

Outlook on projects addressing **economic development** in ENI CBC programmes

December 2023



Interreg
TESIM NEXT



Funded by
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Introduction

This publication discloses the contribution to the economic growth of territories as addressed by the projects financed by the fifteen cross-border cooperation programmes under the 2014-2020 European Neighbourhood Instrument (ENI CBC)*. It builds on the general thematic outlook of ENI CBC projects and programmes previously issued by TESIM, with the aim of providing more insights on the economic drive of the cross-border actions along the external borders of the European Union. Using little text and lots of graphs, each of the following pages answers a specific question, contributing to a detailed analysis of 302 economic development projects, which represent 33% of the total 915 ENI CBC financed interventions **.

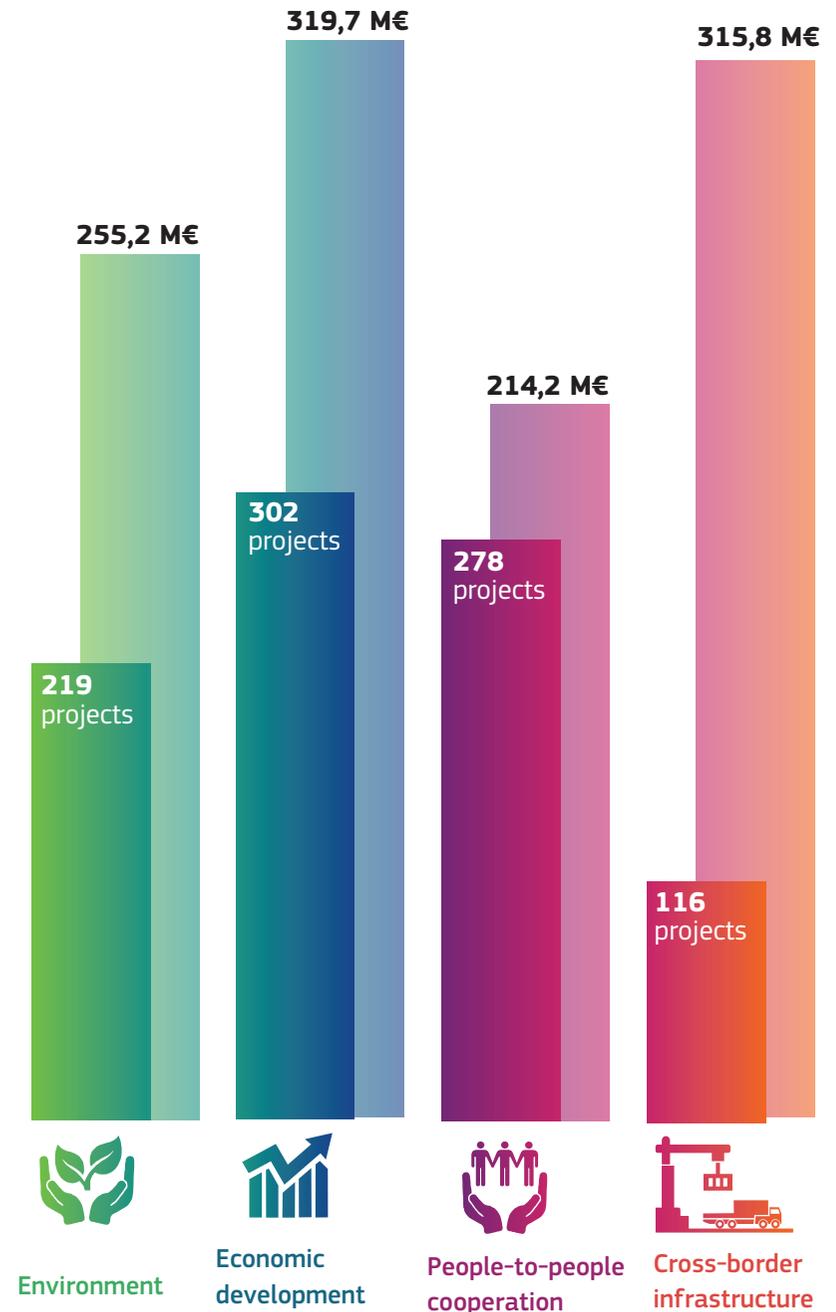
After screening all programmes and analysing how the economic growth was addressed by the projects, our experts identified four thematic sub-clusters: entrepreneurship, business, skills and open innovation. This classification shows the different dimensions of the economic development and, at the same time, it bridges the commitment of territories towards the current 2021-2027 Interreg NEXT programming period, where the aim of creating a smarter Europe and its neighbourhood represents one of the pillars for the cohesion policy. It is with the purpose of paving the way to the future by taking inspiration from the experience that this publication has been issued.

We hope that this new contribution to the understanding of cross-border and transnational cooperation between the EU and its neighbourhood territories proves to be both interesting and useful.

The TESIM team

* Within this document, the term “cross-border” applies to all types of programmes: land borders, sea-crossings and sea basins. This publication considers the fifteen 2014-2020 ENI CBC programmes, including the eight programmes directly concerned by the suspension of the financing agreements with Russia and Belarus following the Russian aggression on Ukraine of February 2022. Despite this suspension, the beneficiaries from the Member States and Norway continued implementing their parts of the projects.

** The 915 projects analysed in this publication are part of the same cohort of projects considered by our previous thematic outlooks. After the suspension of the financing agreements with Russia and Belarus referred to in the note above, 65 more projects have been financed. More than 90% of them are funded under the Estonia-Russia, Latvia-Russia and Poland-Belarus-Ukraine Programmes and they differ, by nature and circumstances, to the others. Therefore, they are not included in this study.



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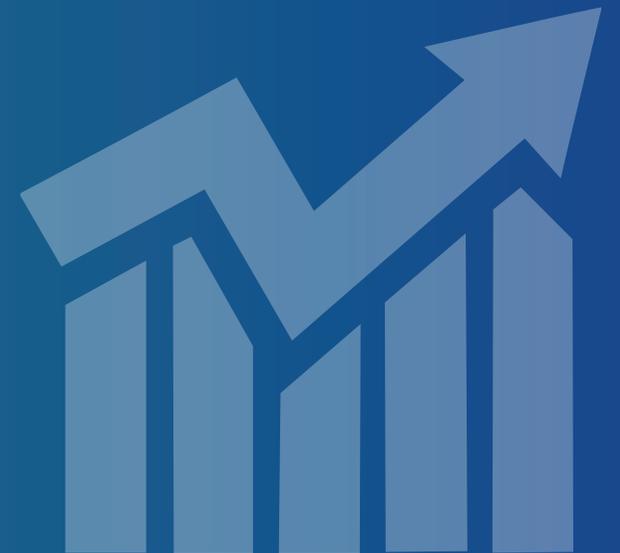
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Economic development projects at a glance





Programmes

Which programme is operating in each geographical area?

Projects are distributed within fifteen ENI CBC programmes

Northern and Baltic programmes*

1. **Kolarctic**
www.kolarctic.info
2. **Karelia**
www.kareliacbc.fi
3. **South-East Finland -Russia**
www.sefrcbc.fi
- Baltic**
4. **Estonia-Russia**
www.estoniarussia.eu
5. **Latvia-Russia**
www.latruscbc.eu
6. **Latvia-Lithuania -Belarus**
www.eni-cbc.eu/llb
7. **Lithuania-Russia**
www.eni-cbc.eu/lr
8. **Poland-Russia**
www.plru.eu

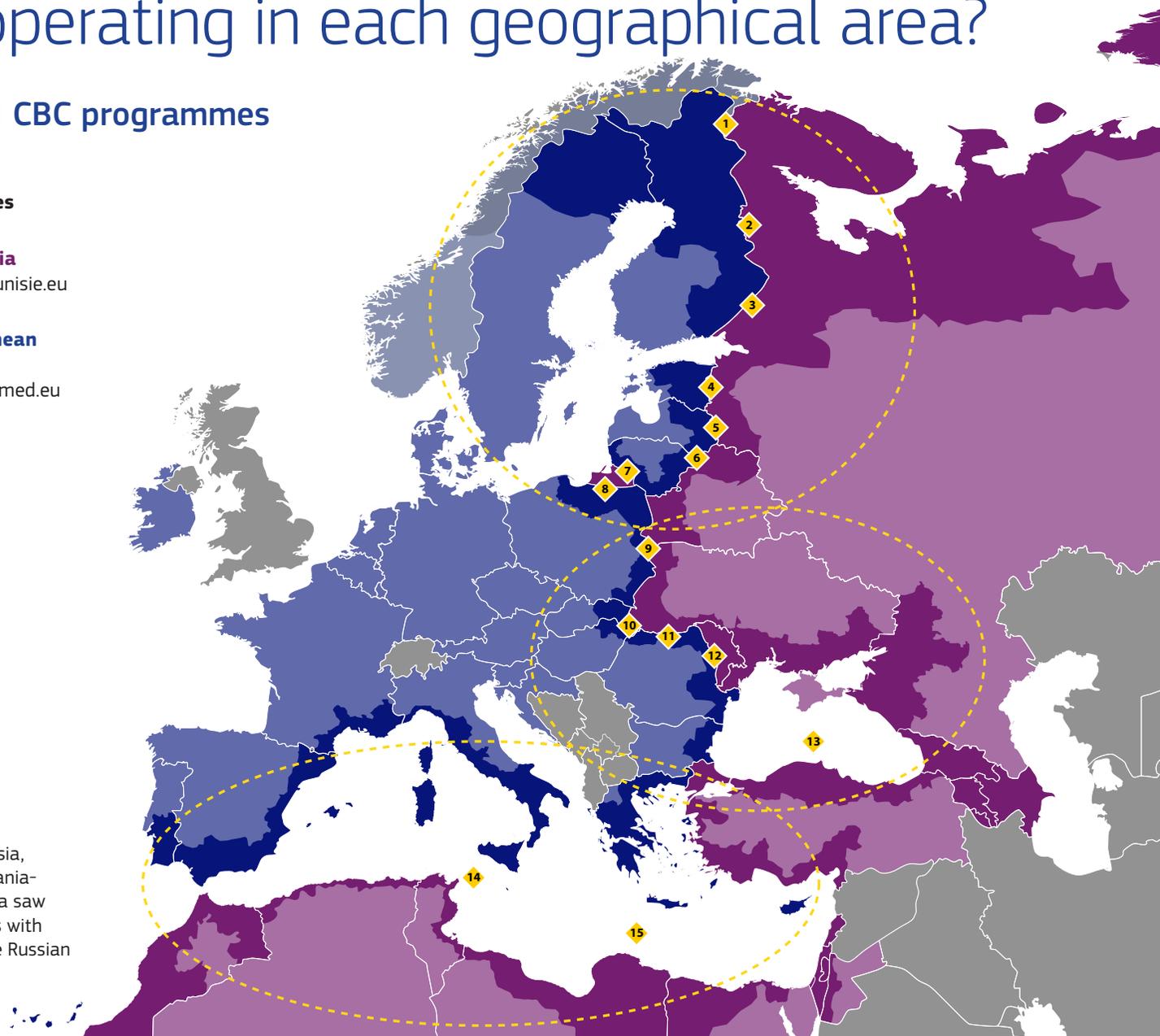
Central and Eastern European programmes

9. **Poland-Belarus-Ukraine**
www.pbu2020.eu
10. **Hungary-Slovakia-Romania -Ukraine**
www.huskroua-cbc.eu
11. **Romania-Ukraine**
www.ro-ua.net
12. **Romania-Republic of Moldova**
www.ro-md.net
13. **Black Sea Basin**
www.blacksea-cbc.net

Southern programmes

14. **Italy-Tunisia**
www.italietunisie.eu
15. **Mediterranean Sea Basin**
www.enicbcmmed.eu

* Kolarctic, Karelia, South-East Finland-Russia, Estonia-Russia, Latvia-Russia, Latvia-Lithuania-Belarus, Lithuania-Russia and Poland-Russia saw the suspension of the financing agreements with Russia and Belarus as a consequence of the Russian aggression on Ukraine of February 2022.





