

Association of European Border Regions (AEBR)

Transeuropean Co-operation
between
Territorial Authorities

New challenges
and
future steps necessary
to improve co-operation

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Foreword

The first part of the study has the main aim to promote a better understanding of transeuropean co-operation activities between territorial authorities in Europe.

Chapter 1 of the study briefly highlights that local and regional authorities have to be understood as very important actors of “co-operative governance” in Europe. Taking into account the fact that the European Union currently searches for new and more legitimate ways of co-operative governance, which are also in line with a “broader” interpretation of the principle of subsidiarity, it becomes clear that a better understanding of international co-operation activities between local and regional authorities in Europe is needed.

Therefore, **Chapter 2** identifies elements for a coherent analytical framework in order to assess co-operation between regional and local authorities in Europe. It will give an overview on the multitude of existing approaches that analyse and classify co-operation between territorial authorities. Furthermore, it suggests a certain „clarification“ with regard to basic terminology and gives a preliminary definition for major co-operation categories between territorial authorities in Europe. This definition is elaborated on the ground of a limited number of analytical items such as

- the thematical scope of activities covered and the basic nature of co-operation.
- the “geographical” features of co-operation
- the number of actors participating in co-operation,

These factors strongly condition the organisational solutions partners have chosen to practically manage their co-operation partnership (sub-types).

The second part of the study gives an overview on general framework initiatives that support co-operation between territorial authorities across Europe.

One category of important framework initiatives are instruments that aim at creating an appropriate legal framework for co-operation between local and regional authorities in Europe. Besides a large number of international agreements and treaties concluded especially in the field of cross-border co-operation, **Chapter 3** also assess the suitability for co-operation of the only solution currently available in the framework of EU-law (European Economic Interest Groupings).

A second category of framework initiatives are specific funding schemes actively supporting co-operation between local and regional authorities. **Chapter 4** mainly assesses the results of support programmes that were launched in the framework of the EU-Structural Funds during previous programming periods (1988-1993 and 1994-1999). In order to present the new framework for Community support to transeuropean co-operation during the ongoing programming period 2000-2006 and to highlight the challenges that arise for local/regional authorities in the framework of cross-border, inter-territorial or transnational co-operation, a specific **Annex 1 on the INTERREG III-Guidelines** was elaborated.

The third part of the study evaluates the present state of transeuropean co-operation. It covers at the same time co-operation activities established between territorial authorities of the European Union as well as activities established between the latter and territorial authorities coming from Central and Eastern European Countries.

Chapters 5-7 analyse more in depth cross-border, inter-territorial and transnational co-operation and are based on a “uniform” approach. This approach looks at

- basic motivations underlying each category of co-operation (objectives pursued) and activities dominantly carried out in practice (scope of activities and basic nature of co-operation),
- organisational solutions found in order to practically manage the co-operation partnership at strategic level,
- organisational solutions found in order to implement practically individual co-operation projects.

Chapter 8 deals with co-operation in the framework of European associations set up by local and regional authorities. The analysis mainly concentrates on a summary description of this type of co-operation and evaluates the contribution of European associations to the development of cross-border, inter-regional and transnational co-operation.

Every chapter of this part also comprises a number of shorter case studies that illustrate the practical functioning of specific co-operation schemes.

The fourth part of the study identifies general factors that enhance or hinder co-operation between territorial authorities in Europe and gives recommendations for future steps necessary to further improve cross-border, inter-territorial and transnational co-operation.

Chapter 9 briefly discusses 5 “general factors” that particularly influence on the success of activities carried out in the framework of cross-border, inter-territorial and transnational co-operation (degree of tradition/experience with co-operation and the extent to which joint activities are based on partnership and subsidiarity; geographical proximity; degree of institutionalisation; existence of appropriate legal framework conditions; availability of funding programmes supporting co-operation). At the end of this chapter, the most important aspects that particularly enhance or hinder mutual co-operation (internal weaknesses or persisting external obstacles) are summarised for each of the aforementioned main categories of co-operation

Chapter 10 elaborates a set of recommendations (short-term/mid-term perspective), which can help local and regional authorities to overcome the most important internal weaknesses or (external) obstacles in the field of strategic and project-based cross-border, inter-territorial or transnational co-operation.

Chapter 11 elaborates a set of recommendations (mid-term/long-term perspective), which promote transeuropean co-operation as an essential element within a new model of European governance and aim at creating more coherent legal framework conditions at Community level for cross-border, inter-territorial and transnational co-operation.

- In order to promote transeuropean co-operation as an essential element within a new model for European governance, various key issues that are of general interest for local and regional authorities and specific aspects that refer directly to transeuropean co-operation must be fully integrated in the Commission’s White Paper.
- A first step that aims at creating clearer legal framework conditions for project based co-operation between public authorities would be a modification of the current EC-Regulation on “European Economic Interest Groupings” (EEIGs).

- A second step aims at elaborating and adopting a new Community legal instrument on “European Co-operation Areas” (ECA), which enhances further strategic co-operation between local and regional authorities.

Chapter 12 presents an “Action Plan” for the Committee of the Regions, which highlights a number of specific initiatives that can support the implementation of recommendations mentioned in Chapters 10 and 11.

The reader will find a “**Summary Overview Box**” at the beginning of each **Main Part** of the study, which raises the basic analytical questions and allows quick access to essential messages/answers given by the relevant chapters (“key points”). Additional tools that facilitate reading the present document are a **glossary of important terms (Annex 2)** and a **list of abbreviations (Annex 3)**.

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PART I:

***Towards a better understanding
of international co-operation activities
between territorial authorities in Europe***

SUMMARY OVERVIEW BOX FOR PART I. BASIC QUESTIONS AND KEY POINTS

Which is the larger context that can promote a better understanding of co-operation between local and regional authorities ?

- “Co-operative governance” across national borders is not strictly limited any more to national government actors, due to a steady increase in co-operation activities established between regional and local authorities coming from different countries. In Europe, **transeuropean co-operation between local and regional authorities has become over the years an essential element of the overall system of “network governance”**.
- The overall degree and the basic features of **voluntary bilateral or multilateral co-operation between territorial authorities in Europe** allow considering such activities a **“complementary form of national foreign relations”**. These co-operation activities are however not a simple re-production of national policy at a smaller scale, but must be considered a “sui generis policy” with a new quality, other working methods and different forms of action. These activities **directly contribute to the overall European integration process** and are a **practical realisation of the “Citizen’s Europe”**.
- **Co-operation between territorial authorities is however characterised by a significant degree of complexity**. Today, co-operation is frequently based upon formal agreements concluded at multilateral or inter-state level, or upon less formal agreements concluded between regional (and local) authorities themselves. Co-operation takes place between regional and local authorities from EU-Member States, but also between the latter and territorial authorities coming from non-EU countries and especially from Central and Eastern European Countries.

Why do we need a more coherent analytical framework and which are the problems of existing approaches?

- **An assessment of the complexity of co-operation activities between local and regional authorities in Europe must be based upon a coherent analytical framework**. This framework should be based on limited number of “indicators” (e.g. geographical coverage, the number of actors involved, the scope of issues covered or the organisational framework adopted etc), which permit to isolate the dominant co-operation patterns that can be observed in practice and allow to define these categories more in detail according. On this ground, a more detailed comparison between these major co-operation categories can be established. This exercise is however not that easy as it appears to be in the first place.
- **There are already many approaches that attempt to analyse and classify co-operation between local and regional authorities**. They were – directly or indirectly – developed by European-wide government organisations and EU-institutions, by practitioners involved in co-operation or in the framework of academic research that aims at giving a more systematic overview on this phenomenon. **One can however observe a growing diversity with regard to classification of such activities**. Therefore, the present study suggests a „clarification“ with regard to basic terminology and elaborates a preliminary definition for each of the major co-operation categories established between territorial authorities in Europe.

What are the suggestions of the study with regard to basic terminology ?

- **The study suggests using the following expressions:** The present document adopts **the overall framework term “transeuropean co-operation”** for summarising all international co-operation activities in which local and regional authorities are involved in Europe. Within this larger context, 4 main categories can be considered the “composing elements” of transeuropean co-operation. These main categories are
 - **cross-border co-operation,**
 - **inter-territorial co-operation** (corresponds to what is currently referred to as inter-regional co-operation),
 - **transnational co-operation in the field of European spatial development,**
 - **co-operation in the framework of European associations established by local and regional authorities.**

Which are the main elements of a preliminary definition for the different categories of co-operation established between territorial authorities ?

- **Cross-border co-operation** takes place between two or a greater number of neighbouring administrative authorities (regions and/or local authorities) that are located in geographically adjoined areas along a common border and work together in all aspects of daily life. One can identify a number of dominant organisational sub-types that exist in practice:
 - At the level of **project orientated cross-border co-operation**, the most common organisational arrangements used in practice are based on European law or national law and on practical ad-hoc agreements.
 - In the framework of **strategic cross-border co-operation**, the most common organisational arrangements used in practice are **Euregios** and similar structures (often properly constituted legal entities, multi-purpose, often with extensive capacities), **Working Communities** (based on working agreements, limited capacities) and other formal or informal institutional **arrangements set up for the management of INTERREG and other EU-programmes**, often without a precise legal status specifically and ranging from more or less integrated structures.
- **Inter-territorial co-operation** refers to more or less structured bilateral, trilateral or multilateral co-operation, which is dominantly established between local and regional authorities that are not (necessarily) adjoined by direct neighbouring links. One can identify a number of dominant organisational sub-types that exist in practice:
 - **Co-operation at project level** normally functions through setting up a specific “**project-network**”, which focuses on one theme or a limited number of issues of common interest and ends after the completion of tasks (one-off activities).
 - **Strategic co-operation** is normally carried out in the framework of **bilateral town twinnings** or **bilateral regional partnerships** and **multilateral networks**, which implement a greater number of joint actions (projects) in a various themes or one issue of general interest.
- **Transnational co-operation in the field of European spatial development and spatial planning** generally aims at promoting a more integrated spatial development of larger and contiguous geographical zones or “groupings of regions”, which cover at least 2 EU-Member States and/or neighbouring Third Countries. One can identify two levels for which organisational arrangements have been set up:
 - **Strategic and multilateral co-operation** at the level of larger transnational areas within specific EU-programme management structures, which involves mainly national government authorities and to various degrees also first level regions.
 - **Trilateral or multilateral co-operation at the level of individual projects**, which involve local and regional authorities and other public, semi-public or private actors.
- As a direct consequence of activities in the field of cross-border and inter-territorial or transnational co-operation, **many regional and local authorities are frequently active or passive members of one or more European associations**. According to the thematical focus, one can identify 2 major sub-types:
 - **Large-scale associations** dealing with all questions related to local and regional government or European integration.
 - **Specific associations** representing members with commonly shared geographical, economic and sector specific features.

1.) Local and regional authorities as actors of “co-operative governance” in Europe

Governance can be described¹ as a process of authoritative formulation and implementation of general and compulsory rules, which are normally defined and implemented by specifically empowered state institutions and/or other public bodies on the ground of distinct resources at their disposal (monopoly of power execution, monopoly of taxation, monopoly of legitimate attribution of competencies). Such regulative measures are needed mostly in those areas of society, where a large number of uncoordinated and parallel activities are undertaken by a broad variety of social actors. In this context, the political-administrative system is normally considered a relatively autonomous system with regard to other sub-systems of society and its traditional understanding of governance is largely determined by four basic principles, which are territoriality, sovereignty, effectiveness and legitimacy.²

This concept of „steering“ and „co-ordinating“ macro- and micro-aspects in society by hierarchical public (state) interventions is in practice increasingly challenged by

- the increased complexity of newly arising socio-economic or environmental problems,
- the growing interdependence resulting from the process of internationalisation and globalisation.

How does public policy making „face“ these challenges? A frequent response was the development of new modes of governance that are stronger based on „co-operation“ and „networking“, both within the national and the international context.

Research in social science revealed that „networks“ have become since many years an increasingly popular way of organising relations amongst individuals or different institutional actors from the cultural, the socio-economic and the political-administrative sphere. Networks can be understood as “decentralised structures of social organisation” characterised by a functional logic that is a combination of hierarchical regulation and autonomous or market driven regulation. They are also “structures of action” (and of governance) bringing together different actors “owning” (or lacking) parts of strategic knowledge in a common field of interest. Networks allow for co-operative self-organisation and self-co-ordination and are normally used by actors to define common mid-term or long-term objectives and instruments to realise them.³

A number of studies analysing and comparing the long-term evolution of state policies in Western democracies revealed that established mechanisms of hierarchical state intervention have become more and more precarious since the mid 1970ies.⁴ One reason for this is

¹ **Brozus, L. / Zürn, M.:** Globalisierung – Herausforderung des Regierens (Paper contained in the WEB-Site www.bpb.de/info-franzis/info_263/body_I_263_10.html) ; **Greß, F.:** Stärkung der Handlungsfähigkeit der Länder durch regionale Netze und Koalitionen? Anmerkungen zum Gebrauch des Netzwerk-Konzeptes. In: Hrbek (Hrsg.): Europapolitik und Bundesstaatsprinzip Baden-Baden, 2000.

² (1) Territoriality means that regulative activities normally „end“ at the borders of the institution empowered to do so, e.g. the nation state. (2) Sovereignty implies that for each state only one government is formally empowered to regulate and that the design of political structures in a State is a matter of internal affairs. (3) Legitimacy implies that modern governance should not solely concentrate on particular interest representation, but also has to keep in mind objectives of general interest (e.g. security, social welfare). (4) Effectiveness means that objectives outset in regulative activity should be reached in order to maintain legitimacy of governmental power and trust in the entire political system.

³ **Messner, D.:** Die Netzwerkgesellschaft. Wirtschaftliche Entwicklung und internationale Wettbewerbsfähigkeit als Problem gesellschaftlicher Steuerung. Köln, 1998.

⁴ **Hesse, J.J./Benz, A.:** Die Modernisierung der Staatsorganisation. Baden-Baden 1990. **Hesse, J.J./Zöpel, Ch.:** Der Staat der Zukunft. Baden-Baden 1990. **Stumm, Th.:** Staatstätigkeit in Frankreich im Spannungsfeld innerstaatlicher Dezentralisierung und europäischer Integrationsdynamik. Dissertation, Universität Tübingen 1999.

certainly the growing complexity of problems arising in society, which frequently „cross-cut“ the functional specialisation of public administrations and therefore limit the steering capability of individual sector policies. In this new „architecture of complexity“, society and societal problems are no longer exclusively controllable by a central intelligence (e.g. the State); rather, controlling devices are dispersed and intelligence is distributed among a multiplicity of action (or „processing“) units.⁵ In order to cope with these challenges, many states launched profound internal reforms in order to improve functional performances and problem solving capabilities of their public policies (privatisation's, improvement of administrative efficiency, devolution and deconcentration).

These gradual processes also led to **the emergence of alternative modes of governance (“soft interventions”)**, where public intervention is based more on co-operation and networking between actors coming from the public sector (national, regional and local authorities) or between the latter and actors of the private sector

- Frequently, so-called „policy networks“ are set up in order to jointly formulate or implement public policies.⁶ Recent research indicates that these policy networks can improve the efficiency and the legitimacy of public action, but their beneficial contribution varies according to the different stages of the public policy cycle.⁷
- Policies that deliberately aim at “creating” a critical mass of networking or upgrade the density of already existing interconnections between public, semi-public and private actors⁸ may even lead to the emergence of a more coherent economic and technological environment that favours new development processes at national, regional or local level.⁹

A distinct feature of such network based modes of governance is that they attribute a different role to state agents: The latter are no longer on the top of a hierarchy but get entrenched in bargaining and negotiating with representatives of the society. In an extreme case, governance itself is a self-organising network through which the state becomes a collection of inter-organisational networks made up of governmental and societal actors with no sovereign actor able to steer or to regulate.¹⁰

The development of “co-operative governance” in an international sphere and its specific features in the Community context

At the end of the 20ies century it has become obvious that the ongoing process of globalisation increasingly creates new challenges for the established institutional systems of

⁵ Kenis, P. / Schneider, V.: Policy Networks and Policy Analysis: Scrutinising a New Analytical Toolbox. In: B. Marin / R. Mayntz, (Hrsg.): Policy Networks. Empirical Evidence and Theoretical Considerations. Frankfurt a.M. u.a.O., 1991.

⁶ Jordan, G. / Schubert, K.: A preliminary ordering of policy networks labels. In: European Journal of Policy Research, vol. 21/ 1992. Marin, B. / Mayntz, R.: Introduction: Studying Political Networks. In: B. Marin / R. Mayntz, (Hrsg.): Policy Networks. Empirical Evidence and Theoretical Considerations. Frankfurt a.M. u.a.O., 1991. Hanf, K. / O'Toole, L.: Revisiting old friends: networks, implementation structures and the management of inter-organisational relations. In: European Journal of Policy Research, Vol. 21/ 1992.

⁷ Messner, D.: Die Netzwerkgesellschaft. Wirtschaftliche Entwicklung und internationale Wettbewerbsfähigkeit als Probleme gesellschaftlicher Steuerung. Köln, 1998.

⁸ Such interconnections voluntarily associating local actors in the pursuit of common projects can be (1) co-operation networks between local firms orientated towards accessing the global market and existing technologies, (2) networks between firms and the local education system that aim at adapting human resources to the changing needs of local firms, (3) networks between research centres and external organisations of technology transfer that aim at increasing awareness of new technologies adapted to the market requirements of local firms and (4) intra- or inter-regional co-operation networks that aim at searching new partners or at establishing strategic alliances.

⁹ European Commission (Directorate General XII), **Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995)**: Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal.

¹⁰ Rhodes, R.A.W.: The new governance: governing without government. In: Political Studies 1996, Vol.44, no.4.

nation states and their traditional understanding of governance. Some of these challenges are currently analysed more in depth by larger research projects¹¹ and can be summarised as follows:

- Globalisation multiplies the scope of societal aspects and the rapidity of actions that transgress nation-state borders. These issues, which were traditionally subject to national regulation, nowadays concern a larger number of actors and different policy fields across different states. This growing interdependence challenges two basic principles of the traditional understanding of governance: territoriality and sovereignty.
- Globalisation also challenges the effectiveness of national public policy making, both with regard to the capacity of action and of problem solving (functional dimension) and with regard to the established vertical division of power in states (territorial dimension).
- The above mentioned aspects often prevent national governments from reaching their defined political objectives, which - in turn - can challenge the basic legitimate foundation of state power.

An improvement and further development of new modes of “co-operative governance” in an international sphere is frequently considered by states an adequate reaction to the challenges arising from globalisation and interdependence. Co-operation in international politics normally takes place between sovereign nation states and is generally classified according to its degree of integration¹² as "inter-governmental" (low) or "supranational" (high). In order to make international co-operation function, it must be assured that participants respect commonly negotiated rules. Any kind of international co-operation is therefore confronted with a fundamental problem of “trust” that can not be totally eliminated, but only partially reduced through acts of international self-commitment (e.g. via the conclusion of international treaties). Due to the fact that no legitimised form of “international government” empowered to formulate and implement general and compulsory rules does exist at date and that established international organisations are frequently not able to effectively implement their decisions, increased international co-operation between states is needed in order to jointly reach a regulation for newly emerging global problems.

The debate on the **concept of “global governance”**¹³ aims at designing a co-operative solution at world wide level to resolve some of the major challenges arising from the overall globalisation process. Global governance is based upon the assumption that modern governance has to be broadly legitimised in order to be effective and that effective governance needs to be recognised as legitimate. The concept aims at

- integrating a broad range of actors such as different levels of political decision making or non-sovereignty-bound actors (such as the European Union or other international government organisation) and non-governmental organisations in the process of governance,
- networking these actors at a sub-national and at international / global level,
- improving the recognition of basic principles related to human rights and civil society.

The most long standing and dense forms of “co-operative governance” at macro-regional level were developed first between Western European countries and is now

¹¹ For some examples carried out in the framework of the University of Munich, see: www.pol.wiso.tu-muenchen.de/forschung/forsch01.htm

¹² Integration signifies some measure of the density, intensity and character of relations among the constitutive elements of a system. Integration may refer to causal interdependence among the parts, consistency (the degree of coherence and co-ordination among the parts) and structural connectedness (network vision of integration).

¹³ **Brozus, L. / Zürn, M.:** Globalisierung – Herausforderung des Regierens. Paper contained in the WEB-Site www.bpb.de/info-franzis/info_263/body_I_263_10.html

expected to be expanded towards selected countries of Central and Eastern Europe. Co-operation between nation states in Western Europe is dominantly characterised by supranationalism, although one can remark strong and persisting elements of intergovernmentalism. This is mainly due to a further “deepening” and “widening” of the European integration process pursued in the Community framework, justified by the argument that integration has to be continued in the age of globalisation as none of the European nation state will be able to act on its own.

Three different kinds of major inputs can be identified that were mainly responsible for the profound transformation of the Community system in recent years:

- Intentional constitutional choice agreed upon in inter-governmental conferences (IGCs).
- Political arrangements between actors with an institutional self-interest (Commission, European Parliament etc.).
- Daily practice in organising political exchange relations.

A fourth input are devolution processes that were launched in different Member States. They were partly influenced by the above mentioned inputs transforming the EU-system and contributed in the same time to the overall transformation process of the Community.

Especially the three inter-governmental conferences of the past two decades (1985, 1991 and 1996) have contributed to further change the system of EU-polity (basic institutions, their powers and relationships). The current configuration of “co-operative government” or “network governance” at EU-level is complex, ambiguous, multi-levelled, multi-structured and multi-centred. Institutional and procedural relations within this system of multi-level decision making take place in the framework of a multitude of networks spanning across various territorial levels of governance, institutions of government and public-private organisations, while its overall appearance seems to be more like a “marble cake” rather than a “layer cake”. This particular mode of “EU-network governance” does not claim to have democratic quality but legitimacy spawned by processes of deliberation, institutionalised norm orientation, and functional representation¹⁴

The Commission, who commands a broad range of legislative and executive functions, was particularly interested in developing this system of “network governance”. The aim was to make productive use of its right of initiative, to be successful as guardian of the Treaty or to manage a vast array of Community funded programmes. The Commission has established routines to draw upon the expertise of external actors – be they public or private - in order to ensure that its proposals are approved of by those governed. For years the Commission has supported transnational interest formation and has played an active role in “networking, encouraging the formation of transnational policy communities around policy issues which it has an interest in promoting. Furthermore, the Commission heavily relies on networks in implementing Community policies and for various programmes a “partnership principle” has been introduced (Structural Funds) in order to get framing and programming of Community policies closer to people. These strategies have been successful because they were supported or at least tolerated by national governments and private actors alike.¹⁵

Despite this development, the Community system of co-operative governance is confronted with a number of major challenges and is currently in a search of new and more legitimate modes of governance. According to the Commission’s view expressed in a recent working

¹⁴ **Kohler-Koch, B.:** Europe in search of legitimate governance. ARENA-Working Papers WP 99/27. **Olsen, J.P.:** Organising European Institutions of Governance. A prelude to an institutional account of political integration. ARENA Working Papers WP00/2. Both documents are contained in the WEB-Site www.arena.uio.no/publications

¹⁵ **Kohler-Koch, B.:** Europe in search of legitimate governance. ARENA-Working Papers WP 99/27.

document, four important aspects have emerged in the broader context of the European integration process:¹⁶

- A majority of the public opinion remains attached to a continuation of the political integration of the European Union but marks its distance vis à vis the established institutions. The objectives pursued and their functioning are often not understood.
- Additional expectations are formulated by the citizen and so-called new European actors directly concerned by the application of Community legislation or the implementation of Community policies (local and regional authorities, NGOs, experts, press, Member State politicians etc.), which partly express a wish for greater efficiency and partly a willingness for stronger participation.
- After an exceptional phase characterised by a substantial enlargement of competencies attributed to the European Union during the past decade, the process of European integration now undergoes a phase of transition in which „active integration“ becomes a more important issue: It particularly emphasises quality of executive functions, the right choice of „good“ instruments and better co-ordination.
- Community institutions are also confronted with many problems related to challenges that parliamentary representative systems (demand for direct participation, uncertainties) or modern governance (outsourcing of public tasks) have to face.

For the European Union-system as a whole, leading members of the scientific community¹⁷ expect that legitimacy and further steps of integration will depend in the foreseeable future upon functional performance, comparative problem solving capabilities, the ability to satisfy relevant political interests and institutional safeguards against abuse of European power. In addition they believe that there is no pre-existing sense of collective European identity and that a shared identity is not expected to emerge. Adding new Member States from Central and Eastern Europe will increase heterogeneity and make the development of a common identity even more unlike.

The Commission has therefore launched a broad debate that aims at promoting new forms of European governance. According to the Commission's view, governance in the European Union is understood as the rules, processes and behaviours that affect the way in which powers are exercised at European level, particularly as regards accountability, clarity, transparency, coherence, efficiency and effectiveness.

The overall aim of the initiative is

- to encourage discussion amongst citizens of European values, issues and decisions,
- to reform the processes for preparing and implementing Community rules and policies to ensure that they are pertinent and coherent,
- to lay the ground for a debate on overhauling objectives of the common policies the Union will need, in order to meet its continent-wide aspirations.

A „White Paper“ with proposals for the improvement of European governance is elaborated that will be structured around 6 major „work areas“ (**See: Box 1**).¹⁸

¹⁶ **Commission européenne:** Projet de Communication de Monsieur le Président à la Commission. Document introductif au débat de la Commission sur les orientations possibles de la gouvernance européenne. Bruxelles, le 29.03.2001 (réf. 170005/2001-introduction).

¹⁷ Fritz W. Scharpf and Helen Wallace quoted in: **Olsen, J.P.:** Organising European Institutions of Governance. A prelude to an institutional account of political integration. ARENA Working Papers WP00/2. Both documents are contained in the WEB-Site www.arena.uio.no/publications

¹⁸ **European Commission:** White Paper on European Governance. Enhancing democracy in the European Union. Work Programme. SEC (2000) 1547/7 final

Box 1: Six „work areas“ for White Paper-proposals
<p>Work areas that concern practical ways of conducting European processes related to the preparation and implementation of legislative decisions:</p> <ol style="list-style-type: none"> (1) Broadening and enriching the public debate on European matters (2) Handling the process of producing and implementing Community rules (3) Improving the exercise of European executive responsibilities through decentralisation (4) Promoting coherence and co-operation within a networked Europe <p>Work areas that concern restating the objectives or challenges of Union policies beyond sectional cleavages:</p> <ol style="list-style-type: none"> (5) Strengthening Europe's contribution to world governance (6) Strengthening the integration and strategic dimension of policies across the continent

The Commission believes that a reform of European modes of governance is all about improving democracy in Europe. This postulate is justified by the assumption that improved governance can have a positive impact on the two pillars, which are the basis of democracy in Europe.

- **Accountability of executives to European and national legislative bodies (pillar 1):** Due to the fact that the European Union is a Community founded on law which also respects the identity of each of its Member States, a delicate balance has to be established between institutions that „create“ this law. This balance is characterised by a unique sharing of legislative and executive powers as well as an obligation towards co-operation. Therefore, the concept of governance is grounded in ideas of interdependence and interaction between various powers and multiple levels. Improving governance shall help to improve the conditions under which this equilibrium functions and co-operation occurs.
- **Effective involvement of the citizens in devising and implementing decisions that affect them (pillar 2):** During the past decades, there has been more and more devolution of power to regions and cities and new actors have emerged with responsibility for regulating areas previously under public supervision. It therefore has become increasingly clear that the very success of Community decision making and the acceptability of rules depend on such actors being involved. Improved governance should therefore aim at a better involvement of regional, local and non-governmental actors in the policy making process.

*Local and regional authorities as essential actors within the overall system
of “network governance” in Western Europe*

“Co-operative governance” across national borders is not strictly limited any more to central government actors, due to a steady increase in co-operation activities established between regional and local authorities coming from different countries. In distinction to the above mentioned co-operation between sovereign nation states in international politics, these relations established between local and regional authorities normally take place without a direct interposition of central governments actors, but do however not generally exclude the possibility that the latter participate.

Already at an early stage, **local authorities developed world-wide co-operation** within organisations such as the “International Union of Local Authorities” (IULA)¹⁹ and the “Fédération Mondiale des Cités Unies” (FMCU)²⁰ **or co-operation at macro-regional level** within organisations such as the “Arab Towns Organisation (ATO)²¹. With the move towards globalisation of socio-economic issues, the needs for co-operative problem solving related to the management of urban and rural areas increased. A frequent response was the creation of new networks linking together local actors in specific themes, often within the framework of specific United Nations programmes.²²

Especially in Europe, international co-operation between local and regional authorities has become over the years an essential element of the overall system of “network governance”. In Western European countries, local authorities took first initiatives already some years after the Second World War (bilateral town twinnings). Regions frequently launched new initiatives during the early 1960ies and 1970ies, which resulted in the setting up of cross-border co-operation structures and specific associations with members coming from different countries. Co-operation between territorial authorities in Europe became more intense during the 1980ies and especially during the 1990ies, mostly as a result of the successive deepening and widening of the European integration process (European Single Market, Economic and Monetary Union) and the fall of the “iron curtain”. These factors significantly enhanced the utility and intensification of such contacts. Another important stimulus was the launching of new Community programmes that aim at supporting European-wide co-operation between territorial authorities.

Today, co-operation is frequently based upon formal agreements concluded at multilateral or inter-state level, or upon less formal agreements concluded between regional (and local) authorities themselves. Co-operation takes place between regional and local authorities from EU-Member States, but also between the latter and territorial authorities coming from non-EU countries and especially from Central and Eastern European Countries. Due to the large differences with regard to geographical coverage, the number of actors involved, the scope of issues covered or the organisational framework adopted, co-operation between territorial authorities is characterised by a significant degree of complexity. The Baltic Sea Area is a perfect example that illustrates the complexity of co-operation and the dynamic changes it has undergone since the political changes in the former Eastern Bloc. In this area, a broad variety of sometimes long standing and often overlapping or ambivalent co-operation schemes have been established between local and regional authorities, which exist in parallel to major inter-governmental co-operation initiatives at macro-regional level such as the Nordic Council, the Nordic Council of ministers, the Helsinki Commission (HELCOM) or the Council of the Baltic Sea States (CBSS).

¹⁹ IULA was founded in Brussels in 1913 and accounted 25 years later 22 member associations of municipalities. In 1949, the Secretariat was moved from Brussels (B) to the Hague (NL). From the 1950ies, IULA changed its character into a worldwide organisation. Presently there are 8 „Regional Sections“ that run their own activities, of which one is to promote international co-operation between municipalities.

²⁰ Worldwide association founded in 1957 with the basic aim to stimulate co-operation and exchange of experiences, which includes more than 5000 local and regional authorities.

²¹ ATO was established in 1967 (headquarters in Kuwait City) and is concerned with developing and raising the standard of local authorities, municipal and city services or utilities in Arab towns. It also aims at the preservation of the character and heritage of Arab towns through ensuring that development and construction plans take account of its social, economic, environmental or cultural features.

²² Two examples are the „WHO-Healthy Cities Network“ (long-term international development project seeking to put health on the agenda of decision makers in European cities and to build a strong lobby for public health at local level) and the „International Council for Local Environmental Initiatives“ (ICLEI), established in 1990 through a partnership of the United Nations Environment Programme, IULA and the Centre for Innovative Diplomacy. ICLEI includes more than 200 local governments of all sizes from around the world that want to take a leadership role in identifying and implementing innovative management practices.

The overall degree and the basic features of **voluntary bilateral or multilateral co-operation between territorial authorities in Europe** allow considering such activities a **“complementary form of national foreign relations”**. These co-operation activities are however not a simple re-production of national policy at a smaller scale, but must be considered a **“sui generis policy”** with a new quality, other working methods and different forms of action.²³ These activities **directly contribute to the overall European integration process and are a practical realisation of the “Citizen’s Europe”**.

The potential benefits resulting from such activities however strongly depend upon the intensity and quality of co-operation, which in turn strongly depends on

- the scope of activities covered and the basic nature of co-operation,
- the organisational framework for managing the co-operation and implementing practical activities,
- the number of actors involved and their financial capacities in order to undertake action,
- the basic legal framework conditions that enable regional and local authorities to take action.

Taking into account the fact that the European Union currently searches for new and more legitimate ways of co-operative governance that are in line with a “broader” interpretation of the principle of subsidiarity, it becomes clear that a better understanding of international co-operation activities between local and regional authorities in Europe as well as of the potentials these initiatives can offer for a new model of European governance is needed.

2.) Towards an analytical framework for the assessment of co-operation between regional and local authorities in Europe

2.1. An overview on the multitude of existing approaches to classification

There is a multitude of approaches that attempt to analyse and classify co-operation between local and regional authorities in Europe. They were – directly or indirectly - developed by European-wide government organisations and EU-institutions, by practitioners involved in co-operation or in the framework of academic research that aims at giving a more systematic overview on this phenomenon. The following section gives an overview on these approaches and summarises their solution with regard to classification.

On the ground of intensive and long lasting work, **the Council of Europe** was one of the first organisations that developed a specific international legal terminology defining some the basic co-operation activities existing between local and regional authorities. The Madrid-Outline Convention of 1980 and its successive Additional Protocols (1995, 1998) distinguish between two main categories of co-operation and elaborate for each a brief definition:²⁴

²³ **Eißel, D./Grasse, A./Paeschke, B./Sänger, R.:** Interregionale Zusammenarbeit in der EU. Analysen zur Partnerschaft zwischen Hessen, der Emilia-Romagna und der Aquitaine. Opladen, 1999.

²⁴ **Council of Europe:** (a) European Outline Convention on Transfrontier co-operation between territorial communities (Madrid Outline Convention). European Treaties Series /106, Strasbourg 1999. (b) Protocol additionnel à la convention-cadre européenne sur la coopération transfrontalière des collectivités ou autorités territoriales. Rapport Explicatif. (c) Protocol No 2 to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities concerning inter-territorial co-operation with explanatory report.

- Any concerted action designed to reinforce and foster neighbourly relations between territorial communities or authorities is defined as “transfrontier co-operation” (Art. 2 of the Madrid-Outline convention).
- In distinction to the previous definition, “inter-territorial co-operation” is defined as any concerted action designed to establish relations between territorial communities or authorities of two or more countries (other than transfrontier co-operation), including the conclusion of co-operation agreements (Art. 1 of Additional Protocol No. 2).

Since the end of the 1980ies, a growing number of specific EC-programmes were introduced that directly or indirectly support co-operation and networking between local and regional authorities. Due to this process, **a practical and “funding scheme orientated terminology” has indirectly been developed at Community level.** According to the major support programmes introduced (See also Chapter 4), one can distinguish between 4 types of co-operation:

- **Bilateral town twinning** (related to the Commission’s programme supporting town-twinings).
- **Internal and external cross-border co-operation** (related to the Community Initiative INTERREG I, IIA and IIIA and to support programmes such as PHARE-CBC and TACIS-CBC).
- **Internal and external inter-regional co-operation** (related to the former ERDF-Art.10 funded programmes such as Exchange of Experience / PACTE, to RECITE I and II, ECOS-Ouverture I and II and TERRA-projects on spatial planning)
- **Transnational co-operation in the field of European spatial development or spatial planning** (related to the Community Initiative INTERREG IIC, to early ERDF-Art.10 funded pilot actions for larger transnational areas and to the future INTERREG IIIB).

Since the publication of the new INTERREG III-Guidelines, the latter 3 forms of co-operation are generally summarised under the general framework term “transeuropean co-operation”. But also many other Community support programmes²⁵ include “transnationality” as a precondition for eligible actions, wherefore the constitution of inter-regional or cross-border partnerships at project level can be considered an additional spill-off effect of those initiatives.

Mainly due to the multiplication of such EU-support programmes, **practitioners and Community institutions showed a growing interest in having a more thorough understanding of co-operation activities between local and regional authorities.** Due to the involvement of European Associations representing regional and local authorities in the management of specific support programmes (Exchange of Experience, PACTE, LACE-programme etc.), handbooks and practical guides were published that summarise practical knowledge gained in co-operation. These publications frequently contributed to elaborate a more precise terminology (often used later by the European Commission) and sometimes even develop a very precise sub-typology of specific forms of co-operation (LACE-Guide). Such publications also helped other Community institutions (e.g. European Parliament, Committee of the Regions) to elaborate their specific reports and opinions on various aspects of co-operation.

Some examples will illustrate that these practitioner-documents, reports and opinions are however far from applying a homogenous terminology.

²⁵ Such programmes exist in a number of policy areas such as rural development, social affairs, education and training, culture, environment, research and development, SME's and tourism.

Since the beginning of the 1990ies, the European Commission publishes a Practical Guide for town twinning that is regularly updated and re-edited. It gives practical advice for the establishment of town-twinning, an overview on the territorial organisation of EU-Member states (and more recently also other European countries) and information about European institutions and specific support schemes.²⁶

In the context of the Exchange of Experience and PACTE programme a number of handbooks²⁷ or evaluation seminar-reports²⁸ and studies have been published by the relevant associations that were involved in programme-management (Assembly of European Regions, Council of European Municipalities and Regions). The contributions contained in larger studies analysing practical institutional and legal aspects of inter-regional and cross-border co-operation²⁹ do however use a number of different framework terms such as “inter-regional co-operation”, “external relations of local and regional authorities” or “decentralised co-operation” etc.

In the framework of the LACE-measure of the Association of European Border Regions (AEBR), which was supported by the EU, three editions of a “Practical Guide to Cross-border Co-operation” (1995, 1997 and 2001)³⁰ as well as a broader range of issue papers and scientific studies³¹, LACE-Info-Sheets or LACE-Magazines have been published. Besides many other aspects, the most recent edition of the Practical Guide defines three main types of co-operation (cross-border, inter-regional and transnational) and analyses more in detail all aspects related to cross-border co-operation. The Guide elaborates a widely accepted typology for cross-border co-operation, which is based on an extensive assessment of practical examples existing throughout Europe. Two basic approaches to cross-border co-operation can be observed (one-off activities, strategic co-operation), each consisting of a number of different sub-types.

- There are three types of cross-border co-operation at strategic level: (1) Euroregions and similar bodies, (2) Working Communities and other bodies and (3) structures specific to INTERREG and other programmes.
- There are three sub-types of cross-border co-operation at project level: (1) European Economic Interest Groupings, (2) solutions established under national law and (3) practical ad-hoc agreements.

The European Parliament continuously elaborated reports on European- and Community-wide co-operation between local and regional authorities. Since the mid-1970ies, a number of reports dealt with specific categories of co-operation such as cross-border co-operation³²,

²⁶ **European Commission:** A Europe of Town and Cities. The town-twinning concept (Various editions).

²⁷ **Exchange of Experience Programme (EEC/AER/CEDRE):** Coopération interrégionale: Mode d'emploi. Guide pratique. Novembre 1992.

²⁸ **Council of European Municipalities and Regions (CCRE):** Opening up of cities and Regions to Europe. 1992

²⁹ **Commission européenne (DG XVI) / Assemblée des Régions d'Europe:** Le droit appliquée à la coopération interrégionale en Europe. Paris 1995. **Commission européenne / GIE PACTE ARE-CCRE:** La coopération décentralisée. Paris 1997.

³⁰ **Association of European Border Regions (AEBR):** LACE-Guide. Practical Guide to Cross-border Co-operation, Gronau 1995. **Association of European Border Regions (AEBR) / European Commission (Regional policy and cohesion / PHARE):** Practical Guide to Cross-border Co-operation, 1997. **Association of European Border Regions (AEBR) / European Commission (DG REGIO / DG ENLARGMENT):** Practical Guide to Cross-border Co-operation, 2001.

³¹ **Association of European Border Regions (AEBR) / LACE:** Die EU-Initiative INTERREG und zukünftige Entwicklungen (Juli, 1997). Arbeitsdokument: Institutionelle Aspekte der grenzüberschreitenden Zusammenarbeit (September 1998). Arbeitsdokument: Grenzüberschreitendes Finanzmanagement (Mai 1999).

³² **European Parliament:** „Gerlach“-Report of 1976 on the Community's regional policy as regards the regions at the Community's internal frontiers (OJ No C 293, 13.12.1976), „Boot“-report of 1984 on the strengthening of transfrontier co-operation (OJ No C 127, 14.5.1984), „Schreiber“-report of 1986 on the Saarland-Lothringen-Luxemburg region (OJ No C

inter-regional co-operation („Maher“-report of 1992 on the Atlantic Arc Region) or bilateral town twinning (“Fontaine“-report of 1988 on town twinning). In addition, two working papers on cross-border and inter-regional co-operation had been drafted for the “Second Conference European Parliament- Regions of the Community”, which took place in November 1991. A first official report that covered cross-border and inter-regional co-operation jointly was adopted by the Parliament by mid 1992 (“Cushnahan“-report).³³ For the “First Conference European Parliament-Local Authorities” that took place in April 1994, a specific working paper was elaborated on the co-operation between local authorities of the Member States and between them and other European countries. The reports quoted above mainly adopt the established Community funding terminology.

In 1996, the Parliament commissioned an external study on cross-border and inter-regional co-operation that was elaborated by the Association of European Border Regions (AEBR), which distinguishes between cross-border, inter-regional and transnational co-operation.³⁴ Due to a lack of practical experience with transnational co-operation at that date, the document only defines and analyses more in depth the first two categories of co-operation. Partly based on this study, the Parliament elaborated a second report on cross-border and inter-regional co-operation (“Myller“-report) that was adopted in 1997.³⁵ The report of 1997 elaborates a more precise but not convincing definition for two major co-operation categories:

- Cross-border co-operation is defined as co-operation taking place across the EU’s internal or external borders in which the role of the regions is central. Different categories of co-operation may be distinguished according to the objectives pursued: (1) Old forms of co-operation derived from traditional co-operation, whose realisation is accelerated by means of Community support (north-western Europe). (2) More recent forms of co-operation related to political changes in a country and its accession to the EU. (3) Co-operation directly arising from Community support. (4) Co-operation intended to lead to membership of the EU or association with it (Central and Eastern Europe and the Mediterranean).
- Inter-regional co-operation is defined as pan-European and inter-state co-operation involving regional and local participants. Two kinds of co-operation exist: one in which various subjects are involved (which may or may not be based on proximity) and one which concentrates on a single subject (external or sector specific).

The **Committee of the Regions (CoR)** dealt in various reports and opinions with aspects of international co-operation between regional and local authorities. Generally speaking, the CoR adopts the established EU-funding terminology and distinguishes in many opinions or reports between cross-border, inter-regional and transnational co-operation.³⁶ There are

176, 14.7.1986), „Poetschki“-report on transfrontier co-operation at the internal borders (OJ No C 99, 13.4.1987), „Chiabrando“-report of 1988 on the development programme for the border region Spain/Portugal (OJ No C 262, 10.10.1988), „Cushnahan“-report of 1990 on the Community Initiative INTERREG (OJ No C 175, 16.7.1990), „Muru“-report of 1994 on the Community initiative INTERREG II (OJ No C 128, 9.5.1994).

³³ OJ No C 176, 13.7.1992

³⁴ **European Parliament, Directorate General for Research (PE 166.402, 1996):** Cross-border and inter-regional co-operation in the European Union. Regional Policy Series W-19.

³⁵ **European Parliament, Session Documents:** Report on cross-border and inter-regional co-operation (A4-0161/97)

³⁶ **Committee of the Regions:** Opinion on the Commission Communication on Co-operation for European Territorial Development Europe 2000+ (CdR 233/95 fin.); Opinion on the Northern Dimension of the European Union and Cross-border Co-operation on the border between the European Union and the Russian Federation and in the Barents Region (CdR 10/96 fin.); Opinion on the INTERREG-IIC Community Initiative and the potential role for local and regional authorities (CdR 108/97); Opinion on the Report from the Commission on the implementation of cross-border co-operation between the Community and countries of Central and Eastern Europe in 1994 (CdR 207/96 fin.); Opinion on spatial planning in Europe (CdR 340/96); Opinion on the Continental Diagonal: A co-operation area for enhancing the spatial cohesion of EU-territory (CdR 181/97 fin.); Opinion on Community Initiatives 2000-2009- INTERREG, EQUAL, LEADER+ (CdR 219/99 fin).

however some exceptions that advocate for a different terminology: A first example is an early CoR-report of 1996, which identifies three main types of co-operation between regional and local authorities: cross-border and inter-regional co-operation (both within the EU and with other States) as well as inter-district co-operation (within the EU).³⁷ An other example is a CoR-opinion of 1998, which sees “transnational co-operation” (framework term used) between local authorities as a bottom up-approach to European integration and distinguishes 5 different sub-types: They are (1) cross-border co-operation between neighbouring local authorities, (2) transnational co-operation between non neighbouring local authorities, (3) trans-European co-operation between cities and urban regions or (4) within and between networks of cities and (5) global networks of cities and transnational NGOs.³⁸

In parallel and since the beginning of the 1990ies, a growing number of larger studies were published that analyse and categorise the broad variety of international co-operation activities between regional and local authorities in Europe. Some early studies were published in northern European countries (Germany, Belgium, Nordic and Scandinavian Countries) mainly under the influence of the beginning “Europe of the Regions” debate. The number of academic studies published on the issue grew considerably over the years in all EU-countries, especially in southern Europe (Spain, Italy) and in unitary states or decentralised countries like the United Kingdom or France. However, most of these academic analyses are loosely connected to each other and sometimes only focus on particular actors (namely regions) or specific types of co-operation. This led to a multiplication of analytical focuses and also increased the heterogeneity with regard to basic terminology. This aspect shall be highlighted by a few examples.

One of the first studies was published in 1994, which analysed different forms of international co-operation between first level regions mainly under the overall framework term “Europe of the Regions”.³⁹ The activities are classified according to their overall contribution to the European integration process:

- Cross-border or interregional co-operation between regions are the two main categories considered being an element of “horizontal integration” within a Europe of the regions.
- Interest representation via European associations set up by local and regional authorities is a third main category considered being an element of “vertical integration” within a Europe of the regions.

Based on this approach, an other study analyses and compares more in detail aims, structures, strengths and weaknesses of existing cross-border and interregional co-operation schemes (SaarLorLux, EUREGIO, Four Motors for Europe).⁴⁰

An other early German study analyses different models of cross-border co-operation existing along German borders and classifies such activities as being one main category of an emerging “transnational regionalism” in Europe (general framework term).⁴¹ In a more recent publication, the same author analyses the variety of existing “European regional

³⁷ **Committee of the Regions:** Report of the Commission on Institutional Affairs: “Local and regional authorities: Protagonists in the Political Union of Europe” (CdR 282/96 fin.).

³⁸ **Committee of the Regions:** Opinion on cross-border and transnational co-operation between local authorities (CdR 145/98 fin.).

³⁹ **Hrbek, R. / Weyand, S.:** Betrifft: Das Europa der Regionen. München, 1994.

⁴⁰ **Raich, S.:** Grenzüberschreitende und inter-regionale Zusammenarbeit in einem Europa der Regionen. Baden-Baden, 1995.

⁴¹ **Groß, B./Schmitt-Egner, P.:** Europas kooperierende Regionen. Rahmenbedingungen und Praxis transnationaler Zusammenarbeit deutscher Grenzregionen in Europa. Baden-Baden, 1994.

organisations” (mainly associations) and adds them as another main category of actors/networks involved in “transnational regionalism”.⁴²

An interdisciplinary research department on regional development (Louvain/Belgium) developed an interesting early approach within the framework of the European Commission’s FAST-programme.⁴³ Based on the concept of “network-analysis”, the study established an inventory and appraisal on co-operation between first level regions in the field of science, technology and education. The study uses the general framework term “regional transnational networks” in order to summarise all international co-operation activities and further distinguishes between three main categories with specific sub-types:

- Cross-border co-operation (bilateral or trilateral co-operations ; working communities/Euroregions),
- Inter-regional co-operation (bilateral co-operation ; multilateral projects and exchanges of experience)
- Pan-European and inter-regional associations set up by local or regional authorities (sectoral associations; geographic associations).

Other more recent approaches try to analyse (and classify) the broad variety of international co-operative relations established by one single regional/local authority or by a larger number of regions from different countries.

- An example for the first analytical focus is a study that analyses the long-term development perspectives of Catalunya (E) within the Mediterranean rim. The study also establishes an inventory of all “transregional co-operation” activities (general framework term) in which Catalunya is involved in (main categories are co-operation agreements, European associations, large scale and small scale cross-border co-operation, sector-specific inter-regional co-operation, inter-insular co-operation).⁴⁴
- An example for the second analytical focus is a study dealing with inter-regional co-operation activities between Hessen (D), Emilia-Romagna (I) and Aquitaine (F). It assesses the broad diversity of international co-operation activities established by each of the 3 regions and analyses their potential impact on the trilateral co-operation scheme. The study uses the overall framework term “transnational co-operation of regions” and further distinguishes between two main categories, cross-border co-operation (3 sub-types: Working Communities, inter-territorial and regional co-operation) and inter-regional co-operation (2 sub-types: regional co-operation and Working Communities).⁴⁵

Some studies try to assess the variety of international co-operation schemes established between local and regional authorities in Europe within a larger contiguous spatial entity covering various national borders. A first example is a shorter study published on the Mediterranean Arc. Based on an analysis of actor-relationship, the study distinguishes some main categories such as regional-bilateral co-operation, regional conferences for co-operation (working communities, EUROREGION) and infra-regional co-operation (cross-border co-operation in adjoined border areas or inter-city co-operation networks) and summarises them

⁴² **Schmitt-Egner, P.:** Handbuch der Europäischen Regionalorganisationen. Akteure und Netzwerke des Transnationalen Regionalismus von A-Z. Baden-Baden, 2000.

⁴³ **European Commission (Directorate General XII), Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995):** Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal.

⁴⁴ **Instituto Català de la Mediterrània:** El espacio mediterráneo latino. Cultura, empresa, paisaje, población y cooperación. Barcelona, 1999.

⁴⁵ **Eißel, D./Grasse, A./Paeschke, B./Sänger, R.:** Interregionale Zusammenarbeit in der EU. Analysen zur Partnerschaft zwischen Hessen, der Emilia-Romagna und der Aquitaine. Opladen, 1999.

under the general framework “decentralised cross-border co-operation”.⁴⁶ An other example is a study on the genesis of the Atlantic Arc-network,⁴⁷ mainly analysing more in depth the aims of individual actors and the “input” of previously existing co-operation networks in the area with regard to the new co-operation scheme.

One can conclude that the multitude of existing approaches to classification represents a good basis for the elaboration of an overall framework that enables to summarise and analyse the complexity of international co-operation between territorial authorities in Europe.

2.2. Suggestions for a more coherent terminology and a preliminary definition of major co-operation categories

Based on the observations made in the previous section, it becomes clear that a more coherent terminology as well as an in depth characterisation and definition of major co-operation types existing in practice is needed.

A more coherent approach to basic terminology should try to eliminate some shortcomings that continue to exist in practice:

- Although many approaches do refer to more or less the same dominant co-operation categories (cross-border and “inter-regional co-operation”), important differences exist with regard to the variety of actors taken into consideration or the sub-typology developed (rather coherent and well elaborated for cross-border co-operation; highly diversified for inter-regional co-operation). A more coherent approach should therefore consider more carefully the diversity of territorial actors that are practically involved in co-operation (regions and local authorities, other regional and local actors).
- A more coherent approach should highlight the specific co-operation features of European associations set up by territorial authorities and take into consideration the increasingly important involvement of local and regional authorities in transnational co-operation, which covers the field of European spatial development.
- Such an approach should also recognise that territorial authorities co-operate together internationally alongside with other levels of government (European level, national governments) in the framework of EU support programmes such as INTERREG IIA/IIIA or IIC/IIB.
- A more coherent approach to terminology should also be a compromise between the widely accepted “Community-funding scheme orientated terminology” and more actor-neutral or valuable scientific approaches developed elsewhere.

Based on these remarks, the **study therefore suggests using the following expressions**: For summarising all international co-operation activities in which local and regional authorities are involved in Europe, the present study will adopt **the overall framework term “transeuropean co-operation”**. The European Commission in its new INTERREG III-Guidelines currently uses this expression. Within this larger context, the present study will distinguish between 4 main categories that can be considered the “composing elements” of transeuropean co-operation. These main categories are (1) **cross-border co-operation**, (2)

⁴⁶ **Ndiaye, P.:** La coopération transfrontalière des collectivités décentralisées sur l’Arc Méditerranéen. In: Sciences de la société no.37, février 1996.

⁴⁷ **Poussard, Anne:** L’Arc Atlantique. Chronique d’une coopération interrégionale. Presses Universitaires Rennes. Collection Espace et Territoires. Rennes 1997.

inter-territorial co-operation⁴⁸ (corresponds to what is currently referred to as inter-regional co-operation), (3) **transnational co-operation in the field of European spatial development** and finally (4) **co-operation in the framework of European associations established by local and regional authorities**.

Local and regional authorities are in practice frequently involved in several forms of co-operation at the same time, wherefore the above-mentioned categories frequently overlap. It is therefore necessary to **further characterise and define each of these 4 main categories of transeuropean co-operation (See: Table 1)**. This characterisation and preliminary definition **will use a limited number of analytical items:**

- Co-operation differs with regard to its **“geographical” features**: It can cover smaller neighbouring areas and even larger geographically contiguous zones, or not necessarily be based on any principle of “territorial proximity” at all. Co-operation can involve solely actors coming from EU-Member States or bring together partners from the EU-Member States and Third Countries.
- Co-operation also differs according to **the thematical scope of activities covered and the basic level of co-operation**: Local and regional authorities can co-operate only in one specific issue such as economic development, R&D and culture etc (single issue co-operation) or promote joint action in a broader range of issues of common interest (multi-topic co-operation). Within this context, thematic co-operation can solely be of a project orientated nature (“one-off” or short-term activities) or adopt a more strategically and long term orientated approach (programme orientated co-operation).
- Co-operation strongly differs with regard to the **number of actors** that participate: Bipolarisation involves two main actors and is a very common type of co-operation. Triangulation covers at least three actors, while co-operation involving more than three actors can be summarised under the labelling "multilateral". Triangular or multilateral co-operation are rather complex and often demand a significant degree of organisational abilities of the actors involved.
- The above mentioned factors strongly influence on the **organisational framework** partners have chosen to govern and function the co-operation partnership (co-operation structures set-up): No common organisational trend prevailing for all 4 co-operation categories can be identified, as each type of co-operation is normally implemented through “sui-generis” structures. Within each main category, one can however observe a number of similar solutions that are frequently used in practice and which will be used to identify additional sub-types of co-operation.

Cross-border co-operation between two or a greater number of neighbouring administrative authorities (regions and/or local authorities) that are located in geographically adjoined areas along a common border was launched in Western Europe already at an early stage (1960ies and 1970ies). Cross-border co-operation frequently builds on historical/cultural links and often reflects strong common territorial interests that exist in these co-operation areas. Today, cross-border co-operation between local and regional authorities takes place along the internal borders of the European Union (internal cross-border co-operation) as well as along the external EU-borders and along borders between Third Countries (external cross-border co-operation). Internal and external cross-border co-operation takes place in a heterogeneous

⁴⁸ Due to the broad variety of sub-national layers of government and other actors involved in this type of co-operation, the utilisation of the term "inter-regional" seems to be too rigid and is often also avoided by local authorities if they try to categorise their co-operation. The authors of the study therefore suggest to think over the expression „inter-regional co-operation“ (mainly inspired by respective EU-funding schemes) and to adopt the more neutral term of "inter-territorial co-operation". Such an approach would also be in line with the recent work accomplished by the "Council of Europe", where experts advocate for a shift in international legal terminology.

legal framework (e.g. international treaties or inter-state agreements, protocols, conventions, contracts) and is carried out through specific structures often based on public or private law. In many countries, central government actors however still play an essential role in cross-border co-operation.

Past experience shows that cross-border co-operation initiated by local and regional authorities developed through a gradual process of adaptation, in order to find pragmatic solutions to numerous economic, social, cultural, legal administrative or political problems of each area concerned. Bilateral or multilateral cross-border co-operation can take place (1) through one-off activities at the level of specific projects in one or a limited number of thematic fields or (2) adopt a pluri-thematic and programme orientated approach at a „strategic level“. According to the basic levels of co-operation, one can identify a number of dominant organisational sub-types that exist in practice:

- At the level of project orientated cross-border co-operation, the most common organisational arrangements used in practice are based on European law or national law and on practical ad-hoc agreements.
- In the framework of strategic cross-border co-operation, the most common organisational arrangements used in practice are “Euregios” and similar structures (often properly constituted legal entities, multi-purpose, often with extensive capacities), “Working Communities” (based on working agreements, limited capacities) and other formal or informal institutional arrangements set up for the management of INTERREG and other EU-programmes, often without a precise legal status specifically and ranging from more or less integrated structures.

Inter-territorial co-operation⁴⁹ refers to more or less structured bilateral, trilateral or multilateral co-operation, which is dominantly established between local and regional authorities that are not (necessarily) adjoined by direct neighbouring links. At an early stage inter-territorial co-operation already started at local level in the framework of bilateral town twinning. Since the beginning of the 1990ies, inter-territorial co-operation activities strongly increased due to the conclusion of new bilateral partnership-agreements (mainly between first-level regions) and the setting-up of numerous trilateral or multilateral “co-operation networks” between local and regional authorities. Especially these multilateral co-operation networks are increasingly characterised by a strong involvement of other quasi-public or private regional and local actors. These “other actors” can be regional development agencies, universities and (private) research centres, training organisations, enterprises, industry associations and chambers of commerce, social partners or other NGOs and even act as main initiators of new and somehow alternative inter-territorial partnerships. Co-operation can involve solely actors coming from EU-Member States (internal inter-territorial co-operation) or bring together actors from EU-Member States and from Third Countries (external inter-territorial co-operation).

According to the specific interests of the partners, inter-territorial co-operation can cover only one particular theme of common interest (single-issue co-operation) or operate in a broader range of thematic fields (pluri-thematic co-operation). Co-operation can consist of people-to-people activities or be used for exchanges of experience and transfer of know-how. Activities can also aim at promoting commercial and trade interests of local and regional business or at establishing links between semi-public and private research institutions. These activities can be carried out (1) through joint projects with a short-term or mid-term orientation or (2) form part of a more strategic and long-term orientated approach, which is frequently based upon

⁴⁹ Favouring again the more neutral terminology developed by the Council of Europe.

general framework agreements that have been concluded between two or a greater number of territorial authorities. According to the basic levels of co-operation and the thematical scope of activities covered, one can identify a number of dominant organisational sub-types that exist in practice:

- Co-operation at project level focuses on one theme or a limited number of issues of common interest and ends after the completion of tasks (one-off activities). It normally functions through setting up a specific “project-network”.
- Strategic co-operation is normally carried out in the framework of bilateral town twinnings or regional partnerships and multilateral networks, which implement a greater number of joint actions (projects) in various themes or one issue of general interest.

Transnational co-operation in the field of European spatial development and spatial planning emerged only very recently with the launching of specific Community funding schemes. This type of co-operation generally aims at promoting a more integrated spatial development of larger and contiguous geographical zones or “groupings of regions”, which cover at least 2 EU-Member States and/or neighbouring Third Countries. Examples are the INTERREG IIC-measures that aim at “transnational co-operation for spatial development” and “flood migration”, but also other specific measures previously funded under ERDF–Article 10 (innovative pilot actions for larger contiguous areas). Transnational co-operation is therefore dominantly multilateral and involves - at different degrees and in different stages - simultaneously public authorities from the national, regional and local levels, but also other public, semi-public or private actors.

