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**FINAL DECLARATION**

**NEW WAYS TOWARDS A NEW EUROPE**



- **European community of values and a European constitution**
- **A political approach for the benefit of citizens and regions all across Europe**
- **Cross-border cooperation: an important element of territorial cooperation**
  - **The added value of cross-border cooperation**
- **Cross-border cooperation as a European task and one of the EU's political objectives**

**Association of European Border Regions**

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## **1. European community of values**

The recent enlargement of the European Union on the 1 May 2004 is a milestone in the history of European Integration. The accession of 10 new Member States from the Central, East and South of Europe extends the economic, cultural and social diversity of the European Union and, at the same time, confirms the necessity of bringing the citizens closer together on a basis of shared values and principles.

Therefore, the European Union must develop so as to become a community of values based on shared cultural, social, economic and political aims. Otherwise, there is a danger that the EU will define itself primarily in terms of economic growth and competition.

This vision is based on the new European Constitution Treaty with a deepening and an integration of the European Union, whilst at the same time guaranteeing cooperation beyond the EU's external borders. It does not only focus on economic development, but also aims to bring the Union closer to the people, to involve the citizen in democratic actions, to improve the distribution of tasks between the European, national and regional/local level and to strengthen the European Union's tasks in relation to foreign policy and defence.

As part of this vision, EU cohesion and regional policy, including territorial cooperation, is not only an instrument for economic development, but also an offer to pursue European affairs in a targeted way throughout the whole EU and for the entire population with due regard for the principles of subsidiarity and partnership.

Growth and competition by themselves, however, cannot "automatically" guarantee that other important European priorities are taken into account:

- A balanced, harmonious and sustainable development of the European territory, especially at regional/local level, also with the help of EU policies and financial means.
- A polycentric development of the EU territory with balanced development opportunities between agglomerations / metropolitan areas and rural areas. The political and economic costs of a "bleeding" of rural areas are enormously high and cannot be compensated by an accelerated growth in metropolitan areas.
- A certain extent of rural policy which will also in the future still be necessary
- Cross-border and inter-regional cooperation as cornerstone of the Cohesion Policy

## **2. A European Constitution Treaty**

The enlargement of the European Union has considerably changed the nature of the integration process, and not only in terms of the geographical and economic dimension.

Europe is a political area, in which the citizens traditionally exercise democracy and participation on a local and regional level. This understanding of democracy, in conjunction with activities which are close to citizens, are a shared characteristic of European decision-making processes, in which regions and local authorities together with their elected representatives have an outstanding role.

The European Constitution Treaty has defined an improved distribution of tasks (competences of the EU, shared competences, national competences) based on the proposals of the European Convention.

Regional and local authorities today carry out a large proportion of internal political tasks, close to the citizen. The regional/local level has proved to be the most appropriate one to

implement numerous EU programmes and projects with good results particularly in the European cohesion and regional policy as well as the Community Initiatives.

Subsidiarity and partnership remain indispensable elements of a new Constitution. They concern the relation not only between the national state and the EU, but also between the national states and their regional/local level, as well as between the EU and the regional/local level.

### **3. European policy for the benefit of citizens and regions all across Europe**

#### *3.1 Cohesion and Regional Policy in an enlarged EU*

The challenge for the years after 2007 consists in developing for an enlarged EU improved and flexible policies for structural funds, cohesion and community initiatives which meet the manifold interests of the entire European Union despite technical and financial priorities.

The cohesion policy (Art. 158 et seq. EU Treaty) itself represents a European added value and serves the interest of the whole Community. Therefore a cohesion policy for the entire EU is necessary and not only a shifting or concentration of financial means in favour of the poorer regions.

A concentration of the cohesion and regional policy only on the priorities of the economy, growth and employment represents major risks:

- The political consensus on the necessity of a European cohesion policy is made uncertain, if one speaks only about convergence between states and not between regions with low income.
- To measure economic development and growth only at national level and not also at regional level does not do justice to Europe's diversity. It is an unproved assumption to believe that growth at national level would induce automatically sooner or later also growth in marginalised regions.
- Future-oriented approaches to the future orientation of European regional and cohesion policy which had been elaborated with the EU Commission in numerous meetings are not mentioned.
- The role of agriculture for the environment, the generation of income and rural areas is neglected without indicating necessary alternatives.
- The re-nationalisation of certain political areas could undermine the need of compensation for marginalised regions.
- An enormous socio-political conflict potential arises as to the acceptance of such one-sided EU policies.