Programmes

How are the economic development projects distributed across programmes?



Environment



Economic development



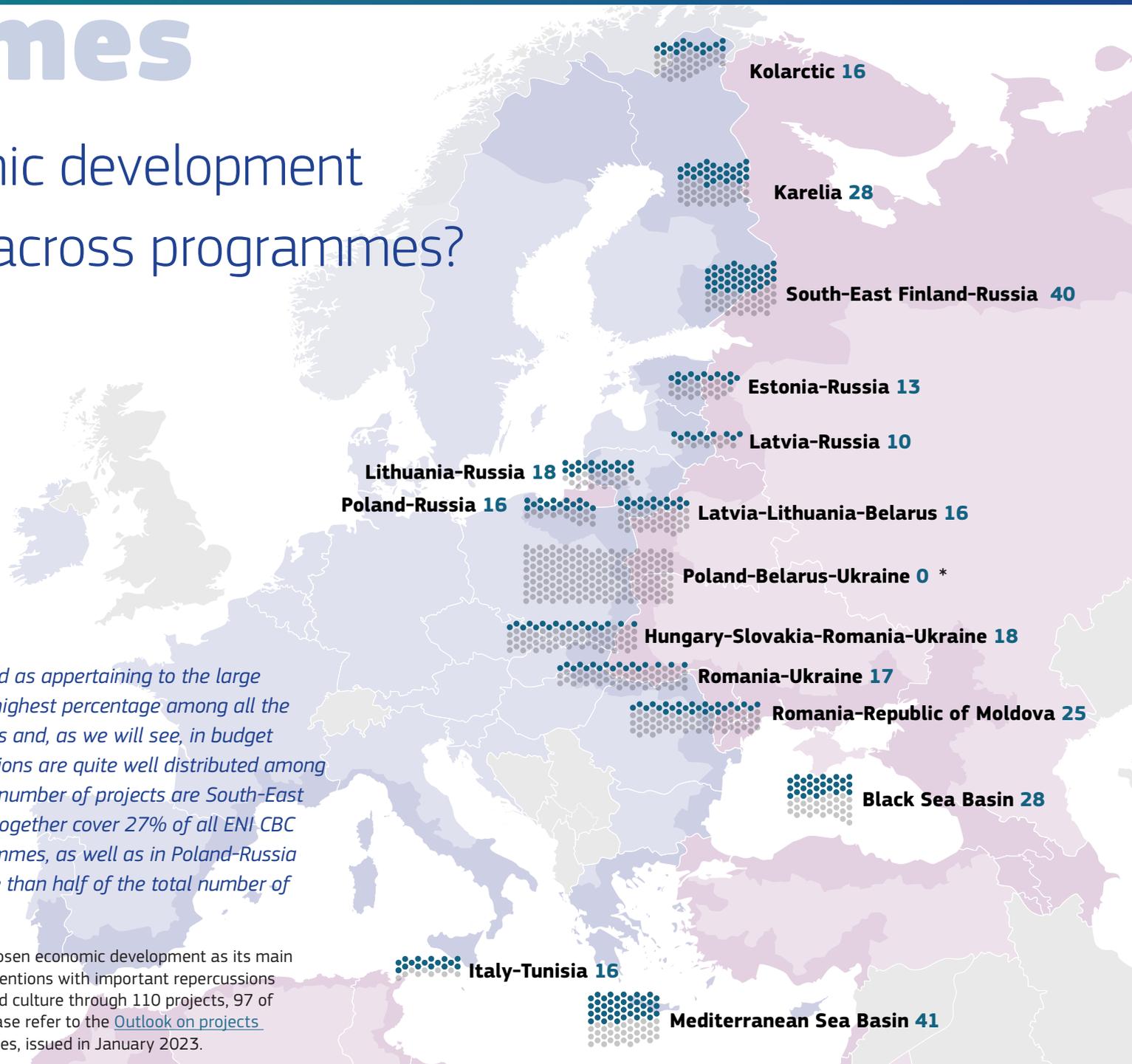
People-to-people cooperation



Cross-border infrastructure

Overall, one third of ENI CBC projects can be classified as pertaining to the large economic development sector, which represents the highest percentage among all the thematic clusters, both in terms of number of projects and, as we will see, in budget terms. Although the economic development interventions are quite well distributed among programmes, the ones contributing most in terms of number of projects are South-East Finland-Russia and Mediterranean Sea Basin, which together cover 27% of all ENI CBC economic development projects. In these two programmes, as well as in Poland-Russia and Italy-Tunisia, projects in this field represent more than half of the total number of operations which they have funded.

* Although the Poland-Belarus-Ukraine Programme has not chosen economic development as its main topic, the programme has nevertheless carried out many interventions with important repercussions in the economic sector. First of all, the promotion of tourism and culture through 110 projects, 97 of which are micro-projects. For an analysis of these projects, please refer to the [Outlook on projects addressing People-to-People cooperation in ENI CBC programmes](#), issued in January 2023.

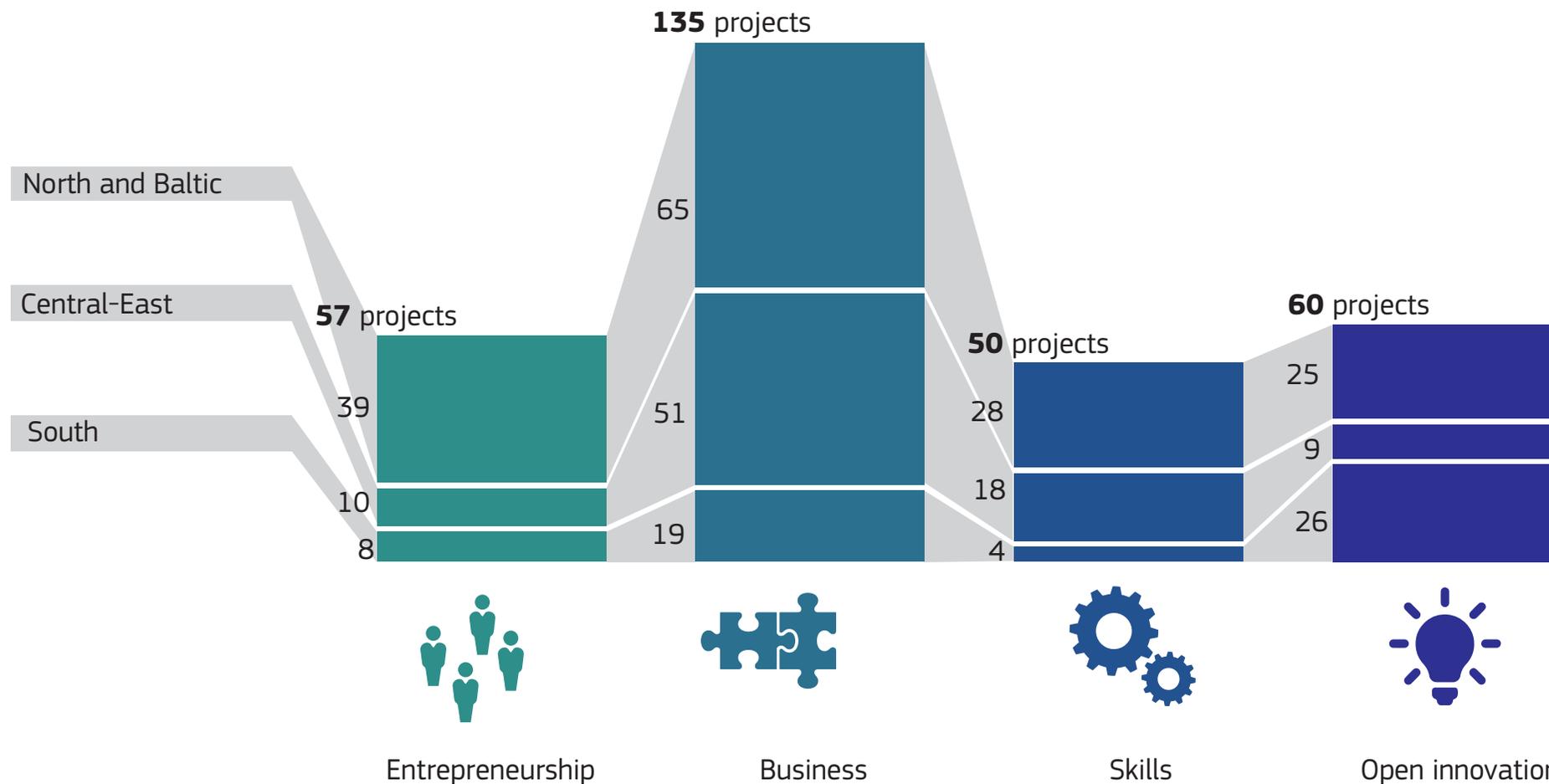




Projects

How are the projects distributed through the economic development sub-clusters?

Almost half of the economic development projects (45%) address issues related to business development, 86% of which are implemented in the Northern (48%) and Eastern (38%) ENI CBC territories. The other three thematic sub-clusters absorb similar percentages, with less than 20% of projects each.

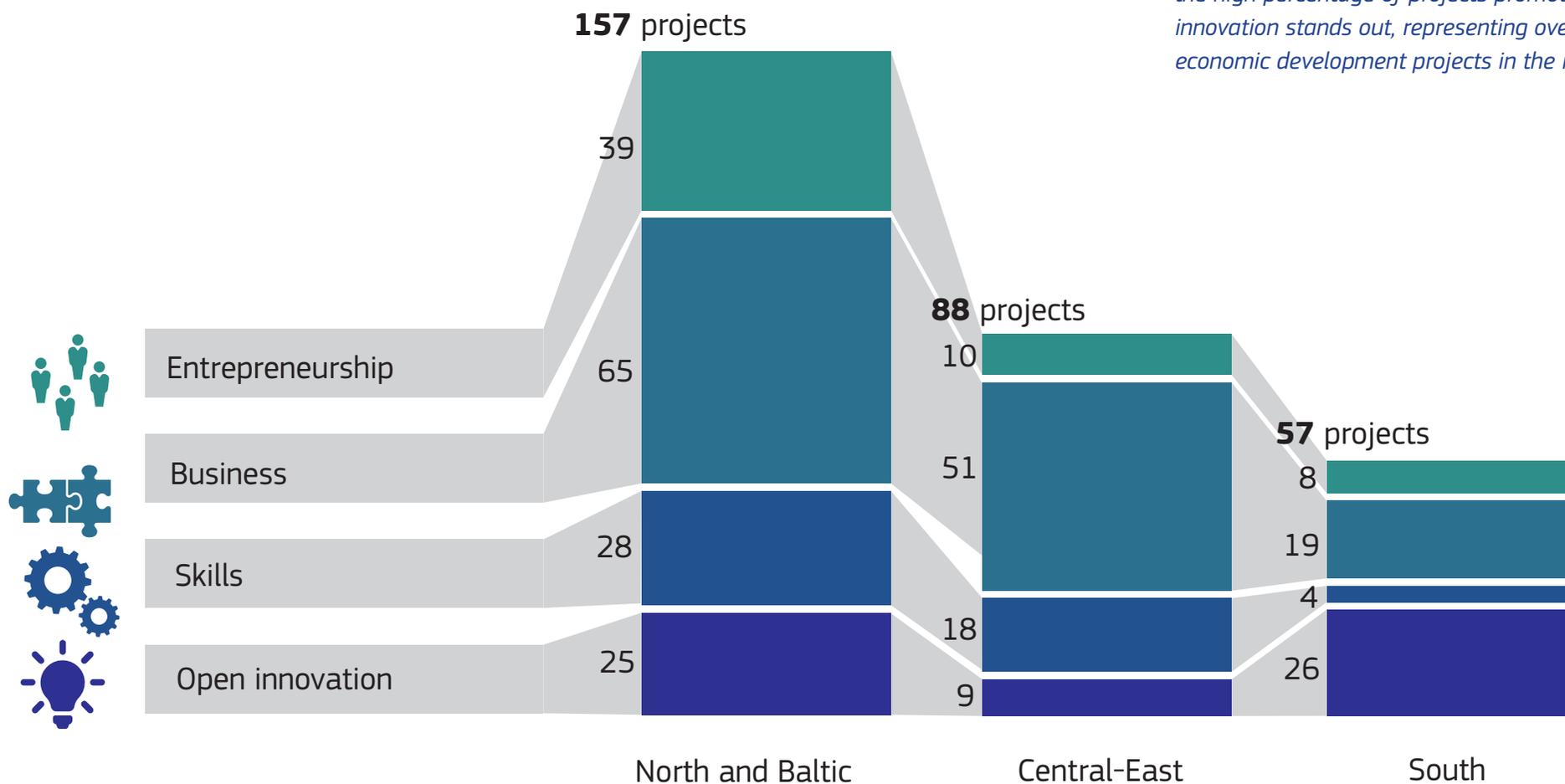




Projects

How are the economic development projects distributed across geographical areas?