Transnational co-operation is based on programmes with a multi-thematic approach and is implemented through individual projects. Programme measures and projects can focus e.g. on the elaboration of operational spatial development strategies (“visions”), on the promotion of urban and metropolitan networks, on integrated transport and communication systems, on sustainable management of the environment or cultural and natural resources or on the integration and co-operation of maritime regions (coastal areas and islands) and ultra-peripheral regions. Due to the approach that is based on EU-programmes, one can identify two levels for which organisational arrangements have been set up:

- Strategic and multilateral co-operation at the level of larger transnational areas within specific EU-programme management structures, which involves mainly national government authorities and to various degrees also first level regions.
- Trilateral or multilateral co-operation at the level of individual projects, which involve local and regional authorities and other public, semi-public or private actors.

In contrast to approaches that classify **European associations set up by local and regional authorities** as being an essential part of inter-territorial or inter-regional co-operation,⁵⁰ the present study advocates for a clear separation of this type of co-operation.⁵¹ As a direct consequence of activities in the field of cross-border and inter-territorial or transnational co-operation, many regional and local authorities are frequently active or passive members of one or more European associations. As co-operation within these associations normally brings together a great number of regional and/or local authorities from EU-Member States and

⁵⁰ For this approach see: **Hrbek, R. / Weyand, S.:** *Betritt: Das Europa der Regionen*. München, 1994. **European Parliament, Directorate General for Research (PE 166.402, 1996):** *Cross-border and inter-regional co-operation in the European Union*. Regional Policy Series W-19.

⁵¹ In the opinion of the authors, such a separation between „inter-regional“ (inter-territorial) co-operation and European Associations is justified due to significant differences with regard to the number of actors involved (size), basic objectives pursued and the nature of activities carried out.

increasingly also those from Third Countries, it can be characterised as “large scale multilateral”.

These rather long-standing associations represent their members at European and/or international level and fulfil - as one of their main objectives - active lobbying functions. In addition, associations also provide a supplementary framework for cross-border, inter-regional or transnational co-operation, as they often actively promote the set-up / launch of specific co-operation projects between their members. Some European associations deal with all questions related to local and regional self-government and European integration, while others seek to promote the interests of a more particular group of regions or local authorities. According to their thematical focus, one can identify 2 major sub-types:

- Large-scale associations dealing with all questions related to local and regional government or European integration.
- Specific associations representing members with commonly shared geographical, economic and sector specific features.

Table 1:		
Main categories of co-operation involving local and regional authorities		
Main Category	Actors and geographical dimension covered	Scope of activity, basic levels of co-operation and dominant organisational arrangements (sub-types)
Cross-border co-operation	<p>Bi-, tri- or multilateral co-operation between local and regional authorities (also involving other semi-public or private actors), which are located in geographically adjoined and neighbouring areas along :</p> <ul style="list-style-type: none"> • A common internal EU-border (internal co-operation). • A common external EU-border (external co-operation). • A common border between Third countries. 	<p>Co-operation can cover one or a limited number of specific aspects or concentrate on a larger number of general themes of common interest. One can identify two levels of co-operation, for which different organisational arrangements have been set up:</p> <p>(1) Co-operation takes place at project level (e.g. as “one-off” activities). It frequently operates with organisational arrangements based on</p> <ul style="list-style-type: none"> • European law or national law • or has found practical solutions based on ad-hoc agreements. <p>(2) Co-operation adopts a strategic and programme-orientated approach with regard to the joint cross-border territory. The dominant organisational arrangements are</p> <ul style="list-style-type: none"> • Euroregions and similar bodies. • Working Communities (large-scale cross-border co-operation) and other structures for strategic co-operation. • Structures specifically set up for the management of INTERREG and other EU-programmes.
Inter-territorial co-operation	<p>Bi-, tri- or multilateral co-operation between local and regional authorities (also involving other semi-public or private actors) not necessarily adjoined by direct neighbouring links. Partners can come from</p> <ul style="list-style-type: none"> • EU-Member States solely (internal co-operation) • or EU-Member States and Third Countries (external co-operation). 	<p>Co-operation can cover only one particular issue of common interest (single-issue co-operation) or a broader range of thematic fields (pluri-thematic co-operation). One can identify two levels of co-operation, for which different organisational arrangements have been set up:</p> <p>(1) Co-operation at project level ends after the completion of tasks (one-off activities). It normally functions through setting up a specific “project-network” between three or more partners.</p> <p>(2) Strategic co-operation is frequently based upon general framework agreements and implements various joint actions (projects) in one or a greater number of general themes. The dominant organisational arrangements are</p> <ul style="list-style-type: none"> • bilateral town twinnings, • bilateral regional partnerships, • multilateral networks.

Table 1 (continuing):		
Main categories of co-operation involving local and regional authorities		
Main Category	Actors and geographical dimension covered	Scope of activity, basic levels of co-operation and dominant organisational arrangements (sub-types)
Transnational co-operation	Multilateral co-operation involving at different degrees and in different stages (programme or project level) simultaneously national, regional and local authorities. The co-operation covers larger and contiguous geographical zones, while the actors generally come from at least 3 EU-Member States and/or neighbouring Third countries.	<p>Co-operation activities aim at promoting a more integrated spatial development of larger groupings of regions through a multi-thematic approach. One can identify two levels of co-operation, for which different organisational arrangements have been set up:</p> <p>(1) Strategic and multilateral co-operation at the level of larger transnational areas, which operates within specific EU-programme management structures that involve mainly national government authorities and to various degrees also first level regions.</p> <p>(2) Trilateral or multilateral co-operation at the level of individual projects, which involve local and regional authorities and other public, semi-public or private actors.</p>
European Associations set up by local and regional authorities	Large scale multilateral co-operation between local and/or regional authorities coming from different EU-Member States, increasingly also involving sub-national authorities from Third Countries (full-members or observatory status).	<p>Co-operation is multi-thematic and strategic. However, the thematic scope of activities covered by these associations differs according to the specific interest their members have. Accordingly, 2 dominant co-operation arrangements can be identified:</p> <p>(1) Large-scale associations dealing with all questions related to local/regional self-government and to European integration.</p> <p>(2) More specific associations representing members with commonly shared geographical, economic and sectoral specific features.</p>

PART II:

***Framework initiatives enhancing
transeuropean co-operation***

SUMMARY OVERVIEW BOX FOR PART II. BASIC QUESTIONS AND KEY POINTS

Which are the basic framework initiatives that enhance transeuropean co-operation ?

- **A first category** of important framework initiatives **are instruments that aim at creating an appropriate legal framework for co-operation between local and regional authorities in Europe.** Several instruments have been created at European-wide (Council of Europe) or Community level, the majority of legal framework instruments was however initiated between nation states or between regional and local authorities themselves.
- **A second category** of framework initiatives **are specific funding schemes actively supporting co-operation between local and regional authorities.** Such schemes were mainly launched in the framework of the EU-Structural Funds (previous programming periods 1988-1993; 1994-1999) and are continued with significant modifications under the current programming period 2000-2006.

Which are the instruments that aim at creating an appropriate legal framework for cross-border, inter-territorial and transnational co-operation ?

- **A broad variety of legal instruments has been tried in order to generally allow for / facilitate cross-border co-operation** or to specifically enable the setting up of genuine and sustainable cross-border structures and joint programmes.
- The **most common instruments for cross-border co-operation are**
 - **Multilateral framework treaties and conventions concluded at international level** (e.g. Treaty of Helsingfors; Nordic Agreement on Cross-border Co-operation; Madrid Outline Convention and the first Additional Protocol elaborated in the framework of the Council of Europe),
 - **bilateral or trilateral agreements and protocols concluded between national states** providing for intergovernmental co-operation or promoting cross-border co-operation that are frequently based on international framework treaties or conventions (e.g. BENELUX Cross-border Convention; Isselburg-Anholt Agreement between Germany and the Netherlands; "Bayonne Agreement" between France and Spain; "Rome Agreement" between France and Italy; Treaty between Austria and Italy; "Karlsruhe Agreement" between France, Germany, Luxembourg and Switzerland etc.),
 - **formal agreements, working protocols, conventions or contracts concluded by regional or local authorities** (e.g. "Mainz Agreement" concluded between the German Länder North Rhine Westphalia and Rhineland Palatinate and the German Speaking Community and the Region of Wallonia in Belgium; agreements and conventions leading to the establishment of numerous "Euroregions" and similar structures throughout Europe ; protocols leading to the establishment of "Working Communities"; co-operation agreements or conventions along borders in Scandinavia and along borders between France/Italy, France/Spain, Spain/Portugal, Italy/Austria and Greece/Bulgaria).
 - **other legal instruments based on Community law or national law that facilitate cross-border co-operation at project level** (e.g. European Economic Interest Groupings; national associative law, instruments exist under French law such as Mixed Economy Companies or Public Interest Groupings).
- The considerable diversity of legal framework instruments is also an important factor that explains why cross-border co-operation developed and still develops in a multitude of different forms and various degrees of intensity throughout Europe.
- However, no uniform legal instrument directly applicable throughout Europe exists until today for cross-border co-operation at strategic and at project level.
- **The Council of Europe adopted a "Second Additional Protocol" to the Madrid Outline Convention, which is the only international legal framework initiative that aims at enhancing inter-territorial co-operation.** Despite this initiative, current practice in the field of inter-territorial co-operation still has not received wide and official recognition by the States in Europe and homogenous and directly applicable legal instruments for this type of co-operation do not exist. Inter-territorial co-operation has to be established on the ground of more or less suitable legal instruments based on Community law or national law, which are already in use in the context of cross-border co-operation.

- **At date, no specific over-arching legal framework instrument exists for transnational co-operation.**
- **If one intends to summarise the current situation of existing legal framework instruments** available to the individual categories of transeuropean co-operation, one will easily observe that the bulk of legal instruments have been elaborated in practice solely for cross-border co-operation.

Which are the major Community funding instruments that support transeuropean co-operation ?

- Since 1990, the European Union has provided financial support for **internal and external cross-border co-operation through a number of initiatives and programmes.** The first important support instruments for **internal cross-border co-operation** was the Community Initiative **INTERREG** (launched in 1990), which was continued as INTERREG IIA during the previous programming 1994-1999. In 1994, **PHARE CBC** (Cross-Border Co-operation) was established for **cross-border co-operation along external borders** and covers border regions in Central European countries. Other, less developed, EU instruments supporting external cross-border co-operation, include **TACIS CBC** (for some of the border regions of countries of the ex-Soviet Union), **MEDA** (for Mediterranean non-member countries) and **CARDS** the new programmes for Western Balkan countries). Technical assistance to internal and external border regions was provided by the **LACE-Programme**, which was initiated/managed by the Association of European Border Regions and supported by the Commission (See: Chapter dealing with European associations).
- Since the end of the 1980ies, the European Union has increasingly provided financial support for **internal and external inter-territorial co-operation** through a number of initiatives and pilot programmes. **Co-operation between local and regional authorities from the EU** mainly received support from Community programmes for **bilateral town twinnings** or specific ERDF-Art. 10 initiatives such as the **programme for exchange of experiences** or **PACTE** as well as **RECITE I and II**. But also many other Community Initiatives or programmes supported co-operation activities between local and regional authorities. **Co-operation between local and regional authorities from the EU and Third countries** (especially in Central Europe) mainly received support from programmes such as **ECOS-OUVERTURE I and II** as well as from various initiatives established under **PHARE CBC** and **TACIS CBC** (PHARE-Baltic Project Facility and the TACIS-CBC Small Project Facility) or **MEDA**.
- The launching of specific EU-support instruments for **transnational co-operation activities** during the years 1995/96 was mainly the result of an intensification of inter-governmental co-operation between Member States, which aims at developing a joint approach in the field of spatial development for the Union's territory. The two main instruments are **INTERREG II-Strand C**, which enhances a geographically wide-ranging co-operation between Member States, and **ERDF-Art. 10 pilot actions in the field of spatial planning**. A preliminary comparison of the general objectives and key features that characterise these Community support schemes allows to conclude that "genuine" transnational co-operation is not realised in all main fields of activity:
 - Only the INTERREG IIC-programmes for Part 1 "general transnational co-operation on spatial development" and for Part 2 "flood migration", as well as the ERDF-Art. 10 pilot schemes that cover larger transnational co-operation areas are characterised by a genuine co-operative component.
 - Other activities such as INTERREG IIC-activities for "drought prevention" solely cover larger areas in one Member State (e.g.) or aim at initiating "inter-regional" networks on spatial planning in areas with specific features (ERDF-Art.10, TERRA-programme).
- **If one intends to summarise the role played by Community instruments supporting transeuropean co-operation**, one can agree that they play a strategic role in the formation and the establishment of European-wide relations between local and regional authorities. It is highly unlikely that co-operation initiatives between local and regional actors currently criss-crossing the territory of the EU would have reached such proportions without the start-up funding provided by the European authorities. It should be emphasised that, in general, EU funds are a catalyst rather than a reason per se for co-operation. The intervention of the EU provides an impetus to initiatives, which would have taken longer to establish, or serves to reinforce or deepen existing co-operation.
- **INTERREG III** continues to provide major EU-support to cross-border, inter-territorial and transnational co-operation during the 2000-2006 programming period. **Third country partners** will have to finance their participation through the relevant EU-funding resources such as PHARE CBC, TACIS CBC, CARDS, MEDA and the EDF.

3.) Instruments that aim at creating an appropriate legal framework for transeuropean co-operation

3.1. Legal instruments that facilitate cross-border co-operation ⁵²

Not only in EU-Member States, but also in the whole of Central and Eastern Europe, cross-border co-operation between authorities and public bodies on regional/local level has developed rapidly in recent years. However, no uniform legal instrument for cross-border co-operation directly applicable throughout Europe exists until today.

A **broad variety of legal instruments** has been tried in order to generally allow for / facilitate cross-border co-operation or to specifically enable the setting up of genuine and sustainable cross-border structures and joint programmes. **The most common approaches are**

- multilateral framework treaties and conventions concluded at international level,
- bilateral or trilateral agreements and protocols concluded between national states providing for intergovernmental co-operation or promoting cross-border co-operation that are frequently based on international framework treaties or conventions,
- formal agreements, working protocols, conventions or contracts concluded by regional or local authorities,
- other legal instruments based on Community law or national law that facilitate cross-border co-operation at project level.

The considerable diversity of legal framework instruments is also an important factor that explains why cross-border co-operation developed and still develops in a multitude of different forms and various degrees of intensity throughout Europe.

Multilateral framework treaties and conventions concluded at international level

Multilateral treaties or conventions concluded at international level are some of the most important and long-standing instruments that provide a comprehensive framework for cross-border co-operation - both for public and private bodies. **Different types of international treaties, conventions and agreements have been used to facilitate cross-border co-operation at multi-national, inter-governmental, regional and local level (See: Table 2).** Based on these treaties, cross-border activities can take place between public bodies at different levels (e.g. between states and regions, regions and provinces, regions and municipalities, local authorities and international organisations) and concern many different fields of co-operation.

One of the early multilateral agreements was the **Treaty of Helsingfors (1962)**, that created the legal basis for co-operation between the Nordic States. In this Treaty, the Nordic States commit themselves to close co-operation on legal, cultural and socio-economic issues as well as in the field of physical infrastructure and environmental regulations. **In 1977**, the multilateral **Agreement between Finland, Denmark, Sweden and Norway concerning co-operation over the Nordic national frontiers between local authorities** postulated that co-

⁵² Association of European Border Regions (AEBR) / European Commission (DG REGIO / DG ENLARGMENT): Practical Guide to Cross-border Co-operation, 2001. Association of European Border Regions (AEBR): Wirkungen rechtlicher Rahmenbedingungen auf die regionale und kommunale grenzübergreifende Zusammenarbeit und ihre Strukturen. Analyse des Think-Tanks der AGEK von Alois Larcher und Viktor Frhr von Malchus. September 1998.

operation between municipalities across national borders should be pursued to the same extent and in the same way as between municipalities within one country. It is furthermore stated that each contracting party should proceed with necessary changes to the national legislation in order to enable such co-operation.

Another important contribution are **international conventions** elaborated and adopted under the auspices of the **Council of Europe**. The most important example is the **Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities**⁵³ (**Madrid Outline Convention and the first Additional Protocol**).⁵⁴ The Outline Convention has been adopted in 1980 and is ratified by more than 25 countries (April 2000). In the main part of the convention the contracting parties commit themselves (within the framework of their national laws) to a number of tasks: resolving legal, administrative and technical difficulties of cross-border co-operation (Article 4); considering the possibility of providing regional and local authorities with special facilities in order to engage in cross-border co-operation (Article 5); and supplying relevant information to other contracting parties (Article 6); to their own regional and local authorities (Article 7), and to the Council of Europe (Article 8).

In its Annex, the Convention proposes model treaties/agreements of cross-border co-operation adapted to the needs of regional and local authorities. It deals with 5 different models for inter-state agreements and 6 models for outline agreements/contracts of a generic or consultative nature in which different degrees of centralisation and differences in the administrative structures of participating states are taken into account:

- The first group concerns model inter-state agreements for the promotion of cross-border co-operation; on regional cross-border consultation; on local cross-border consultation; on contractual cross-border co-operation between local authorities; on organs of cross-border co-operation between local authorities.
- A second group of outline agreements concerns agreements, statutes and contracts between local authorities: Outline agreement on the setting-up of a consultation group between local authorities; outline agreement on co-ordination in the management of cross-border local public affairs; outline agreement on the setting up of private law cross-border associations; outline contract on the setting-up of administrative bodies for cross-border co-operation between local authorities; outline contract for the provision of supplies or services between local authorities in frontier areas (public-law type); outline agreement on the setting up of organs of cross-border co-operation between local authorities.

A “First Additional Protocol” to the Madrid Convention came into force on 1.12.1998 and aims at further improving the original Madrid Convention⁵⁵: One mechanism of the Protocol consists in “sharpening” the judicial form by substituting as much as possible facultative expressions by imperatives (thus creating legally binding obligations for the signatory state with respect to cross-border co-operation). The second mechanism consists in advocating the setting up of permanent institutions for cross-border co-operation, which can either have public or private law character and obtain/or not legally binding decision making power. These permanent institutions would enable territorial communities and authorities to:

⁵³Article 2 of the Outline Convention defines the term “territorial communities and authorities” as “communities/authorities or bodies which exercise regional and local functions”.

⁵⁴ **Council of Europe:** (a) European Outline Convention on Transfrontier co-operation between territorial communities (Madrid Outline Convention). European Treaties Series /106, Strasbourg 1999. (b) Protocol additionnel à la convention-cadre européenne sur la coopération transfrontalière des collectivités ou autorités territoriales. Rapport Explicatif.

⁵⁵ A Second Additional Protocol to the Madrid Outline Convention on “inter-territorial co-operation” was opened for signature on 5 May 1998 (see: Section 3.2.).

- conclude cross-border co-operation agreements with territorial communities or authorities of other states;
- set up permanent co-operation bodies as a public or private law entity. Decisions taken by this co-operation body would be legally binding for the territorial communities or authorities that concluded the agreement.

The main limitation and persisting obstacle of the of the Madrid Outline Convention and its First Additional Protocol is that the systems and models contained in the documents are not directly applicable in practice. Therefore, both the Outline Convention and the First Additional Protocol do not in themselves provide a treaty for cross-border co-operation but merely a framework. Examples from several border regions demonstrate that additional treaties need to be concluded between two national states in order to enable the regional and local authorities to engage in direct cross-border co-operation. Some reasons that prevent from a direct application are the different levels of centralisation and differences in the state administration or the juridical systems of the partners in the cross-border regions. This factor has, however, not been addressed in the additional protocol to the Outline Convention. Despite this limitation, the Madrid Convention has laid the legal groundwork for increased co-operation and made possible the recent ratification of several bilateral treaties.

Recently, new basic reflections have been launched within the Council of Europe that aim at improving the participation of public law-based or private law-based actors in cross-border co-operation. An external expertise has been commissioned in the year 2000, which analyses the current situation and major shortcomings and opts for the elaboration of a new ("Third") Additional Protocol to the Original Madrid Outline Convention.⁵⁶

Table 2: Examples for multilateral framework treaties or conventions Concluded at international level in the field of cross-border co-operation	
Sub-types	Examples
Multilateral treaties or agreements between states	<ul style="list-style-type: none"> • Treaty of Helsingfors (1962). • Nordic Agreement on Cross-border Co-operation (1977) concluded between Finland, Denmark, Sweden and Norway.
Conventions adopted in the context of the Council of Europe	<ul style="list-style-type: none"> • "Madrid Outline Convention on Transfrontier Co-operation" of 1980, proposing in its annex model treaties/agreements for cross-border co-operation. • "Supplementary Protocol" to the Madrid Convention open to signature since 9 November 1995

*Bilateral or trilateral agreements and treaties concluded between states*⁵⁷

A large number of bilateral or trilateral agreements and treaties have been concluded between states in the field of cross-border co-operation. The principles and basic guidelines contained in these agreements and treaties or the practical scope of activities covered fully depend upon the political will of the signatory states. Some agreements provide for co-operation across

⁵⁶ **Internal working document of the Council of Europe:** Rapport préparé par M. le Prof. Lejeune (Université Catholique de Louvain) sur l'implication des personnes morales de droit public ou privé en matière d'accords et d'organismes de coopération transfrontalière.

⁵⁷ **Association of European Border Regions (AEBR):** Wirkungen rechtlicher Rahmenbedingungen auf die regionale und kommunale grenzübergreifende Zusammenarbeit und ihre Strukturen. Analyse des Think-Tanks der AGEF von Alois Larcher und Viktor Frhr von Malchus. September 1998.

borders exclusively between national authorities, while others have as their prime objective to lay down legal foundations for cross-border activities between regions or local authorities situated in the territory of the contracting parties. Most agreements do however foresee to various degrees a participation of regional or local authorities in cross-border co-operation.

The dominant sub-types of inter-state agreements are (See: Table 3),

- specific agreements providing for the establishment of inter-governmental commissions in the field of spatial planning, cross-border co-operation or regional development,
- specific agreements on individual aspects of cross-border co-operation,
- simple agreements on good neighbourhood at the borders,
- agreements on the implementation of the Madrid Outline Convention permitting general cross-border co-operation between regional and local territorial authorities.

Since the 1960ies, bilateral or trilateral agreements between national governments have frequently been concluded that establish special structures for inter-governmental co-operation such as ad hoc working bodies or joint institutions (Inter-state-” or “inter-governmental commissions”). They are mainly composed of representatives from central-state administrations, operate over varying geographical areas and have varying plans of activity or cover defined areas of co-operation. Some examples will be illustrated below:

- Based on a recommendation of the first conference of European Ministers of Spatial Planning (organised in 1970 by the Council of Europe in Bonn), **“Inter-governmental commissions” encouraging co-operation in the field of spatial planning**⁵⁸ have been established. Since then, these commissions have been established along many borders in Western Europe (e.g. Germany/France, Germany/ Netherlands, Germany/Austria), but also along borders with Central and Eastern Europe since 1991 (e.g. Germany/Poland and Hungary, Poland, Czech Republic, Slovakia and Bulgaria with their neighbours). Depending on a number of factors, these inter-state commissions maintain varying levels of work intensity and cover different geographical entities (e.g. setting up of one commission between the national states for the entire border region, or sub-commissions as in the case of D/NL (1976). Given the fact that these commissions are merely in a position to give recommendations, their possibilities of taking influence are rather restricted. In addition, the special EU-programmes INTERREG IIC (1997-1999) and INTERREG IIIB (2000-2006) have even further limited their ability to act.
- In addition, **other inter-state commissions work in specific areas of planning which are related to and affect the outcome of spatial planning.** The most frequent fields of co-operation are physical planning on both sides of the border (particularly in relation to public works), regional economic development, environment and environmental protection, transport infrastructure, traffic and public transport as well as public services and amenities (e.g. education and training, water and waste management). In the 1980s and 1990s, government commissions for tasks related to regional planning were also established in the Central and Eastern European countries through the conclusion of inter-state agreements.
- Some Western European inter-state agreements have also led to the establishment of **government commissions for the enhancement of cross-border co-operation**, dealing with a larger range of tasks and being also more efficient.

Throughout Europe **many inter-state agreements or protocols have been concluded at national level, which focus on only one particular area of co-operation and frequently**

⁵⁸ Physical planning in relation to public works, regional economic development, environmental protection, transport infrastructure, public services.

establish specific organisations. This process started already back in the 1950ies and continues to develop further, especially in the Central and Eastern European Countries. Such issue specific agreements cover most aspects of daily life in border areas, such as regional and spatial planning, economy and tourism, agriculture, transport and traffic, environment, waste, sewage and water supply, frontier workers, cultural issues, education and research, sports, judicial or administrative assistance, regulation and maintenance of the common border, security, fire protection and emergency.

Inter-state agreements on good and neighbourly relations at the borders generally aim at promoting mutual understanding, co-operation, friendship and good neighbourhood. As early as 1973, France and Switzerland concluded special agreements on the establishment of particular "neighbourhood commissions", which were charged to solve neighbourhood problems in the canton of Geneva and the departments of Ain and Haute-Savoie. More recently, other countries concluded such treaties with all (Poland) or most (Hungary) of their neighbouring countries.

In the 1990ies, a growing number of bilateral or trilateral agreements have been concluded between states that are based on the "Madrid Outline Convention" and lay down general foundations for local or regional cross-border co-operation. These agreements aim at enabling territorial authorities to conclude cross-border agreements directly and frequently determine whether cross-border co-operation between local and regional authorities or certain other public bodies is to be governed by public or private law.⁵⁹ Taking into account the basic motivation underlying the conclusion of these agreements, one can establish two main groups: ⁶⁰

- A first group of agreements normally acknowledges that cross-border co-operation has already been launched between local and regional authorities on a basis of private law. These treaties aim at offering local and regional authorities additional possibilities to co-operate on the ground of public law. Important examples are the "BENELUX Convention" (signed in 1986, came into effect 1991) and the "Isselburg-Anholt Agreement" between Germany and the Netherlands (signed in 1991, came into effect in 1993).
- A second group of agreements aims at establishing a more complete legal framework (private and/or public law based co-operation) that takes into account the differences between States with regard to political or administrative structures and national legislation on cross-border co-operation. Important examples are the "Rome Agreement" between France and Italy (signed in November 1993 came into effect 1994), the "Treaty of Bayonne" between France and Spain (signed in 1995, came into effect in 1997), the "Vienna Agreement" between Italy and Austria (signed in January 1993, came into effect 1995) and the "Karlsruhe Agreement" covering cross-border co-operation between France, Germany, Luxembourg and Switzerland (signed in 1996, came into effect in 1997).

Inter-state agreements have quickly become one of the most common instruments for cross-border co-operation over all aspects and stages of a "cross-border programme", namely planning, implementing, monitoring, funding and monitoring.

⁵⁹ Due to the exclusive competence of the central state in foreign affairs, in many countries this layer of government has the right to veto or approve cross-border activities.

⁶⁰ **Internal working document of the Council of Europe:** Rapport préparé par M. le Prof. Lejeune (Université Catholique de Louvain) sur l'implication des personnes morales de droit public ou privé en matière d'accords et d'organismes de coopération transfrontalière.

One example is the **German-Dutch Treaty on Cross-border Co-operation (Isselburg-Anholt Agreement of 1991 and ratified in 1993)**.⁶¹ It allows for the most developed form of cross-border co-operation between regional and local authorities and enables regional authorities to pass public or private law agreements at a cross-border level. This agreement is based on strong political commitment at all three levels (national, regional and local) and was designed with the prime objective of developing a practical instrument to enable regional and local bodies to engage in co-operation. The treaty was furthered by the few existing differences in Dutch/German jurisdiction and spheres of powers between the Dutch/German authorities as well as by the familiarity of regional and local authorities in both countries with legal forms and with the resulting possibilities for regional and local co-operation. The main feature of the German/Dutch treaty is that it provides for four types of co-operation at sub-regional level:

- agreements under public law can be concluded between regional and local authorities;
- one local or regional authority can act on behalf of another in a foreign country;
- the establishment of an "Arbeitsgemeinschaft" (Association) as a forum for decision making, but without official powers;
- the establishment of an "Öffentlich rechtlichen Zweckverband" (administrative association for particular public service under public law) with a legal personality which can act on behalf of its members at cross-border level and represents the most far-reaching form of co-operation (Euregios Rhein-Waal and Ems-Dollart have been re-constituted under this provision of the Treaty).

The German/Dutch treaty has also provided the framework for the ratification of special agreements for the management and implementation of the INTERREG programme on the Dutch/German border. These involve the national government of the Netherlands, the German Länder (Lower Saxony in the case of Ems-Dollart; North Rhine Westphalia; and Lower Saxony in the case of the EUREGIO, Euregio Rhein-Maas-Nord, Euregio Rhein-Waal), the Dutch provinces and the border regions. In the case of the Euregio Rhein-Maas, the same agreement applies and includes the respective Belgian authorities. These special agreements established the framework for the management structure and financial modalities for the INTERREG Operational Programmes for all five border regions⁶².

A second example is the **BENELUX-Convention of 1989**, which provides public local bodies in Belgium, the Netherlands and Luxembourg with new legal possibilities for implementing cross-border co-operation, but without any obligations. Two solutions are proposed: a legal entity of public law, based on Dutch inter-municipal co-operation principles, and a more restricted form of co-operation, based on an administrative agreement, without the creation of any legal entity.

⁶¹ Agreement between the Federal Republic of Germany, the Land of Lower Saxony, the Land of North Rhine Westphalia and the Kingdom of the Netherlands on transfrontier co-operation between territorial communities or authorities and other public authorities.

⁶² See the "Agreement on the NL-NRW/Nds - EC INTERREG Programme"

Table 3: Examples for bilateral or multilateral agreements Concluded between national state authorities in the field of cross-border co-operation	
Sub-types	Examples*)
Inter-state agreements establishing inter-state commissions in the field of spatial planning, cross-border co-operation or regional development	<ul style="list-style-type: none"> • Agreements on co-operation in the field of spatial/regional planning BENELUX (1969), Belgium-Germany (1971), Switzerland-Germany (1973), Austria-Germany (1974), the Netherlands-Germany (1976). • Agreements on cross-border co-operation: France-Switzerland for Geneva (1973), France-Germany-Switzerland (1975), France-Germany-Luxembourg (1980), France-Italy (1981) and France-Spain (1994). • Agreements on co-operation in the field of regional planning Austria-Hungary (1985), Germany-Poland (1992), Slovak Republic-Poland (1994), Slovak Republic-Hungary (1995) and Czech Republic-Poland (1995).
Inter-state agreements or protocols providing for intergovernmental co-operation in specific fields	<ul style="list-style-type: none"> • Agreements on mutual assistance in case of natural disasters or severe accidents: Germany-France (1977), Germany-Belgium (1980), Germany-Netherlands (1988), Germany-Switzerland (1984), Belgium-France (1981), Belgium-Netherlands (1984), Austria-Slovak Republic (1999). • Agreements on frontier workers or issues related to cross-border labour market: France-Switzerland (1983), Italy Switzerland (1974), common Nordic labour market (1982) • Agreements on the protection of the environment: for the river Rhine between France-Germany-Switzerland-Luxembourg-Netherlands in 1963 and for the Lake Geneva between France-Switzerland in 1977/1980. • Agreements on mutual information in nuclear matters: Spain-Portugal (1980), France-Luxembourg (1983), Finland-Sweden (1987), • Agreements on water supply (Slovenia-Croatia of 1996), employment in border areas (Austria-Hungary of 1997), public health care (Norway-Sweden of 1993) and tourism (Austria-Hungary).
Inter-state agreements on good and neighbourly relations at borders	<ul style="list-style-type: none"> • Agreement between France and Switzerland (1973) for the canton of Geneva and the departments of Ain and Haute-Savoie. • Between 1990 and 2000, Poland concluded agreements on cross-border co-operation with all its neighbouring countries (D / CZ / SK / UKR / BLR / LT / RUS). • Other examples are the agreements concluded between Hungary-Ukraine (1991), Hungary-Slovenia (1992), Hungary-Slovak Republic (1995) and Hungary-Romania (1996).
Inter-state agreements on cross-border co-operation (based on the "Madrid Outline Convention" of 1980).	<ul style="list-style-type: none"> • BENELUX Cross-border Convention (1989) • Isselburg-Anholt Agreement between Germany and the Netherlands (1991) • "Bayonne Agreement" between France and Spain (1995) • "Rome Agreement" between France and Italy (1993) • Treaty between Austria and Italy (1993) • "Karlsruhe Agreement" between France, Germany, Luxembourg and Switzerland (1996) • Agreement between France and Switzerland (concerning Geneva), • Treaty between Finland and Russia (1992) • Treaty between Lithuania and Belarus (1998)
*) For a more extensive list see: Council of Europe: Documents and Agreements concerning transfrontier co-operation in Europe. Information document prepared by the Directorate General of Legal Affairs (updated version, November 2000).	

*Formal agreements and less formal conventions or working protocols
concluded by regional and local authorities*

Local and regional authorities can conclude formal cross-border agreements on cross-border co-operation directly, in which the respective own national government does in principle not appear as contracting party. They can **also adopt between themselves less formal agreements such as conventions on co-operation or working protocols** (See: Table 4).

The practical **possibilities for a “legal contractual engagement” of regional and local authorities in an international context** do however vary greatly throughout Europe and are dependent on the constitutional and legal/administrative framework of each state.

- Sub-national authorities in federal states (Belgium: Régions et Communautés; Germany and Austria: Länder) have designated powers and can form international agreements with foreign national states or other foreign regional and local authorities for all matters that lie within their own competencies, as long as these agreements are in line with the respective national legislation (potential veto right of national authorities in Germany).
- In other cases such as the Nordic Countries, regional and/or territorial bodies were legally granted permission to conclude cross-border agreements, according to their specific powers, albeit under the supervision of national authorities (which often retained a right of veto).
- In a great number of unitary states and even decentralised (France) or regionalised ones like Spain and Italy, only the conclusion of treaties at a national level and/or adjustments in national legislation⁶³ have created the prerequisites for the establishment of closer co-operation between regional and local authorities. On this ground, regional and local authorities or other bodies from different countries can conclude formal cross-border agreements/contracts or conventions directly. However, in many cases such initiatives normally need the approval of the national level (e.g. in France through the Conseil d'État).

The “Mainz Agreement” of 1996 is an important example for a **formal agreement on general cross-border co-operation, which has been concluded directly between regional authorities of Federal states without national governments being involved**. Contracting parties are the Federal State of North Rhine Westphalia (D), the Federal State of Rhineland Palatinate (D), the German Speaking Community (B) and the Region of Wallonia (B). This agreement is based on the Madrid Outline Convention and is in many respects (contents) comparable to the Isselburg-Anholt inter-state agreement concluded between Germany and the Netherlands in 1991. The agreement foresees the possibility to set up public law based co-operation bodies between local authorities (Zweckverbände), the conclusion of public law based conventions and the creation of local working communities (kommunale Arbeitsgemeinschaften).⁶⁴

There is a long-standing tradition of formal co-operation agreements that have been concluded either between non-equivalent public authorities (e.g. regions/states regions/local authorities) or between regions and local authorities on specific issues of

⁶³ In France, Loi Joxe of 1992 has modified the situation allowing for the first time French regional and local authorities to be involved in the conclusion of cross-border agreements and to set up cross-border bodies (Mixed Economy Societies and Public Interest Groupings), which involve regional and local authorities on the same level in the partner region. These agreements, however, should not interfere with French national state powers and commitments.

⁶⁴ **Ministerium für Landesplanung Luxembourg**: 4. Grenzüberschreitender Kongress, April 1997: Neue Möglichkeiten der Zusammenarbeit an den Grenzen: Die Verträge von Karlsruhe und Mainz. Kongressband, 1997.

mutual interest. Such agreements often aim at establishing and managing joint natural parks or at managing public services such as transport, water and sewage treatment between neighbouring towns and localities.

- A first example is the Convention signed between the State Council of Basel (CH) and the Municipal Council of the City of Lörrach (D), which was set up to divert sewage waters from Lörrach to the Rhine river.
- An other example is the “statement of intent” signed between the towns of Ventimiglia (I) and Menton (F) in combination with a regional convention for cross-border co-operation (signed at regional level between the Italian province of Imperia and the French department of Alpes-Maritimes), which provides the legal base for the establishment of joint public services in the border towns.

Table 4: Examples for formal agreements and less formal conventions or working protocols Concluded by regional and local authorities in the field of cross-border co-operation	
Sub-types	Examples*)
Formal agreements on general cross-border co-operation, concluded by regional authorities from federal states	<ul style="list-style-type: none"> • “Mainz Agreement” (1996) concluded between the Länder North Rhine Westphalia (D) and Rhineland Palatinate (D) and the German Speaking Community (B) and the Region of Wallonia (B). The agreement is also based on the "Madrid Outline Convention" of 1980.
Formal agreements on specific issues of co-operation, concluded by territorial authorities from federal states (regions and local authorities) with states or other foreign territorial authorities.	<ul style="list-style-type: none"> • Treaty between Luxembourg and the Land Rheinland Pfalz (D) on water management (1974) • Agreement between Luxembourg and the Land Rheinland-Pfalz (D) on the management of a hydroelectric plant on the river Our (1958) • Agreement between Switzerland and the Land Baden-Württemberg (D) concerning fishing in the lower Rhine (1977) • Agreement between Luxembourg and the Land Rheinland-Pfalz (D) on a joint natural park (1964) • Agreement between the Netherlands and the Land Nordrhein-Westfalen (D) on a joint natural park (1977) • Agreement between Belgium and the Länder Nordrhein-Westfalen and Rheinland-Pfalz (D) on a joint natural park (1971) • Agreement of the Land Baden-Württemberg (D) and the municipality of Rhinau concerning the meadowland and the practising of fishing and hunting on the German territory (1982). • Treaty between the Land Baden-Württemberg (D) and the canton of Schaffhausen (CH) on drainage (1976). • Treaty between the city of Schaffhausen (CH) and Büsingen (D) on water supply (1972). • Agreement between the municipalities of Echt and Watershap (D) and a Dutch water association.
Working agreements or co-operation protocols / conventions concluded between local authorities and regions	<ul style="list-style-type: none"> • Agreements and conventions leading to the establishment of numerous “Euroregions” and similar structures throughout Europe. • Working protocols leading to the establishment of “Working Communities”: Communauté de Travail des Alpes Occidentales (COTRAO), ARGE-ALP, ARGE-Alpen Adria, Communauté de Travail des Pyrénées (CTP), Communauté de Travail du Jura (CTJ) and Communauté de Trabalho do Norte Portugal-Galicia. • Large number of bilateral or trilateral cross-border co-operation conventions concluded between local and regional authorities throughout Europe.
*) For a more extensive list see: Council of Europe: Documents and Agreements concerning transfrontier co-operation in Europe. Information document prepared by the Directorate General of Legal Affairs (updated version, November 2000).	

Equivalent regional and local authorities in Europe have signed a large number of less formal working agreements, protocols or conventions, most of which do not have an international legal base. Many bilateral or multilateral working agreements have directly led to the establishment of joint cross-border co-operation structures and to the elaboration of statutes or joint regulations for these structures. The most important examples for structures established on Europe's borders are the numerous "Euroregions" or similar structures and the so called "Working Communities" (Communauté de Travail des Alpes Occidentales - COTRAO; ARGE-ALP; ARGE Alpen Adria; Communauté de Travail des Pyrénées - CTP; Communauté de Travail du Jura - CTJ; and Communauté de Trabalho do Norte Portugal-Galicia).

These structures either can have an international treaty as their legal basis⁶⁵ or be initiated on the ground of provisions contained in national legal systems (e.g. associations based on national law, see below). In several countries these cross-border structures need a document of approval of central state authorities, while in other countries like Germany or the Netherlands such agreements are required only if co-operation is based on public law. Some structures were established by such agreements under the auspices of national governments (e.g. Comunidade de Trabalho Norte de Portugal-Galicia), while others had been set-up with no formal acknowledgement from central governments (CTP between France and Spain).

There is a large number of cross-border co-operation protocols and conventions that have been signed between two or a greater number of regions and local authorities: Many examples can be found along the borders of Germany with all its neighbouring countries (NL, B, L, F, DK, PL, CR, A, CH) and along Austrian borders with all its neighbouring countries. There are also examples in southern Europe such as Aquitaine-Aragon of 1989 (F/E), Hampshire-Basse Normandie of 1989 (UK/F), the trilateral co-operation Aquitaine/Pais Vasco/Navarra of 1992 (F/E), Département Alpes Maritimes-Provinces Imperia and Cuneo of 1997 (F/I), Département des Hautes Alpes-Province of Turin of 1997 (F/I).

*Legal instruments based on Community law or national law
that facilitate cross-border co-operation at project level*

Project-based cross-border co-operation activities may be ad hoc, based either on arrangements and sporadic working groups or on agreements at local, regional or national level. Not all of these relatively loose activities need their own permanent cross-border structure. Many cross-border projects can be dealt with by existing bodies on either side of the border. However, some co-operation projects may however require the setting up of project-level cross-border structures.

Even if cross-border projects can generally benefit from agreements on cross-border structures for strategy-oriented co-operation, one can remark that at present no uniform and specific instrument for cross-border co-operation at project level exists in the EU-Member States. There are however some possible solutions for formally setting-up project level cross-border structures on an appropriate legal basis. Regional and local authorities sometimes used legal instruments established by EU-law (such as European Economic Interest Groupings, EEIGs) or – more frequently - a range of existing possible solutions that are provided for by the law of their own country or the national legal systems of neighbouring countries.

⁶⁵ In this case, the cross-border co-operation authority is acting as an organ of the state under state supervision.

The **European Economic Interest Grouping (EEIG)**⁶⁶ is a legal facility established by Community Law, which allows the formation of a grouping of individual companies or other legal entities, and is particularly tailored to SMEs. This concept was adopted by the European Council of Ministers as early as 1985 but in order to allow Member States sufficient time to set up provisions for the establishment of EEIGs, the regulation was only implemented in 1989. Despite its widespread use between companies and organisations from all areas of industry and services and the possibility for a participation of public bodies in EEIGs (as long as they come under the law of a Member State), the concept of EEIGs presents some obstacles for cross-border co-operation, stemming from:

- their design for economic co-operation only, with no commitment to other forms of co-operation;
- the nature and legal character;
- the particular legal relation between EEIGs, third parties and public law bodies;
- management limitations, and especially with regard to INTERREG-programmes.

Concerning the nature and legal character of EEIGs: the legal basis that requires EEIGs to exclusively support “economic activities” limits their range of cross-border operations. Moreover, EEIGs can only act in the context of private law and are therefore unable to take on the statutory functions of local authorities. It is therefore not possible to create any public law suitable for an EEIG.

A second restriction to the use of this instrument for the purpose of cross-border co-operation derives from the particular legal relation between EEIGs, third parties and public law bodies, which can only be controlled by a specific national law, not by the members of the EEIG. However, where public law bodies are participating in private law relations, the immediate control of national law no longer applies. In this case, legal contact comes first under the control of the individual contract of the Grouping, then the Community regulation comes into force. National laws are only consulted after these two options have been utilised. Relations between third parties under national law are not possible and a new representative body would need to be created for relations of this type. This is a major limitation for an EEIG in cross-border co-operation since EEIGs cannot take over the management of a large programme of co-operation (which would most likely require contact with third parties under public law) without the establishment of another structure.

By legal constitution, an EEIG cannot take over the management of any of its participants, it can only carry out auxiliary tasks to develop the economic activities of its members. It does not have its own legal personality in relation to its members. Public authorities cannot delegate economic activity to an EEIG. This means that while EEIGs can be used to access Community funding at the level of projects, they cannot be used to manage economic activity directly. This is a further limitation in terms of the use of this instrument as the institutional framework for cross-border activities.

There is a broad range of **legal instruments stemming from national legislation** that can facilitate co-operation at project level.

An important example is the setting up of a **private law based association**, for which many legal systems provide for.⁶⁷ They have as a general advantage their flexible status, but from

⁶⁶ OJ No L 199, 31.7.1985: Council Regulation (EEC) No 2137/85 on the European Economic Interest Grouping (EEIG).

⁶⁷ **European Parliament, Directorate General for Research (PE 166.402, 1996):** Cross-border and inter-regional co-operation in the European Union. Regional Policy Series W-19.

the point of view of public law some disadvantages can occur: Public authorities must choose a specific national legal system, which may pose in political terms a problem for some authorities (submit themselves to a legal system that is not their own). Furthermore, central state authorities are frequently not satisfied with the conditions of associations for the management of public funds.

Interesting legal instruments exist under **French law**, which allow for a participation of other cross-border project partners located in neighbouring EU-Member States.

- **Mixed Economy Companies (MECs)** receive and utilise public capital/funding and pursue public law objectives. Public law bodies can participate in MECs as can local or regional authorities when linked to public or private organisations. MECs can operate outside national borders as a recognised body under private law, use public funding (e.g. the capital of public bodies) and represent public interests. As such they are a useful instrument for cross-border co-operation through which public bodies can co-operate. The financial flexibility of MECs is however hindered by several factors such as the strict public control over financing and agreements made with national authorities: public authorities account for at least 50% of the capital and 50% of the votes on the management board. Furthermore, the Member States where the partners are based must approve the establishment of this instrument.
- The **Public Interest Grouping (GIP)** is an instrument only recently permitted under French legislation. It was originally intended for scientific research and technological development, mainly for relations between universities and firms and later also in areas of social and health matters as well as training and management. GIPs are formed by agreement between private and public law entities, and may include regional and local authorities. The GIP is therefore authorised to conclude agreements between public bodies, private individuals and non-profit organisations (under both public and private law). It can carry out a wide range of activities such as the management of public amenities (in a broad sense), or the undertaking of joint research and technological development between the private and public sectors. GIPs can be considered dynamic instruments for project management, which enable the creation of intermediary structures. Restrictions, however, lie in the fact that GIPs are liable, under French law and are subject to strict supervision by national authorities (namely for the financial control of operations). These strict control procedures, coupled with the slowness of their decision-making process, are the major obstacle to their utilisation in cross-border co-operation. Despite the possibilities offered by this new legal instrument, no cross-border GIPs have been established yet in France.

Other national legal instruments frequently used for project-level cross-border co-operation are the Dutch law based "stichting", the "Società Per Azioni" in Italy or the "Regies" in Portugal.

3.2. Legal instruments that facilitate inter-territorial or transnational co-operation

The Council of Europe elaborated the only international framework initiative that aims at enhancing inter-territorial co-operation.⁶⁸ Encouraged through resolutions adopted by

⁶⁸ **Boni, D.:** Les nouveaux instruments juridiques du Conseil de l'Europe. In: Commission européenne /GIE PACTE ARE-CCRE: La coopération décentralisée. Paris 1997.

the Standing Conference of Local and Regional Authorities in Europe⁶⁹, the Council of Europe has intensified its work on a convention on "inter-territorial co-operation"⁷⁰ in the following years.

This process finally excluded the option of a new convention and favoured **the adoption of a Second Additional Protocol on inter-territorial co-operation to the Madrid Outline Convention**, which was opened for signature on 5 May 1998.⁷¹ Based on the observation that relations between territorial communities across national borders have been so dynamic that agreements have emerged between geographically remote authorities, the Council of Europe questions whether such schemes should remain without a legal framework at international level or whether they should be placed from the outset into a well-known, tried and tested framework. In order to close the gap between the intense practice of networking and the legal reality, the additional protocol aims at organising the development of this type of co-operation and at providing it with an adequate legal framework.

The Protocol defines inter-territorial co-operation (Art. 1) and stresses that the right of territorial communities or authorities to conclude mutual agreements for inter-territorial co-operation shall be respected by the States signing the text (Art. 2). In order to enable for the setting up of a broad range of possible institutional solutions, the Second Protocol recommends that the entire Outline Convention and its first Additional Protocol is applied "mutatis mutandis". This means that in both texts the words "transfrontier co-operation" shall be read as "inter-territorial co-operation" (Art. 5). With regard to the legal nature of inter-territorial co-operation structures (public or private law based entity), States can however choose via a "declaration" how they intend to implement the present protocol (Art.6).

Despite this initiative, practical activities in the field of inter-territorial co-operation have to be established on the ground of more or less suitable legal instruments based on Community law or national law that are already in use in the context of cross-border co-operation at project level (See: Section 3.1.).

At date, no specific over-arching framework instrument exists for transnational co-operation.

4.) Specific funding programmes that support transeuropean co-operation

4.1. Community programmes supporting cross-border co-operation ⁷²

Since 1990 the European Union has provided financial support for internal and external cross-border co-operation through a number of initiatives and programmes. The first of these instruments was the Community Initiative **INTERREG** (launched in 1990), which was

⁶⁹ Resolution 227 of 1991; Resolution 248 of 1993.

⁷⁰ In 1991, the first initiatives still used the terminology "inter-regional", whereas the final approach prefers to use the more neutral expression "inter-territorial" (with respect to the different actors involved in co-operation).

⁷¹ **Council of Europe:** Protocol No 2 to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities concerning inter-territorial co-operation with explanatory report.

⁷² **Association of European Border Regions (AEBR) / European Commission (DG REGIO / DG ENLARGMENT):** Practical Guide to Cross-border Co-operation, 2001.

followed in 1994 by **PHARE CBC** (Cross-Border Co-operation) covering border regions in Central European countries. INTERREG and PHARE CBC have advanced considerably throughout the 1990's and they will be supporting substantial programmes in the 2000-06 period. Other, less developed, EU instruments supporting cross-border co-operation, include **TACIS CBC** (for some of the border regions of countries of the ex-Soviet Union), **MEDA** (for Mediterranean non-member countries) and **CARDS** the new programmes for Western Balkan countries).

Support programmes for internal cross-border co-operation

After a pilot phase financed by Art. 10 of the ERDF regulation between 1988 and 1989, the **INTERREG programme** was launched in 1990 and concerns border regions of the EU. It is the most important Community Initiative promoting cross-border co-operation and recognises the growing importance of border regions and cross-border co-operation in the overall process of European Integration. During the 1990s, INTERREG I and IIA have provided about €6.5 billion for cross-border co-operation enabling the realisation of several thousand additional cross-border projects.

Under **INTERREG I (1991-1993)**, the Member States proposed 31 Operational Programmes that had been funded jointly by the ERDF, ESF and the EAGGF. 22 Programmes related to internal EU-borders and 9 to external EU-borders. They represented the diverse range of border regions and experiences of cross-border co-operation within the EU. Programmes covered underdeveloped Objective-1-regions and "core" regions of the EU or regions with experience of local and regional cross-border co-operation and structures ("bottom-up" programmes) and those with a more centralised national approach to cross-border co-operation ("top-down" programmes). With a total EU contribution of 1,082 MEURO, roughly 2,500 projects implemented in the framework of these programmes were supported. Approximately half of the expenditure went to communication and energy infrastructure (especially in Objective 1 regions) and other measures such as tourism (26,4%), environment (8,9%) or SMEs (7,5%). Two thirds of these cross-border projects could not have operated without support of the INTERREG programme, and a further 20% were significantly enhanced in scale or time-scale.

Following the success of INTERREG I, the European Council at its Edinburgh "summit", identified cross-border co-operation as a priority for Community Initiatives in the 1994-99 period of the Structural Funds. **INTERREG IIA was the main strand focusing on cross-border co-operation** with a total EU allocation of €2,562 million, whereas INTERREG IIB aimed to complete selected energy networks (former REGEN Initiative) and had been allocated €50 million.

For INTERREG IIA, the European Commission has adopted a total of 59 Operational Programmes (OPs). If one adds to EU-funding the required co-financing (national, regional, local including private funds), financial aid attributed to cross-border co-operation under INTERREG IIA rises to over €4 billion. The scope of intervention in the OPs is multi-sectoral, while the eligible measures concern nearly all main economic and socio-cultural activities (creation of SMEs, tourism, energy and environment, agriculture and rural development, transport and telecommunications, R&D, health, training and employment). The main types of action are joint planning and implementation of cross-border programmes, the introduction of measures to improve the follow of information from either side of the border (public and private) and the implementation of common institutional and administrative structures to support co-operation.

Compared to the previous planning period, INTERREG IIA is characterised by some specific features:

- Due to the EU accession of Austria, Sweden and Finland, the number of internal and external borders has increased. Therefore, INTERREG IIA incorporated for the first time all border regions along the internal and external borders of the EU: 35 programmes related to internal EU borders and 24 concerned the external borders of the EU (Central European Countries, Russia, Norway, Switzerland, Cyprus, Morocco).
- A second factor in the significant expansion of INTERREG IIA is the stronger emphasis on co-operation across maritime borders. A total of 16 maritime Operational Programmes were supported under INTERREG IIA compared to just 4 under INTERREG I. Most of these programmes (11) relate to internal EU borders.
- EU funds for Operational Programmes in some Objective 1 regions exceed €100 million with Spain/Portugal (€552 million) and Greece/external borders (€310 million) as the largest. Overall, the 59 operational programmes vary in their financial assistance, for example, 30 programmes receive between 5 and 25 million EURO. It is important to note that most of the largest programmes are 'national' programmes that cover the whole of a national border.

Cross-border co-operation supported under INTERREG I and IIA **will be continued under Strand A of INTERREG III (period 2000-06)**, which is the largest Community Initiative under the EU Structural Funds (total allocation of €4,875 million). In April 2000 the European Commission established formal Guidelines⁷³ covering three different strands of co-operation (Strand A: cross-border co-operation; Strand B: transnational co-operation; Strand C: inter-regional co-operation). **Strand A**, is the longest standing form of co-operation across national borders, and will receive the bulk⁷⁴ of the financial resources of INTERREG III. With very few exceptions⁷⁵, the development, approval and implementation of programmes under Strand A is expected to be carried out separately from those of Strands B and C.

The objectives of INTERREG IIIA have been defined as follows (**See more in detail: Annex 1**): Cross-border co-operation between neighbouring authorities is intended to develop cross-border economic and social centres through joint strategies for sustainable territorial development. Some of the technical provisions contained in the new Guidelines concerning Strand A show considerable continuity with INTERREG I and IIA (and will be familiar to the practitioners who are already involved in the development and management of INTERREG programmes), while others introduce significant changes in content or emphasis such as the provisions on joint management of the programme implementation through cross-border mechanisms or the generalisation of the "lead applicant principle" for cross-border co-operation at project level.

Support programmes for external cross-border co-operation

The original Commission Regulation concerning the **PHARE CBC (Cross-Border Co-operation) Programme** was introduced in 1994. It provided for PHARE CBC programmes covering border regions of Central European Countries (CECs) with EU Member States.

⁷³ OJ No C 2000/143/08: Communication from the Commission to the Member States laying down guidelines for a Community initiative concerning trans-European co-operation intended to encourage harmonious and balanced development of the European territory.

⁷⁴ Strand A receives between 50% and 80%; Strand C will be allocated 6%; the remainder will go to Strand B.

⁷⁵ It is expected that a Community Initiative Programme under Strand B for the Baltic Sea Area will also cover Strand A measures

PGARE CBC adopted the same timeframe as INTERREG IIA (i.e. 1994 to 1999) with the aim to “mirror” INTERREG-programmes. Such approximation was however achieved only to a limited extent. In the 1994-99 period, PHARE CBC programmes covered 15 national borders through 17 programmes and received €1 billion EU funds – in excess of EU funds allocated to counterpart INTERREG IIA programmes. PHARE CBC programmes supported actions mainly in the fields of infrastructure (transport and environment) and economic development. Some programmes also supported small, people-to-people projects and other small-scale actions.

In 1998 the Commission introduced the current Regulation which governs PHARE CBC⁷⁶ and has the following aims: (1) To promote co-operation of border regions in countries in Central and Eastern Europe with adjacent regions in neighbouring EU and accession countries and thus to help them overcome the specific development problems which may arise from their position within the national economies, in the interest of the local population and in a manner compatible with the protection of the environment. (2) To promote the creation and the development of co-operation networks on either side of the border and the establishment of links between these networks and wider Community networks. This new PHARE CBC Regulation established some key parameters for cross-border co-operation programmes concerning CEC borders, which remain valid to date, notably:

- it broadened the geographical eligibility by including CEC/CEC borders between the 10 Central European candidate countries;
- it redefined eligible actions under PHARE CBC;
- it introduced new planning and implementation instruments (Joint Programming Documents, Joint Co-operation committees and Joint Small Project Funds).

PHARE CBC programmes for 1999 and 2000 were prepared under the new Regulation, but they did not have the benefit of counterpart actions under INTERREG.

In the EU-Structural Funds period 2000-06, PHARE CBC is meant to match Strand A of INTERREG. Cross-border strategies and Joint Programming Documents have been under preparation during most of 2000, especially since the publication of the EC’s Guidelines for INTERREG III in April 2000, and in some cases are continuing. In the post-2000 period all EU/CEC border regions will be covered by new JPDs, which will be approved under Structural Funds rules and procedures (as CIPs) on the EU side and under PHARE rules and procedures on the CEC side. A similar approach is followed for CEC/CEC borders eligible under PHARE CBC and JPDs have already been prepared or are under preparation. (Even if common rules and procedures apply, even in these cases formal financing approvals will have to be made separately for the two sides).

The **PHARE CREDO Programme** was developed in 1996 to promote and support “East-East” cross-border co-operation involving CEC-CEC and CEC-NIS border regions and communities. The objectives of CREDO were to promote good neighbourliness and social stability in the border regions, to promote cross-border co-operation, which can contribute to economic, and community development, and to contribute towards decentralisation in the CECs. A range of multi-sectoral projects were eligible including economic development, socio-cultural co-operation, urban and regional services, human resources, environment and local and regional government. Eligible beneficiaries were decentralised, public and private sector bodies and non-profit making organisations. The CREDO Programme has raised the profile and opportunities for cross-border co-operation in many borders and supported genuine cross-border projects with partners on both sides of the border.

⁷⁶ Commission Regulation 2760/98

However, the PHARE CREDO Programme it has also been negatively perceived in many border regions due to its complex and bureaucratic structures and management, the relative small size of its overall budget and delays in implementation, and the lack of a programmatic approach similar to INTERREG and PHARE CBC. Accordingly the European Commission decided to replace CREDO on the borders between candidate countries by expanding the eligible regions under PHARE CBC (See above). But it is currently (December 2000) unclear how PHARE support will be available for cross-border co-operation in other border regions of PHARE beneficiary countries, not covered by PHARE CBC.

The **TACIS Cross-Border Co-operation Programme** was launched in 1996 to fund cross-border activities on the western borders of TACIS beneficiary countries with the EU and CECs – i.e. the western border regions of the Russian federation, Belarus, Ukraine and Moldova. The main focus of TACIS CBC has been on border networks such as crossing facilities, environment and cross-border co-operation at local level including the Baltic Small Projects Facility. The 1997 Programme includes a Regional Capacity Building Initiative the implementation of which has been assigned to AEBR (See below). TACIS CBC is part of the wider TACIS Programme concerning the provision of assistance to economic reform and recovery in the New Independent States (NIS) and Mongolia. The Council Regulation for 1999 encourages cross-border co-operation between the NIS and the EU and CECs, and between the NIS themselves. It states that cross-border co-operation shall primarily serve to:

- assist border regions in overcoming their specific developmental problems stemming from their relative isolation;
- encourage the linking of networks on both sides of the border such as border-crossing facilities;
- accelerate the transformation process in the partner states through their co-operation with border regions in the EU or CECs; and
- reduce transboundary environmental risks and pollution.

However, TACIS CBC lacks a programmatic approach and specific regional or other institutional arrangements concerning its operation to match those of INTERREG (Strand A) and PHARE CBC. Therefore, co-ordination between cross-border actions under TACIS and other EU funding instruments has proved practically impossible to achieve to date.