#### *3.2 Political approaches to a future-oriented European cohesion and regional policy*

An enlarged EU needs **territorial cohesion** and a consistent implementation of the bottom-up principle with due regard for subsidiarity and partnership.

It must promote in a strengthened way a **polycentric development of the community territory** in view of European integration and globalisation, and in particular also through the EU Community Initiatives.

A coherent and long-term policy from 2007 onwards must include all essential areas of EU policies and guarantee a better coordination between them than in the past: territorial planning, cohesion, regional, agricultural and social policies, etc. In view of the consequences of the European integration and globalisation, this policy must promote in a strengthened way a polycentric development of the community territory.

As to the **thematic dimension**, a concentration on region-specific programmes focusing on certain key issues would be appropriate.

A future European cohesion and regional policy can be effectively improved by the following measures:

- The regional and/or local level should be more closely involved in future, especially if EU programmes are to shift more towards the regional/local level. One European priority is to ensure that its cohesion policy lays down strategic guidelines and secures the strategic coherence of programmes. All other important matters should be realised by the regional and/or local level in partnership with the national and European levels and the social partners.
- A direct and accountable involvement of the regional and/or local authorities is required in the definition of objectives, the management of EU programmes and funds and the monitoring of the results. This is necessary because of the current shortcomings of the way in which the partnership and subsidiarity principle is currently implemented,
- A clear simplification of administrative procedures and increased efficiency of organisational processes remains necessary.
- Particular consideration must be given to regions with special problems (e.g. maritime regions, mountain areas and border areas).
- The Neighbourhood Programme, in which territorial cooperation (especially cross-border and interregional cooperation) is governed by one set of rules (a common programme, management and funding) as in the EU, must be realised.
- An EU legal instrument on decentralised cooperation amongst regional authorities must be realised as quickly as possible.

In view of the EU's limited financial resources and the need to give priority to Central and Eastern Europe, using **gross national product** as the sole or key yardstick for a European structural and cohesion policy seems to be **inappropriate** so long as its mirror image - the **cost side** - is **disregarded**. Primary criteria like GNP and population density must be supplemented by such factors as economic structure, innovation, accessibility and workforce skills.

A future-oriented overall political strategy should introduce **differentiated maximum grant levels throughout the enlarged EU**:

- higher, differentiated grant levels in the new EU member states (for example, 50-80%) according to different regional situations within and between these countries;
- adjusted grant levels in the previous EU (for example, remaining up to 75% for a brief phase, then 40-50%).

This takes into consideration the **different co-funding possibilities** and **realities** in the enlarged EU.

#### **4. Cross-border cooperation: an important element of territorial cooperation**

##### *4.1 Border and cross-border regions: an engine of development*

Cross-border cooperation means cooperation in all spheres of life, at all times, and with the inclusion of all actors in direct proximity to the border.

Cross-border cooperation at regional and local level is the most successful form of cooperation so far. It encompasses socio-cultural as well as economic and infrastructure cooperation, and forms the most intensive network across the border.

The Association of European Border Regions (AEBR) and, significantly, the European Union both believe that cross-border cooperation makes an essential contribution to cohesion in Europe (fusion and compensation between wealthy and poorer regions) and to European integration.

As a result, it is necessary to establish cross-border networks that not only enable economic and infrastructure cooperation but also dismantle barriers - for instance in the social sector, in education, in language training, in solving daily border problems, in promoting cultural understanding, etc.

Where internal borders are concerned, the European single market makes it possible for border regions and cross-border regions to tackle tasks and projects that in the past were blocked by the barriers of national borders, had to be left undone, and could not be implemented. On the previous and new external borders, the task is to gradually bring the border regions out to their peripheral status in the EU, to build viable bridges to Central and Eastern Europe, and often new ones as well, and to mitigate the economic, currency and wage differential along these borders.

As a result, cross-border cooperation is a key task in the new millennium, one that must be tackled with energy and caution. The border regions cannot cope single-handedly with the tasks they face, since the conflicts and causes are national and European in nature.

Accordingly, the border and cross-border regions also need national and European assistance.

#### *4.2 EU programmes and support for all border areas*

Differing national legal and administrative systems and structures, taxation and social systems, economic development systems, rescue services, labour law factors, occupational qualifications and so forth persist. Furthermore, new national legislation can create new border problems. These differences not only cause irritation on current and future external borders, but on European internal borders as well. In the past, the national states have solved these problems with difficulty, or not at all, and have not made them a priority. The border regions cannot solve such problems without EU and national support either. It was not until the EU's Interreg A programme that targeted subsidies for border areas were instituted on a long-term basis and thus tied to national co-funding, which is discontinued without Interreg.

