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Analysis of the main territorial challenges, needs and transnational cooperation potentials in central Europe

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Final report



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Table of contents

Executive Summary	3
1. Introduction and methodology	5
2. Summary of Main results and conclusions	7
2.1. Territorial challenges	7
2.2. Stakeholder perceptions	11
3. Recommendations	16
3.1. Recommended Policy Objectives	16
3.2. Recommended Specific Objectives	21

List of figures

Figure 1: Final energy consumption per m2 in the residential sector, at normal climate, 2005 and 2016.....	27
Figure 2: Recycling rate of municipal waste, 2013 and 2017.....	32
Figure 3: Common farmland bird index, 2008 = 100.....	34
Figure 4: Means of transport primarily used to go to work/training place, 2015, in %,.....	37
Figure 5: Greenhouse gas emissions attributable to the transport sector and share of total emissions	40
Figure 6: Modal split of freight transport in 2017 and change since 2010 by country	41

List of tables

Table 1: Joint assessment of future Interreg CENTRAL EUROPE POs	17
Table 2: Consolidated ranking of future Interreg CENTRAL EUROPE SOs, by importance.....	21

EXECUTIVE SUMMARY

More than 30 years after the start of transition, economic, social and territorial differences in central Europe are still large. No doubt, they have been reduced over the last decades, yet more time and policy efforts are needed to close the gaps between Austria, Germany and Italy on the one side and Croatia, Czech Republic, Hungary, Poland, Slovakia and Slovenia on the other.

Generally, there are two types of differences in central Europe. First, at the country level, there is a strong West-East divide in development. Second, within each country, there are strong disparities, mostly between urban and rural regions. These disparities not only exist in economic terms, but also at a more detailed level, especially in the context of the challenges related to the Policy Objectives (POs) and Specific Objectives (SOs) of the draft 2021+ EU Cohesion policy.

Central Europe's challenges related to PO1 'A smarter Europe' include a generally low R&D activity, a concentration of R&D in urban areas, strong differences in the commercialisation of innovative goods and the uptake of digital technologies. Also, digital skills need to be improved, especially in rural areas.

Regarding PO2 'A greener Europe', the environmental situation in central Europe is improving, though reaching EU average standards needs more time and efforts. This applies to many areas such as increasing energy efficiency, a reduction of greenhouse gas emissions, the use of renewable energy, improvements in water management, reducing air pollution, especially in urban areas and the transition to a circular economy.

Central Europe's challenges regarding PO3 'A more connected Europe' include a partly low digital connectivity, especially in rural areas, still existing bottle-necks in the main transport connections and cross-border connections, as well as low transport efficiency, e.g. congestions and road safety, and high transport emissions.

From the social perspective (PO4 'A more social Europe') challenges for central European regions include high long-term and youth unemployment, problems of integrating women into the labour markets, partly low participation in early childhood education, further education and training, the concentration of young people not in employment, education or training. Moreover, this is paired with urban-rural differences in the availability of healthcare personnel and medical infrastructure.

The analysis of PO5 'A Europe closer to citizens' related challenges indicated that the development in central Europe is the result of a multi-causality of processes and factors that affect rural and urban regions individually as well as their functional relationships. The high territorial concentration of these effects, especially in rural regions lead to strong outward migration from and/or negative rates of natural population change in those regions.

Regarding the Interreg SO1 'A better cooperation governance' challenges include a) low institutional and stakeholder capacity to participate in projects, b) overlaps with other European programmes, c) a high complexity of coordination and cooperation with other territorial programmes and the EU macro-regional strategies, d) a perceived low visibility and low leverage effects of projects, and e) the need to identify areas of common interest between countries or regions, to create a critical mass to implement policies that no country would do on its own etc.

Based on an empirical analysis, a stakeholder survey, a strategy and consensus building workshop with members of the programme's national committees and expert interviews our recommended response to these challenges by the Interreg CENTRAL EUROPE 2021-2027 Programme requires a focus on a limited set of European Regional Development Fund (ERDF) Policy Objectives. They include:

- PO1 – 'A smarter Europe', because the support of innovation and skills will have positive long run effects on the economic development in central Europe. It is thus elementary for economic and territorial cohesion. Additionally, the positive economic effects will also help to mitigate social challenges. Furthermore, the support of innovation and skills provides the programme with some flexibility that allows addressing social, environmental and transport related challenges.
- PO2 – 'A greener, low-carbon and resilient Europe', because of the severity of the challenges and their potential negative impacts that will have repercussions on the economic and social situation in central Europe. Tackling those challenges is of key importance. Also, environmental challenges and climate change related hazards do not take account of administrative borders, so that, they are extremely suitable to be addressed and adapted to in a transnational cooperation framework.
- PO5 – 'A Europe closer to citizens', because the multi-causality of the economic, social and territorial challenges in central Europe needs integrated approaches, where many factors can be dealt with simultaneously. Additionally, only PO5 addresses explicitly tourism and cultural heritage, the latter being important for a common central European identity and both of them being crucial for local and regional economic development, particularly in less developed regions. Also, PO5 is highly flexible and allows including challenges from not selected POs to be integrated into the 2021+ Interreg CENTRAL EUROPE Programme¹.

Correspondingly, it is recommended that the programme focusses on a limited set of ERDF Specific Objectives, which include:

- SO 1.1. Enhancing research and innovation capacities and the uptake of advanced technologies
- SO 1.4. Developing skills for smart specialisation, industrial transition and entrepreneurship
- SO 2.1. Promoting energy efficiency measures and reducing greenhouse gas emissions
- SO 2.4. Promoting climate change adaptation, risk prevention and disaster resilience
- SO 2.6. Promoting the transition to a circular economy
- SO 2.7. Enhancing nature protection and biodiversity, green infrastructure in the urban environment, and reducing pollution
- SO 2.8. Promoting sustainable multimodal urban mobility
- SO 3.3. Developing and enhancing sustainable, climate resilient, intelligent [...] and cross-border mobility
- SO 5.1. Integrated social, economic and environmental local development, and cultural heritage, tourism and security in urban areas
- SO 5.2. Integrated social, economic and environmental local development, and cultural heritage, tourism and security in areas other than urban areas

¹ The recommendation of PO5 - A Europe closer to citizens is conditional on the further guidance by the European Commission on whether and how this PO can be practically implemented by transnational cooperation programmes. In case its implementation is not considered as feasible, we recommend putting a focus on PO3 'A more connected Europe' instead.

1. INTRODUCTION AND METHODOLOGY

This is the final report of the study on the “Analysis of the main territorial challenges, needs and transnational cooperation potentials and strategy building for the Interreg CENTRAL EUROPE 2021-2027 Programme”.

The study's objectives were:

- The preparation of a territorial analysis for the CENTRAL EUROPE Programme area in view of drafting the Interreg CENTRAL EUROPE 2021-2027 Programme. The analysis was expected to identify the main joint challenges and needs of the area as well as strategic relevant fields of actions for transnational cooperation (TNC) with the potential to overcome territorial disparities, considering economic, social, environmental and other relevant aspects.
- A strategy building process for the CENTRAL EUROPE 2021-2027 Programme, consisting of a survey to identify the stakeholders' views on central Europe's future challenges, a strategy and consensus building workshop as well as in-depth interviews with sectoral experts in the nine central European countries Austria, Croatia, Czech Republic, Germany, Hungary, Italy, Poland, Slovakia and Slovenia.
- The provision of recommendations for the future orientation and definition of the Interreg CENTRAL EUROPE 2021-2027 Programme strategy.

Thereby, the structure of the study followed the draft General Provisions and ERDF regulations as well as on one Specific Objective as defined by the Interreg regulation. The study analysed the territorial challenges of central Europe and provided recommendations according to the five Policy Objectives (POs) and related Specific Objectives (SOs), as well as the Interreg Specific Objective (ISO) as defined by those regulations.

Much of the study's work was aligned to this structure, using the latest available version of the concerned draft regulations (Council position, 15.7.2019).² The proposed ERDF and Interreg regulations include 5 POs available for support. These are:

- PO1: 'A smarter Europe by promoting innovative and smart economic transformation'
- PO2: 'A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management'
- PO3: 'A more connected Europe by enhancing mobility and regional ICT connectivity'
- PO4: 'A more social Europe implementing the European Pillar of Social Rights'
- PO5: 'A Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives'

Additionally, the study also considered the ISO1 “A better cooperation governance” as defined in the respective draft regulation.

The study consisted of five parts: a) an analytical report, b) a stakeholder survey, c) a strategy and consensus building workshop, d) expert interviews and e) a reflection process by the Joint Secretariat (JS) and the Managing Authority (MA) of the Interreg CENTRAL EUROPE Programme.

² This formulation may therefore further change in the next phases of the legislative process.

The analytical report identified and described main challenges and needs of the central European area as well as strategic relevant fields of actions for transnational cooperation based on empirical evidence, available policy documents and studies. The report was structured according to the POs and SOs to facilitate the decision making process on the future Interreg CENTRAL EUROPE Programme. A short summary of the report is given in chapter 2, while the full report is available in Annex 1.

The second element of the final report and recommendations are the results of the stakeholder survey on the needs for transnational cooperation to meet future challenges in central Europe. The survey addressed national, regional and local representatives of the nine Interreg CENTRAL EUROPE national committees and was conducted from September 19th to October 13th 2019. The survey consisted of four main blocks, a) general questions, b) questions on the future challenges of central Europe, c) questions on the POs and SOs of the Interreg CENTRAL EUROPE Programme 2021-2027 and d) questions on the identity of central Europe. The total number of complete survey responses was 321, with respondents coming from all nine central Europe Member States. This ensured the representativeness of results. The full survey results are available in Annex 2.

The third cornerstone of the final report is the result of the strategy and consensus building workshop that took place on November 13th 2019 in Vienna. In total 35 representatives from the Interreg CE Working Group (WG21+) plus additional experts of the nine central European countries, the MA and the JS of the programme as well as the European Commission participated.

The purpose of the workshop was to contribute to the Interreg CENTRAL EUROPE strategy building process and to be one step towards getting a consensus between Member States on the priorities of the future programme. For this, the workshop participants were asked to discuss the five future POs as well as the ISO1, collect ideas and suggestions and at the final stage provide a ranking of the POs as well as their SOs according to their importance. The detailed workshop results are documented in Annex 3.

The fourth element feeding into the report are around 40 interviews held with thematic experts in the programme region. The interviewees were evenly split across the 5 ERDF POs and the nine central European Member States to identify - from an expert's perspective - a) the value added of transnational cooperation in central Europe, b) the areas where it is most effective and c) potential target groups as well as policy initiatives that should be addressed by it. The results of the interviews are summarised in chapter 2.2.

The final element consists of the outcomes a workshop held with the representatives of the MA and JS during which positive and negative experiences encountered in the current programme for each of the recommended SOs were discussed. During the workshop also, for each SO, important topics and actions as well as potential results to be covered and achieved by the future programme were addressed. The outcomes of this workshop are summarised in the SO specific fiches at the end of this report.

The final report is structured as follows. First, the main conclusions from the analytical report, the survey, the stakeholder workshop and the interviews are presented as short summaries. Second, based on the first part, recommendations are made regarding the structure of the Interreg CENTRAL EUROPE 2021+ Programme, consisting of a) the recommended focus on POs, b) a recommended selection of 10 SOs that are regarded to provide the highest value added for the future programme and c) recommendations for ISO1 in case it needs to be selected by the programme.

2. SUMMARY OF MAIN RESULTS AND CONCLUSIONS

This section summarises the main findings and conclusions of the analysis of the main future challenges for central Europe, the stakeholder survey, the strategy and consensus building workshop as well as of the interviews.

2.1. TERRITORIAL CHALLENGES

More than 30 years after the start of transition, economic, social and territorial differences in central Europe are still large. No doubt, they have been reduced over the last decades, yet more time and policy efforts are needed to close the gaps between Austria, Germany and Italy on the one side and Croatia, Czech Republic, Hungary, Poland, Slovakia and Slovenia on the other.

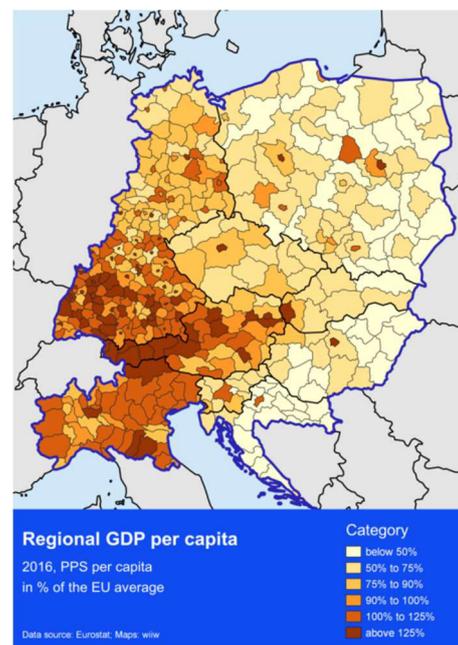
Generally, there are two types of differences in central Europe. First, at the country level, there is a strong West-East divide in development. Second, within each country, there are strong disparities, mostly between urban and rural regions.

Both types of differences are illustrated by the regional differences in GDP per capita (map to the right). Accordingly, regional GDP in Germany (i.e. country with highest GDP per capita) is around 2.3 times higher than the average regional GDP in Croatia (i.e. the country with the lowest GDP per capita). Within the central European countries the GDP of the most developed regions are up to 6.7 times higher than the GDP per capita of the least developed region.

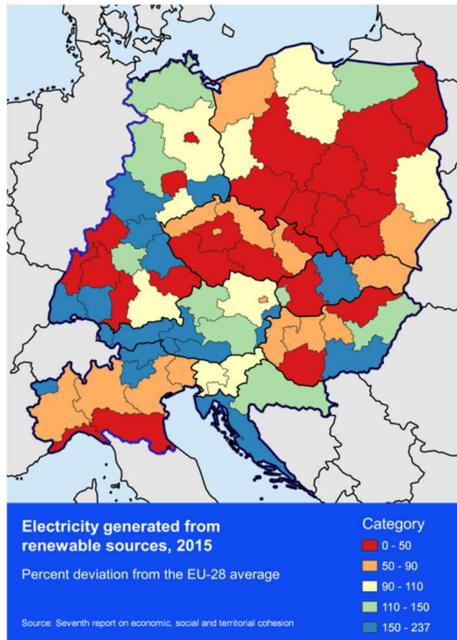
These general differences in development are often replicated at a more detailed level, especially in the context of the challenges related to the POs and SOs of the draft 2021+ EU Cohesion policy.

Thus, concerning central Europe's challenges related to PO1 '**A smarter Europe**', it shows that except for Austria and Germany, central European countries and regions have a low R&D activity, whereby existing activities are mostly concentrated in urban regions and/or large companies. Similar differences exist with respect to the commercialisation of innovative goods and services or the uptake of digital technologies. Although central Europe has a strong skill basis, being complementary to the industrial character of the central European countries, highly educated people, as well as digital skills and learning and education possibilities, e.g. related to entrepreneurship, are mostly concentrated in urban areas.

