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European Neighbourhood & Partnership Instrument

Cross-Border Cooperation

**Strategy Paper 2007-2013
Indicative Programme 2007-2010**

Executive Summary

The ENPI Cross-border Cooperation Strategy Paper 2007-2013 and Indicative programme 2007-2010

The ENPI CBC Strategy Paper 2007-2013 and Indicative Programme 2007-2010 will be formally adopted by the Commission. The document provides the strategic framework for EC support for cross-border cooperation on the external borders of the European Union, and the indicative allocations and programming framework under the European Neighbourhood and Partnership Instrument.

Cross-border cooperation (CBC) on the external borders of the EU is a key priority both in the European Neighbourhood Policy (covering the countries of Eastern Europe, the Southern Caucasus, and the Southern Mediterranean) and in the EU's Strategic Partnership with Russia. It likewise figures in associated policies such as the Euro-Mediterranean Partnership (Barcelona Process), and the Northern Dimension. The adoption of the European Neighbourhood and Partnership Instrument (ENPI) has considerably enhanced the scope for cross-border cooperation, both qualitatively and quantitatively.

Based on earlier experiences under Tacis, Meda, Phare and Interreg, a new policy and implementation framework for CBC on the external borders of the Union was foreshadowed in a specific Communication on CBC in July 2003,¹ prior to the full elaboration of the ENP, and was elaborated further in a specific section of the ENP Strategy Paper of May 2004.²

Under the new approach foreseen in the ENPI, cross-border cooperation (CBC) has an essential role to play, distinct from other forms of cooperation by virtue of operating for the benefit of both sides of the EU's external border, and drawing on funding from both external and internal headings of the EU budget. For this purpose specific provisions for CBC have been incorporated in the European Neighbourhood and Partnership Instrument (ENPI),³ and detailed implementation provisions are set out in Implementing Rules adopted by the Commission⁴.

Policy objectives

The core policy objectives of CBC on the external borders of the Union are to support sustainable development along both sides of the EU's external borders, to help ameliorate differences in living standards across these borders, and to address the challenges and opportunities following on EU enlargement or otherwise arising from the proximity between regions across our land and sea borders.

In particular, CBC is intended to help :

¹ Paving the way for a New Neighbourhood Instrument, COM(2003) 393 final, 1 July 2003.

² European Neighbourhood Policy, Strategy Paper, COM(2004) 373 final, 12 May 2004.

³ Regulation (EC) 1638/2006 of the European Parliament and the of the Council of 24 October 2006, Laying down general provisions establishing a European Neighbourhood and Partnership Instrument

⁴ To provide for CBC opportunities between Member States and the Pre-Accession countries, a similar provision is foreseen under the IPA regulation

- promote economic and social development in regions on both sides of common borders;
- address common challenges, in fields such as environment, public health and the prevention of and fight against organised crime;
- ensure efficient and secure borders;
- promote local cross-border “people-to-people” actions.

Basic parameters and challenges of the border areas

By its nature, CBC is intended to benefit those regions which directly share a land or maritime border with the EU, and their counterparts on the EU side of the border. In line with Interreg practice, the regions eligible to participate in the programmes will be those departments or provinces directly sharing the border on both sides, defined at NUTS III/II⁵ level on the EU side, and on the external side, in the absence of such a classification, in terms of the territorial units most closely corresponding to this definition. In special, duly justified cases, a NUTS III/II or equivalent region adjoining to a border region may also be included in the eligible programme area.

Notwithstanding the substantial differences which characterise the different regions on the EU's Eastern and Southern borders, a number of common challenges can be identified. An integrated and harmonious regional development across the EU border is particularly important in a situation characterised by different rates of economic development, high income disparities and different demographic dynamics. Environmental issues are particularly important in the context of shared sea basins like the Baltic Sea, the Black Sea and the Mediterranean. Environmental issues are no less important on land-borders, though here they are often of a more localised character, particularly in relation to transboundary waters (rivers and lakes). Public health issues take on a particular importance in a cross-border context, for example in relation to the communicable diseases (e.g. tuberculosis, HIV-Aids), or possible epidemic or pandemic disease. The fight against organised crime is a key cross-border challenge. The EU supports bilateral, regional cross-border and international cooperation with third countries in improving the prevention and fight against organised crime, corruption and terrorism. Effective border management requires that the EU's external borders are both efficient (facilitating bona fide cross-border movement of persons and legitimate trade and transit) and secure (preventing illegal border-crossing, illegitimate trade and transit). Another challenge, and opportunity, shared across all the EU's external borders is that of promoting people-to-people cooperation, enhancing contact between civil-society groups on both sides of the border.

