Safeguarding maritime cooperation for post-2020 during the negotiations

This analysis prepared by the CPMR General Secretariat raises critical points in relation to European Territorial Cooperation (ETC) for the post-2020 period, with a clear focus on maritime cooperation.

As Ministers from EU-27 will meet on 30 November to have a policy debate on the future architecture of ETC, and bearing in mind the forecast vote in plenary for Pascal Arimont MEP’s report on the ETC regulation early December, this note sheds (new) light on aspects of the ETC regulation which are damaging for maritime cooperation.

Recommendations from the CPMR to EU co-legislators

The CPMR:
- Warmly welcomes the initial positions of the European Parliament and the efforts of the Austrian Presidency to maintain maritime cross-border cooperation programmes within the cross-border cooperation strand

- Invites co-legislators to pay particular attention at the current proposal of the European Commission which foresees a significant decrease of funding allocated under maritime cooperation (-36% according to CPMR estimates)

- Invites co-legislators to pay particular attention at the allocation methodology for calculating the Member States’ shares for Component 2B (maritime cooperation), which excludes 169 NUTS3 maritime regions out of a potential total of 302 regions. Such a system may lead to imbalances between Member States and potentially exclude maritime Member States from participating in maritime cooperation programmes

- Asks, therefore, the co-legislators to consider the proposal from the CPMR to increase the ERDF resources for ETC to 3.5% of the total budget for Cohesion Policy, to reflect the ambition of maintaining maritime cross-border cooperation within the cross-border strand across the ETC regulation, and especially consider proposals for amendments (see Annexes 1 and 2) in this regard from the CPMR on the allocation methodology for ETC (Annex XXII – CPR) and for the distribution of ERDF resources across ETC components (article 9 ETC)

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1 General Affairs Council meeting
1. Context

- **European Commission proposal**
  
  One of the more intriguing aspects of the Commission proposal for the post-2020 ETC\(^2\) was the much-debated proposal to restrict cross-border cooperation to programmes with land borders (Component 1), and to dedicate a sub-component (Component 2B) to maritime cooperation within the transnational cooperation component. Non-maritime transnational cooperation programmes would be covered under Component 2A.

  The difference between Component 2A (transnational cooperation) and Component 2B (maritime cooperation) is perhaps best explained under Recital 6 of the ETC proposal:

  ‘Transnational cooperation should cover larger territories on the mainland of the Union, whereas maritime cooperation should cover territories around sea-basins and integrate cross-border cooperation on maritime borders during the programming period 2014-2020.’

  In short, Component 2B would essentially have two (complementary) objectives:
  - merge maritime cross-border cooperation realised during the 2014 – 2020 period within wider transnational programmes (via sub programme committees for instance)
  - pursue maritime cooperation at sea-basin level for all maritime territories

- **European Parliament and Committee of the Regions positions on maritime cooperation**

  The report for the European Parliament on the future of the ETC (rapporteur: Pascal Arimont, EPP/BE) is due to be adopted in early December.

  Mr. Arimont’s report was clear in stating that maritime cross-border cooperation programmes should be maintained within the cross-border cooperation strand\(^3\).

  The Committee of the Regions draft report on ETC (rapporteur: Marie-Antoinette Maupertuis, EA/FR) shares this position, emphasising the need to move back the share of maritime cooperation from Component 2B to Component 1.

- **CPMR position**

  As early as April of this year, the CPMR raised awareness about the risks associated with merging maritime CBC programmes within the transnational cooperation strand\(^4\). The CPMR study on the added value of INTERREG also confirmed the necessity to maintain maritime CBC programmes in the future.

  The CPMR naturally supports the European Parliament and CoR positions on maritime cooperation (see above). It also insisted on the need for the allocation methodology for national ETC envelopes to be modified accordingly (see Annex 1) and for the distribution of resources across all ETC Components to be adjusted as well (see Annex 2).