As far as PO2 '**A greener Europe**' is concerned, the environmental situation in central Europe tends to improve, though reaching EU average standards still needs more time and efforts for many countries. This is for example the case in energy efficiency, which is increasing in central Europe but the absolute levels are



mostly still below the EU average. The same applies to Greenhouse gas emissions or the use of renewable energy (see map below)



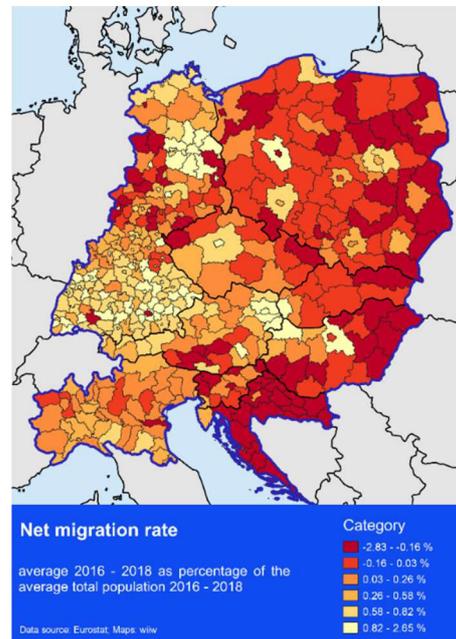
Other 'green' challenges include low investment activities in smart grids and storage (except for Germany), partly low surface water quality and insufficient waste water treatment, strong air pollution especially in urban areas, continuing land take reducing the ability of soil to provide essential ecosystem services as well as a declining bio-diversity.

On the positive side, the circular economy is developing strongly in many central European countries, although again reaching the EU average levels needs a lot more efforts and investments.

Central Europe's challenges regarding PO3 '**A more connected Europe**' include a partly low digital connectivity, especially in rural areas, still existing bottle-necks in the main transport connections and cross-border connections, as well as low transport efficiency, e.g. congestions and road safety, and high transport emissions.

The differences in the social situation in central Europe, i.e. referring to PO4 '**A more social Europe**', are a direct consequence of the economic differences. Thus, specific problems for a number of regions include high long-term and youth unemployment, problems of integrating women into the labour markets, partly low participation in early childhood education, further education and training, the concentration of young people not in employment, education or training in certain regions. Moreover, this is paired with urban-rural differences in the availability of healthcare personnel and medical infrastructure. These phenomena are also causal for the concentration of individuals being at risk of poverty or social exclusion in less developed regions in central Europe. Still, the labour markets in most central European countries, due to low unemployment rates and rising wages, provide some positive outlook for a growing social cohesion.

In our analysis of PO5 'A Europe closer to citizens' we concluded that the large number of challenges for the economic, social and territorial development in central Europe are the result of a multi-causality of processes and factors that affect rural and urban regions individually as well as their functional relationships. What is more, the high territorial concentration of these effects, especially in rural regions lead to strong outward migration from (see right map) and/or negative rates of natural population change in rural regions. In turn, this causes strong disparities in patterns of demographic change between urban and rural regions, which are followed by high old age dependency ratios in rural regions and strong increases in housing prices in urban regions.



Regarding the Interreg SO1 'A better cooperation governance' the analysis suggests that a number of regions or local units like towns have a low institutional and stakeholder capacity to participate in and benefit from territorial programmes and strategies. Additionally, more than 20 TN and cross-border cooperation programmes as well as by all four EU macro-regional strategies operate in one or more of the central European countries. The combination of both facts may cause a) uneven access to funding, b) competition between programmes, c) the creation of "application specialists" shopping around various programmes with one project idea, and d) the duplication of results, i.e. two different projects delivering virtually the same output. Other challenges include a perceived low visibility and low leverage effects of projects, and the need to identify areas of common interest between countries or regions, to create a critical mass to implement policies that no country would do on its own etc.

On the one hand, this suggests that the future Interreg CENTRAL EUROPE Programme, may improve its allocative efficiency and become more inclusive. On the other hand, this also shows that for the Interreg CENTRAL EUROPE Programme there is a high complexity of coordination and cooperation with other territorial programmes, other EU instruments and the EU macro-regional strategies. On the positive side, first steps to coordinate have been taken, although more are still required, and, depending on its (financial) capacities, the Interreg CENTRAL EUROPE Programme may take an important role in improving the cooperation across the transnational and cross-border cooperation programmes as well as macro-regional strategies in the region.

From this large number of future challenges for central Europe the analysis deduced an equally large number of policy needs, summarised below (by PO)

Policy needs for PO1 'A smarter Europe'

- Increase R&D capacities in SMEs and non-urban areas
- Strengthen the transformation of R&D inputs (R&D expenditures) into marketable outputs
- Improve the uptake and use of digital technology at all spheres of the society, i.e. private, business and public
- Strengthen the competitive position of SMEs, especially in non-urban areas

- Reduce urban-rural disparities in skills necessary for entrepreneurship and the uptake of modern technologies

Policy needs for PO2 'A greener Europe'

- Promote energy efficiency and the reduction of greenhouse gas emissions
- Support the shift to renewable energy sources
- Support the introduction and adoption of smart grids and storage
- Climate change adaptation and mitigation measures need to be supported and expanded
- Water protection and its sustainable use needs to be in the focus of policy making
- Support waste reduction and management including recycling, re-use and valorisation of waste as secondary raw materials
- Promote the development of the circular economy
- Fight the loss of bio-diversity to preserve eco-systems and their specific services
- Reduce pollution, especially in urban regions
- Expand green infrastructure to increase its economic and recreational potential for both urban and rural areas
- Promote sustainable urban mobility given its positive effects on the environment, air quality, health, energy efficiency and standard of livings

Policy needs for PO3 'A more connected Europe'

- Improve digital connectivity
- Continue the support in connecting central Europe countries with high quality transport infrastructure
- Improve cross-border mobility and accessibility of central Europe regions, especially the more peripheral ones
- Make transport environmentally more sustainable
- Promote the modal shift away from road transport
- Improve road safety

Policy needs for PO4 'A more social Europe'

- Improve functioning of local labour markets
- Support labour market integration of younger and longer unemployed individuals
- Promote access to quality employment
- Increase the participation rates in education and training, in particular in rural areas
- Minimise the number of dropouts of younger individuals
- Improve the integration of marginalised and disadvantaged groups
- Improve the integration of NEETs
- Increase the availability and quality of health care services

Policy needs for PO5 'A Europe closer to citizens'

- Support a polycentric and balanced territorial development spanning across sectors, governance levels and regions
- Adapt the geographical level of implementation of policy to the challenges in focus

- Support the development of integrated policies to tackle uneven economic, social, environmental and cultural development within functional areas
- Promote place-based, spatially relevant and vertically integrated projects to increase the visibility and acceptance of policy efforts
- Strengthen spatial planning regimes
- Support the dissemination of knowledge on the sustainable use and promotion of cultural heritage
- Include cultural heritage as an important factor into territorial development and strengthen the valorisation of cultural assets to create economic opportunities particularly in less favoured regions
- Mind the complementarity of social as well as territorial cohesion
- Support localized policies aimed at increasing the transparency of information and the inclusiveness of processes by using lower level political actors

Policy needs for Interreg SO1 'A better cooperation governance'

- Increase stakeholders' capacity to participate in and benefit from territorial programmes and strategies
- Strengthen the role of civil society and include it in the regional and local institutions and decision making processes. Such inclusion becomes even more important in the light of developing place-based integrated strategies for local and regional development
- Support and bridge existing governance structures to efficiently coordinate and cooperate with other programmes and the four EU macro-regional strategies

The analysis has also shown that for most of the challenges and needs the Interreg CENTRAL EUROPE Programme has the adequate tools and potentials to address them and find appropriate solutions. Amongst others, these tools include a) the exchange of knowledge and the corresponding capacity building, b) pilot actions to showcase and test solutions to policy needs, c) the creation of networks to work jointly on common problems and challenges, d) the development of strategies and action plans, as well as e) research and analytical studies providing an evidence based background to policy making.

2.2. STAKEHOLDER PERCEPTIONS

Stakeholder survey³

The survey responses clearly revealed the preferences of the national, regional and local representatives of Interreg CENTRAL EUROPE national committees. According to them, the most important future challenges for central Europe are "green topics", particularly related to climate change and its effects, the development/strengthening of the green and circular economy as well as natural and cultural resources. Other important challenges include connectivity and accessibility topics as well as demographic change and migration. By contrast, challenges related to labour markets, the social situation as well as globalisation and competitiveness had the lowest priority for the respondents.

When asked for their preferences regarding the future Interreg CENTRAL EUROPE Programme strategy, the respondents had a clear preference for PO2: 'A greener Europe' (29% of votes), followed by PO5 'A Europe closer to citizens' (23.1% of votes). PO1 'A smarter Europe' was the third most important PO for the

³ The full survey results are provided in Annex 2

respondents (21.2% of votes), however only having a small edge over PO3 'A more connected Europe' that came fourth (18% of the respondents' votes). PO4 'A more social Europe' was the least popular in the survey (8.7% of the votes)

Also with respect to the SOs of the future Interreg CENTRAL EUROPE Programme the respondents had clear preferences and attributed a high importance to a) all SOs of PO2 : 'A greener Europe', except for the SO on smart energy systems (i.e. SO2.3), b) the skill related SO (SO1.4) in PO1 'A smarter Europe', c) the sustainable, climate resilient mobility SO (SO3.3) in PO3 'A more connected Europe' and d) both SOs in PO5 'A Europe closer to citizens'.

Further questions in the survey revealed that respondents think of central Europe of having a strong identity based on historical, cultural as well as economic ties. Also, they consider knowledge exchange and capacity building, demonstration and pilot actions as well as the creation of networks the most important outputs of TNC projects in central Europe.

Strategy and consensus building workshop⁴

The strategy and consensus building workshop included the participation of 35 representatives from the WG21+ plus additional experts of the nine CE countries, the MA and JS of the Interreg Central Europe Programme as well as the European Commission. The workshop produced fruitful discussions that resulted in a first consensus on the structure as well as in insights in strategic issues of the future Interreg CENTRAL EUROPE Programme. As far as the consensus is concerned the workshop participants were asked to rank the POs and SOs according to their importance. This resulted in the following ranking for the POs:

1. PO 1 A smarter Europe
2. PO 2 A greener, low-carbon and resilient Europe
3. PO 5 A Europe closer to citizens
4. PO 3 A more connected Europe
5. PO 4 A more social Europe

The top 10 most important SOs identified by the workshop participants are (by number of points attributed to each SO):

1. SO 1.4 Developing skills for smart specialisation [...] - 9 points
1. SO 2.4 Promoting climate change adaptation, risk prevention [...] - 9 points
3. SO 1.3 Enhancing growth and competitiveness of SMEs, [...] - 8 points⁵
4. SO 2.6 Promoting the transition to a circular economy; - 7 points
4. SO 2.7 Enhancing nature protection and biodiversity, [...] - 7 points
6. SO 1.1 Enhancing research and innovation capacities [...] - 6 points
6. SO 3.3 Developing and enhancing sustainable[...] intermodal [...] mobility - 6 points
8. SO 5.2 Integrated [...] local development[...]in areas other than urban areas - 5.5 points
9. SO 2.1 Promoting energy efficiency measures [...] - 5 points

⁴ The full workshop results are provided in Annex 3.

⁵ The high rating of SO 1.3 is partly due to a possible misunderstanding by the workshop participants. While the growth and competitiveness are of key importance for central Europe, the SO focusses particularly on productive investments. These cannot be provided by TNC at the given budget, so that the SO is of lesser relevance for central Europe. Competitiveness issues can be included in other SOs, though, e.g. in SO 1.1, SO 1.4 or SO 5.1 and 5.2.

10. SO 5.1 Integrated [...] local development [...]in urban areas - 4.5 points

Regarding the strategic issues identified by the workshop participants, they can roughly be distinguished in general issues for the future Interreg CENTRAL EUROPE Programme and specific issues relating to the individual SOs (the latter will be dealt with in the recommendations below). The general issues referred to:

- The Interreg CENTRAL EUROPE Programme needs to take account of the strong overlaps and interlinkages between different POs as well as between different SOs within each PO. This will provide the whole future programme with some flexibility regarding its choice of investment priorities.
- Synergies with other European and national programmes need to be explored to increase the probability of projects' outputs to be up-scaled or rolled-out.
- Digitalisation is an inherently horizontal topic for the future programme.
- Programme governance is considered a horizontal issue too and does not necessarily need a separate ISO1 'A better cooperation governance' to be considered.

Interviews

For the study around 40 interviews with thematic experts in the Interreg CENTRAL EUROPE Programme region were held. The interviewees were evenly split across the 5 ERDF POs and the nine central Europe Member States. A considerable number of the answers to the interview questions focussed on two general aspects related to the future Interreg CENTRAL EUROPE Programme, i.e. firstly, the value added of TNC in central Europe and secondly, the interviewees' recommendations for the future programme.

TNC value added

Starting with the first, the by far most cited value added of TNC, referred to the very basic and potentially most important benefit of cooperation, i.e. learning to know each other better. In this respect, repeatedly the importance of the Interreg CENTRAL EUROPE Programme for the exchange of knowledge and the generation of learning effects, the cultural exchange, the transfer of knowledge, best but also worst practices as well as the resulting building of capacities and skills were highlighted by the interviewees.

Similar to this, the Interreg CENTRAL EUROPE Programme also enables people to compare different approaches and tools in the countries. This allows them to widen their perspective, increasing their pool of policy tools and integrating them in their own countries. Thereby, this transfer works despite the differences in governance structures in the central European countries leading to the development of joint actions, tools or strategies etc. By this, TNC also creates an understanding of the others' problems and contributes to the creation of a common identity.

In other words, the Interreg CENTRAL EUROPE Programme has strong integrating effects and, quoting one interviewee is a "driving force towards a new Europe", as it shows to policy makers that cooperation can and does work and produces valuable results. Additionally, without TNC there would be much less resources for cooperation, which inter alia also has positive repercussions on the implementation of the EU Macro-regional Strategies.

The Interreg CENTRAL EUROPE Programme is also considered to be vital for creating networks, especially for lower levels of government. Through this, TNC also helps to build up a critical mass of regions that

together can start to work on policies of common interest, which would not have been taken up by the regions or respective countries individually.

Interviewees frequently underlined the importance of pilot actions, because of their potential for upscaling and their ability to change the mind of people, e.g. pilot actions help that decisions makers take certain ideas more seriously and provide additional funding. These arguments fit into the wider argument that TNC is also considered to be a preparation and testing ground for new ideas and solutions.