The importance of border and cross-border regions in Europe is growing anew thanks to EU enlargement: some 32% of the population live on around 40% of the area in border areas within the enlarged EU.

Territorial cooperation, and consequently cross-border cooperation in particular, means the EU is responsible Europe-wide for developing key issues in the future. Consequently, EU support programmes for cross-border cooperation must also be applied Europe-wide for all border regions, and to resolve all border problems (not merely those of an economic nature) which exist now or in the future.

In the long term, cross-border cooperation within the framework of territorial cooperation remains one of the European Union's few financial instruments that can reach citizens and regions in the enlarged Europe and realise subsidiarity and partnership in a manner close to the people.

Therefore, cross-border cooperation within the framework of territorial cooperation must be developed independently of national mainstream programmes as a European priority. It also needs its own legally independent communication, detached from the national rules of the European Structural Funds.

#### *4.3 Requirements for improved cross-border content and the implementation of EU programmes*

Based on the experience gained with Interreg and Phare, we recommend:

- in future, cross-border cooperation in EU support programmes (previously Interreg A) should remain separate from programmes for interregional and transnational cooperation (previously Interreg B and C);
- a multiannual strategic and programmatic approach should be used for developing cross-border cooperation;
- socio-cultural cooperation (including people-to-people activities) is just as important as economic and infrastructure development. Frequently, such cooperation is required to create the preconditions for sustained economic cooperation and development across borders;
- cross-border cooperation should be decentralised, since this has proven itself both inside and outside the EU (in line with the assessment of Interreg and Phare CBC):
  - o small, region-specific programmes are best;
  - o the regional and local level is best for also carrying out programmes with genuine cross-border projects on a cross-border basis;
  - o a common allocation of EU resources per border is clearly necessary, or better still per programme, and in accordance with common cross-border criteria and statistics;
  - o internal EU rules (for example, Interreg) must also be applied on external borders, including for joint funds.

Since the substantive criticism of Interreg A has been fuelled by the fact that programmes and criteria may be good overall but in the past have had substantial weaknesses in their implementation (especially in the genuinely cross-border nature of programmes, structures, funding and projects), qualitative weighting (with multipliers) would be strongly advisable as well, for example for:

- the genuinely cross-border nature of a programme, i.e. programmes that are in fact worked out jointly, and common cost and funding plans;
- the quality of the multiyear integrated programme, i.e. common strength and weakness analyses and common areas of action, criteria, etc.;
- program-specific cross-border criteria and the definition of a cross-border project;
- the participation of all regional and local, public and private actors on both sides of a border (in the development of the programme and projects [not necessarily a participation in the Steering and Monitoring Committee]);
- the impact on the labour market, economic structure and locational advantage;
- the connection with (not dependence upon!) national support programmes and European objectives.

Furthermore, the performance and implementation of Interreg programmes have shown that:

- multilateral and/or large programmes that cover several borders or a long stretch of a border are not very efficient or successful;

- it is questionable how reasonable, shared decisions can be made about joint projects in a large programme (for example, Northern Italy and Austria with the Alps and Northern Italy and Slovenia with coastal areas);
- one programme per border with sub-programmes creates too much bureaucracy;
- because of their financial magnitude, good Interreg A programmes can and should fund infrastructure projects only in exceptional cases (since, for example, the construction of one kilometre of motorway costs €15-20 million). Consequently, an Interreg A programme should fund only actual cross-border small "missing links" (good ones normally have a financing limit of up to €60 million). Large infrastructure projects should be covered by national mainstream programmes.

So that Interreg A operates after 2007 better than it has in the past, an EU communication on cross-border cooperation must dispense in detail with wording that is often unnecessary and rather restrictive. Instead, the European Commission must not only specify **important conditions** (as it has in the past), but also **define** them to a certain extent, which means:

- a genuinely shared cross-border programme with genuine shared cost and funding plans;
- a responsible role played by genuinely shared cross-border cooperation structures;
- a true jointly managed account for EU funds and national co-financing, since that is the only way to "automatically" guarantee genuinely cross-border projects;
- a cross-border project: for example, the participation of partners from both sides of the border in terms of content, organisation, personnel and finances;
- common cross-border criteria and indicators at programme, measure and project level.

Furthermore, together with the programme application the applicant must submit a joint and binding agreement governing responsibilities, liability, decision-making procedures, etc., and defining what is eligible for joint support.

## **5. The added value of cross-border cooperation**

**European added value** arises from the fact that in the light of past experience, people who are living together in neighbouring border regions want to cooperate and thereby make a valuable contribution to the promotion of peace, freedom, security and the observance of human rights.