In December 2000 the EU adopted a new regulation⁷⁷ concerning **assistance for Western Balkan countries (known as CARDS)** covering Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia, and the FY Republic of Macedonia. CARDS will inter alia support “the development of closer relations among recipient countries, between them and the European Union and between them and countries which are candidates for accession to the European Union, in co-ordination with other instruments for cross-border, transnational and regional transboundary co-operation with non-member countries”. This means that the PHARE CBC programmes for Albania/Greece and FY Republic of Macedonia with Greece will be succeeded by new programmes under CARDS, and new programmes could be developed, e.g. for Croatia/Slovenia and Croatia/ Hungary, Bulgaria/FYROM. The modalities of the cross-border programmes under CARDS and their co-ordination with INTERREG and PHARE CBC are not yet known.

The EU has also recently amended the regulation concerning **MEDA (financial and technical assistance for Mediterranean non-member countries)**. Although there is scope

⁷⁷ Council Regulation 2666/2000

for EU support for cross-border actions under MEDA, there are no programmatic, institutional or other arrangements equivalent to those of INTERREG (Strand A) or PHARE CBC. Such arrangements are needed in order to achieve co-ordination with INTERREG on borders such as Spain/Morocco, Gibraltar/Morocco, Greece/Cyprus, Greece/Turkey.

4.2. Community programmes supporting inter-territorial (inter-regional) co-operation

Since the end of the 1980ies, the European Union has increasingly provided financial support for internal and external inter-territorial co-operation through a number of initiatives and pilot programmes.

- **Inter-territorial co-operation between local and regional authorities from the EU** mainly received support from Community programmes for bilateral town twinnings and specific ERDF-Art. 10 initiatives such as the programme for exchange of experiences, PACTE or RECITE I and II. But also many other Community Initiatives or programmes supported co-operation activities between local and regional authorities.
- **Inter-territorial co-operation between local and regional authorities from the EU and Third countries** (especially in Central Europe) mainly received support from programmes such as ECOS-OUVERTURE I and II as well as from various initiatives established under PHARE and TACIS or MEDA.

Programmes supporting co-operation between territorial authorities from the EU

Based on a report of the European Parliament on town twinning adopted in February 1988 (“Fontaine”-report), financial means were made available by the Commission that support the establishment of **bilateral town twinnings between local authorities of the EU and other European countries**.⁷⁸ In 1997, the programme had an annual budget of 7.5 MEURO and comprised several priority measures (priorities for the town-twinning programme are adopted on an annual basis):

- exchange measures between citizens from twinned towns or exchange measures for the establishment of new twinnings,
- conferences organised by twinned towns,
- training or information seminars for and organisation of twinning events.

In 1989, DG XVI of the Commission launched the **Exchange of Experience Programme (EEP)**, which was based on a budget line (B2-6001) created at the initiative of the European Parliament. The aim of the programme was to promote the exchange of know-how and experience between local and regional authorities in the EU. It The Commission has entrusted co-ordination of the programme, by means of a joint contract, to the “Council of European Municipalities and Regions” (CEMR) and the “Assembly of European Regions (ARE) / “European Regional Development Centre” (CEDRE). In 1993, the EEP was continued by a new measure called **PACTE-Exchange of Experience programme**. The entire budget for EEP/PACTE represented 39 MEURO, which is an average per project of about 89.000 EURO.⁷⁹

⁷⁸ **Kommission der Europäischen Gemeinschaften:** Ein Europa der Städte und Gemeinden. Handbuch für Städtepartnerschaften (Auflagen 1991, 1997). **Committee of the Regions:** Opinion on cross-border and transnational co-operation between local authorities (CdR 145/98 fin).

⁷⁹ **European Commission, DG XVI / Assembly of European Regions / Council of European Municipalities:** Action Programme for Local and Regional authorities PACTE. Exchange of Experience Programme (1995). **European**

After the launch of 15 experimental inter-regional co-operation projects in 1990, a formal open call for project proposals was undertaken in late 1991 under the “newly” created programme **RECITE (1991-1995)**⁸⁰ that was funded under the “old” ERDF-Art. 10. The philosophy of RECITE was based on the conviction that each co-operation network encourages economic development of its members and that the total approach thus contributes to strengthen the social and economic cohesion of the EU. RECITE identified 11 themes for action and 4 sectors in which projects were to be applied. From 229 proposals submitted, 21 network projects were finally selected and implemented between 1992 and 1997. These projects were complementary to co-operation initiatives funded by other Community programmes at the same time (PACTE or ECOS-Ouverture). The total expenditure for the 36 “inter-regional” co-operation projects was 45 MEURO, while the average cost for a RECITE I project was about 2,24 MEURO and the average ERDF-contribution 56%.

Past experience gained with the first generation of experimental project-networks shows that individual project funding periods were generally too limited (12-18 months). A more realistic approach would have been at least a five years funding period, accompanied by a more programmed approach and an on-going and ex-ante evaluation of project plans. Based on these first achievements and the recommendations contained in an evaluation report on the first generation of RECITE-projects⁸¹, the Commission consolidated and adapted the programme to the current European context.

The main areas of action for co-operation under **RECITE II (1996-1999)**⁸² concentrate on (1) developing local potentials with a view to create jobs, (2) improving access to the single market for SMEs and improving the range of services provided to them, (3) setting up resource centres to support working women and their integration into economic life and (4) safeguarding and improving the environment. About 301 project applications were received by May 1997, of which 55 network projects were finally selected. The second phase of RECITE entails a Community contribution of more than 110 million EURO. The average project budget is 3.2 million EURO and the average ERDF-contribution is 63%.

Some ERDF-Art. 10 pilot actions in the field of spatial planning (TERRA-programme) aimed at setting up “inter-regional” project-networks between local and regional authorities, which come from areas with specific territorial features that make them more fragile or offer greater challenges for territorial development (e.g. mountainous areas, rural areas, river basins, coastal zones etc.). After a call for proposal in 1996,⁸³ the Commission received a total of 142 proposals. A total of 15 projects was finally selected. They were officially launched in 1997 and 1998 for the period to 2000 and are devoted a total Community assistance of 20 million EURO.

Commission, DG XVI / Assembly of European Regions / Council of European Municipalities: PACTE. Programme over the last 10 years.

⁸⁰ **European Commission, DG XVI:** RECITE-Magazine (July 1998).

⁸¹ **European Commission (Directorate General for Regional Policies of the European Communities / RECITE Office):** RECITE. Review of Inter-regional Co-operation. Achievements under RECITE I. Recite Office evaluation report (January 1997).

⁸² **European Commission, DG XVI:** RECITE Magazine (June 1999)

⁸³ OJ No C 119 of 24.4.1996: “Programme TERRA: Networks of local regional authorities to carry out innovative and /or demonstrative pilot projects on spatial planning in specific areas under Article 10 of the ERDF Regulation. Call for proposals.”

Inter-territorial co-operation between local and regional authorities in the EU was also supported by **other Community Initiatives and provisions on innovative measures for local and regional development contained in the “old” Structural Funds regulations:**

- Many Community Initiatives frequently included provisions that stimulated mutual co-operation between local and regional actors: **LEADER II, ADAPT, EMPLOYMENT, PESCA, REGIS or SME** supported to various extents the establishment of European-wide networks for dissemination of best practice and exchange of information/experiences or sometimes innovative pilot projects based on co-operation.
- Other ERDF-Article 10 pilot schemes such as **RISI I and II** (Information Society), **RIS and RTT** (innovation and technology transfer), **NSJ** (New Sources for Jobs) or **CULTURE** (inter-regional co-operation for economic development through culture) led to the establishment of numerous project-networks.
- In addition to that, the old **ESF-Art. 6 and EAGGF-Art. 8** offered potentials for inter-territorial co-operation respectively in the field of education, training and integration of the underprivileged into equal opportunities as well as in the field of an adjustment of agricultural structures and the promotion of rural development (so called “transnational programmes”).

*Programmes supporting co-operation
between territorial authorities from the EU and Third Countries*

Inter-territorial co-operation between local and regional actors from the European Union and Third Countries, and especially with Central and Eastern European Countries (CEECs), have been supported by a plethora of EU-programmes or smaller initiatives.⁸⁴

In order to develop “**external**” co-operation between local and regional authorities of the **EU and CEEC**, two separate programmes have initially been launched respectively by the Directorate General for Regional Policies of the Commission at the beginning of the 1990ies: **ECOS** was started in summer 1990 by five EU-regions⁸⁵ and **OUVERTURE** in 1991, managed jointly by the Council of European Municipalities and Regions (CEMR) and the City of Strasbourg. Since 1994/95, the programme was extended to include parts of the NIS and financial assistance from PHARE has been made available to the programme in order to cover expenses from Central European partners. In 1995, both initiatives were merged to form a single programme called **ECOS-OUVERTURE**, which was provided with an integrated management structure.⁸⁶ **ECOS-OUVERTURE** was based on the idea, that regional co-operation can also be an instrument enhancing social and political stability and supports the transition process.

In 1996, the eligible zone of the programme has again been extended in order to enable a participation of actors coming from neighbouring countries of the Mediterranean. For the period 1997-99, **ECOS-OUVERTURE II** was endowed with 17 MEURO from Article 10 of the ERDF and 7 MEURO from the PHARE CBC programme. For the first time, the programme proposes two types of projects to applicants including large or “major” projects and “micro-projects”. In addition to all of the European Union, regions, cities and locally based organisations from the following areas outside the Union may participate:

⁸⁴ For an overview see, **Association of European Border Regions-LACE: VadeMecum on cross-border and inter-regional co-operation on external borders of the European Union.** November 1997.

⁸⁵ Strathclyde (UK) , Asturias (E) , Piedmont (I) , Midi-Pyrénées and Saarland (D).

⁸⁶ **European Commission: Programme and contract information 1995. Multi-country and cross-border programmes no. 2.**

- all of the CECs that are beneficiary countries of the PHARE programme, including the Baltic States. In these countries only local and regional authorities are eligible partners;
- for the NIS this includes authorities from Belarus, Moldova, Russia and the Ukraine;
- in the Mediterranean, eligible countries include Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Palestinian Territories, Tunisia and Turkey.

Since 1990/91, the ECOS-OUVERTURE⁸⁷ programme has supported 340 projects⁸⁸ with a total financial contribution of 40 MEURO.

In 1996 and 1997, the European Commission launched the **PHARE-Baltic Project Facility (BPF)** and the **TACIS-CBC Small Project Facility (SPF)**.⁸⁹ Both initiatives aimed at promoting co-operation between local and regional authorities in the EU and in the Baltic States, the Baltic part of Poland and in the western part of the NIS (North-western Russia, Belarus, Ukraine, Moldova). Some figures can illustrate that the initiatives have been welcomed with much enthusiasm by local and regional authorities.

- In 4 submissions between September 1997 and November 1998, a total of 531 applications have been received for the three components of the **PHARE-BPF** (Baltic Small Project Facility; PHARE/INTERREG, Micro-Projects).⁹⁰ This shows that the demand for co-operation projects between local and regional authorities was very high and continues to exist. Only 25% of these applications could be funded with an overall amount of 11,4 million EURO. Refusal is not generally caused by a lack of good quality, as 33% of the BSPF applications and 50% of the PHARE INTERREG applications have been of good quality (according to Expert Panel comments).
- Between 1997 and 1998, a total of 260 project applications have been received for the two funding components of **TACIS-CBC-SPF** (Small Project Facility, Micro Project Facility).⁹¹ The demand for funding of co-operation projects is very big and both components have attracted considerable interest among local and regional authorities. According to Expert panel comments, a high proportion of proposals has been of a good quality (33% for SPF and 50% for Micro Project Facility). Finally, only a total of 62 projects has been approved and receives funding of about 7,22 million EURO (21%).

As a result of this, both programmes have been extended and improved. PHARE-BPF is replaced by a new decentralised Programme called “PHARE Special Action in Favour of the Baltic Sea Region-PHARE Small Project Fund”. The programme is divided into four sub-programmes, each managed by one of the PHARE countries around the Baltic Sea (Estonia, Latvia, Lithuania, Poland).

Several other Community programmes established in the framework of the PHARE and TACIS programmes also supported inter-territorial co-operation between the EU Member States and countries in Central and Eastern Europe. The overall objectives were similar to those of the programmes supported under the Structural Funds, namely to support the development of contacts and partnerships between target groups thereby facilitating the process of political

⁸⁷ Europäische Kommission (Gemeinsamer Dienst für die Verwaltung der Hilfe der Gemeinschaft in Drittländern / DG Regionalpolitik und Kohäsion): Externe Interregionale Zusammenarbeit. Success Stories 1991-1999 (Ausgabe 3). Paris / Glasgow / Brüssel, 1999.

⁸⁸ 137 projects in the first phase of the programme (1991-1993), 141 in the second phase (1994/1995) and 62 in the third phase since 1996.

⁸⁹ Source: Homepage of Swedish Association of Local Authorities : www.svekom.se/cbcpf/intro.htm

⁹⁰ Between December 1997 and December 2000, PHARE-BPF is managed on behalf of the Commission (DG IA) by the Danish County of West Zealand.

⁹¹ Between December 1997 and December 2001, TACIS-SPF is managed on behalf of the Commission (DG IA) by the Danish County of West Zealand.

and economic transition of countries in Central and Eastern Europe and the NIS. The key programmes supporting inter-regional co-operation are:

- **PHARE & TACIS Democracy Programme** was launched on a pilot basis already in 1992. The general objective of the Democracy Programme was to promote the concept of pluralist democratic society, the rule of law and to strengthen the respect for human rights and fundamental freedoms in the spheres of society such as the government, parliament, local administration, the media and professional groupings and associations.
- The **PHARE Partnership Programme** and the **PHARE & TACIS LIEN Programme** fell under the multi-country programme strand.
- Other programmes with a more sector specific focus were the **PHARE TACIS Joint Venture Programme (JOP)** and the **COOPME Programme**, the latter supporting exchanges between SMEs in EU Member States and the CECs.

In July 1996 the **MEDA-Regulation** on financial and technical measures to accompany the reform of economic and social structures in the framework of the Euro-Mediterranean partnership was adopted by the European Council. Areas eligible for the MED programmes include Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and Palestinian Territories. The purpose of this regulation is to support measures, which help to achieve the objectives of the Euro-Mediterranean partnership of reinforcing the political stability and democracy in non-member states of the Southern Mediterranean, of creating an Euro-Mediterranean free-trade area and of developing economic and social co-operation. Measures supported in three main fields include inter-territorial co-operation and aim at contributing to closer integration and co-operation of the Mediterranean Partner Countries (MPC) amongst themselves as well as to support greater integration between countries of the European Union and the MPCs. Main instruments were

- MED URBS (co-operation between local authorities)
- MED CAMPUS (co-operation between universities)
- MED MEDIA (co-operation between professionals of the media)

New perspectives for inter-territorial co-operation under INTERREG III (2000-2006)

On 28 April 2000, the European Commission agreed the Guidelines concerning INTERREG III that provide for a **separate Strand C on “inter-regional co-operation”**. The new C-Strand succeeds RECITE or ECOS-Ouverture type programmes and aims at improving the effectiveness of regional development policies and instruments through large scale information exchange and sharing of experience. It particularly focuses on underdeveloped regions and those undergoing structural adjustment. The participation of island regions and ultra-peripheral regions in the various partner networks is particularly important, and co-operation between maritime regions, even bilateral co-operation, will be encouraged. The same attention is devoted to a wide participation of third countries, and especially of candidate countries. Third Country partners will have to finance their activities from own resources or through the relevant EU-funding resources (e.g. PHARE, TACIS, CARDS, MEDA, EDF).⁹²

One year later, the Commission published **more detailed Guidelines on Strand C of INTERREG “Inter-regional Co-operation” (2000-2006)**.⁹³ This document specifies the general strategy pursued by the Commission and lays down the details of a general framework

⁹² OJ No 2000/C143/08; **European Commission, DG REGIO**: Information contained in the WEB-Site.

⁹³ OJ No 2001/C141/02: Communication from the Commission to the Member States of 7 May 2001: „Interregional Co-operation“, Strand C of the INTERREG III Community Initiative.

that shall orientate future support for internal and external inter-regional co-operation between non-contiguous territorial authorities and other public bodies. INTERREG IIIC generally encourages non-contiguous territorial authorities and other public authorities to view inter-regional co-operation as a means of enhancing their development through access to the experience of others in order to expand the added value of individual Structural Funds interventions throughout Europe (**See more in detail: Annex 1**).

With INTERREG IIIC, co-operation continues to be based on concrete projects and networks. But the Commission wishes to encourage a more strategic and a more programmed approach to inter-regional co-operation and believes that regional authorities should become more involved in defining the framework of co-operation. **The essence of the new approach is a two-stage programming of inter-regional co-operation** in order to produce a greater degree of coherence, to help improving monitoring and evaluation and to simplify the administrative procedure involved in project implementation:

- Strategic programming takes place at the level of 4 larger “programme areas” (South Zone; North-West Zone; North-East Zone; East Zone) and mainly aims at assuring sound decentralised management of inter-regional co-operation (via a Managing Authority, a Paying Authority and a joint Technical Secretariat) and at apportioning funding that Member States have to allocate to their activities.
- The specific topics and main types for action co-financed under these strategic programmes will also stimulate a certain degree of programming at the regional level.

4.3. Community programmes supporting transnational co-operation in the field of European spatial development and spatial planning⁹⁴

The launching of transnational co-operation activities was mainly the result of an intensification of inter-governmental co-operation between EU-Member States, which aims at developing a joint approach in the field of spatial development for the Union’s territory.

A first step in this direction was taken back in 1989 under French Presidency, when Member State ministers responsible for spatial planning first met informally in Nantes. Intergovernmental co-operation was continued in the following years through additional informal meetings of national ministers (Torino: 1990 ; Den Haag: 1991; Lisbon: 1992). Only after the Liège-meeting in 1993, these “gatherings” adopted the status of Informal Council of Ministers Meetings. During these meetings, Member States slowly recognised the need to elaborate an integrated long term strategy for the development of the European Union’s territory – the “European Spatial Development Perspective” (ESDP) – and to get involved in a more operational way in co-operation on spatial planning.

This position was articulated more systematically in the so-called “Leipzig-Document”, which was adopted under German presidency during the second half of 1994.⁹⁵ It identified a number of fundamental goals and specific spheres of activity for the future ESDP as well as guidelines for the implementation of spatial development policies in the European context. The document also suggested

⁹⁴European Parliament, Directorate General for Research (PE 167.176, 1998): Die Europäische Raumentwicklungspolitik. Reihe Regionalpolitik, REGI 100 DE.

⁹⁵ Bundesministerium für Raumordnung, Bauwesen und Städtebau (Hrsg.): Grundlagen einer Europäischen Raumentwicklungspolitik, Bonn 1995.

- to create “European action areas for integrated spatial development” that are of special importance for the coherence of the Union’s territory
- to carry out “pilot projects of a prospective nature” involving a particularly intense co-operation between administrations at Community, national, regional and local level and that are particularly attentive to European issues and integrate all territorial aspects of sectoral policies.

At the informal Council meeting in Strasbourg (1995), it was agreed with the Commission to implement concrete Community actions within the framework of the Structural Funds (1994-1999) in order to further develop co-operation in the field of spatial development. Subsequently, the Commission identified a number of “main fields for action” that aim at a sustainable and balanced development of the European Union’s territory and prepared the launch of specific support schemes:

- **A new Strand C for the Community Initiative INTERREG II on transnational co-operation in the field of spatial planning.**
- **Specific ERDF-Art. 10 Pilot actions in the field of spatial planning.**

EU-programmes supporting transnational co-operation during the 1996-1999 period

These Community support schemes pursue more or less the same general objectives, but not all of their main fields of activity aim at initiating “genuine” transnational co-operation in the field of spatial planning (See: Table 5). A preliminary comparison of their key features (geographical coverage, specific activities) allows concluding the following:

- Only 3 “main fields of activity” are characterised by a genuine co-operative component. They cover larger contiguous areas and correspond to the definition of transnational co-operation elaborated in Section 2.2.. These main fields are the INTERREG IIC-programmes of Part 1 “general transnational co-operation on spatial development” and Part 2 “flood migration”, as well as the ERDF-Art. 10 pilot schemes that cover larger transnational co-operation areas.
- The remainder “main fields of activity” cover larger areas in one Member State (e.g. INTERREG IIC-activities for drought prevention) or aim at initiating “inter-regional” networks on spatial planning in areas with specific features (ERDF-Art.10, TERRA-programme).

Already in October 1995, the Commission had made a reserve of the Structural Funds available for the new **C-strand of INTERREG II (1997-1999)**. In parallel, the Commission provisionally delimited “larger transnational co-operation areas” for INTERREG IIC. They were based upon the approach of specific studies that have been elaborated within the framework of “Europe 2000” “Europe 2000+” and upon Member State’s contributions for the future ESDP. The initial delimitation of transnational co-operation areas was often criticised because of its “top-down character” that tended to neglect regional-specific potentials. This criticism was expressed with particular clarity by the Committee of the Regions, wherefore it conducted in co-operation with the Commission six spatial planning seminars on “Europe 2000+” during the year 1996. The results of these spatial planning seminars were subsequently taken into consideration and previously neglected potentials (historical-cultural aspects) had been included in the spatial analysis.⁹⁶

⁹⁶ **Committee of the Regions:** The INTERREG-IIC Community Initiative and the potential role for local and regional authorities (CdR 108/97) ; Opinion on spatial planning in Europe (CdR 340/96)

Table 5: Comparison between INTERREG-IIC and ERDF-Article 10 spatial planning measures		
	INTERREG-IIC (1997-1999)	ERDF-Article 10 (1995-1999)
General Objective	Promoting a harmonious and balanced development of EU-territory through measures related to social and economic cohesion and sustainable development; improving the impact of Community policies on spatial development; fostering of co-operation between Member States and regions in the field of spatial planning.	Reinforce economic and social cohesion and promote the sustainable development of EU-territory, foster co-operation in the field of spatial planning.
Main Fields of Activity	<ul style="list-style-type: none"> • Part 1: General transnational co-operation • Part 2: Flood migration • Part 3: Drought prevention 	<ul style="list-style-type: none"> • Pilot Actions for Transnational Co-operation on Spatial Planning. • TERRA-programme on innovative and/or demonstrative pilot projects that are conceived as inter-regional networks.
Spatial coverage	<ul style="list-style-type: none"> • For Part 1: Larger “groupings of regions” that cover at least three states, of which at least two must be EU-Member States. • For Part 2: Larger international “catchment areas” of rivers. • For Part 3: National areas that are defined for the eligible states Greece, Italy, Spain and Portugal. 	<ul style="list-style-type: none"> • Pilot Actions for Transnational Co-operation on Spatial Planning” in larger zones composed of several states. • Under the TERRA-programme, inter-regional network projects are carried out in areas that share specific geographical and/or structural features.
Specific Actions	<ul style="list-style-type: none"> • For Part 1, a total of 7 Operational Programmes has been adopted for larger areas that cover measures such as: preparation and implementation of transnational strategies; improvement of spatial impact of Community policies (e.g. transport systems); the development of transnational land administration systems; an integrated management or other specific actions for special problem areas (mountain regions, arctic areas, urban areas, coastal areas, wetlands); promotion of sustainable economic development; spatial planning co-operation with third countries; technology transfer and communication systems. • For Part 2, a total of 2 Operational Programmes has been adopted for larger areas (one is not yet approved BUL/GR). For Part 3, a total of 3 national Operational Programmes has been adopted (one is not yet approved GR). Parts 2 and 3 cover actions such as studies; elaboration of guidelines and of integrated management concepts; improvement of water management techniques; support of best practice. 	<ul style="list-style-type: none"> • 4 “Pilot Actions for Transnational Co-operation on Spatial Planning” have been adopted: “Northern Periphery”; “Eastern Alps”; “Central and Eastern Mediterranean Space-ARCHIMED” and “Mediterranean Gateway”. They cover actions in the field of preservation and management of natural resources and cultural heritage, transport or social and commercial services in sparsely populated areas. • 15 pilot projects are supported under the TERRA-programme: They focus on issues such as cross-border spatial planning, flood prevention, integrated coastal zone management, canals, local and regional spatial planning, natural and cultural heritage etc.

With the adoption of specific Guidelines for INTERREG IIC in 1996, the Commission has initiated for the first time a specific instrument that enhances a geographically wide-ranging co-operation between Member States.⁹⁷ Planned Community support of about 412.84 million EURO was allocated through Operational Programmes, which were elaborated in three different fields: (1) “general transnational co-operation on spatial development”, (2) “flood migration” and (3) “drought prevention”.

The INTERREG IIC Guidelines also defined in detail eligible measures for these different parts and identified a number of basic principles that should orientate the Commission’s decision regarding assistance to be granted for these Operational Programmes:

- The programmes are elaborated jointly with local and regional authorities.
- The existence of a common structure for co-operation and financial management.
- The existence of a coherent strategy.
- Statements on the expected impact, on additionality and on the efficiency of provisions for implementation, monitoring and degree of participation of local and regional authorities.

The **INTERREG IIC-programmes** adopted by the Commission **cover different co-operation areas and lay down the specific priorities and measures for intervention (See: Table 6).**

- “General transnational co-operation in the field of spatial planning”: 7 Operational Programmes have been adopted, for which a total Community assistance of 120.69 million EURO is foreseen.
- “Improvement of co-operation in spatial planning to prevent floods”: 2 Operational Programmes have been adopted (Greece/Bulgaria not yet adopted), for which a total Community assistance of 148.15 million EURO is foreseen.
- “Improvement of co-operation in spatial planning for drought prevention”: 3 Operational Programmes have been adopted (Greece not yet adopted), for which a total Community assistance of 144.1 million EURO is foreseen.

In 1995, the Commission also started to launch ERDF-Art. 10 pilot actions in the field of spatial planning.⁹⁸ In order to realise a number of general objectives defined for these pilot actions⁹⁹, specific projects were to be submitted by regional or local authorities from one or more Member State that display innovative or demonstrative value and have positive long-term effects on spatial planning. During the following years a large number of proposals have been submitted to the Commission, of which a total of 19 pilot actions was finally selected for the two main fields of activity that encompass co-operative actions. Within this larger context, 4 pilot actions were funded that encompass several Member States and cover larger transnational co-operation areas. Each action was initially attributed a volume of 5 million EURO:

- “Northern Periphery” (DK/FIN/S/UK/N¹⁰⁰).

⁹⁷ **European Commission:** Communication to the Member States laying down guidelines for operational programmes which Member States are invited to establish in the framework of a Community Interreg initiative concerning transnational co-operation on spatial planning (Interreg IIC). OJ No C 200 of 10.7.1996.

⁹⁸ **European Commission:** Guide to Innovative Actions for Regional Development ; inforegio news (June 1997; December 1997)

⁹⁹ Main objectives of these actions were (1) to reinforce economic and social cohesion in the Community and promote sustainable development of the Union’s territory, (2) to give competent authorities and regional bodies a decision-making tool, (3) to encourage the relevant authorities to take into account their interdependence in spatial planning and thus face certain problems through direct co-operation between Member States and authorities and (4) to develop an overall perspective on spatial planning in the European Union in its broader international context by encouraging neighbouring non-Union countries to contribute to development through co-operation.

¹⁰⁰ And possibly Iceland, Greenland, Russia and Faroer Islands.

- “Eastern Alps” (A/I/D ¹⁰¹).
- “Central and Eastern Mediterranean Space-ARCHIMED” (GR/I/Malta/Cyprus¹⁰²).
- “Mediterranean Gateway” (E/P and Morocco).

Table 6: INTERREG IIC programmes for transnational co-operation in the field of spatial planning			
Programme	Areas from the following States	EU-Contribution MEURO	Date of approval
General transnational co-operation in the field of spatial planning			
Western Mediterranean and Latin Alps	E, F, I, GR	14.520	August 1998
South-Western Europe	P, E, F	5.152	July 1998
Atlantic Area	P, E, F, UK, IRL	13,38	May 1999
North-Western Europe (NWE)	F, L, B, D, NL, UK, IRL	31.392	June 1998
North Sea Area (NSA)	UK, NL, D, DK, S + Norway	14.473	December 1997
Baltic Sea Area (BSA)	D, DK, S, FIN + Baltic States	24.962	December 1997
Centre, Adriatic, Danube and South- East Europe (CADSES)	A, D, GR, I	20.906	August 1997
Flood migration			
Flooding Rhein-Maas (IRMA)	B, F, D, LUX, NL	137.118	December 1997
Flooding France-Italy	F, I	7000	June 1998
Flooding Greece-Bulgaria			Not yet approved
Drought Prevention			
Drought Portugal	P	6.247	September 1997
Drought Spain	E	107.730	June 1998
Drought Italy-Mezzogiorno (Sardinia/ Sicily)	I	15.238	July 1997
Drought Greece	-	-	Not yet approved
Source: European Commission, WEB-Site DG REGIO			

New perspectives for transnational co-operation under INTERREG III (2000-2006)

With the publication of AGENDA 2000, the Commission has decided to continue transnational co-operation between local, regional and national authorities in the framework of a new Community Initiative INTERREG III. The official Guidelines for **INTERREG III** include a new **Strand B on transnational co-operation** that aims at promoting a higher degree of territorial integration across larger groupings of European regions, with view to achieving sustainable, harmonious and balanced development in the EU and higher territorial integration, including with candidate countries and other neighbouring countries. The Guidelines contain detailed provisions that re-shape the thematical focus of transnational co-operation and design new programming areas.

These changes can be considered a successful “consolidation” of the rather dispersed situation prevailing under the previous programming period (different support schemes such as INTERREG IIC or ERDF-Art. 10; different level of funding; heterogeneous fields of action;

¹⁰¹ And possibly CH, Liechtenstein and Slovenia.

¹⁰² And possibly Tunisia and Egypt.

mix between purely “national” measures and co-operative actions etc.). Compared to the previous phase, INTERREG IIIB has also considerably increased financial resources at its disposal and runs during the entire programming period (2000-2006).

Proposals for INTERREG IIIB-programmes must take into account the experience of INTERREG IIC, the priorities for Community policies (especially trans-European networks) and the recommendations made in the ESDP. Operational Programmes will have to be elaborated for **13 larger co-operation areas or geographical groupings of regions (See: Table 7)** proposed by the INTERREG III Guidelines, which were drawn up on the basis of INTERREG IIC programme-areas or previous ERDF-Art.10 pilot schemes covering larger transnational areas.

- Nine programme areas correspond more or less to previous INTERREG IIC areas (BSA, NSA, NWMA, CADSES, Western Mediterranean, Atlantic Area, South-Western Europe) or areas defined for ERDF Art. 10 pilot schemes (Archimed, Northern Periphery). Adjustments of the spatial delimitation at the level of regions have been made in order to take into account the experience to date.
- More significant changes are the enlargement of the Alpine Space (to include France and Switzerland) and the definition of three new programme-areas that concern ultra-peripheral EU-regions and their surrounding areas.

Since the publication of the Guidelines, International Working Parties involving national and regional representatives, as well as the Secretariats established under INTERREG IIC, have started work to develop new Operational Programmes for the period 2000-2006. Some draft programmes were submitted to the European Commission and are currently in the phase of approval (first decisions are expected for November 2001). The current preparation phase shows already that future transnational co-operation will also give rise to new challenges that have to be tackled by the actors involved both at programme and at strategic level (**See more in detail: Annex 1**).

Programme	Regions from EU-Member States
Western Mediterranean	E, F, I, UK (Gibraltar), GR*
South-Western Europe	P, E, F, UK (Gibraltar)
Atlantic Area	P, E, F, UK, IRL
North-Western Metropolitan Area (NWMA)	F, L, B, D, NL, UK, IRL
North Sea Area (NSA)	UK, B, NL, D, DK, S
Baltic Sea Area (BSA)	D, DK, S, FIN
Centre, Adriatic, Danube and South-East Europe (CADSES)	A, D, GR, I
Alpine Space	A, D, F, I
Archimed	GR, I
Northern Periphery	FIN, S, UK
Caribbean Area	F
Macaronesia (Canaries-Madeira-Azores Area)	P, E
Indian Ocean Area (Réunion)	F

*) Only participating in the priority covering the definition of the strategy for the area.

PART III:

***Motivations, activities and main structural
features of transeuropean co-operation
between territorial authorities***

SUMMARY OVERVIEW BOX FOR PART III. BASIC QUESTIONS AND KEY POINTS

Which are the main motivations for cross-border co-operation and what are the structural features that can be observed in practice ?

- **The general motivation for cross-border co-operation in Europe** was and still is to initiate joint activities across the border in all aspects of daily life and to overcome the diversity of political systems and structures as well as the related problems that make practical everyday relations across borders very difficult. Cross-border co-operation between regional and local authorities in Europe therefore still has the ultimate objective of integrating areas divided by national borders that face common problems requiring common solutions.
- One can identify **two basic levels of co-operation**, for which different organisational arrangements have been set up:
 - **Cross-border co-operation at strategic level**, implemented through long-term structures.
 - **Cross-border co-operation at project-level** for a specific purpose, implemented through ad-hoc co-operation structures.
- **Advanced strategic cross-border co-operation** normally considers the cross-border region an “entity in itself” and has the general objective to exploit the inherent potential of the border region, to foster new economic activities and to support job creation, environmental protection and socio-cultural development. Strategic co-operation requires permanent and “binding” cross-border structures.
 - A **first group** of strategic cross-border bodies are “**Euroregions**” (or “**Euregios**”) and **similar bodies**. Although they are not identical in legal form or organisation they share many common characteristics. The most important are that they are permanent, have a separate identity from their members, have their own administrative, technical and financial resources and that they have their own internal decision making.
 - A **second group** is formed by the broad number of existing **Working Communities**, frequently covering larger cross-border co-operation areas, **and other strategic co-operation schemes**. In most cases, these structures are based on legally non-binding “agreements of co-operation” or “working protocols” that are signed between equivalent first level regions (and sometimes local authorities) or other organisations that agreed to co-operate.
 - A **third group** are **structures specific to the management of INTERREG-programmes or other EU-programmes** supporting cross-border co-operation along external borders. They are mainly a result of requirements contained in these programmes that relate to programme preparation, monitoring and evaluation, the need for project selection and for contracting with project managers or the transfer of programme funds.

Project-based cross-border co-operation activities can occur between regional authorities, chambers of industry and commerce, employers' associations, trade unions or other groups co-operating with their partners across the border. Many cross-border projects can be dealt with by existing bodies on either side of the border, while others may require the setting up of project-level cross-border structures. Although projects generally can benefit from agreements on cross-border structures for strategy-oriented co-operation, no uniform legal instrument for co-operation at project level exists in EU-Member States. There are however some instruments stemming from European law or national legislation and from bilateral co-operative practices that have been used as possible solutions.

- The only international legal instrument available is the **EEIG (European Economic Interest Grouping)**, which was established under EU law for co-operation in economic activities. This lends itself more to co-operation initiatives of an economic/commercial nature and has not proved very useful for regional and local authorities.
- In some countries, notably France, it is possible to use national legislation for creating a cross-border project-level co-operation structure. **Mixed Economy Companies and Public Interest Groupings** have been used for this purpose.
- **Practical ad hoc agreements** without a legal basis such as joint working groups allow the management of individual projects, which are part of comprehensive cross-border programmes.

Which are the main motivations for inter-territorial co-operation and what are the structural features that can be observed in practice ?

- **The overall aim and motivation of bilateral twinning of municipalities in Europe** is to promote peace and enhance inter-European understanding at grassroots level, to develop the “Citizen’s Europe” through activities that mainly concentrate on inter-personal exchange in the field of local administrations, schools and universities or associations in the field of culture and sports and to promote exchanges of experience on local and municipal issues.
- **The motivations of more recent forms of inter-territorial co-operation** (bilateral partnerships between first level regions, “project networks”, strategic co-operation networks) are mainly the **expected material and immaterial benefits** (e.g. economies of scale, exchange of experience, transfer of know-how), but also essential **political benefits** that can result from co-operation.
- One can identify **two basic levels of thematical co-operation** between two or a greater number of local and regional authorities, for which different organisational arrangements have been set up:
 - **Short-term or mid-term orientated co-operation at project level** (one-off activities), which is mainly implemented through “project-networks”.
 - **Strategic and long-term orientated co-operation** frequently includes the implementation of a number of joint projects in various fields identified as being of common interest.
- **Inter-territorial co-operation at project level** is basically designed as a “one-off activity” with a short-term or mid-term time horizon. Co-operation between local or regional authorities normally ends with the achievement of the planned project-activities. “Project-networks” can be financed by own resources of the partners. It must however be acknowledged that the launch and the multiplication of “external” funding schemes such as Community programmes has contributed during the 1990ies to drastically increase their number.
 - **“Project-networks” between territorial authorities and other local or regional actors of the European Union have been supported by the Community** in a larger field of thematical aspects through schemes such as the EEP/PACTE- programme and the RECITE I and II programmes, but also for more specific aspects such as spatial planning through the ERDF-Art.10 TERRA-programme.
 - **“Project-networks” between territorial authorities and other local or regional actors from the European Union and Third Countries**, and especially with those from Central and Eastern European Countries (CEECs), have been supported by a plethora of EU-programmes or smaller initiatives. The most significant programmes have been ECOS-OUVERTURE I and II, the PHARE-Baltic Project Facility and the TACIS-CBC Small Project Facility.
- **Strategic inter-territorial co-operation between two or a greater number of local and regional authorities** normally takes place in a timely undetermined or long-term orientated framework. It is frequently based on written agreements concluded between the partners (a “town-twinning agreement”, a “memorandum”, an “exchange of letters”, a “co-operation protocol” or a “declaration of intent”). Strategic co-operation schemes normally implement a greater number of joint actions (projects), which can be undertaken in a broad range of thematical fields previously agreed by the partners (pluri-thematic co-operation) or concentrate on one issue of common interest (single issue co-operation). A plethora of different structural solutions has been chosen in practice to organise and to manage strategic inter-territorial co-operations. According to the number and type of partners involved, one can generally distinguish between **three groups**:
 - **Bilateral town-twinings.**
 - **Bilateral partnerships between first level regions.**
 - **Trilateral or multilateral co-operation networks (pluri-thematic networks, single issue networks).**

Between these groups, there are differences with regard to the degree of internal organisation for managing the co-operation. In the framework of bilateral co-operation schemes, partners normally tend to establish a less formal organisational framework between each other. Partners of trilateral or multilateral co-operation networks frequently work together in the framework of more formal joint ad-hoc structures or even create new legal entities.

Which are the main motivations for transnational co-operation and what are the structural features that can be observed in practice ?

- The **initial factors that motivated the launching of transnational co-operation** are closely linked to the emergence of a wider policy-approach to European spatial development during the 1990ies. After intensive work since the beginning of the 1980ies, the Member States of the Council of Europe elaborated “Guiding Principles for sustainable spatial development of the European continent” that were adopted at the 12th CEMAT meeting in Hanover in September 2000. Since the mid-1990ies, EU-Member States also decided to elaborate a “European Spatial Development Perspective” (ESDP) that was adopted in 1999 at the informal Potsdam-summit of Ministers responsible for spatial planning. Already in 1994, EU-Ministers decided to implement experimental actions that support transnational co-operation in the field of European spatial development and spatial planning (EU-support programmes INTERREG IIC and ERDF-Article 10 pilot actions covering transnational co-operation areas).
- One can identify **two basic levels of co-operation**, for which different organisational arrangements have been set up:
 - **Strategic and multilateral co-operation at the level of larger transnational areas**, which involves mainly national government authorities and to various degrees also first level regions.
 - **Trilateral or multilateral co-operation at the level of individual projects**, which involves local and regional authorities and a broad range of other public, semi-public or private actors.
- **Strategic and multilateral co-operation at the level of larger transnational areas** mainly takes place within specific structures, which were set up for the management of INTERREG IIC programmes (“general transnational co-operation”, “flood migration”) and for ERDF-Art. 10 pilot schemes that encompass several Member States.
 - **All transnational co-operation programmes are characterised by joint decision making procedures.** According to the usual management structures established in the framework of other Structural Funds programmes, the most frequent arrangements for joint operational management of transnational programmes comprise a “Joint Monitoring Committee” (in which representatives of the national governments predominate) and / or a “Joint Steering Committee” that is responsible project selection. Decision making in both committees is normally based on consensus and the selection of projects concentrates on actions that are of interest for all co-operation partners in a given area.
 - Despite these commonly shared features, **the degree of integration strongly differs between the individual transnational co-operation programmes as regards other co-operation structures such as joint secretariats or joint financial management bodies.**
 - **Participation of local and regional authorities** during the implementation phase **also significantly differs between the programmes.** All programmes foresee to some extent a representation of territorial authorities on programme management committees at the side of state and Commission representatives. Some programmes foresee a minimum direct representation of regions at transnational level and intend to work with national or transnational advisory structures (or both) in order to assure involvement of local and regional authorities. Other programmes foresee a slightly extended representation of local and regional authorities at transnational level.
- **Transnational co-operation projects** are the essential tool to implement the objectives and priorities that have been commonly defined at strategic level in the Operational Programmes. A project is normally considered “transnational” if several partners from different states participating in the same programme commonly implement and finance an action, which is not carried out in areas immediately adjacent to a common border such as under INTERREG IIA. In addition, transnationality normally requires that projects should clearly demonstrate an added value for the spatial development of all partners involved.
 - The **number of formal partners in transnational co-operation projects** varies significantly within each programme and between them.
 - Projects involve a **broad range of different actors** such as state government agencies, territorial authorities and also other public, semi-public or private organisms and frequently one can observe a “mix” of different actor-types. Regional and local authorities are the dominant group of participants and have in practice substantially co-financed projects, which underlines their strong interest in transnational co-operation.

Which are the main motivations for co-operation in the framework of European associations set up by local and regional authorities and what are the structural features that can be observed in practice ?

- The **general objectives of European associations** established by territorial authorities are to represent and promote the interests of their adherent members vis à vis the European and the national level (especially by initiating a process of collective lobbying on more general aspects of common concern or on specific local/regional issues) and to stimulate exchanges of experience between and technical assistance to their members. There are **various motives** for membership and co-operation in the framework of such associations: An important motive are “political benefits” that are expected to be gained by membership. Another important motive is the active support local and regional authorities can receive from associations in order to develop further their process of “Europeanisation”.
- According to their main objectives pursued, one can distinguish between **two basic sub-types of European associations** set-up by local or regional authorities:
 - **Large scale European associations** dealing with all local/regional aspects related to self government and other general issues related to European integration, which established “agreements” with other more specific European associations regarding their mutual division of labour in order to avoid double work.
 - Other **more specific European associations** representing members with commonly shared geographical, economic or sectoral features.
- **The dominant legal and organisational features of European associations representing local and regional authorities can be summarised by a number of practical observations:**
 - In legal terms, European associations are generally constituted as non-profit making associations based on private law of one specific county.
 - With regard to the basic organisational features of associations, only one common denominator can be observed: They normally establish a single permanent secretariat in their country of legal registration, which manages the daily business and organises meetings or annual plenary sessions etc.. Otherwise, a variety of different solutions have been found in order to organise their daily work processes.
 - Little distinction can be made between the sources of finance of the different sub-types of European associations, as most of them rely for their internal running cost on the annual member-contributions.

5.) Cross-border co-operation between territorial authorities in Europe

5.1. Motivations underlying the co-operation and activities dominantly carried out in practice ¹⁰³

Europe is characterised not only by its diverse, but nevertheless often shared culture and history, but also by its many borders. The "patchwork of historic landscapes" forming during the Middle Ages developed during the 19th and 20th centuries into the characteristic structure of European states. Most of these states still exist today, each of them having its individual development. Only a few states have experienced long- existing borders, such as that between Spain and Portugal, which is the oldest State border in Europe. The state borders, which were created in Europe during the last three centuries – in the Baltic States and in the Balkan area even during the last years – often separate regions and ethnic groups, which actually belong together. By this proceeding unnatural borders have been created and together with it, to fear of military aggression which, on the other hand, led to the development of extremely sparsely populated border areas. European border areas rather developed into peripheral, structurally weak areas with limited transport links. Natural borders, such as rivers, lakes, seas and mountains even reinforced frontier barriers.

Europe's political, cultural and social diversity has also produced a plethora of administrative and legal systems, structures, laws and jurisdictions in the Member States of the European Union and the Council of Europe. Different policies on either side of the border, especially concerning law, administration, taxation, economics, culture and social affairs, supported the transformation from state borders into actually noticeable barriers between national states. The people in the border regions, who were most affected by the consequences of historic conflicts, developed mutual fears and animosities. These conditions, in turn, had negative effects on the willingness to co-operate and to establish closer contacts.

After the 2nd World War, it turned out rather quickly that the population in border regions expected from the border and cross-border regions solutions to problems for which above all the national governments bear responsibility, e.g. in the areas of:

- public administration and planning, different administrative structures, planning organisation and methods;
- taxation, social security, training and education, competition, commuting traffic and utilities;
- language training and acceptance of qualifications;
- road- construction, utilities, infrastructure, and environment.

Since the late 1980s and early 1990s, Europe has been experiencing major new trends that continue today and have a direct effect on all border regions on the current and future internal and external borders of the EU.

- The gradual dismantling of the internal borders within the EU since 1 January 1993. This process has been accompanied by a shift of previous national state borders to the EU's present external borders with other countries and it gained new strength with the accession of Austria, Sweden and Finland to the EU.

¹⁰³ Association of European Border Regions (AEBR) / European Commission (DG REGIO / DG ENLARGMENT): Practical Guide to Cross-border Co-operation, 2001.

- Efforts to establish contacts across the new external borders to facilitate intellectual, political and economic exchanges with third countries such as Switzerland, Norway and the countries of Central and Eastern Europe and the Mediterranean; and
- The fact that as new members join the EU its present external borders become new internal borders whilst the previous borders in Central and Eastern Europe become new external borders of the EU.

These processes have also led to a substantial geographic expansion and intensification of cross-border co-operation and present new challenges, as well as the need to emphasise the "philosophy" from which cross-border co-operation emerged almost 40 years ago.

The general motivation for cross-border co-operation in Europe was and still is to initiate joint activities across the border in all aspects of daily life and to overcome the diversity of political systems and structures as well as the related problems that make practical everyday relations across borders very difficult. Cross-border co-operation between regional and local authorities in Europe therefore still has the ultimate objective of integrating areas divided by national borders that face common problems requiring common solutions.¹⁰⁴ Within this larger context, more specific motives for cross-border co-operation are

- the transformation of the border from a line of separation into a place for communication between neighbours;
- the overcoming of mutual animosities and prejudices between peoples of border regions which result from historical heritage;
- the recognition and protection of the rights of minorities living in border areas
- the strengthening of democracy and the development of operational regional/local administrative structures;
- the overcoming of national peripherality and isolation;
- the promotion of economic growth and development and the improvement of the standards of living.

Mutual co-operation among border regions is normally considered to act as a "bridge" or "interface" between nation-states and their structural particularities. Border regions most affected do not only have direct experience with these problems, they also have experience in promoting and implementing co-operation with all parties involved on both sides of the border. Such closer interconnection of regional and local actors on either side of the border (territorial authorities, actors from other sectors) is generally expected to generate positive outputs for the socio-economic development of the areas concerned and to lead to the emergence of new cross-border territories of production and innovation.¹⁰⁵

Accordingly, **co-operation activities normally cover a broad range of issues** such as joint cross-border development- and land-use planning, basic infrastructure problems, economic development, agriculture and rural development, tourism, waste disposal and prevention of water pollution, cross-border labour market, education and training, social aspects (health systems and social services), culture and media. The basic levels of cross-border co-operation (individual projects, multi-activity programmes and project programmes) strongly determine the type of co-operation structure used. Existing structures for cross-border co-operation may differ greatly in terms of both the overall objective (ad hoc or long-term, sustained co-

¹⁰⁴ **Committee of the Regions:** Opinion on cross-border and transnational co-operation between local authorities (CdR 145/98 fin).

¹⁰⁵ **European Commission (Directorate General XII), Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995):** Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal.

operation) and the degree of co-operation. In both cases, various processes, working methods and approaches to implementing initiatives and programmes are applied.

One can identify two basic levels of co-operation, for which different organisational arrangements have been set up:

- Cross-border co-operation at strategic level, implemented through long-term structures.
- Cross-border co-operation at project-level for a specific purpose and based on ad-hoc co-operation structures.

5.2. Strategic cross-border co-operation along internal EU-borders and along external borders

Advanced strategic cross-border co-operation normally considers the cross-border region an “entity in itself” and has the general objective to exploit the inherent potential of the border region, to foster new economic activities and to support job creation, environmental protection and socio-cultural development. Strategic co-operation requires permanent and “binding” cross-border structures. Experience shows that co-operation comes first and structures follow, usually through a gradual process of adaptation and finding pragmatic solutions to a multitude of legal, administrative and political problems. This process should not be aimed at creating a new, cross-border level of administration. It should, instead, be regarded as the cross-border “interface” or “exchange” between the relevant levels of administration, which exist on either side of the border.

The term “cross-border structure” does not always mean the creation of new organisations, let alone the establishment of separate legal entities. Quite often, it means a variety of arrangements involving adaptation, inter-linking and co-operation between existing bodies and a multitude of formal and informal agreements. There are now many cross-border structures in existence, representing a considerable diversity in purpose, powers and capacities (including involvement in INTERREG and related programme or projects).

The following sections will analyse in more detail the 3 dominant sub-types of structures with a strategic and multi-purpose orientation and evaluate their actual (or potential) capacity for programme-level functions.

Euroregions and similar bodies ¹⁰⁶

A number of cross-border bodies are known as “**Euroregions**” (or “**Euregios**”). Although they are not identical in legal form or organisation they share many common characteristics. The most important are that they are permanent, have a separate identity from their members, have their own administrative, technical and financial resources and that they have their own internal decision making. A more detailed **list of characteristics of the Euroregions** can be found below (**See: Box 2**).

¹⁰⁶Association of European Border Regions (AEBR) / European Commission (DG REGIO / DG ENLARGMENT): Practical Guide to Cross-border Co-operation, 2001.

Box 2:**Euroregion criteria - AEBR / LACE¹⁰⁷****Organisation**

- amalgamation of regional and local authorities from both sides of the national border, sometimes with a parliamentary assembly;
- cross-border organisations with a permanent secretariat and experts and administrative staff;
- according to private law based on national associations or foundations from both sides of the border according to the respective public law;
- according to public law based on international treaties, which also regulate the membership of regional authorities.

Method of working

- development and strategic-oriented co-operation, no measures based on individual cases;
- always cross-border-oriented, not as national border region;
- no new administrative level;
- hub for cross-border relations: citizens, politicians, institutions, economy, social partners, organisers of cultural events etc.;
- balancing between different structures and powers on both sides of the border and with regard to psychological issues;
- partnership co-operation, vertical (European, governmental, regional, local) as well as horizontal, beyond the border;
- implementation of cross-border decisions at national level and according to procedures applicable on both sides of the border (avoidance of competence and structural power conflicts);
- cross-border participation of citizens, institutions and social partners in programmes, projects and decision-making processes;
- direct initiatives and the use of own resources as preconditions for help and support of third parties.

Content of cross-border co-operation

- definition of fields of action according to joint interests (e.g. infrastructure, economy, culture);
- co-operation in all areas of life: living, work, leisure time, culture etc.;
- equal emphasis on social-cultural co-operation and economic-infrastructural co-operation;
- implementation of treaties and agreements and concluded at European level between countries to achieve cross-border practice;
- advice, assistance and co-ordination of cross-border co-operation, particularly in the following fields:
 - regional development;
 - economic development;
 - transport and traffic;
 - environmental protection and nature conservation;
 - culture and sports;
 - health affairs;
 - energy;
 - waste disposal;
 - tourism and leisure;
 - agricultural development;
 - innovation and technology transfer;
 - schools and education;
 - social co-operation;
 - emergency services and disaster prevention;
 - communications;
 - public security.

¹⁰⁷ Association of European Border Regions (AEBR): AEBR-LACE Working Paper on the EU Initiative INTERREG and future developments. July 1997.

The geographical area of an Euroregion is typically determined by the extent of socio-economic integration and not solely by administrative units. If there is no international cross-border co-operation treaty covering a particular border, the necessary steps for establishing an Euroregion-type structure can be summarised as follows:

- associations of regional/local authorities (municipalities, counties, etc) are formed specifically for cross-border purposes on both sides of the border under national (public or private) law;
- the associations then enter into an agreement on cross-border co-operation (typically under private law), covering at least the following:
 - equal representation on the governing body (council, committee);
 - financial contributions of the associations to a common budget;
 - common secretariat.
- if the above agreement is under public law allowing the participating public authorities to transfer responsibilities and liabilities but not constitutional rights to the cross-border body, the above agreement can also cover the management of INTERREG programmes and projects; otherwise, a separate INTERREG agreement will be required with the competent member state authorities being party to it.

Cross-border Euroregion bodies are not a new tier of local or regional government but an interchange point for existing public and private sector bodies. Although they are the main bodies for all regional/local activities of a cross-border nature, the implementation of most of the actions included in cross-border plans and programmes is done by the competent authorities and other organisations according to national procedures.

Most Euroregions or similar bodies within the EU are established on the borders of Germany with the Netherlands, Belgium, Switzerland, Austria, Poland, Czech Republic, France and Denmark (See: Table 8). There are also Euroregions on the Belgian/Dutch border (Euregio Scheldemond), Italian/Austrian border (Euregio Tyrol), Greek/Bulgarian border (Euroregion Nestos/Mesta) and the French/Spanish border (Euroregion Midi-Pyrénées, Languedoc-Roussillon, Catalunya). At date, most of them are “framed” by formal international agreements or conventions and often are properly constituted legal entities based on public or private law.

Some of these structures have evolved over decades like the Euregio’s along the German/Dutch border¹⁰⁸ and show the highest level of integration. They are multi-purpose, entrusted with extensive capacities, and include a political decision making tier (regional or local representation). They have a complex organisation structure to manage cross-border activities, which is centred around

- a joint office with both secretarial/administrative and technical capacity
- joint working groups in different areas of co-operation
- and a joint bank account comprising external funds and national, regional and local co-finance.

The highest degree of integration has been reached by the Euregio Rhein Waal and the Euregio Ems Dollart, which are both public law based cross-border co-operation bodies.

Practically all Euroregions have been accorded an important role in INTERREG on both internal and external EU borders. Their geographical area has been designated as the eligible area for INTERREG IIA purposes, and their organisation performs all or some of the

¹⁰⁸ EUREGIO, Euregio Rhein-Waal, Euregio Maas-Rhein Euregio rhein-maas nord, Euregio Ems Dollart.

functions required for the management of the implementation of the corresponding operational programme.

Name	Date of Establishment ¹⁰⁹	Border
EUREGIO	1958	D/NL
Euregio Rhein-Waal	1973	D/NL
Euregio Maas Rhein	1976	D/NL
Ems-Dollart-Region	1977/1997	D/NL
Euregio rhein-maas-nord	1978	D/NL
Zukunft SaarMoselle-Avenir	1979	D/F
Benelux-Middengebied	1984	B/NL
Scheldemond	1989	B/NL
EuRegio SaarLorLuxRhein	1989	D/F/LUX
Euroregion Nestos-Mesta	1990	GR/BUL
Euroregion Neisse/Nisa/Nysa	1991	D/PL/CZ
Euroregion Elbe/Labe	1992	D/CZ
Euroregion Erzgebirge	1992	D/CZ
Euroregion Pro Europa Viadrina	1992	D/PL
EUREGIO EGRENSIS	1993	D/CZ
Euregio Bayerischer Wald/Böhmerwald	1993	A/D/CZ
Euroregion Spree-Neisse-Bober	1993	D/PL
Inn-Salzach-Euregio	1994	D/A
Regio BODENSEE	1994	A/CH/D
Euroregion Pomerania	1994	D/PL
Regio TriRhena	1995	D/F/CH
EuRegio Salzburg-Berchtesgadener Land-Traunstein	1995	D/A
EUREGIO „via Salina“	1997	D/A
Region Sønderjylland-Schleswig	1997	DK/D
EUREGIO Inntal	1998	D/A
EUREGIO Zugspitze-Wetterstein-Karwendel	1998	D/A
EUROREGION Midi-Pyrénées, Languedoc-Rousillon, Catalunya	1998	E/F
CENTRE	1999	D/F
Euregio Karelia	1999	FIN/RF
Euregio Watteninseln	1999	D/DK/NL

A practical example for a long standing, highly decentralised and integrated structure, based on the principle of a horizontal and vertical partnership in the planning and implementation of cross-border programmes (especially the INTERREG programme), **is the EUREGIO (D/NL).**¹¹⁰ It was founded in 1958 and is the oldest cross-border co-operation structure in Europe. The EUREGIO covers all areas of cross-border co-operation and has 128 members (districts, cities and municipalities). The EUREGIO has been involved for decades in cross-border activities in various fields based on regional cross-border development concepts. One first such concept was developed as early as 1972 with funding by the EU and national economic ministries. The EUREGIO is directly involved in the planning and implementation of many different programmes and projects, including the INTERREG programme.

¹⁰⁹ In most cases, informal co-operation started earlier

¹¹⁰ The EUREGIO space includes the areas of Münsterland (Coesfeld, Borken, Steinfurt and Warendorf Districts, the city of Münster) in North Rhine-Westphalia, the county of Bentheim, the city and district of Osnabrück and parts of the southern Emsland in Lower Saxony, as well as Twente, Achterhoek, North Overijssel and Southeast Drenthe in the Netherlands.

Within its different structures of the EUREGIO, members on both sides of the border are always fully involved.

- The **Members' Assembly** consists of the representatives of the 128 members and meets at least once a year.
- The **EUREGIO Council** is a cross-border parliamentary assembly (with cross-border parliamentary groups) and the EUREGIO's highest political body.
- The **Board** is composed of a majority of main administrative officials and senior officials in the EUREGIO. Its responsibilities include implementing the decisions of the Members' Assembly and preparing and carrying out the decisions of the EUREGIO Council.
- Various **EUREGIO Working Groups** deal with the different thematic fields, such as spatial planning and transport, business, the labour market, environment and agriculture, culture, health, disaster procedures and rescue operations and discuss practical issues/problems. They provide technical support to cross-border programmes and projects, including those financed through INTERREG. Each working group consists of representatives of the public and private sectors and the business and social partners from both sides of the border.
- The **EUREGIO Secretariat** deals with day-to-day administrative matters in the cross-border region (e.g. information and advice), does general publicity and awareness raising, and provides professional, secretarial and co-ordination support to the working groups and the EUREGIO bodies. It also helps in developing project ideas, implementing projects and finding and mediating between potential partners.

The Operational Programmes for INTERREG I, II and IIIA were prepared by the EUREGIO based on the existing cross-border development strategies, which were adapted for this purpose.

- To implement INTERREG, a special agreement is signed each time between the EUREGIO and the national governments and regional authorities responsible on either side of the border. This agreement transfers to the EUREGIO the authority for all areas of implementation of the INTERREG programme for the EUREGIO.
- The EUREGIO is part of the INTERREG Steering and Monitoring Committee in which it has the chair and a vote.
- Project proposals are submitted to the EUREGIO (secretariat) where they are assessed for their ability to comply with the EU criteria, the specific criteria of cross-border co-operation and the national development goals and requirements of co-financing. The EUREGIO Council and the Board evaluate the projects.
- Local/regional project managers are responsible for implementation of the projects, while technical assistance and support are provided by the EUREGIO working groups and the secretariat. Technical responsibility for the financial management has been transferred to the Investitionsbank North Rhine-Westphalia. It manages the EU funds and the respective national co-financing on a cross-border basis in a single bank account for the whole programme, and concludes direct agreements with the project partners.