A big block of responses addressed the importance of the Interreg CENTRAL EUROPE Programme for domestic country policy making, including arguments that TNC supports public sector reforms e.g. through training and digitalisation, or by creating a common ground and joint interest of national stakeholders, making it easy for them to cooperate domestically.

For some central Europe countries, especially the more centralised ones, TNC also provides local administrations with opportunities to develop policy tools, although still for many, especially medium sized and smaller cities the administrative and financial burden is a major obstacle for this.

Interviewees' recommendations

Notably, the recommendations reflect the interviewees' personal experiences, so they might not necessarily be representative.

A frequent demand made was that projects and their outputs should become a) more visible to the public and b) produce a higher leverage. In this respect one interviewee pointed out, that in practice it might be helpful for program planning to differentiate TNC projects into these two groups, namely one group of projects that generate visibility, and another group of projects with high leverage. Ideally, projects should deliver both, but it was and it might well be the case, that projects are of low visibility, but generate a very high leverage, thus contributing a lot to cohesion in central Europe. Oppositely, highly visible projects might not necessarily generate a lot of leverage, but deliver immediate benefits or generate indirect leverage effects, e.g. through capacity building.

Thus, for programme planning it could be valuable to differentiate between the goals and ambitions of the projects and apply differentiated criteria when selecting them, according to their focus on visibility or leverage.

A couple of interviewees recommended that the future Interreg CENTRAL EUROPE Programme should be more conducive to the identification of areas of common interest between countries or regions and to create a critical mass to implement policies that no country would do on its own. Projects based on common interest would also increase the visibility of their central Europe component, thus demonstrating the value added of the Interreg CENTRAL EUROPE Programme to a larger group of stakeholders and people benefiting from the projects.

The background to this claim is that a number of potential stakeholders lack the capacity, tools or networks to organise project consortia, yet work in areas where the Interreg CENTRAL EUROPE Programme potentially can have a significant impact. In part, this claim is also directed against projects implemented by well-established, long run partnerships or project experts that use TNC successfully as a constant source of

income. Hence, the Interreg CENTRAL EUROPE Programme is recommended to become more inclusive, by attracting and supporting stakeholders with lower capacities to enable them to implement their project ideas.

This recommendation is connected to the argument that the administrative burden of TNC including financial aspects are major obstacles to attract new and important project partners like SMEs, but also e.g. young people, schools, NGOs etc.

Another recommendation referred to the size of projects and argued that smaller projects involving fewer partners might be beneficial to increase the inclusiveness of the programme, as it facilitates partner search, project organisation and communication. Also smaller projects are more flexible and could address certain local needs better than large projects, given the fact that the size of functional areas differs depending on the chosen topic.

Some interviewees claimed that TNC projects should not only focus on outputs, which are anyway difficult to measure, partly because output indicators are not optimal for TNC projects. Indeed, in some cases projects' outputs are more or less intangible, this is difficult to take account of. Rather projects should also focus on establishing permanent cooperation patterns being active after the projects' lifetimes, like joint management structures etc. Hence, the removal of barriers because of different legislation and governance structures would increase the sustainability of the projects and create a genuine central European value added.

Other recommendations concerned a) the ownership of project products needs to be clearly established so that they are sustainable after projects have ended, b) the Interreg CENTRAL EUROPE Programme needs a stronger coordination with national strategies and CBC programmes, e.g. through focussed calls and c) the programme needs to be flexible enough to include certain SOs that are important for central Europe but not included because of the required focussing of funding.

3. RECOMMENDATIONS

The recommendations regarding the POs including the Interreg SO1 to be focussed on by the future Interreg CENTRAL EUROPE Programme are based on the results of the analysis of territorial challenges, the stakeholder survey, the strategy and consensus building workshop and the interviews

According to the latest version of the proposal for 2021+ Interreg regulation TNC programmes need to apply a thematic concentration on 3 POs, in addition to the ISO1. As far as the latter is concerned, it is up to now not clear whether and to what extent it needs to be covered in the future Interreg CENTRAL EUROPE Programme. For our recommendations we are using the working assumption that the ISO1 will be optional.

The recommendations are split into a) recommended POs and b) recommended SOs for the 2021+ Interreg CENTRAL EUROPE Programme.

3.1. RECOMMENDED POLICY OBJECTIVES

The necessary focus on three POs is, on the one hand, understandable, given that available funds are limited and a concentration on fewer POs allows policies having at least some effects in the selected thematic areas. On the other hand the analysis of territorial challenges showed that in principle all POs as well as the ISO1 are highly relevant for central Europe and thus would be worthwhile to be supported. The first recommendation therefore is to keep the future Interreg CENTRAL EUROPE Programme flexible enough, to take on board some of the more important challenges from the POs that cannot be concentrated on.

With this in mind, our recommendations are:

It is recommended that the Interreg CENTRAL EUROPE Programme 2021+ **focuses** on the following POs:

- PO1 - A smarter Europe
- PO2 - A greener, low-carbon and resilient Europe
- PO5 - A Europe closer to citizens⁶

It is also recommended that the Interreg CENTRAL EUROPE Programme 2021+ **does not foresee a stand-alone priority** on:

- PO3 - A more connected Europe⁷
- PO4 - A more social Europe
- ISO1 - A better cooperation governance

⁶ The recommendation of PO5 - A Europe closer to citizens is conditional on the further clarification by the European Commission on whether and how this PO can be practically implemented by transnational cooperation programmes.

⁷ There are two caveats regarding PO3 - A more connected Europe: a) It is recommended that certain elements of PO3, especially referring to SO3.3 are addressed in the future programme; b) in case PO5 is finally not selected, PO3 is recommended instead as a focus of the future programme.

These recommendations are based on a joint assessment of the results of the analytical report, the survey and the strategy workshop. It is summarised in the table below.

Table 1: Joint assessment of future Interreg CENTRAL EUROPE POs

	Analysis results	Survey results	Workshop results	Overall assessment
PO1: 'A smarter Europe'	+	+	++	+
PO2: 'A greener, low-carbon Europe'	++	++	++	++
PO3: 'A more connected Europe'	-	+	-	-
PO4: 'A more social Europe'	-	-	-	-
PO5: 'A Europe closer to citizens'	+	+	+	+

Source: Consolidated ranking from the territorial analysis, survey and workshop results

Note: ++: Highly recommended, +: recommended, -: less recommended; --: not recommended

More detailed justifications for these recommendations (for each PO) are given below.

PO1 - A smarter Europe

Firstly, PO1 is recommended because the empirical analysis of the territorial challenges made a strong case in favour of PO1. As it supports innovation and skills it will have positive long run effects on the economic development in central Europe. It is thus elementary for economic and territorial cohesion.

Additionally, the positive economic effects will also help to mitigate social challenges or make it easier to finance investments in other thematic areas. Although indirectly and over the longer run, supporting PO1 may also help to address some of the transport infrastructure related challenges in PO3 as well as labour market, integration or health services related challenges in PO4.

Secondly, PO1 is recommended because of the high ratings it got, both in the stakeholder survey as well as by the workshop participants. Thus, the selection is partly a reflection of the stakeholders' preferences.

The support of innovation and skills provides the programme with flexibility, as e.g. skills are required in many other POs, like in PO2 for the transformation to a circular economy, or PO4 for social entrepreneurship. The same applies to innovation, which will be an integral part in tackling many environmental challenges in PO2.

Based on the study's results it is our opinion that PO1 needs to be a focal element of the future Interreg CENTRAL EUROPE Programme. The analysis suggests that for large parts in central Europe it is neither necessary nor targeted to be at the frontier of technological innovation. For this, capacities to innovate are many times too low compared to more advanced economies. Especially for more rural regions and many SMEs in central Europe it is rather more important to get access to and learn how to operate latest available technologies, not only to catch up with more developed regions and more competitive SMEs, but also to build a basis for own innovative activities in the future.

Hence, the exchange and transfer of knowledge and technologies through the Interreg CENTRAL EUROPE Programme are considered key elements for a prosperous future development in central Europe. This is augmented by the already strong economic ties within central Europe. These make cooperation in the region

even more important as the modernisation of existing and the creation of new transnational value added chains is a joint problem for the central European countries.

Consequently, we are convinced that Interreg CENTRAL EUROPE projects, that may include pilot actions, the exchange of knowledge, capacity building and skill development or and formation of new networks are highly important to tackle these innovation related challenges common to the central European countries and thus, in the end, also contribute to economic and territorial cohesion.

Still, it might well be the case that many of the PO1 related future Interreg CENTRAL EUROPE projects generate less visibility than projects from other POs, because immediate effects are generated for comparatively smaller group of beneficiaries rather than for a broader public (e.g. for a group of SMEs). For such projects it is then important to highlight and emphasise their leverage effects and their contributions to the economic and territorial cohesion in central Europe.

PO2 - A greener, low-carbon and resilient Europe

PO2 is recommended because of the severity of the challenges as identified by the analysis, as well as because of the stakeholders' preferences articulated in both, the survey and the workshop results.

Without doubt, environmental challenges are serious and the potential negative impacts will have repercussions on the economic and social situation in central Europe. Tackling those challenges is of key importance. Also, environmental challenges do not take account of administrative borders and to a large extent are common in most central European countries, like region specific effects of climate change, loss of biodiversity, soil sealing and land take, energy efficiency, air pollution in urban areas and more. Quite naturally therefore, many environmental challenges are extremely suitable to be addressed by the Interreg CENTRAL EUROPE Programme.

The severity of the central European environmental challenges will require all tools available to the programme to be used in order to be tackled successfully and the related projects quite likely will have positive short run effects, and thus a high potential visibility as well as positive long run leverage effects.

Also, this PO overlaps with other POs, e.g. regarding PO1 as well as PO3, especially with respect to sustainable mobility and links up with important new European initiatives like the European Green Deal and the Just Transition Fund.

PO3 - A more connected Europe

The analytical report showed that good transport connections are important for economic and territorial cohesion. Hence, in principal, this PO is important for central Europe. Yet it is not recommended, mainly because of the unfortunate PO's structure as it consists of three SOs, of which two are heavily investment oriented. Yet, this cannot be delivered by the Interreg CENTRAL EUROPE Programme given the current allocation of Cohesion funds. The third SO, i.e. SO 3.3 'Developing and enhancing sustainable, climate resilient, intelligent [...] and cross-border mobility', however would be of high relevance for the future Interreg CENTRAL EUROPE Programme, as it a) addresses very important challenges and b) allows TNC to apply its full toolkit to support the shift to a more sustainable form of mobility.

The 'non-recommendation' coincides with the stakeholders' preferences that were revealed in the survey and the workshop.

Although PO3 in general is not recommended as a standalone programme priority, it is also recommended that the 2021+ Interreg CENTRAL EUROPE Programme remains flexible to at least include certain elements of SO 3.3., e.g. via linking it to innovation related challenges in PO1, environment related challenges in PO2 or also PO5. Since it is up to this date unclear whether the implementation of PO5 by TNC programmes would be feasible, the recommendation is also, that in such case, PO3 could be considered in order to address territorial mobility challenges

PO4 - A more social Europe

PO4 is not recommended based on the results of the analytical report, the stakeholder survey and the workshop.

This is not to say that social issues are not relevant for central Europe. The analysis has shown, that despite good labour market conditions, central European countries face a number of social challenges, like youth unemployment, partly low participation in childhood education, further education and training, urban-rural health service differences or the concentration of individuals being at risk of poverty or social exclusion in less developed regions. Hence, there is a principal need for policies to address the social challenges in central Europe.

The 'non-recommendation' of PO4 is thus largely the consequence of the Interreg CENTRAL EUROPE Programme's need to put its focus on three POs only, as foreseen in the draft ERDF and Interreg regulations.

In our opinion, PO4 has a lower priority than PO1, PO2 and PO5, partly because some elements of PO4, e.g. related to skills, social innovation and social entrepreneurship, the integration of marginalised and disadvantaged groups or the access to health can be covered by PO1 or PO5. By contrast, it seems more difficult to cover elements of PO1 and PO5 with PO4, so that its selection would make the whole programme less flexible.

Also, the higher priority given to PO1 and PO5 is founded in their expected positive effects on economic development and cohesion. In the medium and longer run, a better economic development makes it easier to address and solve social issues, e.g. the labour market integration of certain groups or the financing of health and education. Therefore, by supporting both POs, the Interreg CENTRAL EUROPE Programme will also indirectly contribute to tackling the social challenges in central Europe. Again, this logic works worse in the other direction. Otherwise, if PO4 was supported instead of PO1 or PO5, the programme may address social issues but simultaneously neglect economic challenges.

Despite potential positive short run effects, this could lead to inefficiencies. For example, the success of SO 4.1, the effectiveness of labour markets and access to quality employment, or SO 4.3, the integration of marginalised groups depends to a considerable extent on the economic development and the number of available or created jobs in central Europe. Thus, the support of PO4 might show little effects if not accompanied or even preceded by a support of POs addressing economic challenges.

Finally, PO4 strongly overlaps with the ESF+, which not only provides significant funding but also includes a transnational component. Therefore, it is recommended that the Interreg CENTRAL EUROPE Programme does not focus on PO4, yet shall explore ways to coordinate with the ESF+ to harmonise economic, social as well as territorial agendas.

PO5 - A Europe closer to citizens

This PO is recommended on the basis of the analysis and the stakeholders' preferences expressed in the survey and the workshop. Particularly the analysis has shown the multi-causality of the economic, social and territorial challenges in central Europe, which in order to be tackled successfully need integrated territorial approaches, where many factor can be dealt with simultaneously.

Also, PO5 is the only PO that explicitly addresses tourism and cultural heritage, the latter being important for a common central European identity and both of them being crucial for local and regional economic development, particularly in less developed regions.

PO5 is highly flexible and allows including challenges from not selected POs to be integrated into the 2021+ Interreg CENTRAL EUROPE Programme. Lastly, the PO includes a strong local component, which should enable the projects to get a high visibility, and if they address local development, also significant leverage effects.

As mentioned earlier, the recommendation of PO5 is conditional on the further guidance by the European Commission on whether or how this PO can be practically implemented by transnational cooperation programmes. If its implementation is not feasible, PO3 is recommended instead.

Interreg SO1 - A better cooperation governance

The Interreg SO1 is not recommended as own programme priority based on the workshop discussions and the results of the analysis of the territorial challenges. This "non-recommendation" needs to qualified, though. Without doubt, governance issues are highly important for the Interreg CENTRAL EUROPE Programme to work effectively. Yet, the results of the analytical report, the survey the workshop and the interviews suggest that it should be considered as horizontal topic, as e.g. governance is important for each of the POs and the individual projects.

Therefore, if not compulsory to be chosen by the regulation, it is recommended that SO1 'A better Interreg governance' is not taken up as a 'stand-alone priority'. Rather it shall be addressed throughout the programme in a horizontal manner. For example, this applies to issues concerning the visibility or the leverage of projects, the project related administrative procedures and burdens, the size of projects, their potential output and its ownership, the increase of administrative and institutional capacities etc.

