The Union's regional priorities: Defining community value added

Workshop No 3

Co-operation and integration among the regions of Europe

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Speaking note

Dr Elisabeth Helander
Director, DG Regional Policy
European Commission

Background

Three Community Initiatives for co-operation: INTERREG, EQUAL, LEADER+.

Cross-border and, more recently, transnational cooperation has developed mainly through the INTERREG Community Initiative, while interregional cooperation has been one of the main aims of all the Initiatives including EQUAL, LEADER and before 2000 even separate innovative projects. For the period 2000-2006, interregional co-operation has been included in INTERREG as a separate strand.

INTERREG: socio-economic integration of the regions at three levels. Total volume just under 5,000 million Euro.

INTERREG III A Cross border co-operation

- Longest traditions, are in terms of funding the most important programmes (some 3,300 million Euro)
- Joint management structures
- Drawn up by regional and local authorities in partnership with national authorities

INTERREG III B Transnational co-operation

- Larger areas (continuation of the earlier INTERREG II C programmes)
- Some 1,300 million Euro (27% of the total)
- Joint management structures
- Drawn up by national authorities in close co-operation with regional and local authorities
- Aim: a harmonious spatial integration of large areas within the framework of economic and social cohesion including for example:
  - improving transport and telecommunications systems,
  - joint management in the fields of energy, environment and water;
  - the preparation of transnational strategies and plans for co-ordinated and balanced spatial development

- The new B - programmes have been demanding to prepare; require both a strategic approach and good - often new - co-operation structures
INTERREG III C Interregional co-operation

- New concept: interregional co-operation within programmes
- Some 300 m€ (6% of total)
- Strategic approach and new forms for co-operation between regional and local authorities (for example through Regional Framework Operations)
- Aim: improve the effectiveness of policies and instruments for regional development; exchange of best practice and innovative ideas to support economic co-operation and the transfer of technology and know-how

INTERACT

- Programme for co-ordination, transferring experience, support and mutual learning to improve the quality and implementation of INTERREG programmes

When designing and negotiating the new INTERREG programmes (2000-2006) we have put strong emphasis on:

- A strategic approach
- Developing co-operation structures that we hope would be sustainable
- Involving regional and local authorities to the extent possible, not only the capitals
- Improving co-operation between INTERREG and external instruments:

In addition to INTERREG there are two other important Community Initiatives for transeuropean co-operation:

Equal

- Transnational cooperation to promote innovative approaches aimed at combating discrimination and inequalities in the labour market
- Some 2,900 million Euro
- Underpins development of employment and social inclusion policies through the Lisbon process
- Dissemination of best practice across all Member States through European thematic groups.

Leader+

- Rural development through programmes for integrated development and cooperation among local action groups
- Some 2,000 million Euro
- Transnational co-operation and networking with a view to stimulating co-operation, complementary action, exchanging information and drawing lessons concerning territorial rural development.

Given the differing nature of these co-operation activities, past experiences and fresh needs, as reflected particularly in the Second Cohesion Report, there are a number of options — which are not mutually exclusive — for Structural Funds interventions in the future:

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6 Questions for the debate

1. Should the borders of the new incoming Member States be given priority?

- Dramatic changes of the conditions and environment for cross-border co-operation to be expected as a result of enlargement (including 15 new external borders and 9 new internal borders between present candidate countries)
- Most people probably agree that co-operation and integration should be strengthened along all these new borders with special attention to the new external borders
- Forthcoming changes thus not controversial in principle, rather difficulties in finding practical solutions easy to implement especially before 2006

2. Is there still a need for INTERREG co-operation within the present EU?

A more controversial question is whether the internal borders are already well integrated at EU level or whether there still is a need for co-operation along the lines of INTERREG within the present EU in the future? There could be several possible answers to this question:

(a) No need to support co-operation along present internal borders. Argument: internal EU border areas are relatively wealthy, no compelling economic necessity to continue, let alone strengthen co-operation.

(b) No specific support programme for co-operation required. Argument: co-operation can be carried out within the framework of mainstream Structural Fund programmes (for example Objective 1 programmes).
- Is this realistic? Would co-operation continue? Would recently established joint co-operation structures continue to be upheld?

(c) Continue as before with INTERREG and other co-operation programmes along the borders. Is this realistic in budgetary terms, given priority needed for new EU borders after enlargement?

Maybe a real case for continuing special support cross-border co-operation in the present Union:
- Along many borders genuine co-operation projects have started to emerge only recently
- Truly joint structures only in connection with the newest INTERREG programmes
- Risk that if INTERREG were to be removed, cross-border co-operation might be drastically reduced in the present EU.

Fourth, maybe most realistic option for internal EU border co-operation:
- Maintain INTERREG for the border areas, but reduce amounts for cross-border programmes (and accordingly diminish co-financing rate for co-operation along the existing internal borders)
- Sufficient to support integration at the internal borders
- Allows for necessary emphasis and priority for the Union’s new frontiers.
What would be an appropriate balance between cross-border, transnational and interregional co-operation? The question relates to the scope and content of these different ways of co-operation and to the added value of each of them.