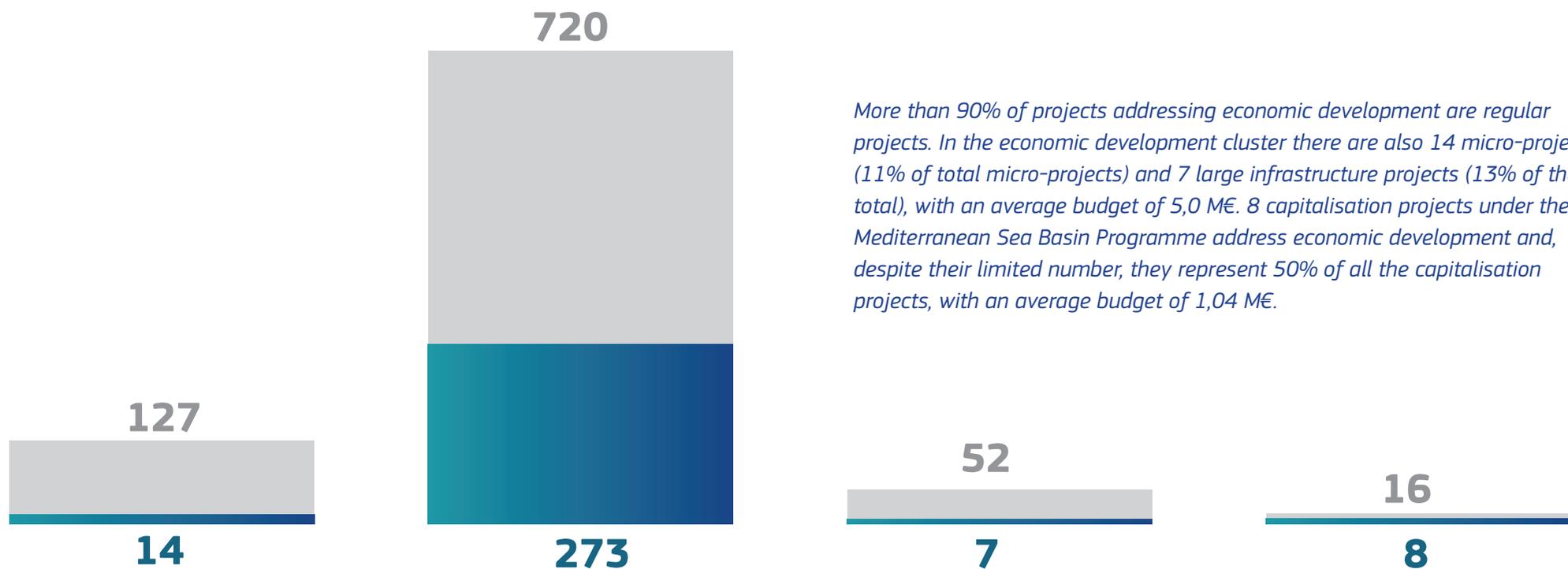
The Northern territories aggregate over half of the projects promoting economic development (52%). Among these, over 66% deals with topics related to business or entrepreneurship development. While the Eastern territories express a greater concentration of projects dedicated to the development of skills - over 20% among economic development projects in this area - in the South the high percentage of projects promoting open innovation stands out, representing over 45% of all economic development projects in the region.





Projects

Which types of projects are used to address economic development cooperation?



More than 90% of projects addressing economic development are regular projects. In the economic development cluster there are also 14 micro-projects (11% of total micro-projects) and 7 large infrastructure projects (13% of the total), with an average budget of 5,0 M€. 8 capitalisation projects under the Mediterranean Sea Basin Programme address economic development and, despite their limited number, they represent 50% of all the capitalisation projects, with an average budget of 1,04 M€.

Micro-projects are small-scale projects which provide a short-term response (typically one year) requiring a smaller budget (under 80.000€ – thresholds may differ). They are selected through dedicated calls with simplified procedures for selection, management and implementation, including simplified cost options (lump sums).

14 economic development projects (11% of total micro-projects). Average budget for economic development projects = **59.000€**

Regular projects are the majority of ENI CBC's interventions, with a wide budget from 50.000€ to over 4M€, but which normally ranges from 0,5 to 2,5M€. Under this category, programmes include "standard projects", "strategic projects", "soft projects" and "hard projects".

273 economic development projects (38% of all regular projects). Average budget for economic development projects = **1,0M€**

Large infrastructure projects (LIP), which are often selected using a direct award procedure, have been foreseen in eleven of the fifteen ENI CBC programmes. They include hard construction and plant work and are normally large-scale projects from 2 to over 12M€.

7 economic development projects (13% of all LIPs). Average budget for economic development projects = **5,0M€**

Capitalisation projects are those projects gathering and building upon results of previous programmes / projects. They are normally promoted through specific calls for proposals.

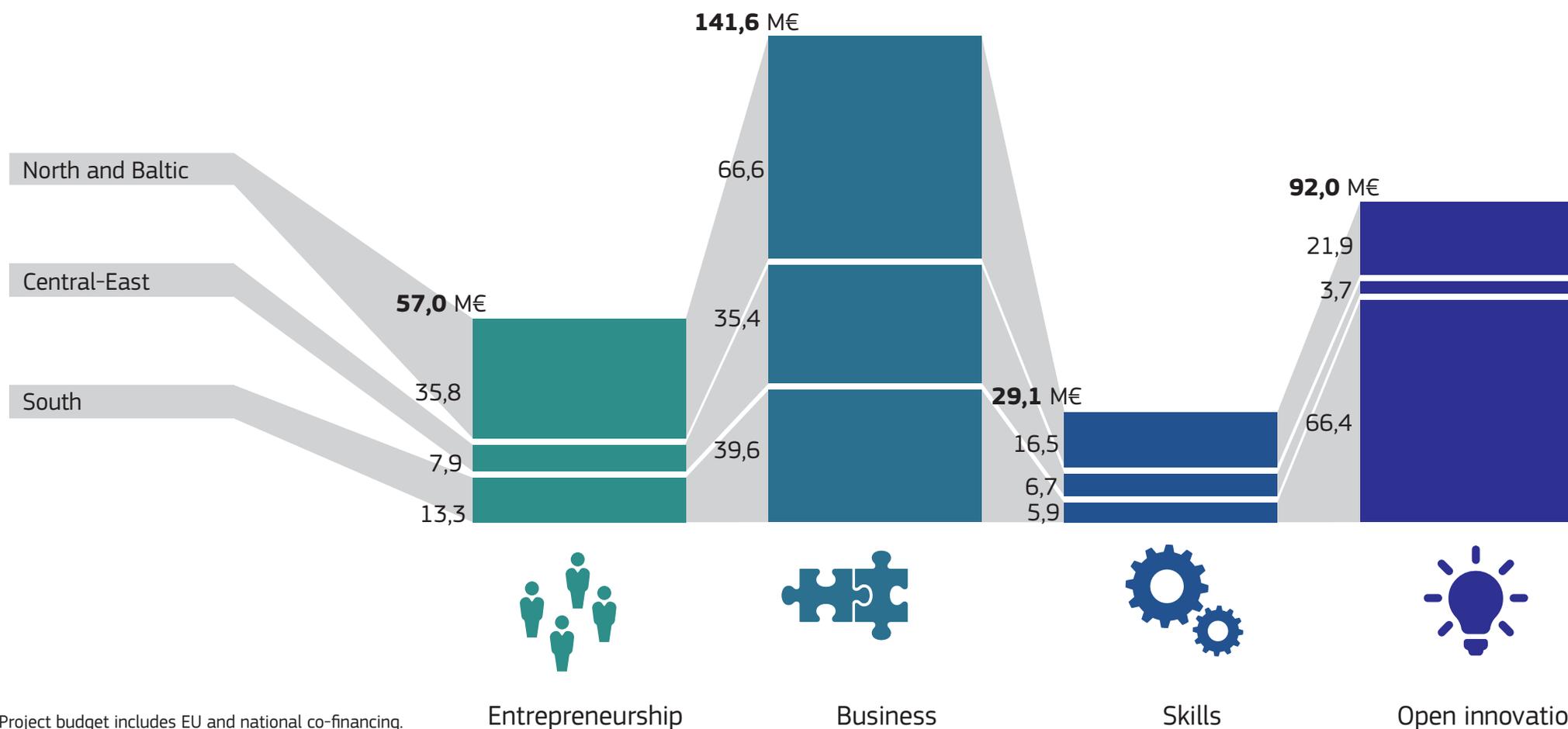
8 economic development projects (50% of all capitalisation projects). Average budget for economic development projects = **1,04M€**



Budget

How is the budget distributed through the economic development sub-clusters?

Open innovation involves the projects with the highest average budget (1,53 M€), while the sub-cluster promoting business development has the higher budget, but projects therein show an average budget of 1,05 M€. Projects promoting entrepreneurship have an average budget of 1,00 M€, while the sub-cluster on skills has the smallest share of budget and projects with the lowest average, equal to 582.000 €.