3.2. RECOMMENDED SPECIFIC OBJECTIVES

We recommend 10 SOs to be supported by the 2021+ Interreg CENTRAL EUROPE Programme. The recommended SOs are largely consistent with the recommended POs, except for SO.3.3 'Developing and enhancing sustainable, climate resilient, intelligent [...] and cross-border mobility'. It is included, because a) the topic is highly important for central Europe and b) in case that PO5 is not feasible to be implemented by transnational cooperation, instead PO3 would be recommended.

Notably, SO1.2, which is related to digitalisation, is not recommended, despite the high importance of the subject. This is because digitalisation is considered a horizontal topic that should be addressed by projects under other POs and SOs.

As in the case of the PO recommendations, the SOs have been selected on the basis of the analysis, the survey and the strategy and consensus building workshop. Our SO recommendations are as follows:

Table 2: Consolidated ranking of future Interreg CENTRAL EUROPE SOs, by importance

Specific Objectives	
++	Highly important / Highly recommended
	SO 1.4. Developing skills for smart specialisation, industrial transition and entrepreneurship
	SO 2.4 Promoting climate change adaptation, risk prevention and disaster resilience;
	SO 2.7 Enhancing nature protection and biodiversity, green infrastructure in the urban environment, and reducing pollution;
+	Important / Recommended
	SO 1.1. Enhancing research and innovation capacities and the uptake of advanced technologies
	SO 2.1 Promoting energy efficiency measures and reducing greenhouse gas emissions
	SO 2.6 Promoting the transition to a circular economy;
	SO 2.8 Promoting sustainable multimodal urban mobility
	SO 3.3. Developing and enhancing sustainable, climate resilient, intelligent [...] and cross-border mobility
	SO 5.1. Integrated social, economic and environmental local development, and cultural heritage, tourism and security in urban areas
	SO 5.2. Integrated social, economic and environmental local development, and cultural heritage, tourism and security in areas other than urban areas
-	Less important / Less recommended
	SO 1.2. Reaping the benefits of digitisation for citizens, companies and governments
	SO 1.3. Enhancing growth and competitiveness of SMEs, including by productive investments
	SO 2.2 Promoting renewable energy;
	SO 2.5 Promoting sustainable water management;
	SO 3.2. Developing a sustainable, climate resilient, intelligent, secure and intermodal TEN-T
	SO 4.1. Enhancing the effectiveness of labour markets and access to quality employment
	SO 4.2. Improving access to inclusive and quality services in education, training and lifelong learning
	SO 4.3 Increasing the socioeconomic integration of marginalised and disadvantaged groups
	SO 4.4 Ensuring equal access to health
--	Not important / Not recommended
	SO 2.3 Developing smart energy systems, grids and storage /at local level/; outside TEN-E
	SO 3.1. Enhancing digital connectivity

Source: Consolidated ranking from the territorial analysis, survey and workshop results

Note: ++: Highly recommended, +: recommended, -: less recommended; --: not recommended

The rationale for each of the recommended SOs is presented in the respective fiches below, whereby due to their similarity SO5.1 and SO5.2 have been integrated into a single fiche.

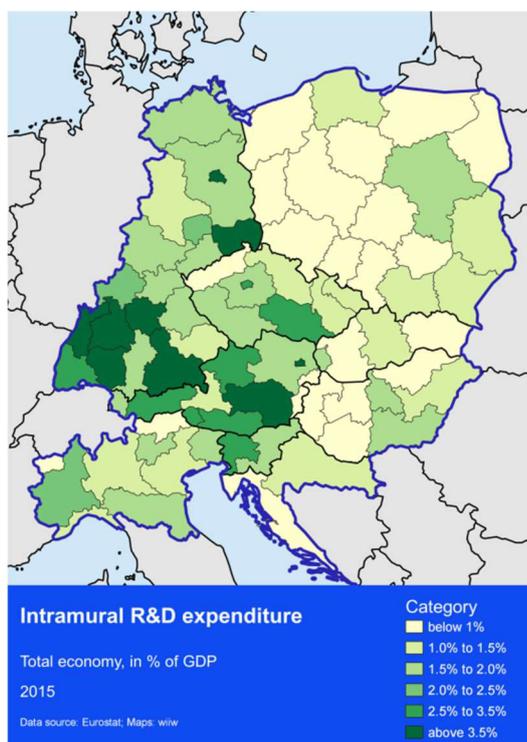
Policy Objective 1 'A smarter Europe'

Specific Objective 1.1. Enhancing research and innovation capacities and the uptake of advanced technologies

Territorial challenges

Research and innovation are key sources for economic development and the creation of new and better jobs. The importance of research in central Europe firms varies significantly across countries and within countries. Challenges in the innovation process occur at different levels. First, firms devote different amount of resources towards R&D. Second, some firms are better in transforming such research inputs into outputs such as patents. And third, transforming new innovations into viable and marketable products is a key challenge for many firms.

The analysis showed that only a few regions in Austria and Germany spend more than 3% of their GDP (i.e. the EU 2020 strategy benchmark) on R&D activities. R&D activity in the other central European countries is heavily concentrated in regions with a large share of population living in cities. In particular, the capital city regions have the highest R&D expenditure relative to GDP. In all central European countries, the capital regions have the highest R&D expenditure as a share of GDP.



Additionally, R&D expenditure is not only concentrated spatially but is also dominated by large companies. Although SMEs contribute to the largest share of employment, it is mainly companies with more than 500 employees who drive the countries R&D.

The strong concentration of R&D expenditures is also mirrored by strong regional differences in converting those expenditures into R&D output, like patents or design applications. Finally, in central Europe innovative actions are subject to obstacles related to the commercialisation of innovative goods and services like: human resources, access to finance, cost or complexity of meeting regulations or standards.

Supporting R&D is of key importance for the economic development in the central European regions. But not only for this. Strengthening R&D can create important overlaps with other thematic areas, especially related to environment and climate change in PO2, but also to transport in PO3 and to integrated development, e.g. in the cultural and creative industries, in PO5. They are also one cornerstone for regional or local smart specialisation strategies, which links it to SO1.4 (skills for smart specialisation).

Projects in this area are thus expected to have a high leverage effect, because of the positive longer run impacts. However, the visibility of these projects might be smaller, e.g. if compared to environmental projects. Still, the positive effects should be in favour of this trade-off.

Lessons learnt from the current and previous Interreg CENTRAL EUROPE programmes

This summary reflects the experiences of the programme as discussed during a dedicated workshop with representatives of the MA and JS.

Positive experiences

- The projects covered a variety of topics, multi-sector and single-sector approaches
- The projects covered both, general innovations support and the concrete implementation of sectoral innovation
- Regional stakeholders were highly interested in the thematic call focussed on smart specialisation strategies
- The stakeholders are following and addressing the latest policy developments
- Technology transfer and actions enhancing the innovative performance of SMEs were promoted
- Pilot actions to test new technologies and solutions were implemented
- Outputs from other projects (CBC, H2020, LIFE etc.) were taken up
- Strong capacity building elements were visible
- Institutional linkages were created

Negative experiences

- Sometimes stakeholders, that were dealing with new technologies, differed in their understanding of the programme's expectations, leading to an occasional drop out of partners
- The territorial impact was sometimes weaker than expected, because a) the quadruple helix approach was too complex and b) more technology transfer is needed
- The value of the developed innovation strategies is not always clear
- Partnerships are partly too complex, due to the programme structure
- Pilot actions are not always sufficiently specified at project start
- Innovation approaches were not necessarily tailored to central European needs and stakeholders
- Low number of innovation projects with a 'green' focus
- The capacity building dimension regarding smaller actors is not always fully clear
- Limited success monitoring by projects
- The EU State Aid Rules are an obstacle for the involvement of SMEs

Proposal for future actions and topics

- Creative and cultural industries
- Cooperation across sectors
- Health sector
- Cross cutting topics like robotisation, digitisation or mechatronics
- Circular economy
- Key enabling industries
- Technology transfers to SMES
- Development of close to market solutions
- Promotion and cooperation leading to the uptake of new technologies
- Support the financing of innovation
- Public procurement of innovative actions
- Technology transfer

Proposal for expected results from future projects

- Uptake of new technologies and creating new business applications
- Establishing urban-rural as well as transnational value chains
- Fostering greener ways of production
- Empowering the rural sector along the supply chain
- Sustainable collaboration and linkages between R&D, industries, SMEs, regional policy makers etc.
- Reaping the benefits of digitisation

Transnational niche and suggested types of actions

SO1.1 can make important contributions to the economic development in central Europe, not only by supporting cutting-edge innovations but also by supporting the uptake of latest available technologies, especially in SMEs and/or less favoured regions to increase their development and innovative potential.

In addition to other relevant sectors such as advanced manufacturing etc., this includes considering the cultural heritage of the regions, by supporting the creative and cultural industries as well as tourism. Besides economic progress, this allows them to provide a unique value added to the European economy.

In this respect the exchange and transfer of knowledge and technologies through the Interreg CENTRAL EUROPE Programme is highly important and fills a niche that is not covered by national and regional programmes.

Correspondingly, potential TNC actions to support territorial innovation processes inter alia include:

- Supporting networks of different R&D actors is particularly beneficial for engaging in research activities.
- Training staff how to promote and innovate goods and services widens the opportunities for SMEs.
- Supporting innovation, the uptake of key enabling technologies or other innovative activities like prototyping through public policies such as public procurement will have positive effects on the R&D environment.
- Creating independent coordination bodies that can provide assistance and advice to simplify access to EU financing could boost innovation processes especially for universities and SMEs.
- Providing so called "innovation agents", i.e. specially educated and trained persons, who are able to support regions to firstly get aware of their already existing innovation potential, help to connect networks within the regions with relevant partners outside the region.
- Assisting to getting access to venture capital for the market-oriented development of innovation ideas and prototypes.
- Promote the local/regional cultural and creative industries (CCI), which are important drivers of innovation, promote local identity and crafts.
- Supporting the cooperation between the CCI and other sectors as the CCI are a catalyst for changes and innovation of products and processes in those other sectors.
- The identification of hidden champions and the analysis and creation of framework conditions are needed to support the formation and sustainability of such companies.
- Promoting policy learning, policy sharing and the sharing of best practices will improve innovation governance.

Policy Objective 1 'A smarter Europe'

Specific Objective 1.4.

Developing skills for smart specialisation, industrial transition and entrepreneurship

Territorial challenges

Human capital is one of the most important drivers of regional and local economic development. A skilled and educated population enables a region to acquire knowledge and know-how essential for exploiting technological innovations and pursuing successfully its own path of smart specialisation.

As human capital strengthens the local economy, it, in turn, generates new job opportunities that are important incentives to hold or attract skilled individuals in or to the region.

For central Europe having a highly skilled population is even more important, as an educated workforce is not only the backbone of its strong industrial base but also the fundament for transitioning old or establishing new technologies, companies or whole industrial sectors.

At the same time central Europe faces a number of skill related challenges:

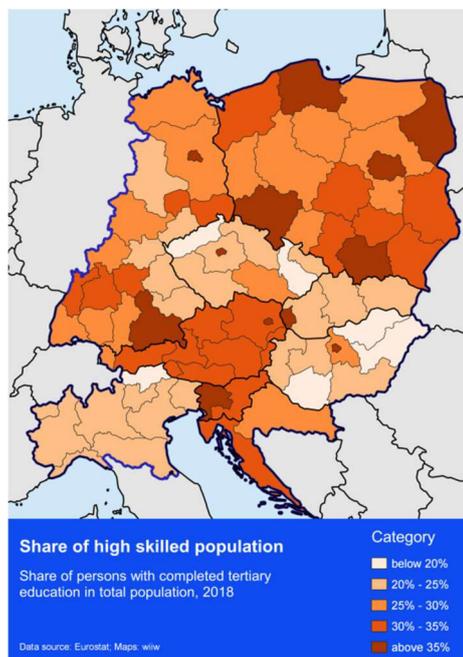
First, highly educated people are mostly concentrated in urban areas (see right map), while rural regions tend to lose their skilled workforce due to outward migration and brain drain.

Second, central Europe is characterised by differences in learning and education possibilities, e.g. related to entrepreneurship education or the acquisition of skills through informal learning (e.g. coaching, guided visits, self-learning or learning groups).

Third, there are strong regional differences in digital skills, especially in the urban-rural context. Those skills are however important to support the digital transformation towards an Industry 4.0, which is of particular relevance for the central European regions.

Supporting skills and capacity building also makes the future programme more flexible, as there are synergies with other POs and SOs, e.g. with respect to PO4, e.g. related to demographic change, brain drain, skill shortages or integration of marginalised groups or specifically with SO 2.6 'Promoting the transition to a circular economy' or both SOs in PO5.

Additionally the capacity building will have positive long run effects, given that knowledge is a major cornerstone of economic development. From this, skills related projects are expected to have a high leverage, which however may come at the cost of visibility as the immediate effects might be limited to a comparatively smaller group of beneficiaries than the effects of other SOs.



Lessons learnt from the current and previous Interreg CENTRAL EUROPE programmes

This summary reflects the experiences of the programme as discussed during a dedicated workshop with representatives of the MA and JS.

Positive experiences

- Projects had a high territorial impact due to the transfer, exchange and the development of regional instruments for the support of entrepreneurship
- Thematically focussed calls were helpful, especially in the context of the bottom-up implementation of RIS3
- Putting a thematic focus and/or a focus on specific target groups led to improved skills development
- Successful involvement of regional actors in several projects

Negative experiences

- The sustainability of newly created structures, like tools and platforms, is sometimes questionable
- Some projects suffered from an insufficient involvement of policy makers
- State aid is a big obstacle for including firms in projects
- There was a lack of coordination with the ESF and other EU instruments
- A systematic monitoring of the projects' success and longer run impacts is mostly missing
- The quality of the trainings offered is not always sufficient
- Traditional approaches are preferred to more innovative ones

Proposal for future actions and topics

- RIS3
- Demographic change
- Migrants and their social integration
- Creative sector
- Silver economy
- Labour markets
- Skills for digital transformation
- Matching skills to market needs
- Focus on multipliers (e.g. trainers teaching firms, development agencies etc.)

Proposal for expected results from future projects

- Increased social responsibility
- Countering brain-drain
- Improved integration of marginalised groups
- Provisions of adequate skills for the labour market

Transnational niche and suggested types of actions

The European Commission has already put a lot of effort into upskilling and education (e.g. the New Skills Agenda for Europe or the Europe 2020 strategy). Nevertheless, there exist a number of bottlenecks and problems common to the central European countries that can be addressed by TNC.

Developing and executing a smart specialisation strategy, i.e. combining innovation, know-how and local strengths, requires an adequate level of human capital. Therefore, quite generally, TNC can play an active role in building up capacities by developing a) education and training strategies and b) traineeship and other training possibilities in line with local needs, economic conditions and business specialisation.