Past experiences

Between 2004 and 2006 a new approach was followed, with the introduction of the Neighbourhood Programmes foreshadowed in the Commission's 2003 Communication.

⁵ The Nomenclature of Territorial Units for Statistics (NUTS) is a common regional classification used in the European Union for statistical purposes. According to this system regions are classified in decreasing orders of magnitude from NUTS I to NUTS V. The NUTS classification is governed by Regulation (EC) No 1059/2003.

In the East, a total of €75m was provided under Tacis over this 3-year period (in addition to some €4m programmed for border-crossing infrastructure). In the South, a dedicated Neighbourhood Programme was introduced under MEDA, with €9.4m over this period. These funds complemented almost €500 m from Interreg (€296m for Eastern programmes and €300m for Mediterranean programmes), and €50m from Phare, allocated to the same border areas. The Neighbourhood Programmes were an important initial step towards the fully integrated CBC approach foreseen under ENPI. They also enabled Southern Mediterranean partner countries to participate for the first time in the existing bilateral and multilateral Interreg programmes for which they had been eligible since the late 1990s.

A number of recent evaluations have touched on aspects of CBC:

- a review of the Tacis CBC Programme was carried out by the Court of Auditors in 2000⁶. Their report called in particular for improved co-ordination mechanisms between different funding sources under cross-border co-operation, increased overall financing (matched on both sides of the border), a higher proportion of small scale co-operation, improved involvement of local and regional authorities in cooperation, priority for actions which contribute to the increase of living standard in the border areas, improved support to capacity-building among local and regional authorities;
- a mid-term evaluation of the MEDA II programme⁷, concluded in 2005, recommended increased attention to small-scale projects with civil society, in order to address the political and human partnership goals of the Barcelona process.
- a recent Commission evaluation of the Tacis programme⁸, recommended inter alia a focus on partnership building. In relation to CBC in particular, the report concluded that the design and management of cross-border co-operation should be improved, in particular “by ensuring better complementarity and integration between the EC funded programmes on each side of the border”;

A number of other lessons drawn from the experience of CBC cooperation in recent years have also been taken into account in the development of the new ENPI CBC. Particular attention has been paid to:

- *time required to fully establish effective CBC programmes*: CBC programmes on the EU's Eastern external borders were introduced more than a decade ago. The experience gained from this co-operation, financed from Tacis, Phare and Interreg, has led to the two-phase approach foreshadowed in the Commission's 2003 Communication.⁹

⁶ OJ C329, 23 November 2001

⁷ Mid term Evaluation of the MEDA II Programme, July 2005, European Commission/ EuropeAid

⁸ Evaluation of Council Regulation 99/200 (Tacis) and Its Implementation, January 2006, European Commission/Evaluation Unit/EuropeAid, DG for Development and External Relations DG.

⁹ The two-phase approach set out in the Commission's 2003 Communication on CBC involved a first phase (2004-06) in which project prioritisation, selection and evaluation would be done jointly by partners on both sides of the border, while contracting and payments remained separate between Tacis and Interreg. The second phase, made possible by the new ENPI regulation, brings together these two sources of funding for the benefit of a fully-integrated and jointly-managed CBC programme.

- *importance of local ownership, while assuring national-level support:* local and regional authorities in the border regions have shown to be enthusiastic in working together in addressing common opportunities and challenges. Nevertheless, smooth cooperation at the regional and local level also requires political and administrative support at the national level, and the lack of such support has on occasions been an obstacle.
- *importance of the shared experience of programme partners in working together, and of relevant capacity-building:* under previous CBC programmes, the combination of different sources of funding with different procedures, has in itself been an obstacle to effective CBC. The new possibilities offered by ENPI will change this situation dramatically, but support for training and capacity-building will be of particular importance in ensuring that the full potential of CBC can be achieved.