- **Negotiations in the Council on maritime cooperation**

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\(^2\) The CPMR General Secretariat did a comprehensive analysis of the Cohesion Policy package in June

\(^3\) The CPMR General Secretariat did a full comparative analysis of European Parliament reports on the various legislative proposals for Cohesion Policy with CPMR positions (published in October 2018)

\(^4\) See open letter sent on 18 April
Although most of the attention of the Council and national Cohesion Policy attachés within the Structural Measures Working Party has centred on aspects of the Common Provisions Regulation (CPR)\(^5\), Ministers responsible for Cohesion Policy are due to have a policy debate on other issues at the next meeting of the General Affairs Council on 30 November, including the architecture of ETC.

It is understood that the Austrian Presidency is favouring the option of adjusting the architecture of ETC as close as possible to the current framework, which would open up the possibility for maritime cross-border cooperation programmes for 2021 – 2027.

Such an option will be put on the table for discussion at the next GAC meeting on 30 November.

### 2. Maritime cooperation loses out financially for post-2020

In order to compensate for the transfer of maritime cross-border cooperation to the new Component 2B, the Commission proposes an adjustment of the shares of the cross-border cooperation and transnational cooperation programmes.

Recital 15 of the ETC regulation indeed states that ‘compared to the programming period 2014-2020, the share for cross-border cooperation should be reduced and the share for transnational cooperation and maritime cooperation should be increased because of the integration of maritime cooperation’.

To test this claim, we added up the total value of maritime cross-border cooperation programmes in the 2014-2020 period and compared it to the funding allocated to Component 2B of ETC.

<table>
<thead>
<tr>
<th>ETC allocation from MFF 2014-2020 (2018 prices)</th>
<th>ETC allocation from MFF 2021-2027 (2018 prices)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total EU contribution to maritime cross border programmes</td>
<td>1.869.957.643 € -36%</td>
</tr>
<tr>
<td>Total ETC</td>
<td>10.390.677.317 € -19%</td>
</tr>
</tbody>
</table>

Table 1 – Value of 2014-2020 maritime CBC programmes vs Allocation for Component 2B

Using publicly available information (see Annex 4 for more details on how these figures were worked out), the above table shows that the existing 14 maritime CBC programmes for 2014-2020 amount to €1.86bn, whereas the funding allocation provided for Component 2B for post-2020 is €1.19bn. This would equate to a 36% cut (using 2018 prices to compare both periods fairly).

By way of comparison, we also included figures to compare the ETC budget lines for 2014-2020 and 2021-2027. The Commission indeed proposes a cut of about 19% for 2021-2027 compared to the current period, but in no way does it compare to the 36% cut mentioned above.

If future transnational programmes covering sea-basins (e.g the Atlantic Area programme) are to be considered under Component 2B (see below), the cut may be even more significant.

\(^5\) Programming and strategic planning, Management and control and Enabling conditions and performance framework.
3. Testing out the logic of the allocation methodology for Component 2B

The CPMR General Secretariat managed to catch a glimpse of the list of NUTS3 regions which are used to calculate Member States’ shares of Component 2B (maritime cooperation), as referred to in Article 8, paragraph 2 of the ETC legislative proposal. Looking at such a list raised a number of interrogations which are explored in depth below.

3.1. If Component 2B is about fostering maritime cooperation, why aren’t all maritime regions taken into account in the allocation methodology?

The map below represents the NUTS3 regions used to determine the individual shares of Member States for Component 2B (in brown). The regions highlighted in blue are those excluded from the list accessed by the CPMR.

Map 1 – NUTS 3 maritime regions used to calculate Member States’ shares of Component 2B

If Component 2B was designed to pursue maritime cooperation at sea-basin level for all maritime territories (as mentioned above), it is surprising to note that only 133 maritime NUTS3 regions (out of a total of 302 regions) are included in the calculation process to determine the shares of Member States with maritime borders for Component 2B.