TNC gains even more relevance if smart specialisation is combined with cultural heritage and the development of local creative and cultural industries. Additionally, TNC can support the development of digital skills, either targeting specific sectors directly, e.g. for the central Europe relevant transition to Industry 4.0, or adopting more horizontal approaches, as digitalisation will affect all aspects of everyday life.

From a territorial perspective, TNC can also address the strong urban-rural divide in skill endowments (including digital skills) that exists in all central European countries. By creating and testing innovative solutions for attractive job and career possibilities in less favoured regions, TNC can create examples of how to motivate people to stay in or even move to those regions.

Potential TNC actions in this area include:

- Bringing together stakeholders from different areas, including schools, higher education, local, regional and national authorities, the developers of smart specialisation strategies, SMEs, i.e. all institution included in the quadruple helix innovation model, to cooperate.
- Testing innovative solutions to skill development. This would not be possible through less flexible national programmes.
- Inclusion of local actors, like mayors, regional authorities – depending on the countries' governance structures. Thereby, TNC can address directly local needs, creating good examples and/or tangible effects on the ground.
- Create mutual learning possibilities. As the skills related problems are very similar in central Europe, TNC is highly important for mutual learning, the exchange of best practices, the learning from bad experiences as well as finding solutions to common problems.
- Supporting capacity building in less developed regions. Through this TNC can have strong local effects, inter alia enhancing the longer run prospects of the regions.
- Supporting social integration, by focusing on disadvantaged groups.

Policy Objective 2 'A greener Europe'

Specific Objective 2.1. Promoting energy efficiency measures and reducing greenhouse gas emissions

Territorial challenges

Increasing energy efficiency is an important contribution to reach the European goal of zero greenhouse gas emissions in 2050. For this, decarbonising industrial processes and reducing the energy demand in buildings, in both the residential and services sectors (including public buildings) will play a central role.

To achieve this, the EU has issued a number of initiatives, strategies etc. as well set key targets to be reached by the countries, such as the 2020 climate and energy package 20/20/20 targets, i.e. a 20% cut in greenhouse gas emissions (from 1990 levels), 20% of EU energy from renewables, and 20% improvement in energy efficiency.

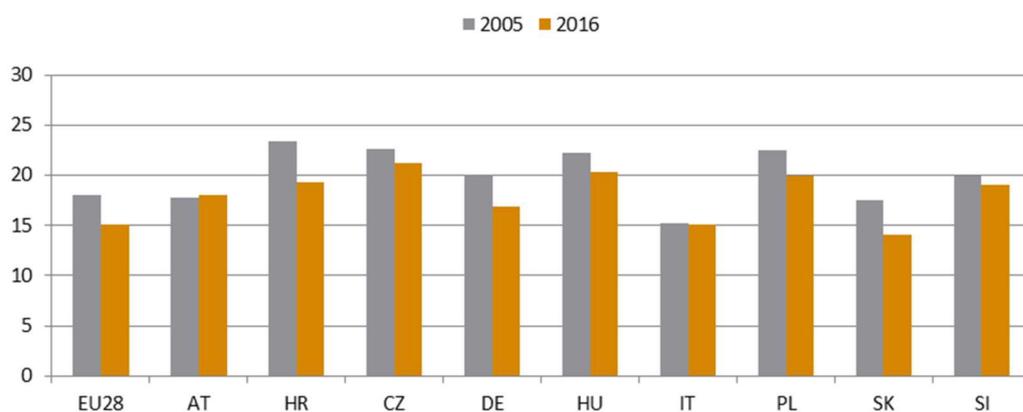
Regarding greenhouse gas emissions, between 1990 and 2018 the EU countries reduced them by 23%, while the EU economy grew by 61%. Still, under current policies greenhouse gas emissions will only be reduced by 60% in 2050. Therefore the European Green Deal envisages a plan to reduce greenhouse gas emissions to 50% by 2030 and to 100% by 2050. Concrete policies for this are being developed and shall be published in June 2021.⁸

The most recent assessment suggests that reaching the 2020 target for energy efficiency, measured through primary and final energy consumption could be at risk. While there has been a gradual decrease of energy consumption between 2007 and 2014, it increased between 2014 and 2017.⁹

A major consumer of energy are buildings. To improve their energy efficiency major renovations are needed. Today the annual renovation rate of the building stock varies from 0.4 to 1.2% in the Member States. This rate needs to be at least doubled to reach the EU's energy efficiency and climate objectives. For this, the European Green Deal suggests that the EU Members States engage in a 'renovation wave' of public and private buildings that also helps to lower energy, reduce energy poverty and could give a boost to the construction sectors and local economies.

Regarding central Europe energy efficiency increased in past – except for Austria (see graph below), though final energy consumption is still above the EU average, except in Italy and Slovakia.

Figure 1: Final energy consumption per m2 in the residential sector, at normal climate, 2005 and 2016



⁸ COM(2019) 640 final, The European Green Deal

⁹ COM(2019) 224 final on assessment of progress towards the national energy efficiency targets for 2020

Source: DATA MAPPER for Energy Union Targets

https://ec.europa.eu/energy/en/atico_countriesheets/database?indicator=EE4&type=bar

Greenhouse gas emissions in central Europe are declining, though Italy, Poland and Slovenia did not meet the target of a 20% emission reduction, which is a highly positive trend. On the other hand absolute emission levels are mostly still above the EU average, suggesting that further action is needed to speed up and increase the reduction of greenhouse gas emissions.

Increasing energy efficiency not only contributes to tackle climate change and reduce greenhouse gas emissions. It can also be an important catalyser for the introduction of new, digital technologies at the level of households, firms, cities or regions. It thus facilitates technological change, by creating demand for new innovative solutions, thus connecting this SO automatically to PO1.

Projects in this area are expected to have a considerable visibility effect, especially if they include pilot actions that showcase positive examples of energy saving. According to some interviews it should also be the goal to roll-out the already found solutions, e.g. from the building to the city level, which would induce large leverage effects, multiplying the effects on climate change and the reduction of greenhouse gas emissions.

Lessons learnt from the current and previous Interreg CENTRAL EUROPE programmes

This summary reflects the experiences of the programme as discussed during a dedicated workshop. with representatives of the MA and JS.

Positive experiences

- Many pilot and demonstrations actions
- Good leverage of funds
- Many relevant partners were involved in the projects
- Different types of public infrastructure were addressed, also supported by the thematic focus of the third call
- Changes in behaviour were observed
- Financing schemes were addressed
- Several projects applied state of the art technologies
- Energy planning and management systems were introduced or improved
- Clear benefit for end users

Negative experiences

- Projects did not cover the full range of public infrastructure
- Some relevant topics such as cooling, energy storage were not addressed
- In many cases not very innovative solutions were applied (e.g. energy meters)
- Policy makers were not always adequately involved
- Pilot actions were not always applying novel technologies, partly because technology changed from the time of developing the proposal to the time of implementing the pilot action
- There was a lack of coordination with other funds

Proposal for future actions and topics

- Aim for integrated projects that link to other funds for leveraging investment
- Create value chains
- Focus on applicable and affordable technologies
- Go beyond improving energy efficiency of public buildings, by focussing on e.g. energy management and capacity building
- Include heating, cooling and renewable energy topics
- Consider energy distribution systems

Proposal for expected results from future projects

- Better access to funding and a leverage of funds
- Improved energy performance
- A change in behaviour
- A better accessibility of low cost options
- A better access to innovative solutions

- Involvement of all key market players

Transnational niche and suggested types of actions

There are number of European greenhouse gas and energy efficiency related policies that provide an important framework for TNC projects and actions. Hence, the EU 2050 long-term strategy puts a central role to energy efficiency measures in reaching net-zero greenhouse gas emissions in 2050, while the Energy Performance of Buildings Directive¹⁰ requires Member States to apply energy performance standards for new and existing buildings and ensure certification schemes are in place.

The 2030 climate and energy framework set key targets for 2030, like at least 40% cuts in greenhouse gas emissions (from 1990 levels), at least 32% share for renewable energy, at least 32.5% improvement in energy efficiency. Also, the Energy Union package (adopted in 2015) targets five closely related and mutually reinforcing dimensions: energy security; internal energy markets; energy efficiency; decarbonisation and research, innovation and competitiveness. On this basis EU Member states had to produce 10-year National Climate and Energy Plans (for 2021-2030) that outline how they will achieve their respective targets on all dimensions of the energy union.

Against this background TNC can support both, European and national policies, by inter alia:

- Support the improvement of the energy performance of buildings, including the efficient construction of new buildings and the renovation of existing buildings.
- Supporting the uptake of efficient energy consuming equipment in buildings for heating/cooling, for water heating and cooking and all public, domestic and tertiary sector appliances.
- Introducing smart buildings that are capable to adapt operation to the needs of the occupants, while ensuring optimal energy performances.
- Shifting to energy efficient modes of public and private transport (overlap with PO3).
- Optimising industrial energy use and processes, e.g. reduce the heat losses, introduce energy recovery processes, shift production processes to environmentally friendlier mode.

¹⁰ Directive 2010/31/EU on the energy performance of buildings

Policy Objective 2 'A greener Europe'

Specific Objective 2.4.

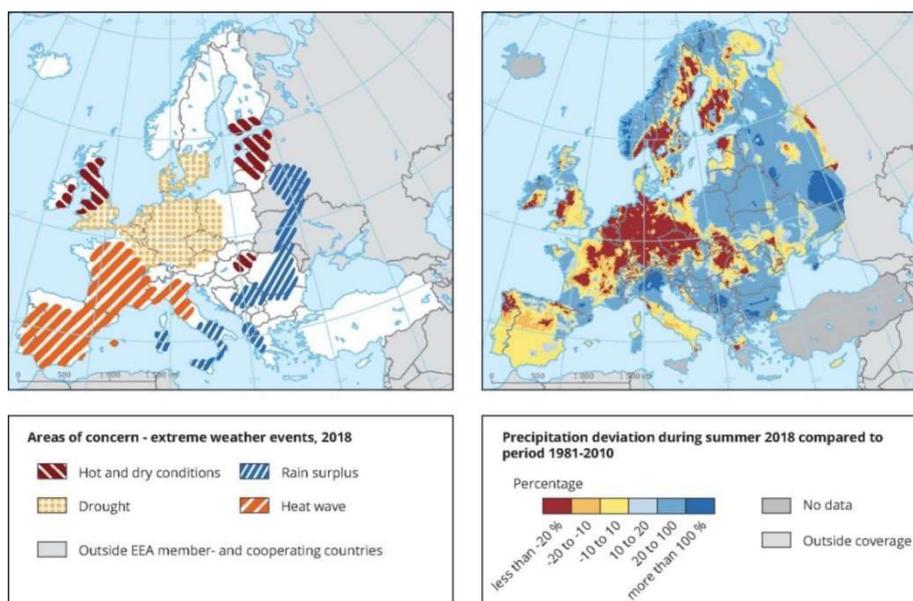
Promoting climate change adaptation, risk prevention and disaster resilience

Territorial challenges

Climate change is an ongoing process with temperatures continuously rising, precipitation patterns changing and more frequent extreme weather events. These changes in climate have significant impact on the ecosystems by reducing bio-diversity, melting glaciers, changing migration patterns of animals or the invasion of alien species. The rising sea level has increased flood risks and contributed to erosion in coastal areas, while economic costs can be high even for modest levels of climate change.

Although climate change is a global phenomenon and affects all European countries its impacts are not uniform across areas. Geographically, central Europe is part of the Alps as well as of the continental Europe. Most likely, climate change effects in the Alps will be primarily dealt within the Interreg Alpine space Programme. To avoid overlaps, the Interreg CENTRAL EUROPE Programme could therefore focus on continental Europe.

For those, climate change effects include: a) an increase in heat extremes, b) a decrease in summer precipitation, c) an increasing risk of river floods, d) an increasing risk of forest fires, e) a decrease in economic value of forests and f) an increase in energy demand for cooling.¹¹



Given current projections climate change will have significant negative effects on economic, social and territorial development. Thus, adapting to and mitigating the effects is of key importance and needs the combination of European, national and TNC policies to be successful. Since climate change has no borders it is, by nature, a main target for TNC, which can contribute a lot by coordinating climate change actions across borders. By doing so, TNC projects are expected to have a high visibility by having immediate positive effects on the populations as well as a high leverage due to their longer run positive impacts.

Lessons learnt from the current and previous Interreg CENTRAL EUROPE programmes

This summary reflects the experiences of the programme as discussed during a dedicated workshop with representatives of the MA and JS.

Positive experiences

- High interest from public and private stakeholders
- Positive impacts at the urban and rural territorial level

¹¹ EEA Report No 1/2017, Climate change, impacts and vulnerability in Europe 2016

- Good valorisation of other programmes' outputs and results
- Successful awareness raising concerning the topics covered by the projects
- A variety of different environmental topics were covered by the projects
- Capacities in risk prevention were built up
- The principle of ecosystem services was successfully implemented

Negative experiences

- Risk prevention is missing as specific project topic
- Only partial success in leveraging additional funds
- The cross-sectoral coordination and administration did not always run smoothly

Proposal for future actions and topics

- Create compensation schemes
- Support transnational management/strategies of risk prevention
- Include health related topics like heat waves and urban heat islands, also covering their social dimension and economic implications

Proposal for expected results from future projects

- A better coordination at the transnational level
- Improved risk preparedness
- A better risk management
- A higher awareness for climate change
- An increased resilience to climate change effects

Transnational niche and suggested types of actions

The European Environmental Agency recognizes that, in the EU, climate change adaptation strategies, policies and actions, including the mainstreaming of them into other policies, are progressing at all governance levels.

However, further actions are needed to enhance policy coherence across environmental and sectoral policies and to ensure effective and efficient action across all levels of governance, through multi-level governance and transnational cooperation platforms, enhancing flexible 'adaptive management' approaches, combining technological solutions, ecosystem-based approaches and 'soft' measures. Also the knowledge base regarding climate change impacts, vulnerability, risk and adaptation assessments in Europe could be enhanced.¹²

Thus, there is ample room for the Interreg CENTRAL EUROPE Programme to contribute to climate change adaptation, risk prevention and increasing disaster resilience, and the related projects will be a useful addition to national and other European wide strategies. For this, the programme could pursue, inter alia, the following actions:

- Exchange of best-practices and knowledge to improve regional and local adaptation strategies.
- Testing adaptation solutions via pilot actions.
- Support the development of environmental risk management at transnational level
- Building capacities to enable local and regional stakeholders to identify potential adaptation options.
- Supporting 'green' adaption measures making use of nature. This includes introducing new crop and tree varieties, allowing room for rivers to naturally flood onto floodplains, and restoring wetlands.
- Supporting 'soft' adaption measures, i.e. managerial, legal and policy approaches to change human behaviour; examples include early warning systems for heat waves, floods, pollution etc.
- Addressing sectoral adaption measures in the areas: a) buildings (e.g. energy efficiency, b) energy (e.g. disaster resilience of energy production), c) health, d) tourism, e) industry, f) transport and g) infrastructure.
- Protecting and conserving historic buildings and cultural heritage sites.
- Create new services and technologies to adapt to climate change.
- Addressing common problems such as urban heat islands and water management in both, urban and rural areas.