Other Euroregions have developed more recently and are also characterised by a high level of integration, mostly due to their close linkage to specific cross-border programmes. They comprise a more restricted local or regional representation compared to the long lasting structures mentioned above. Their organisational set-up generally consists of a joint Secretariat with technical and administrative capacities, several Working Groups and a Steering Committee.

Moreover, **regional cross-border structures in the Nordic countries** have considerable similarities with the Euroregions, especially in terms of identity, capacity, and role in INTERREG IIA. There are eight such structures (**See: Table 9**).

They are associations of local authorities constituted under the Nordic Agreement, permanent and multi-purpose in nature, and with own resources derived from members' subscriptions. The main difference from the German/Dutch Euroregions tend to be the much larger size of the geographical area covered by some of the Nordic structures (e.g. North Calotte, N/S/SF).¹¹¹

Name	Date of Establishment ¹¹²	Border
Øresund Council Øresund Committee	1964 1994	DK/S
North-Calotte Council	1971	S/FIN/N
Kvarken Council	1972	FIN/S
Mittskandia	1977	FIN/S/N
Storstroms Amt / Kreis Ostholstein – Lübeck	1977	DK/D
Islands/Archipelago Cooperation – Skärgården	1978	S/FIN
Cooperation ARKO	1978	S/N
Bornholm-Southeastern Skåne	1980	DK/S
Oestfold/Bohuslän/Dalsland	1980	S/N
Tornedalsrådet	1987	FIN/N/S
Estonian-Finnish 3+3 Regional Cooperation	1995	EST/FIN/RUS
Council for Cooperation of Border Regions Võru-Alüksne-Pskov	1996	EST/LV/RF
Euroregion Pomerania	1995/97	D/PL/S
Euroregion NEMUNAS-NIEMEN-HEMAH	1997	LT/PL/BY/RF
Euregio Helsinki-Tallinn	1999	EST/FIN
Euroregion SAULE	1999	LT/LV/RF
Euregio Karelia	1999	FIN/RF
Euroregion Country of Lakes-Ezaru Zeme	2000	LT/LV/BY

In the year 2000, there are already **numerous cross-border structures in Central and Eastern Europe**¹¹³, which show a considerable diversity as far as their objectives, competencies and capacities are concerned (**See: Table 10**). They can be distinguished according to their geographical situation at the EU borders (EU external borders), the co-operation at borders between associated countries and the co-operation at future EU external borders to Russia, Belarus, the Ukraine and Moldova. Currently a total of 50 cross-border structures are known, which can dominantly be classified as Euroregions or similar structures. Of this total figure, 26 are situated at EU external borders, 16 at borders between candidate countries and 8 at future EU external borders.

¹¹¹ In Scandinavia, specific INTERREG Structures and spatial areas were created through the integration of areas, which had specific and historic traditions of co-operation. For example “North-Calotte” comprises five border regions. In a similar fashion MittSkandia and Kvarken were partially combined.

¹¹² In most cases, informal co-operation started earlier

¹¹³ See also conference document with German title „Grenzüberschreitende Zusammenarbeit in Mittel- und Osteuropa“. Conference organised by Fundacja Rozwoju Demokracji Lokalnej /Stowarzyszenie Gmin Polskich Euroregionu NYSA (Poland) in Karpacz, June 2000.

Most of the Euroregions or similar institutions in Central and Eastern Europe have been established at the EU external borders with Estonia (EST/FIN), Poland (D/PL), the Czech Republic (D/CZ; A/CZ), the Slovak Republic (SK/A), Hungary (HU/A), Slovenia (SLO/IT) and Bulgaria (BG/GR). These Euroregions are at the same time the most advanced cross-border structures in the Central and Eastern European countries. Many Euroregions along the EU external borders have prospered in particular due to the EU programmes INTERREG and PHARE CBC. Examples, which are worth mentioning in this context are the Euroregions North Karelia (FIN/RF), Pomerania (D/PL/S), Pro Europa Viadrina (D/PL), Bober-Neisse (D/PL), Neisse (CZ/ D/PL), Elbe-Labe (CZ/D), Erzgebirge (CZ/D), Egrensis (D/CZ), Bayerischer Wald/Böhmerwald (A/CZ/D) and Záhorie-Weinviertel (CZ/A/SK). The Euroregion Neisse, founded between Poland, the Czech Republic and Germany in Zittau (D) in 1991 is the oldest of these euroregions.

Some of these Euroregions were already listed in Table 8 and re-appear in Table 10, which is mainly due to their “mirror structures” existing on both sides of the border.

A first example for **a long standing Euroregion established at the external EU-borders** between Greece and Bulgaria is the “**Nestos-Mesa Euroregion**”. It was created in 1990 when even the notion of cross-border co-operation was unknown in the Balkan Peninsula. In 1992, a preliminary agreement to increase cross-border co-operation was signed. This step was followed in 1997 by the signature of a protocol agreement on cross-border co-operation between the Greek Border Association Nestos River and the Bulgarian Border Association Mesta River.

The Euroregion system is based on a dual, “mirror image” structure of administrative bodies, one for the Greek side and one for the Bulgarian side, along with some common administrative and operational structures. Both sides, Greek and Bulgarian, are obliged to operate under their respective national laws and regulations. Furthermore, each side follows its own path on how its legal form can be recognised by the applicable national legislation. Nevertheless, the two sides have agreed that the legal structure should be a non-profit, non-governmental organisation.

Each side of the border has the following administrative structure:

- The **Monitoring and Assessment Board** is an independent team of high-level officials from the local, regional and national administrative structures. On the Greek side there is a representative of the INTERREG implementing authority, while on the Bulgarian side a representative of the Phare CBC PMU is present. The board meets once a year and/or as necessary.
- A **General Assembly** exists on each side of the border, which comprises the social partners and all organisations, municipalities, associations, etc. who wish to be members and agree with the bylaws of the organisation. This is the highest assembly of the organisation with political power and decision-making power and determines the overall strategic direction of the organisation.
- The **Administrative Council and the Common Administrative Council** are the executive bodies of the organisation on each side of the border. The Administrative Council’s duty is to implement the decisions and policies formulated by the General Assembly. It comprises the president, 2 vice presidents, executive secretary, and treasurer. It meets regularly and decides on all issues. The Common Administrative Council is the first joint body of common action for cross-border co-operation.
- The **Executive Secretariat** comprises the executive secretary and its team of experts and support staff, and handles day-to-day work. The executive secretaries of both sides co-

operate closely while at the same time supervising, supporting and co-ordinating the work of the joint working groups.

- **Working Groups and Joint Working Groups:** On either side of the border there are six working groups in different thematic fields, which examine practical issues/problems and support the work of the organisation. The six areas that have been developed and function in the 'Nestos-Mesta' Euroregion are (1) Communication, Exchange of Information and Networking; (2) Economic Co-operation, Transport and Infrastructure; (3) Tourism–Entertainment; (4) Culture and Society; (5) Environment and Agriculture; (6) Transfer of Technology.

As regards the activities of the Euroregion Nestos-Mesta, two basic prerogatives of cross border co-operation are implied at the points where the two sides are adjacent and have common administrative structures:

- Common planning of activities and common representation at international level.
- Implementation of complimentary activities with the same objectives and targets.

The first point is achieved through the "Common Administrative Council", while the second is achieved by the six "Common Working Groups".

A **second example** for a **long-standing Euroregion at the external EU-borders is the "Nisa Euroregion"**, which was founded in the trilateral Polish/Czech/German border region in 1991. Members include the association of Polish local authorities in the Euroregion Nisa, the regional/local association of towns and communities in the Northern Czech part of the Euroregion Nisa and the association of German local authorities in the Euroregion. The Euroregion has three secretariats, with its directors working closely together. The Euroregion's highest body - the Board (3 x 10 persons) elects the three-member presidency. Euroregion Nisa and other well established Euroregions are already playing an active role in the implementation of EU cross-border programmes, notably through the management of Small Project Funds.

Between 1990 and 1999 several Euroregions or similar structures were established at the borders between the candidate countries in Central and Eastern Europe as well as along their external borders with Russia, Belarus, the Ukraine and Moldova. Listed from North to South, these are, for example, the Region Alūksne-Pskov (LV/EST/ RUS), Euroregion Saule (S/LT/LV/ BLR), Euroregion Niemen, Euroregion Bug (PL/UKR), the numerous euroregions at the Czech/Slovak/ Polish borders, Euroregion Váh-Dunaj-Ipel (SK/HU), Euroregion Danube-Drava-Sava (CRO/HU), Euroregion DMTC/DKMT (RO/HU/YU), Únia-Slaná (SK/HU), Euro-Regió Ház Kht (HU/RO), Euroregion Upper Prut (RO/MOL) and Euroregion Danube South (BG/RO).

Further border and cross-border regions have been established in recent years, which, however, have not yet developed the necessary permanent structures as far as their legal form, organisation and funding is concerned. Nevertheless, they have – and this is particularly remarkable – learned a lot from the Western Euroregions and Working Communities, e.g. with regard to the development of structures and the programming of cross-border co-operation.

**Table 10:
Euroregion-type structures developed between 1990 and 2000 in the CEC-countries**

Name	Border
Euroregion Bug	PL/UKR/BY
Euroregion PRO EUROPA VIADRINA	D/PL
Euroregion Spree-Neisse-Bober	D/PL
Euroregion Neisse-Nisa-Nysa	D/PL/CZ
Euroregion Glacensis	CZ/PL
Euroregion Praded-Pradziad	CZ/PL
Euroregion Silesia/Slezsko	CZ/PL
Euroregion T śinske Slezsko – Slask Ciezyrski	CZ/PL
Euroregion ELBE/LABE	CZ/D
Euroregion Erzgebirge Krušnohoři	D/CZ
Euregio Egrensis	CZ/D
Euregio Bayerischer Wald/Sumava-Mühlviertel-Böhmerwald	D/CZ/A
Euroregion Waldviertel – Budowice – Již ni Cechy	A/CZ
Euroregion Weinviertel-Südmähren-Již ni-Morava-Zahórie	A/CZ/SK
Euroregion Bile-Biele Karpaty	SK/CZ
Euroregion Beskidy	PL/SK/Y
Euroregion TATRY	PL/SK
Euroregion Istria	HR/SLO
Euroregion Vagus-Danubius-Ipolia	SK/H
Euroregion Ipelsky-Ipoly	SK/H
Euroregion Neogradiensis	SK/H
Euroregion Sajo-Rima-Slaná-Rimava	SK/H
Euroregion Košice – Miskolc	SK/H
Euroregion Hajdu-Bihar/Bihar	H/RO
Euroregion Danube-Körös-Maros-Tisza	H/RO/BiH
Euroregion Danube-Drava-Sawa	H/HV/BiH
Upper Prut Euroregion	RO/MD/UKR
Middle Prut Euroregion	MOL/RO
Lower Danube Euroregion	RO/MOL/UKR
Euroregion Danube East	RO/BG
Euroregion Danube South	RO/BG
Euroregion Danube 21 st Century	RO/BG/BiH
Euroregion Nestos-Mesta	GR/BUL
Euroregion Network Polis-Kent	GR/TR

Working Communities and other strategic co-operation structures ¹¹⁴

A second group is formed by the broad number of existing **Working Communities**, frequently covering larger cross-border co-operation areas, **and other strategic co-operation schemes (See: Table 11)**. In most cases, these structures are based on legally non-binding “agreements of co-operation” or “working protocols” that are signed between equivalent first level regions (and sometimes local authorities) or other organisations that agreed to co-operate. These structures aim in general at the promotion of a common identity in the co-

¹¹⁴Association of European Border Regions (AEBR) / European Commission (DG REGIO / DG ENLARGMENT): Practical Guide to Cross-border Co-operation, 2001. European Commission (Directorate General XII), **Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995)**: Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal.

operation area,¹¹⁵ which itself is often characterised by geographical obstacles and/or cultural similarities.

The main common features of Working Communities and other strategic co-operation schemes can be summarised as follows:

- they are permanent;
- they sometimes have a separate identity (e.g. Irish Central Border Network in IRL/NI) but they often retain the identity of their members (e.g. Working Community of Galicia and Norte in E/P);
- they rarely have separate capacity from the members, normally relying on a revolving chairmanship and secretariat; and committees/working groups of officials representing the members and meeting from time to time, and are without substantial financial and personnel resources of their own;
- they rarely have separate decision making from their members, maintaining an inter-organisational form of decision-making, i.e. participants in the committees, working groups etc of the cross-border structure acting as representatives of their own authority.

Name and date of establishment	Borders covered
Communauté de Travail des Alpes Centrales (ARGE ALP), 1972	D/CH/A/I
Communauté de Travail des Alpes Orientales (ARGE ALPEN ADRIA), 1978	A/D/CH/I/HV/SLO/H
Communauté de Travail des Alpes Occidentales (COTRAO), 1982	CH/F/I
Communauté de Travail des Pyrénées (CTP), 1983	E/F/AND
Communauté de Travail de Jura (CTJ), 1985	CH/F
Communauté de Travail Villes des Alpes (CTVA), 1988 *	-
Comunidade de Trabalho Norte de Portugal-Galicia, 1991	P/E
Comunidad de Trabajo Extremadura-Alentejo, 1992	P/E
Working Community of the Danube States (ARGE Donauländer),	D/A/SK/H/HV/YU/BG/RO/ UKR/MD
EUROREGION du Nord, 1991**	B/F/UK
Carpathian Euroregion, 1993	H/PL/UKR/SK/RO
Euroregion Baltica, 1996**	PL/S/LT/LIT/LV/DK/RF
Neue Hanse Interregio, 1991**	D/NL
Grande-Région Saar-Lor-Lux (1995)**, including other “inter-regional” bodies of co-operation that frequently started working much earlier.	D/B/F/LUX
Internationale Bodenseekonferenz, 1972**	A/CH/D/FL
Iles de la Méditerranée Occidentale (IMEDOC), 1995 **	F/I/E
Cooperation Ireland, 1995**	UK/IRL
EuroRegion Oberrhein, **	CH/D/F
*) Co-operation takes place between local authorities.	
**) Despite their name, these co-operation schemes can be classified as “other bodies” similar to Working Communities.	

¹¹⁵ One can observe at least three standard objectives: (1) Increasing the awareness of a common identity and of development potentials, (2) active promotion of socio-economic development, (3) creation of a common political position vis à vis cross-border or other European issues.

Properly speaking **Working Communities** dominantly represent a larger number of first level member regions¹¹⁶ and cover rather extensive geographical co-operation areas.

Good and long standing examples are the Working Communities COTRAO, ARGE ALP, Alpen-Adria and the CTP. As such they have not been easy to fit in with the scope INTERREG IIA (although they might have been closer to IIC). Their typical administrative and organisational framework is characterised by the following aspects. Decisions regarding the organisation of cross-border co-operation are normally taken by unanimity between co-operation partners at two different levels: A "Council of regional political leaders" habitually meets once or twice a year and decides on the work-programme and main strategic aspects of common action. The presidency of the Working Community frequently rotates between the regions involved. Frequently there is a "management or co-ordination committee", which has the task to approve and monitor common projects and hence to ensure the attainment of aims. Finally, most of the Working Communities have established a limited number specific "working groups" covering the main fields of co-operation (e.g. culture, transport, environment, tourism, economic development etc.) in order to develop joint activities.

A more recently created example is the **Comunidad de Trabajo Extremadura-Alentejo** along the Spanish-Portuguese border, which was founded in January 1992. The Working Community is based on a co-operation agreement between the two regional administrations and approved by the two central governments. It consists of an informal agreement that lays down the guidelines for institutional co-operation; and directives that determine the way in which projects of common interest to both regions are planned. However, the powers of regional administrations on both sides of the border differ.¹¹⁷ **The structure of the Comunidad de Trabajo comprises:**

- **One Working Group:** This is a permanent body that manages the activities covered by the co-operation agreement. It is made up of representatives from both regions; the Spanish members often hold political positions within the Junta de Extremadura. The working group meets regularly and representatives from other groups and associations may attend the meeting, subject to prior invitation. The presidency of the working group changes twice a year and alternates between political representatives of both regions;
- **11 Specific Committees:** The specific committees consist of politicians and civil servants working in areas of activity established as priorities by the co-operation agreement. These areas are: agriculture, tourism, national heritage, industry, infrastructure, environment, education and training, universities, culture, health and youth and sport. The committees are co-ordinated by the working group.
- **Office of Cross-Border Initiatives:** This office, the Gabinete de Iniciativas Transfronterizas, completes the framework of the Association, and plays a vital role in supporting its activities.

The work of the Comunidad de Trabajo in identifying and carrying out projects is helping the regional administrations on both sides of the border to develop a truly cross-border development strategy with the aim of playing a greater part in the INTERREG initiative.

Most Working Communities do not have a solid international legal base and sometimes even lack of an adequate legal personality. The use of a protocol as "legal base" for the co-operation does not appear to give all Working Communities a similar capacity to finance and organise own activities of a cross-border nature.

¹¹⁶ An exception to this is the Working Community "Villes des Alpes"

¹¹⁷ The Coordinating Committee of the Alentejo region is a decentralized body of the Portuguese Ministry of Planning whilst the Junta de Extremadura is the regional government of the Autonomous Community of Extremadura, with wide-ranging political powers.

An other important aspect related to the loosely constituted nature is that **not all Working Communities have similar capacities in managing “external” cross-border funding programmes (e.g. INTERREG)**. Most of them are attributed solely a purely consultative status. The issue of a "legitimated structure" through the national government can, however, be decisive for their potential involvement in programme management. An example of limited involvement in INTERREG I was that of the establishment of a technical assistance bureau on the Spanish/ Portuguese border - the Gabinete de Iniciativas Trasfronterizas, GIT) by the Working Community Extremadura/Alentejo. But also the Comunidade de Trabalho Norte-Galicia was involved in the planning and management of the INTERREG programme¹¹⁸, while other and longer standing ones were not (e.g. CTP). In the case of INTERREG IIA there is however a tendency that geographically smaller and more focused ones increasingly play a role for specific projects and functions (Working Community Galicia/Norte/Galicia). It should however be noted that the individual members of Working Communities frequently participate in specific structures set up for the management of INTERREG programmes.

An example that can be grouped under the category of **Working-Community-type structures** is the **Carpathian Euroregion**. This large-scale cross-border structure is located in the border region shared by Poland, the Slovak Republic, Hungary, the Ukraine and Romania and was established in 1993 by the border regions' municipalities and provinces. The highest body of the Euroregion - the “Council of the Carpathian Euroregion” - consists of 15 members and is headed by a chairman. An Executive Director runs the common secretariat and co-ordinates the activities of the national ‘branch offices’ and the Euroregion’s sector-specific working groups.

Finally, a large number of other strategic co-operation schemes exist throughout Europe, for which a variety of names are in use:

- A first example is the “Regionalrat” (regional council), which brings together elected politicians from participating regional authorities from either side of the border. An example was established in 1993 at the Austrian/Hungarian border, which comprises the counties of Győr-Moson-Sopron and Vas, the cities of Győr, Sopron and Szombathely (H) and the Land of Burgenland (A). Thematic working groups support this Regionalrat. The co-operation between Austria and Hungary has the objective to create an Euroregion. The Regionalrat is a first step in this direction.
- Other examples exist at the border between Ireland and the United Kingdom (Northern Ireland): There are three cross-border “clusters” (informal associations) of local authorities (district councils from NI, and counties from Ireland), called EBRC (East Border Regions Committee), ICBAN (Irish Central Border Network) and NWRCEG (North West Region Cross Border Group).
- Finally, there are also cross-border bodies which are non-governmental organisations belonging to the private or voluntary sectors. An example is Cooperation Ireland in IRL/NI, which was established in 1979 by a number of leading individuals in business, trade unions, professional and academic life, and has developed and implemented a large number of projects promoting cross-border understanding and co-operation in the economic, social and cultural fields.

Typically, these structures have focused on strategic planning activities (such as studies), and/or development of specific projects, and to date they have not been accorded a major role in INTERREG (exception: the three IRL/NI “clusters”).

¹¹⁸ The agreement establishing the Working Community was concluded under the auspices of the national governments.

Structures specific to the management of INTERREG-programmes or other EU-programmes supporting cross-border co-operation along external borders ¹¹⁹

A number of “generic” requirements for EU-programme related cross-border structures and procedures arise from

- Structural Funds regulations and “Guidelines” related to programmes supporting cross-border co-operation within the Union (e.g. concerning programme preparation, monitoring and evaluation, the need for project selection and for contracting with project managers, transfer of programme funds)
- regulations that govern other Community programmes supporting cross-border co-operation along external borders (e.g. PHARE CBC).

The introduction of substantial funding programmes supporting cross-border co-operation within the EU created new needs in for institutional arrangements capable of handling the development and management of the implementation of cross-border programmes.

INTERREG I (1990-93) comprised 31 Operational Programmes representing a diverse package in terms of size and institutional arrangements. With regard to their basic structural features, they can be classified broadly into two categories.

- The **first category** represented a **bottom-up approach**. The programmes built on many years of experience and existing cross-border structures such as the Euroregions on the Dutch/ German border. Accordingly, in this and similar borders, the development and management of the implementation of the programmes was done by the Euroregions in partnership with the Member State authorities, and the programmes were of a regional/local scale reflecting the geographical scope of these structures. In some other cases, the new Community Initiative led to the creation of new structures specifically for the purposes of INTERREG (e.g. PAMINA on the French/German border).
- The **second category** represented a **top-down approach**, with programmes compiled by national authorities without the involvement of cross-border structures, in the few cases that such structures existed (e.g. Pyrénées for E/F). The creation of cross-border structures was envisaged in the INTERREG guidelines, and new cross-border structures at regional level have been established with assistance from LACE, including the Working Communities of Galicia/Norte, Extremadura/Alentejo, and Centro/ Extremadura on the Portuguese/ Spanish border. However, the management of the implementation of these programmes was carried out by the national authorities concerned, in some cases with limited cross-border co-ordination (e.g. Portugal/Spain) and in others with greater co-ordination and substantial involvement of regional/ local authorities (e.g. Kent/Nord Pas de Calais, UK/F).

The Structural Funds regulations for the 1994-1999 programming period provided for some basic management structures, which are based on the “partnership principle”¹²⁰ and were also to be found in all INTERREG IIA programmes. In the **Guidelines for INTERREG IIA**, the Commission strongly encouraged Member States and regions to submit integrated programmes and to establish “shared institutional structures”. Although not all Member States developed really integrated cross-border programmes, these guidelines have contributed at least to better co-ordination in programme submission and management.

¹¹⁹Association of European Border Regions (AEBR) / European Commission (DG REGIO / DG ENLARGMENT): Practical Guide to Cross-border Co-operation, 2001.

¹²⁰ Art 4 of Council Regulation (EEC) No 2081/93, amending Regulation (EEC) No 2052/88

The basic features of the “joint management” structures - namely a programme Monitoring Committee and a programme or committee Secretariat - as well as their main functions can be summarised as follows.

The **Monitoring Committee** always comprises representatives of the Member States concerned and the Commission. Additional features allow distinguishing two main variations:

- The nature of its membership: It can be composed, firstly, of regional/local-level representatives and, secondly, of representatives of non-state bodies (social partners, private/voluntary sectors).
- The range of responsibilities assumed by the Committee: It can either be restricted to the minimum specified in the regulations¹²¹ or broadened for guiding all aspects of the implementation of the programme, including in many cases final responsibility for project selection.

Similarly, **the Secretariat** is always supposed to be “joint”, at least in the sense that responsibility for the secretariat function is assumed jointly by the Member States concerned. There are several variations in terms of the nature of the body assuming or hosting the secretariat and the geographical location of the secretariat. In terms of the nature of the body, it can be:

- a permanent cross-border organisation, e.g. Euroregion or similar organisation;
- a joint structure created by the competent authorities for the purpose of INTERREG, e.g. PAMINA (F/D);
- not a common or joint structure but its functions are performed by the competent authorities of the Member States.

In terms of location, the secretariat can be on one site within the eligible cross-border region serving the whole of it, on two sites on each side of the border, serving different parts of the border region or outside the eligible region(s), e.g. in the capital cities of the Member States concerned (like Athens).

All other structures needed to perform the functions described below are not standardised but are arranged in different ways by the competent member state authorities. They may include technical assistance officers or bureaus, technical groups or project assessors, programme managers, steering committees etc. Typical variations involve the setting up of joint structures by the member state authorities concerned or assigning these functions to the common structures of an Euroregion or similar body. In some cases this is done through a formal INTERREG agreement between the competent Member State authorities and the relevant regional/local cross-border structures.

The main functions of these structures can **cover** a broad variety of aspects, mainly in the fields of

- **programme development** (e.g. preparatory work, development of draft programme including financial plan, ex-ante evaluation, submission of draft programme to the Commission, preparation of agreement concerning the management of the implementation of the programme).

¹²¹ I.e. general overseeing of implementation at programme level (with the Monitoring Committee often part of a dual committee system, together with a Steering or Management Committee which deals with programme management including final responsibility for project selection)

- **and programme implementation**¹²² (e.g. information and advisory support to beneficiaries on project development; submission of project applications; assessment of project applications; project selection; approval and contracting; financial management covering several functions such as payments, control and financial responsibilities; monitoring; programme evaluation and review).

The overall organisational aspects of programme development and management under INTERREG IIA can be summarised as follows.

- **Programme development:** A large majority (over two-thirds) of internal land border areas had cross-border concepts/strategies and programmes developed in common by (mainly) regional/local partners. The same applied to a similarly large proportion of internal maritime programmes. In the case of external borders cross-border concepts/strategies existed for nearly two-thirds of the areas, but the involvement of regional/local bodies in programme preparation had been mainly in a consultative capacity.
- **Cross-border structures:** There were regional/local level cross-border structures, to a large extent, in practically all internal border areas (land and sea borders) and external border areas. They varied however in nature and capacity. The main gaps were in large parts of the Greek external borders, in smaller parts of the Spanish/ Portuguese and several internal maritime borders. In terms of capacity and experience, the structures on the internal land borders were by far the most advanced. In two-thirds of the internal land border areas regional/local cross-border structures were playing a significant role in cross-border concept/strategy and programme development as well as in the management of INTERREG IIA OPs. This happened in about a half of the internal maritime programmes, and to a much lesser extent in external borders.
- **Technical management:** Similarly in a large majority (some two-thirds) of internal land border areas all four key management functions were performed jointly through common activities and structures. This was the case in just under a half of all internal maritime programmes. In the case of external border areas, common information and advice functions were performed in just under a half of all programmes, but only in a very small number of areas were other functions, such as common project selection, performed in common.
- **Financial management (See: Table 12):** There was a significant degree of integration in financial management in internal land border programmes with just over a half of the OPs having a common bank account for EU contributions. This applied in one-third of internal maritime programmes (and only in one exceptional case in external borders).

In 1994 a new Community Initiative was introduced, specifically for Northern Ireland and the border counties of Ireland, the Special Support Programme for Peace and Reconciliation (**PEACE-Programme**), which includes a sub-programme for cross-border development. Highly decentralised methods have been adopted for its implementation, including European Commission agreements with eight “intermediary funding bodies” to manage 30% of the programme funds.

¹²² Due to the fact that the EU prescribes little, there are substantial differences between Member States and programmes.

Table 12: Summary overview on cross border financial management under INTERREG IIA		
Model	Characteristics	INTERREG IIA Programmes (including external borders)
Completely integrated cross-border financial management	Joint and cross-border programme, project and financial management on the basis of a specific INTERREG agreement. The agreement also sets out provisions governing the technical aspects of the financial implementation of INTERREG funds <u>and</u> national co-financing through a joint account at a private bank.	<ul style="list-style-type: none"> • 4 bilateral programmes between Germany and the Netherlands (EUREGIO, rhein-maas-nord, Rhein-Waal and Ems Dollart). • Euregio Rhein-Maas between Germany, the Netherlands and Belgium.
Partially integrated cross-border financial management	<p>Type I: Integration of EU funds and some national co-financing (joint bank account for INTERREG funds and some project co-financing).</p> <p>Type II: Integration of EU assistance through a joint bank account for INTERREG funds. National co-financing contributions made separately by the partners.</p>	<p>Type I:</p> <ul style="list-style-type: none"> • 2 programmes on the Dutch-German-Belgian border (Scheldemond, Middengebied). <p>Type II:</p> <ul style="list-style-type: none"> • Saar-Lor-Westpfalz (D/F) and Germany/Luxembourg, PAMINA (F/D), Oberrhein-Mitte-Süd (D/F/CH) • 3 programmes between Germany and Denmark (Sønderjylland/Schleswig, Storstrøm/Ostholstein, Fyn/K.E.R.N). • 3 programmes in the Scandinavian region: Kvarken & MittSkandia (SF/S/N), Islands (SF/S), Nordkalotten (SF/S/N) • Multilateral external border programme Barents (SF/S/N/RUS).
Separate financial Implementation Of programmes	<p>Despite the joint decision-making bodies prescribed under the INTERREG initiative, no joint financial management of INTERREG funds at programme level. The funds are transferred by the Commission separately to the participating countries and administered on both sides of the border by the relevant authorities.</p> <p>In the case of some INTERREG programmes and other cross-border EU measures, initial steps have been taken to achieve integration of financing for joint projects (provision of national and local co-financing; small project funds as preparation for future joint management via Euroregions or similar structures).</p>	<ul style="list-style-type: none"> • Ireland/Wales, UK/Morocco • Spain/Portugal, Spain/Morocco • Italy/Greece, Italy/Austria and Italy/Switzerland • Øresund (DK/S) • Programmes between Sweden and Norway (Gränslöst Samarbete, Inre Skandinavia, Nordens Gröna Belte). • Alpenrhein/Bodensee/Hochrhein (D/A/CH), Austria/Bavaria. • Programmes along the French border: Jura, Rhône-Alpes (F/CH), European Development Priority (F/L/B), West Flanders, PACTE, Ardennes (F/B), Nord-Pas-de-Calais/Kent, Rives Manche (F/GB), Alpes, Corsica/Sardegna and Corsica/Toscana (F/I), Pyrénées (F/S). • 15 external border programmes with the PHARE CBC and TACIS CBC areas. <p>Integration of project financing:</p> <ul style="list-style-type: none"> • INTERREG IIA: Austria/Bavaria, Pyrénées (F/S).

Source: AEBR-LACE Working Paper, Cross-border financial management, May 1999.

But also other Community programmes supporting cross-border co-operation along external borders lay down - to a varying degree - provisions for institutional arrangements capable of managing the programme implementation.

In terms of institutional arrangements, a major new development was the establishment of the **PHARE CBC-programme** in 1994. It has introduced the establishment of Joint Programming and Monitoring Committees (JPMC) for each of the borders, comprising representatives from the countries concerned and with active involvement of the services of the Commission responsible for INTERREG and for PHARE CBC. This development was significant in many respects:

- the JPMCs have become established and fully functioning on all borders;
- they cover both programming and implementation aspects; and
- include regional-level representatives (e.g. Euroregions).

Cross-border structures for each national border have evolved in various ways and in many cases now involve elaborate cross-border structures with the JPMC at their apex, and various other components below (e.g. sectoral working groups in HU/A, and Euroregions in PL/D). As part of these arrangements CEC representatives attended as observers the meetings of Monitoring Committees of counterpart INTERREG Programmes (e.g. Hungarian representatives attend the Austrian INTERREG Committee meetings). Additionally, Small Project Funds (SPFs) have been established as part of practically all PHARE CBC programmes, with their management delegated to Euroregions or equivalent regional/local level structures.

Since 1996, a new **TACIS Regulation** has allowed the establishment of a TACIS CBC programme that covers inter alia the border regions of Russia with Finland. The programme is operated under normal TACIS procedures and there are no institutional arrangements of a cross-border nature. The same applies to the **MEDA Programme**, which was introduced in 1997 but lacks specific provision for cross-border co-operation programmes.

5.3. Cross-border co-operation at project level ¹²³

Project-based activities are normally found at the beginning of cross-border co-operation and can be the start of long-term, strategically oriented forms of cross-border co-operation. Co-operation may be ad hoc, based either on arrangements and sporadic working groups or on agreements at local, regional or national level. Such relatively loose co-operation can occur between regional authorities, chambers of industry and commerce, employers' associations, trade unions or other groups co-operating with their partners across the border.

These one-off activities can concentrate on eliminating specific problems (e.g. the building of a bridge over a border river) or on creating cross-border networks for information exchange purposes, which can later on lead to structures that have a multiplier effect as a platform for promoting generalised cross-border co-operation.¹²⁴ Not all cross-border projects need their

¹²³Association of European Border Regions (AEBR) / European Commission (DG REGIO / DG ENLARGMENT): Practical Guide to Cross-border Co-operation, 2001.

¹²⁴ Cross-border information networks can be used to establish initial contacts between those actors in the region who benefit from co-operation. The generation and dissemination of bilingual information on specific subjects (e.g. on market opportunities, producers) and statistics further support this process. This information not only heightens awareness in the border regions but also paves the way for the establishment of links between existing actors on both sides of the border in the

own cross-border structure such as Euroregions or working groups for their development and implementation. Many such projects can be dealt with by existing bodies on either side of the border, but generally they can benefit from agreements on cross-border structures for strategy-oriented co-operation. Co-operation at project level can however require the setting up of project-level cross-border structures.

At present, no uniform and specific instrument for cross-border co-operation at project level exists in the Member States of the European Union. There are however **some options available for formally setting-up project level cross-border structures on an appropriate legal basis**. Inter-state agreements, either specific to a project or of a general nature (i.e. outline treaties/conventions) can offer an appropriate legal basis where available. In addition, there are instruments stemming from European law or national legislation and from bilateral co-operative practices that have been used as possible solutions. Most of them were discussed already above in the framework of the chapter on “legal instruments”:

- The only international legal instrument available is the **EEIG (European Economic Interest Grouping)**, which was established under EU law for co-operation in economic activities. This lends itself more to co-operation initiatives of an economic/commercial nature and has not proved very useful for regional and local authorities.
- In some countries, notably France, it is possible to use national legislation for creating a cross-border project-level co-operation structure. **Mixed Economy Companies and Public Interest Groupings** have been used for this purpose.
- **Practical ad hoc agreements** without a legal basis such as joint working groups allow the management of individual projects, which are part of comprehensive cross-border programmes.

In setting up project-level cross-border structures, two essential factors should be taken into consideration: the duration of the project (use of various long and short-term instruments) and the suitability of the instrument to the type of action the project pursues.

EEIGs have sometimes been established as an instrument to facilitate cross-border co-operation, both in the private and public sphere.

The example of a **European Economic Interest Grouping called ECOM (European Chamber of Commerce)** will illustrate this. ECOM is an EEIG and was set up in 1993 by the Derry Chamber of Commerce (Northern Ireland, UK) and the Letterkenny Chamber of Commerce (IRL). Its structures and competencies are the following:

- Board of Directors: Each Chamber of Commerce appoints the board members.
- Executive Board: Responsible for day-to-day management. It comprises the President and Vice-President of the Board of Directors as well as a Chief Executive Officer. (The latter is also responsible for the two offices in Derry and Letterkenny. The Executive Board sets priorities and strategies, manages projects and financing, and nominates Development Officers.
- Branch Offices: Offices have been established in both Derry and Letterkenny, each with respective Development Officers.
- Sub-Committees: Managed by the Development Officers, they are responsible for research, finance, networks, personnel and direction of thematic Special Interest Groups (SIGs).
- Technical Committee: Established with representation from other European partners.

The funding for ECOM has been provided by a series of international and national sponsors such as British Telecom, Telecom Eiram, International Fund for Ireland/IFI, Allied Irish Bank, Industrial Development Authority, Údaras na Gaeltachta.

Substantial support was also given to ECOM by the INTERREG programme. Several projects have been presented by ECOM for direct INTERREG funding, covering such different fields as: the appointment of a project manager; preparation of a newsletter; a SWOT analysis of the region; seminar preparation for INTERREG; the launching of a "European Success Award". Other cross-border projects are financed with less INTERREG participation in the sectoral areas managed by the Special Interest Groups (e.g. identification of market niches for cross-border firms in the food and soft drinks sectors, analysis of market weaknesses, training and advantageous packaging techniques for handicraft and giftware companies located in the border area; identification of cross-border telecommunication needs and linkage of the two digital networks across the border).

Important local companies are members of the Special Interest Groups that form the basis of ECOM EEIG activities, thus keeping responsibility for cross-border co-operation with the local business community. Five cross-border Special Interest Groups have been established (clothing and textiles; food and drink; information technology and telecommunications; craft services and giftware; legal services) with the aim of enabling participating companies to increase their cross-border activities.

French law based "Mixed Economy Companies" are useful at project level in the field of cross-border co-operation.

A good practice example has been developed at the French-Italian border between the French town of Menton and the Italian town of Ventimiglia (in the province of Liguria). The Mixed Economy Company (Société d'Économie Mixte des Alpes Maritimes, or SEMAM) that was founded in 1990 has been chosen by the towns of Menton (PACA region) and Ventimiglia (province of Liguria) to develop cross-border actions and co-operation. The main structures and their competencies can be described as follows:

- **Joint Commission:** Formed by the two towns with the assistance of SEMAM. The Commission has consultative powers and includes the elected representatives from the two towns and also municipal officials. Its role is the adoption of a work programme and direct neighbourhood cross-border co-operation (Coopération Transfrontalière de Proximité, CTP), which aims to build a cross-border space through joint planning and development of initiatives.
- **Municipal Councils:** The decisions are taken by the municipal councils of the two towns.
- **SEMAM:** This organisation is the management instrument and development tool of the two towns with regard to cross-border co-operation.

Mixed Economy Companies have a consultative and supervisory role in relation to INTERREG I projects which are prepared by them for the particular cross-border region. Project proposals are presented to the Joint Commission responsible for the Franco-Italian INTERREG Operational Programme (western border). The projects put forward by the two Mixed Economy Companies include the creation of a cross-border "Business Innovation Centre" (Trans BIC Riviera), the formation of a university centre and a Franco-Italian Technological Institute at the university; a common approach to combat urban pollution; harmonisation of French/Italian town planning schemes, and the implementation and co-ordination of a cross-border EURES (Euroguichet-social). The Menton-Ventimiglia cross-border projects are dealt with on a concrete "project by project" basis. The Mixed Economy

Companies also provide support for projects initiated by other participants in the border area (e.g. town halls, provincial and regional authorities, chambers of commerce, private investors).

French Public Interest Groupings (GIP) can be considered dynamic instruments for project management, which enable the creation of intermediary structures. Restrictions, however, lie in the fact that GIPs are liable, under French law and are subject to strict supervision by national authorities (namely for the financial control of operations). In France, the debate on cross-border co-operation led the national authorities to propose a revision of the Public Interest Groupings legislation, broadening it to cross-border co-operation. Despite the new possibilities offered by this new legal instrument, no cross-border GIPs have been established yet in France.

Practical ad hoc structures at project level are those without an official/legal agreement or foundation, established in most border regions to support the work of the project management in relation to the implementation of cross-border projects. In a number of regions, such informal, ad hoc structures have existed for some time in the framework of networks or interest groups engaged/interested in cross-border co-operation. With the creation of INTERREG as a support programme for cross-border co-operation, a number of these organisations/networks have taken the initiative to answer the call for proposals from the national governments and submit proposals for cross-border projects.

Working structures of cross-border co-operation established in European border regions vary in their objectives and tasks and include different actors. Given the different objectives and tasks, such ad hoc structures can be set up to perform various tasks, for example to:

- support the process of project planning (e.g. joint working groups can be established to identify scope/projects for co-operation in different fields, i.e. economic co-operation as well as co-operation with regard to the environment and between local authorities);
- support the project management with respect to implementation of cross-border projects. This involves a number of tasks including developing a work programme (which might consist of several phases), defining and allocating specific tasks, monitoring and controlling the progress of the project and pre- and post-project evaluation to define possible needed follow-up activities;
- provide general assistance or special advice in certain fields of co-operation, and thus offer an advisory role for existing structures of co-operation, for example a joint secretariat or existing cross-border working groups.

A number of different actors may be involved in these advisory structures depending on the objective and the type/size of the project. Local actors involved will vary according to the type/theme of the project and could include:

- local and regional authorities;
- local administration;
- social partners;
- local associations active in co-operation (e.g. nature conservation societies; national cultural associations, etc.);
- local entrepreneurs;
- institutes of education, universities, technical colleges;
- technology centres, science parks;
- chambers of commerce and trade.

In interesting **example of an ad-hoc structure is the German-Polish Development Authority**. It is a joint-stock company headquartered in Gorzow (PL) and the shareholders are German federal states and voyevodships on the German-Polish border. Its functions include:

- promotion and monitoring of specific co-operation and investment projects on both sides of the border,
- provision of advice and information to German-Polish businesses, e.g. on specific legislation,
- participation in creating infrastructure framework conditions for cross-border co-operation,
- collection and processing of business location information, indicators and tenders,
- organisation of exhibits, contact and co-operation fairs and informational and advanced training events for business people and other managers.

Since the start, some 50 co-operation projects have been successfully concluded. One example is the first German-Polish co-operative "textile" model project covering design, marketing, sales and service activities for a joint collection of high-quality women's outerwear. Another example is an economic data bank model project that provides important information for co-operation and investment decisions by small and medium-sized companies in particular on both sides of the border. The Development Authority is registering a noticeable response in the border regions, with concrete desires for cross-border co-operation and investment. Joint ventures in particular were successfully created, expected to create 1,075 new jobs.

6.) Inter-territorial co-operation between local and regional authorities in Europe

6.1. Motivations underlying the co-operation and activities dominantly carried out in practice

Inter-territorial co-operation normally takes place irrespectively to geographic proximity between a broad range of different regional and local actors. Co-operation can involve solely local and regional public authorities from developed or less developed areas in Europe (also both in one), but also other semi-public or private regional/local actors sharing common interests (often supported and flanked by territorial authorities). It can take place between two partners (bilateral co-operation) or involve a greater number of them (trilateral or multilateral co-operation). According to the specific interests of the partners, inter-territorial co-operation can cover only one particular theme of common interest (single-issue co-operation) or operate in a broader range of thematic fields (pluri-thematic co-operation).

Already at an early stage, inter-territorial co-operation was started by towns and cities through **bilateral twinning of municipalities**. The overall aim and motivation of town-twinning in Europe is

- to promote peace and enhance inter-European understanding at grassroots level,
- to develop the "Citizen's Europe" through activities that mainly concentrate on inter-personal exchange in the field of local administrations, schools and universities or associations in the field of culture and sports,
- to promote exchanges of experience on local and municipal issues.

Accordingly, the most typical activities carried out in practice between twinned municipalities normally cover issues such as the organisation of twinning ceremonies, the organisation of meetings, visits, cultural or sports events in the partner town, the exchange of experience between locally elected personalities and administrative personnel or other professional groupings, co-operation in specific fields of local/municipal interest and even joint activities to promote the local economy.¹²⁵

In opposition to the long-standing tradition of town-twinning, **European-wide inter-territorial co-operation** between local and regional authorities as well as between other territorial actors (public, semi-public, private) only gained popularity during the 1990ies. This is mainly the result of

- a conclusion of new bilateral partnership-agreements, dominantly between first-level regions,
- the setting-up of numerous trilateral or multilateral “co-operation networks” between local and regional authorities, frequently supported by funding from specific EU-programmes.

Opposed to the zero-sum game of mutual competition between territorial authorities predominantly existing during the 1980ies,¹²⁶ these new forms of co-operation aim at developing already existing productive and immaterial resources at regional or local level through a “pragmatic logic” of joint network-projects or more strategically orientated schemes.

Some of the basic motivations that underlie these more recent forms of co-operation are indicated by a study of the European Parliament:¹²⁷ About 29% of the co-operation schemes examined indicate the promotion of international relations as the most important reason, followed by economic interests (25%) and the will to deepen old ties (17%). The perspective to receive EU-funding motivated only 8% of the co-operation schemes.

Other sources¹²⁸ reveal a set of more precise motivations, which are mainly the **expected material and immaterial benefits** (e.g. economies of scale, exchange of experience, transfer of know-how), but also essential **political benefits** that can result from co-operation.

- In developing common approaches to shared problems, many co-operation schemes intent to create “**economies of scale**” for their partners (shared cost studies too expensive for one individual actor, comparative analyses and experiments, development or correction of model approaches bringing together good practice).
- Many co-operation schemes set up between local or regional actors explicitly aim at reproducing “tacit knowledge” through learning by doing and intent to achieve related benefits via an “**exchange of experience**” or an accelerated “**transfer of know-how**”. The outcomes (e.g. handbooks, resource centres, database) are frequently used to provide new orientations for social and economic development or to design more ambitious local/regional policies.

¹²⁵ **Weber, S.:** Le programme européen de jumelage des villes: les accords de co-operation à prévoir, l'expérience de la Commission européenne. In: Commission européenne /GIE PACTE ARE-CCRE: La coopération décentralisée. Paris 1997.

¹²⁶ By competing amongst them in attracting external mobile capital, the success of a region/local authority was normally built on the loss of another.

¹²⁷ **European Parliament, Directorate General for Research (PE 166.402, 1996):** Cross-border and inter-regional co-operation in the European Union. Regional Policy Series W-19.

¹²⁸ **European Commission (Directorate General XII), Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995):** Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal.

- Other co-operation schemes aim **to stimulate or add value to specific economic sectors that are important in their respective productive fabric**, sometimes by generating new linkages to enhance market opportunities for local manufacturers and tradable services, sometimes by enhancing data exchange or establishing communication links (transport, others).
- Frequently stated less explicit by the actors themselves but nonetheless important, these activities are also considered a **proactive answer to political and institutional/organisational problems existing within Member States or within the complex system of EU-decision making**. Through the identification of common problems or issues for co-operation related to their particular situation, regions or local authorities may constitute a “voice” in their specific fields of interest. Therefore, co-operation can help “adding weight” to demands for action on specific issues that are of common concern for regional or local authorities at national or European level.

The **thematical focus** covered by these more recent co-operation schemes set up between local and regional authorities differs significantly from the one covered by bilateral town-twinning. Frequent areas of co-operation are the improvement of local public administrations, urban planning and economic development, environmental protection and sustainable urban/regional development, local/regional transport planning and new technologies. Co-operation in networks can cover only one single theme (single-issue co-operation) or various topics at the same time (pluri-thematic co-operation).

One can identify two basic levels of thematical co-operation between two or a greater number of local and regional authorities, for which different organisational arrangements have been set up:

- **Co-operation in the framework of short-term or mid-term orientated “project-networks”** (one-off activities), which can focus on one specific theme or a limited number of issues of common interest.
- **Strategic and long-term orientated co-operation** is frequently based on general framework agreements and carried out through **bilateral town twinings** or **bilateral regional partnerships** and **multilateral networks**, which includes the implementation of a number of joint projects in various fields identified as being of common interest.

6.2. Project-networks established between two or a greater number of territorial authorities

The initiative for establishing a project-network may come from one single local or regional authority or several authorities jointly. The main feature of project-networks is that they are basically designed as “one-off activities” with a short- or mid-term time horizon and that co-operation between local or regional authorities normally ends with the achievement of the planned project-activities. However, some or all partners of a given project can decide to continue working together in the framework of a new project (launch of a new network project) or opt for setting up a more stable and long term-orientated co-operation between them (evolution towards strategic co-operation).

Project-networks can be financed by own resources of the partners. It must however be acknowledged that the launch and the multiplication of “external” funding schemes such as Community programmes has contributed during the 1990ies to drastically increase their number. Therefore, and partly due to the high level of coherent information available, the

following sections will describe basic structural features of project-based co-operation mainly on the ground of experiences gained with specific Community funding programmes.

*Inter-territorial project-networks established
between local and regional actors of the European Union*

Inter-territorial project-networks between territorial authorities and other local or regional actors of the European Union have been supported by the Community in a larger field of thematical aspects through schemes such as the EEP/PACTE- programme and the RECITE I and II programmes, but also for more specific aspects such as spatial planning through the ERDF-Art.10 TERRA-programme.

Between 1989-1995, the **Exchange of Experience Programme (EEP)** and its continuation **PACTE** funded in total 436 projects in which 2.168 local and regional authorities participated. EEP/PACTE projects normally lasted 18 month. French and Spanish local and regional authorities represented, for each Member State, nearly 35% of the partnerships. They were followed by British (12%), Italian, Portuguese, Greek and German local and regional authorities (7,5%-10%). Belgian, Dutch and Danish authorities represented between 3% and 4,5%. The most popular areas of co-operation were economic development/tourism (98 projects), environment (72 projects), rural development (45 projects), urban management (34 projects) and public administration (34 projects).¹²⁹

RECITE I paved the way for a more wide-spread culture of co-operation between territorial authorities and other local and regional actors in the European Union:¹³⁰ A total of 405 partners were involved in the 36 co-operation projects of the first generation (local and regional authorities, Development Agencies or Chambers of Commerce). In reality, the total number of participating organisations in the RECITE I programme has to be reduced to 249, as a significant number of partners were involved in more than one inter-regional project.

A country by country assessment of the overall participation in projects (as project leader and partner) shows that Spain and France rank highest (28 and 27 respectively) and are followed by Greece, Portugal, Italy and Germany (19-21 projects). In most cases, "project leaders" came from France, Spain, Greece and the United Kingdom. The main areas of co-operation were environment (13 projects), local development (13 projects), training (12 projects), assistance to SMEs (11 projects), technology transfer (11 projects), planning (7 projects), transport (7 projects), public administration (7 projects), energy (7 projects) and social exclusion (7 projects). The majority of networks dealt with more than one theme.

Under RECITE I, regional authorities at NUTS II level were the most common participants in project-networks. One reason is that they are large organisations having a wide ranging technical competence at their disposal and are frequently involved in the implementation of other Community programmes (e.g. Structural Funds). With regard to local authority participation, one can observe that smaller towns are normally less involved in network-projects than bigger cities, which are economic actors of growing importance and increasingly operate within the global economy. Networks set up by smaller localities and towns often face the problem that partners have only limited competencies or resources and frequently little

¹²⁹ **European Commission, DG XVI / Assembly of European Regions / Council of European Municipalities:** Action Programme for Local and Regional authorities PACTE. Exchange of Experience Programme (1995). **European Commission, DG XVI / Assembly of European Regions / Council of European Municipalities:** PACTE. Programme over the last 10 years.

¹³⁰ **European Commission, DG XVI:** RECITE-Magazine (July 1998).

experience with regard to an involvement or leadership of inter-territorial co-operation projects.

This first generation of project-networks is characterised by a number of particular aspects that permit to isolate some basic features with regard to their co-operation structures:¹³¹

- The existence of an institutional public actor willing to establish a "political" initiative for co-operation often plays a vital role for the first steps in setting up network-projects. One can however observe a predominance of public organisations / agencies in these projects, as only a minority of networks had a significant intervention from private firms and research centres
- Under RECITE I, several uncertainties with regard to basic legal and procedural aspects existed: Do Member States retain responsibility for the implementation of Structural Funds? Can "lead authorities" establish direct contacts with the Commission? Despite working arrangements concluded that attribute overall responsibility to project-leaders, should liability be shared in case of failure? The interim progress report of 1995 therefore clearly opted for the creation of a specific legal instrument in order to facilitate project-based co-operation.
- Many EPP/PACTE and RECITE project-networks were directly managed by European associations or co-ordinated under their auspices with a local/regional authority being project leader. This initial emphasis changed however rapidly when "start-up" networks have managed to be transferred into a subsequent funding period. In this case, they were frequently led by individual regional or local authorities rather than by umbrella organisations. Despite their positive initial contributions, main reasons for this shift were that some associations have been less effective in ensuring the momentum of projects during their entire life cycle or failed with regard to efficiency/accuracy in overall project management.¹³² In practice, associations are best able to play a leadership role when co-operation projects are complementary to their political objectives and existing structures.¹³³
- A number of RECITE project-networks was managed locally or regionally by the actors involved, sometimes by appointing full-time project managers (frequently not) or technical co-ordinators and by setting up joint decision-making structures such as "Steering Groups or Committees". Other projects were managed by General Assemblies, establishing permanent secretariats and appointing technical co-ordinators in each partner area. The ERNACT-project can be quoted as a rather innovative model due to the fact that its joint management body is a European Economic Interest Grouping.

Several RECITE project-networks (**See: Table 13**) were particularly successful in creating permanent and solid links between their partners and maintained co-operation after the end of the initial funding period. This "legacy" takes different forms:

¹³¹ **European Commission, DG XVI:** RECITE, Regions and Cities for Europe. Interregional co-operation projects. Second interim report on the progress of Article 10 interregional co-operation projects funded by the European Regional Development Fund (February 1995). **European Commission (Directorate General XII), Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995):** Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal.

¹³² **Official Journal of the European Community (Abl. C 340 vom 12 November 1996, pp. 138-140, 147 f.):** The annual report of the EU-Court of Auditors for 1995 criticised management practices of some European associations that have been directly entrusted with the overall management of the PACTE-programme or with projects funded under the EU-programme RECITE I.

¹³³ The second Recite Office interim report mentions as examples the CPMR-Island Commission for EURISLES and the Atlantic Commission for ATLANTIC REGIONS.

- Several network-partnerships elaborated new projects that are currently implemented under RECITE II (e.g. “Compostela Foret”→ “Eurosilvasur” ; “EUROCERAM”) or in the framework of other Community programmes. Some project-networks continue to operate as strategic networks with a pluri-thematic or single-issue orientation (e.g. “POLIS”, “ERNACT”, “Quartiers en Crise”).
- Other projects even transformed into wide spanning European associations. A first example is the “Development Agencies”-project that has become in 1991 a non-profit making and self-financed European association of regional development organisations (EURADA) with more than 150 members coming from 20 different countries. A second example is the EUROCITIES-project that was initially co-ordinated by CEMR at the request of the so-called “Eurocity Movement” established by major twinned cities. Today, EUROCITIES is a fully independent association with a full time secretariat in Brussels and a large number of member cities coming from countries throughout Europe.

Based on these experiences, **RECITE II (1996-1999)**¹³⁴ has made improvements with regard to the content, the organisation and the management of projects. According to the basic principles that shall govern the second generation of project-networks¹³⁵, new programme management tools and arrangements were introduced: A “feasibility verification” phase was introduced before the beginning of each project, lasting a maximum of 8 month. An exercise on Goal Orientated Project Planning (GOPP) was recommended during the feasibility phase that helps partners to reach a consensus, to develop a highly structured work programme and to run the project in accordance with its objectives. A specific software was developed in order to promote efficient operational management and financial control.

The project-networks finally selected for RECITE II bring together 260 local and regional organisations as the main network partners (**See: Table 13**). Network project leaders mainly come from France (11 projects), the United Kingdom (9 projects), Italy (8 projects) and Spain (7 projects). The counties with the strongest participation are Italy and Spain (30-50 main partners), followed by Portugal, France, the United Kingdom, Germany and Greece (20-30 main partners). Most of these project-networks do not have prior experience in joint co-operation.

No detailed survey on **organisational and functional aspects** is available at date, due to the fact that most RECITE II projects are still in the phase of implementation. Some indications can however be derived from the prescriptions that were made during the set-up-phase. The initial call for proposals did foresee that project-related partnerships should be established at intra-regional and inter-regional level. In addition, some recommendations on organisational structures were given in a “Practical Guide for Project Management” issued by the Commission in 1997/98.¹³⁶

¹³⁴ **European Commission, DG XVI:** RECITE Magazine (June 1999)

¹³⁵ The main ones are: (1) A more precise definition of what constitutes a measurable output. (2) A more systematic development of public/private partnerships. (3) Improved organisation, monitoring and evaluation of projects. (4) Greater transparency and a more even sharing of responsibilities in accordance with the principle of decentralised management. (5) Better dissemination of results.

¹³⁶ **European Commission, DG REGIO:** Practical Guide for Project Management. Draft Version, November 1997.