**Political added value** involves making a substantial contribution towards:

- the development of Europe and European integration;
- getting to know each other, getting on together, understanding each other and building trust;
- the implementation of subsidiarity and partnership;
- increased economic and social cohesion and cooperation;
- preparing for the accession of new members;
- using EU funding to secure cross-border cooperation via multiannual programmes, and ensuring that the necessary national and regional co-financing is committed in the long term.

**Institutional added value** entails:

- active involvement by the citizens, authorities, political and social groups on both sides of the border;

- secure knowledge about one's neighbour (regional authorities, social partners, etc.);
- long-term cross-border cooperation in structures that are capable of working efficiently:
  - as a vertically and horizontally functioning partnership, despite having different structures and areas of responsibility;
  - as a legally accepted target of aid and a working partner, receiving and administering funds;
- joint drafting, implementation and financing of cross-border programmes and projects.

Experience gained throughout Europe shows that jointly developed cross-border programmes and projects can be most effectively implemented and realised if the regional and local partners play a considerable role.

The **socio-economic added value** becomes apparent in the respective regions, albeit in different ways, through:

- the mobilisation of endogenous potential by strengthening the regional and local levels as partners for and initiators of cross-border cooperation;
- the participation of actors from the economic and social sectors (for example, chambers of commerce, associations, companies, trade unions, cultural and social institutions, environmental organisations and tourism agencies);
- the opening up of the labour market and harmonisation of professional qualifications;
- additional development, e.g. in the fields of infrastructure, transport, tourism, the environment, education, research and cooperation between small and medium-sized enterprises, and also the creation of more jobs in these areas;
- lasting improvements in the planning of spatial development and regional policy (including the environment);
- the improvement of cross-border transport infrastructure.

**Socio-cultural added value** is reflected in:

- lasting, repeated dissemination of knowledge about the geographical, structural, economic, socio-cultural and historical situation of a cross-border region (including with the media's help);
- the overview of a cross-border region afforded in maps, publications, teaching material, and so on;
- the development of a circle of committed experts (multipliers), such as churches, schools, youth and adult educational establishments, the conservation authorities, cultural associations, libraries, museums, and so forth;
- equal opportunities and extensive knowledge of the language of the neighbouring country or of dialects as a component of cross-border regional development and a prerequisite for communication.

In this way, cultural cross-border cooperation becomes a constituent element of regional development. Only if socio-cultural cooperation takes place is a workable cross-border environment for business, trade and services established.

## **6. Cross-border cooperation as a European task and one of the EU's political objectives**

Borders are the scars of history. We must not forget these scars, but we should not cultivate them when taking the decisions that will decide the future of Europe.

Article 2 of the Amsterdam Treaty provides for the 'creation of an area without internal frontiers, through the strengthening of economic and social cohesion.'

The diversity of Europe is regarded as an asset. It is an asset that should be cultivated and promoted. This diversity is reflected in the social and cultural life of all states and regions of Europe. Over the centuries these various cultures and social systems have led to the formation of certain administrative structures and powers, fiscal and social legislation, and many other different areas of political activity (e.g. spatial planning, economic support, media landscapes, etc.).

Our citizens have grown up in these different social and cultural environments. They will not always wish to sacrifice aspects of their everyday lives for the cause of European harmonisation, particularly where this would result in the loss of Europe's diversity.

Despite the reduction of barriers along the EU's internal and external borders, these different social and cultural environments (including the various administrative structures and systems) will continue to exist for many decades to come, and will encounter each other at borders.

No state in Europe – inside or outside the EU – will alter its tried and trusted structures, competencies and powers on account of the problems that arise in border regions. Furthermore, no state is able to draft its laws in such a way that they harmonise with all the neighbouring states on its borders.

The consequences will be felt for a long time: economic, social and legal problems, and obstructions to cooperation affecting the population on either side of each border.

Bilateral or trilateral cross-border cooperation at regional/local level will therefore remain a necessity over the long term, not just in order to prevent cross-border conflicts and overcome psychological barriers, but, above all, in order to facilitate partnerships that will balance and reconcile these differences, through Euroregions and similar structures. Partnerships of this kind need to be cultivated within regions, with all the often very different social partners on either side of each border, and externally, with national governments.

The sovereignty of the state ends at its borders. However, the differences and problems at these borders continue to exist, and require sustainable solutions that should be supported nationally and on European level.

**Cross-border cooperation** is therefore first and foremost a **European task** and **political objective of the European Union** that needs to be implemented regionally/locally in partnership with the national authorities on the spot.

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