¹² EEA Report No 1/2017, Climate change, impacts and vulnerability in Europe 2016

Policy Objective 2 'A greener Europe'

Specific Objective 2.6. Promoting the transition to a circular economy

Territorial challenges

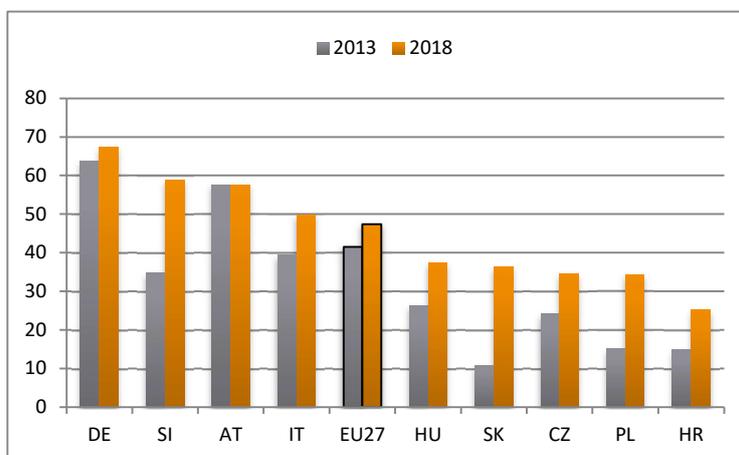
Promoting the transition to a circular economy will have positive impacts not only on the environmental sustainability, resource efficiency, and carbon-neutrality but also on the competitiveness of national and regional economies.

'Such transition is the opportunity to transform our economy and generate new and sustainable competitive advantages for Europe. [...] It will create local jobs at all skills levels and opportunities for social integration and cohesion. At the same time, it will save energy and help avoid the irreversible damages caused by using up resources at a rate that exceeds the Earth's capacity to renew them in terms of climate and biodiversity, air, soil and water pollution.'¹³

The circular economy is growing in central Europe, though, overall, it is still at only a primary development stage. This is indicated by generally low recycling rates that only in Germany, Italy and Austria surpass the EU average rate. In all other central European countries are below the EU average rate, though recent increases have been made everywhere and partly were strong, e.g. in Croatia, Czech Republic and Slovakia (see graph below)

All central European countries, except Germany, are however below the European goal for 2035 of a 65% recycling rate, showing that much more effort has to be put into the transition to a more circular economy

Figure 2: Recycling rate of municipal waste, 2013 and 2017



Source: Eurostat

Realizing a circular economy is yet at a primary stage and will require a long-term policy with involvement at all levels - from Member States, regions and cities, to businesses and citizens. Transnational co-operation is vital, as problems and waste are cross-national, cross-border and global.

Also it needs to be emphasised that circular economy is much more than recycling and includes changing business models for firms, introducing new technologies and technical solutions, finding innovations in the design of products etc. Thus, this SO has many cross links to other SOs, especially the innovation and skills related SOs in PO1, but also to PO5 regarding integrated development plans.

The transition to a circular economy can induce a significant positive change to the economies as we know it, thus supporting it with TNC tools will have large long run leverage effects.

¹³ EU Action plan for the Circular Economy, COM(2015) 614 final.

Lessons learnt from the current and previous Interreg CENTRAL EUROPE programmes

This summary reflects the experiences of the programme as discussed during a dedicated workshop with representatives of the MA and JS.

In contrast to other SOs, SO2.6 was less covered by projects of the current and previous Interreg CENTRAL EUROPE programmes.

Positive experiences

- Existing projects provided a promising experience that can be built on in the future programme

Negative experiences

- The topic was not frequently addressed by projects
- Integrated approaches were mostly missing

Proposal for future actions and topics

- Creation of circular value added chains
- Promote recycling and re-use
- Promote urban mining
- Support actions to scale-up solutions at the urban and rural level
- Strengthen the combination, testing, application and rolling out of best available technologies

Proposal for expected results of future projects

- Contribute to the goal of zero waste

Transnational niche and suggested types of actions

The EU has developed a number of policies and strategies for supporting the transition to a circular economy, like the European 2050 long-term strategy, the circular economy package, the 'EU Strategy for Plastics in the Circular Economy', the Single Use Plastics Directive or the Waste Framework Directive.

First, these provide an important policy framework for TNC in central Europe. Second, TNC is key in connecting and motivating all relevant stakeholder to make the transition to the circular economy work. *'Economic actors, such as business and consumers, are key in driving this process. Local, regional and national authorities are enabling the transition, but the EU also has a fundamental role to play in supporting it'*¹⁴

For this, TNC inter alia may support the following actions:

- Promoting circular design and production, through capacity and knowledge creation, to minimise resource use and foster materials' reuse, recovery and recyclability.
- Raising consumer awareness to change consumption patterns.
- Supporting waste management to recycle important resources or to turn waste into energy (e.g. via exchange of best practices).
- Supporting circular economy related research and investments by bringing together the relevant stakeholders.
- Establishing circularity in new areas and sectors through strategy building processes, the creation of knowledge etc.
- Integrating circular economy aspects with other policies, e.g. related to innovation, business development, renewable energies or green-house gas emissions.
- Promoting food waste prevention.
- Promoting innovative waste management initiatives at urban level.
- Enhancing green procurement by pooling the available experiences in central Europe.
- Supporting the recycling, reuse and repair ecosystem, thus promoting also entrepreneurship.
- Exploring the opportunities of the bio-economy to support economic development of rural areas, e.g. via the exchange of knowledge and pilot actions.
- Supporting the development of remanufacturing, i.e. returning a used product to at least its original performance, to strengthen both, the circular economy and local economic development.
- Raising awareness and actively involving a broad range of stakeholders to allow for the creation of new ways of production, value creation, and consumption patterns.

¹⁴ EU Action plan for the Circular Economy, COM(2015) 614 final.

Policy Objective 2 'A greener Europe'

Specific Objective 2.7.

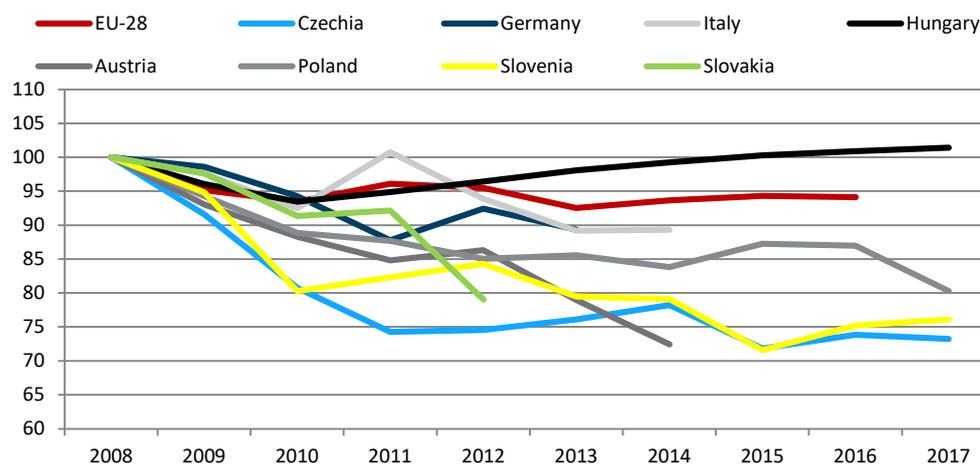
Enhancing nature protection and biodiversity, green infrastructure in the urban environment, and reducing pollution

Territorial challenges

Biodiversity, i.e. the variety of the ecosystem, species and genes in a particular habitat, various beneficial functions such as climate regulation, food protection, soil fertility and the production of food, fuel and medicines. Yet, there is a continuous loss of biodiversity witnessed in central Europe – indicated by the common farmland bird index below), due to land use change and fragmentation (e.g. conversion into arable land, land abandonment, urban sprawl, expanding transport infrastructure and energy networks etc.), pollution, over-exploitation of natural resources (forests, oceans, rivers and soils), invasive alien species as well as climate-change.

Recently, biodiversity in central Europe is also addressed by the European Green Belt initiative, which aims at conserving and restoring the shared natural heritage along the line of the former Iron Curtain.

Figure 3: Common farmland bird index, 2008 = 100



Notes: EU unsmoothed estimate; not for all countries all years available.

Source: Eurostat.

Green infrastructure, i.e. 'the strategically planned network of natural and semi-natural areas, provides a wide range of ecosystem services such as water purification, improvement of air quality, space for recreation and climate mitigation and adaptation. Especially in urban areas it is one way to reduce the negative effects of 'land take', e.g. because of urban sprawl, thereby generating positive health-related benefits, improving human wellbeing, combating social exclusion and isolation, and having positive psychological and emotional effects.

In contrast to many western, central and northern Europe cities, several Eastern European cities have a lower amount of green spaces¹⁵, e.g. Bratislava, Prague or Budapest. In general, land take and soil sealing are a problem for both urban and rural regions in central Europe, whereby soil contamination related to abandoned military, industrial and storage sites is a central European problem and still poses a significant challenge.

Air quality is of particular concern in central European cities, as they are amongst the most heavily affected by particulate matter, ozone, dioxide and other forms of emissions in Europe.

¹⁵ EU Commission, DG Regio, 7th Report on Economic, Social and Territorial Cohesion

All issues addressed in this SO are of major importance for central Europe. Notably, by tackling them, not the programme will not only directly address those challenges, but directly and indirectly also related challenges like climate change or water management. Projects in these areas are expected to have a high visibility as they will bring immediate benefits for local populations. Additionally, by rolling out tested solutions and practices projects will also have a significant longer run leverage effects.

Lessons learnt from the current and previous Interreg CENTRAL EUROPE programmes

This summary reflects the experiences of the programme as discussed during a dedicated workshop with representatives of the MA and JS.

Positive experiences

- Projects covered a diverse set of environmental topics
- Strong interest of stakeholders
- High territorial relevance of pollution and respective remediation measures
- Projects addressed the East-West knowledge gap regarding pollution management
- Integration of eco-system services well addressed by projects
- Involvement of policy makers and local stakeholders, e.g. citizens
- Often good leverage of investments as a result of pilot actions
- Increasing awareness
- Projects show good coverage of urban and rural areas
- Improved management of protected areas and landscapes
- Work at the level of functional urban areas was highly relevant
- Easy communication of results due to concrete topics
- High potential regarding the transferability of results

Negative experiences

- The coordination with other environmental programmes, e.g. LIFE, was weak
- Lack of coordination of conflicting topics (e.g. nature versus transport infrastructure)
- Strategic central Europe characteristics were only partially addressed (e.g. European green belt, Iron curtain trail)
- Working at the level of functional urban areas was challenging to implement due to administrative structures
- Strategic air pollution projects were missing

Proposal for future actions and topics

- Air, water, soil and noise pollution
- Natural heritage and biodiversity
- Green and blue infrastructure
- Tourism and the sustainable management of protected areas
- Brownfield regeneration
- Ecosystem services
- Water management
- Soil protection
- Strategic work on European Green Belt initiative
- Green infrastructure in functional urban areas
- Capacity building for the rehabilitation of old industrial and mining areas
- Better coordination with other programmes (e.g. LIFE)
- Management and prevention of alien species
- Strategic platform for the coordination of activities across different programmes and projects
- Implementation oriented solutions
- Stronger knowledge transfer

Proposal for expected results from future projects

- Reduced conflicts between environmental and economic development
- Reinforcing the CE green belt
- Better living conditions for the people
- Better managed cultural heritage
- Better cooperation in functional urban areas
- Stopping loss in biodiversity
- Expansion of protected areas

- Increase awareness of the subject
- Development from know-how to do-how

Transnational niche and suggested types of actions

The European Union has developed a number of strategies addressing the issues of biodiversity (EU Biodiversity Strategy to 2020), green infrastructure (Green Infrastructure Strategy, 2013) or pollution (Clean Air Policy Package in 2013), with which TNC can link up with to exploit synergies and complementarities.

Notably, for this SO it is also important to explore the synergies with other SOs, especially a) SO 2.4 Promoting climate change adaptation, risk prevention and disaster resilience, and b) SO 2.5 Promoting sustainable water management.

The strengths and options for actions are inter alia (by topic):

Biodiversity:

- Supporting and improving monitoring and reporting of biodiversity.
- Exchanging and enhancing the knowledge of ecosystems and their services.
- Linking rural development with biodiversity conservation aspects through the development of appropriate strategies.
- Preserving agricultural genetic diversity, e.g. through pilot actions and awareness raising.
- Linking forestry with protecting and enhancing biodiversity, through local strategies, awareness raising for forest owners etc.
- Improving the management of fish stocks including their habitats and ecosystems.
- Tackling issues related to invasive alien species, e.g. by exchanging best practices and experiences.

Air Pollution

- Improving the coordination of air quality governance, as the responsibility for abatement measures might be split between local, regional and national authorities.
- Improving air quality modelling and monitoring.
- Reviewing public management practices in dealing with air pollution, e.g. by exchanging experiences and best practices.
- Improving information for citizens about air quality (e.g. to reduce health risks), through creating technical and administrative solutions.
- Supporting the reduction of emissions from agriculture, industry, and households, via awareness raising and capacity building, best practice exchange and pilot actions.

Green infrastructure

- Improving spatial planning with respect to green infrastructure by adopting proactive approaches.
- Integrating green infrastructure in spatial planning taking into account local needs and potentials.
- Creating strategies and concepts jointly with local stakeholders to provide place-based tailored solutions.
- Enabling local authorities and business to use green areas as a part of tourism-based development.
- Supporting the implementation of green infrastructure through a focus on recreation and health, e.g. via pilot actions.
- Developing strategies to restore and enhance high-quality wetland environments.
- Developing decision support software tools for biodiversity and ecologically based land use planning that includes economic analysis options.
- Increasing the number of green roofs and green walls, through awareness raising, pilot actions e.g. on public buildings etc.
- Raising awareness of the benefits and challenges of green infrastructure.
- Combining private and public funding mechanisms for green infrastructure implementation.
- Developing new and improving existing strategies and tools for land management, soil protection and brownfield remediation.
- Facilitating cooperation between actors, e.g. of different levels of government but also of interdisciplinary teams of professionals supporting green infrastructure development.