Table 13:	
RECITE-networks with project leader and number of partners involved	
Funded under RECITE I (1990-1997)	Funded under RECITE II (1997-2001)
<p style="text-align: center;"><u>Local development:</u></p> <p>CAR: CEMR and Valladolid (E) ; 22 partners COAST: Down District Council (UK) ; 20 partners COMPOSTELA FOREST: CRSEA; 11 partners DEMILITARISED: Kaiserslautern (D); 17 partners DEVELOPMENT AGENCIES: CEMR; 21 partners DYONISOS: Alentejo (P); 10 partners ECONOMIC DEVELOPMENT IN LESS FAVOURED REGIONS: CEDRE ; 17 partners EURO CERAM: Wallonie (B); 6 partners IDEE: CEMR ; 8 partners TOURISM IN THE MEDITERRANEAN: CRPM; 17 partners UNIVERSITIES-REGIONS: Castilla y León (E); 6 partners</p>	<p style="text-align: center;"><u>Local development and job creation:</u></p> <p>EDGE CITIES: Fingal County (IRL); 7 partners EDIMAR: Welsh Development Agency (UK); 7 partners ENTRE PROJECT: Regional Council Kainuu (FIN); 4 partners EQUAL CREDIT: Lancashire Development Agency (UK); 7 partners EURO CRAFT: Hamburg (D) ; 5 partners EUROPACT: Sandwell Borough Council (UK); 4 partners EUROSILVASUR: Aquitaine (F); 7 partners FLUMEN ATLANTICA: Comm. des Communes du Confolentias (F) ; 4 partners FONDEL F: Länsstyrelsen Värmland (S); 5 partners LE CHEILE: (Roma (I); 5 partners LODIS: (Chester City Council (UK); 6 partners LOTUS 2000+: London Borough of Barking and Dagenham (UK); 4 partners MARISREG: Diputacion Foral de Bizkaia (E); 7 partners MEDSTONE: Leader Ulixes (I); 3 partners THE NETWORKED CITIES: Portsmouth City Council (UK); 5 partners NORBIT: Hushallningssällskapet I Skaraborg (S); 6 partners REFLETS D'EUROPE: Provence Alpes Côtes d'Azur (F); 6 partners TWIG: Landstinget I Jönköpings län (S); 5 partners VALPOMAR: (Communauté Urbaine de Brest (F); 7 partners) VINEST: Comunità Montana Marghine-Planargia-Macomer (I); 6 partners)</p>
<p style="text-align: center;"><u>Public administrations/ networking of local authorities:</u></p> <p>COMMISSION DES VILLES: CEMR ; 39 partners ERNACT: Donegal (IRL) and Derry (UK); 6 partners EURISLES: CRPM ; 9 partners EURO CITIES: CEMR ; 36 partners EUROPEAN URBAN OBSERVATORY: Barcelona (E); 9 partners QUARTIES EN CRISE: LSA ; 33 partners RESIGMUR: Zamora (E); 5 partners SCIENTIFIC CENTRES: Midi Pyrénées (F); 5 partners STRATEGIC PLANNING FOR MEDIUM SIZED CITIES: CEMR ; 8 partners</p>	<p style="text-align: center;"><u>Innovation in SMEs:</u></p> <p>ARIST EUROPE: Chambre Régionale de Commerce et Industrie Pays de la Loire (F); 6 partners EURO CERAM: Wallonie (B); 7 partners EUROTECHWEB: North West Regional Technology Web Ltd (UK); 7 partners FINESTRA: Europrogetti &Finanza (I); 7 partners INNOREGIO: Aristotle University/Thessaloniki (GR); 6 partners MUNDIEMPRESA: Diputación Provincial de Huelva (E); 6 partners NETWIN: Ass. Pour le développement et l'innovation et de la technologie / Nord-Pas-de-Calais (F); 6 partners OBSERVA: Società per l'imprenditorialità giovanile/Basilicate (I); 4 partners TECHNOFOCUS: CEIN S.A. (E); 6 partners TRANSTECH: Université de Valenciennes et du Hainaut (F); 4 partners</p>
<p>ACRCI = Assemblée des Chambres Francaises de Commerce et d'Industries (F) CEDRE = European Centre for Regional Development CEMR = Council of European Municipalities and Regions CRPM = Conference of Peripheral Maritime Regions CRSEA = Conférences des Régions du Sud Europe LSA = Landelijk Samenwerkingsverband Achterstandsgebieden (NL) UITP = Union Internationale des Transports Publics</p>	

Table 13 (continuing): RECITE-networks with project leader and number of partners involved	
Funded under RECITE I (1990-1997)	Funded under RECITE II (1997-2001)
<p style="text-align: center;"><u>Support for SMEs:</u></p> <p>CHAMBERS OF COMMERCE AND INDUSTRY: ACFCI ; 20 partners ECONOMIC COOPERATION: Andaluca (E); 4 partners EUROGATEWAY: Glasgow (IRL); 3 partners EUROSYNET: Cork (IRL); 5 partners FINATLANTIC: Aquitaine (F); 5 partners TECHNOLOGY TRANSFER: Lower Saxony (D); 6 partners)</p>	<p style="text-align: center;"><u>Internationalisation of SMEs:</u></p> <p>CIRCLE: Camera e Comercio e Industria de Zaragoza (E); 7 partners EL DUENDE: Provincie Noord-Holland (NL); 6 partners EUCLIDE: Chambre de Commerce et Industrie Lyon (F); 4 partners EUROPROJETS: Promotech CEI (F); 6 partners EUROSYN: Weiz (A); 4 partners IDC MEDICI: (Institut Européen d'Art Campanaire (F); 6 partners IDEA: Comité Départemental de Développement Economique Haute Garonne (F); 7 partners LOREDEMO: Tjörns kommun (S); 4 partners MILENIUM: Eixo Atlantica do Noroeste Peninsular (E); 5 partners REGIO-LINK: Commissao de Coordenacao/ Regiao Norte (P); 5 partners SLAVATORE: Industrie- und Handelskammer Potsdam (D); 4 partners STALIT: Technopole Bruxelles (B); 4 partners</p>
<p style="text-align: center;"><u>Environment and Energy:</u></p> <p>ECOWAT: Tenerife (E); 8 partners ENVIRONET: Horsens (DK); 5 partners HYDRE: CRPM ; 5 partners REBUILD: Corfu (GR); 7 partners ROCNOORD: Crete (GR); 2 partners)</p>	<p style="text-align: center;"><u>Environment and energy:</u></p> <p>DEAFIN: Länsstyrelsen Västernorrlands Län (S) ; 3 partners ECOSERT: Prefecture de Magnesia (GR); 4 partners EMASSER: Malmö Stad (S); 4 partners ERNIE: Scottish Borders Enterprise (UK); 7 partners LSDN: Stadt Dormagen (D); 5 partners FIVE GREEN ISLANDS: Local Union of Municipalities and Communities of Kefalonia and Ithaka (GR); 5 partners TRAINING SUSTAINABILITY: Provincia Autonoma di Trento (I) ; 3 partners</p>
<p style="text-align: center;"><u>Transport:</u></p> <p>ATLANTIC REGIONS: CRPM ; 15 partners POLIS: CEMR ; 17 partners PUBLIC TRANSPORT COORDINATION: UITP; 15 partners SEALINK: (Patras ; 4 partners) TRANSPORT IN THE MEDITERRANEAN: (CEDRE; 10 partners)</p>	<p style="text-align: center;"><u>Equal opportunities:</u></p> <p>ADONAT: Viladecans (E); 5 partners EER: Jennersdorf (A); 3 partners ENREC: BIC Puglia Sprind SpA (I); 7 partners N.C.E: Provincia di Lecco (I); 3 partners REACT: London Borough of Brent (UK); 3 partners)</p>
<p>ACRCI = Assemblée des Chambres Françaises de Commerce et d'Industries (F) CEDRE = European Centre for Regional Development CEMR = Council of European Municipalities and Regions CRPM = Conference of Peripheral Maritime Regions CRSEA = Conférences des Régions du Sud Europe LSA = Landelijk Samenwerkingsverband Achterstandsgebieden (NL) UITP = Union Internationale des Transports Publics</p>	

Based upon this information, it is expected that a typical co-operation structure adopted for the second generation of RECITE-projects will at least consist of the following elements:

- A Steering Committee made up of representative members from each main partner area or by their respective associated partners. It is the principal forum for discussions necessary before expenditure can be confirmed and actions can be undertaken.
- A Regional Steering Committee in order to involve local associated partners in the activities undertaken.
- Working Groups that can organise themselves in the most appropriate ways around the activities.

The “RECITE II-Guide” also insisted that the organisational feasibility of the project requires smooth functioning of formal decision making structures and work organisation. Therefore, projects were asked to define more in detail the role of individual partners in the above mentioned “management model”.

After a call for proposal by the Commission¹³⁷ in 1996, a total of 15 innovative or demonstrative pilot projects **were selected for the TERRA-programme (See: Table 14)**.¹³⁸ TERRA project-networks involve 63 formal participating partners in 11 Member States, which are dominantly local and regional authorities. They come from not necessarily contiguous areas scattered from North to South of the European territory, which share specific features that make them especially vulnerable or offer greater challenges for the development of an integrated territorial strategy (e.g. rural areas, mountain areas, river basins, coastal areas etc.). The TERRA programme was conceived as a laboratory for testing new approaches to and methodologies for spatial planning.

The exercise mainly focused on consultation, consensus- and partnership building (administrative co-operation; public-private partnership) at different levels in order to achieve the objective of sustainable local and regional development. In this, TERRA network projects have a strong structural resemblance with projects adopted for RECITE II:

- TERRA projects deliberately adopted “inter-regional” networking as a tool to make local and regional authorities more outward looking, to disseminate best practices and to exchange experiences, information and methods of dealing with commonly shared problems. The majority of projects were set up and managed by technicians with varying degrees of political support. The inter-regional partnerships within TERRA were based around a leader responsible for financial co-ordination, project programming and technical expertise. The leader often chaired the projects’ Steering Committees that served both as a tool for management, but also for consolidating the unit and providing a forum for information exchange.
- Another prime objective was to build a viable “local partnership”, which joins other local interests and actors in the promotion of a local territorial vision. At the regional and local level, projects and partners adopted different approaches to creating appropriate partnerships. As a result, co-operative groupings that emerged were not uniform in character, but were built on specific objectives. Some projects demonstrate a very high commitment to further developing an already existing framework into a structure for joint decision-making.

¹³⁷ OJ No. C 119 of 24.4.1996: “Programme TERRA: Networks of local regional authorities to carry out innovative and /or demonstrative pilot projects on spatial planning in specific areas under Article 10 of the ERDF Regulation. Call for proposals.”

¹³⁸ **European Commission, DG REGIO:** Terra: An experimental laboratory in spatial planning, Luxembourg 2000. **ESDP-Forum, Brussels (February 1999):** Synthesis Report: The TERRA-programme.

One important result of the collective efforts of TERRA project-networks was the emergence of new approaches to governance. They helped extending the notion of public participation into new territories through widespread consultation of the population on planning issues close to their everyday life. Beyond these yet not “measurable” products, the programme also generated other intangible benefits (e.g. capacity building) and resulted in more concrete outputs such as the creation of institutions or functional networks, the production of studies, the establishment of data-bases and the development of models or methodologies that will serve as the basis for future activities. But TERRA also highlights the difficulty of networking different planning cultures and administrative competencies. Network-projects also demonstrate how complex is to promote a multi-sectoral approach to problems among social and administrative entities, which are likewise subject to “division of labour” and functional specialisation.

Table 14:
Projects adopted in the framework of the TERRA-programme

Project name and Project Leader	Other partners (countries only)	Content of project	EU-Budget in MEURO
GROODSTAD Lille (F)	B, B, B, B	Elaboration of a cross-border spatial and regional development concept for the french-belgium capitals	1,042
SDTP Tees Valley (UK)	S, FIN, E, one observer (Norway)	Sustainable Development Through Planning	0,76
COASTLINK Anas (E-P)	DK, UK,UK,UK, UK, GR	The European Network for Sustainable Coasts	1,63
EUROGISE Stirling (UK)	IRL, FIN, EL, UK, NL	Using Geographic Information Systems for Spatial Planning in European Regional Development	1,85
SRUNA Dublin (IRL)	IRL, IRL, IRL, IRL IRL; IRL, IRL, S	The sustainable Recreational Use of Natural Assets	1,19
V.EV Midi Pyrénées (F)	F, F, UK, S, B, I	Canals	1,5
ALBA-TER/AVE Manlleu (E)	P	Flood mitigation	0,7
POSIDONIA Napoli (I)	GR, I, I, I, I, E	Territorial co-ordination of coastal zone management and of systems for ports	2,83
GEOPLANTOUR Ducherow/ Bugewitz (D)	GR	Spatial planning in peripheral areas	1,07
LORE Ikaria (GR)	GR, GR, I, I	Local and Regional Planning Observatory Network	1,14
TERRA CZM Kavala (GR)	B, P, two observers (IRL and NL)	Integrated Coastal Zone Management Planning and Sustainable Development in Coastal Zones	1,14
DIAS Crete (GR)	E, I	Natural and Cultural Heritage	1,98
TERRA INCOGNITA Alghero (I)	E,E,E,E	Cultural Heritage	1,16
CONCERCOST Red de ciudades east coast Valencia (E)	F, P	Integrated coastal zone management and sustainable development	1,06
DUERO-DOURO Ass. de municipios del Duero (E)	P	Flood mitigation	0,98

*Inter-territorial project-networks established between
local and regional actors from the European Union and Third Countries*

Inter-territorial project-networks between territorial authorities and other local or regional actors from the European Union and Third Countries, and especially with those from Central and Eastern European Countries (CEECs), have been supported by a plethora of EU-programmes or smaller initiatives. The most significant programmes have been ECOS-OUVERTURE I and II, the PHARE-Baltic Project Facility (BPF) and the TACIS-CBC Small Project Facility (SPF).

Since 1990/91, **ECOS-OUVERTURE**¹³⁹ has supported 340 co-operation projects.¹⁴⁰ According to a detailed assessment for the 1991-1996 period, co-operation is characterised by the following elements:

- A total of 1,400 actors participated in these projects of which the majority came from the EU (918 partners), while the rest came from eligible Third countries (482 partners).
- EU-participation is largely determined by existing cultural, historical and geographical links, the size of the country and the date of entry in the programme as eligible country (i.e. late entry of Austria, Sweden and Finland following the recent EU enlargement). Organisations coming from Greece, Germany or the United Kingdom account for the highest participation rates (12%-14%), followed by those from Spain, Italy and France (each 10%). A large majority of EU partners came from Objective 1 regions (48%)
- Third country participation concentrates on CEECs (85 %) and to a lesser degree on NIS (11%) or Mediterranean countries (4%). CEEC-participation shows the highest participation rates for those who participated in the programme since 1991: Poland (18%), Hungary and the Czech Republic (13%). Others like Bulgaria, Rumania or Slovakia who joined more recently had a significantly lower degree (about 9% each). NIS-participants mainly come from Russia and Ukraine, with limited participation from the two other eligible countries, i.e. Belarus and Moldova. Mediterranean participation shows a strong involvement of actors from Cyprus, Morocco, Lebanon and Tunisia.
- Project co-ordination was mainly assured by EU-actors coming from the United Kingdom (15%), followed by those from Greece and Germany (13%), Italy and France (10%). Partners from CEECs were only allowed to co-ordinate projects since 1994, but already co-ordinate about 24% of the projects in 1996.
- An average of 42 % of the projects concentrated on local economic development (support for SMEs, tourism etc.), 25% on urban and regional services & policies, 24% on environment and energy and finally about 9% on local and regional democracy.
- The life-time of projects increased from 1 year to 2 years, while the average project budget was rather small in the beginning (1991-1995: less than 150.000 EURO), but drastically increase since 1996 (400.000 EURO).

A quantitative assessment of **PHARE-BPF and TACIS-CBC-SPF**¹⁴¹ reveals some basic information about network-co-operation projects established between local and regional authorities from the EU and in Baltic States, the Baltic part of Poland as well as in the western part of the NIS (North-western Russia, Belarus, Ukraine, Moldova).

¹³⁹ **Europäische Kommission (Gemeinsamer Dienst für die Verwaltung der Hilfe der Gemeinschaft in Drittländern / DG Regionalpolitik und Kohäsion):** Externe Interregionale Zusammenarbeit. Success Stories 1991-1999 (Ausgabe 3). Paris / Glasgow / Brüssel, 1999.

¹⁴⁰ 137 projects in the first phase of the programme (1991-1993), 141 in the second phase (1994/1995) and 62 in the third phase since 1996.

¹⁴¹ Source: Homepage of Swedish Association of Local Authorities : www.svekom.se/cbcpf/intro.htm

- According to the projects finally approved for the three components of the **PHARE-BPF** (Baltic Small Project Facility; PHARE/INTERREG, Micro-Projects), the main spheres of co-operation show a domination of the themes “urban and regional services and policies” (35%) and “environment and energy” (31%). The majority of BPF-projects are led by local/regional authorities from Estonia, while the number of projects led by applicants from Poland, Lithuania and Latvia tends to become more balanced.
- According to the 62 projects finally approved for **TACIS-CBC-SPF** (Small Project Facility, Micro Project Facility), main spheres of co-operation were “local economic development” (22 projects) and “environment and energy” (13 projects). The vast majority of approved projects are from Russia (and dominantly led by a Russian/Finnish partnership), however the number of project applications from Belarus, Moldova and Ukraine is increasing.

6.3. Strategic co-operation between two or a greater number of territorial authorities

In opposition to project-based “one off” co-operation, **strategic co-operation between two or a greater number of local and regional authorities** normally takes place in a timely undetermined or long-term orientated framework. It is frequently based on written agreements concluded between the partners that can take the form of a “town-twinning agreement”, a “memorandum”, an “exchange of letters”, a “co-operation protocol” or a “declaration of intent”. Strategic co-operation schemes normally implement a greater number of joint actions (projects), which can be undertaken in a broad range of thematical fields previously agreed by the partners (pluri-thematic co-operation) or concentrate on one issue of common interest (single issue co-operation).

A plethora of **different structural solutions** has been chosen in practice to organise and to manage strategic inter-territorial co-operations. According to the number and type of partners involved, one can generally distinguish between **three groups**: (1) **Bilateral town-twinning**, (2) **bilateral partnerships between first level regions** and (3) **trilateral or multilateral co-operation networks**. Between these groups, **there are differences with regard to the degree of internal organisation for managing the co-operation**. In the framework of bilateral co-operation schemes, partners normally tend to establish a less formal organisational framework between each other. Partners of trilateral or multilateral co-operation networks frequently work together in the framework of more formal joint ad-hoc structures or even create new legal entities.

Strategic co-operation in the framework of bilateral town-twinning agreements

The road to **bilateral town-twinning**¹⁴² normally begins with the selection of a partner and moves on through first contacts and exploratory visits. At a later stage, specific twinning agreements are normally concluded between second or third layer authorities of territorial government. These agreements are formal contractual engagements between local authorities and some of them already identify a certain number of practical co-operation issues of common interest (culture, sport or education), which can help achieving the overall objectives. At date, the geographic distribution of bilateral town-twinning still is uneven and the intensity of co-operation strongly differs from one country to another.

¹⁴² **European Commission:** A Europe of Town and Cities. The town-twinning concept (Various editions). **Committee of the Regions:** Opinion on cross-border and transnational co-operation between local authorities (CdR 145/98 fin).

As of 1995, more than 7.000 town-twinings have been established between municipalities or bigger towns of the 15 EU-Member States.¹⁴³ About 80% of local authorities involved in twinning schemes are small towns or municipalities (less than 30.000 inhabitants). In 1995, the highest number of twinings established per country can be observed in France (2.837) and Germany (2.485). If the number of town-twinings established per country is put in relation to the total figure of local authorities existing in the respective Member State, one can however observe that countries such as Sweden (93%), Denmark (84%), Finland (81%) and the Netherlands (59%) are the most active in twinning. At the bottom line of activity, one can generally find the Mediterranean cohesion countries Greece (2%), Portugal (3%) and Spain (5%).

Bilateral town twinings can also play an important role in the EU-enlargement process: As of 1997, a total of 2.581 twinning arrangements between EU-Members State and Central and Eastern European Countries (CEEC) qualified for EU-aid. The reinforced town-twinning projects that have developed during the 1990ies between many municipalities in northern Europe (including Sweden, Finland, Denmark) and municipalities in the Baltic Sea Region and Poland show how these schemes can be developed into an important tool for increasing skills in the CEEC's. Town twinings have provided both large-scale transfers of know-how and support in the development of a democratic local level in those countries.¹⁴⁴

Some critical aspects should however be mentioned: Frequently, co-operation operates at the lowest common denominator and activities foreseen in twinning arrangements are not "planned" on a long term basis. Furthermore, town twinings do not embrace a cross-section of projects and there is often a lack of consensus on their real added value. In this respect one should however mention that "traditional" town-twinning schemes can generate important added value in various ways:

- They foster understanding by the public of measures taken by local authorities to promote international co-operation.
- They help to acquire necessary skills such as foreign languages and experience in negotiating with representatives from other countries.
- They generate trust between local authorities in different countries, which is vital for the launch of more expensive projects.

The latter aspect is also confirmed by an internal evaluation of DG XVI's "Exchange of Experience Programme" (EEP) published in 1993: Bilateral town-twinings were often important precursors for and initial steps towards project-based networking between local authorities. In fact, half of the participants in the EEP-programme have "fallen back" on some of their twinning relationships in order to identify their co-operation partners.¹⁴⁵ Many town twinning schemes have now begun to expand their previously successful activities (especially in culture, sports, youth exchanges) and add on new links or other fields of action. Such "reinforced town-twinings" are a halfway house between traditional town-twinning activities and more extensive co-operation in the framework of inter-territorial networks.

¹⁴³ In 1997, about 7.621 town twinings did exist in EU15.

¹⁴⁴ **Committee of the Regions:** Opinion on cross-border and transnational co-operation between local authorities (CdR 145/98 fin).

¹⁴⁵ **European Commission (Directorate General XII), Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995):** Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal.

Strategic co-operation in the framework of bilateral regional partnership agreements

It is nearly impossible to list all **bilateral co-operation agreements that have been concluded in recent years between first level regions of the European Union**, or even between them and first level regions coming from other European countries. Based on the results of several larger studies¹⁴⁶, one can draw up a non-exhaustive list of existing co-operation agreements concluded in the EU (**See: Table 15**), briefly summarise common features and give an overview on the country-wide situation of regional involvement in “bilateral co-operation” for some Member States such as Germany, France or Italy.

Many bilateral co-operation agreements concluded between EU-regions emerge on the ground of personal initiatives taken by high ranking regional representatives (Hessen/Aquitaine), while others build on previous contacts established between regions in the framework of larger European associations such as ARE or CRPM (e.g. Wallonie/Midi-Pyrénées ; Aquitaine/Andalucia). A clear strategic approach in the selection process of the future partner-region seems however to be the exception. It can be observed that regions very often do not proceeded to an “ex-ante evaluation” of their future partner, which may partly be a result of the fact that they are not able to precisely state “their own” strategic preferences.

The large majority of agreements concluded between EU-regions are general framework agreements promoting co-operation in a broad range of fields, although some agreements exist that focus on a specific field of co-operation. Frequent issues covered are, for example, contacts between administrations and political institutions, economic development, social and labour policy, youth policy, education and science, co-operation between sub-regional authorities etc.. Many agreements also aim at stimulating the active involvement of various other actors coming from the semi-public (universities, research/training centres) or private sector (industry associations, chambers of commerce etc.). Nevertheless, both variants seem to have a parallel objective of creating links between regions favouring joint applications to EU-programmes.

In **Germany**, the Länder have set up bilateral inter-regional co-operations only since the end of the 1980ies. An exception to this are the highly active Länder of Bayern and Baden-Württemberg, who can be considered “precursors” in this field. The quantity of co-operations established is however the only indicator available, as a qualitative evaluation of these co-operation still lack. The most popular partner areas are located in the preferred “holiday destinations” of the Germans (Italy, France, Spain), whereas inter-regional co-operations still lack in the case of Belgium, Denmark, Greece or Ireland. With regard to the “diplomatic choice” of partner regions, strict singularity¹⁴⁷ prevails. These “diplomatic reasons” explain several other features that characterise bilateral inter-regional co-operation in Germany: They explain to a certain extent the lack of bilateral inter-regional co-operations with regions in Belgium or Denmark, as they co-operate on a cross-border basis with the German Länder Nordrhein-Westfalen and Rheinland-Pfalz (German speaking Community, Région Wallonne and Flamish Region). They also explain the limited engagement of German Länder in multilateral agreements, as many interesting regions in other European countries have already established partnerships throughout the continent.

¹⁴⁶ **Eißel, D./Grasse, A./Paeschke, B./Sänger, R.:** Interregionale Zusammenarbeit in der EU. Analysen zur Partnerschaft zwischen Hessen, der Emilia-Romagna und der Aquitaine. Opladen, 1999. **European Commission (Directorate General XII), Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995):** Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal.

¹⁴⁷ A German Land establishes a partnership only with one region of a given EU-Member State. An exception to this is the Spanish Region Valencia, which has two German partner-regions.

In the case of **Italy**, the region Emilia-Romagna has established the broadest range of formal inter-regional co-operation agreements and therefore has a leading position in the national context. However, a number of other Italian regions have established formal co-operations at an earlier stage (Lombardia, Toscana, Veneto, Autonomous Provinces of Trentino and Südtirol). On a countrywide level, the intensity of co-operation strongly differs between the North (strong) and the South (weak). Within **France**, international co-operation activities of the Aquitaine region can be considered one of the most active. Especially its web of bilateral co-operations with other first-level regions that are based on written agreements must be considered rather unique.

Table 15:
Examples for bilateral co-operations agreements concluded
between regions in Europe

First level region	Partner Region	Date
Baden-Württemberg (D)	Rhône-Alpes (F)	June 1986
Baden-Württemberg (D)	Lombardia (I)	May 1988
Baden-Württemberg (D)	Catalunya (E)	November 1988
Baden-Württemberg (D)	Wales (UK)	June 1990
Baden-Württemberg (D)	Centro (P)	-
Bayern (D)	Veneto (I)	May 1978
Bayern (D)	Friuli-Venezia-Giulia (I)	October 1981
Bayern (D)	Autonomous Province Trentino (I)	July 1987
Bayern (D)	Autonomous Province Südtirol (I)	November 1994
Bayern (D)	Pais Vasco (E)	July 1994
Hessen (D)	Jaroslavl Oblast (RF)	October 1991
Niedersachsen (D)	Normandie (F)	Since 1985
Nordrhein-Westfalen (D)	Valencia (E)	July 1992
Rheinland-Pfalz (D)	Bourgogne (F)	Since 1962
Rheinland-Pfalz (D)	Valencia (E)	December 1992
Saarland (D)	Toscana (I)	-
Schleswig-Holstein (D)	Pays de la Loire (F)	Since 1992
Sachsen-Anhalt (D)	Plovdiv (BUL)	-
Thüringen (D)	Picardie (F)	March 1994
Thüringen (D)	Essex (UK)	July 1994
Emilia-Romagna (I)	Hessen (D)	July 1992
Emilia-Romagna (I)	Pays de la Loire (F)	December 1991
Emilia-Romagna (I)	Valencia (E)	March 1992
Lombardia (I)	Catalunya (E)	March 1988
Lombardia (I)	Rhône-Alpes (F)	April 1987 and September 1988
Val d'Aosta (I)	Communauté Française de Belgique (B)	February 1994
Région Wallonne (B)	Catalunya (E)	May 1994
Région Wallonne (B)	Midi-Pyrénées (F)	October 1989
Aquitaine (F)	Casilla y León (E)	1991
Aquitaine (F)	Centro (P)	1990
Aquitaine (F)	Norte (P)	1990
Aquitaine (F)	Andalucia (E)	October 1989
Aquitaine (F)	Madrid (E)	February 1990
Aquitaine (F)	Hessen (D)	November 1995
Rhône-Alpes (F)	Catalunya (E)	March 1988
Pais Vasco (E)	Flamish Region (B)	-

Generally speaking, bilateral “inter-regional” partnerships tend towards establishing less formal structures and therefore generate relatively limited organisational costs. Practically all agreements set-up a joint secretariat to manage and promote co-operation projects. In some cases, a leading region normally plays the “motor” of co-operation through providing secretariat functions and thus acting as a hub for information exchange. Individual co-operation activities organised under the agreements are very frequently managed by external affairs or economic development departments of the regional administration involved. In addition, most of these bilateral co-operation schemes foresee that members come together at least once or even several times a year.

***Strategic co-operation in the framework of multilateral networks
set up between territorial authorities and other local or regional actors***¹⁴⁸

Multilateral strategic networks set up between territorial authorities can promote co-operation and implement projects **in a broader range of general themes (pluri-thematic networks)**, or concentrate on a more specific issue and related sub-themes of common interest (**single issue networks**) such as environment, information society, communication technologies or telematics. Local and regional actors involved in such strategic co-operation networks are normally not bound by direct neighbouring links. In some cases however, one can observe that strategic inter-territorial networks group partners coming from larger “contiguous” transnational areas.

The following paragraphs describe some **long-standing or other more recently established networks** that belong to both categories (See: Table 16). The aim is to highlight their main objectives and to identify basic structural features that shall allow for a short summary-characterisation of network co-operation at the end of this section.

Table 16: Examples for strategic co-operation networks set up between local and regional authorities	
Co-operation feature	Examples
Pluri-thematic networks	<ul style="list-style-type: none"> • Four Motors for Europe (1988) • Alliance of Maritime Regional Interests in Europe, AMRIE (1993) • Maritime City Network (1998) • Channel Arc (1996) • Quartiers en Crise, QeC (1989)
Single issue networks	<ul style="list-style-type: none"> • POLIS-Network (1989) • Car Free Cities Network (1994) • European Textile Network, ETN (1996) • Telecities Network (1993) • Arc Méditerranéen des Technologies, AMT (1990) • European Regions Network for the Application of Communications Technology, ERNACT (1990) • TeleRegions Network (1996) • European Digital Cities Network, EDCN. • European Regional Information Society Association, ERISA

¹⁴⁸ **European Commission (Directorate General XII), Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995):** Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal. **Committee of the Regions:** Opinion on cross-border and transnational co-operation between local authorities (CdR 145/98 fin). **European Parliament, Directorate General for Research (PE 166.402, 1996):** Cross-border and inter-regional co-operation in the European Union. Regional Policy Series W-19. www.municipia.org/int/links/issues/networks.htm (Information contained in the WEB-Site).

Based on a number of bilateral co-operation agreements signed between Baden-Württemberg (D), Rhône-Alpes (F), Lomardia (I) and Catalunya (E) during 1986 and 1988, the strategic co-operation network **“Four Motors for Europe”** was set up in 1988. Despite the fact that all partner regions were already members of existing large scale cross-border co-operation schemes (Working Communities), the initial steps towards setting-up an inter-regional network were mainly a result of the strong political will of the four regional presidents. The initial political ambition was to help the regions participating fully in the European integration process and to illustrate the link between inter-regional co-operation and the concept of the Europe of the regions. In more concrete terms, the objectives are the improvement of communications and telecommunications infrastructures, transfers and exchanges in the field of R&D, technical co-operation with economically weak regions and co-operation in the field of culture and arts. Subsequently, co-operation has been extended on an ad-hoc basis to fields such as environment, social policy or tourism.

The “Four-Motors” co-operation has no legal status and is solely based on a memorandum signed by the four regional presidents. The network is organised on the basis of ad-hoc meetings without formalised structure. Co-operation between the four regions takes place in the framework of the following structures:

- Presidents’ Conference: Meetings with the presidents are held once a year to chart activities, approve the work programme and to adopt a common policy on areas of common interest. The presidency is “rotating” every year.
- Permanent working groups: Composed of high-level officials, they meet at least once a year and are directly responsible to the presidents. These groups discuss in detail the political guidelines issued at the meetings of the Presidents’ Conference. They also supervise, monitor and evaluate the work programme. .
- Sectoral Working Group: There is a number of working groups that are chaired and managed by the different partner regions.

Activities are essentially planned, financed and managed by the regions themselves. Actions implemented concentrate on conferences and seminars (culture, R&D, social affairs), exchanges and meetings between administrations or universities or the development of joint projects. Given their high degree of economic development, the “Four Motors” do not receive substantial support from EU-Structural Funds programmes, although the partner-regions sometimes participated in other sectoral European programmes such as LEADER, SPRINT (R&D), KAROLUS or LIFE. A more recent example is the “TeleRegions SiteUserNetwork(SUN)”-project, which started in 1996 and was co-financed during 18 month by the Telematics Applications Programme of the European Commission (DG XIII). Based on previous work carried out in the 4 Motors network, the project also includes two other regions (Oberösterreich, North of England) and 60 other contractual partners from all sectors. The overall aim is to create a regional and transnational model for the identification of regional development needs and integrated investment programmes in the field of telematics.¹⁴⁹

Despite its early and innovatory approach, the co-operation network had to struggle with a number of initial problems and went through different phases:¹⁵⁰

- At the very beginning, central state authorities observed the initiative with some reserves. Fundamental conflicts however only appeared in Italy where national authorities menaced

¹⁴⁹ Source: www.municipia.at/fallstudien/sp2/o_Name/f0000042.html

¹⁵⁰ Raich, S.: Grenzüberschreitende und inter-regionale Zusammenarbeit in einem Europa der Regionen. Baden-Baden, 1995. **Deutsch-Französisches Institut (DFI)**: Ergebnisse des Kolloquiums im Rahmen der interregionalen Kooperation „4 Motoren für Europa“ zum Thema Regionale Identität, Nationalstaat und Europa (www.dfi.de/4motoren.htm).

Lombardy to appeal the Supreme Court regarding the region's "private foreign policy". Since, the co-operation is accepted by national authorities and co-operation partners inform national governments about their planned projects.

- By mid of the 1990ies, bilateral co-operation between the regions was still the dominant and preferred pattern of co-operation within the network and multilateral co-operation was frequently considered unsatisfactory. Several projects were started bilaterally and extended only at a later stage to other partners of the network. Some large-scale projects planned at political level were not realised, partially due to a lack of competencies or a lack of concrete will of individual partners. The network was also considered a political-administrative "top-down" co-operation lacking a real contribution to the realisation of the Citizen's Europe.
- After more than 10 years of existence, the network progressively enters in a phase: Observers agree that the network reached its objective to strengthen contacts, exchanges mutual learning processes and solidarity between the participating regions. Even major political tensions¹⁵¹ were not able to question the stability of the co-operation. The initially dominant "top-down" co-operation determined by regional executives tends to change towards a "bottom-up" co-operation that is characterised by a stronger involvement of actors coming from the civil society. In fact, private actors have become important pillars of this co-operation and even developed own networking-capacities. Despite this solid fundament, one can however observe that "competition between regions" has recently become more important.

The **Alliance of Maritime Regional Interests in Europe (AMRIE)**¹⁵² was founded in 1993 as an initiative of several Members of the European Parliament. AMRIE is an association based on Belgium law and aims at providing all maritime regional interests in Europe with a co-ordinated and effective political voice to achieve an "Integrated Maritime Strategy" at European level.¹⁵³ Accordingly, the main sectors of work are maritime transport and safety at sea, maritime industries and shipping quality, education and training, marine environmental care, the maritime information society, research and development and spatial planning. Its means of action are the influencing and shaping of the EU-policy making process, networking between AMRIE-members and other organisations to launch common projects as well as communication and information. AMRIE currently has 56 members from a broad range of different spheres, such as territorial authorities (regional governments, local authorities, towns and cities), semi-public or private actors (development agencies, ports, research institutes universities, companies) and associations from the maritime sector (Chambers of Commerce, Trade Unions).

Its organisational structure consists of a "General Assembly" that elects a "Steering Group", which itself consists of senior political representatives or representatives of the maritime business and Members of the European Parliament. In addition, AMRIE has created five "Specialist Working Groups" and set up a main Secretariat in Brussels as well as two regional offices (Genoa, Newcastle) and a liaison office in Turku (SF). Since its foundation, AMRIE has proved to be successful in initiating a broad range of new actions and projects: At the very beginning in 1994/1995, MARIS was initiated as an international G7 project for the global information society and has since been promoted further by AMRIE (sub-projects FEMAR and MARTOUR, concerned with education and training or maritime tourism ; the creation of

¹⁵¹ Caused by the participation of the French „Front National“ in the power play of Rhône-Alpes region.

¹⁵² Information contained in the Web-Site www.amrie.org

¹⁵³ AMRIE-General Assembly in Nantes, 1995: Adoption of the document "Outline mission and aims of an European Maritime Regional Policy".

regional MARIS centres) and a study was commissioned on the role of SME's in the maritime sector.¹⁵⁴ More recently, the AMRIE Secretariat was involved in several EU-funded projects in the field of training (ECOPORT II and MARSK3, Leonardo da Vinci Programme) or thematic project networks supported by the Commission's DGs responsible for Transport and Energy (METNET, ADVANCES), the information society (MISTIC) or research (ETISMAR). In addition, two EU-funded projects have been launched in the field of sustainable growth – land transport and maritime technologies (TOHPIC, SEAM).

The **Quartiers en Crise-network (QeC)**¹⁵⁵ was initially set up in 1989 by the French Central State Agency DIV (Délégation Interministerielle à la Ville) as an EEP-funded project-network. Subsequently, it has operated as a project-network funded by RECITE-I and since 1994 as a project funded under the HORIZON Community Initiative. Originally managed by the Dutch organisation “Landelijk Samenwerkingsverband Achterstandsgebieden”, QeC is now a Brussels-based non-profit making association representing today more than 30 larger or smaller cities. In addition to an Administrative and Executive Board made up of representatives of elected bodies, the network has established a Scientific Committee (composed of independent experts) and a Co-ordination Committee (composed of member representatives). The overall aim is to promote conceptual and organisational approaches that help tackling problems related to urban renewal and social re-integration on a base of sustainability and partnership. The network is currently engaged in several actions that are co-finance by Community programmes (LIA, URBANA, Local partnerships for Urban development in areas of industrial decline).

The **Channel Arc-network**¹⁵⁶ goes back on an initial co-operation between French regions in 1993 and was extended in 1996 to British counties. This strategic co-operation now covers 10 regions bordering the Channel¹⁵⁷ and has no formal legal basis, as it is solely grounded on a “letter of intent” signed by representatives of the regional authorities involved. The process of setting up the network was facilitated by previously existing bi-lateral links between regions or co-operation in Community programmes such as INTERREG I and II, LIFE or SOCRATES. The prime concerns of the Channel Arc are maritime issues relating to the Channel itself. According to its own self-definition, Arc Manche should be viewed in the context of the developing co-operation on territorial planning in Europe with the aim of promoting European trans-border co-operation. In this framework, the Counties and regional councils of the Arc are committed to represent the interests of the Channel Area, to successfully implement the work programme and to promote its recognition at a European level. Furthermore, Members of the European Parliament in the Channel Arc area have agreed to meet annually in order to discuss issues specific to the Arc and to represent the interests of the grouping with the relevant authorities.

¹⁵⁴ **Stumm, Th. / Seidel, K.:** The role and significance of Small and Medium Sized Enterprises in the Maritime Sector. Bremer Schriften zu Betriebstechnik und Arbeitswissenschaft, Band 12. Mainz, 1997.

¹⁵⁵ **Bundesland Berlin (Senatsverwaltung für Arbeit, Berufliche Bildung und Frauen):** Europäische Städtepolitik. Sachstandsvermerk, Juli 1998 (Source: www.eurocities.org/library/eurocit/berlin.htm). **European Commission (Directorate General for Regional Policies of the European Communities / RECITE Office):** RECITE. Review of Inter-regional Co-operation. Achievements under RECITE I. Recite Office evaluation report (January 1997).

¹⁵⁶ **Web Site Arc Manche:** www.arcmanche.com/aboutdevelop.html ; **European Parliament, Directorate General for Research (PE 166.402, 1996):** Cross-border and inter-regional co-operation in the European Union. Regional Policy Series W-19.

¹⁵⁷ On the French side the regions Brittany, Lower Normandy, Upper Normandy, Picardy, Nord-Pas-de-Calais. On UK-side the counties of Dorset, Hampshire, West Sussex, East Sussex, Kent, Isle of White. The counties Cornwall, Essex and Devon have observer status.

The main structures of the Channel Arc are the “Executive Committee” (composed by the executive leaders of the ten regional authorities) and several “Technical Working Groups”¹⁵⁸, which are structured around the priority issues co-operation and responsible for developing the work of Arc Manche. The administration is managed by a “Co-ordinating Group of Officers”, meeting partly together bilaterally and partly separately on French and English sides. Currently the activities of Arc Manche are not funded by any explicit budget, each county or region self-finances its own contribution.

Priority fields of co-operation are spatial planning, infrastructure, environmental and coastal issues, fishing and economic development including tourism and employment. The use of own resources of member regions and work with national governments are seen important instruments for addressing these priority issues. The Channel Arc also seeks funding from the European Union when appropriate, primarily for specific projects developed by the Technical working Groups. Projects elaborated and implemented by the Channel Arc fall under two categories, short-term or long-term projects. Emphasis is placed on building on existing projects and initiatives, and working in partnership with expert organisations such as universities, businesses and Chambers of commerce.

- **Spatial Planning:** The work places an emphasis on the European Programme INTERREG IIC: The group will concentrate on defining the future role of the Channel Arc in the Centre Capitals Group and more generally in the context of the North West European Area. A “Transmanche Atlas” is currently produced and will contain data on spatial planning policies. It is seen a useful tool for comparative studies and identification of areas for joint work.
- **Transport and communication:** Specific projects are being developed and will initially concentrate on the use of multi-modal transport across the Channel with particular reference to the differentiation between freight and passengers.
- **Economic development:** the overall objective is to encourage economic co-operation between member regions and counties of the Arc. Two projects have been identified for business networking: One concentrates to guide small businesses to foreign markets and European funds, whereas the other deals with the establishment of a system of network brokers to assist SME's.

The **Maritime City Network**¹⁵⁹ is an initiative of the cities Bilbao, Bremen, Genoa and Southampton, who decided in December 1998 to establish a network for cities with international ports in Europe. This partnership builds on existing links and co-operation in other strategic single issue networks such as POLIS, the MARIS-network, TELECITIES, Città d’acqua etc. In addition, this network is also supported by another strategic network, the “Alliance of Maritime Regional Interests in Europe” AMRIE (see above). Since the foundation, major port cities such as Antwerp, Lisbon, Cadiz or Cherbourg joined the network or one of its co-operation projects. Furthermore, co-operative relations have been established between the network and other cities (Venice, Barcelona) or other similar networks (AMRIE, Città d’Aqua).

According to a “joint declaration” signed in December 1998, the network shall contribute to strengthen the competitiveness of maritime regions, to promote the common interest of port

¹⁵⁸ The Technical Working Groups initially meet individually on each side of the channel and prepare working documents for action by bilateral English-French group meetings. The Chairs of each Technical Group meet regularly with the Co-ordinating Group to ensure effective co-operation and avoid duplication.

¹⁵⁹ **Seidel, K./Warsewa, G.:** Zwischenbilanz der Beteiligung Bremens am „Maritime City Network“ (Universität Bremen/Bremer Perspektiven-Labor, Dezember 2000) ; Information contained in the WEB-Site www.maritime-city.net/news/joint_declaration.html

cities in Europe and to develop projects and submit bids for funding support under Community programmes (RECITE II, RAPHAEL, 5th R&D Framework Programme etc.). Close relations and co-operation between port cities or exchange of experiences are considered helpful solutions in order to tackle specific problems common to most European port cities. The network focuses on themes such as relations between ports and cities, urban development and spatial planning, urban regeneration of former industrial areas, urban transport, modernisation of port handling, infrastructure, superstructure and logistics, marine science, marine environmental care or leisure, tourism and culture.

Since the launch of the network, 5 project proposals receive Community funding (5th Community R&D programme, European Social Fund): REALISE (project supporting short sea shipping), ISPOS (Integrated ship-port information and management system), MARDIMUS (European digital maritime museum), URBAN CONFLICT MAPS (experimental project on “mapping” urban conflicts) and WATERFONT INTERNATIONAL NETWORK (project aiming at the revitalisation of led aside port areas). The benefit of participating in the network is summarised solely from a Bremen point of view as follows: The network actively contributes to the international marketing efforts of the city of Bremen and “generated” – via the participation in 5 network projects – external financial support of about 1,2 million EURO (only in the year 2000).

The **European Textile Network (ENT)**¹⁶⁰ has been initiated in December 1996 by six regions, cities and companies as a Cultural Foundation of the Euroregion for Textiles (since June 1997). ENT is based in Belgium and works under the auspices of the Assembly of European Regions (AER). The actions of the network take place in co-ordination with the textile regions, the Europe-based textile and clothing industry and cultural institutions. ENT-projects serve to achieve optimal mobilisation of cultural resources for the local textile sector and support the structural adjustment in areas with a declining labour situation for the production of textiles.

A field that is particularly characterised by the setting up of numerous thematical networks between local or regional authorities is R&D and the Information Society in general and telematics in particular.

- **ERISA (European Regional Information Society Association)** is a network that contributes a regional strategic view to the development of the Information Society. It has six working parties and 29 regional member groups across Europe.¹⁶¹
- The **POLIS-network**¹⁶² (Promoting Operational Links with Integrated Services) is a strategic single issue network that was initially launched in 1989 as one of the earliest ERDF-funded project-networks that was formally associated with CEMR. After the end of that project, POLIS has become independent and maintains close links with EURO CITIES. At date, POLIS-members are European cities, regions and regional organisations that are working together in the field of advanced telematics application, in order to solve their common transport and environmental problems. Particular emphasis is placed on aspects such as traffic management, energy, the environment and public information systems.
- The **Car Free Cities-network**¹⁶³ was launched in 1994 by DG Environment of the Commission in order to promote sustainable mobility. The network initially covered 37

¹⁶⁰ Information contained in the WEB-Site www.etn-net.org

¹⁶¹ Information contained in the WEB-Site www.cordis.lu/regions/network2.htm

¹⁶² Information contained in the WEB-Site www.municipia.org/int/links/issues/networks.htm

¹⁶³ Information contained in the WEB-Site www.municipia.org/int/links/issues/networks.htm

member cities and aims at actively encouraging the use of more environmental friendly modes of transport. The network partners committed themselves to develop, to exchange experience and to put into place techniques and management methods for the reduction of the transport volume in cities.

- **TELECITIES**¹⁶⁴ is an open network for concerted urban development through telematics. It was initiated in 1993 by the EUROCITIES Technological Committee as a working group for those European cities wishing to co-operate in developing the potential of telematics applications. The sub-network currently involves about 120 participants including small and medium sized cities. The objective is to promote appropriate telematics applications to support the regeneration of urban areas by developing more effective economic strategies, tackling unemployment, combating social exclusion and improving the standard of living in urban areas. The activities are a combination of networking activities, research and high-level strategic work, aiming at the definition of Information society initiatives and resulting policies of European cities. The network organises annual conferences, co-ordinates working group activities, supports members in developing EU-projects and provides information on EU-policy and Funding opportunities.
- The **European Digital Cities Network (EDCN)** was initiated by 3 of the above mentioned networks (POLIS, TELECITIES and CAR FREE CITIES), together with the European Association of Metropolitan Cities (EUROCITIES). This open co-operation network for concerted urban development aims at accelerating the development of cost-effective telematics solutions responding to a common definition of the “urban demand” for telematics services and applications.
- In 1990, the **ERNACT-network (European Regions Network for the Application of Communications Technology)** began life as a RECITE I project that constituted itself already at this stage as EEIG. Its aims were to pilot the application of IT at regional level. Currently, the network comprises seven European regional and local authorities with a combination of peripheral/central and rural/urban areas. The partners now co-operate at European level to jointly develop an inter-regional Information Society that adds value to the actions pursued locally by the individual members. A series of activities was carried out in fields such as distance working, environmental protection, networking studies, spatial planning and geographical information systems. By including other regions geographically adjacent to the first member areas and by giving an expanded role to its EEIG, the ERNACT network intends to move into a second phase during the coming years.¹⁶⁵
- The **TeleRegions Network (TRN)** is a co-operation established in 1996 with the aim to enhance regional opportunities in the Information Society. A group of active regions that includes the members of the ERNACT-network wants to use the possibilities of future telematics applications and services to develop their own regions. The network will stimulate and support these regional activities at European level to activate both, the strength of regional and local decision making processes to use the positive effects of telematics, and a common integration of these applications/services on an inter-regional European level in order to create market relevant products.¹⁶⁶

¹⁶⁴ **Bundesland Berlin (Senatsverwaltung für Arbeit, Berufliche Bildung und Frauen):** Europäische Städtepolitik. Sachstandsvermerk, Juli 1998 (Source: www.eurocities.org/library/eurocit/berlin.htm).

¹⁶⁵ Information contained in the WEB-Sites www.itpress.net/e/c-european_observatory.htm ; www.csu.edu.au/research/crsr/sai/ernact.htm and www.ernact.org

¹⁶⁶ Information contained in the WEB-Sites www.cordis.lu/regions/network2.htm and www.itpress.net/e/c-european_observatory.htm

With regard to the organisational framework adopted for the management of trilateral or multilateral strategic networks, one can at least identify three basic variants:

- Co-operation can take place on the ground of a formal agreement concluded between the partners, which provides for flexible ad-hoc structures such as regular working meetings between the partners or rotating presidency and secretariat (e.g. “Four Motors of Europe” ; “Channel Arc” ; “Maritime Cities Network”).
- Many co-operation networks have chosen other flexible ad-hoc solutions: Some networks operate in more or less close relation to established European associations (e.g. “ETN”, “TELECITIES”, “POLIS”), while others build on / pool capacities of already existing networks (e.g. “EDCN”, “TeleRegions”) or receive support from specific Community support programmes (e.g. “ERISA” “Car Free Cities-network”).
- Finally, network-co-operation can be implemented through a new distinct legal entity set up on the ground of national law or European law (e.g. a European Economic Interest Grouping, EEIG), which favours flexibility of the overall management of the co-operation and efficiency with regard to the management of individual projects implemented in this context (e.g. “AMRIE” ; “ERNACT” ; “Quartiers en Crise”).

7.) Transnational co-operation in the field of European spatial development and spatial planning

7.1. Motivations underlying the co-operation and activities dominantly carried out in practice

Transnational co-operation in the field of European spatial development and spatial planning generally aims at promoting a more integrated development of larger and contiguous geographical zones or “groupings of regions”, which cover at least 2 EU-Member States and/or neighbouring Third Countries. Co-operation is therefore dominantly multilateral and involves - at different degrees and in different stages - simultaneously public authorities from the national, regional and local levels, but also other public, semi-public or private actors.

The **initial factors that motivated the launching of transnational co-operation** are closely linked to the emergence of a wider policy-approach to European spatial development during the 1990ies.

- European-wide co-operation in the field of spatial planning was first launched in the framework of the Council of Europe and has led in 1983 – after long years of discussion in the framework of the “European Conference of Ministers responsible for Regional planning” (ECMRP-CEMAT) – to the adoption of the “European Regional/Spatial Planning Charter”. The Member States of the Council of Europe further deepened their co-operation during the 1990ies and decided to elaborate “Guiding Principles for sustainable spatial development of the European continent”. The elaboration phase started in 1997 and the document was adopted at the 12th CEMAT meeting in Hanover in September 2000.
- The effects of an increasing economic integration and interdependence between Member States and regions within the Single European Market, the external developments in Europe between 1989 and 1994 and the common challenges resulting from the globalisation of economy were some of the major framework conditions that contributed to consider spatial development a new policy imperative at EU-level. Based on a consensus amongst national governments not to create a new Community policy, it was

however decided to elaborate a “European Spatial Development Perspective” (ESDP) and to implement experimental actions with support provided by the Community. This broader process also led to the launching of Community support schemes for transnational co-operation in the field of European spatial development and spatial planning during the previous programming period (INTERREG IIC; ERDF-Article 10 pilot actions that cover transnational co-operation areas).

- The progress in elaborating the ESDP at EU-level was an additional motivation that stimulated the launching (and continuation) of transnational co-operation. In the final version, adopted in 1999 at the informal Potsdam-summit of Ministers responsible for spatial planning¹⁶⁷, transnational co-operation is considered one of the key instruments and dimensions to practically implement the political options of the ESDP and territorial authorities are attributed a role as “key players in European spatial development policy”.

The **main fields of action commonly pursued by transnational co-operation programmes** generally reflect the priority themes of the ESDP, but differ with regard to individual priorities due to the specific problem constellations that prevail in each co-operation areas.

Between 1997 and 1999, the Commission has adopted a total of **7 Operational Programmes for INTERREG IIC-Part 1 on “general transnational co-operation on spatial development”**. The larger transnational areas covered were the North-Sea Region (NSR), the Baltic Sea Area (BSA), the Atlantic Area, South-Western Europe, Western Mediterranean and Latin Alps, the Central European, Adriatic, Danubian and South-Eastern European Space (CADSES) and the North-Western Metropolitan Area (NWMA). These seven programmes adopt the general objectives outlined in the INTERREG IIC Guidelines¹⁶⁸ with different weighting and orientation. A number of priorities has been defined for each programme, which are broken down into measures and more specific “fields of action” that define the activities to be carried out in practice:¹⁶⁹

- All 7 programmes carry out practical activities in the field of action “development of multimodal transport systems and improved access to infrastructures”.
- Nearly all programmes carry out practical activities in fields of action such as “improved relationships between urban and rural areas” (exception: CADSES) or a “prudent approach to natural and cultural heritage” (exception: South-Western Europe).
- More than half of the programmes contain a field of action on “the development of polycentric urban systems” (exceptions: Atlantic Area, NWMA) or on “economic development in the field of tourism” (exceptions: CADSES, NWMA, South-Western Europe).
- Only a few programmes carry out practical activities in fields of action such as “the development of joint planning processes” (BSA, CADSES, NWMA), “improved access to knowledge and information (NSR, NWMA, Atlantic Area) or “the development of rural areas” (South-Western Europe, Western Mediterranean and Latin Alps).

The **INTERREG IIC programmes elaborated for Part 2 “flood migration”** (Interreg Rhine Meuse Activities-IRMA ; programme flooding Italy-France) concentrate on a more restricted set of specific objectives, for which specific activities will be carried out in practice:

¹⁶⁷ **European Commission:** European Spatial Development Perspective, ESDP (1999)

¹⁶⁸ Objectives pursued by the programme are: (1) To contribute to balanced spatial development in the EU. (2) To achieve improvements in co-operation aimed at transnational areas between national bodies responsible for spatial planning, in such a way that development priorities are defined for adjoining transnational areas. (3) To improve the spatial impact of Community policies. (4) To support preventive co-operation between Member States and their regions in order to solve problems related to flood migration and drought.

¹⁶⁹ **European Commission:** WEB-Site DG REGIO and European Spatial Development Perspective, ESDP (1999)

- **IRMA:** Measures in the catchment area of the river (restoration of natural conditions, crating retention and overflow areas), measures in the major bed of the rivers and measures to improve knowledge and co-operation (models and instruments for spatial planning).
- **Flooding Italy-France:** The programme comprises two sub-programmes on “flood management and spatial planning” and “risk prevention by means of a better joint approach to forecasting”.

4 ERDF-Art. 10 pilot schemes were adopted that encompass several Member States and cover larger transnational co-operation areas. Due to the restricted financial amount available for each scheme (each 5 MEURO), co-operation covers only a limited number of specific priorities for which concrete activities are carried out.

- **“Northern Periphery”** (DK/FIN/S/UK/N and possibly Iceland, Greenland, Russia and Faroer Islands): Main themes are social and commercial services in areas characterised by a very sparse population, the use of information technologies to communicate between remote locations and on long distances and business development and management of natural resources.
- **“Eastern Alps”** (A/I/D and possibly CH, Liechtenstein and Slovenia): Main themes are the development of common visions and spatial planning strategies, the management of tourism and of natural or cultural heritage and settlement structures and sustainable economic development.
- **“Central and Eastern Mediterranean Space-ARCHIMED”** (GR/I/Malta/Cyprus and possibly Tunisia and Egypt): Main themes are the development of transport outlines that promote multimodality, the promotion of environmentally friendly transport modes, co-operation in maritime traffic, the preservation of natural and cultural heritage and the promotion of quality tourism.
- **“Mediterranean Gateway”** (E/P and Morocco): Main themes concentrate on management and promotion of the value of cultural heritage and the identification and valuation of different forms of living in urban or rural areas.

At the level of projects, main activities pursued concentrate on the priorities contained in the relevant Operational Programmes. Many joint co-operation projects have provided the opportunity to gain additional resources and support to progress initiatives which have contributed to local strategies and priorities, while adding value by placing this in a transnational arena and contributing to the wider EU spatial agenda. The financial “rewards” are however limited when compared to the mainstream Structural Funds and the essential wealth of projects lies in the experience and knowledge gained. Similar to cross-border or inter-territorial co-operation, transnational co-operation projects between different partners operating within different political and legislative frameworks can encourage innovative thinking to create new and alternative solutions to common issues. The opportunity to engage in spatial planning initiatives and activities within a transnational arena can open the mind to a new culture of awareness and provides an alternative perspective to developing new solutions and ideas (making linkages outside of the traditional national arena). Successful transnational project-partnerships have in some cases led to new opportunities for co-operation between interests involved within fields other than spatial planning (setting up of new co-operation networks). In practice, much “immaterial” rewards and opportunities have been gained in terms of personal development and experience, network and intelligence building, exposure to innovative arenas, and transnational political liaison between authorities.¹⁷⁰

¹⁷⁰ **A UK Practitioner Guide:** Lessons learned from the INTERREG IIC experience. March 2001.

Due to programme-based approach of transnational co-operation and its implementation through individual operations (projects), organisational arrangements are normally set up at two levels:

- Strategic and multilateral co-operation at the level of larger transnational areas, which involves mainly national government authorities and to various degrees also first level regions.
- Trilateral or multilateral co-operation at the level of individual projects, which involves local and regional authorities and a broad range of other public, semi-public or private actors.

7.2. Strategic co-operation at the level of larger transnational areas

The first paragraphs will give an **overview on strategic and multilateral co-operation** at the level of larger transnational areas, which mainly takes place within specific structures set up for the management of INTERREG IIC programmes (“general transnational co-operation”, “flood migration”) and for ERDF-Art. 10 pilot schemes that encompass several Member States.

This overview will be followed by **two shorter case studies**, which are mainly a “summary” of mid-term evaluation reports drafted for specific programmes and aim at illustrating various dimensions and practical aspects of strategic co-operation at programme level.

- The first case study on the INTERREG IIC-programme for the North-Western Metropolitan Area (NWMA) highlights essential aspects of strategic co-operation between actors coming from EU-Member States.
- The second case covers the INTERREG IIC-programme for the Baltic Sea Area (BSA) and aims at highlighting the specific challenges that arise for strategic co-operation in transnational areas involving a significant number of non EU-States.

General features of transnational co-operation at programme level¹⁷¹

The only reference with regard to the setting up of common transnational administrative structures was initially contained the Guidelines for **INTERREG IIC**. They prescribed that a common management structure should be responsible for the entire co-operation area in order to realise jointly the strategy adopted by the operational programme and to ensure the implementation of truly joint projects. Solutions for appropriate working methods can follow a pragmatic approach but should preferably be elaborated jointly with regional and local authorities.

With regard to **ERDF-Art. 10 pilot actions in the field of spatial planning**, the Commission only prescribed in its general outline for innovative action published in 1995 that each project should be led by a body, which will present a proposal agreed upon by all partners concerned (“lead applicant approach”). This agreement should include details of the level of partner participation, from a financial perspective as well as the implementation of the project and the

¹⁷¹ **European Commission:** WEB-Site DG REGIO ; European Spatial Development Perspective, ESDP (1999). **Bundesamt für Bauwesen und Raumordnung:** Transnationale Zusammenarbeit in der Raumentwicklung. Dritter aktualisierter Sachstandsbericht zur Abwicklung der Gemeinschaftsinitiative INTERREG IIC und zur Vorbereitung der Gemeinschaftsinitiative INTERREG IIB. Bonn, Juni 2000.

range of partners' activity in the context of differing national legislation on spatial planning.¹⁷²

All transnational co-operation programmes are characterised by joint decision making procedures. According to the usual management structures established in the framework of other Structural Funds programmes, the most frequent arrangements for joint operational management of transnational programmes comprise a "Joint Monitoring Committee" (in which representatives of the national governments predominate) and / or a "Joint Steering Committee" that is responsible project selection. Decision making in both committees is normally based on consensus and the selection of projects concentrates on actions that are of interest for all co-operation partners in a given area.

Despite these commonly shared features, the degree of integration strongly differs between the individual transnational co-operation programmes as regards other co-operation structures such as joint secretariats or joint financial management bodies (See: Table 17).

In the framework of **INTERREG IIC-programmes**, the overall degree of structural integration at transnational level regarding other management bodies varies considerably and a clear split between north (strong) and south (weak) can be observed.

INTERREG IIC-programme secretariats normally take care of the day-to-day supervision and the implementation of the OPs. Practical arrangements for secretariat functions vary from properly established permanent joint secretariats (e.g. programmes NWMA, BSA, NSA, IRMA) to "virtual secretariats", which consist mainly of national contact points that assure the co-ordination of the programme and assist the Steering or Monitoring Committees of the programme (e.g. programmes CADSES, Western-Mediterranean/Latin Alps, South-Western Europe, Atlantic Area, flooding F/I). Permanent joint secretariats certainly require more resource-input and a particular effort to be set up, but they may be rewarding especially with regard to efficient programme-promotion or assistance to project applicants. "Virtual secretariats" can be considered a sufficient solution for smaller programmes, but their viability is more critical when it comes to larger co-operation zones.¹⁷³

With regard to **financial management**, more than half of the INTERREG IIC-programmes have established a joint financial management body and the remainder of the programmes rely on separate national procedures. Within the framework of joint financial management, different "models" can be observed: The NSA-programme and the NWMA-programme have nominated a territorial authority as financial administrator, which established a joint bank account. Both programmes make use of the "lead applicant principle", which means that Community funding from the Member State of the project leader is used for the entire project (and all co-financing partners) and that contracting is undertaken by the responsible ERDF-authority of this State. The BSA-programme established a Joint Financial Body as financial administrator (dealing with financial management, payments and contracting of projects) and a joint bank account for the entire ERDF-funding, from which all project partners receive co-financing.

¹⁷² **European Commission:** Guide to Innovative Actions for Regional Development ; inforegio news (June 1997; December 1997)

¹⁷³ **ESDP-Forum, Brussels (February 1999):** Synthesis Report: INTERREG IIC and Pilot Actions.