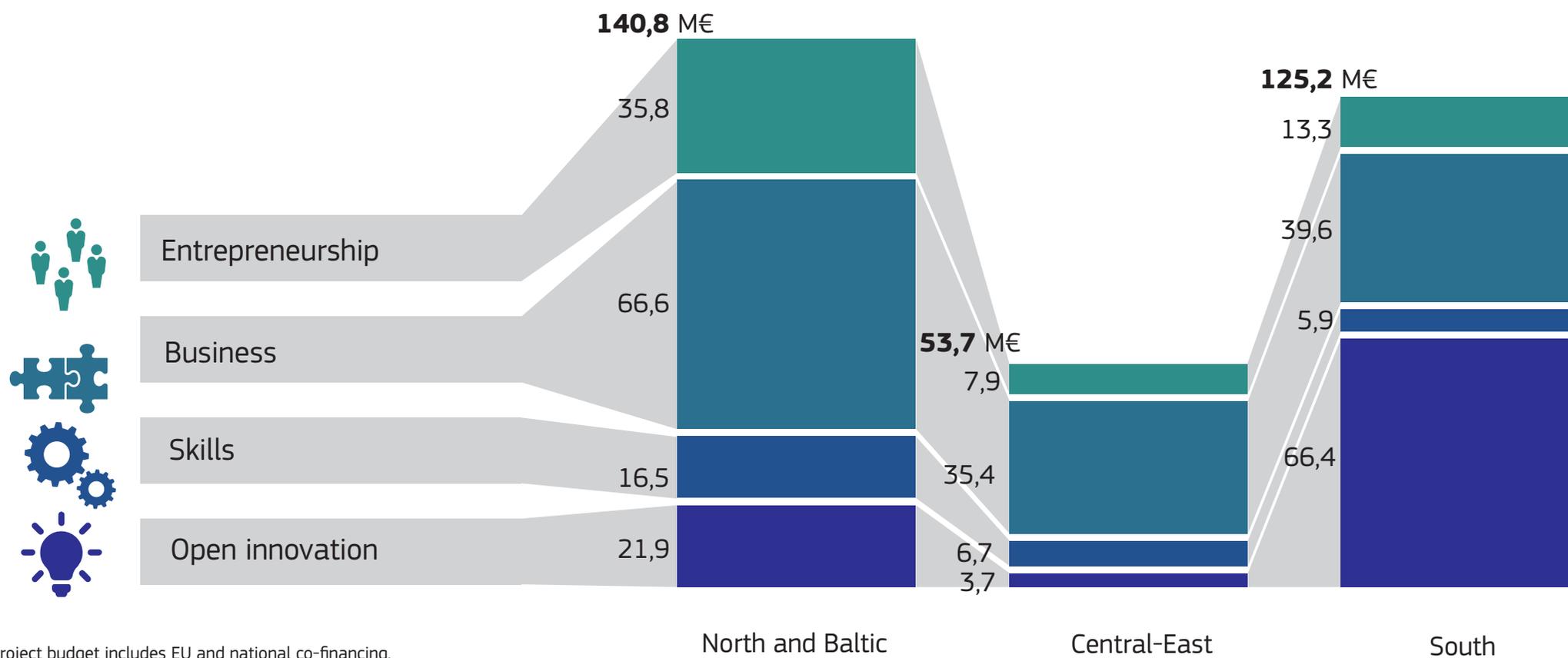




Budget

How is the budget of economic development projects distributed across geographical areas?

The Northern territories absorb 44% of the entire budget of economic development projects, followed by the South (39%) and the East (17%). It is clearly the South though that funds projects with a larger budget, which show an average of 2,2 M€ per project, especially dedicated to interventions addressing open innovation.





Budget

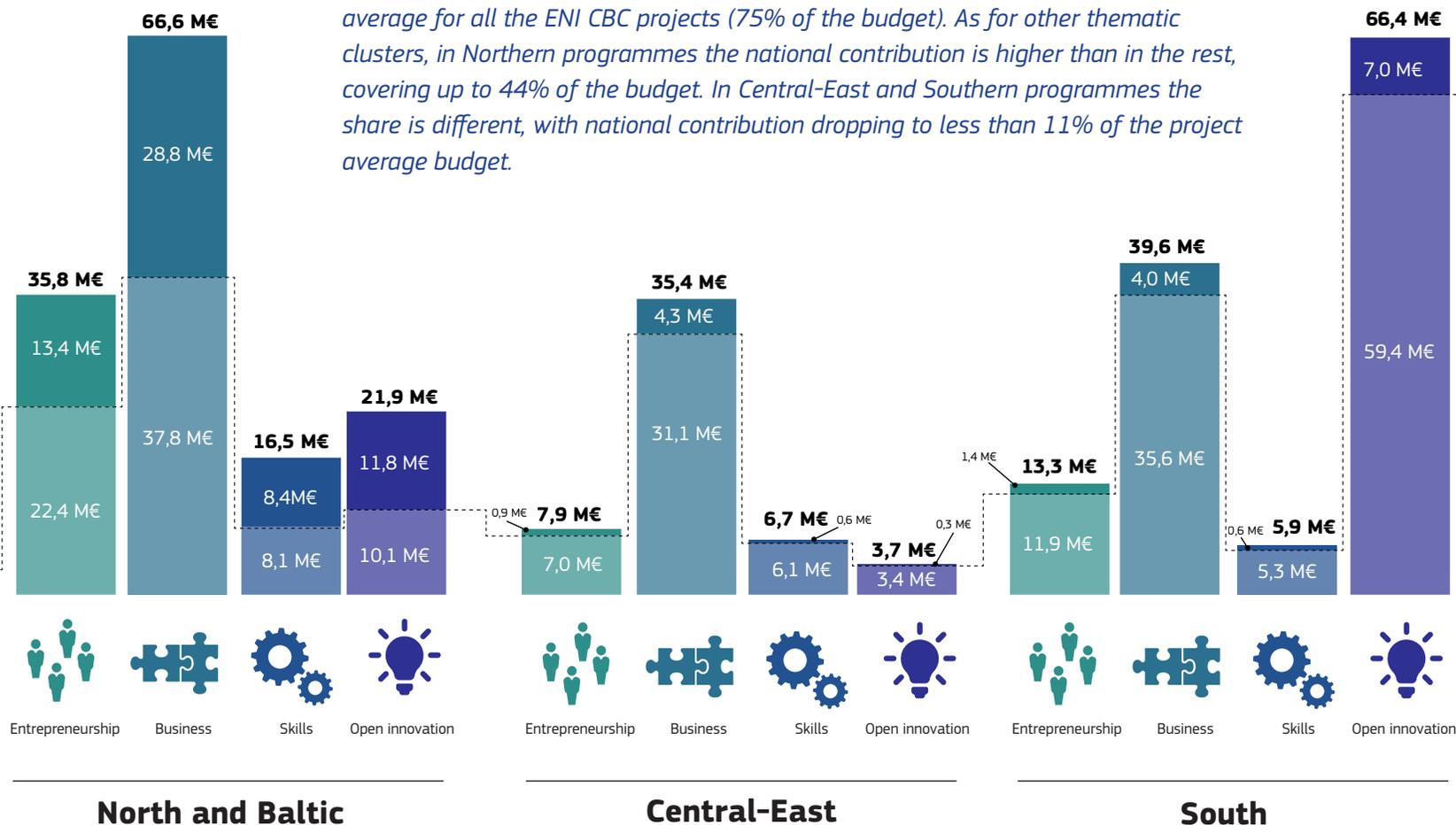
How are funds allocated and distributed among economic development projects?

The percentage of EU funds in the economic development projects is close to the average for all the ENI CBC projects (75% of the budget). As for other thematic clusters, in Northern programmes the national contribution is higher than in the rest, covering up to 44% of the budget. In Central-East and Southern programmes the share is different, with national contribution dropping to less than 11% of the project average budget.

National contribution
Co-financing provided by:

- National contribution at programme level
- Beneficiary co-financing at project level
- Contributions to beneficiaries from the State budget
- Contributions to beneficiaries from other donors/institutions.

EU contribution
Grants provided by the EU, which include ENI, ERDF and IPA funds.



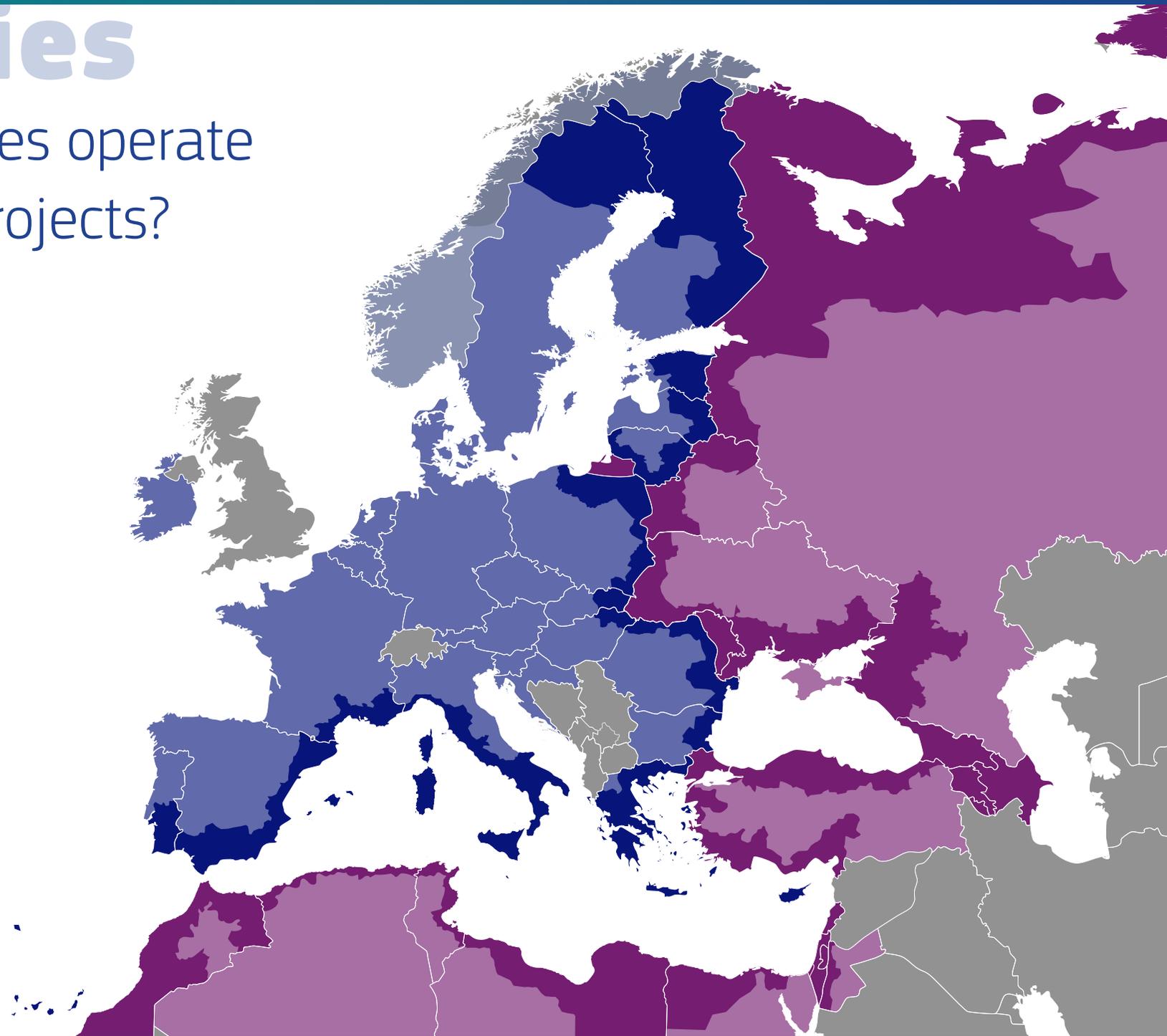


Territories

In which territories operate more ENI CBC projects?

The following maps use the NUTS classification (Nomenclature of territorial units for statistics), a hierarchical system for dividing up the territory of the EU. The data analyses therein take into consideration the NUTS 2 scale, corresponding to basic European regions, or equivalent, for the application of regional policies.

Take a moment to browse the maps on the following pages zooming in on the different regions, to find out where cross-border cooperation takes place.