Policy Objective 2 ‘A greener Europe’

**Specific Objective 2.8.
Promoting sustainable multimodal urban mobility**

Territorial challenges

A clean, safe and connected mobility is a key element to achieve carbon-neutrality, reduce pollution, increase energy efficiency and consequently a higher environmental sustainability of the central European economies. A sustainable, multimodal mobility is particularly important for urban areas amongst other reasons given the high levels of pollution in some central European cities (see SO 2.1. above).

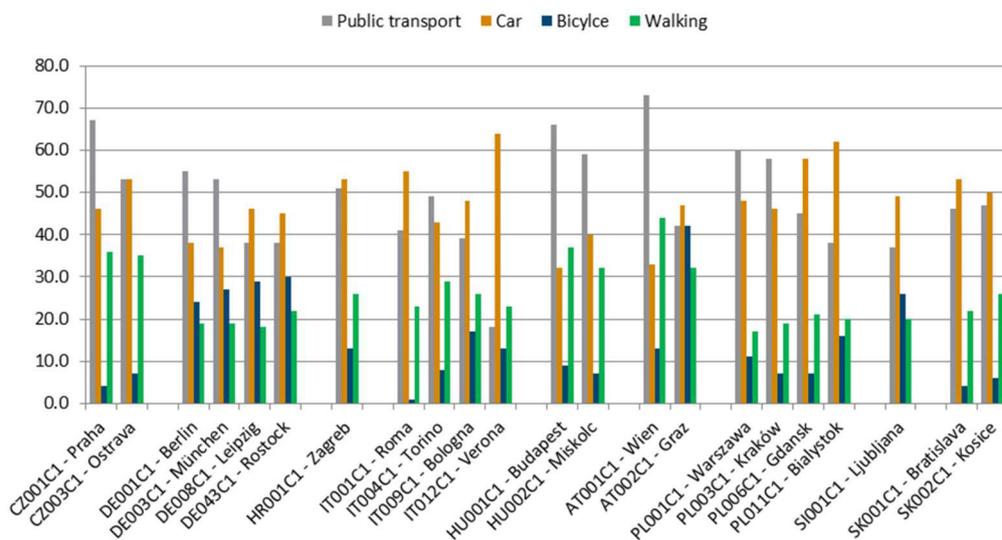
Changes in mobility will include city planning, safe cycling and walking paths, clean local public transport, the introduction of new delivery technologies such as drones, mobility as a service, advent of car and bike sharing services. Together with transition to carbon-free transport technologies this will reduce air pollution, noise and accidents and will improve the quality of urban living.

In central Europe the degree of urbanisation is, as a trend, lower compared to the EU-average. Nevertheless, urban mobility is a larger challenge for central Europe, indicated for example by high rates of car ownership in major cities like Bratislava, Budapest, Prague and Warsaw, which coincides with major problems related to traffic congestion and air pollution. Likewise, the European Cities Report 2016 suggests that public transport has improved, but to a lesser extent than in many Western EU cities.

Overall, in central Europe the supply with public transport opportunities is much better in larger cities than medium-sized cities (see graph below), leading to an extensive use of cars as the main means of transport (this applies also to some capital cities like Bratislava, Ljubljana and Zagreb).

Correspondingly, the expansion of sustainable urban mobility is a major policy need for most central European cities given its positive effects on the environment, health, air quality, energy efficiency and standard of livings.

Figure 4: Means of transport primarily used to go to work/training place, 2015, in %,



Source: Eurostat Public Perception Survey.

Lessons learnt from the current and previous Interreg CENTRAL EUROPE programmes

This summary reflects the experiences of the programme as discussed during a dedicated workshop with representatives of the MA and JS.

Positive experiences

- Projects addressed the topic of sustainable urban mobility well-being a strong need in central Europe
- Projects included the right actors
- Contributions to sustainable urban mobility planning using different types of approaches
- The functional urban area dimension proved highly relevant
- Projects were result oriented including follow-up investments
- High visibility and close to people
- Easy to link with EU and national policies and funding
- High transnational value added and strong territorial impact

Negative experiences

- Some projects did not fully address the overall concept of functional urban areas and concentrated on local solutions
- Lack of innovativeness, lack of uptake of new technologies and smart solutions
- No sufficiently strategic approaches
- Projects were too traditional and did not take into account new trends and needs
- Sometimes lack of political support and missing links to urban planning
-
- Not sufficiently considering challenges of demographic change

Proposal for future actions and topics

- Sustainable urban mobility planning
- Smart commuting
- Air quality
- Cooperation between public and private sector
- Developing governance models
- Urban freight transport
- Multimodal mobility in functional urban areas
- Traffic and demand management
- Solutions for elderly people and disabled persons
- Safety
- Integrated mobility planning
- Coordination with other programmes
- Coordination between stakeholders
- Innovative pilots and investments
- Uptake of innovative and smart solutions
- Leveraging of funds, investment preparation

Proposal for expected results of future projects

- CO2 reduction
- Changes in the modal split
- Reducing traffic congestion
- Improved public transport
- Enhance mobility planning
- More sustainable last mile services

Transnational niche and suggested types of actions

The EU aims to 'improve the quality of life in cities by promoting active mobility solutions, such as walking and cycling, and by ensuring good accessibility for residents and commuters. It works with cities and regions to develop a sustainable urban mobility policy, including efficient public transport systems and good connectivity throughout their home country.' In 2013, the Urban Mobility Package was adopted.

It supports measures in the area of urban transport by (a) sharing experiences, show-casing best practices, and fostering cooperation, (b) providing targeted financial support, (c) focusing research and innovation on delivering solutions for urban mobility challenges, and (d) involving the member states and enhancing international cooperation.

It sets out the concept of Sustainable Urban Mobility Plans (SUMP), which considers the functional urban area – defined as a city plus its commuting zone – and proposes that action on urban mobility is embedded into a wider urban and territorial strategy. It provides a good reference framework for TNC activities to support sustainable multimodal urban mobility at the level of functional urban areas. Inter alia, these activities include:

- Promoting an efficient and sustainable use of the existing urban transport infrastructure via awareness raising, capacity building and digital information tools.
- Promoting a shift to the least polluting and most energy efficient modes of urban transport.
- Maintaining or improving the quality of urban transport infrastructure in terms of safety but also climate and disaster resilience (see SO 2.4.).
- Making use of technological innovations to improve ecological sustainability of urban transport.
- Promoting environmentally friendly transport modes like walking, cycling and public transports.
- Strengthening the role of multimodal nodes, e.g. integrating of bike&ride and park&ride, the accessibility by bike and for pedestrians, the quality of waiting rooms and the available information are important factors to trigger a shift from car use to public transport.
- Improving the quality and efficiency of public transport, by a) coordinate planning between different stakeholders and authorities, e.g. in a functional urban area context, b) improve marketing and pricing schemes, c) introducing intelligent transport systems to provide information to passengers etc.
- Improving the accessibility for elderly and disabled people.
- Improving intermodal transport aiming for seamless integrated transport chains, including door-to-door information and ticketing, smooth interchanges at train and bus stations, integration of long distance and regional transport with the “last mile urban trip.
- Improving mobility management to promote the use of sustainable transport modes, including awareness raising activities.
- Supporting the shift to clean and energy-efficient vehicles.
- Modernising urban freight and logistics by improving e.g. transportation methods, handling and storage of goods, management of inventory, waste and returns, as well as home delivery services.
- Improving traffic and demand management, e.g. improving the flow of traffic, introduce parking management, reallocating urban space in favour of sustainable modes, using congestion charging, establishing low-emission zones etc.

Policy Objective 3 'A more connected Europe'

Specific Objective 3.3.

Developing and enhancing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility

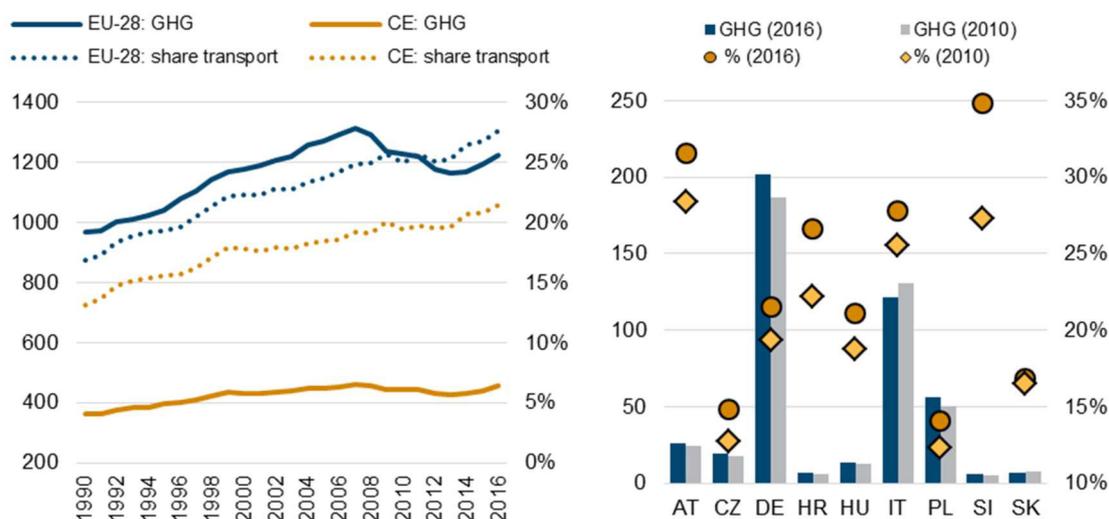
Territorial challenges

In order for transport and regional policy to be inclusive, it needs infrastructure and respective services connecting all regions. This in turn requires a transport network and related transport services linking peripheral regions to the core TEN-T network. In particular, it is crucial to improve regional and local accessibility and to connect rural areas to major cities and agglomeration areas within central Europe.

Although the improvement of cross-border sections is often emphasised many missing trans-border links or services exist within central Europe. To illustrate, concerning central European cross-border rail connections 22 projects were identified that are in high need for improvement of cross-border passenger services. Thereby, the gap in the passenger train network does often not arise from deficiencies in infrastructure, but in missing or inadequate passenger services.

As far as climate resilience is concerned, DG MOVE made unmistakably clear that the transport sector is increasingly contributing to the EU's total emissions, potentially soon overtaking the energy sector¹⁶, with the share of greenhouse gases (GHG) attributable to the transport sector having climbed from around 20% in 1990 to more than 30% in 2016. Also, in central Europe transport emission levels are growing since 2007, particularly in Slovenia, Croatia and Austria.

Figure 5: Greenhouse gas emissions attributable to the transport sector and share of total emissions



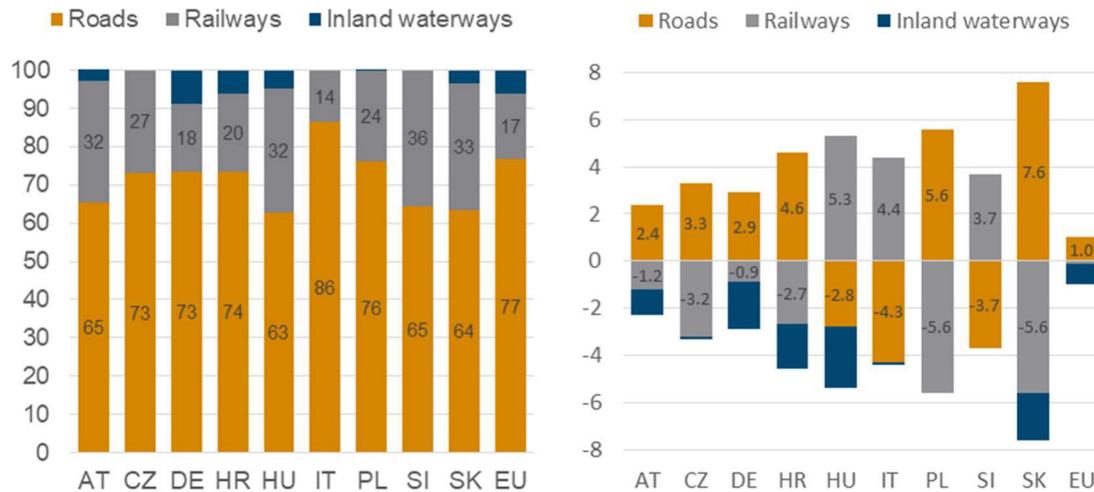
Note: CE includes all of IT and DE. Source: Statistical Pocketbook of the European Commission, DG MOVE (2018) based on information provided by the European Environment Agency (EEA) in June 2018; Diagrams: wiw.

Making transport more sustainable requires a shift from – predominantly still fossil fuel based – road transport to more sustainable modes. As of 2017, throughout the central Europe region, more than 60% of freight is transported via roads. Yet, with the exception of Italy, the use of railways for freight transport is above EU average for all central Europe economies.

¹⁶ European Commission (DG MOVE), 2019.

The trend is, however, not comforting: Between 2010 and 2017, the share of road transport has been increasing in the EU and in central Europe particularly (see graph below).

Figure 6: Modal split of freight transport in 2017 and change since 2010 by country



Notes: Percentage of each inland mode in total freight transport performance measured in tonne-kilometres.

Source: Eurostat [tran_hv_frmod, updated 18 July 2019]; Diagrams: wiiv.

As far as road safety is concerned, road fatalities per million cars in most central European countries were higher than in the EU on average. Thus, a modal shift in the transport sector is therefore not only desirable from an environmental but also from a safety point of view, especially with respect to the high number of commuters, not only within their respective region or country, but even across countries.

Expectations regarding the development of the rail-road combined transport market within Europe are positive among important market players, who forecast a transport volume growth of more than 5% p.a. for 2019 and 2020. Among the central Europe economies national policies towards the promotion of combined transport vary greatly. Therefore, transnational cooperation might be fruitful in evaluating different schemes in place and fostering exchange of experience.

Additionally, intelligent transport is a hot topic in the European transport discussion. Intelligent transport systems, like traffic management systems can reduce traffic congestion, while modern technologies freight management and logistics support co-modality by improving infrastructure, traffic and fleet management and facilitating a better tracking and tracing of goods across the transport networks. Besides making passenger and freight transport more efficient and less time consuming, such technological changes also contribute to making transport ecologically more sustainable. Additionally, if used in vehicles intelligent transport systems (e.g. driver support systems) will make transport safer, reducing the social costs of transport.

To make full use of intelligent and intermodal transport systems transnational cooperation in central Europe is key, as the utility of such systems increases the more countries introduce them in a harmonised way, e.g. in the case of intelligent cross-border travel information and traffic management services. Quite naturally therefore, there is room and need for transnational cooperation to introduce these systems and make them work efficiently in all of central Europe.

Lessons learnt from the current and previous Interreg CENTRAL EUROPE programmes

This summary reflects the experiences of the programme as discussed during a dedicated workshop with representatives of the MA and JS.