6 ‘The Commission shall adopt an implementing act [containing] a list specifying those NUTS level 3 regions taken into account for allocation purposes under component 2B referred to in point (a) of Article 9(3).’
Member States with significant maritime borders and islands such as Greece or Spain would lose out, not to mention Portugal which – according to the proposal – would not receive funding for programmes to be developed under Component 2B for 2021 – 2027.

3.2. If Component 2B is to be understood solely as integrating existing maritime cross-border cooperation programmes, why is the allocation methodology only partially based on NUTS3 regions which form part of maritime CBC programmes?

If we were to interpret Component 2B solely as merging 2014 – 2020 maritime cross-border cooperation within wider transnational programmes, then there would some logic in taking into account NUTS 3 regions which form part of existing maritime CBC programmes.
Although there is a certain degree of cross-over between the geography of existing maritime CBC programmes and the NUTS3 regions used for the 2021 – 2027 Member States’ shares of Component 2B, there are significant anomalies: Brittany region is excluded (despite being eligible for the France-England Channel Programme) for instance, while in some cases NUTS3 areas of a larger NUTS2 region are excluded, such as in the regions of Sicily or Sardinia.

Such a comparison prompts additional questions:

- Does it mean that EU regions situated along maritime borders and separated by a maximum distance of 150 km should be excluded from maritime cooperation programmes after 2020? This rule applies for the 2014 – 2020, but there is no mention of it in the 2021 – 2027 ETC regulation.
- Is there a direct link between the list of NUTS3 regions mentioned to calculate the Member States’ shares for Component 2B and the geography of future programmes proposed by the European Commission? Article 8 of the ETC regulation states that such a list is used for ‘allocation purposes’ but clarity would be welcome.

3.3. Will future transnational programmes covering sea-basins be covered under Component 2B?

Another important aspect raised by the above comparison relates to future transnational programmes involving maritime regions and/or sea-basins entirely.

If all transnational programmes covering sea-basins are to be covered under Component 2B, the fact that not all maritime regions are included in the calculation of the respective Member States’ shares means that there will be imbalances between Member States. A more logical system would have considered the population of all maritime regions and established shares of (maritime) Member States accordingly, as per the logic of the 2014 – 2020 allocation methodology.

Notwithstanding the significantly lower resources allocated to maritime transnational programmes (see Table 1 above), such a system would exclude whole countries out of potential transnational programmes for the post-2020 period. The system suggests, for instance, that Portugal (and mainland regions in Portugal) would be excluded from the future Atlantic Area programme.
ANNEX 1 – CPMR amendment on allocation methodology for ETC

Proposal for a regulation (CPR)

Annex XXII
Allocation method for the European territorial cooperation goal – Article 9

**Text proposed by the Commission**

8. The allocation of resources by Member State, covering cross-border, transnational and outermost regions' cooperation is determined as the weighted sum of the shares determined on the basis of the following criteria, weighted as indicated:

- a) total population of all NUTS level 3 land border regions and of other NUTS level 3 regions of which at least half of the regional population lives within 25 kilometres of the land border (weighting 36%);
- b) population living within 25 kilometres of the land borders (weighting 24%);
- c) total population of the Member States (weighting 20%);
- d) total population of all NUTS level 3 regions along border coastlines and of other NUTS level 3 regions of which at least half of the regional population lives within 25 kilometres of the border coastlines (weighting 9.8%);
- e) population living in the maritime border areas within 25 kilometers of the border coastlines (weighting 6.5%);
- f) total population of outermost regions (weighting 3.7%).

The share of the cross-border component corresponds to the sum of the weights of criteria (a) and (b). The share of the transnational component corresponds to the sum of weights of criteria (c), (d) and (e). The share of the outermost regions' cooperation corresponds to the weight of criterion (f).

**Amendment**

8. The allocation of resources by Member State, covering the cross-border cooperation component, the transnational cooperation component and the outermost regions’ component will be determined as follows:

- a) concerning the cross-border cooperation component and the transnational cooperation component, the share of Member States is determined as the weighted sum of the shares of the population of border regions and the share of the total population of each Member State.