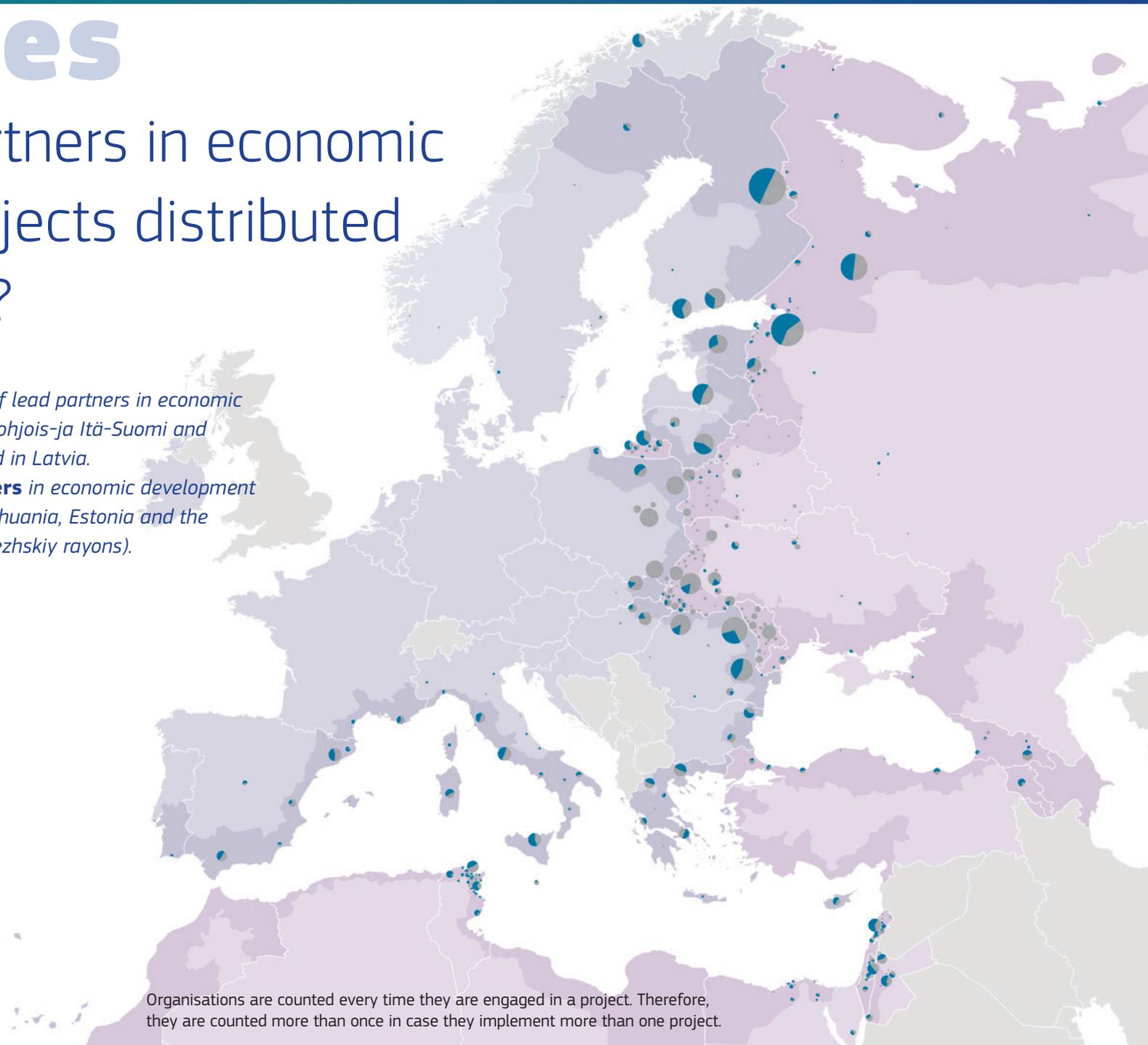
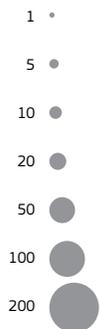


Territories

How are lead partners in economic development projects distributed across territories?

The territories with the greatest concentration of lead partners in economic development projects are located in Finland – Pohjois-ja Itä-Suomi and Etelä-Suomi – in the North-East of Romania and in Latvia.

*The other territories with **over ten lead partners** in economic development projects are prevalently located in the North: Lithuania, Estonia and the Russian Federation (Saint Petersburg and Prionezhskiy rayons).*



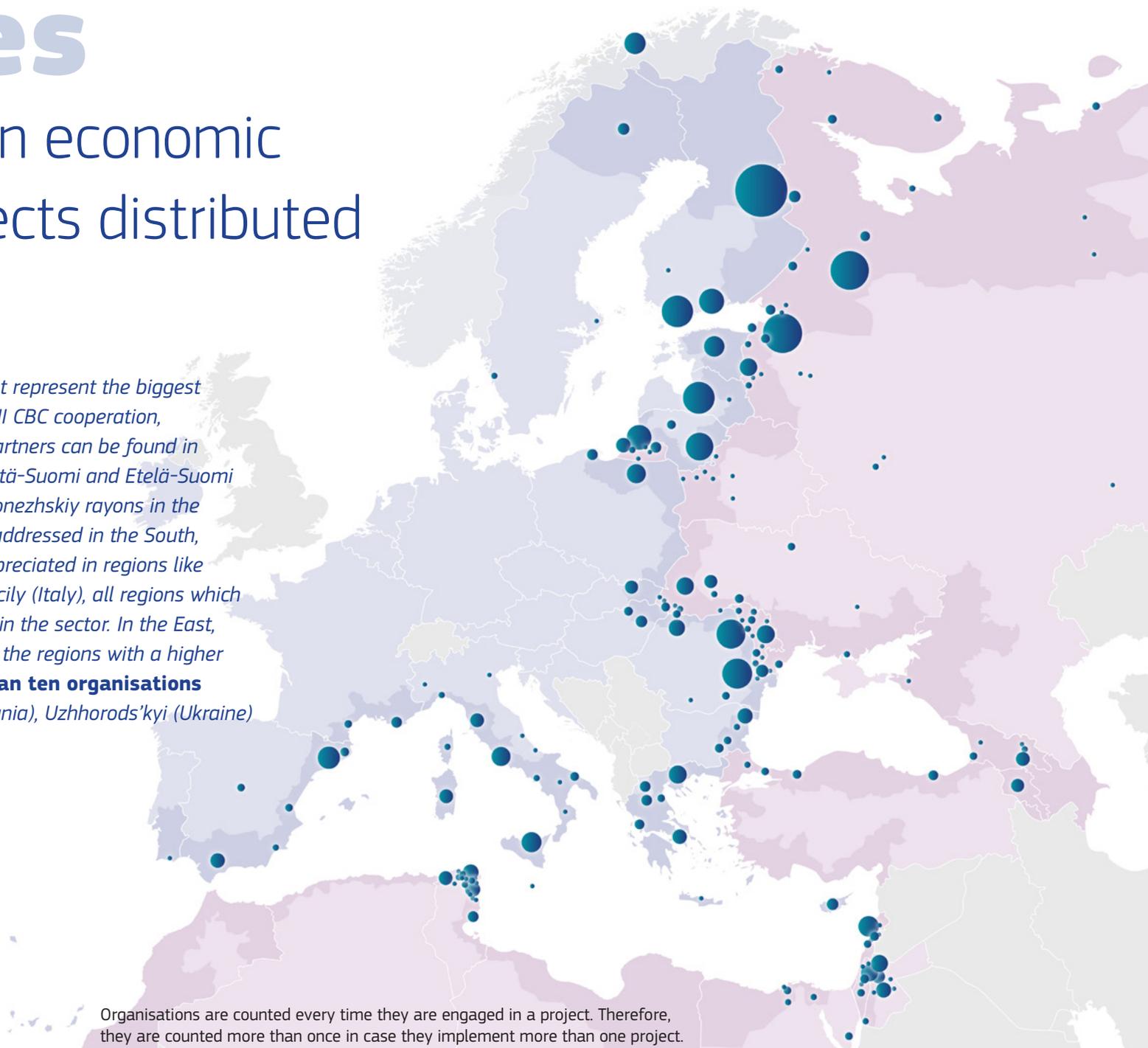
Organisations are counted every time they are engaged in a project. Therefore, they are counted more than once in case they implement more than one project.



Territories

How are partners in economic development projects distributed across territories?

The organisations involved in economic development represent the biggest share of the total number of partners involved in ENI CBC cooperation, approximately 38%. The highest concentration of partners can be found in several Northern regions, particularly in Pohjois- ja Itä-Suomi and Etelä-Suomi in Finland, in Latvia and in Saint Petersburg and Prionezhskiy rayons in the Russian Federation. Economic development is also addressed in the South, where a higher concentration of partners can be appreciated in regions like Cataluña in Spain, around Beirut in Lebanon or in Sicily (Italy), all regions which count **more than twenty organisations** involved in the sector. In the East, Romania, Ukraine and the Republic of Moldova host the regions with a higher concentration of partners, and we can find **more than ten organisations** working in this field respectively in Nord-Vest (Romania), Uzhhorods'kyi (Ukraine) and Chişinău (Republic of Moldova).



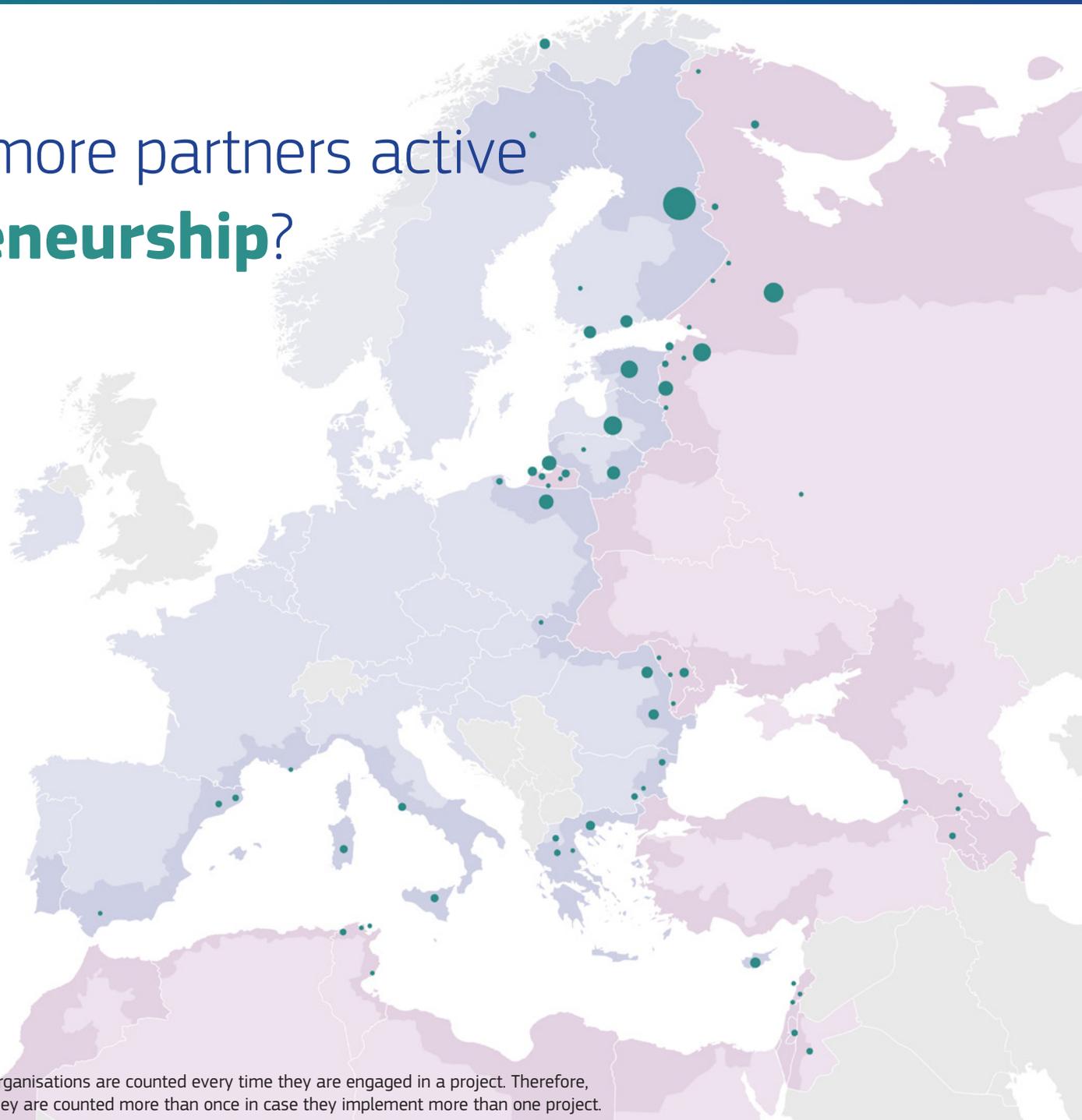
Organisations are counted every time they are engaged in a project. Therefore, they are counted more than once in case they implement more than one project.