Positive experiences

- Addressing peripheral and border regions

- Developing new cross-border services
- Testing of creative approaches
- Services and solutions for rural areas and shrinking regions
- Linking regional development aspects with transport infrastructure
- Reducing emissions
- Involvement of key players in multi-modal logistics projects
- Results are easy to communicate and understand

Negative experiences

- Only limited number of project proposals
- Lack of cooperation with cross-border cooperation programmes
- Definition of niche for transnational cooperation not sufficiently concrete
- Lower visibility of strategic transnational actions compared to local ones
- Dilemma between strategic approach and local actions

Proposal for future actions and topics & expected results

- Prepare regions for multi-modal, demand responsive transport alternatives
- Link to peripheral areas to increase accessibility in central Europe
- Integrated approaches to improve accessibility, including also digital accessibility
- Smart corridor projects complementing TEN-T
- Better coordination across programmes
- Strategic role in cross-border issues
- Be open to both passenger and freight transport

Transnational niche and suggested types of actions

This comprehensiveness of this SO opens many actions to be taken by the Interreg CENTRAL EUROPE PROGRAMME in order to promote sustainable, climate resilient, intelligent and intermodal national, regional and local mobility. These actions include inter alia:

Central Europe connectivity

- Removing existing bottlenecks within and across countries, through coordination and planning of missing transport links and the provision of respective (cross-border) transport services.
- Coordinating the integration of various transport modes (road, rail, water, air) while ensuring interoperability and the increase of transport infrastructure capacities where necessary.

Sustainable and climate resilient mobility

- Promoting an efficient and sustainable use of the existing transport infrastructure by exchanging best practices and technologies.
- Promoting a shift to the least polluting and most energy efficient modes of transport.
- Maintaining or improve the quality of infrastructure in terms of climate and disaster resilience.

Safe mobility

- Coordinate and improve risk mapping and safety rating, i.e. proactive assessments to assess the safety quality of the road network.
- Supporting the introduction of intelligent transport systems for vehicles with transnational coordination activities as well as the transfer of latest available technologies including their testing via pilot actions.
- Considering mobility needs and challenges for disabled and elderly people, in both urban and rural settings.

Intermodal and intelligent mobility and freight transport.

- Establishing transnational, national, local and traffic management systems to provide early warnings for incidents and emergencies, and to implement response strategies for a safe and efficient use of the transport network.
- Providing multimodal traveller information systems at the local, regional and also transnational level.
- Integrating long-distance freight transport with last-mile distribution.

Policy Objective 5 'A Europe closer to citizens'

Specific Objective 5.1. & 5.2.

Integrated social, economic and environmental local development, and cultural heritage, tourism and security in urban areas AND in areas other than urban areas

Territorial challenges

Most regions in central Europe are affected by a multitude of challenges that are not necessarily bound to single administrative units, but rather occur in functional areas characterized by economic, social, environmental as well as governmental linkages.

The multi-causality of processes and factors that shape development within functional areas, concerns regional development within urban areas and outside of urban areas alike. It is important to recognise these interactions of sectoral developments and policies, since developments in one area might be undermined by poor performance in other areas. Furthermore, territorial challenges are not necessarily the sum of sectoral challenges, as history, context, and path dependency shape their interaction.

A good indicator for the outcome of the multidimensional challenges is the regions' net migration rate, as the extent of all the regions' challenges determines whether it is an attractive place to live or not. Hence, the net migration rate reflects a range of factors across multiple domains underlying the choices of immigration or emigration.

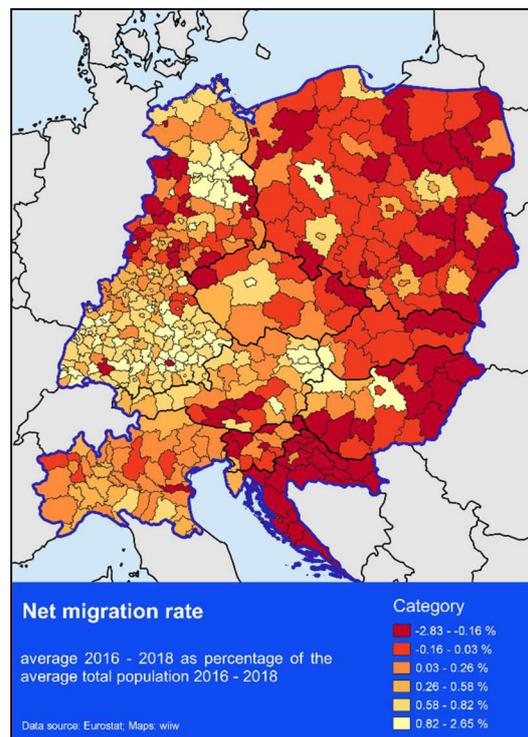
In central Europe, particularly strong negative net migration rates are visible throughout most of Croatia, eastern Hungary and eastern Poland, which are characterized by strong east-west gradients in net migration rates. Regions with strongly positive net migration rates are found in and around Berlin, Bratislava and Vienna, around Budapest and most of southern Germany.

A division between mostly rural regions versus urban regions and/or their neighbouring regions can be observed throughout the Interreg CENTRAL EUROPE countries. Apart from regions in Germany and Austria, positive net migration rates are mostly limited to cities or their adjacent regions (see map above).

Another indicator for the central European regions' attractiveness is the rate natural population change (i.e. birth rates minus death rates). Here it is evident that over 75% of regions within the central Europe are characterized by a negative natural population change. Regions with particularly strong negative rates of natural population change of approximately -0.5 to -1% per year are concentrated in eastern Germany, southern Hungary, north-western Italy and Croatia.

By contrast, only about 25% of regions are characterized by positive yearly rates of natural population change. These are mostly located in in north-western Austria, Czech Republic, Poland, Slovakia, and southern Germany. In general, urban regions tend to be enclaves of positive rates of natural population change.

SO5.1 and SO 5.2 are the only SOs that directly address tourism and cultural heritage as important thematic areas. Indeed, both of them are an important factor for local and regional economic development in central Europe, whereby cultural heritage is strongly linked with the creative and cultural industries and further could be the basis of regional smart specialisation strategies. On the other hand, existing analysis shows that the link between cultural heritage, natural resources for tourism and competitiveness regarding the travel and tourism industry is not straight forward. Knowledge of strategies and capacities for an



effective utilisation of these preconditions is essential for the central European countries to transform these factors into driving forces of their travel and tourism competitiveness.

Lessons learnt from the current and previous Interreg CENTRAL EUROPE programmes

This summary reflects the experiences of the programme as discussed during a dedicated workshop with representatives of the MA and JS. Because at this time it is not clear whether and how PO5 can be practically implemented by transnational cooperation programmes, the workshop participants mostly discussed issues related to culture, social innovation and integration of vulnerable groups.

Positive experiences

- Projects are addressing highly relevant topics
- Cultural heritage is a key economic driver
- Strong involvement of local communities by using local identity
- Projects led to improved access to cultural heritage sites
- High interest of both, public and private entities
- Relevant actors were involved
- Pilot actions achieved some leverage of funds
- High visibility of projects and close to citizens

Negative experiences

- Some projects were rather basic or applying traditional approaches
- The coordination potential with other instruments/programmes (e.g. Creative Europe etc.) could be improved
- Projects are ambitious on paper but products are not always like that
- Sometimes lack of sustainability
- Creatives are often not used to programme administration as usually culture grants work differently
- Changing landscape in the support for social entrepreneurship
- Too little diversity of social business models
- Missing adaptation to social challenges

Proposal for future actions and topics & expected results of future projects

- Better integration of vulnerable groups (e.g. migrants)
- Better use of cultural resources beyond their mere economic value
- Better governance and coordination
- Enhance European values and central European identity
- Integrated approaches to the preservation and protection of cultural heritage
- Innovations in social service design and delivery
- Exchange of knowledge on the development and implementation of integrated territorial strategies
- Improved governance for transnational functional urban areas
- Get good local results independent of the countries' governance structures
- Participatory approaches for decision making processes at the level of functional urban areas
- Sustainability of outputs and results

Transnational niche and suggested types of actions

The multidimensionality of the central European challenges favours the support of more polycentric, integrated development approaches. They combine horizontal, inter-sectoral integration, with vertical integration, which relates various spatial and governance levels. Both aspects are essential to bringing Europe closer to its citizens. On the one hand, there is the need of using flexible functional geographies that adapt the geographical level of analysis and implementation of policy to the challenges to be addressed¹⁷. On the other hand, spatially relevant and vertically integrated projects are particularly suited to increase the visibility and acceptance of policy efforts.

In other words, the regional level is considered to be appropriate for place-based policies that take into account functional territories aspects, stakeholder participation as well as inter-sectoral approaches. Importantly, this regional level does not necessarily correspond to the administrative, sectoral division of governance as it potentially includes different policy areas as well as different types or levels of regions.

¹⁷ EC, 2017

Correspondingly, the regional level consists of the public authorities, public and private associations as well as informal institutions whose legitimacy is ensured by their members (e.g. municipalities, interest groups, NGOs). This level can act flexibly and task-oriented, but also needs professional management structures that have to be provided through top-down or bottom-up approaches. To implement these policies, it is likely necessary to further strengthen the spatial planning regimes in central European countries. The Interreg CENTRAL EUROPE Programme can play an important role to provide such structures.

Actions suggested for SO5.1 and SO5.2 are:

- Developing integrated place-based policies which take into account functional territories aspects, stakeholder participation as well as inter-sectoral strategies.
- Supporting Community-led Local Development (CLLD) and Integrated Territorial Investment (ITI) schemes.
- Making use of cultural heritage to connect people within regions, countries and across borders.
- Address particular issues like the brain drain in central European rural areas or the effects of demographic change in both urban and rural areas.
- Enabling knowledge transfers through mutual learning to foster strategies regarding preservation, enhancement and promotion of cultural heritage.
- Strengthening the cooperation between public and private stakeholders to build mutual trust, trust in the EU and visibility of EU policies.
- Integrating cultural heritage in smart specialisation strategies to create economic opportunities in tourism (important for rural areas) and industry (e.g. through design and innovative products, see PO1).

Finally, an important feature of both SOs is their thematic flexibility w.r.t to the chosen topics. Potentially, this allows covering important central Europe challenges to be addressed even if they are not recommended or not in the selected POs or SOs, e.g. PO4 'A more social Europe" related objectives. Notably, each topic chosen in these SOs is required to focus on integrated territorial development approaches for specific functional areas.

Interreg Specific Objective 1 'A better cooperation governance'
Territorial challenges
<p>The Interreg SO1 has a special status in the recommendations as presently it is not clear whether or to what extent it will have to be included in the 2021+ Interreg CENTRAL EUROPE Programme. Additionally, there is also the issue that many of the governance related challenges are considered to be of horizontal nature, i.e. they are best tackled in the whole programme and each project rather than by stand-alone Interreg SO1 specific projects.</p> <p>Amongst the challenges that have been identified by the analysis as well as the stakeholder interviews are:</p> <ul style="list-style-type: none"> • A partly low institutional and stakeholder capacity in central Europe to participate in and benefit from territorial programmes and strategies. • Overlaps of transnational programmes with other Interreg programmes that may cause a) uneven access to funding, b) competition between programmes, c) the creation of “application specialists” shopping around various programmes with one project idea, and d) the duplication of results, i.e. two different projects delivering virtually the same output. • High complexity of coordination and cooperation with other territorial programmes, other EU instruments and the EU macro-regional strategies. • A rise in nationalism accompanied by a loss of trust in European and national institutions suggests that European democracy is more fragile than one may assume. • A perceived low visibility and low leverage effects of Interreg CENTRAL EUROPE projects. • The need to identify areas of common interest between countries or regions, to create a critical mass to implement policies that no country would do on its own. This would also help to include new important groups of stakeholders. • A greater inclusiveness of the programme, i.e. a) attracting new groups of stakeholders (e.g. mayors from medium sized towns, schools), b) reducing the administrative and financial burdens (e.g. to make participation easier for SMEs) • A reduction of the size of projects, i.e. a lower number of participants, which facilitates partner search, project organisation and communication. Also smaller projects are more flexible and could address certain local needs better than large projects. • A focus of the projects on creating permanent cooperation patterns being active after the projects' lifetimes. • A clear strategy for the ownership of project outputs beyond the projects' lifetimes.
Lessons learnt from the current and previous Interreg CENTRAL EUROPE programmes
Governance topics were dealt as horizontal approaches in the current and previous programme.
Transnational niche and suggested types of actions
<p>The Interreg CENTRAL EUROPE Programme can apply its full set of tools to improve cooperation governance. Thereby the programme's actions for most part can be implemented via horizontal measures without an Interreg SO1. For some of the actions a more vertical approach might be more appropriate, which either could be done in a dedicated Interreg SO1 or be integrated in other SOs, especially SO5.1. and SO5.2</p> <p>These actions include:</p> <ul style="list-style-type: none"> • Supporting training activities to teach fundamental skills in project related work (e.g. application, management and communication) in order to lower the entry barriers to project applications. • Supporting information activities – including workshops and conferences, to inform about funding options. • Creating networks that a) bring together parties interested in participating in transnational cooperation and b) allow pooling their resources. • Creating platforms or other tools to facilitate project organisation, project management, the finding of project partners etc. • Support the cooperation across the four EU macro-regional strategies that are all operating in central Europe. This could include for example the transfer and roll-out of results from one

strategy to the others or the development of project chains across the four strategies, i.e. projects in one strategy area building on work of projects from other areas.

- Exchanging knowledge to allow learning from similar experiences, e.g. how to successfully participate in transnational cooperation in the case of smaller towns, villages or territories.
- Conducting pilot actions, e.g. mentoring schemes where experienced stakeholders co-operate with less experienced stakeholders in the various stages of a project's lifecycle.
- Keeping up existing up-scaling and roll-out activities.
- Strengthening administrative and institutional capacities of local and regional government via improving the delivery of public services and the outreach to citizens.
- Strengthening administrative and institutional capacities by fostering citizen-oriented governance and participatory decision making.
- Inclusion of marginalised groups and communities, inter alia via developing e-government tools to allow citizens contributing to local and regional strategies and providing suggestions for improving policies.
- Supporting the development of digital ICT solutions to make participation in decision making processes easier for young people.
- Creating opportunities for elderly citizens to actively engage in local communities, e.g. by supporting voluntary work.
- Improving the coordination and cooperation between the various programmes active in central Europe by:
 - Internal staff rotation between programmes;
 - Regular contacts and exchanges among programme authorities;
 - Inter-programme competence trainings and meetings on complementary topics;
 - Thematic networks for a) programmes addressing similar themes/priorities and b) projects exchanging on state of play, visions, sharing achievements;
 - Coordinated calls for and assessment of project proposals;
 - Developing 'project chains': piloting a case where the initial stage of a project would be done by Interreg, then further implemented and expanded by other ESIF programme(s) ;
 - Establishing working groups with other programmes; e.g. for defining and clarifying each programme's role, exchanging on implementation and achievements, linking projects and building 'project chains'.

