

## Greater Manchester European Office Briefing

### EU Multiannual Financial Framework 2021-27

#### What this means for BREXIT Britain and Greater Manchester?

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#### European Territorial Cooperation (INTERREG, URBACT, ESPON)

The European Territorial Cooperation (ETC) programmes are part of the European cohesion and structural policy (ERDF). Each programme covers a defined geographical area and it supports transnational collaborations between European regions. Currently Greater Manchester is part of 5 ETC Programmes:

- URBACT, Interreg Europe and ESPON – which are Interregional Programmes covering the whole of the European territory.
- Northwest Europe Interreg – A Transnational Programme covering UK, Germany, North France, Belgium, Netherlands and Luxembourg.
- Atlantic Area Interreg – A Transnational Programme covering regions with an Atlantic coast in UK, Ireland, Portugal, France and Spain.

After Brexit, the UK will not be eligible for ERDF or ESF funding, however it is possible that the UK will choose to stay engaged in ETC programmes. Non EU countries such as Switzerland, Norway or Greenland, are currently part of a number of ETC programmes.

The future ETC programmes will be reshaped under a number of cooperation components:

- Cross-border cooperation between adjacent regions to promote integrated regional development (component 1). The equivalent of current strand A (GM was not eligible for Strand A). There will be fewer programmes under this component partly through merging some current programmes. This component will have a €4.4bn budget.
- Transnational cooperation and maritime cooperation over larger transnational territories (component 2). The equivalent of current strand B. This component will have a €2.65bn budget.
- Outermost regions' cooperation (component 3). This is a new introduction with a €0.27bn.

- Interregional cooperation (component 4). Only limited to ESPON, URBACT and INTERACT. The equivalent of current strand C with a €0.1bn budget.
- Interregional innovation investments through the commercialisation and scaling up of interregional innovation projects (component 5). This is a new introduction with a €0.9bn budget.

The new ETC proposal from the Commission presents a number of radical changes to the structure of the programmes, and also an overall reduced budget of €8.4bn compared to €9.3bn in 2014-2020.

The main novelties introduced by the proposed Regulation for the 2021-2027 period, compared to 2014-2020, include:

- INTERREG Europe is set to disappear under the Commission proposal.
- Urban tools, such as URBACT and the Urban Innovative Actions, will be combined in a single programme. The new European Urban Initiative will provide a more streamlined and coherent approach to capacity building, innovative actions, knowledge and policy development and communication.
- How the geographical areas of the transnational programmes are defined will also change. Article 5 of the proposed regulation states that regions to be supported by the transnational programmes will be regions 'covering contiguous functional areas' taking into account (where applicable) macroregional strategies.
- Regions with matching 'smart specialisation' assets will be given more support to build pan-European clusters in priority sectors such as big data, circular economy, advanced manufacturing or cybersecurity, through the new interregional innovation investment component.
- A reduction of the ERDF co-financing rate for all programmes has been proposed (from up to 85% in 2014-2020 to 70% maximum in the period post-2020).
- The current menu of eleven themes will be replaced by just five: 1) Smarter Europe (innovation, economic transformation – so current TO1-type themes); 2) Green Europe and low-carbon; 3) More Connected Europe (mobility/transport and ICT); 4) Social Europe; 5) Europe Closer to Citizens. Individual programmes will have to apply thematic concentration – they won't be able to cover all themes equally.
- The introduction of specific provisions for small project funds;
- The introduction of a common set of result indicators for Interreg programmes.

### Why this is relevant to Greater Manchester?

During this current period GM partners have been involved in **14 ETC projects** representing a ERDF investment of **€7.75m**. URBACT, ESPON and Interreg programmes are the only vehicles supporting cross border collaborations and interregional innovation projects that are not educational or research focused.

<b>Interreg Europe</b> 6 Projects €1.5m Funding	<b>URBACT</b> 2 Projects €500K Funding	<b>NW Europe Interreg</b> 3 Projects €829K Funding
<b>Urban Innovative Actions</b> 1 Project €4.5m Funding	<b>Atlantic Area Interreg</b> 1 Project €100K Funding	<b>ESPON</b> 1 Project €265K Funding

Due to the nature of the programmes the main beneficiaries in GM are the local authorities and the public sector (Manchester City Council, Oldham Council, TfGM and GMCA). Other local stakeholders such as the Manchester Metropolitan University and the Business Growth Hub are also active participants in the programmes.

*This is an extract from a full report on the next [EU Multiannual Financial Framework 2021-27 prepared by the GMCA](#).*