Territories

Which territories have more partners active in promoting **entrepreneurship**?

The projects promoting entrepreneurship aggregate 21% of the partners involved in the economic development cluster. Regions with **more than ten partners** engaged in projects promoting entrepreneurship are Pohjois- ja Itä-Suomi (Finland), Saint Petersburg, Prionezhskiy, Pskovskiy and Gur'evskiy rayons (Russian Federation), Latvia, Estonia and Warmińsko-Mazurskie (Poland). Lower yet relevant numbers of partners engaged in entrepreneurship are present in Lithuania and around Helsinki (Finland) in the North, in the North-East of Romania and Chişinău (Republic of Moldova) in the East and in Northern Türkiye and Cyprus in the South.



Organisations are counted every time they are engaged in a project. Therefore, they are counted more than once in case they implement more than one project.

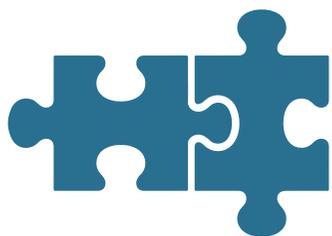


Territories

Which territories have more partners active in promoting **business development**?

The projects promoting business development aggregate 42% of the partners involved in the economic development cluster. Regions with **more than ten partners** engaged in projects promoting entrepreneurship are well distributed throughout Romania – in the South-East, the North-East and Nord-West; the list includes also Lazio (Italy) and Warmińsko-Mazurskie (Poland). Business development is well represented in many other regions, both in the East and in the South, and the ones in which **at least five partners** are involved are the following: Cataluńa (Spain), Ramallah and Al-Bireh (Palestine), Wadi Essier (Jordan), Východné Slovensko (Slovakia), Észak-Alföld (Hungary), Beirut (Lebanon), Chişinău (Republic of Moldova), Tbilisi (Georgia), Sicily (Italy), Central Makedonia (Greece), Armenia, Tysmenyts'kyi (Ukraine) and Cité El Khadra (Tunisia).

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- 5 •
- 10 •
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- 50 •



Organisations are counted every time they are engaged in a project. Therefore, they are counted more than once in case they implement more than one project.

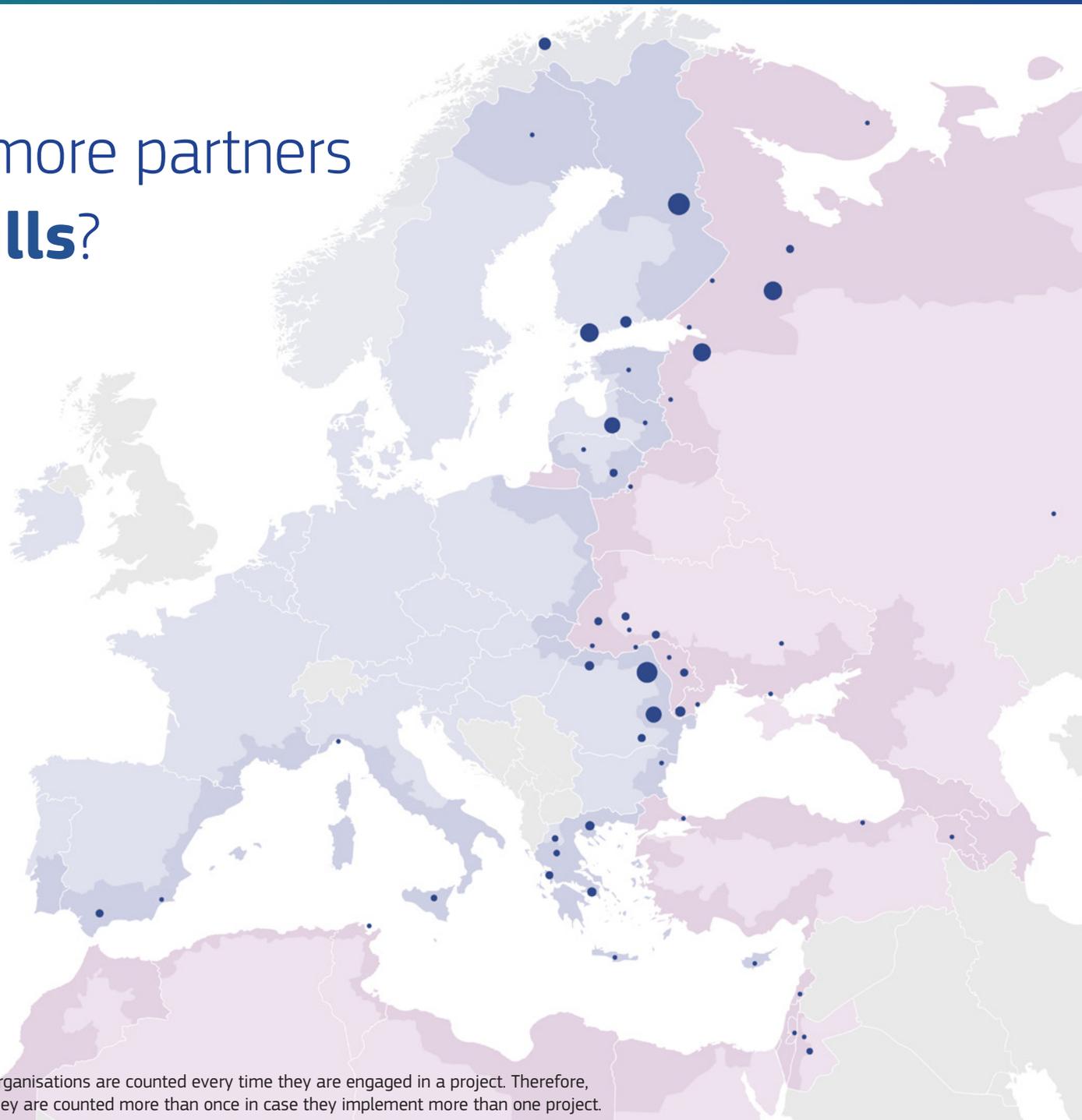
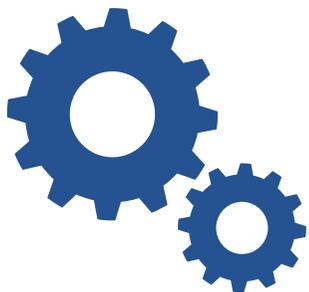


Territories

Which territories have more partners active in promoting **skills**?

The projects promoting skills aggregate 15% of the partners involved in the economic development cluster. The regions with **over ten partners** engaged in projects aimed at promoting skills are the territories of eastern Romania, Finland (Pohjois- ja Itä-Suomi, Etelä-Suomi), Russian Federation (Prionezhskiy and Saint Petersburg rayons) and Latvia. Other territories with **at least three partners** engaged in the promotion of skills are Izmail, Tysmenyts'kyi, Uzhhorods'kyi and Chernivets'ka (Ukraine), Central Makedonia, Attike and West Greece (Greece), the region of Bucharest and the North-West of Romania, Chişinău (Republic of Moldova) and Andalucía (Spain).

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Organisations are counted every time they are engaged in a project. Therefore, they are counted more than once in case they implement more than one project.

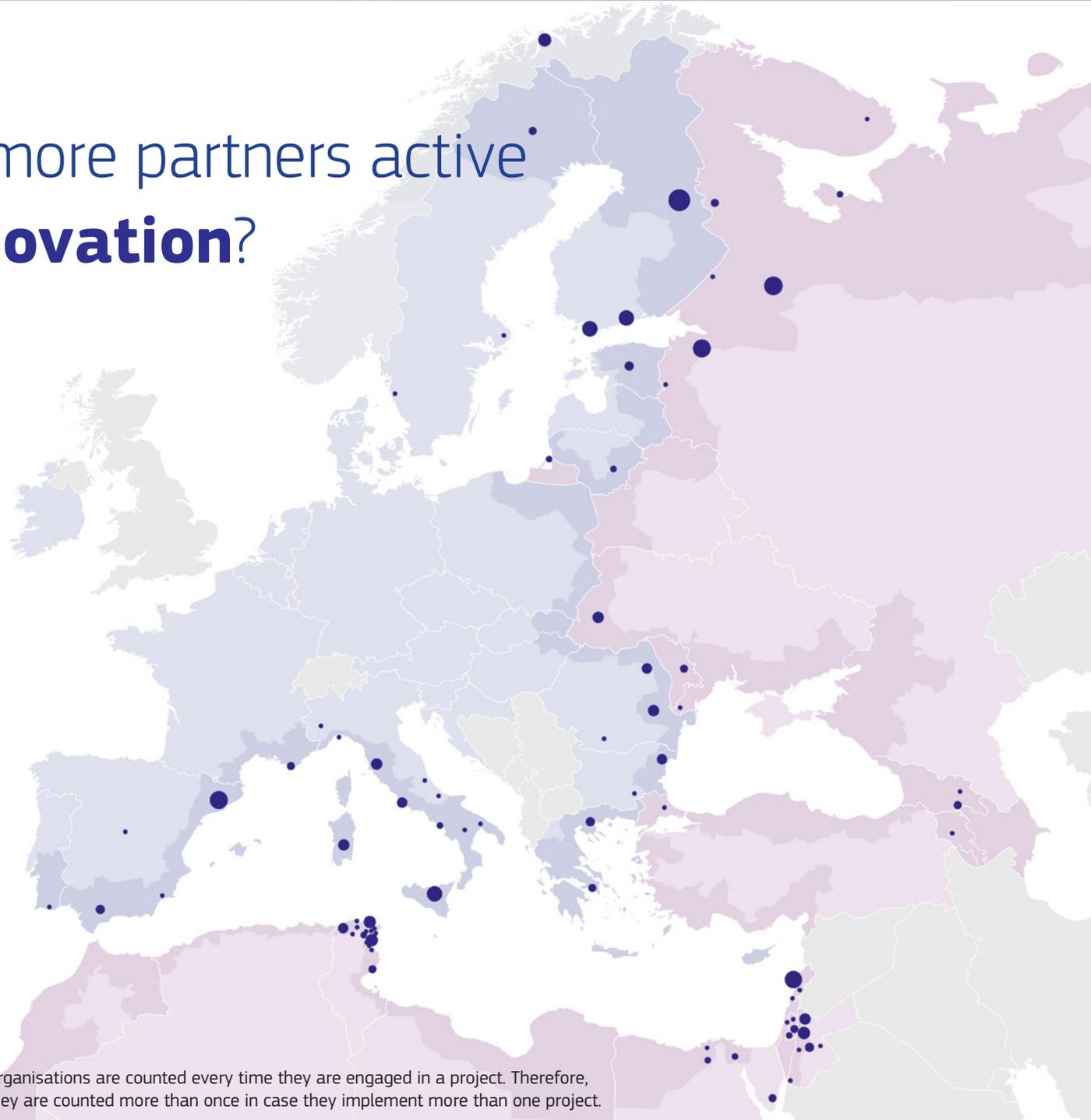
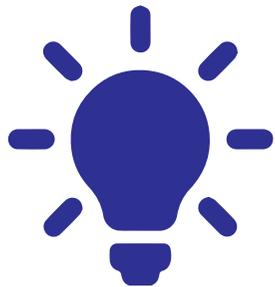


Territories

Which territories have more partners active in promoting **open innovation**?