The population of NUTS level 3 regions is to be taken into account for cross-border cooperation programmes, and the population of NUTS level 2 regions is to be taken into account for transnational cooperation programmes. The weight is determined by the respective shares of the cross-border and the transnational components.

- b) concerning the outermost regions component, the share of Member States is determined as the weighted sum of the shares of the total population of outermost region.

**Justification:** The revised allocation methodology proposed by the Commission discriminates against Member States and regions who have a low population density at land borders or significant maritime borders (e.g population criterion living within 25 kilometers of land borders). Such a proposal would lead to less financial resources allocated to maritime programmes and it could cause problems for the continuation of existing land border programmes. The proposed amendment from the CPMR re-establishes the allocation methodology for the 2014 – 2020 cross-border and transnational cooperation programmes, whilst retaining the methodology proposed the Commission for the outermost regions component.
ANNEX 2 – CPMR amendment on the distribution of ERDF resources across ETC Components

Proposal for a regulation (ETC)

Article 9 – paragraph 1, 2 and 5

Text proposed by the Commission

1. The ERDF resources for the European territorial cooperation goal (Interreg) shall amount to EUR 8 430 000 000 of the global resources available for budgetary commitment from the ERDF, ESF+ and the Cohesion Fund for the 2021-2027 programming period and set out in Article [102(1)] of Regulation (EU) [new CPR].

2. The resources referred to in paragraph 1 shall be allocated as follows:

   (a) 52.7 % (i.e., a total of EUR 4 440 000 000) for cross-border cooperation (component 1);
   
   (b) 31.4 % (i.e., a total of EUR 2 649 900 000) for transnational cooperation and maritime cooperation (component 2);
   
   (c) 3.2 % (i.e., a total of EUR 270 100 000) for outermost regions' cooperation (component 3);
   
   (d) 1.2 % (i.e., a total of EUR 100 000 000) for interregional cooperation (component 4);
   
   (e) 11.5 % (i.e., a total of EUR 970 000 000) for interregional innovation investments (component 5).

5. Based on the amounts communicated pursuant to paragraph 3, each Member State shall inform the Commission whether and how it has used the transfer option provided for in paragraph 4 and the resulting distribution of its share among the Interreg programmes in which the Member State participates.

Amendment

1. The ERDF resources for the European territorial cooperation goal (Interreg) shall amount to 3.5 % (i.e. a total of EUR 11 571 840 000) of the global resources available for budgetary commitment from the ERDF, ESF+ and the Cohesion Fund for the 2021-2027 programming period and set out in Article [102(1)] of Regulation (EU) [new CPR].

2. The resources referred to in paragraph 1 shall be allocated as follows:

   (a) 65.5 % (i.e., a total of EUR 7 581 163 686) for cross border cooperation (component 1);
   
   (b) 18.6 % (i.e., a total of EUR 2 150 753 754) for transnational cooperation component 2);
   
   (c) 1.2 % (i.e., a total of EUR 370 298 880) for outermost regions’ cooperation (component 3);
   
   (d) 4.3 % (i.e., a total of EUR 499 623 680) for interregional cooperation (component 4);
   
   (e) 8.4 % (i.e., a total of EUR 970 000 000) for interregional innovation investments (component 5).

5. Based on the amounts communicated pursuant to paragraph 3, each Member State, in consultation with local and regional authorities, shall inform the Commission whether and how it has used the transfer option provided for in paragraph 4 and the resulting distribution of its share among the Interreg programmes in which the Member State participates.