Core issues to be addressed in the ENPI CBC programmes

Four key objectives are addressed under the ENPI CBC programmes:

- Promoting economic and social development in regions on both sides of common borders. Integrated and sustainable regional development in the border regions is essential in helping to promote prosperity, stability and security on the EU's external borders – the key objective of the ENP, and an important element also in the EU's Strategic Partnership with Russia. The ENPI-CBC programmes aim at helping public and private actors to address the opportunities and challenges offered by proximity with the EU. The promotion of economic and social development is a key objective deserving special attention in the ENPI CBC programmes.
- Working together to address common challenges, in fields such as the environment, public health and the prevention of and the fight against organised crime. Local authorities on the EU's Eastern borders will face a particular challenge in addressing the environmental degradation caused by economic restructuring and the historical neglect of environmental issues.
- Ensuring efficient and secure borders. The EU's external borders still face challenges with respect to the quality of basic border infrastructures and procedures relating to their operational management. Border crossings need to facilitate the movement of goods and people to contribute to wider economic and social objectives beyond the adjacent border regions.
- Promoting local cross border “people-to-people” actions. In addition to initiatives carried forward at the national and regional level, the ENPI-CBC programmes provide the opportunity to strengthen people-to-people and civil society contacts at the local level, in a context of full local ownership. Actions in the social, educational, cultural and media fields, as well as enhanced cross-border contacts between civil society groups and NGOs, can also contribute to promoting local governance and democracy, and to enhancing mutual understanding.

Definition and development and of the programmes

Two main categories of programmes will be established under ENPI-CBC: programmes covering a common land border or short sea crossing, and programmes covering a sea basin¹⁰. The programmes are principally defined based on the eligibility as defined in the ENPI regulation, while taking account also of the need to maintain continuity from previous programming periods, and facilitation of programme management.

Within the four overall programme priorities, detailed programming will be the task of the programme partners, working together across the borders, at the local, regional and national level. Through a bottom-up process, these partners will be responsible for preparing and presenting for Commission approval a “joint programme” including a specific set of priorities and measures. The proposed programme must take all four of the above themes into consideration, but reflecting the specific circumstances and requirements of their particular area in terms of cooperation and investment needs of each individual programme, as well as the different contexts of cooperation in the land-border and sea-crossing programmes and in the sea-basin programmes. Proper coherence and complementarity between the ENPI CBC programmes and the national ENP Action Plans (the Road Maps in the case of Russia) are to be ensured through the programming process.

The partners in the programming process define the precise beneficiaries of the actions under each programme, within the definition of eligible local and regional key actors. The eligibility is based on the ENPI regulation, but priority should be given to local and regional authorities, civil society and NGO’s, chambers of commerce, and the academic and educational community; as well as other eligible actors based within the geographical eligibility of the programme and important for the realisation of the objectives. A proper involvement of national authorities will be necessary in all programme development stages and, when this is necessary, in project implementation.

In the joint programme the partners further more define the set-up for the joint management of the programme, and the procedures and structures established for this purpose.

Expected results

Key expected results from the ENPI CBC programme as a whole will include:

- the efficient and timely implementation of joint CBC programmes as described here;
- addressing effectively the general objectives set out here, meeting the specific priorities of local partners in each border region and allowing for increased ownership by the local stakeholders;
- providing means for improved co-ordination between local, regional and national level development plans - providing for the implementation of relevant and effective CBC projects of benefit to both sides of the EU’s external borders;

¹⁰ The ENPI Regulation defines in article 8 these programmes as “programmes established on a common land border or sea crossing”, and as “programmes established around a sea basin”.

- contributing in the medium and long-term to enhanced prosperity, stability and security along the external borders of the Union through strengthened co-operation and contacts across borders.

In relation to the four key objectives, as an illustration, it is expected that the programmes, in the border areas, could provide for, strengthened sustainable economic and social development, increased focus on the importance of administrative practices and good governance, identification of and sustainable remedy to environmental challenges, joint measures in the areas of emergency prevention and fight against organised crime as well as social and health issues, improved border passage and border operability, enhanced involvement of civil society and NGOs in regional development and general governance aspects, increased cross-border people-to-people contacts.

Given the decentralised nature of the programming and implementation process for ENPI-CBC, it will however be the responsibility of the programme partners to specify in more detail the expected results of the specific programme which they will propose. The following examples are therefore intended to be illustrative only.