The projects promoting open innovation aggregate 22% of the partners involved in the economic development cluster. Regions with **at least ten partners** engaged in projects promoting open innovation are again Finnish territories (Pohjois- ja Itä-Suomi, Etelä-Suomi and Helsinki-Uusimaa), together with Prionezhskiy and Saint Petersburg rayons (Russian Federation), Cataluña (Spain), Beirut (Lebanon) and Sicily (Italy). Regions with **at least five partners** engaged in the development of skills are: Nord-Norge (Norway), Bab Bhar, Cité El Khadra and Ar-Raml (Tunisia), Wastiyyeh and Wadi Essier (Jordan), Severoiztochen (Bulgaria), the Eastern regions in Romania, Uzhhorods'kyi (Ukraine) and Sardinia, Tuscany and Lazio (Italy).

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Organisations are counted every time they are engaged in a project. Therefore, they are counted more than once in case they implement more than one project.



Duration

Which is the duration of economic development projects?

The average duration of economic development projects is 27 months, a little higher than the overall average of ENI CBC projects. 28 projects (9,3%) have a duration of over 36 months, while 162 of the projects (54%) have a duration between 24 and 36 months.

48 months

36 months

24 months

12 months

projects 0%

25%

50%

75%

100%

Average duration of an economic development project: 27 months

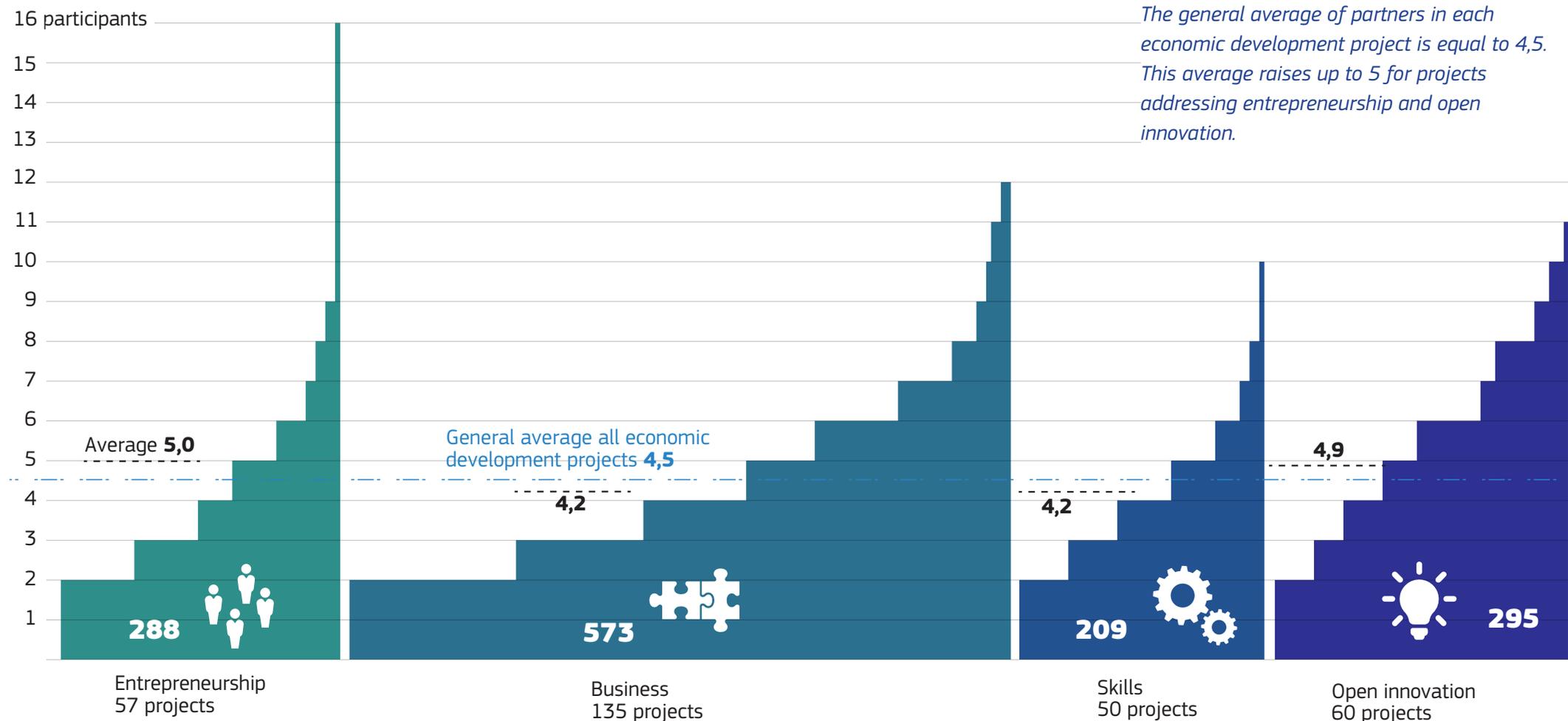


Partners

Which is the number of partners involved in economic development projects?

The total number of partners involved in projects promoting economic development is 1.365, equal to almost 38% of the partners involved in all ENI CBC projects.

This is the highest percentage among all the thematic clusters. Out of the four subclusters, business development is the one with the greatest number of partners involved (42%). The general average of partners in each economic development project is equal to 4,5. This average raises up to 5 for projects addressing entrepreneurship and open innovation.

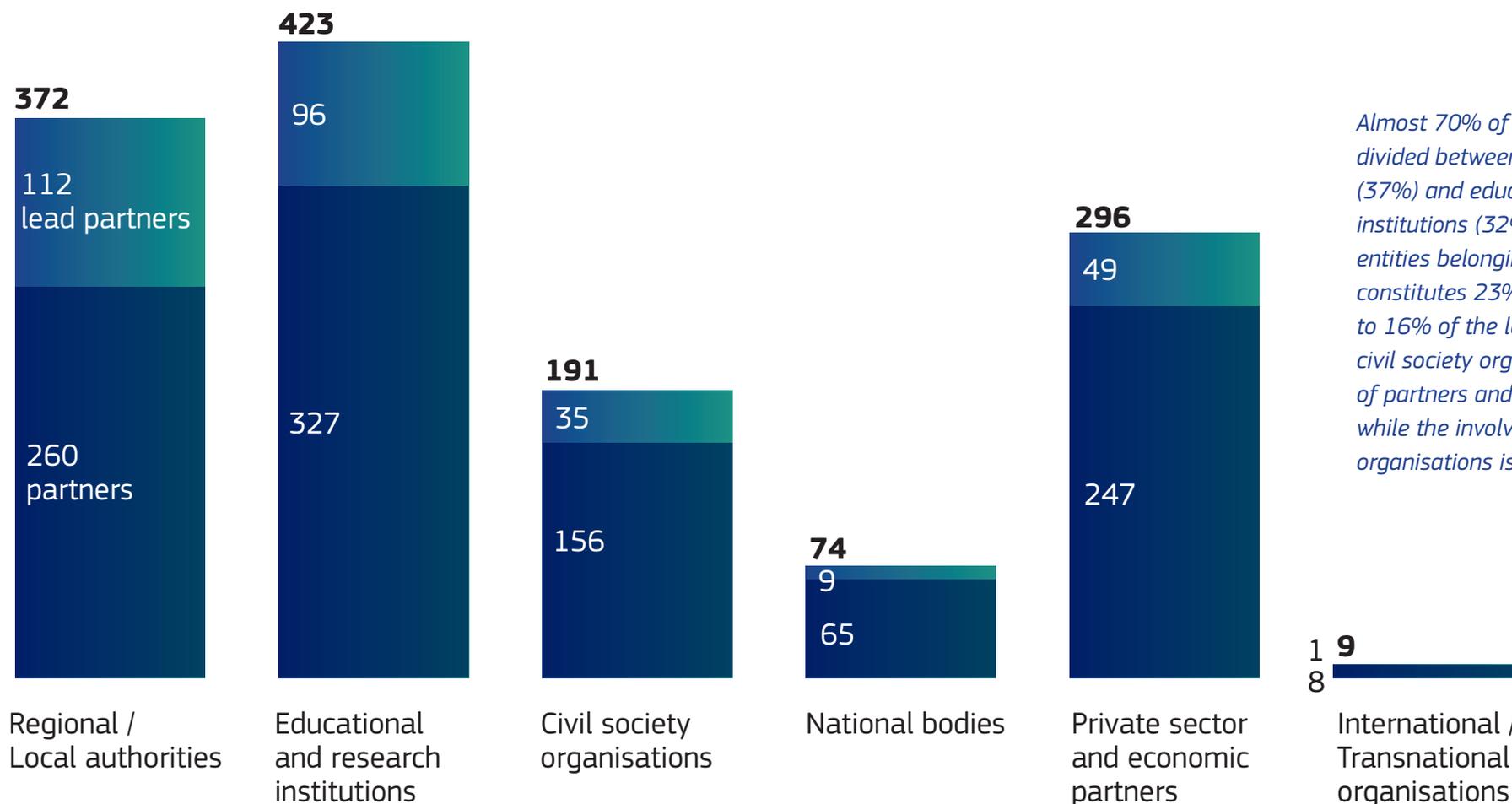


Organisations are counted every time they are engaged in a project. Therefore, they are counted more than once in case they implement more than one project.



Partners

Which kind of organisation leads and implements economic development projects?



Almost 70% of lead organisations are divided between regional or local authorities (37%) and educational and research institutions (32%). The percentage of entities belonging to the private sector constitutes 23% of the partners and drops to 16% of the lead organisations. Overall, civil society organisations represent 15% of partners and 12% of lead organisations, while the involvement of international organisations is always lower than 1%.

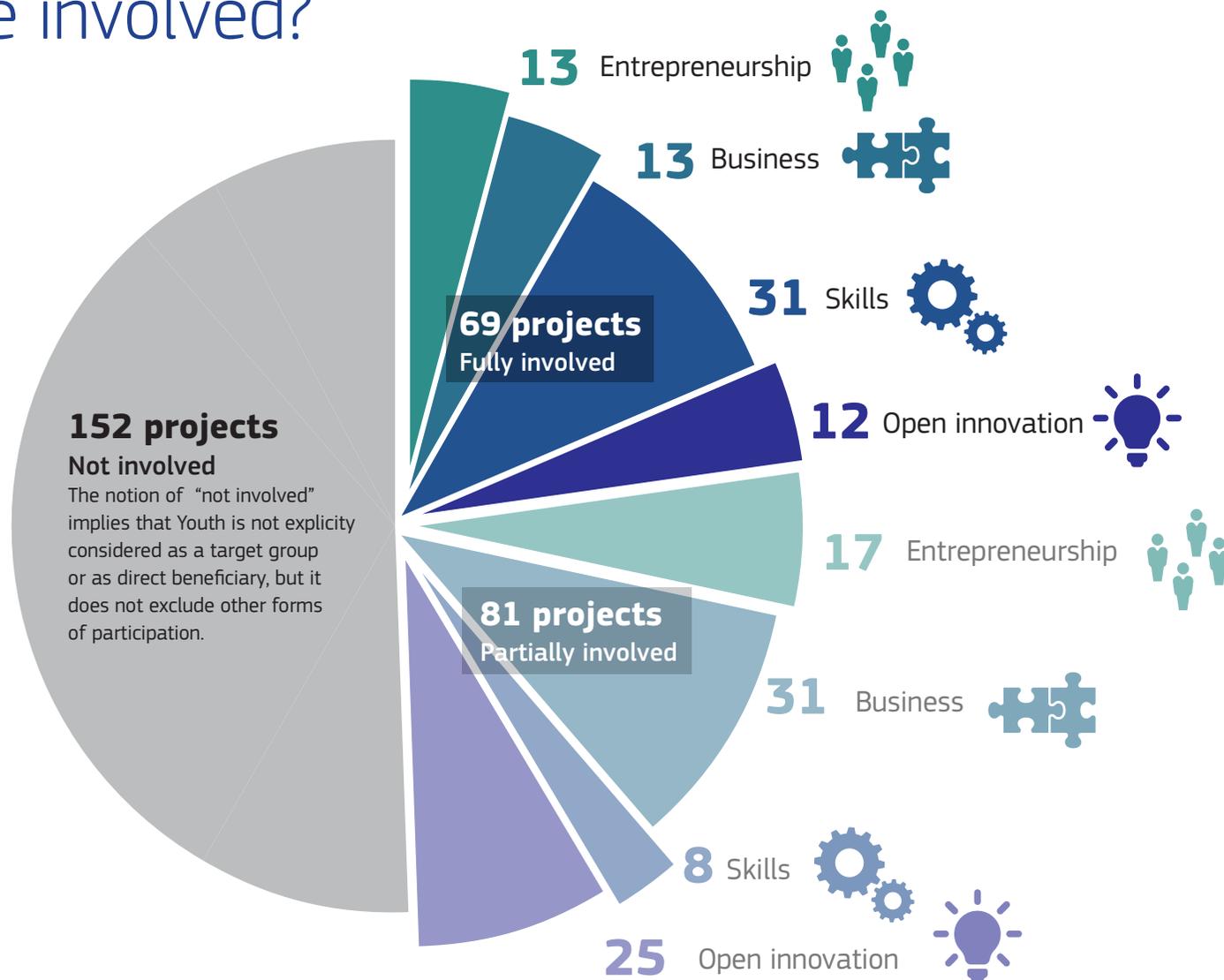
Organisations are counted every time they are engaged in a project. Therefore, they are counted more than once in case they implement more than one project.

