The programme area is the “geographical area covered by a specific programme” or, in the case of a programme covering more than one category of regions, the “geographical area corresponding to each separate category of region.”

In case a programme covers several categories of regions, each of the categories for a region is defined as a programme area of its own. The exception is the Cohesion Fund, for which the division of regions by categories does not apply, and the programme area is the entire territory of the EU Member State.

Despite the above general rule, it is possible to invest outside the programme area under both the ETC goal, and the Investment for the growth and jobs goal, provided that certain conditions are satisfied.

### Relevant legal provisions

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| <b>European territorial cooperation</b> | <b>Article 20</b> of the ETC Regulation (EU) No 1299/2013 sets the conditions, in a form of derogation to the general rule, for the ERDF expenditure that may be incurred outside the European Union.  |
| <b>Growth and jobs</b>                  | <p><b>Article 96.3</b> (d) of the Regulation (EU) No 1303/2013(CPR) defines the possibility for interregional and transnational actions.</p> <p><b>Article 70</b> (2) and (3) of the Regulation (EU) No 1303/2013(CPR) - sets the condition for interregional and transnational actions, by derogation to the general rule, for Investment for growth and jobs goal for <i>operations implemented outside the programme area but within the Union</i> (2) or operations concerning technical assistance or promotional activities, expenditure that may be incurred outside the Union provided that certain conditions are satisfied.</p> <p><b>Article 13(2)</b> of the Regulation 1304/2013 contains similar provisions for the ESF.</p> |

<sup>4</sup> Indeed, Structural Funds allocated to a specific category of a region should be invested in the same category, even if the programme covers regions from another category (Article 93 of the CPR).



### 3. Possibilities for follow up to the Interreg Europe projects

As a follow up to the Interreg Europe projects, regional and local public authorities across Europe can extend the impact of the project results through further collaboration, including outside the programme area (for instance in adjacent regions or in other Member States), which is in line with the Investment for growth and jobs goals.

In this case the Article 70 of the CPR 1303/2013 can be applied with an objective to improve and extend the targets and quality of the operational programmes (OPs), and to explore the opportunities associated with undertaking this new form of investment outside the region. Regional and local public authorities can decide to increase the share of the ESI Funds spent outside the programme territory, for instance to pool funding for technology parks, clusters, research infrastructures abroad or to facilitate the uptake of innovation in foreign markets.



Image credit: Photo by Tom Fisk from [Pexels](#)

### 4. Applying Article 70 in Interreg Europe – experience of the S34Growth project

The main objective of [S34Growth](#) is to develop and improve regional policy instruments to facilitate interregional collaboration in support of the renewal of Europe's industry and competitiveness.

Project activities build on the methodology comprising learning, connecting, demonstration, commercialisation, identified within the Vanguard Initiative. Stakeholders learn from each other, organisations and activities are connected, and demonstration projects are supported to improve commercialisation and product and service development processes. The ambition is to develop an innovative interregional element to regional policy instruments aimed to support a co-specialisation approach that is aligned with S3 priorities, an approach that can be relatively easily replicated across Europe.

S34Growth partners have identified Article 70 as an opportunity to achieve their policy objectives.

#### Article 70 of the CPR 1303/2013 in the S34Growth partnership

The **Basque Country's** ERDF operational programme (OP) for the period 2014-2020 foresees to use Article 70 to develop strategic partnerships for smart specialisation, in particular in the areas of innovation, research & development, and energy efficiency.



The main focus of the **S3 strategy for Tampere region** is on the renewal of manufacturing industry. The region wants to increase the international dimension of the manufacturing value-chains. The ERDF OP seeks for innovative ways to attract companies into regional cooperation activities and networks. Article 70 of the CPR 1303/2013 or other funding possibilities, can be implemented to achieve this policy objective.

**Scotland's ERDF OP** places a great deal of emphasis on accelerating the innovative capacity and access to markets for its priority sectors linked to S3. Scotland recognises the need to support the capacity of SMEs to grow in international markets, and provides support to enhance business collaboration and supply chain development, and to facilitate clustering opportunities. S34GROWTH will allow to explore the opportunities and risks associated with the implementation of Article 70 provisions.

The **ERDF programme for Skåne-Blekinge 2014-2020** is the core financial tool for development in the region. One of the important issues tackled by the programme is the low level of internationalisation of Skåne. The region is using Article 70 to e.g. foster collaboration with European initiatives such as Vanguard.

## 5. In conclusion

Managing authorities and local public authorities across Europe willing to capitalise on the results of the 2014-2020 Interreg Europe projects outside the programme area should take into account the following aspects:

- Synergies between the ESIF operations should be identified through a robust analysis of the institutional framework of the European Member State or region, including the assessment of its main strengths and weaknesses.
- To better address interregional and transnational actions, it is crucial to identify common priorities.
- The precondition to replicate or tailor the operations from a certain interregional or trans-national area, is to have the common strategies in place to facilitate flexibility of the operations.
- Specific efforts should be made by the member states, regions and local authorities to assure the transparency of the management, control and audit proceedings of the authorities responsible for the programme under which that operation is supported.
- Interreg Europe represents a unique opportunity to access practices and engage with peers to open up policy measures to the international dimension allowing investments outside the programme area.
- One of the obstacles for the implementation of Article 70 on behalf of the managing authorities is the difficulty to estimate the return of investment made outside the region. Interreg Europe can showcase regions that have successfully implemented such approaches, as a best practice.
- S34Growth project and the operational programmes of the engaged member states and regions can serve as a benchmark, good practice to the other managing authorities or Interreg Europe projects that are considering the implementation of Article 70 for their activities or for the take up of their project outcomes.

If you would like to learn more about the specific provisions of Article 70 of the CPR 1303/2013 and its implementation, we encourage you to reach out to the Policy Learning Platform managers and thematic experts.



## 6. Sources of further information

- European Commission (2016) Implementing smart specialisation strategies; page 80; JRC102764 EUR 28053 EN - ISBN 978-92-79-60979-4 [2016]
- European Commission (2014) Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes - Guidance for policy-makers and implementing bodies; page 4; SWD(2014) 205 final, ISBN: 978-92-79-38599-5 – [2014]
- EU (2015)\_INTERACT- Questions & Answers - Eligibility of expenditure in cooperation programmes; page 8 [2015]
- EGESIF (2015)\_- European Structural and Investment Funds - Guidance for Member States and Programme Authorities: Eligibility of operations depending on location; page 5 - 15\_0009-00 - 10/02/2015 [2015]
- S34Growth\_Interreg Europe web site: <https://www.interregeurope.eu/S34Growth/>
- European Commission (2014)\_Developing Danube R&I Projects across Borders – How to Make the Joint Use of EU-Funds a Reality? – page 17 - JRC91447 [2014]
- European Commission (2015) INTERACT - Alignment of Funding; page 5 [2015]
- European Commission DG REGIO' site Regional policy - Interreg: European Territorial Co-operation
- REGULATION (EU) No 1299/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal; page 17 [20.12.2013]
- REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006; pages 58 and 68 [20.12.2013]
- REGULATION (EU) No 1304/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006; page 9 [20.12.2013]

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#ESIFunds #ProgrammeArea #Take-up #ValueChain #Internationalisation  
#ReseachInfrastructure #SmartSpecialisation



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