For the land-border and sea-crossing programmes, it is expected that the programmes will inter alia create long-term co-operation ties between the partners, effective and balanced joint project actions on both sides of the borders, improved potential to address local priority issues, increased ownership and commitment among partners from both sides of the borders in the implementation of cross-border activities, reduced isolation of border regions with improved socio-economic development of the border area.

For the sea-basin programmes, it is expected that the programmes will inter alia create improved contacts between the regional and subnational partners in the programme area, increased regional involvement and ownership in the addressing of regional and subnational priorities of common concern, establishment or strengthening of sustainable networks and co-operation platforms, capable of providing a real contribution to the issues they address

Risks

Building on past experience with CBC activities, one can identify three main types of risk associated with the implementation of the ENPI-CBC concept:

- the partners' capacity and preparedness to enter into a programme partnership (political commitment);
- the partners' willingness and capacity to manage the programme, and notably to establish a system of joint management responsibility;
- the partners' knowledge and capacity to develop and implement project proposals;
- the national level's support to the establishment and management of the programme by local partners.

Indicative financial allocation

The funding for the ENPI-CBC programmes comes from two sources: from the financial allocations for the ENPI itself, and from the European Regional Development Fund, the two sources of funding are nevertheless presented together under one budget-line in Heading 4 of the EC annual budgets. Both sources of funding will as a general rule contribute to each of the CBC programmes described here and both sources of funding may be used on either side of the EU external border, for actions of common benefit.

The financial allocations have been determined taking into account the criteria set out in Article 7 of the ENPI regulation and respecting the provisions included in Article 18 of the Structural Funds regulation. In particular, this allocation of funds to the individual cross-border cooperation programmes is required to take into account “objective criteria, such as the population of the eligible areas and other factors affecting the intensity of co-operation, including the specific characteristics of the border areas and the capacity for managing and absorbing assistance”.

On this basis, the total funding available for ENPI-CBC programmes for the period 2007-10 amounts to €583.28 million, of which €274.92 million from ENPI, and €308.36 million from ERDF. For the period 2011-13, it is foreseen that a further €535.15 million (€252.23 million from ENPI and €282.93 million from ERDF) will be made available, subject to the mid-term review of this strategy and the adoption of the Indicative Programme for the period 2011-13

In addition to the funding for the programmes, a small facility of 4,9 M€ will be created to finance actions aimed at facilitating the exchange of experience and best practices among the programme partners, with a view to helping enhance the preparation, implementation and management of current and future CBC programmes.

The programmes will be subject to a mid-term review, normally in 2009. The results of such review may lead to adjustments in the 2011-2013 ENPI-CBC Indicative Programme. The mid-term review will take into account any changes in the co-operation priorities, socio-economic developments, the results observed from implementation of the measures concerned and from the monitoring and evaluation process, and any need to adjust the amounts of financing available and thus reallocate the available resources across the different programmes. A review can take place at an earlier stage, if this is necessary to address specific issues affecting the implementation of a programme.

ENPI Cross-Border Cooperation
Indicative allocations per programme, 2007-10, in million Euro

	2007-10	<i>2010-13</i>	<i>Total 2007-13</i>
<i>Land-Border Programmes</i>			
Nord/Russia	14.728	13.513	28.241
Karelia/Russia	12.101	11.102	23.203
SE Finland/Russia	18.871	17.314	36.185
Estonia/Latvia/Russia	24.915	22.859	47.775
Latvia/Lithuania/Belarus	21.766	19.970	41.737
Lithuania/ Poland /Russia	68.908	63.222	132.130
Poland/Belarus/Ukraine	97.107	89.094	186.201
Hungary/Slovakia/Ukraine/Romania	35.796	32.842	68.638
Romania/Moldova/Ukraine	66.086	60.632	126.718
<i>Sea-Crossing Programmes</i>			
Spain/Morocco	81.738	74.993	156.732
CBC Atlantic Programme	16.773	15.389	32.162
Italy/Tunisia	13.138	12.054	25.191
<i>Sea-Basin Programmes</i>			
Black Sea	9.025	8.281	17.306
Mediterranean	90.539	83.068	173.607
Baltic Sea (ENPI contribution to the integrated Baltic Sea programme)	11.791	10.818	22.608
Total	583.283	535.152	1.118.434