Youth involvement in economic development projects



Youth

In which economic development sub-cluster is the Youth more involved?



The involvement of the Youth in economic development projects is above the average, involving young people fully or partially in 50% of the projects, against 34% in all the ENI CBC projects. Their engagement is transversal to each sub-cluster, although with a clear concentration on skills (78% of projects addressing at least partially the Youth of which 62% fully), followed by projects on open innovation, with 62% of projects addressing Youth, fully or partially. Similarly, more than half of the projects addressing entrepreneurship focus fully or partially on young people (respectively, 23% and 30%).

**Economic development projects,
from ENI CBC to Interreg NEXT**

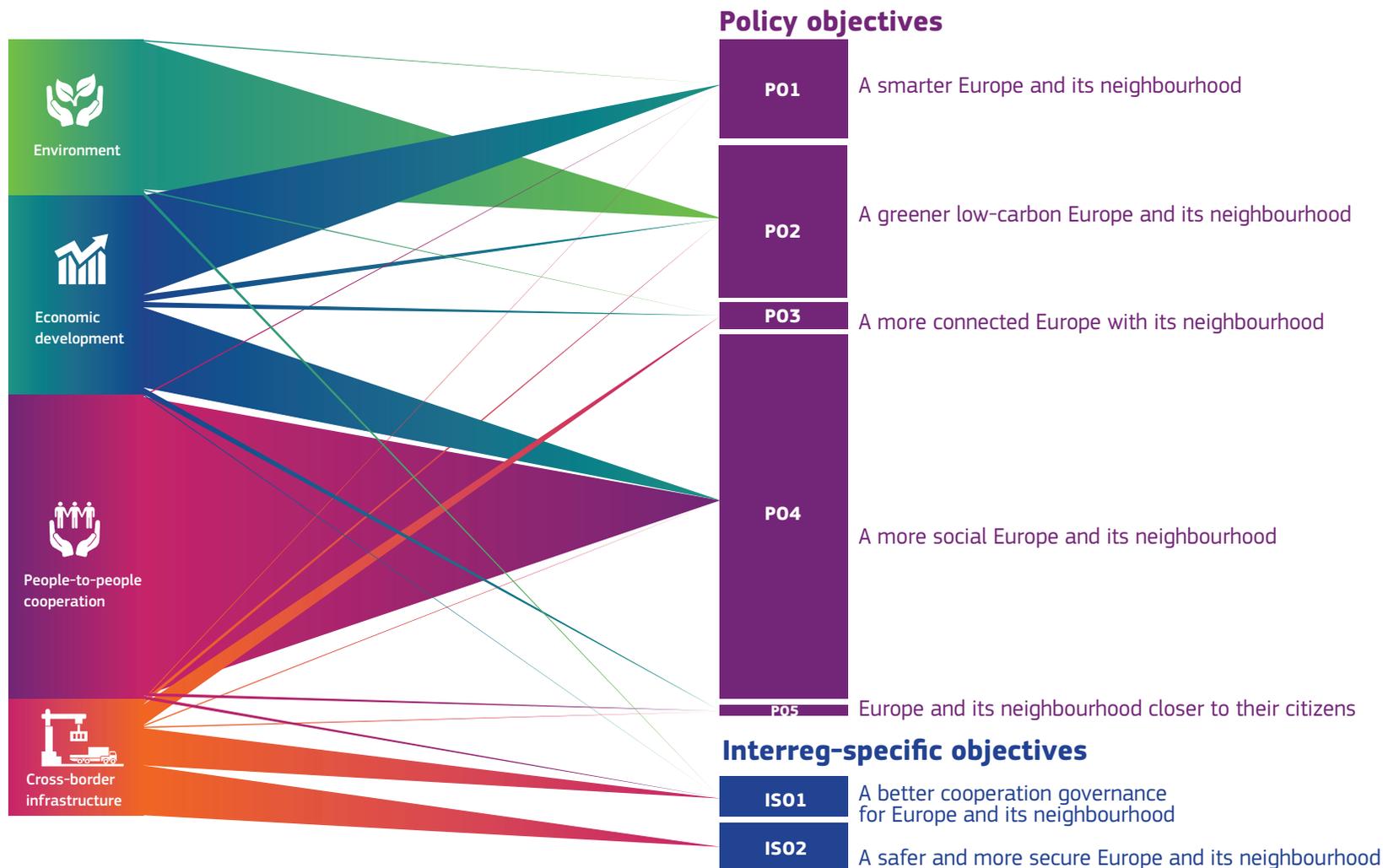




Interreg NEXT

How do ENI CBC projects fit into Interreg NEXT?

We simulate here that the ENI CBC projects operate based on the objectives for the programming period 2021-2027. The graph considers only seven Eastern and Southern Interreg NEXT programmes.



All ENI CBC projects show a high level of coherence and continuity with the 2021-2027 policy objectives (PO) and Interreg specific objectives (ISO).

PO4, PO2 and PO1 are the policy objectives most covered by the ongoing projects.

The great majority of projects belonging to the economic development cluster are largely distributed between **PO1** and **PO4**, the latter one absorbing 40% of them, especially when they address job creation, inclusive economy and, especially, the tourism and cultural sector.

Almost the totality of environmental projects converges into **PO2**.

Cross-border infrastructures is the cluster that has been more split into different **POs** and **ISOs**.



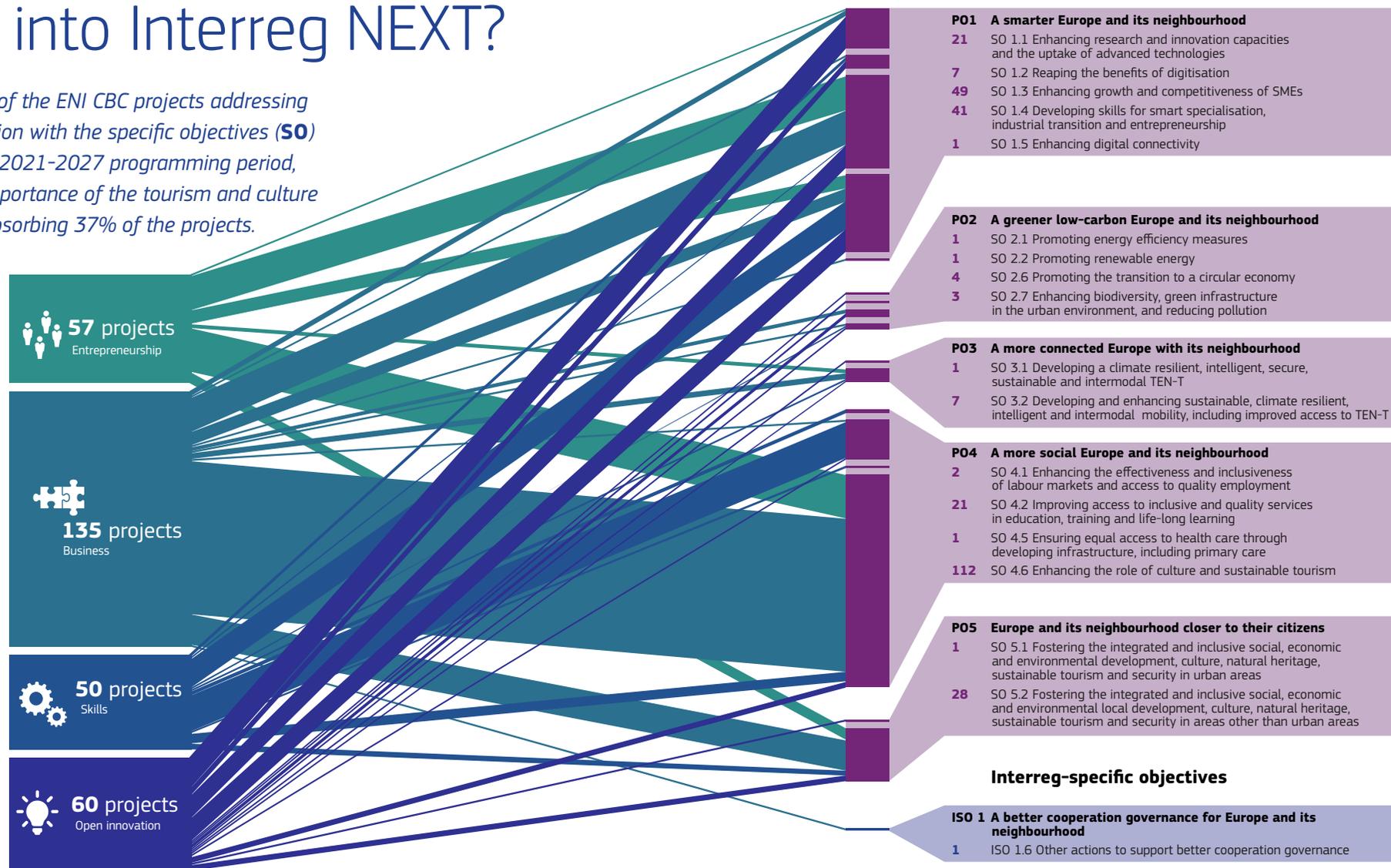
Interreg NEXT

How do ENI CBC economic development projects fit into Interreg NEXT?

When assessing the relevance of the ENI CBC projects addressing economic development in relation with the specific objectives (SO) foreseen for the Interreg NEXT 2021-2027 programming period, the first evidence shows the importance of the tourism and culture as a driving sector (SO 4.6), absorbing 37% of the projects.

Another 30% of projects is consistent with SO 1.3 addressing the competitiveness of SMEs (16%) and SO 1.4 developing skills for smart specialisation, industrial transition and entrepreneurship (14%).

The remaining portion of projects is distributed in other SOs: SO 5.2 fostering the integrated local development including for rural and coastal areas (9%), SO 4.2 promoting inclusive and quality services in education (7%) and SO 1.1, enhancing research and innovation capacities (7%).



Do you want to know more?

Stay tuned and check [interregtesimnext.eu](https://www.interregtesimnext.eu)
for further thematic insights on the ENI CBC
and Interreg NEXT projects and programmes.