Table 17: Structural features of transnational co-operation at programme level			
Programme	States involved	Secretariat	Financial Management
INTERREG IIC, General transnational co-operation in the field of spatial planning			
Western Mediterranean and Latin Alps (WMLA)	E, F, I, GR	Networking of national institutions	National institutions
South-Western Europe (SWE)	P, E, F	Networking of national institutions	National institutions
Atlantic Area (AA)	P, E, F, UK, IRL	Networking of national institutions supported by a central secretariat in Potiers, F	Centrally through appointed bank
North-Western Metropolitan Area (NWMA)	F, L, B, D, NL, UK, IRL	Headquarters in London, UK	Centrally through Lloyds Bank, London
North Sea Area (NSA)	UK, NL, D, DK, S + Norway	Headquarters in Viborg, DK	Centrally through Jyske-Bank in Viborg
Baltic Sea Area (BSA)	D, DK, S, FIN + Baltic States	Headquarters in Rostock D, branch in Karlskrona, S	Centrally through I-Bank Schleswig Holstein in Kiel/Rostock
Centre, Adriatic, Danube and South-East Europe (CADSES)	A, D, GR, I	Networking of national institutions	National institutions
INTERREG IIC, Flood migration			
Flooding Rhein-Maas (IRMA)	B, F, D, LUX, NL	Headquarters in The Hague, NL	Centrally through I-Bank Nordrhein-Westfalen in Düsseldorf
Flooding France-Italy	F, I	Networking of national institutions	National institutions
ERDF-Art.10 pilot schemes for larger transnational co-operation areas			
Northern Periphery	FIN, S, UK, Norway and possibly other countries	Centrally in Oulu, FIN	Centrally through regional Council of North-Ostrobothnia
Western Mediterranean / Latin Alps (ARCHIMED)	GR, I, Malta, Cyprus and possibly other countries	Networking of national institutions	National institutions
Eastern Alpine Space	A, D, I and possibly CH, Liechtenstein and Slovenia	Networking of national institutions	National institutions
Mediterranean Gateway	P, E and Morocco	Networking of national institutions	National institutions
Source: European Commission, WEB-Site DG REGIO and European Spatial Development Perspective, ESDP (1999)			

Despite an early demand of the Committee of the Regions to ensure broad participation of local and regional authorities in the framework of transnational co-operation programmes,¹⁷⁴ **important differences exist with regard to the practical involvement of territorial authorities in strategic co-operation.** Many – but not all - of the existing INTERREG IIC programmes appear therefore to be rather nationally dominated and are frequently not rooted in the regional and local authorities’ development priorities for the geographical areas covered.¹⁷⁵

Territorial authorities were involved to different degrees in the process of programme drafting **during the elaboration phase of INTERREG IIC.** The NSA-programme was elaborated on the ground of a broad partnership approach, which included territorial authorities of the area as well as specific organisms of larger European Associations (e.g. CRPM-North Sea Commission). Despite a lengthy approval procedure at Community level, local and regional authorities as well as specific organisms of larger European Associations were also well implicated in the drafting of the Atlantic Area programme. In other programmes however, some deficiencies with regard to partnership arose and programme drafting can be described as a dominantly inter-governmental process. A first example is the BSA-programme, where shortcomings in several countries can be considered an “inherited burden” of the previously intensive co-operation between states on VASAB 2010 (see also case study below). A second example is the Programme Western Mediterranean/Latin Alps, where initial contacts between government authorities and territorial authorities or some of their representative organisations (CRPM-Intermediterranean Commission) can be described as rather conflictive and limited coherent participation during the elaboration process.¹⁷⁶

Participation of local and regional authorities during **the implementation phase** also significantly differs between the programmes. All programmes foresee to some extent a **representation of territorial authorities on programme management committees** (Monitoring and Steering Committees) at the side of state and Commission representatives. Some programmes foresee a minimum direct representation of regions at transnational level (e.g. BSA, CADSES, Western Mediterranean/Latin Alps)¹⁷⁷ and intend to work with national or transnational advisory structures (or both) in order to assure involvement of local and regional authorities. Other programmes foresee a slightly extended representation of local and regional authorities at transnational level¹⁷⁸ (e.g. Atlantic Arc, NWMA) and even work towards achieving an “equilibrium of power” through an inverse degree of representation between local/regional representatives and national actors on both Committees (e.g. NSA). Some programmes have nominated **County Councils as financial administrators** (e.g. NSA, NWMA) or nominated a public and regional development/investment bank (e.g. BSA).

In the framework of **ERDF-Art. 10 pilot actions for larger transnational co-operation areas**¹⁷⁹, only one scheme has established a fully integrated management structure.

¹⁷⁴ **Committee of the Regions:** The INTERREG-IIC Community Initiative and the potential role for local and regional authorities (CdR 108/97)

¹⁷⁵ **Committee of the Regions:** Opinion on Community Initiatives 2000-2009: INTERREG, EQUAL, LEADER+ (CdR 219/99 fin).

¹⁷⁶ **European Parliament, Directorate General for Research (PE 167.176, 1998):** Die Europäische Raumentwicklungspolitik. Reihe Regionalpolitik. REGI 100 DE.

¹⁷⁷ Two per state, one on each Committee.

¹⁷⁸ More than two per state, however different number of delegates within the relevant Committees.

¹⁷⁹ **European Commission, DG REGIO:** INTERREG IIC. Initiative Communautaire et actions pilotes au titre de l’article 10 du Fonds Européen de Développement Régional. Coopération Transnationale et Aménagement du Territoire

- In the context of the “Northern Periphery”-scheme, the Monitoring Committee is assisted by a “joint management secretariat” located in the Regional Council of North-Ostrobothnia, which is also responsible for financial management. Regional consultative groups were established in each country that are responsible for preparatory work for project selection.
- The remaining Art. 10 schemes are managed by a Monitoring Committee, which is seconded by a “network of national secretariats”. In southern EU-Member States, national ministries assure the national secretariat function.

*Case study on the
INTERREG IIC programme North-Western Metropolitan Area (NWMA)¹⁸⁰*

Initially, the North-Western Metropolitan Area (NWMA) faced the challenge of developing spatial development priorities and measures in the absence of an elaborated spatial vision. This situation contrasted to other INTERREG IIC areas such as the Baltic Sea, which disposed of an elaborated spatial vision called VASAB 2000 (See: below). The INTERREG IIC Operational Programme for the NWMA was approved by the Commission in June 1998 following two years of preparatory tasks and events. The delay in approval of the programme was due to a complex negotiation process involving seven Member States, regions and the European Commission, but also a result of other key difficulties (e.g. cultural and language differences, lack of consensus on programme priorities, different institutional systems, changes to the composition of the programme area).

For multilateral co-operation at transnational level a typical Structural Fund programme-structure has been established, which is composed of Committees responsible for programme monitoring and programme steering as well as of a secretariat. These structures were augmented by the set up of a Spatial Vision Group and a network of National Contacts:

A joint Programme Monitoring Committee (PMC): The PMC has overall responsibility for the management and implementation of the Programme. It is comprised of three representatives each from six of the Member States and two representatives from Luxembourg together with the chairperson and co-chairperson of the Steering Committee and two representatives of the European Commission. Due to the nature of the programme, membership of the committee includes people with spatial planning experience as well as mainstream Structural Funds managers. Decision making in the Committee is by consensus.

A joint Programme Steering Committee (PSC): The Programme Steering Committee is project focused with its core responsibility the selection of projects. It is comprised of three representatives from each Member State – one from national level and two from the regions. However, differences in administrative structures and competency for spatial planning mean that the two representatives from Luxembourg are from national level, while all three representatives from Belgium are from the regions (the regions have competence for spatial planning within Belgium). Like the PMC, decision making in the PSC is by consensus with Member States taking a flexible approach to project selection. This means that Member States are reluctant to veto projects that are deemed selectable by the Member State of the lead partner. With the completion of the project selection process, the core task of the PSC has been completed.

¹⁸⁰ **Local and Regional Development Planning, LRDP:** Evaluation of the INTERREG IIC North-Western Metropolitan Area Programme. Mid-term review. Draft final report, November 1999.

A joint **Programme Secretariat**: The present multi-national/multi-lingual Programme Secretariat operates since early 1998 (an interim Secretariat was established in 1997) under the authority of the PMC. It is responsible for the day-to-day management of the Programme. The lack of precise procedures in the OP for the implementation of the Programme has meant that the Secretariat has taken an important role in shaping the Programme.

A **Spatial Vision Group (SVG)**: Established as an innovative element of the programme, its members ensure that the programme draws upon spatial planning expertise. It is comprised of two spatial planners from each of the Member States. There has been a close linkage between the SVG and the PSC in terms of membership and seven of the thirteen members of the Spatial Vision Group come from organisations that are represented on the PSC. The primary task of the SVG is to assist with the development of the spatial vision for the NWMA Programme area and to act as a bridging point between individual projects and the Spatial Vision.

National Contacts: Each of the participating Member States has appointed a national contact that provides an ongoing link between the Member States and the implementation of the Programme. Member States have appointed external consultants to provide additional information and developmental support to project applicants, which work closely with the national contacts.

Due to the fact that the Secretariat had no legal personality and could not open a joint bank account for the programme, the partners had to establish a rather complicated **arrangement for joint financial management and payments**. Payments for projects are made on the basis of an order of transfer from the Secretariat to Essex County Council (holding the joint bank account), who sends an order of payment to Lloyds Bank, who then transfers the payment to the account of the lead partner. Statements of the Lloyds bank account are provided every two weeks to the Secretariat. Payments regarding Technical Assistance are approved by the Secretariat and paid in advance by Essex County Council, who provides the Secretariat with monthly statements of expenditure. Monitoring is undertaken via the programme secretariat.

The programme-based co-operation between the partners is characterised by the steep 'learning curve', which was partly due to some organisational shortcomings of the established programme structures.

- The considerable overlap of membership in terms of personnel and organisations contributed to some confusion on precise tasks and demarcation of responsibilities.
- The large number of Member States and representatives on the PMC has made consensus more difficult to achieve. The actual implementation of many of the PMC decisions is carried out through the use of written procedure. It has provided greater flexibility and helped to speed-up the implementation of the programme, albeit consuming considerable resources of the Secretariat. Some actors advocated for the adoption of "qualified majority voting", which shall however not apply to all issues.
- Decision-making in PMC and PSC has worked reasonable well in the context of seven participating Member States. Despite some overlap of membership between the two committees, linkages and communication has been limited and largely confined to internal Member State communications.
- Due to the newness of the programme and the need to commit funds within a relatively short period (June 1998 – December 1999), the workload of the Secretariat has been considerable and raised some issues concerning specific technical assistance or training of its staff. The lack of a legal status, meaning that the Secretariat cannot open a bank account or be a Paying Authority, has created a number of difficulties for the Secretariat

and added more workload and an additional bureaucratic element to the implementation of the Programme.

- While all of the national contacts are represented on one or more of the programme structures (most are members of the PSC), there continues to be some confusion about their precise role and lack of clarity vis-à-vis their relationship with the work of the Secretariat. The network of national contacts have provided a stronger Member State perspective to the Programme as well as contributing towards the information and developmental support needs of project applicants.
- Due to the delay in the start of the implementation of the programme and subsequent delays in the start of the Spatial Vision Project, the role of the Spatial Vision Group has been limited. As the role of the Spatial Vision Project is changing from linkages with current projects towards an input to the drafting of the next Operational Programme, thus the role and perhaps composition of the Spatial Vision Group should also be revised (e.g. a merger with the PSC).
- A final but important observation made by the evaluation report is a growing demand in most of the Member States to stronger involve the regions in the Programme. While some of the regions are involved in the PSC and to a lesser extent the PMC, it is however not practical to involve all the regions to the same extent in the programme.

*Case study on the
INTERREG IIC programme Baltic Sea Area (BSA)¹⁸¹*

In the Baltic Sea Area (BSA), momentum for co-operation already existed, partly through long-established co-operation between the Nordic countries and also the results of other projects, such as the Baltic 21 project, carried out in parallel to the INTERREG IIC work during 1997. The BSA-Operational Programme was launched in December 1997 and aims to contribute to a 'common vision' of the Baltic Sea Region. It integrates spatial strategies from the Commission's ESDP with the area's Framework for Spatial Development Strategies (VASAB 2010), which has been jointly elaborated by the 11 EU and non-EU countries and agreed by their spatial planning ministers. The Programme involves four EU Member States (Denmark, Germany, Finland, Sweden), the southern territories of Norway, the northern parts of Poland, the three Baltic States (Estonia, Latvia, Lithuania) and parts of Russia and Belarus.

Agreement on priorities for a joint programme was achieved through formal meetings of the regional policy and spatial planning interests from Baltic Sea Member States. The process of plan preparation was essentially managed internally by a partnership of representatives from ministries responsible for spatial planning and EU Structural Funds; external consultants were minimally involved. Apart from the EU Member States (Denmark, Finland, Germany, Sweden), Norway was involved at an early stage, as was the VASAB Secretariat. During the drafting process for the Operational Programme, the candidate countries were formally invited to comment on drafts of the programme. Sub-national and regional authorities have been involved in a different way in individual countries, including through regional information events for regional and local authorities (Finland, Germany) or through the direct involvement of sub-national authorities (the German Länder) and regional representatives in the drafting process.

The management structure is broadly similar to other INTERREG IIC-programmes and involves a Monitoring Committee, Steering Committee, Common Secretariat, Joint Financial

¹⁸¹ **Bradley Dunbar Associates/European Policies Research Centre Strathclyde University:** Interim Assessment of the INTERREG IIC Baltic Sea Programme. Revised Report to the Baltic Sea Development Agency. November 1999.

Body (JFB) and National Sub-Committees. Especially in setting up the JFB, actors of the BSA built upon experiences from INTERREG IA and IIA with regard to integrated financial management at programme level. The BSA-structure is however characterised by number of distinctive elements, which are mainly the result of a political compromise established between the participating countries:

- Despite the relatively small size of the Programme in funding terms, it has established a joint **Monitoring Committee** (responsible for ensuring compliance with the regulatory provisions, overseeing and providing guidance on the overall implementation of the programme) and a joint Steering Committee (responsible for the operational implementation of the programme, including decision-making on the allocation of EU funds). A distinctive element of this otherwise common committee structure is its 'rotating chairmanship' between Finland and Denmark.
- At the heart of the Programme management structures is the **Common Secretariat**. The Investitionsbank established the Secretariat in Rostock (Mecklenburg-Western Pomerania, Germany) in February 1998 to implement the BSA INTERREG IIC programme. A branch office was established in Karlskrona (Sweden) at the Baltic Institute. Named the 'Baltic Spatial Development Agency', the role of the Secretariat is to carry out the operational work of the programme and to support - in conjunction with the Joint Financial Body - the work of the Monitoring Committee and Steering Committee.
- The **Joint Financial Body (JFB)** is the Investitionsbank (IB) Schleswig-Holstein, which is a public development bank acting on behalf of the Land Government of Schleswig-Holstein in areas such as economic support, infrastructure financing, agriculture, urban construction and municipal affairs. The Joint Financial Body is responsible for the financial administration of EU funds in accordance with decisions of the Steering Committee, including the contractual allocation of funds to project applicants.
- **National Sub-Committees** are established in participating countries to involve regional and local authorities as well as the relevant sectoral authorities and social partners. The National Sub-Committees have advisory status and are not involved in project approval.

This structure worked reasonably well, although some problems such as double work or high demands of bureaucracy and co-ordination seem to have hampered efficiency. Other problems facing the management structure came from the limited experience with this type of Programme, as well as the Structural Funds in general, and a lack of existing models to deal with transnational work.

The existence of a Monitoring and a Steering Committee is widely considered to be unsatisfactory, related partly to issues of additional time and cost. There is overlap in the remit and membership of the Monitoring and Steering Committees, relating in part to a lack of clarity regarding the distinctive roles of each Committee, and the existence of two bodies takes up extra time and expense on the part of members in attending the meetings and on the part of the Secretariat in servicing the two committees. The agenda of both committees appears to be dominated by detailed matters and it is questionable whether either committee is capable of strategically 'steering' the Programme.

Despite that hard and valuable work achieved by the Common Secretariat, some problems are evident. Despite the fact that two offices allow a greater access to potential project partners, the division of the Secretariat between two locations is not satisfactory and creates some extra costs in travel time and expense, especially for a relatively small programme. A key difficulty for the Secretariat has been the lack of experience in Structural Fund programming, which resulted in frequent recourse to external advice.

The Investitionsbank (IB) Schleswig-Holstein has, in principle, made a strong commitment to the Programme by offering to act as JFB, overseeing the Common Secretariat and providing premises, as well as seconding a member of staff to work with the Common Secretariat in Rostock. At the outset of the implementation of the Operational Programme, the IB was centrally involved in drawing up regulations relating to the use of the funds. However, there appears to be a certain lack of clarity between the JFB and the Secretariat on the allocation of tasks (creating more institutional fragmentation and uncertainty). It has also been suggested that the work of the JFB is insufficiently resourced, and that the commitment of the Investitionsbank to the Programme is not being followed through in practice.

National Sub-Committees have been established in the four EU Member States and in Norway. It appears that they do not operate elsewhere; the Baltic States have taken the view that there is no need to establish Sub-Committees given the limited funding available and the lack of established regional authorities. The Sub-Committees have different functions in each country.

A general problem of transnational co-operation in the BSA was the limited involvement of partners from some of the 'candidate countries' of Central Europe and from Russia and Belarus. While Polish representatives are actively engaged with the programme, reflecting their significant role in the VASAB process, other countries are less involved. This is partly due to the fact that the countries were brought late to the process and were not consulted during the shaping of the programme. The essential reason for this situation are however persisting problems in combining PHARE/TACIS and INTERREG IIC funding (the different approaches to programming; the different budgetary time scales - e.g. annual vs. multi-annual - and the mechanisms for project approval and selection; lack of appropriate "mirror-financing" for INTERREG IIC).¹⁸² These aspects severely restricted the effective operation of the Programme in a whole and have also affected the ability to co-finance projects. These aspects disadvantaged transition countries in their programme participation and have sometimes meant that in practical terms these countries were effectively 'observers' who could participate in discussions but experienced difficulties in terms of involvement in concrete initiatives. All these elements have combined to limit the potential of the INTERREG IIC programme as an effective east-west transnational spatial planning initiative. The issue has caused frustration and demoralisation at programme and project levels, especially for participants from the CECs, which already face institutional and financial constraints on their involvement in such programme.

7.3. Trilateral or multilateral co-operation at the level of individual projects

The first paragraphs will give an **overview on general features of transnational co-operation at the level of individual projects**, which are the essential tool to implement the objectives and priorities that have been commonly defined at strategic level in the Operational Programmes.

This overview is followed by **two shorter case studies**, which illustrate practical aspects of project-based transnational co-operation at programme level.¹⁸³ The first case study on the (INTERREG IIC-programme for the North-Western Metropolitan Area) focuses on projects-

¹⁸² The evaluation is explicit in this case: "The Commission services (DG IA/PHARE, DG IA/TACIS and DG XVI) do not appear to have shown real commitment to either understand the realities of different rules or to work together to address practical issues that arise in relation to the implementation of INTERREG IIC."

¹⁸³ They are mainly a "synthesis" of mid-term evaluations drafted for specific programmes.

based co-operation solely between actors coming from EU-Member States, whereas the second case study illustrates the specific conditions of co-operation in a transnational area that involves a significant number of non EU-States (INTERREG IIC-programme for the Baltic Sea Area).

General features of transnational co-operation at project level¹⁸⁴

A **project is normally considered “transnational”** if several partners from different states participating in the same programme commonly implement and finance an action, which is not carried out in areas immediately adjacent to a common border such as under INTERREG IIA. In addition, transnationality normally requires that projects should clearly demonstrate an added value for the spatial development of all partners involved. An exception to this general rule were projects implemented under INTERREG IIC-flood prevention (e.g. IRMA-programme; flooding France-Italy) that had been dominantly “national actions” or bilateral activities; transnationality was considered merely a results from their impact rather than from their joint implementation.

The **number of formal partners in transnational co-operation projects** varies significantly within each programme and between them. In the case of the INTERREG IIC NWMA-programme for example, one can find projects with 20 or more participants and projects with only 4 partners. The average number of partners involved in projects is 6 for the entire INTERREG IIC NSA-programme, whereas in the case of the INTERREG IIC CADSES programme it is 7. In addition to these formal partners, many transnational projects involve additional sub-partners or local networks.

Despite difficult framework conditions, **project-based participation of actors coming from non-EU-countries** can be considered rather positive. Especially in the programmes covering Central and Eastern European Countries, a rather satisfactory degree of participation could be reached. In the framework of the INTERREG IIC CADSES-programme, there is no project that only has EU-partners. The case of the INTERREG IIC BSA-programme, two third of the approved projects have partners coming from non-EU-countries.

Projects involve a **broad range of different actors** such as state government agencies, territorial authorities and also other public, semi-public or private organisms and frequently one can observe a “mix” of different actor-types. Regional and local authorities are the dominant group of participants and have in practice substantially co-financed projects, which underlines their strong interest in transnational co-operation.

Case study on the INTERREG IIC programme North-Western Metropolitan Area (NWMA)¹⁸⁵

A total of 51 separate projects applications were presented to the Programme Steering Committee of the INTERREG IIC-programme for North-Western Metropolitan Area (NWMA). Although the total number of projects submitted is not a decisive criterion for the success of a programme (more decisive is their quality), one could however expect a greater

¹⁸⁴ **Bundesamt für Bauwesen und Raumordnung:** Transnationale Zusammenarbeit in der Raumentwicklung. Dritter aktualisierter Sachstandsbericht zur Abwicklung der Gemeinschaftsinitiative INTERREG IIC und zur Vorbereitung der Gemeinschaftsinitiative INTERREG IIIB. Bonn, Juni 2000. **Ahlke, B.:** INTERREG IIC – Transnationale Programme und Projekte zur Umsetzung des EUREK. In: Informationen zur Raumentwicklung, Heft 3 / 4 , 2000. (Editor: Bundesamt für Bauwesen und Raumordnung, Bonn).

¹⁸⁵ **Local and Regional Development Planning, LRDP:** Evaluation of the INTERREG IIC North-Western Metropolitan Area Programme. Mid-term review. Draft final report, November 1999.

number of project applications. Despite a wide range of publicity material and events that have raised awareness as well as valuable support and assistance from the national contacts and the Secretariat, one reason for this situation could have been the lack of a focused publicity strategy, especially among spatial planning organisations. The number of project ideas that were not developed into formal applications also points to another potential reason, which is a deficit in the project development process. The mid-term evaluation observes that the time period between project preparation and submission to the programme varied considerably between projects due to negotiations over content and the formation / strengthening of transnational partnerships. It seems that the main bottlenecks during the elaboration phase were,

- difficulties in developing and strengthening the transnational partnership,
- demonstration of matching funding including receipt of letters of intent from all partners,
- cultural differences between partner organisations
- complexity of the project application process.

After an efficient appraisal process that was largely undertaken by the Secretariat without the need for external expertise, 90% of the proposals were presented to the PSC and “eventually selected”, albeit with conditions. The most common condition related to the need to revise the project budget and in particular to justify matching funds. As detailed project selection procedures were not contained in the Operational Programme, the process of reaching a consensus on the appropriate procedures was difficult. The close similarity between project applications and approval raises some questions concerning the quality of selected projects, as consultations in the Member States point towards a variable quality of projects across countries and between measures.

The projects approved were contracted on the basis of the **“lead applicant principle”**¹⁸⁶ and the official confirmation is formalised by a Grant Offer Letter. The use of the “lead applicant principle” to fund selected projects has certainly facilitated the provision of matching funds, but it may also have contributed to restricting the number of project applications in certain Member States as the number of project applications have closely reflected the available funds within national envelopes. This has in turn limited competition between projects. At the same time, it has caused some problems for projects in terms of the designation of the lead partner and the overall size of the budget (at least one project substantially reduced its budget to fit the national envelope of a Member State).

There has been some concern, particularly among project promoters, that the time period between selection and receipt of the Grant Offer Letter is too long, and that the delay has created some difficulties for the transnational partnership. While this delay relates mainly to the different contracting requirements of each Member State and the requirements to amend most projects before final approval, at least one project was delayed in its implementation due to differing views on who should be responsible for signing the letter – the Member States or the Secretariat. The requirement to distinguish between Objective 1 and non-Objective 1 funds has also led to the creation of separate bank accounts and the need to closely monitor projects in terms of location of partners.

The 45 projects currently implemented show a strong emphasis on urban development / regeneration, transport policies and planning, environment & cultural heritage and information communication technology. The main issues running throughout projects relate to

¹⁸⁶ Lead partner is financially responsible for the financial implementation of the project ; funds are taken from the national envelope of the Member State of the lead project partner.

spatial planning, regional networking, strengthening / development of wider partnerships and sustainable development. These 45 projects involve 369 partners:¹⁸⁷

- An examination of projects selected shows that United Kingdom partners have the widest participation in the programme with involvement in 20 selected projects, followed by the Netherlands (17), Belgium (14), France (13), Ireland (12), Germany (11) and Luxembourg (7).
- The project leadership role is dominantly assumed by Dutch project partners (16), and followed by the United Kingdom (9), Belgium (8), France (6), Germany (3), Ireland (2) and Luxembourg (1).

All projects have the participation of national ministries and/or regional and local authorities, and many include the participation of other relevant public bodies such as universities / planning institutes and development agencies. However, it is evident that much of the implementation of projects will be undertaken by external experts and that the majority of ERDF funds is often allocated to consultants (up to 80% of project costs in some cases). This is a clear demonstration of the lack of capacity within certain organisations but also points towards the difficulties of involving public officials in such projects. On the other hand, the specific expertise of many external experts can provide an important additional benefit to public organisations. Despite the common themes running throughout many projects, contacts and linkages between projects have been limited to date and selection is often on the condition that linkages and complementarity is established.

There is some evidence that a number of the selected projects are not good examples of transnational co-operation. **The issue of establishing and strengthening transnational partnerships throughout the entire life cycle of a project is therefore an essential aspect of project related co-operation.** The mid-term evaluation is relatively clear on this aspect:

- While various administrative and cultural difficulties created obstacles for some projects, many of the partnerships were centred on existing core relationships from other joint projects or as members of existing transnational networks. Other partners had established close working relationships through existing structures (e.g. Euroregion). Newly created partnerships were more problematic and some projects faced a delay in selection due to the late withdrawal of a partner – “minimum partnerships” can prove costly as one project promoter commented. There is also some evidence to suggest a mismatch of responsibilities and competencies between project partners, where for example a large regional authority is working with a small municipality or where a private body encounters difficulties with matching funds.
- The issue of agreements between partners has been highlighted by the use of the “lead applicant principle”, which means that the lead organisation is financially responsible for all aspects of the project. While some transnational partnerships have established agreements, there is some concern that a number of selected projects are not fully aware of the implications of the Lead Applicant Principle and have not signed such agreements. In view of the possible implications and in recognition of the existence of some ‘minimal partnerships’, sometimes based on “shotgun marriages”, it is considered imperative that all lead partners are made aware of the situation and strongly encouraged to sign agreements between all partners.
- Project implementation, particularly in large transnational partnerships, can be problematic in the absence of appropriate project management structures. The most common project structures are based around a core management committee of key partner organisations and various working groups or national committees. The lead partner or a

¹⁸⁷ NWMA-Secretariat: INTERREG IIC NWMA Programm: Kompendium der bewilligten Projekte, 1998-2001.

project generally takes day-to-day management of the project co-ordinator (project co-ordinators are sometimes external experts recruited specifically to manage the project).

*Case study on the
INTERREG IIC programme Baltic Sea Area (BSA)¹⁸⁸*

As a result of a well-marketed INTERREG IIC-programme for the Baltic Sea Area (BSA), interest among potential project applicants was very high. The BSA-programme has been implemented through three “project application rounds”, the first two generating 77 applications¹⁸⁹ and leading to 38 project approvals. Applications were swiftly and professionally appraised and selected, and award letters were sent out quickly once decisions had been ratified. The closing date for the third project application round was 1 June 1999. 15 project applications had been received and the Common Secretariat has proposed the approval of 11 of the projects, in some cases with conditions or recommendations.

Previous research on transnational co-operation has already demonstrated that the **initiation and development of co-operation project** takes considerable time and effort. Projects funded under the BSA Programme often involved a long gestation period. In a small number of cases, the time-period between identifying the concept or idea to submitting the application was six months or less, but most projects took a year or more to develop (up to 3 years in a few cases). Pre-existing links were often crucial. In virtually all cases, the Secretariat played a useful role in advising on project preparation, mostly through ‘applicant seminars’ and bilateral contacts. National members of the Monitoring Committee and Steering Committee also provided helpful advice.

However, the preparation of co-operation projects generally involved three basic challenges for applicants:

- The Programme regulations and application procedures were considered complex, although they only caused real difficulties for those applicants without previous experience of preparing programme applications. A widespread complaint was the overlap between questions on the application form.
- The process of partner identification, communication and co-ordination was sometimes laborious and time-consuming.
- Preparation of the financial table was problematic, partly in securing national co-financing, but particularly determining the financial participation of transition countries in projects because of the incompatibilities between INTERREG IIC and PHARE/TACIS.

Successful applicants normally signed a contract with the Joint Financial Body (IB Schleswig-Holstein). Following the first application round, this took over six months, overlapping with approvals from the second round. The standard form of the subsidy contract was only agreed between the JFB and national representatives in November 1998, and subsidy contracts were only concluded from December 1998 and January 1999 onwards.

The 38 projects approved from the first and second rounds involve a total of 403 project partners. A more detailed assessment reveals the following **structural features of co-operation**:

¹⁸⁸ Bradley Dunbar Associates/European Policies Research Centre Strathclyde University: Interim Assessment of the INTERREG IIC Baltic Sea Programme. Revised Report to the Baltic Sea Development Agency. November 1999.

¹⁸⁹ 3 of which were withdrawn

- In terms of overall number of partners involved, Germany has the largest number of project partners (101 in total) with Finland and Sweden ranking next with 91 and 83 partners respectively. There is a considerable drop to the next Polish total of 34 and Danish 29 project partners before falling again to the other countries all with fewer than 20 partners.
- Germany also has the project leadership role (14 projects in total) most frequently. Sweden leads nine projects, Finland eight and Denmark seven.
- In terms of national representation in the projects, Sweden ranks highest of the EU Member States with involvement in some capacity in 33 projects while Germany is involved in 31 and Finland in 26 projects. The other national figures are then lower, with Poland (19) having a higher involvement than Denmark (18). Belarus is the only country not involved in a single project.

According to the requirement of “transnationality” contained in the Operational Programme, projects must include partners from at least three states from the Baltic Sea Area, of which at least two must come from EU Member States. The number of countries i.e. the transnationality of the projects varies considerably.

- The majority of projects from the first and second application rounds include 3-5 countries while a more limited number have a much wider transnational element. The number of country partners involved in individual projects ranges from single representatives per country to multiple partners from certain countries. The latter is more common for the EU Member States, while the CECs generally have only one partner represented in each project. This is particularly true for the Baltic States that rarely have more than one partner involved in projects.
- The overall number of partners involved in the projects also varies widely. In addition to the lead partner, some projects have only a further 2-3 partners involved. Of the 38 approved projects from the first two rounds, 24 have fewer than ten partners in addition to the lead. There are three projects with more than 20 partners.

The majority of partners are public sector bodies and often regional or city councils: About 58% of the partners are either municipalities or regional authorities/councils and municipalities have the highest single representation by far, accounting for 111 partners (27%). There are only ten private companies involved as partners according to BSDA figures, taking the lead in only a very small number of cases. In terms of grant allocations, the regional and municipal partners mentioned above account for 63% of the total finance allocated in the first two rounds of the programme. The 111 municipality partners have received 25% of funding. This pattern is continued in the proposed recommendations for the third round projects, where, if approved, 90% of the financing would be awarded to local or regional actors. In the first two rounds, the 14 university partners have received ca. four percent of the funding, and the private companies account for just over three percent of the total.

According to applicant information, the majority of projects have a three tiered **management structure**: steering committee, co-ordinator and partners. At the strategic level, most projects have a steering committee to oversee the running of the project. Management of the project is invariably undertaken by the lead applicant, or project co-ordinator, with responsibility for organising the partners or groups of partners. The lead applicant and project co-ordinator are not always synonymous, the latter in some cases being an external consultant recruited specifically to manage the project. Some larger projects established special “thematic groups” or “working groups”.

Motivation among project partners appears to be strong and many projects are on schedule. However, a significant number of projects are also experiencing delays because of organisational problems and funding difficulties.

In general, the projects provide a substantial amount of **information on the overall expected results**, but there are considerable variations in the depth and quality of information provided. Main deficiencies are the omission of indicator information and the lack of detail on the 'results by partner'. Reflecting the range of projects, the expected results encompass a mix of tangible and non-tangible outcomes with both short-term and long-term returns. In general, they can be categorised as follows (not necessarily mutually exclusive).

- Documentation (studies, best-practice manuals, GIS, catalogues of pilot projects, handbooks providing syntheses of data and information).
- Network co-operation (institutional links, co-operation agreements, Internet meeting places, research consortia and discussion fora).
- Concepts and ideas. (development of common concepts and new ideas on issues such as regional development, and new insights and overviews of the systemic operation of regional and urban systems).
- Competence (increased understanding of regional and spatial planning arrangements, harmonisation of business procedures and a better level of education and training among partners).

There are wide differences in the quality of information provided on **strategic benefits**. In many cases, project applicants clearly had difficulty in identifying such benefits, particularly where the outputs are intangible and focus on measures such as co-operation, networking and shared knowledge. In the majority of cases, there is no clear distinction between (or even information on) the short-term and long-term benefits. The strategic benefits identified by project applicants can be broadly summarised under the following four headings: Development of visions and strategies, economic benefits, enhanced knowledge and environmental improvements.

The qualitative assessment of the INTERREG IIC BSA-projects approved after the first two rounds indicates a reasonably high degree of transnationality and cross-sectorality. The majority of projects are cutting across at least three sectors and their contribution to transnational spatial development is generally framed in terms such as improvement of transnational tourism strategies; improvement of transnational transportation structures; solution to transnational energy problems; production of transnational reports.

8.) European Associations established by local and regional authorities

8.1. Motivations underlying the co-operation and activities dominantly carried out in practice

During the past three decades one can observe a steady growth of European-wide interest representation. At date, nearby all socio-economic interests are somehow represented in Brussels through specific European-wide associations. Already back in 1970, one could identify about 300 European associations of all kind. Since, their number has risen to 439 in 1980 and passed 500 at the beginning of the 1990ies.

These associations have become essential players in the EU-decision making process and their activities - all types of associations confounded - influence about 64% of the legislative measures initiated at Community level and impact strongly on the implementation of many European policy measures. This is partly a result of a necessity felt by national association to “pool” and co-ordinate their capacities at European level in order to gain more influence and partly a consequence of the active will of EU-institutions (and especially the Commission) to gather their technical expertise during the formulation of policies.¹⁹⁰

Within this broader context and already at an early stage, **local and regional authorities have also set up general and more specific European associations.**¹⁹¹ Co-operation of territorial authorities in the framework of such association implicates a large number of partners (large scale multilateral co-operation) and membership nowadays covers nearly all parts of the EU-territory, even including partners from Third Countries in Eastern and Central Europe or the Mediterranean.

The **general objectives of European associations** established by territorial authorities are to represent and promote the interests of their adherent members vis à vis the European and the national level, especially by initiating a process of collective lobbying on more general aspects of common concern or on specific local/regional issues, and to stimulate exchanges of experience between their members. **Accordingly, there are various motives for membership and co-operation in the framework of such associations:**

- Important motives are “**political benefits**” that are expected to be gained by membership. Associations may permit their members “by-passing vertical blockages” within the traditional vertical chain of power (local-regional-national-European). Practice confirms especially this hypothesis, as central governments are often hostile to the promotion of local and regional interests at EU level. Thus, co-operation reduces the need to “lobby” or influence EU institutions through the national government departments and ministers.
- Another important motive is the **active support** local and regional authorities can receive from associations in order **to develop further their process of “Europeanisation”**. Many associations therefore actively promote mutual contacts and co-operation between their members (“partner-search forum”) or provide them with counselling and networking assistance (technical assistance function). Due to the fact that they are extremely well placed to bring together partners from different countries, one can observe that many inter-territorial co-operation networks or bilateral partnership agreements are frequently originating from previous contacts that have been established between regional or local authorities within these associations.¹⁹²

The basic activities of European associations set-up by local or regional authorities mainly concentrate on informing their members on the development of Community policies, on elaborating “statements” or “position papers” with regard to specific policy issues and on

¹⁹⁰ **Stumm, Th. / Seidel, K.:** The role and significance of Small and Medium Sized Enterprises in the Maritime Sector. Bremer Schriften zu Betriebstechnik und Arbeitswissenschaft, Band 12. Mainz, 1997. **Hrbek, R.:** Stichwort „Euro-Verbände“ in Sachwörterbuch zur Europäischen Union (Hrsg. Monar/Neuwahl/Noack), Stuttgart 1993.

¹⁹¹ **European Parliament, Directorate General for Research:** Cross-border and inter-regional co-operation in the European Union. Regional Policy Series W-19 (PE 166.402, 1996). **European Commission (Directorate General XII), Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995):** Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal.

¹⁹² **European Commission (Directorate General XII), Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995):** Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal.

developing “framework programmes” of common interest that are frequently submitted to EU-funding. Since the end of the 1980ies, many European associations developed specific EU-sponsored framework programmes that aimed at enhancing cross-border or inter-territorial co-operation and were involved in their management.¹⁹³ In the framework of the early Community programmes on “inter-regional” co-operation (EEP/PACTE, RECITE I), various associations assisted some of their members in developing joint project-networks and were even entrusted with their practical management.

According to their main objectives pursued, one can distinguish between **two basic sub-types of European associations** set-up by local or regional authorities (See: Table 18):

- Large scale European associations dealing with all local/regional aspects related to self government and other general issues related to European integration, which established “agreements” with other more specific European associations regarding their mutual division of labour in order to avoid double work.
- Other more specific European associations representing members with commonly shared geographical, economic or sectoral features.

Sub-types	Examples with date of foundation
Large-scale associations dealing with all questions related to local/regional self government and European integration.	<ul style="list-style-type: none"> • Council of European Municipalities and Regions, CEMR (1951) • Assembly of European Regions, AER (1985).
More specific associations representing members with commonly shared geographical, economic and sectoral features.	<ul style="list-style-type: none"> • Association of European Border Regions, AEBR (1971) • Conference of Peripheral and Maritime Regions, CPMR (1973), • Association of traditional industrial regions, RETI (1984) • Association of European Wine Producing Regions, AREV • Association of European Textile and Clothing Areas, ACTE (1992) • Baltic Sea States Subregional Co-operation, BSSSC (1993). • European Association of Metropolitan Cities, EUROCITIES (1986)

8.2. An assessment of their main achievements and of their basic organisational features

The following paragraphs will assess the contribution European Associations set up by local and regional authorities to the development of cross-border, inter-regional and transnational co-operation and summarise their basic and organisational features.

Main achievements of large scale associations dealing with all questions related to local and regional self-government or European integration

There are mainly two large-scale associations that deal with all questions related to local and regional self-government or European integration (**CEMR and AER**). Due to their broad representativity, these associations are frequently consulted by European-wide organisations (e.g. Council of Europe) or Community institutions on issues such as local and regional democracy, subsidiarity, regional development and spatial planning or the Citizen’s Europe. An example is their active participation in the “Second Conference European Parliament-

¹⁹³ This was the case of the early ERDF-Article 10 programmes such as „Exchange of Experience“ (EEP) and PACTE.

Regions of the Community” that took place in November 1991 and the “First Conference European Parliament-Local Authorities” that took place in April 1994.

The **Council of European Municipalities and Regions (CEMR)**¹⁹⁴ was founded in 1951 (as Council of European Municipalities, CEM) and became CEMR only in 1984. It is a French law based non-profit making association and based in Paris. It can be considered a federation of National Sections that gather together either one or several national representative associations of various local authority categories, or the local authorities of a county directly, or both one or several associations and their direct members. In 1996/97, the associations brings together almost 100.000 local and regional authorities in Europe, federated through 36 large national associations of local and regional authorities. Since its fusion with the “International Union of Local Authorities” (IULA), CEMR is far the most representative association of local and regional authorities in Europe. According to the statutes, CEMR-governing bodies are the “Assembly of Delegates”, the Policy Committee, the President and the Vice Presidents, the Executive Bureau and the Secretary General. Activities of CEMR at European level mainly concentrate on:

- Supporting the National Sections and all the members in the establishment of twinnings between two or more European local authorities,
- Encouraging interregional and inter-municipal co-operation by supporting members in their search for Community funding,
- The defence of local and regional authority interests within official European institutions (Council of Europe, European Union),
- Supporting the study of all Community dossiers concerning the management of local and regional authorities,
- working for inter-municipal co-operation in Central and Eastern Europe and in the Mediterranean,
- promoting its approach in favour of the construction of the European Union.

CEMR was at the origin of the “European Charter for Local Self-Government”, which has become a Protocol of the Council of Europe, now signed and ratified by a majority of the Member States. During the past 50 years, CEMR has conducted an important action to promote the development of town-twinings between its member cities, as this European association groups nearly 100,000 territorial authorities in Europe, federated through 38 national associations in 25 countries.¹⁹⁵ Furthermore, CEMR has drawn up jointly with the International Union of Local Authorities (IULA) a programme for “Municipal International Cooperation” (MIC) and a related implementation strategy entitled “Capacity and Institution Building (CIB). The activities aim at planning national policies and programmes for decentralisation, structuring/restructuring local systems of democratic administration, the consolidation of administrative and institutional structures and the training of public servants and strengthening the position of local authorities vis à vis central government.¹⁹⁶

CEMR has also been directly involved in specific framework programmes by which the European Commission supported the development of co-operation between local and regional authorities:¹⁹⁷ The association was directly involved in the management of two specific

¹⁹⁴ **Council of European Municipalities and Regions:** Reference Book 1996/1997.

¹⁹⁵ **European Parliament, Directorate General for Research:** Cross-border and inter-regional co-operation in the European Union. Regional Policy Series W-19 (PE 166.402, 1996).

¹⁹⁶ **Committee of the Regions:** Opinion on cross-border and transnational co-operation between local authorities (CdR 145/98 fin).

¹⁹⁷ **Council of European Municipalities and Regions:** Reference Book 1996/1997.

Community programmes (EEP/PACTE-exchange of experience; ECOS-Ouverture)¹⁹⁸. In 1994 the “European Sustainable Cities and Towns Campaign” was launched, which aims at awareness raising for the idea of sustainable development. Since 1996, first activities of CEMR were officially launched (creation of a “CEMR-network of Local Agenda 21 National Co-ordinators”; training and evaluation meeting) and a work programme for specific activities was adopted by CEMR in 1997 (title: “Go sustainable”), which was supported by DG Environment of the Commission.

The Assembly of European Regions (AER)¹⁹⁹ was created in 1985 and has its headquarters in Strasbourg. AER is a non-profit making association constituted on the ground of specific local associative law provisions existing for Alsace region only, which are more or less similar to the so called “French law 1901-association”. It considers itself the political forum and representative organisation of regions in Europe, which is committed to democracy, solidarity and the development of interregional co-operation throughout Europe. By the end of the 1990ies, AER has close to 300 “first level” member-regions²⁰⁰ from 26 different European countries. A particular feature is that many Working Communities²⁰¹ and other European Association²⁰² are Members of AER. In 1996, the “Declaration on Regionalism” was adopted, which defines the norms and criteria for regional development and fixes the different steps to be undertaken so that a region can be acknowledged as a fully-fledged political entity. The declaration has not chosen to promote a specific type of regionalism but sets out a general framework in which regions may develop.

In 1998, a “Strategy 2000 for the regions of Europe” was adopted that outlines the new structure of AER²⁰³ and fixes two priority objectives:

- To accelerate the process of regionalisation on the European Continent with a view to building a “Europe with the Regions” on the eve of this third millennium.
- To promote and develop interregional co-operation networks and cultural, economic and social partnerships between the regions of Europe through the transfer of know-how and exchange of experiences.

Together with CEMR, the association has launched the initial EEP/PACTE programme and was since 1989 entrusted by the Commission in their management. From the outset of the EEP-programme, AER has delegated the task of managing its part of the programme to its former scientific and technical partner, the “European Regional Development Centre” (CEDRE). In parallel, AER has also set up specific training programmes for regions in Europe: Created already in 1985, EURODYSSSEY was the first programme and aims at

¹⁹⁸ EEP/PACTE: Since 1989 and on the basis of a joint contract, the Commission has entrusted the programme management to CEMR and the Assembly of European Regions. Since 1996, these two organisations have functioned under a single management structure, the PACTE Economic Interest Grouping with offices in Brussels, Strasbourg and Paris. ECOS-Ouverture: In 1990-91, the Commission launched the ECOS and Ouverture programmes that aim at promoting co-operation between cities and regions and their representative organisations in the EU and Central and Eastern Europe (period 1990-1996). Both programmes were initially funded under the old ERDF-Art. 10, and the ECOS programme was managed by CEMR. With the new ERDF-Art. 10 guidelines, a single instrument for external inter-regional co-operation has been created for 1995-1999. For the management, CEMR and the city of Glasgow have created a joint legal structure.

¹⁹⁹ **Assembly of European Regions**: „Visiting Cards of European Regions, 1999“ and information contained in the WEB-Site of ARE (www.are-regions-europe.org/DATABASE/partnership/index.html).

²⁰⁰ According to AER’s „Declaration on regionalism in Europe“, the region is the territorial body of public law established at the level immediately below that of the State and endowed with political self-government.

²⁰¹ ALPEN ADRIA, ARGE ALP, COTRAO, Working Community of the Low and Middle Adriatic, ARGE DONAULÄNDER, Working Community Galicia-North Portugal, CTJ, CTP.

²⁰² By 1999 and in alphabetical order: AREV, AEER, RETI and CPMR.

²⁰³ The organisation diagram shows indicates General Assembly, an Executive Bureau, a Presidium, four Committees, a General Secretariat and a Scientific Committee.

improving the chances of young Europeans to integrate in the labour market. The training and exchange of experience programme CENTURION was launched in 1994 and is designed to bring together regions of Western Europe and Central and Eastern Europe. The AER SUMMER SCHOOL has been running since 1996 and sees itself as a forum for exchanges of experience in the area of regional development. Between 1989 and 1998, the AER also ran the European Commission's Action Programme for Local and Regional Authorities of Europe (PACTE-Exchange of Experience). In addition, AER has created an "inter-regional partnership pool" for the use of regional actors (institutions, businesses, NGO's), which aims to help the leaders of inter-regional projects in their search for partners, in particular at European level.

Main achievements of specific associations representing members with commonly shared geographical, economic or sectoral features

There are also a **greater number of more specific European associations** representing members with commonly shared geographical characteristics or members with commonly shared economic and sectoral features. Some of them are the most long-standing associations created in Europe (AEBR, CRPM), while others only developed more recently.

The **Association of European Border Regions (AEBR)**²⁰⁴ was founded in 1971 at Schloß Anholt (in the district of Borken) and is a registered German association based in Gronau. AEBR currently has 79 Members, which are first level regions and local authorities or cross-border structures. The organs of AEBR are the General Assembly, the Executive Committee, the President and the Secretary General. The association can form committees to which belong representatives of European political committees, associations and society-relevant groups with an advisory vote. A particular "Advisory Committee for Cross-border Co-operation" consisting of scientific representatives from all over Europe was set up, which has the role to advise AEBR in all questions of cross-border co-operation and to put forward solution proposals. The association is acting for European border and cross-border regions and has as its main aims

- to make their particular problems, opportunities, tasks and projects intelligible,
- to represent their overall interests to national and international parliaments, organs, authorities and institutions,
- to initiate, support and co-ordinate their co-operation throughout Europe,
- to exchange experiences and information to formulate and co-ordinate common interests from the various problems and opportunities, and to offer solutions.

Since its foundation, AEBR was active on various levels in promoting and sustaining cross-border co-operation. The most significant results can be summarised as follows:

- The association supported the Council of Europe in its efforts to improve cross border co-operation: In 1971, AEBR took the initiative for creating the "Conference of European Border Regions" of the Council of Europe, which has become a regular event (6 conferences were held since 1976). In 1979, AEBR became an official observer at the Council of Europe and collaborated in the draw-up of the „Madrid Outline Convention“.
- The Association contributed to the elaboration of three basic reports of the European Parliament on cross-border co-operation (1976, 1981, 1985) and successfully advocated for the adoption of a first budgetary line for cross-border co-operation in the Community budget (1987/88).

²⁰⁴ **Association of European Border Regions (AEBR): 25 years of working together.** AEBR, November 1996.

- In 1981, AEBR adopted a “European Charter for Border and Cross-border Regions”. It was revised in 1995 under consideration of the development in Central and Eastern Europe.
- In 1988-90, AEBR intensively participated on request of the European Commission in the elaboration of the INTERREG Programme (basic principles, criteria, project outline) and later on also in the framework of INTERREG II and III.

In 1990, **AEBR has launched an Observatory for cross-border co-operation** that was co-financed by the Commission as a pilot project entitled “Linkage Assistance and Co-operation for the European Border Regions” (LACE). Since its inception, the LACE project was closely linked to the Community Initiative INTERREG and received support from the European Commission. At date, LACE consists of three major sub-projects (LACE-TAP, LACE-PHARE and more recently LACE-TACIS), which are all managed by AEBR.

- In 1996, the LACE-TAP-programme (Technical Assistance and Promotion of Cross-Border Co-operation on internal and external border regions of the EU) started, which has been closely linked with the operation of INTERREG IIA (1996-2001). LACE-TAP costs are partly covered by an EU grant and partly by AEBR and regional contributions.
- In the same year, the LACE-PHARE CBC programme on cross-border co-operation with the countries of Central and Eastern Europe was launched and carried out similar activities as LACE-TAP during the periods 1996-1997 and 1999-2000.
- In April 2000 the Commission also entrusted AEBR with the implementation of the Regional Capacity Building Initiative under the TACIS CBC programme. RCBI covers the Western border regions of the Russian Federation, Belarus, Ukraine and Moldova. It includes the provision of long-term and short-term technical assistance, the assessment reports in the border regions, training seminars and study visits.

LACE has promoted cross-border co-operation and cross-border structures throughout Europe and has been actively involved in strengthening networking between border regions and facilitating the transfer of know-how and best practice. In the framework of LACE, various publications were issued that aim at assisting practitioners in cross-border co-operation.²⁰⁵

More recently, AEBR has started to launch specific “mini-networks” between its members. They will deal with issues related to cross-border co-operation in areas along external borders, rural areas, mountainous areas, maritime border areas or cross-border urban agglomerations.

The **Conference of Peripheral Maritime Regions of Europe (CPMR)**²⁰⁶ is mainly composed of maritime regions (coastal regions and islands) and was founded in 1973. Based in Rennes / Brittany (F), CRPM considers itself a pioneer organisation on the European level in interregional co-operation, confirming its role as an administrative and financial pole servicing the programmes supported by the European Union.²⁰⁷ The association itself is based

²⁰⁵ LACE Practical Guide to Cross-border Co-operation (3 editions), LACE Info Sheets and LACE Magazines, Working or Discussion papers on “The EU Initiative INTERREG and future developments”, “The Future of Maritime Co-operation”, “Institutional Aspects of Cross-Border Co-operation”, “Cross-border Financial Management”, “Operational Guidance Paper for the preparation and management of the INTERREG IIIA Programmes 2000-2006” etc.

²⁰⁶ **Conference of Peripheral Maritime Regions of Europe (CPMR):** CPMR brochure (1996) ; **European Parliament, Directorate General for Research:** Cross-border and inter-regional co-operation in the European Union. Regional Policy Series W-19 (PE 166.402, 1996). **European Commission (Directorate General XII), Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995):** Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal. **Hache, J.-D.:** Quelle organisation juridique pour un réseau de régions ultrapériphériques et insulaires? L'exemple du projet Eurisles. In: Commission européenne /GIE PACTE ARE-CCRE: La coopération décentralisée. Paris 1997.

²⁰⁷ In this respect CPMR created an own inter-regional co-operation unit which offers various services: Support for conception, definition and negotiation ; participation in running of programmes ; administration and financial management ; follow-up.

on a distinct structure - the “Administrative Section of CRPM”- specifically created for this purpose. This structure is constituted as a non-profit making association under French law (so called “law 1901-association”) and has the capacity to represent CRPM in justice. Legally speaking, this body is also the “employer” of CRPM’s administrative personnel.

In order to correspond better to the specificity of its member regions, CPMR has progressively organised itself from the 1980ies onward into 5 “geographical commissions”. These Commissions are specific frameworks for inter-regional reflection, but they do not have an own legal status and are therefore directly linked to the “mother organisation”. The Commissions have more or less the same organisational structure (President, political bureau, executive secretary, internal rules of procedure, membership fees), but their links to CRPM/Rennes can however be more or less intense.

- The **Island Commission** was created in 1980 as a first step of "decentralising" the activities of CPMR. It is based in Rennes / Brittany (F) and has as its main aims to make EU-institutions aware of the need to recognise the special situation of islands and to promote co-operation and exchange between EU-island regions.
- The **Atlantic Arc Commission** with member regions from France, Ireland, Portugal, Spain and the United Kingdom was created in 1989. Its organisational structure is composed of a general assembly composed of the regional presidents meeting once a year, the political secretariat based in Poitiers (F) and a technical secretariat based in Brussels. A main aim of co-operation was to regroup Atlantic regions within the CPMR and to prepare or lobby for an integrated programme for the Atlantic economies.
- The **North Sea Commission (NSC)** was established 1990 in Humberside by UK members of the CPMR and has at date 35 member regions from the UK, Holland, Denmark, Germany, Sweden and Norway. The main objectives of the NSC are to further partnerships between regions which manage the challenges and opportunities presented by the North Sea and to promote the North Sea basin as a major economic entity within Europe, by encouraging joint development initiatives and political lobbying at EU level.
- The **Intermediterranean Commission** was created in 1990 at a meeting in Sevilla and groups member regions from Spain, France, Greece, Italy, Portugal and Malta. The main aims are to affirm the economic, social and strategic importance of the Mediterranean basin in Europe with particular attention to the non-EU seaboard and to implement instruments of interregional co-operation through a network of exchanges and joint projects.
- The most recent sub-structure of CRPM is the **Baltic Sea Commission**, which was created in 1996

During the first generation of European programmes in the field of “inter-regional co-operation” (EEP, PACTE, RECITE I), many inter-territorial project-networks for coastal zones and islands were actively initiated, managed and co-ordinated by CRPM or one of its geographic Commissions.²⁰⁸ But also other project-networks that frequently received substantial financial EU-support have been launched and realised by CRPM or its geographical commissions.²⁰⁹

²⁰⁸ RECITE I- projects: „Mediterranean Tourism“, „HYDRE“, „Eurisles“, „Atlantic Regions Network“, „Finatlantique“

²⁰⁹ **Atlantic Arc Commission:** ATLANTIS (ERDF-pilot action). **Island Commission:** "Islenet"-project that received financial support from DGXVII of the Commission. **Intermediterranean Commission:** Involved in projects or networks such as "Euro-Mediterranean Regions Centre for the Environment" (CREE), "Charter of the Mediterranean Basin", "Euromediterranean transport agency", tourist and nautical ITINERARIES, marine research network "RECORDAD", "Mediterranean Fisheries".

The initial steps of **EUROCITIES**²¹⁰ date back to the “Eurocity Movement”, which was set up between major twinned cities in 1986 (Barcelona, Frankfurt, Milan, Lyon, Rotterdam). At the beginning of the 1990ies, the Movement’s Executive Committee asked CEMR to prepare a project-network that received funding under RECITE I and was successfully implemented. After the end of the project, EUROCITIES became an independent organisation and was constituted as non-profit making association established under Belgian law (ASBL). At date, it has more than 80 members from 22 European countries (year 2000). In order to be an “Eurocity”, it is necessary to have at least 250.000 inhabitants, a democratically elected government and an international dimension. The organisational framework is made up by an Executive Committee and by a number of thematic committees (culture, economic development and urban regeneration, East-West relations, environment, social affairs, transport, technology). The day-to-day management is carried out by a small team at the Association’s permanent office, set-up in Brussels in 1991.

Today, the association is certainly one of the most important organisations dealing with urban issues and is widely recognised as a dialog partner of European institutions. Main aims of EUROCITIES are

- to ensure that urban affairs are placed high on the European Union’s policy agenda
- to promote transnational co-operation projects between its member cities across Europe, to facilitate co-ordination and to help providing access to EU-funding,
- to foster a network spirit amongst Europe’s large cities and to encourage members to exchange their expertise and be proactive in shaping national and EU-policy.

It actively supports the “European Sustainable Cities and Towns Campaign”, which co-ordinates actions of regional and local authorities that aim at supporting activities in the field of sustainable development and (Local Agenda 21). In addition, EUROCITIES strongly promotes technology co-operation and is involved in R&D framework programme activities of the European Union. An important initiative was the creation of a sub-network called TeleCities (See: Chapter 6), which involves about 120 participants including small and medium sized cities.

In the opinion of some member-cities, success also bears some risk: Currently a trend towards increased membership can be observed, as many cities coming from CEEC countries are willing to join the association. The preparation of the EU-enlargement therefore challenges the association and urges it to find a new balance in order to avoid weakening or disintegrating effects: On the one hand, EUROCITIES faces serious resource and capacity problems with regard to the preparation of an urban-political agenda for the EU-enlargement. The association therefore adopts a position of scrutinising, consulting and moderating in order to support the formulation of an urban political agenda for local authorities of CEEC-countries. On the other hand, EUROCITIES is aware of potential problems related to personal or cultural issues. EU-policy and networking in general urges regional or local actors to be highly informed and flexible, whereas many CEEC-countries still suffer from an absence of civil society and management traditions of leading staff at local level are often characterised by highly centralised and top-down methods.

²¹⁰ Information contained in the WEB-Site www.eurocities.org ; Information contained in the WEB-Site www.municipia.org/int/links/issues/networks.htm ; **Bundesland Berlin (Senatsverwaltung für Arbeit, Berufliche Bildung und Frauen):** Europäische Städtepolitik. Sachstandsvermerk, Juli 1998 (source: www.eurocities.org/library/eurocit/berlin.htm) ;

The **Baltic Sea States Subregional Co-operation (BSSSC)**²¹¹ is an independent organisation that was founded in 1993 with the intention to constitute a regional co-operation platform for the Council of the Baltic Sea States, which in turn was set up by Foreign Ministers of 11 Baltic Countries in 1992. The BSSCC considers itself a “binding link” between the subregions, the national government level and the European Union. The BSSSC is organised around a "Conference of delegates" which meets once a year, while a “Working Group” meets between the annual conferences to prepare these events. It has three main objectives:

- It is the political interest organisation for the subregional authorities (“contact-centre”) and an intermediary for subregional demands and strategies for a common development policy for the Baltic Sea Area.
- It is the umbrella organisation for many actors and organisations in the Baltic Sea Area and works towards ensuring good information flow and co-operation between those actors in order to achieve a common and strong development.
- It intends to be a market place for exchange of experiences between the regions and a forum for the creation of new partnerships. It seeks to ensure that all subregions have the possibility of participating in projects on equal terms.

Its strategic activities aim first and foremost to promote interregional and cross-border co-operation between the subregions in the area and to present a coherent policy regarding the subregions to all important decision-makers. It also tries to work for a more goal orientated use of already existing financial resources in order to ensure the implementation of concrete projects for the benefit of all regions. Taking into account that the pre-accession strategy is primarily a “top-down-process”, BSSSC acknowledges that it has a great responsibility to the regional and local level from the Eastern part of the Baltic Sea area and works towards their active involvement in this process.