Cross-border co-operation programmes (INTERREG Strand A) cover actions for:

- increasing the competitiveness of regions (for example co-operation in fields of technology and innovation or between SMEs)
- sharing resources (for example joint fire brigades or hospitals)
- bringing people together on both sides of the border
- Should these kind of actions still be encouraged?

Transnational co-operation programmes (INTERREG Strand B):

- Aim at achieving sustainable, harmonious and balanced development in the EU and higher territorial integration by promoting a higher degree of integration across large groupings of European regions
- For example actions relating to joint management in the fields of environment, water, transport systems, energy and telecommunication
- Contributes to realising the aims of the ESDP. Therefore, strengthening transnational co-operation would improve the strategic framework for co-operation between the Commission, the Member States and the regions

Interregional co-operation programmes (INTERREG Strand C) aims at:

- improving the effectiveness of policies and instruments for regional development
- exchange of best practice and innovative ideas to support economic co-operation and the transfer of technology and know-how

EQUAL promotes co-operation in the social field, including measures to promote employment and social integration.

- Is the present wide definition of content of all these different co-operation instruments satisfactory or should there be a change or a clearer focus?

- Is there need to improve co-ordination of investments for infrastructure for transport, energy, environmental protection and telecommunications at Community level? Would the infrastructure investments in the mainstream Structural Funds programmes require better co-ordination?
  - How could such co-ordination be improved?
  - Would it be possible to achieve co-ordination by asking the mainstream programmes to co-operate?
  - Could use be made of INTERREG as a catalyst to linking infrastructure investments in different EU Member States?
Could INTERREG A or B programmes help improve and facilitate the co-ordination of infrastructure?

What changes would be requested for the scope of INTERREG funding? At present infrastructure investments can only rarely receive support under INTERREG, due to modest financial resources. Would increased resources be needed?

- What is the present and potential value added of different alternatives?

4. Could implementation mechanisms and structures be improved?

- Major simplification achieved by allowing for each Community Initiative (although covering a wide range of activities) to be financed from one of the Structural Funds only

- New INTERREG programmes all managed by single bodies

- Availability of one-stop-shops and similar procedures in all interregional INTERREG programmes should facilitate setting up co-operation projects

The new INTERREG B and C programmes are just starting. Practical implementation experiences still lacking, although some experience from INTERREG IIC as well as Recite and Ecos-Ouverture projects. Still important to reflect on whether present implementation mechanisms and co-operation structures seem workable.

- Further possibilities for simplification of future programmes?

- Legal and financial differences make implementation of projects involving regions from several countries complicated. What could be done to diminish some of these difficulties?

For regional policy it is crucial that regions and local authorities are involved both in designing and implementing policies. Only they can ensure that actions are brought close to the citizens and encourage as many people as possible to take an active part in the co-operation. However, one should not forget that for transnational co-operation it is often important that national authorities are involved in shaping the framework of the co-operation.

- Involvement of regional and local authorities varies in different EU Member States.

- How could the role of regional and local authorities be strengthened in planning and carrying out co-operation activities?

5. How should co-operation zones be defined?

INTERREG IIIC as well as EQUAL and LEADER+ cover the whole EU territory. The present INTERREG A and B zones were defined in the INTERREG guidelines and only modest adjustments to those zones have been done since.

- Are present zones satisfactory? To what extent Should maritime borders be included in cross-border co-operation?

- Should co-operation along some external borders be given stronger support, as co-operation intensity varies along external borders? How could more be done to strengthen co-operation in the Mediterranean? How should the Nordic dimension be reinforced?
• How could co-operation with other instruments, such as PHARE, TACIS, CARDS and MEDA be improved?

• Considerable progress achieved as concerns the relations to these external instruments, but given the different scope and modalities of different financial instruments, co-financing joint projects by means of different instruments is still far from being everyday routine.

• Would it be possible to apply the principle of territoriality in a more flexible way? Should the ERDF in some cases be used outside the EU to shortcut problems related to time-tables, implementation systems, monitoring and lack of finance in non-member countries?

6. What needs to be decided and when?

If transeuropean co-operation were to be one of the options available for Member States on a menu, which I find a particularly interesting idea, are there questions that need to be agreed jointly beforehand?

• Zones for transnational and interregional programmes to be agreed together? Do all countries covered by these zones need to participate?

• Zoning of eligibility for INTERREG A programmes to be decided by each Member State wishing to participate in joint programmes – but what mechanism to prevent spreading funding too thinly?

• How about financial participation in joint programmes?

Transeuropean co-operation has obvious potential for strengthening European integration. However, we are looking for a system that is likely to be successful and effective at bringing substantial benefits to EU citizens. We would therefore be grateful, if you could illustrate your views and comments with examples and experiences demonstrating when and how Community funding has led to useful and concrete results.

The Commission has not yet fixed its position on the future of and the different needs for support, but the debate about the future of co-operation and the Community Initiatives is open and will continue at least until the Commission presents its next Cohesion report in late 2003 with concrete policy proposals.