Justification: The resources for European Territorial Cooperation should be at least brought back to its 2014-2020 level to deliver its objectives and foster genuine cooperation across borders in the European Union and with its neighbours. Component 1 includes maritime cross-border cooperation. Component 4 includes three current interregional programm
## ANNEX 3 – List of maritime CBC programmes for 2014 – 2020

<table>
<thead>
<tr>
<th>Programme</th>
<th>Total OP budget (2018 prices)</th>
<th>Total EU contribution (2018 prices)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botnia Atlantica</td>
<td>62.253.854 €</td>
<td>36.909.399 €</td>
</tr>
<tr>
<td>Central Baltic</td>
<td>162.812.944 €</td>
<td>124.296.700 €</td>
</tr>
<tr>
<td>South Baltic</td>
<td>104.563.576 €</td>
<td>84.291.894 €</td>
</tr>
<tr>
<td>Oresund Kattegat Skagerrak</td>
<td>275.670.960 €</td>
<td>137.835.480 €</td>
</tr>
<tr>
<td>Germany Denmark</td>
<td>123.225.625 €</td>
<td>91.053.417 €</td>
</tr>
<tr>
<td>Northern Ireland Scotland (UK Ireland)</td>
<td>287.236.607 €</td>
<td>244.151.114 €</td>
</tr>
<tr>
<td>Ireland Wales</td>
<td>100.564.668 €</td>
<td>80.451.738 €</td>
</tr>
<tr>
<td>2Seas</td>
<td>398.349.037 €</td>
<td>260.710.077 €</td>
</tr>
<tr>
<td>Channel Manche</td>
<td>320.253.631 €</td>
<td>226.576.587 €</td>
</tr>
<tr>
<td>Italy France (Maritime)</td>
<td>202.809.286 €</td>
<td>172.387.892 €</td>
</tr>
<tr>
<td>Italy Malte</td>
<td>52.526.706 €</td>
<td>44.647.699 €</td>
</tr>
<tr>
<td>Italy Croatia</td>
<td>240.639.563 €</td>
<td>204.543.627 €</td>
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<tr>
<td>Greece Italy</td>
<td>125.126.130 €</td>
<td>106.357.208 €</td>
</tr>
<tr>
<td>Greece Cyprus</td>
<td>65.582.133 €</td>
<td>55.744.811 €</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2.521.614.720 €</strong></td>
<td><strong>1.869.957.643 €</strong></td>
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</tbody>
</table>

*Source: Source DG REGIO, Current price conversion to 2018 price is applied.*
ANNEX 4 – Interpretation of the allocation methodology for the ETC by the CPMR

<table>
<thead>
<tr>
<th>ETC allocation (Annex XXII of CPR)</th>
<th>Crossborder</th>
<th>Transnational</th>
<th>ORs</th>
<th>Interregional cooperation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results of point:</td>
<td>Component 1</td>
<td>Comp. 2A</td>
<td>Comp. 2B</td>
<td>Comp. 3</td>
<td>Comp. 4</td>
</tr>
<tr>
<td>a</td>
<td>2.649.600.000 €</td>
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<tr>
<td>b</td>
<td>1.766.400.000 €</td>
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<td>c</td>
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<td>1.460.000.000 €</td>
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<td>715.400.000 €</td>
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<td>474.500.000 €</td>
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<td>270.100.000 €</td>
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<td>Total</td>
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2018 prices.
The Conference of Peripheral Maritime Regions (CPMR) brings together some 160 Regions from 25 States from the European Union and beyond.

Representing about 200 million people, the CPMR campaigns in favour of a more balanced development of the European territory.

It operates both as a think tank and as a lobby group for Regions. It focuses mainly on social, economic and territorial cohesion, maritime policies and accessibility.

www.cpmr.org

CONTACT:

6, rue Saint-Martin, 35700 Rennes
Tel: + 33 (0)2 99 35 40 50

Rond-Point Schuman 14, 1040 Brussels
Tel: +32 (0)2 612 17 00

Contact person: Nicolas Brookes, CPMR Director & Guillaume Moreno, CPMR Policy Analyst
Email: nicolas.brookes@crpm.org / guillaume.moreno@crpm.org