The basic legal and organisational features of European associations representing local and regional authorities

The dominant legal and organisational features of European associations representing local and regional authorities can be summarised by a number of practical observations:

- In legal terms, European associations are generally constituted as non-profit making associations based on private law of one specific county.
- With regard to the basic organisational features of associations, only one common denominator can be observed: They normally establish a single permanent secretariat in their country of legal registration, which manages the daily business and organises meetings or annual plenary sessions etc.. Otherwise, a variety of different solutions have been found in order to organise their daily work processes.
- Most associations work with additional “support structures”: These structures can be regional representation offices that are “attached” to some of the association’s members in organisational terms (e.g. AEBR).²¹² Other associations operate with a representation in each country where members come from (e.g. CCRE)²¹³ or have even created specific sub-structures on a co-operative basis that group several of their member regions (e.g. sub-commissions of CPMR). In order to liaise with the EU, some European associations legally registered in countries other than Belgium have set up additional “technical representations” or even a permanent office in Brussels (e.g. CCRE, CRPM). European

²¹¹ Andersen, K.: Building the Baltic Sea Region – BSSSC’s Objectives and Contributions. In: The Baltic Sea Region. Business and Industry, Politics, Developments and Trends. Hagbarth Publications, Bollschweil (D), October 1998.

²¹² AEBR has established 5 „regional offices“ that are attached to some of its member regions (Triest, Strasbourg, Zaragossa, Merida, Aapenraade).

²¹³ Due to CCRE’s basic nature of being a “federation of national federations”, the association disposes of a representation in each country where members come from (normally located at the national member association’s head offices).

associations legally registered in Belgium normally fulfil this task with their single permanent office established in this county (e.g. EUROCITIES).

- Little distinction can be made between the sources of finance of the different sub-types of European associations, as most of them rely for their internal running cost on the annual member-contributions.

PART IV:

***General factors that condition success
of co-operation between territorial authorities
and
recommendations for steps necessary
to further improve transeuropean co-operation***

SUMMARY OVERVIEW BOX FOR PART IV. BASIC QUESTIONS AND KEY POINTS

Which are the main factors that enhance or hinder cross-border, inter-territorial and transnational co-operation ?

- The **degree of tradition/experience** with co-operation and the **extent to which joint activities are based on partnership and subsidiarity** strongly condition success of all forms of co-operation.
- **Geographical proximity** conditions themes and intensity of cross-border, inter-territorial and transnational co-operation activities.
- The **degree of institutionalisation** has considerable influence on the success of co-operation. The importance of the factor institutionalisation however differs from one main category of co-operation to another (cross-border, inter-territorial and transnational co-operation), as well as between the individual levels of co-operation (project-based and strategic co-operation)
- The **existence of appropriate legal framework conditions** strongly influences on the overall development of transeuropean co-operation. Especially cross-border, inter-territorial and transnational co-operation schemes are particularly dependent on the existence of adequate legal framework conditions, whereas European associations set up by local and regional authorities seem to operate quite satisfactory on the ground of national legal provisions (associative law). Legal framework conditions help to create a solid external legitimacy for co-operation schemes vis à vis their environment (e.g. citizens, other political or administrative structures) and facilitate the setting up of transparent and democratical structures for their internal functioning.
- The **availability of funding programmes supporting co-operation between territorial authorities** has significant influence on the overall development of transeuropean co-operation. The formation and the establishment of European-wide relations between local and regional authorities have been accelerated by Community support programmes. Substantial Community funding continues to be provided for transeuropean co-operation under INTERREG III (2000-2006). However, some programme related difficulties and inconsistencies continue to persist and territorial authorities will need to tackle considerable challenges in the near future (See more in detail: Annex 1).

Which are the recommendations that may help overcoming the most important internal weaknesses or (external) obstacles in the field of strategic or project-based cross-border co-operation ?

- **The regional and local levels are the best levels for strategic cross-border co-operation.** In order to be effective now and in future, strategic co-operation has to be more wide-ranging and characterised by joint activities from the beginning. Three inter-related aspects strongly condition the success of a more wide ranging approach to strategic cross-border co-operation (Co-operation based on a cross-border partnership, co-operation based on subsidiarity, the existence of cross-border "concepts" and strategies). In setting up strategic cross-border co-operation structures, local and regional actors should also observe a number of general principles.
- In order to ensure high quality of **co-operation at project level**, it is important to jointly define from the beginning what the project should look like. A project is a cross-border project if the partners from both sides of the border participate with regard to contents, organisation, staff and funds.
- **For cross-border co-operation along external EU-borders and along borders in Central and Eastern Europe**, the remaining difficulties concerning the co-ordination of INTERREG IIIA and PHARE CBC should be eliminated. Also between INTERREG IIIA and TACIS-CBC, MEDA and CARDS, co-ordination should be further improved. One should also introduce PHARE CBC methods in border regions on the newly eligible borders under PHARE CBC CEC/CEC. Additionally, there are significant region-specific needs that should be tackled by training and advisory support for each border or group of border regions. Finally, it would be desirable to provide assistance to the border and cross-border regions in Central and Eastern Europe, in particular concerning
 - the strengthening of cross-border structures and secretariats,

- the development and implementation of programmes in the period 2000-2006 and their financial management,
- the sector-specific development of projects with the help of regional seminars, assistance and information.

Which are the recommendations that may help overcoming the most important internal weaknesses or (external) obstacles in the field of strategic or project-based inter-territorial co-operation ?

- In order to be successful, **bilateral strategic co-operation schemes** established between local and regional authorities (town twinings and regional co-operation agreements) need to overcome specific internal problems and should generally be extended / deepened on a pragmatic basis in order to eliminate existing barrier-effects and to explore new potentials for co-operation.
- **Other forms of strategic co-operation** established between territorial authorities (bilateral co-operation between first-level regions, multilateral networks) should carefully monitor the initial selection process of potential partners and the precise setting up of adequate co-operation structures. Additional important aspects are:
 - Co-operation necessitates that regional (and local) policies are better co-ordinated and planned on a long-term bases and that European issues are placed at a high priority-level on the regional (or local) political agenda.
 - “Continuity” should govern mutual relations in strategic co-operation as a basic principle.
 - In order to assure long term sustainability and to contribute better to a realisation of the Citizen’s Europe, strategic co-operation should involve a greater number of “other” local/regional actors.
- **Inter-territorial co-operation at project level** should
 - Generate a strong social and political commitment.
 - Establish a consolidated partnership especially with regard to project objectives and the work programme.
 - Use simple but relevant management tools as well as effective and transparent monitoring and evaluation systems.
 - Proceed to an on-going evaluation as an integrative part of the project cycle.
 - Produce transferable results and assure broader diffusion of results.

Which are the recommendations that may help overcoming the most important internal weaknesses or (external) obstacles in the field of strategic or project-based transnational co-operation ?

- **Transnational programme strategies** must have a strong cross-sectoral view regarding individual policy fields, but in the same time they should make reference to the precise regional and national context and integrate sectoral policies as important actors for support measures.
- Based on the experience of INTERREG I and IIA, all **partners of the strategic co-operation should engage in the elaboration of a specific “Interreg-Agreement”** that is concluded between them – in the best case – before submitting the programme for approval.
- **Transnational programmes** can not be successful if they are solely carried out as an administrative process that does not take into account broader framework conditions for implementation. Strategic transnational co-operation at the level of programmes has to agree/create appropriate framework-conditions for an effective project-based implementation. Transnational decision-making processes would have to be flexible and joint programme management structures sufficiently stable.
- **Transnational programmes** that cover parts outside the EU-territory must ensure widest possible participation of all partners from Third countries and of their especially of their territorial authorities.
- During **the process of preparation**, project promoters should observe a number of recommendations:
 - In order to be successful, it is important not to underestimate the time it takes to construct a good project.
 - In developing a “project idea”, actors should well understand the relevant programme strategy and it should be clear how a project idea can contribute to implement the objectives of a given priority.
 - Once an individual project idea takes shape, it is vital to engage as soon as possible in searching for transnational partners with common aims.
 - Transnational partners should be involved as early as possible in the process of developing the details

of a project-proposal.

- When developing a project proposal or committing to one as a partner, all actors should ensure that they are fully aware of the level of resources required to fulfil this commitment (in time and funding).
 - Being a “lead partner” of the project can be a demanding role, as by definition he has ultimate responsibility for the project.
- Even when a **project-proposal is finally approved** and has entered the phase of implementation, there are several key factors that need to be considered in order to ensure an effective delivery of the actions planned.
 - Transnational partnerships have to be constantly developed, as it takes a long time to reach the level of a true partnership involving trust, good will, full understanding and commitment.
 - Clear time-scales to achieve key milestones in project delivery (setting deadlines) and clear systems to monitor the progress of a project (including staff time monitoring, financial and auditing systems, a record of activities, and publicity) have to be established early. Projects should carefully consider opportunities for publicity and effective ways of disseminating information about the project to share experience and good practice (at all levels).

Which are the recommendations that can promote transeuropean co-operation as an essential element of a new model for European Governance?

- **Transeuropean co-operation** between territorial authorities from EU-Member States and from accession countries should be considered an **important „instrument“ that contributes to building the European Public Space.**
- **Early participation of territorial authorities should be reinforced**, especially in the framework of Community policies having a strong territorial impact (regulatory measures, support policies) or particularly relying on local and regional authorities during the implementation phase.
- An improved **evaluation of the effectiveness of Community rules** (directives and regulations) and the development of mechanisms tracking the decision making of legislation and implementing measures **should better take into account the regional/local dimension as well as the border crossing effects.**
- A definition of general principles that organise **desirable forms and degrees of „vertical decentralisation“** (e.g. via contractual agreements etc.) **should also consider, how strategic forms of transeuropean co-operation can contribute to / be involved in an adaptation of the policy-making process** in order to create stronger flexibility.
- In **evaluating and systematising the role of already existing networks that help the Commission in devising and implementing policies** (e.g. EuroInfoCenters, networks created by the liberalisation of services of general interest), **the important role that transeuropean co-operation schemes and networks established by local and regional authorities can play in this respect should be considered** more carefully (current degree of involvement and future prospects especially with regard to decentralisation).
- **The important role of cross-border, inter-territorial and transnational co-operation should be fully considered in linking various territorial levels by social cohesion and sustainable development and practically realising the policy options of the ESDP** for a balanced development of the EU-territory, which also means increasing the overall co-ordination between different sectoral Community policies with a strong territorial impact.

How can Community-wide legal framework conditions for project based co-operation between public authorities be further improved ?

- **“European Economic Interest Groupings” (EEIGs)** tend to be dominantly used for co-operation by actors of the private sector. **There are however some examples of EEIGs that actively operate in the wider framework of transeuropean co-operation and involve public local/regional authorities, side by side with other semi-public local/regional actors and companies or individuals governed by private law.** Due to some uncertainties existing in several EU-Member States with regard to a use of EEIGs for co-operation between public (territorial) authorities, it would be helpful to clarify some aspects of the current EEIG-Regulation in order to enhance further transeuropean co-operation.
- **A first option could aim at preserving the essence of the EEIG-approach, while proceeding to a clarification of specific aspects contained in some provisions of the current Regulation** (more explicit

reference to local/regional authorities and to other public authorities; clarification as regards the unlimited joint and several liability for the groupings' debts and other liabilities of whatever nature).

- **A second option could aim at reforming more fundamentally the existing EEIG-regulation.** The basic approach of this option would be to separate the specific types of economic actors currently and to provide them, according to the dominant co-operation features in economic issues that can be observed in practice, with adequate organisational frameworks having an own legal personality.

What are the key aspects of a new Community legal framework instrument for strategic cross-border, inter-territorial and transnational co-operation?

- **At date, no European-wide and directly applicable legal framework instrument does exist for strategic co-operation between territorial authorities.** Whilst European associations seem to operate quite satisfactory on the ground of national legal provisions (associative law), other forms of strategic co-operation are only partially stabilised by adequate legal framework conditions.
- **The Community should therefore elaborate and adopt a flexible legal framework instrument providing for the creation of specific "European Co-operation Areas" (ECA),** which lays down flexible outline provisions applicable throughout the entire European Union.
- The ECA-initiative should initiate and further enhance more far reaching forms of voluntary bilateral or multilateral co-operation between public territorial authorities of EU-Member States and other public actors (e.g. national government actors). **Any ECA is established in the form of a body/grouping having an own legal personality under Community law,** which will however not replace its constitutive members. An ECA will therefore not create a new layer of government.

What are the key elements of the "Action Plan" for the Committee of the Regions (CoR) ?

- The CoR should actively promote the issues of the study on new forms of European governance during the forthcoming debate on the Commission's White Paper.
- The CoR should suggest to its local and regional members that they organise at least one public debate in their elected representations on the issue of transeuropean co-operation.
- The CoR should, jointly with the Commission or national governments and regional/local authorities, organise at least one large conference in each of the Accession States in order to raise awareness on the basic challenges and potentials of transeuropean co-operation
- The Secretariat General of the CoR should establish a "Joint Working Group" with competent Commission services that further explores the "technical feasibility" of implementing the legal proposals made in this study.
- The CoR should engage in close collaboration with other actors concerned by the issue of the study (European Parliament, European Associations, representations of regional and local authorities etc.).
 - The CoR should, together with its other partners of the "joint initiative", urge the Commission to elaborate a "White Paper" on Transeuropean co-operation between public authorities.
 - The CoR should, together with its other partners of the "joint initiative", urge the Commission to come forward with precise and appropriate legal proposals before finishing its in-house elaboration process of reform proposals for the EU's cohesion policy and to include specific suggestions on transeuropean co-operation in its preparative documents for the IGC in 2004.
- The CoR should ensure that the issues of the study are taken into consideration during the elaboration of its future opinions on various Community matters.
- The CoR should support that all present Community Initiatives become a separate element of the Community's Cohesion policy, which are implemented horizontally (without specification according to Objective-areas) and in a decentralised manner.
- The CoR should, within its own internal rules of procedure, provide for a formalised and early consultation of „representative“ European associations set up by local and regional authorities.

9.) A discussion of general factors that condition success of co-operation between territorial authorities in Europe

Previous parts of the study have highlighted that **transeuropean co-operation between territorial authorities has become an undeniable political reality in Europe** and also has a high priority on the agenda of the European Union's future enlargement process. Transeuropean co-operation recognises cultural diversity and different political systems and puts into reality general political declarations of intent by actions in a broad range of thematical fields. These activities **contribute to a practical realisation of the "Citizen's Europe"** and are a distinct **example, how the "bottom-up principle" can be applied practically at a smaller scale** in the broader context of the European integration process.

The contribution of transeuropean co-operation to these general principles for peaceful coexistence between people in Europe as well as its success in carrying out practical activities or realising expected benefits **depends upon a number of aspects, which enhance or still hinder co-operation**. For a more detailed discussion of their practical influence on each category of co-operation, these aspects are summarised in the following paragraphs of this chapter under the heading of "general factors". **There are 5 general factors that condition success of co-operation, which can be grouped under two main categories:**

- **3 general factors are linked to the "internal conception" of co-operation** and can in practice be influenced directly by local and regional authorities ("degree of tradition/experience with co-operation and the extent to which joint activities are based on partnership and subsidiarity"; "geographical proximity"; "degree of institutionalisation").
- **2 general factors are related to "external framework conditions" for co-operation** and are faced by local and regional authorities more or less passively ("existence of appropriate legal framework conditions"; "availability of funding programmes supporting co-operation between territorial authorities").

Degree of tradition/experience with co-operation and the extent to which joint activities are based on partnership and subsidiarity

The degree of tradition/experience with co-operation and the extent to which joint activities are based on partnership and subsidiarity strongly condition success of all forms of co-operation.

Long standing tradition and extensive experience with co-operation is a general aspect that has a favourable impact on all major categories of transeuropean co-operation. These aspects play a particularly important role for cross-border, inter-territorial and transnational co-operation, both at strategic and at project level.

All activities in the field of cross-border, inter-territorial and transnational co-operation should generally be based on **partnership and subsidiarity ("inwards" and "outwards")**. Whichever category and level (strategic or project based co-operation) or structure is chosen for co-operation, the results of activities in each case strongly depend on the commitment and mutual trust of the actors involved (but also of the people concerned). Involvement of active individuals is crucial at all levels of co-operation and has to include selected politicians at all levels (e.g. local, regional, national, European), experts in public institutions (e.g. regional authorities, cities, municipalities, training institutes), academics, individuals from the private sector (e.g. enterprises, professional chambers and associations), trade unions and community

groups. Especially cross-border co-operation, but also inter-territorial and transnational co-operation (where possible), should be kept as close as possible to the individual citizen at regional and local level.

Geographical proximity

Geographical proximity (e.g. territorial coverage of a co-operation structure/scheme or a support programme; relative distance of the actors involved) conditions themes and intensity of cross-border, inter-territorial and transnational co-operation activities. Its practical influence differs however strongly from one main category of co-operation to another.

Cross-border co-operation is normally established between two or a greater number of neighbouring regions and/or local authorities that are located in geographically adjoined areas along a common border. It frequently builds on historical/cultural links and often reflects strong common territorial interests that exist in these co-operation areas. However, one can observe that the “territorial coverage” of cross-border co-operation strongly differs in practice (narrow cross-border co-operation, large-scale cross-border co-operation). It should however be noted that a high degree of geographical proximity between partners in cross-border areas plays an essential role in strategic and project-level co-operation.²¹⁴ It generally stimulates a high frequency of mutual contacts and the emergence of trust between actors. It also helps to reduce transaction costs of enterprises and permits a rapid growth of formal or informal contractualisation and it favours a horizontal organisation of production in these regions.

Inter-territorial co-operation schemes are normally established between local and regional authorities that are not (necessarily) adjoined by direct neighbouring links. Due to this basic feature it is not expected that the factor geographical proximity does play such a predominant role for the success of inter-territorial co-operation as in the case of cross-border co-operation. Current practice shows however, that large-scale neighbouring links between local authorities are often a favourable condition for the establishment of town-twinning schemes. But also in the case of other inter-territorial co-operation schemes, geographical proximity can enhance participation in projects or strategic networks.

Transnational co-operation is deliberately conceived as a co-operation over larger groupings of regions in order to address specific problems emerging in such a context. The influence of geographical proximity on the success of transnational co-operation is however rather diverse. Generally speaking, immediate geographical proximity does not play an important role in strategic transnational co-operation as in the case of cross-border co-operation. Although, very large transnational co-operation areas including a broad range of different nationalities, languages cultures and types of co-operation partners may face more difficulties in establishing their framework for strategic co-operation (e.g. elaboration of a focussed development strategy; setting up appropriate co-operation structures) than smaller ones. The influence of geographical proximity decreases at the level of joint transnational projects. Projects can show a constellation similar to multilateral inter-territorial co-operation activities (non-contiguous partners) or consist of a group of actors that come from larger contiguous parts of the transnational co-operation area (larger territorial clusters, actors situated in a development corridor). However, large-scale co-operation areas may generate

²¹⁴ **Ratti, R.:** Problématique de la frontière et du développement des régions frontalières. In: Sciences de la Société, no. 37 / février 1996. ; **Garofoli, G.:** Développement et transformation des systèmes productifs locaux. globalisation et coopération interrégionale. In: Sciences de la Société, no. 37 / février 1996. **European Commission (Directorate General XII), Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995):** Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal.

more difficulties to “link” project-based objectives (with a strong local/regional focus) to a frequently rather abstract transnational ambition (programme objectives).

Degree of institutionalisation

The degree of institutionalisation also has considerable influence on the success of co-operation. Cross-border, inter-territorial and transnational co-operation can generally operate between two extreme poles: An attitude of “laissez faire” (lack of initiative, give responsibility away to others) and a tendency of “extensive institutionalisation” that over-emphasises regulation and administrative organisation of co-operation (increased cost, high administrative work load, long lasting procedures). The importance of the factor institutionalisation however differs from one main category of co-operation to another, as well as between the individual levels of co-operation (project-based and strategic co-operation)

Structures for **cross-border co-operation** with their bodies (a joint branch office and a joint budget need) should in general be developed as both a result of and a tool for increasing co-operation, not as an end in themselves. The factor institutionalisation is of crucial importance for long-term and strategic cross-border co-operation, as it sooner or later demands the setting up of permanent and binding cross-border organisational structures. Even if different framework conditions may require (or allow for) specific co-operation structures, it is vital to recognise that developing cross-border structures does not mean creating new layers of government and legal entities let alone under international law. Developing cross-border structures primarily means interlinking actors and organisations at regional/local (and in some cases national) level which often already exist, and creating a permanent capacity (political, technical, administrative structures) for co-operation such as establishing joint secretariats or branch offices. The new INTERREG III Guidelines for Strand A also increase the need for institutionalisation of cross-border co-operation, as they require the setting up of truly joint structures for the management of programmes and projects (See more in detail: Annex 1). Co-operation at project level can be dealt with by existing bodies on either side of the border, but sometimes it may require the setting up of project-level cross-border structures.

For **inter-territorial co-operation**, the factor institutionalisation is generally not a necessary pre-condition for success. It seems however that a certain degree of organisational and managerial capacities has to be established in every sub-type of inter-territorial co-operation, but especially in the framework of multilateral forms of co-operation both at project and at strategic level. Although co-operation partners do generally decide autonomously on their precise organisational framework according to the specific needs of each co-operation scheme, one can observe a clear tendency that institutionalisation is increasingly conditioned by “external factors” (e.g. requirements for the management of EU-funded projects). The growing importance of this latter aspect is particularly evident in the case the new INTERREG IIC Guidelines. They contain prescriptions that significantly increase the obligations to set up rather elaborated co-operation structures, both at strategic and at project level (See more in detail: Annex 1).

In the framework of **transnational co-operation**, institutionalisation is mainly conditioned by “external factors” and plays a crucial role for success both at strategic and at project level. Significant efforts were spent during the previous programming period in establishing appropriate strategic transnational co-operation structures for the operational/financial management of programmes (INTERREG IIC, Art. 10 pilot actions). With the reinforced provisions of the INTERREG III-Guidelines for Strand B, all programmes are obliged to set

up joint strategic management structures and the actors involved in project-based co-operation need to establish arrangements between them (See more in detail: Annex 1).

Existence of appropriate legal framework conditions

The existence of appropriate legal framework conditions strongly influences on the overall development of transeuropean co-operation. Especially cross-border, inter-territorial and transnational co-operation schemes are particularly dependent on the existence of adequate legal framework conditions, whereas European associations set up by local and regional authorities seem to operate quite satisfactory on the ground of national legal provisions (associative law). Legal framework conditions help to create a solid external legitimacy for co-operation schemes vis à vis their environment (e.g. citizens, other political or administrative structures) and facilitate the setting up of transparent and democratical structures for their internal functioning.

A discussion of the practical implications of this factor has to consider two essential dimensions:

- The availability of domestic competencies to local/regional authorities for an engagement in external co-operation activities.
- The conclusion of agreements between States that facilitate and foster external co-operation activities of territorial authorities.

The “**availability of domestic competencies for external co-operation**” is a first aspect that contributes to create appropriate legal framework conditions for co-operation. It generally plays an important practical role due to the fact that regional and local authorities throughout Europe have varying constitutional/formal legal possibilities to engage in external co-operation activities. The Council of Europe, in its Madrid Outline Convention and the two additional protocols, therefore demands that States recognise and respect within their jurisdiction the right of territorial authorities to engage in cross-border or inter-territorial co-operation (e.g. by granting permission to territorial authorities to conclude specific co-operation agreements).

- Significant progress has been achieved in the field of **cross-border co-operation**, where a greater number of national legal systems formally enables the regional/local level to directly participate in specific co-operation initiatives and subsequently in the management of specific support programmes.
- In the field of **inter-territorial** and **transnational co-operation**, the current practice of an involvement of territorial authorities still has not received official and formal recognition by the States in Europe. The practical influence of an availability of external competencies on co-operation is however variable. Many co-operation examples illustrate that problems related to a restrictive national legal framework can be partly compensated in the short run by aspects such as high motivation and flexible or pragmatic action. Experience also shows that a “high level of domestic competencies for external co-operation” or a “homogeneity of competence structures” within a given partnership is not an automatic guarantee for a “good quality of co-operation” or a “high level of outputs”. In a long term perspective, however, pragmatic solutions may lose their problem solving capacity, especially if leading actors of the co-operation (motors) revise their previous engagement or if highly motivated personnel “quits” the co-operation.

The “**conclusion of agreements between states**” is a second aspect that contributes to create adequate legal framework conditions for transeuropean co-operation. These interstate agreements normally define precisely the context, forms and limits of external co-operation

activities to be undertaken by territorial authorities and eliminate legal uncertainties likely to create problems or hamper the smooth running of co-operation.

At date, various forms of directly applicable treaties or agreements have only been concluded for **cross-border co-operation** (e.g. treaties, agreements), mostly in the framework of international organisations or between national governments and in some cases also between regional authorities with own legislative competencies (e.g. “Mainz Agreement”). These agreements have generally provided a suitable basis for the launch of cross-border co-operation at project level or the creation and operation of cross-border structures at strategic level. Despite the variety of existing legal framework instruments, a number of legal obstacles or restrictions still held back or hinder direct participation of cross-border regions (regional and local bodies) and other actors in the management of cross-border programmes or projects. These obstacles relate to several aspects:

- Currently, there is no single European-wide instrument for public law based strategic cross-border co-operation. Activities and the implementation of specific programmes continue to be governed by bilateral/multilateral agreements between states that depend above all on the political will of the partners concerned. The degree of participation of regional/local public bodies in cross-border co-operation provided for by these international agreements varies throughout Europe. This directly affects the current degree of centralisation/ decentralisation in the management of cross-border programmes. Great variations between these agreements can also be observed as regards the participation of private law based entities in cross-border co-operation.²¹⁵
- Given the fact that the control of public funds is ensured, cross-border co-operation, which is based upon private law, is in a position to manage programmes, which have been developed and implemented by public bodies. However, forms of co-operation based upon public law go further and guarantee a more democratic involvement.
- Cross-border co-operation at project level often has to use legal instruments based on European law or national legal provisions, which are frequently subject to a number of limitations. Certain legal instruments only lend themselves to more specific cross-border co-operation initiatives of an economic or commercial nature (e.g. the EEIGs). Depending on the case in question and national legislation, these can be linked to other instruments (e.g. the Mixed Economy Companies in France, the “Società Per Azioni” in Italy or the “Regies” in Portugal). With regard to co-operative actions between authorities governed by public law, and regional authorities in particular, France is the only Member State of the European Union to have adopted a specific instrument, the Public Interest Grouping

²¹⁵ **Internal working document of the Council of Europe:** Rapport préparé par M. le Prof. Lejeune (Université Catholique de Louvain) sur l’implication des personnes morales de droit public ou privé en matière d’accords et d’organismes de coopération transfrontalière. An assessment of major agreements concluded on cross-border co-operation shows that considerable differences with regard to the scope of actors that can practically engage in cross-border co-operation exist (territorial authorities and other public or private law based actors).

- Whereas the “Treaty of Bayonne”, the “Karlsruhe Agreement” and the “Rome Agreement” do explicitly include federated authorities or other territorial authorities with legislative powers in their respective sphere of application, other agreements such as the “BENELUX Convention” or the “Isselburg-Anholt Agreement” do not (also “Mainz Agreement”).
- Amongst these agreements, only the “Treaty of Bayonne” and the “Karlsruhe Agreement” clearly exclude that territorial authorities can act as “agents” on behalf of their own State or execute powers delegated to them by the State in the field of cross-border co-operation.
- Except the “BENELUX Convention” and the “Rome Agreement”, all other agreements allow a participation of other public law based entities (not territorial authorities in a strict sense) in cross-border co-operation. But this participation is frequently subject to strict limitations.
- The participation of private law based entities in cross-border co-operation only gives rise to major preoccupations if co-operation is based on public law. Solely the “Isselburg-Anholt Agreement” and also the “Mainz Agreement” do explicitly foresee such participation, but exclude that these actors sign administrative contracts. In all other cases, the pure existence of agreements that regulate public-law based cross-border co-operation must be considered a potential obstacle that hinder an effective participation of private law based actors.

(Groupement d'Intérêt Public, GIP), to which cross-border co-operation projects may resort. This instrument has yet to prove its effectiveness.

In contrast to the variety of instruments available to cross-border co-operation, **inter-territorial** and **transnational co-operation** are both characterised by an absence of a directly applicable legal framework instrument that organises or provides stability to these categories of co-operation. This lack of appropriate legal framework instruments has negative impacts and frequently hampers the smooth functioning of co-operation:

- **Inter-territorial co-operation:** Already the second interim evaluation of RECITE I revealed the need to create a specific legal instrument that facilitates the operation of project-networks. Even if legal aspects seem not to be at the origin of the most frequent conflicts that may arise in context of town twinnings,²¹⁶ the current situation does not allow a transfer of local or regional tasks (not sovereign rights) to other forms of strategic co-operation (e.g. bilateral inter-regional partnerships; multilateral networks).
- **Transnational co-operation:** Actors involved in strategic co-operation at the level of the entire co-operation area frequently search for adequate legal instruments permitting them to set up truly joint structures for the operational and financial management of their programme. This aspect is time-consuming and frequently responsible for lengthy programme adoption procedures.

As a summary of the discussion regarding the first factor, one has to observe that more action on behalf of the States and the Community itself is needed.

- EU-Member States and other European Countries should rapidly proceed to an adoption of already existing legal framework instruments that raise the “status” and the sustainability of specific categories of co-operation (e.g. ratification of the Second Additional Protocol on inter-territorial co-operation elaborated by the Council of Europe).
- EU-Member States (and Accession Countries) should develop jointly with other Community institutions (and especially the European Commission) an appropriate and directly applicable European-wide legal framework for transeuropean co-operation in order to enhance further practical co-operation between territorial authorities. This implies both adapting existing Community law based instruments (e.g. “European Economic Interest Groupings”) and creating a new legal Community instrument for long-term and strategically orientated transeuropean co-operation.

Availability of funding programmes supporting co-operation between territorial authorities

The availability of funding programmes supporting co-operation between territorial authorities has significant influence on the overall development of transeuropean co-operation. Since more than a decade, especially Community support programmes play a strategic role in the formation and the establishment of European-wide relations between local and regional authorities. It is highly unlikely that co-operation initiatives between local and regional actors currently criss-crossing the territory of the EU would have reached such proportions without the start-up funding provided by the European authorities. EU funds are a catalyst rather than a reason per se for co-operation. The intervention of the EU provides an impetus to initiatives, which would have taken longer to establish, or serves to reinforce or deepen existing co-operation. During this time period, local and regional authorities were enabled to further improve cross-border or inter-territorial co-operation activities or engage in

²¹⁶ **Weber, S.:** Le programme européen de jumelage des villes: les accords de co-operation à prévoir, l'expérience de la Commission européenne. In: Commission européenne /GIE PACTE ARE-CCRE: La coopération décentralisée. Paris 1997.

new forms of co-operation (e.g. transnational co-operation). These programmes also gave rise to several practical problems, for which territorial authorities had to develop pragmatic solutions in order to carry out specific activities.

Substantial Community funding continues to be provided for transeuropean co-operation under **INTERREG III during the years 2000-2006**. However, some programme related difficulties and inconsistencies continue to persist and territorial authorities will need to tackle considerable challenges in the near future (See more in detail: Annex 1):

- In all three Strands INTERREG III (cross-border, inter-regional and transnational co-operation), **one can observe a clear tendency of rising the obligations with regard to sound and efficient management of actions (programmes and projects) or with regard to joint institutionalisation and formal contractualisation between co-operation partners**. However, the Community did not initiate a specific initiative in order to provide territorial authorities with a purpose orientated and targeted legal framework instrument that could facilitate them to cope with the multiplicity of challenges arising in co-operation.
- **INTERREG III-Strand A on cross-border co-operation** shows considerable continuity with INTERREG I and IIA (and will be familiar to the practitioners who are already involved in the development and management of INTERREG programmes). However, some of the Guideline prescriptions introduce significant changes in content or emphasis such as the provisions on joint management of the programme implementation through cross-border mechanisms or the generalisation of the “lead applicant principle” for cross-border co-operation at project level.
- The continuation of **transnational co-operation** under **INTERREG III-Strand B** can be considered a successful “consolidation” of the rather dispersed and experimental approach started under the previous programming period (different support schemes such as INTERREG IIC or ERDF-Art. 10; different level of funding; heterogeneous fields of action; mix between purely “national” measures and co-operative actions etc.). Compared to the previous phase, INTERREG IIIB has also considerably increased financial resources at its disposal.
- With **INTERREG III-Strand C**, the Commission wishes to favour structured, coherent **interregional co-operation** rather than a series of one-off projects (See: Annex 1). INTERREG IIIC can certainly be a stimulus for strategic multilateral co-operation, however mainly between regional authorities. It will also hinder bilateral strategic co-operation between first level regions, mostly due to the fact that only multilateral co-operation is supported.
- **Additional efforts** will have to be made **in order to overcome a lack of co-ordination / homogeneity between different EU-funding instruments supporting co-operation between EU-Member States and Third Countries** or to avoid contradictory or over-complex administrative requirements from the Community level.

The most important aspects that particularly enhance or hinder cross-border, inter-territorial and transnational co-operation

On the ground of this general discussion, one can isolate the most important specific aspects that have a positive or negative impact on strategic or project-based cross-border, inter-territorial and transnational co-operation (See: **Table 19**).

Table 19: Summary overview on specific aspects that particularly enhance or hinder cross-border, inter-territorial and transnational co-operation		
	Positive aspects enhancing co-operation	Negative aspects hindering co-operation
Cross-border co-operation	<ul style="list-style-type: none"> • Long tradition and extensive experience in cross-border co-operation; • Mutual trust and co-operation based on the principles of partnership and subsidiarity; • High degree of “geographical proximity” between partners in cross-border areas; • Existence of appropriate joint structures on regional/local level for cross-border co-operation at strategic level or at programme level; • Existence of a common cross-border development concept or programme; • Existence of specific-purpose agreements or framework agreements (e.g. international treaties); • Availability of funding programmes supporting cross-border actions and of independent sources of financing; 	<ul style="list-style-type: none"> • Lack of involvement of a broad range of public, private and other civil society actors from the border area; • Lack of political will, especially at national level, to remove existing constraints, e.g. through new national legislation or bilateral treaties; • Public law limitations on local / regional authorities imposed by national legislation; • Differences in structures and powers of different levels of agreement and administration on either side of the border; • Lack of co-ordination / homogeneity between different EU-funding instruments supporting cross-border co-operation along the external EU-borders; • Language barriers;
Inter-territorial co-operation	<ul style="list-style-type: none"> • Solid and broadly conceived co-operation partnership (involvement of public, private and other civil society actors); • Good definition of common objectives and priorities for joint action; • Appropriate and purpose-orientated structures for managing the co-operation partnership and for implementing specific projects; • Availability of funding programmes supporting co-operation; 	<ul style="list-style-type: none"> • Lack of strong political support; • Temporary and selective interest coupled with the aim to realise short-term outputs; • Lack of tradition in co-operation; • Lack of administrative competencies for co-operation; • Lack of a general legal framework instrument; • Lack of financial and personal resources (especially in less developed regions); • Language barriers;
Transnational co-operation	<ul style="list-style-type: none"> • Previous experience with co-operation in the field of spatial planning; • Existence of an elaborated spatial vision for the co-operation area; • Decentralised approach with strong regional/local anchorage and a broad involvement of territorial authorities; • Co-operation in truly joint structures at strategic level; • Strong transnational partnership at the level of a programme and at project level; • Well known programme and high level of support for project promoters; • Good networking between all actors concerned by a programme; • Good articulation between strategic programme objectives and individual transnational co-operation projects. 	<ul style="list-style-type: none"> • Significant diversity of approaches in the field of spatial planning amongst co-operation partners; • High complexity of transnational decision-making / co-operation structures and lack of precise distribution of tasks between them; • Lack of a general legal framework instrument and formalised procedures / tools for programme management; • Lack of functional capacity of Joint Secretariats; • Deficits during the project elaboration process; • Lack of co-ordination / homogeneity between different EU-funding instruments in areas covering a significant number of Third States; • Contradictory or over-complex administrative requirements from the EU-level.

10.) Recommendations that help overcoming the most important internal weaknesses or (external) obstacles in the field of cross-border, inter-territorial and transnational co-operation

10.1. Strategic and project based cross-border co-operation

Even today, a large number of cross-border problems and numerous absurdities in situations of everyday life still continue to exist within the EU and especially along many “external” borders or border between Third Countries in Europe. A further dismantling of borders and “border-like barriers” in Europe can therefore generally stimulate new opportunities for all aspects of development in cross-border areas. Especially in cross-border areas that are characterised by a progressive move towards a “frontier contact zone”, new opportunities for sustainable progress can only develop if the social costs generated by the old frontiers formerly acting as a “barrier” or as a “filter”²¹⁷ are eliminated.²¹⁸

However, any progress in this direction depends upon a number of specific aspects that strongly condition the quality of mutual co-operation. Stemming from long years of practical experience of the Association of European Border Regions (AEBR), one can give a number of recommendations that may help overcoming the most important internal weaknesses or (external) obstacles in the field of strategic or project-based cross-border co-operation.

*Strategic cross-border co-operation*²¹⁹

The regional and local levels are the best levels for strategic cross-border co-operation. In order to be effective now and in future, **strategic co-operation has to be more wide-ranging and characterised by joint activities from the beginning.** All aspects of daily life in the border regions should be included (economy, work, leisure, culture, social affairs, housing, planning, etc.) and co-operation has to take place on a daily and regular basis. It should involve partners from all areas and on both sides of the border from the beginning and it should be conducted on all levels: national, regional and local. This “particularly intensive” form of cross-border co-operation has been successfully practised for several decades in various European border regions.

Within this context, **three inter-related aspects strongly condition the success of a more wide ranging approach to strategic cross-border co-operation (See: Box 3):**

- Co-operation based on a cross-border partnership.
- Co-operation based on subsidiarity.
- The existence of cross-border “concepts” and strategies.

These principles, which are generally recognised, form the basic requirements for European aid programmes.

²¹⁷ Frontiers, whose “closing tendencies” between the politico-institutional systems are dominant (barrier) or whose nature is “relatively open” (filter) but characterised by strong effects of segmentation due to the differences in national policies, cause a broad range of social costs: Duplication costs, costs due to the lack or the reduction of economies of scale, costs of different programming in economic policies, costs due to the deficit of legitimisation or due to the “veto” right based on the national interest.

²¹⁸ **Ratti, R.:** Problématique de la frontière et du développement des régions frontalières. In: Sciences de la Société, no. 37 / février 1996. ; **Garofoli, G.:** Développement et transformation des systèmes productifs locaux. globalisation et coopération interrégionale. In: Sciences de la Société, no. 37 / février 1996.

²¹⁹ **Association of European Border Regions (AEBR) / European Commission (DG REGIO / DG ENLARGMENT):** Practical Guide to Cross-border Co-operation, 2001. **AEBR-LACE-PHARE CBC:** Position Paper, March 2000.

Box 3:
Other important factors conditioning success of strategic cross-border co-operation

A cross-border partnership is normally based on two elements, a “vertical partnership” on both sides of the border and a “horizontal partnership” across borders between partners who often differ from each other.

- **Vertical partnerships** refer to the relationships to and between the EU level, the national level and the regional/local levels on both sides of the border. The vertical organisations and structures created for this purpose should complement or complete those already in place, not compete with or replace them.
- **Horizontal partnerships** refer to the relationships between these partners (organisations/structures) on both sides of the border. This principle is based on the equality of both partners, irrespective of the size of a country, its physical or economic importance, or other characteristics like population. To develop this kind of horizontal partnership, a number of obstacles concerning differences in administration, competencies and funding sources have to be dealt with.

Subsidiarity: Experience shows that cross-border co-operation functions best and is most successful where regional and local participants take the initiative and assume responsibility.

- Following the "bottom-up" principle and keeping in mind the rules for horizontal and vertical partnerships enable cross-border co-operation according to the principles of subsidiarity. In this context, subsidiarity means strengthening the regional and local bodies as the most appropriate administrative level for cross-border co-operation. These bodies have the flexibility needed to balance out remaining differences in the structures and competencies on both sides of the border, and compensate for them in cross-border structures.
- Numerous agreements on cross-border co-operation have been concluded at European level or between neighbouring states. The border and cross-border regions are the only ones that can give these agreements a practical content and breathe life into them. Consequently, problems in practical co-operation on a regional/local level often stem from the fact that agreements concluded at higher levels (European, bi- or multilateral level) have not yet been implemented in national law.

Cross-border "concepts" and strategies: Partnership and subsidiarity are particularly important in the process of planning and implementing joint cross-border strategies or concepts. They are a basic prerequisite to creating equal strategic framework conditions and prospects for joint, sustained and long-term co-operation.

- These joint concepts and strategies take into account the relevant national and European programmes and plans, and create an environment for overcoming isolated thinking on both sides of the border and developing a collective perspective on cross-border regional development.
- This perspective enables the partners to identify at the outset shared problems and opportunities with respect to positive and negative effects of the border, and accordingly with respect to common development potential.
- Cross-border concepts are usually based on a shared SWOT (Strengths – Weaknesses - Opportunities – Threats) analysis to identify general development opportunities and priorities so that existing strengths can be utilised and existing weaknesses reduced. This analysis results in Programmes with specific priorities in terms of quality, financial measures, time and fields of activity. Such medium-term Operational Programmes run for about five years. Besides the fields of activity, they already contain specific possible measures for cross-border co-operation that can be translated into subsequent projects.

Consequently, cross-border co-operation does not mean that neighbouring border regions first develop their individual programmes, priorities or projects independently of each other at national level and only later contact their partners on the other side of the border in order to have them become involved. It is not enough to simply co-ordinate national plans or add a few project proposals and call this a cross-border programme or project. Nor should cross-border co-operation take place merely because external sources of funding are available, although this will naturally act as a significant incentive and stimulus to co-operation.

In setting up strategic cross-border co-operation structures, local and regional actors should observe a number of general principles:

- Strategic cross-border co-operation structures should have technical/ administrative, financial and decision-making capacities commensurate with their growing tasks. In decision-making bodies with policy or management responsibilities there should be equal representation of partners from each side of the border, regardless of a region's size, population and legal authority.
- The technical and administrative personnel involved in cross-border tasks must be responsible to a cross-border body. This helps to overcome obstacles arising from strong national interests and parochial thinking. This is the only way to achieve a cross-border regional consensus that is internally acceptable and externally credible.
- The absence of cross-border organisations/structures and strategies can give rise to serious reservations about the scope of European and national support for border regions; for example, how far border regions can be given extensive devolved powers, whether they can be entrusted with carrying out a programme like INTERREG, whether they can be given funds directly and the extent to which they can be held accountable for such funds.
- Whilst the development of genuinely cross-border structures is quite difficult to achieve in a short period of time, some practical arrangements can be set up fairly fast. Cross-border management of programmes and project implementation may be achievable in the short term under private law but only in the long term under public law. It is possible to create national associations/societies on both sides of the border without serious problems, based on the public law applicable in each country. These regional/local structures under national law (national legal “crutches”) serve to conclude cross-border private-law agreements which can be used to form a joint cross-border structure.
- Legal structures must – above all - be adapted to various regional/local and national requirements. Recurrent mistakes that hinder cross-border structures and joint programme management are attempts to harmonise and make similar legal authority and structures on both sides of the border as a sort of precondition to cross-border co-operation. Many years are lost through such efforts, which can also prove to be counter-productive. After all, no country inside or outside the EU will change its cultural structures or legal powers simply because of the border region. It is much more important to utilise the possibilities and “tread the paths” already in place on both sides of the border. It is also important for all parties involved in cross-border co-operation to work together within the confines of national parameters.²²⁰
- Cross-border regions should not make the mistake of trying to do everything themselves. Cross-border programme management is certainly necessary to pull all the threads together, but implementation of individual projects should remain the task of the authorities, organisations, associations and all other bodies/agencies and social partners already operating with their expertise on either side of the border. This not only reduces

²²⁰ This has been shown with particular clarity in the various bilateral and trilateral implementing agreements of the “European Outline Convention on Transfrontier Co-operation between Territorial Communities and Authorities” of the Council of Europe (the Anholt Agreement, Karlsruhe Agreement and so forth).

the administrative burden of cross-border work but also reinforces the cross-border basis in the region and the commitment of all partners.

- Strategic cross-border co-operation in established structures (working groups, Euroregions and so forth) is not aimed at creating new administrative structures on cross-border level, but rather serves as a cross-border interface and engine for all cross-border tasks and contacts. The focus is on the cross-border service function for citizens, the economy, official authorities and social partners. A great deal can be achieved in this manner through a cross-border “Euroregion”, whether it be as “advocate for cross-border matters” or even as management of cross-border programmes and implementation of concrete joint projects.

Finally, more integrated policies at Community, national, regional and local level are needed if a long term objective of strategic co-operation in the EU is to generally favour the emergence of coherent production systems between neighbouring border regions (e.g. INTERREG IIIA) or of “cross-border city clusters” (e.g. ESDP²²¹). Some trends that can occur in such integrated cross-border areas may illustrate the need for stronger policy integration:

- In spatial terms, competition and co-operation will take place in a network of urban agglomerations expanding on both sides of the border, replacing the old hierarchical production structures typical for peripheral areas. This induces also a restructuring of existing transport infrastructures or relevant services offered, necessary for the emergence of a highly dynamic and inter-linked cross-border labour market.
- In order to influence on the emergence of high value-added services or on the industrial location in the area, R&D policies must orientate themselves towards creating cross-border “innovative environments” (*milieux innovateurs*²²²). Furthermore, education and universities should develop towards a systematic approach of mutual recognition of diplomas and joint studies.

Stronger policy integration would mean to co-operate at all levels and to introduce co-ordinated processes between the different actors concerned. Otherwise, all across Europe, conflicts over competencies are inevitable given the different and sometimes incompatible administrative structures on both sides of the border.

*Cross-border co-operation at project level*²²³

Co-operation at project level is generally easier than strategic or programme based co-operation, because it only entails a few simple contacts or an agreement. It is often the initial step in initiating long-term sustained and integrated co-operation in different areas of mutual interest and concern. The nature and type of the co-operation project (content, purpose, duration, etc.) largely determine the degree of co-operation as well as the type of instrument available within the national legislative framework.

²²¹ **European Commission:** European Spatial Development Perspective (ESDP). Agreed at the Informal Council of Ministers responsible for Spatial Planning, May 1999.

²²² A “milieu innovateur” can be defined as the set of economic, political and institutional relations and transactions occurring in a given geographical area which generate (positive) externalities specific to innovation and a dynamic process of collective learning.

²²³ **Association of European Border Regions (AEBR) / European Commission (DG REGIO / DG ENLARGMENT):** Practical Guide to Cross-border Co-operation, 2001. **AEBR-LACE-PHARE CBC:** Position Paper, March 2000.

Derived from the experience of existing one-off approaches, one can list some general principles that could guide the initiation of successful cross-border co-operation at project level:

- Cross-border projects are not generally cumbersome and do therefore not necessarily require formal institutional solutions (see the ad hoc structures established or a range of agreements concluded between local bodies and other actors allowing them to prepare, manage and implement cross-border projects).
- Co-operation projects can, however, be linked to institutional formats or structures for strategic co-operation. This is particularly useful when it involves larger (in terms of budget) and long-term projects, as these will require a greater amount of financial control and formal participation that require a structure.
- Whichever modes or structures are chosen for cross-border co-operation at project level, their results in each case depend on the commitment and trust of people. Co-operation projects should therefore be kept as close as possible to the individual citizen at regional and local level. They should also be based on partnership and subsidiarity ("inwards" and "outwards"), which means an involvement of all those who can contribute to the cross-border process inside and outside the region. Selected politicians at all levels (national, regional and local and, as appropriate, European) should also be involved.

In order to ensure high quality of co-operation at project level, it is important to jointly define from the beginning what the project should look like. A high standard-definition for cross-border projects that builds on the experience of Dutch/German cross-border co-operation is the following: **A project is a cross-border project if the partners from both sides of the border participate with regard to contents, organisation, staff and funds.**

- With regard to **contents** means: Joint co-operation with regard to the project's contents and objectives even if there is only a "national location" of the project.
- With regard to **organisation** means: A joint organisational body on both sides of the border acts as legal organiser and is chaired by one of the partners. This applies also if only one national location exists.
- With regard to **staff** means: The project is jointly implemented through organisational bodies on both sides of the border.
- With regard to **funds** means: The project organisers raise jointly their minimum share of 20%. The financial participation of the regional level must also be ensured if the project is located on the other side of the border. In addition and besides the German/Dutch quota of a maximum of 30%, funds made available by the German and Dutch Ministries of Economic Affairs will flow into the co-funding. This also applies for projects with only one national location.

*Cross-border co-operation along external EU-borders
and along borders in Central and Eastern Europe*

A summary appraisal of specific factors supporting or hindering cross-border co-operation in Central and Eastern European Countries (CEC) can be established on the base of the results contained in a larger number of bilateral cross-border assessment reports,²²⁴ which have been elaborated by AEBR in the framework of the LACE-PHARE project. According to the experience of border and cross-border regions in the fields of cross-border co-operation, the areas are firstly grouped under two main categories, described as "old" and

²²⁴ Two reports dealt, respectively, with the Western and Eastern borders of Hungary. Other reports covered all borders of Estonia, Latvia, Lithuania, Poland and Slovakia.

”new” CBC borders. They are then categorised as ”advanced” or ”less advanced” according to the level of support required to improve the current status of cross-border co-operation.

Borders with EU Member States can generally be described as ”old CBC” borders, since the border regions have been eligible for support under PHARE CBC from its inception in 1994, or soon afterwards, under the original PHARE CBC Regulation. The main needs on these border regions can be summarised as follows:

- limited experience of regional/local actors in programme development and management, in the aforementioned borders, especially in the border regions which lack cross-border structures (See below);
- generally, lack of practical experience in developing and implementing genuine cross-border projects. Additionally, in some borders there are particular weaknesses in certain fields of co-operation, such as soft/people-to-people projects in Bulgaria (where PHARE CBC still lacks a Small Project Fund and most of the relevant experience has been gained from participation in the Greek INTERREG I and IIA programmes) and to some extent ”soft” actions on CZ/A and CZ/D borders where earlier PHARE CBC programmes supported exclusively ”hard” actions;
- lack of cross-border structures in some borders (Slovenia, Albania, FYROM, Slovakia on its border with Austria, and partly Bulgaria where there is only one cross-border structure, the Euroregion Mesta/Nestos BG/GR);
- long-standing difficulties in the co-ordination of INTERREG with PHARE CBC affecting all borders;
- new needs concerning common programme development and management of implementation arising from the new EU requirements and aspirations for a more co-ordinated approach between INTERREG IIIA and PHARE CBC, as expressed in the Commission’s Guidelines for INTERREG III.

On the basis of these needs the following groups of border regions can be defined:

- **PL/D, CZ/D, CZ/A, HU/A, EST/FIN:** These are land borders with established cross-border structures and considerable experience in programming and implementation. Here the main needs focus on building up the capacity of the existing structures, especially in order to fulfil effectively the role envisaged for regional/local actors in the new period of INTERREG IIIA / PHARE CBC programmes (2000-06), including financial management and sector-specific advice. This is the core group of most ”advanced” borders. The maritime border of EST/FIN has well-developed cross-border co-operation and can be included with this group.
- **SLO/A, SLO/I, SK/A, BG/GR, FYROM/GR:** These borders lack cross-border structures or these have been created recently, and regional/local actors’ involvement with programmes is weak or absent. SLO/I and SK/A are closer to the ”advanced” borders whilst the FYROM/GR and BG/GR borders require more intensive, across-the-board support.

Borders between Central and Eastern European Countries can be described as “new CBC borders”. These border regions have been supported through the PHARE CREDO programme since 1997 and most of them (borders between candidate countries) became eligible under PHARE CBC through the 1998 PHARE CBC Regulation. The main needs of these border regions can be summarised as follows:

- general lack of knowledge and experience in the development and implementation of cross-border programmes, including the requirements of PHARE CBC for JCCs and JPDs;
- general lack of knowledge and experience in the setting up and operation of SPFs;

- general lack of practical experience in the development and implementation of genuine cross-border projects (and especially larger cross-border projects since CREDO has supported small - mainly "soft" - actions);
- institutional building of cross-border structures at regional/local level to be able to cope with INTERREG IIIA/PHARE CBC requirements (i.e. programme-based approach) - either support to newly created cross-border structures (e.g. PL/SK) or assistance in the setting-up of new ones where they are lacking (e.g. RO/BG);
- lack of familiarity with Structural Funds-type of actions due to lack of contact with EU counterparts.

On the basis of these needs the following groups of borders can be defined:

- **SLO/HU, CZ/SK, PL/CZ:** These are the most advanced border regions on the "new" borders. The first of these (a rather short border) has already achieved a high degree of cross-border co-operation, notably through the support of the PHARE CBC trilateral programmes (SLO/HU/A), whilst the second is a new border created following the split of Slovakia from the Czech Republic. PL/CZ has also benefited from the well-established trilateral co-operation D/PL/CZ of Euroregion Neisse/Nissa/Nysa. The main needs of these regions are the creation or strengthening of regional/local level cross-border structures and the improvement of the knowledge of regional/local level actors in programme development and implementation, and financial management matters.
- **EST/LV, LV/LT, LT/PL, PL/SK, HU/RO:** These borders share the characteristic of lacking long-term experience in cross-border co-operation and especially in EU cross-border programmes. In some cases there are experienced cross-border structures (Carpathian and Niemen Euroregions) and there are strong cross-border initiatives in other cases, including the formation of new cross-border structures (e.g. on the borders of PL/SK, EST/LV/RF, HU/RO). The historical barrier effect is particularly felt in the case of the HU/RO border, which otherwise has some PHARE CBC programme experience. The needs of these regions are qualitatively similar to those of group B.1, but much more intensive.
- **SK/HU, RO/BG, FYROM/BG and FYROM/AL:** These are "less advanced" regions with little or no practical experience in cross-border programmes and projects, as well as lacking well-established cross-border structures (only on the SK/HU border there are newly created Euroregions). Their needs for support are therefore across-the-board. FYROM/BG and FYROM/AL are particularly problematic since, after the end of the CREDO programme, there will be no specific support for cross-border co-operation by any of the EU's funding instruments. For practical reasons, they can only partially be supported by the activities of this project, as far as the geographical coverage of the triangles of FYROM/GR/AL and FYROM/GR/BG allows.

On the ground of this assessment, one can formulate a number of recommendations that allow addressing the general needs common to large groups of border regions. Amongst them, pre-eminent are the remaining difficulties concerning the co-ordination of INTERREG IIIA and PHARE CBC that require continuous efforts to improve the existing situation. Another major category of needs concerns the introduction of PHARE CBC methods in border regions on the newly eligible borders under PHARE CBC CEC/CEC. Additionally, there are significant region-specific needs that should be tackled by training and advisory support for each border or group of border regions. Finally, it would be desirable to provide assistance to the border and cross-border regions in Central and Eastern Europe, in particular concerning

- the strengthening of cross-border structures and secretariats,

- the development and implementation of programmes in the period 2000-2006 and their financial management,
- the sector-specific development of projects with the help of regional seminars, assistance and information.

10.2. Strategic and project based inter-territorial co-operation

The dynamic development of inter-territorial co-operation between local and regional authorities in Europe during the 1990ies was influenced by at least three main factors, which are the ongoing decentralisation process in Europe, the opening up of internal EU-borders and the fall of the “Iron Curtain” and the increased amount of financial resources that was made available for co-operation through specific Community support programmes. Inter-territorial co-operation schemes set up between regional and local authorities are veritable “microcosms” of European integration. They can contribute to the concrete realisation of the “Citizen’s Europe” and also generate for the actors involved substantial economic benefits (however still difficult to assess) or positive outcomes from a purely immaterial or political point of view.

A realisation of these outcomes naturally depends upon the thematical issues dealt with by the partners, but also upon a number of specific aspects that strongly condition the density of contacts established between the members of a given scheme (project level co-operation, strategic co-operation) and the overall quality of co-operation. The following paragraphs give recommendations that can help overcoming the most important internal weaknesses or (external) obstacles in the field of strategic or project-based inter-territorial co-operation.

Strategic inter-territorial co-operation

In order to be successful, bilateral strategic co-operation schemes established between local and regional authorities (town twinnings, regional co-operation agreements) need to take into account a number of specific factors.

- The most important problems in **bilateral town twinnings** are dominantly a result of “internal aspects”: Examples are a lack of reciprocity (little care is taken of foreign visitors etc.), an incompatibility of mentalities and differences in political orientation or with regard to formal competencies each partner enjoys.²²⁵ Important success factors for bilateral town twinnings are the existence of appropriate local management structures charged with the organisation and animation of the partnership (e.g. a twinning committee), good public relations and the provision of sufficient hosting facilities that ease inter-personal exchange and of course the mobilisation of specific financial resources. It is however not recommended that twinnings are solely managed by the municipalities on their own. Other actors such as local association should be active stakeholders in a twinning and the “attractiveness” and “openness” of twinning activities will certainly motivate a direct involvement of the individual citizen.
- **Bilateral strategic co-operations should be extended and deepened on a pragmatic basis** in order to eliminate existing barrier-effects and to explore new potentials for co-operation. Bilateral partnerships with a smooth functioning could constitute a stable core of co-operation and search - according to the principle of “geometrie variable” - for additional partners not necessarily linked to them by co-operation agreements. The

²²⁵ **Weber, S.:** Le programme européen de jumelage des villes: les accords de co-operation à prévoir, l’expérience de la Commission européenne. In: Commission européenne /GIE PACTE ARE-CCRE: La coopération décentralisée. Paris 1997.

“taking in” of new partners has also increasingly become an external obligation for established bilateral co-operation schemes, if they wish to obtain funding from EU-programmes. Expanding co-operation solely under the objective of receiving EU-funds is, however, not free of risks. It can stimulate the emergence of “shot-gun marriages” or weak partnerships. This potential danger also arises in the framework of INTERREG IIIC, as the 3 types of action foreseen clearly disadvantage bilateral co-operation between first-level regions (See: Annex 1).

Recent research²²⁶ has revealed **additional important aspects that condition success, which can serve as a basis to formulate recommendations for other forms of strategic co-operation established between territorial authorities (bilateral co-operation between first-level regions, multilateral networks).**

The initial selection process of potential partners and the precise setting up of the co-operation should be based on the following principles:

- The “structural compatibility of partners” should be carefully analysed not only with regard to economic issues, but also concerning other socio-cultural, institutional or geographic aspects.
- The partnership should be based on “functional complementarity” and proceed to a strategic conceptualisation of the co-operation, which means that commonly shared problems and joint development perspectives / potentials are carefully identified by the partners. (e.g. by drawing-up a catalogue for co-operation issues that is based on SWOT-analysis).
- Actors of strategic co-operation must be able to engage in inter-cultural learning processes (“Perspective orientation of the co-operation”).
- “Feed-back on co-operation results” should be assured, which means that relevant mechanisms are put into place that permit to implement the relevant experiences gained locally/regionally.

These basic aspects are of particular importance for strategic co-operation in fields such as science, technology, education or vocational training.²²⁷ Here, strategic inter-territorial co-operation between regional and local authorities has significant potentials to stimulate endogenous innovation processes. Past experience shows however that co-operation can generate different outputs according to the development status or the “degree of internal capacities” of the actors involved. Networks between advanced regions or local authorities with relative similarities in terms of infrastructure and economic structure such as the “Four Motors” are considered to be essential for the construction of a “critical mass” (in financial and human resources terms), which can promote European competitiveness vis-à-vis the global market. Positive results are already more difficult to achieve in the case of less favoured regions, due to the weaknesses of their local/regional innovation systems. Partly as a result of this, previous bi-lateral co-operations frequently tended towards a dependency relationship and even multilateral co-operation contributed to reinforce the dominance of a core group of regions in terms of R&D expenditure on a key group of high-technology sectors. Counterbalancing approaches of co-operation that aim at re-enforcing technological and human potentials in less favoured regions should therefore favour a multilateral approach,

²²⁶ Eißel, D./Grasse, A./Paeschke, B./Sänger, R.: Interregionale Zusammenarbeit in der EU. Analysen zur Partnerschaft zwischen Hessen, der Emilia-Romagna und der Aquitaine. Opladen, 1999.

²²⁷ European Commission (Directorate General XII), *Forecasting and Assessment in Science and Technology, FAST Dossier Vol. 30 (March 1995): Regional Transnational Networks of Co-operation in the Field of Science, Technology, Education and Vocational Training. An inventory and Appraisal.*

concentrate on specific aspects of strategic interest for these regions and enhance vertical co-operation scenarios between technologically advanced and less advanced regions.²²⁸

In parallel, **a number of important prerequisites have to be realised at the level of each region or local authority engaged in strategic co-operation:** Co-operation necessitates that regional (and local) policies are better co-ordinated and planned on a long-term bases and that European issues are placed at a high priority-level on the regional (or local) political agenda. In addition, exchanges of experience on successful co-operation and suitable structural solutions should be supported in a national as well as in an European wide context.

Due to the fact that benefits and added value of co-operation normally come into effect only after longer time period, **“continuity” should govern mutual relations in strategic co-operation as a basic principle.** Success of co-operation strongly depends upon continuous political support and stable engagement of essential initiators or multipliers (administrations, other leading partners). In turn, frequent political changes or administrative re-organisations and a lack of intra-administrative co-operation and communication can represent factors of uncertainty for stable and sustained co-operation, which can even lead to failure. Adequate co-operation structures are therefore of particular importance for strategic co-operation networks, even without an external obligation resulting from EU-programmes.

In order to assure long term sustainability and to contribute better to a realisation of the Citizen’s Europe, **strategic co-operation should involve a greater number of “other” local/regional actors:** Especially regions that are involved in strategic networks should strengthen their “intra-regional networking” with local authorities. Another aspect concerning all types of co-operation schemes is that adequate “offers for participation” should not only be designed for “corporate” actors but also for individuals (where possible). Prerequisites are a good standard of public relations with regard to networking-activities and the setting-up of specific “service options” designed for an interested public.

Inter-territorial co-operation at project level

The evaluation of the first generation of RECITE project-networks allowed the identification of a number of key factors having a strong impact on this type of inter-territorial co-operation, which can also be generalised for other approaches. These factors are the following:²²⁹

- The generation of strong social and political commitment.
- A consolidated partnership especially with regard to project objectives and the work programme.
- The use of simple but relevant management tools and the use of effective and transparent monitoring and evaluation systems.
- An on-going evaluation as an integrative part of the project cycle.
- The production of transferable results and broader diffusion of results.

Generating strong social and political commitment: Successful projects display a high level at both political and executive levels, building on a well-developed understanding of the project objectives and an agreement of potential outputs. The best way to engage local or regional actors and to win their commitment is to ensure that projects are directly linked to

²²⁸ The FAST study mentions two possible impact scenarios: (1) An unfavourable scenario based on hierarchical relations between technologically advanced and less favoured regions within a bipolar relationship of dependence. (2) A more favourable scenario involving diverse European regions in triangular or multilateral networks, thus avoiding a hierarchical relationship.

²²⁹ European Commission, DG XVI: RECITE Magazine (July 1998)

their needs and have demonstrable impact and outcomes. Ensuring that there is a widespread awareness of the activity within each partner area can also strengthen the commitment of actors.

Building a solid partnership: With regard to the composition of the network-project partnership, one can observe that a good mixture and a balance of competence between the partners are more important than the size of the network. The optimum number of partners is likely to vary according to the precise objectives of the projects. However, the potential intensity of co-operation is greater with a smaller number of partners and the management is easier than in larger partnerships. On the other hand, a greater number of economies of scale can be realised by projects involving a large number of partners. The success of inter-territorial co-operation also depends on the consensus on project objectives between the partners. Objectives must be explicit, widely understood and agreed before the project begins. The network-project partnership should also elaborate a realistic work programme and assure a balanced transfer of benefits: Therefore, the exchange of experience or the transfer of know-how should not be uni-directional, all partners should be able to learn from each other.

Project management: Strong network-projects that achieve sustainable outcomes are characterised by well-developed management approaches. These approaches cover project management, financial management, the management of organisations and interpersonal relationship management. Stability and continuity of partners significantly enhances the progress of a network-project, whereas changes in personnel can prevent the project from meeting its targets. In order to manage effectively information, network-projects should draw up a timetable that communicates to the partners what and when information is needed. Finally, co-operation networks should implement good communication between actors involved.

On-going evaluation: Effective project and network management should integrate evaluation activities at all stages. In addition, methods used to manage network-projects should be responsive to the results of evaluative activities.

Results and diffusion of results: Results should aim at speeding up local and regional economic and social development. Such results should also be transferable, both within the network-project and to the outside.

10.3. Strategic and project based transnational co-operation

The emergence of transnational co-operation was generally favoured by an increasingly dense co-operation between EU-Member States in the field of European spatial development and the will to launch specific Community actions that support practical activities. Further intensification of transnational co-operation can foster a new partnership-based dimension of joint work in the field of spatial development and spatial planning, which contributes to promote sustainable and balanced territorial development throughout Europe. New transnational programmes established under INTERREG IIIB can be a framework to apply political options contained in the "European Spatial Development Perspective" (ESDP) within a precise geographical context and offer the opportunity to practically "test" them via the implementation specific projects. Transnational co-operation can also improve the efficiency of and enhance co-ordination between national and regional/local policies (both within one state and across national borders) as well as between them and major Community policies,

especially if their coherence and their respective territorial impacts are systematically evaluated with regard to the conditions prevailing in the co-operation area.

Within this larger context, the ESDP and its policy options can be considered a “top-down initiative” based on a mutual learning process between EU-Member States. In elaborating the ESDP, these States were obliged to find a balance between different institutional interests and thematical priorities and had to generate a common understanding and new working methods with regard to European spatial development. Transnational co-operation, instead, has to realise a delicate equilibrium between its necessary “top-down approach” at programme level (definition of strategic development objectives for a larger area) and its inherent “bottom-up approach”, which aims at realising these objectives via individual projects.²³⁰

In order to make significant progress in establishing the aforementioned equilibrium, the following paragraphs of the study give recommendations that can help overcoming the most important internal weaknesses or (external) obstacles in the field of strategic or project-based transnational co-operation.

Strategic transnational co-operation at programme level

Based on the experiences gained with transnational co-operation during the previous programming period²³¹ and taking into account the new challenges arising under INTERREG III (See more in detail: Annex 1), one can formulate a number of key recommendations that may improve the success of strategic transnational co-operation at the level of programmes.

Transnational programme strategies must have a rather “abstract” character with a strong cross-sectoral view regarding individual policy fields, but in the same time they should make reference to the precise regional and national context and integrate sectoral policies as important actors for support measures. Each transnational strategy therefore is necessarily a compromise between different interests. Major conditions for success during the elaboration process are

- that a strategy is focused on a limited number of clear objectives in order to achieve a higher impact, with targeted measures where successful projects would make a discernible difference,
- that strategic co-operation achieves a broad consensual view between all actors concerned as regards the specific objectives and a large acceptance with regard to the policy measures to be carried out between them,
- that local and regional authorities fully participate in the definition of objectives and measures.

Such a process requires a high level of transparency between all partners involved in order to take into account their specific interests.

Based on the experience of INTERREG I and IIA, all partners should engage in the elaboration of a specific “Interreg-Agreement” that is concluded between them – in the

²³⁰ ESDP-Forum, Brussels (February 1999): Synthesis Report: INTERREG IIC and Pilot Actions.

²³¹ Local and Regional Development Planning, LRDP: Evaluation of the INTERREG IIC North-Western Metropolitan Area Programme. Mid-term review. Draft final report, November 1999. **Bradley Dunbar Associates/European Policies Research Centre Strathclyde University:** Interim Assessment of the INTERREG IIC Baltic Sea Programme. Revised Report to the Baltic Sea Development Agency. November 1999. **ESDP-Forum, Brussels (February 1999):** Synthesis Report: INTERREG IIC and Pilot Actions. **Huber, W.:** Perspektiven der transnationalen Zusammenarbeit auf der Grundlage der bisherigen Erfahrungen im Rahmen der europäischen Raumentwicklungspolitik (Contribution to a conference entitled: „Rendez-vous der europäischen Grenzregionen am 28. und 29. Juni in Basel. 4. Teil: Die Zukunft hat schon begonnen - Mit INTERREG III ein dreifacher Integrationsimpuls für Europa“).

best case – before submitting the programme for approval. Such agreements are also recommended by the INTERREG III Guidelines and “pre-define” all essential issues of the future co-operation (organisational structures, project selection criteria, technical management of the programme, financial management, financial control etc.). Interreg-Agreements can ease up the elaboration process of a programme and the latter adoption of a programming complement.

Programmes can not be successful if they are solely carried out as an administrative process that does not take into account broader framework conditions for implementation. In the past, some programme areas had little experience of genuine co-operation related to spatial planning, while other programmes were confronted to a varied degree with problems related to different legal frameworks and policy approaches of the participating Member States or to some extent with internal tensions between spatial planning administrations and mainstream Structural Fund managers. Transnational co-operation between different partners with a different institutional or cultural background must therefore generate “joint learning processes” that allow overcoming such problems and lead to an application of their results.

Nearly all experiences highlight that strategic co-operation has to agree/create appropriate framework-conditions for an effective project-based implementation of transnational programmes. Important factors are a well-focused publicity strategy in order to raise awareness of the programme and the availability of a wide range of publicity material (e.g. application forms, guidelines). The organisation of specific events by the relevant Programme area Secretariats (e.g. workshops and “project fairs”) can provide valuable opportunities in terms of partner search and contribute to generate a sufficient number of project applications. Web Sites generally have potentials to provide a more interactive linkage between project-applicants and the programme. Future programmes should pay greater attention to their preparation up-front, which will be timesaving for both the Secretariat and applicants, and result in better quality project applications. Common logistical support for project leaders and partners, which could take the form of brief manuals, guidance sheets and checklists of what to do at different stages of project management, should be made available in future programmes and especially in the early stages for new project leaders.

In order to cope with these rather contradictory requirements mentioned above, **transnational decision-making processes would have to be flexible and joint programme management structures sufficiently stable.**

- All programmes will have to find pragmatic solutions to a dilemma existing at the level of programme decision-making structures: How can representation of territorial authorities (and eventually of other actors) within the Monitoring and Steering Committee be increased and how can operability and effectiveness of these structures be assured under conditions of increased membership? If one intends to keep membership “significantly limited” within programme management committees, a possible solution could be the use of “rotating membership” on various programme structures linked with greater co-ordination at national level between all the relevant regions. However, previous experience shows that rotation can also generate difficulties in decision-making.²³² If the partnership agrees to enlarge membership, possible solutions could be to carry out decisions through the use of a “written procedure” or to adopt – if trust is sufficiently strong among partners - “qualified majority voting” for some specific issues.

²³² Within the INTERREG IIC-NWMA-Steering Committee, only some of the participating regions of Belgium and Germany, both Federal States, were involved on a rotating basis. This has sometimes led to a situation where they were unable to make decisions on behalf of the whole country.

- It is recommended that future programmes attribute to their Technical Secretariat essential “assistance functions” as regards the elaboration of projects and locate it in a single location. An important factor for success is also the qualification and competence of people working within the permanent programme management structures, but also within other assisting structures at national/regional levels.
- It is also recommended that transnational co-operation structures establish good informal working relationships with Commission services (e.g. keep the Commission informed about the work of Monitoring/Steering Committees; good communication between the Secretariat and Commission). An explicit and clearly understood definition of the roles and responsibilities at each level is however a key prerequisite for future good working relationships.

Transnational programmes that cover parts outside the EU-territory must ensure widest possible participation of all partners from Third countries and of their especially of their territorial authorities. During the previous programming period, INTERREG IIC programmes such as BSA and NSR have had problems with the involvement of external partners, partly due problems of overcoming the lack of funding or due to ineligibility of funding for Third Countries.²³³ Member States must actively involve the appropriate representatives of the CECs/NIS and the Commission services should speed up procedures in order to come to better co-ordinated funding regulations.

Co-operation at the level of transnational projects

Taking into account the results of several mid-term evaluation reports established for transnational programmes (INTERREG IIC, ERDF-Art.10)²³⁴ and first hand experience gained by UK local authority officers in project development and delivery during the previous programming period,²³⁵ but also the new challenges arising under INTERREG IIIB (see more in detail: Annex 1), a number of basic recommendations can be formulated that aim at increasing the success of future transnational co-operation projects.

INTERREG IIC can generally be considered positive and rewarding but challenging, particularly in the early and final stages. These challenges and demands appear, however, to have been only limited hurdles to success. However, some evaluation reports reveal that **project promoters frequently encountered difficulties during the process of project preparation (e.g. setting up of the partnership, managing cultural differences between partners, difficulties in developing a transnational dimension for the project, organisational aspects, matching of funds)**, which also had an impact on the implementation phase at a later stage.

In the first place it is important not to underestimate the time it takes to construct a good project, be it the preparation required at the pre-application stage, be it in project development, initial partnership development, or be it during the completing of a strong

²³³ In the case of the NSR programme, a status for Norway, which is not eligible to ERDF funding, had to be found. In the case of the BSA it was the lack or absence of adequate funding from PHARE, which has limited the involvement of Central and Eastern European partner countries.

²³⁴ **Local and Regional Development Planning, LRDP:** Evaluation of the INTERREG IIC North-Western Metropolitan Area Programme. Mid-term review. Draft final report, November 1999. **Bradley Dunbar Associates/European Policies Research Centre Strathclyde University:** Interim Assessment of the INTERREG IIC Baltic Sea Programme. Revised Report to the Baltic Sea Development Agency. November 1999. **Alpine Space Programme:** Issue paper for an evaluation workshop (unpublished document).

²³⁵ **A UK Practitioners Guide:** Lessons learned from the INTERREG IIC experience. March 2001. (The experience mainly refers to three INTERREG IIC programmes: Atlantic Area, North Sea Region, North West Metropolitan Area).

application. A significant challenge under INTERREG IIC was the demanding time-scale, as programmes only operated for a two-year period and were slow establishing themselves. Such constraints tend to loose in importance as INTERREG IIIB will run for the entire programming period 2000-2006.

In developing a “project idea”, actors should well understand the relevant programme strategy and it should be clear how a project idea can contribute to implement the objectives of a given priority. Broad understanding also includes Spatial Visions that have been elaborated in certain programme areas (e.g. NSR, NWMA and also the BSR) and as such, an awareness of the Region's core strategy and linkages at the strategic level. Within large and highly diverse co-operation areas, pressure can rise to achieve a balance between individual project ideas and the desired transnational dimension (e.g. in the case of very abstract and general programme objectives). Project ideas need also to ensure that they are in accordance with regional priorities and national policy, as well as contributing to the overall strategy or priorities of the local or regional partner-authorities or organisations. Under Interreg IIIB, projects will need to demonstrate that they are complementary to regional priorities (including Regional Planning Guidance, Regional Economic Strategies etc.) and Structural Fund Programming documents.

Once an individual project idea takes shape, it is vital to engage as soon as possible in searching for transnational partners with common aims. It is essential that “Technical Programme Secretariats” provide help to future project applicants in this search process. In addition, it is recommended to actively seek the involvement of partners from different sectors appropriate to the nature of a project, either as main partners of the project or within associated regional and local partnerships. Such wider regional or local partnership networks beneath the transnational level (managed by the main partners) can be valuable and contribute to the wider dissemination and involvement in project implementation. The support and where appropriate, the direct involvement of local/regional politicians is also important. Projects should use external consultants wisely and remember that “their” experience gained through participation is not that of the local or regional authorities.

Transnational partners should be involved as early as possible in the process of developing the details of a project-proposal. “Bolt on” partners linked into a project at a late stage simply to meet programme requirements or to secure EU match funding is not an ideal. Indeed, experience suggests that such “partnerships” can experience difficulties further into the project due to lack of ownership / commitment, or frustration as “bolt on” partners other interests in the project come to the fore. Experience suggests that newly created transnational partnerships can necessitate an adaptation of “pre-defined” individual ideas on the project or require better understanding of cultural and organisational differences between the partners. The dynamics of joint work will normally require patience and a willingness to listen learn and understand. Some partners also need to have the ability to compromise and be flexible. Previous experience shows that overly complex or ambitious projects can be subject to unnecessary difficulties, particularly if transnational partnerships are newly established. The creation of complicated partnership frameworks or hierarchies, and/or management systems is therefore not generally advised and it is recommended to think simple and effective (although it may be necessary that some projects will require the setting up of more complex working procedures).

When developing a project proposal or committing to one as a partner, all actors should ensure that they are fully aware of the level of resources required to fulfil this commitment (in time and funding). Previous experience shows that partners’ involvement

in projects has required dedication, particularly in balancing activities with “regular” work programme responsibilities. But experience also shows that the success of project partnerships can be strained if partners have varying degrees of commitment. A good level of joint commitment given by a partnership to a project with clear priorities and outputs and joint working is generally reflected - at a later stage - in the degree of positive outcomes and added value received, both in terms of the personal development of participants, and the contribution towards progressing local and regional priorities.

Being a “lead partner” of the project can be a demanding role, as by definition he has ultimate responsibility for the project. Lead partners have to be fully briefed on the requirements of their own legal systems and on other responsibilities. It is also important to ensure that associate partners appreciate the legal and other responsibilities that fall to the lead partner and are familiar with the regulations or requirements regarding financial management (eligible expenditure, claims and match funding payments, auditing procedures etc). Lead partner financial processes should be kept as simple as possible, but good financial management and auditing systems need to be developed to aid the smooth running of the project. It is essential to draw up a “contract” between partners to ensure their full engagement in the project, whilst ensuring that all partners have a clear understanding of the project commitment. It is also important to advise on the requirement for Letters of Intent very early on in order to avoid any delay or misunderstanding of the process. In all these aspects the “Technical Programme Secretariats” should provide help to project applicants.

Even when a project-proposal is finally approved and has entered the phase of implementation, there are several key factors that need to be considered in order to ensure an effective delivery of the actions planned.

- **Transnational partnerships have to be constantly developed, as it takes a long time to reach the level of a true partnership involving trust, good will, full understanding and commitment.** Indeed, transnational project partnerships will evolve and change over time, perhaps from a demanding beginning. A necessary requirement is to learn the partners’ strengths and weaknesses, which helps to “oil the wheels” of the partnership. The earlier this process can be commenced, the better. In taking forward the project, it should be ensured that management meetings and/or events are hosted by each of the main project partners (as appropriate to your project). Visits to partner regions are vital to fully understanding the underlying issues, parallels and approaches adopted within the different Member States.²³⁶ A visual and personal experience can make more of an impact. Informal activities set around meetings can help forge relationships between the project partners - the “getting to know your partners” is vital to understanding the mechanics of the partnership and respective cultures.
- **Clear time-scales to achieve key milestones in project delivery (setting deadlines) and clear systems to monitor the progress of a project (including staff time monitoring, financial and auditing systems, a record of activities, and publicity) have to be established early.** Both aspects must be supported by the partnership and adhered to. The project management plan as originally envisaged may change as the project develops and indeed, as the partnership itself operates more effectively and new thinking arises. Projects should be open to consider change where this is of added value to the project and its outcomes. However, it is important to return to the original project application as approved to ensure that the project will still deliver the required outputs and is in line with

²³⁶ At a first time visit, the host can provide or present an “introduction” to the area, its key characteristics, political frameworks and key issues, as well as a “study tour” to enhance partners understanding of the areas.

the original principals. The Lead Partner should liaise with the Programme Secretariat and elaborate regular project reports.

- **Projects should carefully consider opportunities for publicity and effective ways of disseminating information about the project to share experience and good practice (at all levels).** Experience under INTERREG IIC suggests that project development and implementation has in some cases proved to be a technical exercise with little, if any, popular awareness or involvement. INTERREG IIIB, with its emphasis on common practical actions, should provide an opportunity to promote greater awareness about activities at the local, regional and transnational levels.

11.) Recommendations that integrate transeuropean co-operation within a new model for European governance and initiate coherent Community wide legal framework conditions

11.1 Promoting transeuropean co-operation as an essential element within a new model for European governance

The European integration process of the past 15 years and the enlargement of Community action to nearby all fields of public policy have forced territorial authorities in the EU to adapt their administrative capacities and own policies to an increasingly complex environment of public policy making. Within this broader context, an efficient articulation of their position and a success of their own development strategies have also become increasingly dependent on strategic interaction with other regional or local actors from other Member States. Through this development, regional and local authorities have become essential – although not yet formally recognised – actors of the Community's co-operative model of multi-level governance.

The important role territorial authorities play in the preparation and implementation of Community legislation and especially in the framework of EU-support programmes is explicitly recognised by the Commission in its work programme that aims at elaborating proposals for the White Paper on European Governance.²³⁷

A number of key issues that particularly concern local and regional authorities in the framework of a new model for European governance have been highlighted by an opinion of the Committee of the Regions (CoR), which was adopted in December 2000.²³⁸

- **Subsidiarity and a Citizen's Europe:** The subsidiarity principle should not be a hierarchical concept and must be closer connected to the principles of a Citizen's Europe and of interdependence. A new relationship based on horizontal and equal partnership as well as efficient and integrated decision making should be established. Within this framework, a clarification of competencies between the different layers of government is however necessary.
- **Participation of local and regional authorities:** Participation of local and regional authorities in the EU-decision making process is considered a key factor for successful

²³⁷ **European Commission:** White Paper on European Governance. Enhancing democracy in the European Union. Work Programme. SEC (2000) 1547/7 final

²³⁸ **Committee of the Regions:** Stellungnahme zu den Neuen europäischen Entscheidungsstrukturen : Europa – ein Rahmen für das Engagement der Bürger (CdR 182/2000 fin)

integration. The role of the CoR should be strengthened considerably and the principle of local and regional self-government must be introduced in the Treaties. For those aspects particularly relevant to the citizens of the EU, a formal dialogue between the Council, the Parliament and the CoR should be established. In addition, regular consultations between the Commission and the Associations of local and regional authorities on all questions related to local and regional self-government should be organised. In order to assure early participation, experts coming from regional or local authorities should be delegated in all relevant Commission working groups. Finally, new participatory governance procedures should be realised that are already characterised by a vertical split of competencies with regard to the implementation of specific policies (e.g. environment, social and economic cohesion).

- **Role of political parties:** European parties should involve themselves stronger in subjects such as decentralisation.
- **Importance of information:** Responsibles of all political decision-making centres should extend programmes for citizens aiming at a broader diffusion of computer- or language skills and to include the issue of European Citizenship and European integration as a matter in school education.

Despite this basic assessment, **one can observe that the potential contribution of transeuropean co-operation to the realisation of a new model for European governance has not been fully evaluated.** In order to favour such a development, the following aspects of general relevance should at least be discussed more intensively during the forthcoming debate on new European governance.

An enlarged debate on these issues could also contribute to elaborate a more “horizontal interpretation”²³⁹ of the current principle of subsidiarity contained in the EC-Treaty.

Transeuropean co-operation between territorial authorities from EU-Member States and from accession countries should be considered an important „instrument“ that contributes to building the European Public Space. Transeuropean co-operation acknowledges cultural differences and the variety of national political systems (structures, competencies) and brings discussion of major practical EU-issues and policies closer to the people. It can therefore enrich the public debate on European matters at various levels (between local and regional administrations, between those and the larger civil society) and allow for active participation of European citizens in concrete activities, which help to tackle practical problems that affect citizens on a daily basis. Especially strategic cross-border co-operation on all issues of daily life carried out in the framework of Euroregions or similar structures is a long standing „tool“, which illustrates the added value of the overall European integration process. It proves to be an important chance to involve citizens in concrete European actions, helps to recognise and protect rights of minorities living in border regions (especially relevant for Central and Eastern European Countries) and promotes common approaches for joint problem solving in a spirit of mutual respect of cultural differences. The Community Initiative INTERREG (especially its strand A) and other measures supporting cross-border co-operation (e.g. PHARE-CBC and TACIS-CBC) play an important role in

²³⁹ The current principle of subsidiarity mainly prescribes and defines the „vertical division of labour“ between the Community level and the individual Member States. The forthcoming IGC intends to further expand this vertical vision by including the regional level. A more „horizontal interpretation“ of the subsidiarity principle, instead, aims at better integrating the existing decentralised dimension of co-operative EU-policy making (between regional and local authorities from different Member States), which would also better reflect the real nature of network-governance within the European Union.

fostering such an overall approach and are further needed in order to deepen experiences gained up to now.

Early participation of territorial authorities should be reinforced especially in the framework of Community policies having a strong territorial impact (regulatory measures, support policies)²⁴⁰ or particularly relying on local and regional authorities during the implementation phase. This could be realised at **Community level** via an enlarged ex ante consultation/participation of the CoR during the preparation and elaboration phase of specific measures and the setting up of formalised participatory mechanisms in order to ensure early consultation of „representative“ European associations set up by local and regional authorities. At **Member State-level**, consultative and partnership-based mechanisms for an early participation of territorial actors and representatives from the civil society should be established in line with the internal organisation of each state, which tackle the preparation of national implementation processes of certain Community policies/measures. Specific attention should be given to aspects that generate strong effect across borders.

An improved evaluation of the effectiveness of Community rules (directives and regulations) **and the development of mechanisms tracking the decision making of legislation and implementing measures should better take into account the regional/local dimension as well as the border crossing effects.** In order to get a detailed picture of the application of Community rules and the implementation of EU-support programmes, one has to systematically identify the aspects that particularly affect competencies of territorial authorities throughout the EU and evaluate the diversity of resulting territorial impacts at local / regional level (e.g. socio-economic and environmental impacts). Such an evaluation should also include an assessment of the financial consequences of Community measures for the budgetary situation of local and regional authorities. In „tracing“ what happens to Community directives and regulations, evaluation should also pay more attention to the fact that differentiated national transposition of one Community rule can cause antagonistic discrepancies between two neighbouring countries. Such discrepancies can create problems in border regions where different national legal systems normally „meet“.

A definition of general principles that organise desirable forms and degrees of „vertical decentralisation“²⁴¹ should also consider, how strategic forms of transeuropean co-operation can contribute to / be involved in an adaptation of the policy-making process in order to create stronger flexibility.

- In order to create stronger operational flexibility during the implementation process, the current partnership principle applied in the framework of the Structural Funds should be further improved and extended to other Community policies or actions (especially to those that are characterised by an implementation process involving various levels of government, e.g. environment, transport, agriculture-market and price policy).
- Any kind of decentralisation should be accompanied by stronger vertical and horizontal co-ordination / co-operation between administrations or agencies having responsibilities in the policy field(s) covered, both within one state (national-local-regional levels) and between different states (cross-border, transnational or inter-regional levels).

²⁴⁰ Areas of particular interest are those sectoral Community policies with a strong territorial impact (Transport and Transeuropean Networks, environment, R&D etc.) or characterised by a multi-annual and integrative/territorial approach (e.g. Cohesion policy, other integrated interventions such as urban policy).

²⁴¹ According to the Commission, „vertical decentralisation“ involves more sharing of responsibilities with national, regional and local authorities, in particular on Community policies with a strong territorial impact. Such vertical decentralisation could be based on „contracts of agreed objectives“ between the Union (represented by the Commission) and authorities with a regular or management capability and a larger degree of autonomy in the choice of means.

- It would be useful to clarify whether strategic cross-border and transnational co-operation structures or even strategic inter-territorial co-operation networks could be considered „levels“ for vertical decentralisation of Community policies or specific tasks. In this context it should be assessed what type of co-operation structure could potentially qualify for the implementation of which basic task (e.g. implementation of support programmes or specific regulatory measures).

In evaluating and systematising the role of already existing networks that help the Commission in devising and implementing policies (e.g. EuroInfoCenters, networks created by the liberalisation of services of general interest), the important role that transeuropean co-operation schemes and networks established by local and regional authorities can play in this respect should be considered more carefully (current degree of involvement and future prospects especially with regard to decentralisation). It should be assessed to what degree each of the 4 main categories of transeuropean co-operation between local and regional authorities (cross-border, transnational and inter-territorial co-operation, European associations) is currently involved in the formulation and implementation of Community policies. The LACE-network of the Association of European Border Regions (AEBR), supported by the European Commission, is a good example for a network initiated by a European association of local and regional authorities that assists the Commission in carrying out its tasks. AEBR launched this network 10 years ago and provides through it technical assistance for cross-border co-operation within the EU (AEBR / LACE-TAP) and for cross border co-operation in PHARE and TACIS countries (AEBR / LACE-PHARE, AEBR / LACE-TACIS-Regional Capacity Building initiative). Based on this experience, it should be analysed how existing co-operation structures and networks set up at regional and local level could be used more systematically for an assistance to / the implementation of Community tasks in order to increase functional and/or organisational synergies and avoid double work.

Linking various territorial levels by social cohesion and sustainable development and practically realising the policy options of the ESDP for a balanced development of the EU-territory means also increasing the overall co-ordination between different sectoral Community policies with a strong territorial impact.

- The experience gained with the Structural Funds interventions and the Community programme on „integrated coastal zone management“ highlight that horizontal co-ordination (between different DG's / national administrative units) and vertical co-ordination (between different the Community, national, regional and local level) play a crucial role during the entire implementation process. Where possible, other (sectoral) Community policies should therefore be implemented more systematically in the framework of an „integrated and territorialised approach“ (transport policy, environmental policy, R&D policy etc.). Such an integrated intervention could also form the basis for a „territorialised contract of agreed objectives“, which is passed between various levels of government.
- In order to achieve a spatially more coherent action of these policies and to improve their mutual synergies, appropriate and non hierarchical co-operation mechanisms in a logic of multi-level governance have to be established, both in the context of a single Member State (national, regional or local level) and in a context that transgresses national borders (cross-border, transnational or inter-regional level). Especially cross-border, transnational and inter-regional co-operations are excellent frameworks for the establishment of stronger concertation mechanisms that aim at improving vertical and horizontal policy co-ordination (Community added value). Such initiatives should take into account both formal administrative / regulatory solutions (cross-border/transnational spatial impact

assessment) as well as informal and network-based approaches (cross-border or transnational co-ordination groups).

- Cross-border co-operation has the longest standing experience with regard to the establishment of appropriate and (dominantly) non-hierarchical co-operation mechanisms that follow a logic of multi-level governance (vertical and horizontal partnership). In order to draw lessons from this experience for other more recent forms of co-operation (transnational and inter-regional co-operation), cross-border activities in the field of integrated territorial development and spatial planning should be assessed more in depth.
- At an equal level of importance as transnational and inter-regional co-operation, cross-border co-operation should be considered a territorial framework for the practical realisation of a balanced and sustainable development of the EU-territory: In fact, the total length of the current internal and external EU-borders is more than 15.000km and INTERREG IIA border regions currently cover nearly 40% of the Union's territory. About 25% of the Community population lives in border regions and more than 350.000 people commute on a daily basis to their place of work in neighbouring countries. Border regions are even more important in the candidate countries²⁴², accounting for 66% of the land area and 58% of the total population. Enlargement will, therefore, lead to a significant growth in their prevalence in the Union.

11.2. Adapting the EC-Regulation on “European Economic Interest Groupings” (EEIG) in order to improve framework conditions for project based co-operation between public authorities

The EEC-Regulation No 2317/85 on “European Economic Interest Groupings” (EEIGs) was introduced in 1985, but its practical use was however possible only from July 1989 onwards.²⁴³ The instrument assists legal or natural persons from different EU-Member States engaged in “economic activity” within the Community, which had previously been hampered by single-national legal systems, to develop economic activities across national boundaries. EEIGs are connected with the Community legal system (even if some aspects refer back to national laws) and have full and independent legal capacity, which differentiates them from purely contractual forms of co-operation (e.g. joint venture agreements, other contractual agreements of co-operation). Since the beginning of its practical use in 1989 until mid-1992, the number of registered EEIGs rose to 322. By September 1997, more than 800 groupings were registered so far throughout most EU-Member States.

The EEIG allows its members to overlap some of their economic activities whilst developing “new and complementary functions” for which they intend to co-operate. An EEIG can be used simply as a framework for co-ordinating and organising its members' activities or it can conclude in its own name and execute contracts awarded by the public authorities or under programmes financed by public funds. The performance of these common functions on a group basis through the use of existing functions and the development of new, complementary ones are sought in order to achieve increased competitiveness and efficiency. The regulation interprets very broadly the notion of economic activity, wherefore “traditional” companies

²⁴² **European Commission:** Unity, solidarity, diversity for Europe, its people and its territory. Second report on economic and social cohesion. Luxembourg, 2001.

²⁴³ **Kommission der Europäischen Gemeinschaften:** EWIV, das Entstehen einer neuen europäischen Kooperation. Bilanz einer dreijährigen Erfahrung. Brüssel, Luxembourg, 1993. www.ecu-notes.org/atoz997/eeig.html (European Economic Interest Grouping). http://europa.eu.int/comm/internal_market/en/company/company/news/783.htm (Cross-frontier co-operation: Participation of EEIGs in public contracts and programmes financed by public funds). **Commission européenne /GIE PACTE ARE-CCRE:** La coopération décentralisée. Paris 1997.

and firms, other legal bodies governed by public or private law (public bodies, public or semi-public scientific organisations such as foundations, universities, research institutes) and natural persons who carry on any industrial, commercial, craft or agricultural activity or who provide professional or other services in the Community can become members of an EEIG. An EEIG may also operate outside the Community in the exploration, research and penetration of new markets, or facilitate access to them.²⁴⁴

EEIGs tend to be dominantly used by the private sector, especially by companies and organisations from all areas of industry or services seeking co-operation in research and development, after-sales-service, exploiting licences, submitting public and private tenders, purchases, marketing and market research or transport and distribution.

EEIGs can also be used as a legal instrument for certain activities in the framework of transeuropean co-operation. Some of these aspects have already been discussed in the section dealing with legal instruments that aim at facilitating cross-border co-operation at project level (See: Section 3.1.). Before elaborating specific proposals that aiming at an improvement of conditions for co-operation at project level, it is helpful to briefly review some basic aspects regarding the current use of EEIGs by local and regional authorities.

EEIGs and their use for co-operation between public territorial authorities

As concerns **the use of EEIGs for a co-operation between public territorial authorities of the European Union**, the Community instrument generally offers the opportunity for overcoming disadvantages related to purely national law based solutions (most of the members of a co-operation have to submit themselves to an “unknown” legal system). EEIGs are however characterised by several practical limitations, which were discussed in more in detail in the section dealing with legal instruments that aim at facilitating cross-border co-operation at project level (See: Section 3.1). In addition, some EU-Member States seem to be reluctant to the idea of public territorial authorities participating as members in an EEIG, whereas the Commission does not subscribe to this narrow interpretation of the regulation.

A feature that weakens a “negative appraisal” is **the existence of EEIGs that already operate in the wider framework of transeuropean co-operation and involve public local/regional authorities, side by side with other semi-public local/regional actors and companies or individuals governed by private law:**

- The **EEIG “USSE”** (Union des Sylviculteurs du Sud de l’Europe), which was created in 1989 and can be characterised as an inter-territorial grouping established between professional organisations of the wood-processing sector and a number of regional authorities from Portugal, Spain, France and Italy.
- The **EEIG “ENARCT”** (European Regions Network for the Application of Community Technologies) founded in 1990 and based in Ireland. It was established between Derry City Council (UK-Northern Ireland) and Donegal County Council (IRL) for their shared role in managing the inter-territorial co-operation network ERNACT, which involves also partners from other EU-countries (DK/B/NL).
- The **EEIG “EUROCORP”** created in 1990 and based in Belgium, which groups together the Belgian Development Authority for Flemish Brabant (GOM Vlaams Brabant), private companies in the UK and France as well as public bodies in Spain and the Netherlands.

²⁴⁴ For example, an EEIG may subcontract or conclude „joint venture contracts“ with non-Community companies, acquire interests in companies or establish „joint subsidiaries“ with companies located outside the Community, within its limits specified in the regulation.

- The **EEIG “EURO-INSTITUT”** (Institut pour la coopération régionale et l’Administration Européenne), which was created in 1993 by a series of French and German public authorities (regions, state authorities, universities etc.) and promotes training, research and consultancy mostly in field of cross-border co-operation.
- The **EEIG “ECOM”** (European Chamber of Commerce), set up in 1993 by the Derry Chamber of Commerce (UK-Northern Ireland) and the Letterkenny Chamber of Commerce (IRL) and involved in cross-border co-operation.

Despite the existence of EEIGs with a participation of territorial authorities, the Community did however not undertake substantial steps in order to clarify their specific needs:

- In September 1997, the European Commission adopted a Communication that sets out the potential advantages of EEIGs in the field of public contracts and programmes financed by public funds.²⁴⁵ The document explicitly highlights the “inherently transnational character” of EEIGs that entitles them to apply to participate in Community support programmes²⁴⁶ requiring projects to be submitted by several partners/legal entities belonging to different Member States. Members of an EEIG cannot therefore be required to submit tenders in parallel with that submitted by the grouping itself. Although it is known that many co-operation projects are submitted in practice by public territorial authorities, no explicit reference was made in the Communication on this aspect.
- The marginal reference contained in the INTERREG III Guidelines suggesting the competent (public) authorities to consider whether the establishment of EEIGs would help to implement co-operation on the ground of truly joint structures is also of little help.²⁴⁷ A footnote in the Guidelines refers back to the Communication of 1997, which explicitly considers EEIGs an instrument to “participate” in Community programmes (e.g. via projects) but remains silent about the possibility to “manage” entire programmes via an EEIG. In fact there are substantial reasons to believe that the purely “economic objectives” of EEIGs do not make them an appropriate instrument for managing programmes, which are based on a wider scope of objectives (social and environmental issues) transgressing a narrow economic focus.²⁴⁸

As a **conclusion** of the aforementioned aspects, it is recommended that a clarification with regard to co-operation between public (territorial) authorities is included into the current EEIG-Regulation in order to enhance further transeuropean co-operation.

Two options for improving co-operation at project level between public authorities

A first option could aim at preserving the essence of the EEIG-approach, while proceeding to a clarification of specific aspects contained in some provisions of the current Regulation. Some sources identify a number of important aspects that still causes

²⁴⁵ OJ No C 285, 20/09/1997: Communication from the Commission: „Participation of European Economic Interest Groupings (EEIGs) in public contracts and programmes financed by public funds.“ This passage is contained in the second paragraph of no. 8 of the Guidelines.

²⁴⁶ The Communication explicitly mentions EU-support programmes for R&D-activities and other Community funding programmes such as INTERREG II, REGIS II or LEADER II.

²⁴⁷ OJ No C 2000/143/08: Communication from the Commission to the Member States laying down guidelines for a Community initiative concerning trans-European co-operation intended to encourage harmonious and balanced development of the European territory.

²⁴⁸ **Internal working document of the Council of Europe:** Rapport préparé par M. le Prof. Lejeune (Université Catholique de Louvain) sur l’implication des personnes morales de droit public ou privé en matière d’accords et d’organismes de coopération transfrontalière.

“irritation” among public actors and may be one reason explaining their reluctance to use EEIGs as an instrument for co-operation.²⁴⁹

- A first issue for clarification would be Article 4 of the current Regulation, which defines the wide scope of actors that can potentially participate in EEIGs. A more explicit reference to local/regional authorities and to other public authorities should be introduced in Paragraph 1, which could further stimulate these actors to use EEIGs as an instrument for their mutual economic co-operation. In addition, modifications should narrow the current possibility of Member States to prohibit or restrict participation in groupings on grounds of State’s public interest (Paragraph 4 of the current Article 4).
- A second major issue for clarification is the provision contained in Art. 23 (1) of the EEIG-Regulation: According to this Article, members of an EEIG have unlimited joint and several liability for the groupings’ debts and other liabilities of whatever nature. This provision means that not only there is no limit to the liability of any of the members for EEIG-activities, but also that each member can individually be held liable for those activities. The practical consequences of such liability (determined by national law!) could be that a territorial authority of one Member State is held responsible for all other members of an EEIG.

A second option could aim at reforming more fundamentally the existing EEIG-regulation: The basic approach of this option would be to separate the specific types of economic actors currently summarised under Art. 4 of the EEIG-Regulation and to provide them, according to the dominant co-operation features in economic issues that can be observed in practice, with adequate organisational frameworks having an own legal personality. A modified Regulation on “European Interest Groupings” (EIG) should lay down a number of general provisions that can be inspired by the current EEIG-Regulation and contain specific provisions for each of the different types of groupings:

- The **first grouping** would cover co-operation between private law based entities and other natural persons that are involved in the widest possible range of economic and commercial activities (**European Interest Grouping for General Economic Affairs, EIG-GEA**). It would be the framework for the bulk of currently existing EEIGs and implies that they only change their current denomination.
- The **second grouping** would cover co-operation in a broad range of economic issues between all types of public entities (**European Interest Grouping for Public Economic Affairs, EIG-PEA**). The provisions should address the specific needs of this type of economic co-operation and provide actors with the necessary security.
- The **third grouping** would cover co-operation in economic issues between a broad range of public and private law based entities (**European Interest Grouping for Public-Private Economic Partnerships, EIG-PPEP**). This approach would help to stimulate European-wide public-private partnerships that are increasingly necessary in order to tackle economic issues transgressing national borders (e.g. border crossing infrastructures based on public-private financing; border-crossing transport systems of general interest involving private operators).

This more radical option would have a double advantage: It could address general needs of a broader range of economic actors in the Internal Market with regard to project based co-operation and more specifically help those public actors willing to engage more intensively in project-based transnational co-operation.

²⁴⁹ In Greece, for example, territorial authorities enjoy the status of „state immunity“, which does not allow creditors to proceed against them. In France, more fundamental doubts exist with regard to the legality of a participation of territorial authorities in EEIGs and there is a potential risk that the supreme legal supervisory authority (Conseil d’Etat) will forbid such EEIGs.

Both options will however only be “partial” solutions to the particular challenges and problems that public authorities (regions, national governments) involved in transnational co-operation will have to face. This is especially true for the different forms of strategic co-operation and for aspects related to the management of INTERREG III programmes (especially in the field of cross-border and transnational co-operation).

11.3. Creating a new Community legal instrument for “European Co-operation Areas” (ECA) in order to enhance strategic cross-border, inter-territorial and transnational co-operation

Truly strategic cross-border and transnational co-operation, but also a more programme orientated and strategic approach to inter-territorial co-operation, should allow actors to develop a wide range of joint activities in order to tackle all practical issues that are of their essential concern. Strategic co-operation of this kind requires that all actors involved develop a much larger and long-term orientated vision with regard to “their” environment, which must go beyond purely “economic considerations” and integrate other important aspects such as social aspects or sustainable development.

At date, no European-wide and directly applicable legal framework instrument does exist for strategic co-operation between territorial authorities. Whilst European associations seem to operate quite satisfactory on the ground of national legal provisions (associative law), other forms of strategic co-operation are only partially stabilised by adequate legal framework conditions. Numerous legal instruments have been elaborated for cross-border co-operation (different multilateral or bi-lateral international agreements), but strategic inter-territorial or transnational co-operations still lack of stable framework conditions.

If further development of transeuropean co-operation is expected to take place, one has to give priority to the creation of an adequate legal framework instrument that would considerably enhance the emergence of a strategic approach to cross-border, transnational and inter-regional co-operation like as it is outlined above. This instrument should provide for a solution generally applicable throughout the entire European Union in order to eliminate obstacles that are a result of

- lacking adequate legal framework conditions in some categories of co-operation (e.g. transnational and inter-territorial co-operation),
- inadequate solutions currently available at Community level (EEIGs),
- the diversity and heterogeneity of already existing (but partial) approaches elaborated for cross-border co-operation (e.g. bilateral and multilateral inter-state agreements).

On the ground of these observations, **it is suggested that the Community elaborates and adopts a flexible legal framework instrument providing for the creation of specific “European Co-operation Areas” (ECA)**. These ECA are constituted as purpose orientated entities with an own legal personality governed by Community law. The legal framework instrument would lay down flexible outline provisions applicable throughout the entire Community in order to allow for the setting up of ECAs either in the field of strategic cross-border, transnational or inter-territorial co-operation.

One has however to be aware of the fact that implementing an ECA-initiative will necessitate considerable changes in national public law. It would therefore represent a step forward in the process of “Europeanisation” of national public/administrative law, which consists of various

dynamic and mutually interdependent sub-trends.²⁵⁰ This process has nowadays reached a critical point, where further steps towards integrating public/administrative law will generally have to be considered under two aspects:²⁵¹

- Further integration can generally enhance European-wide administrative centralisation or lead to a “uniformisation” of long-standing, well-established and culturally rooted national administrative traditions.
- Further integration can also be a source for positive “renewal” of public law, which also can favour a more task-adapted evolution of administrations in Member States.

In either case, one can expect that Member States will certainly be reluctant to make significant concessions in this traditional domain of national sovereignty (but not only them!).

In order to overcome such objections, it would not only be useful but also logical to consider the creation of a Community legal instrument on ECA as a contribution to other ongoing parallel processes, which all aim at re-shaping essential aspects of the Community-based process of European integration:

- **Promoting new forms of European governance:** Within this larger framework, transeuropean co-operation can particularly contribute to build the European public space, to help the Commission in devising / implementing policies, to design desirable forms of “vertical decentralisation” or to adapt the policy making process and to practically realise the policy options of the ESDP for a balanced development of the EU-territory (See: Section 11.1). **The ECA-initiative should therefore be considered a specific approach within a new model for European governance that allows to fully exploiting these potential contributions.** The legal framework instrument on ECA is of particular importance if strategic cross-border, transnational or inter-regional co-operation schemes should be considered an operational framework for a “vertical decentralisation”²⁵² of specific Community tasks. The ECA-initiative would then allow local and regional authorities to establish sufficiently solid co-operation structures having an own legal personality.
- **The practical application of the European Spatial Development Perspectives (ESDP):** Co-operation beyond national borders plays a crucial role in practically applying the ESDP and its policy options. Even if the document recommends three “main levels for spatial co-operation” (Community level, transnational level, regional/local level), it also highlights the important contribution of cross-border and inter-territorial co-operation. Some co-operative measures suggested in the document may be carried out within the framework of existing structures (e.g. preparation of visions by cross-border or transnational structures; co-ordination of plans by inter-governmental spatial planning commissions), but others will certainly require a much more solid base for co-operation if significant progress is expected to take place throughout Europe. Without eliminating national competencies as regards spatial planning, **the ECA-initiative should therefore be considered a “tool” that enables to implement far reaching forms of co-operative spatial development policy.** One could think of the elaboration of joint spatial planning

²⁵⁰ There are at least three processes: (1) Direct changes of national public/administrative law due to Community legislation. (2) Control of indirect/delegated application of Community law by national administrations through specific Community prescriptions. (3) Adoption of European „European standards“ within national public/administrative law, also in areas characterised by autonomy.

²⁵¹ **Schwarze, J. (Hrsg):** Das Verwaltungsrecht unter europäischem Einfluß. Zur Konvergenz der mitgliedstaatlichen Verwaltungsrechtsordnungen in der Europäischen Union. Baden-Baden, 1996.

²⁵² According to the Commission, „vertical decentralisation“ involves more sharing of responsibilities with national, regional and local authorities, in particular on Community policies with a strong territorial impact. Such vertical decentralisation could be based on „contracts of agreed objectives“ between the Union (represented by the Commission) and authorities with a regular or management capability and a larger degree of autonomy in the choice of means.

concepts or sectoral planning schemes, the elaboration of cross-border land use plans or co-ordinated transnational land-use plans that incorporate wise management of water resources and the development of integrated transport infrastructures or even of an adoption of procedures for cross-border/transnational territorial impact assessment.

- **A new Inter-Governmental Conference (IGC) and the cohesion challenge of EU-enlargement:** As decided by the Heads of State and Government at the end of the Nice Summit, a forthcoming IGC (starting in 2004) will also determine a more precise delimitation of powers between the European Union and the Member States that better reflects the principle of subsidiarity.²⁵³ It is very likely that a new IGC will also have to consider changes of the current EC-Treaty provisions regarding the Community's cohesion policy (Title XVII, Articles 158-162). Such changes may become necessary due to the cohesion challenge of an enlarged European Union and in order to implement a new distribution of responsibilities amongst the relevant actors. Within this larger context, **the ECA-initiative should also be considered a horizontal but decentralised instrument for a new EU-cohesion policy, which offers a basic alternative to the traditional "Community support tool box" (Structural Funds, SAPARD, PASI, PHARE, TACIS etc.).**

After these more general considerations, **it is necessary to discuss a number of essential legal problems such an initiative will have to face and to elaborate more in detail key elements that have to be included in a flexible Community framework instrument.**

If one intends to launch immediate action on such a Community framework instrument, **a first essential problem is that the current Treaty provisions (consolidated version of the EU-Treaty and the EC-Treaty after Amsterdam) may not provide for an adequate legal base.** Neither do the general principles and objectives of the EC-Treaty (Articles 1-16) foresee a provision that could sufficiently justify such an initiative, nor is it possible to simply make use of Article 308 (ex-Article 235). The latter option would necessitate the elaboration of a rather precise justification in order to avoid conflicts with the subsidiarity principle (Article 5).²⁵⁴ The only solution to the problem of finding an adequate legal base would be to make use of a provision within Title XVII on the EC's Cohesion policy. The third paragraph of Article 159 ("If specific actions prove necessary outside the Funds...") could be a legal base that may allow immediate action with regard to a legal framework initiative on ECA as proposed above.

If the current Treaty provisions should not allow for establishing a Community framework instrument, **the second essential problem is that an adequate legal base has to be specifically introduced into the Treaty.** The timely nearest opportunity for such an initiative would be the forthcoming IGC. A general disadvantage of this option is its highly speculative "success rate" (negotiations between Member States will focus on strategic priorities and tend to eliminate issues of "minor importance") and the risk, that even if changes are adopted, practical improvements would come into effect only after a longer time period (earliest in 2007/2008). But there are additional challenges this option will have to face: New Treaty provisions for such a framework instrument must be based upon the principle of subsidiarity and will therefore be closely examined whether they tend to create a significant "value added" to the entire Community that can justify action.

²⁵³ It is however illusory to expect of this „re-definition“ that competencies of territorial authorities will be harmonised throughout Europe. Diversity will therefore continue to exist between Member States.

²⁵⁴ But again, it will be difficult to find appropriate objectives and aims in the EC-Treaty that would allow undertaking action in the absence of existing formal competencies.

Considering the latter aspect, one could argue that the contribution to the growth and generalisation of a “European culture of co-operation” has always been a widely recognised value added of Community action. Most Community policies support co-operation activities that involve a broad range of societal actors from different Member States and even Third Countries (national authorities, regions and local authorities, enterprises, NGOs, people-to-people co-operation etc.) and contributed also to enhance transeuropean co-operation between local and regional authorities. This “European culture of co-operation” needs to be maintained and further developed in order to broaden the civil society’s participation in and its adherence to the project of European integration.²⁵⁵

Based upon this argumentation, it would make sense to integrate the legal base for an ECA-initiative within a “new approach” for the Community’s cohesion policy. Such a new approach should - without going into details in the framework of this study - also establish the Community Initiatives as an independent and horizontal instrument of the EU-cohesion policy, which is „disconnected“ from the traditional eligibility-based support measures (e.g. Objective interventions).

On the ground of existing EC-Treaty provisions, one could think of the following changes:

- Changes should be included in the first paragraph of Article 158 (defining the general objective of the EU cohesion policy), which will then read as follows: *In order to promote its overall harmonious development and to encourage a balanced and sustainable development of the European Union’s territory, the Community shall develop and pursue its actions leading to the strengthening of its economic and social cohesion*
- Changes should be included in the first paragraph of Article 159 (prescribing “who does what” in the context of the EU cohesion policy), which will then read as follows: *The Community shall also support the achievement of these objectives by the action it takes through the Structural Funds (...), the European Investment Bank, other existing financial instruments, the Community Initiatives and the provision of a legal instrument that enables the creation of “European Co-operation Areas”.*
- Changes should be included in Article 160 (defining the role of the ERDF in the context of the EU cohesion policy), which will create a new second paragraph: *Besides the Community Initiatives, the European Regional Development Fund is also intended to promote transeuropean co-operation in the Community, especially through participation in joint measures that encourage a harmonious, balanced and sustainable development of areas covered by cross-border, transnational and inter-territorial co-operation.*

Even if it should be possible to find a satisfactory solution to the obstacles mentioned above, **the next essential problem would be that of selecting an appropriate technical approach (EC-regulation or EC-directive) in order to lay down in detail the precise contents of a Community framework initiative.**

- An EC-Directive is compulsory for all Member States only with regard to its general objectives and leaves the choice of the basic approach and the means necessary for its implementation within the individual national legal systems to each Member State. **An ECA-Directive** would offer the opportunity to better take into account specific national traditions in public/administrative law. A disadvantage is that an ECA-Directive would normally take a longer time period before it becomes fully effective in all Member States (as many other Directives).

²⁵⁵ In order to maintain the value added of these specific Community actions in various policy fields, one could even think of introducing such an overall principle in the general provisions of the EU-Treaty (Article 2) and the basic principles of the EC-Treaty (Article 1 or 2).

- An EC-Regulation is generally applicable, compulsory in all its parts and comes into effect immediately after its adoption without a necessary transformation process involving national legislative institutions. **An ECA-Regulation** has the advantage that the framework instrument can be precisely defined and - once adopted - it would be available immediately to all actors that wish to make use of it. A general disadvantage is that it will possibly allow for less flexibility when it comes to take into consideration the diversity of specific national administrative traditions.

On the ground of these preliminary considerations, **one has now to identify a number of key elements that will characterise “European Co-operation Areas” (ECA)**. For this exercise it is assumed that the EC-instrument chosen to define more in detail the contents of an ECA will be that of a Community-Regulation. Interesting sources that could inspire the potential contents of such a flexible legal framework instrument are a resolution of the European Parliament adopted 25 years ago,²⁵⁶ the Community Regulation on European Economic Interest Groupings (EEC No 2137/85), the contents of specific Model Agreements annexed to the “European Outline Convention” of the Council of Europe²⁵⁷ and provisions contained in various inter-state agreements that have been concluded on cross-border co-operation.²⁵⁸

General objectives and principles of the Regulation

(1) The general objective of an ECA-regulation would be to initiate and further enhance more far reaching forms of voluntary bilateral or multilateral co-operation between public territorial authorities of EU-Member States and other public actors (e.g. national government actors).²⁵⁹ The Community legal framework instrument will enable these actors to set up bodies/groupings in the field of cross-border, inter-territorial and transnational co-operation having an own legal personality under Community law, which will however not replace its constitutive members. These bodies/groupings will be able to undertake a broad range of measures that promote a harmonious, balanced and sustainable development of their territory. ECA can therefore be considered a new “horizontal and decentralised tool” in line with the subsidiarity principle, which enhance partnership-based co-operation and contribute to a realisation of the Community’s fundamental objectives.

(2) The application of the ECA-Regulation shall enhance the emergence of more binding forms of co-operation among territorial authorities (not a transfer of competencies) and will therefore not create a new layer of government. The ECA-Regulation is not intended to modify substantial sovereignty rights of EU-Member States, as central state authorities or other state-like authorities (e.g. Länder or regions in federal states) may exercise influence over ECA-deliberations due to their general supervisory competencies with regard to territorial administrative matters.

²⁵⁶ **European Parliament:** „Gerlach“-Report of 1976 on the Community’s regional policy as regards the regions at the Community’s internal frontiers (OJ No C 293, 13.12.1976). On the ground of a proposal for a Community-Regulation, the document advocates for the setting up of “European Joint Authorities” in the context of cross-border co-operation, which should provide donor institutions such as national governments or Community financial instruments (ERDF, ESF, European Investment Bank) with a competent contractual partner in border regions (“aid recipients”) that has a sufficiently substantial legal structure.

²⁵⁷ **Council of Europe:** European Outline Convention on Transfrontier co-operation between territorial communities (Madrid Outline Convention). European Treaties Series /106, Strasbourg 1999.

²⁵⁸ Providing to various degrees for the possibility to establish “administrative associations for public services under public law” (Zweckverband).

²⁵⁹ National governments alone do not need such an instrument to establish mutual co-operation amongst them, but multilateral co-operation throughout the Community that includes territorial authorities will require such an approach.

(3) The ECA-Regulation will enter into force immediately in its entirety. To allow for the widest possible scope of application, it may be necessary that the implementation of some provisions must nevertheless be deferred in order to allow Member States first to take the necessary measures in the framework of their own legal system. If Member States will have to change some of their internal provisions of public or private law, they must observe a certain time limit (to be set) and should make these adaptations in line with the spirit of the general provisions laid down in the European Outline Convention on “Transfrontier Co-operation between Territorial Communities or Authorities” and of the provisions contained in its additional protocols. Where a State comprises territorial units having their own rules of law applicable to the matters referred to in this Regulation, each territorial unit shall be considered as a State for the purpose of adapting the respective law.²⁶⁰

Foundation, territorial coverage, legal status, operational location, applicable law

(4) The Regulation should specify that an ECA may be created between territorial authorities of the European Union, including other public actors where appropriate (e.g. national state authorities or other actors that are allowed to participate by virtue of public duties assigned to them), for the general purpose of cross-border, transnational or inter-regional co-operation. The formation of an ECA is based upon a written contract that can be concluded for a fixed or indefinite term. Within this context, it should be highlighted that all parties will respect the different constitutional provisions in the Member States concerned, especially as regards the rights of territorial authorities to conclude agreements or arrangements necessary for the purpose of establishing an ECA. The Regulation should distinguish between three basic types of ECA, which are each attributed a specific denomination:

- Type 1: European Areas for Cross-border Co-operation (EA-CBC)
- Type 2: European Areas for Transnational Co-operation (EA-TNC)
- Type 3: European Areas for Inter-territorial Co-operation (EA-ITC)

(5) The Regulation should contain a reference explicitly stating that any ECA is established in the form of a body/grouping having an own legal personality under Community law. An ECA would therefore enjoy a position comparable to other co-operation bodies/groupings having an own legal personality, which can be established nationally or between States on the ground of different national legal instruments based on public law or private law²⁶¹ or by virtue of provisions contained in international agreements. In order to obtain more flexibility in the setting up of purpose orientated solutions for co-operation, the ECA-Regulation should contain at least two basic options for bodies/groupings having an own legal personality:

- The first option would be a structure that could adopt the name “European Working Community” (EWC). It is a grouping with an own legal personality and would be an appropriate solution for rather “light” forms of co-operation.
- The second option would be a much more “elaborated” structure that could adopt the name “European Joint Authority”²⁶² (EJA). It is a body with an own legal personality that can be attributed extensive executive authority in order to carry out essential public tasks. It would enjoy a comparable status to public law based co-operation entities currently established between territorial authorities in EU-Member States.

²⁶⁰ A similar provision is foreseen by Art. 2 of the EEIG-Regulation EEC No 2137/85.

²⁶¹ For example a consortium, an inter-municipal association, a “Zweckverband”, private law based associations, commercial company established by territorial authorities that provides specific public services.

²⁶² This expression was used in the European Parliament resolution of 1976 and adopts the following term in German translation: „Euroverbände“.

According to the 3 basic sub-types and the 2 specific co-operation options available, it would be possible for local and regional actors to establish the following ECA-combinations:

	“European Working Community” (EWC)	“European Joint Authority” (EJA).
European Areas for Cross-border Co-operation (EA-CBC)	European Working Community for Cross-border Co-operation	European Joint Authority for Cross-border Co-operation
European Areas for Transnational Co-operation (EA-TNC)	European Working Community for Transnational Co-operation	European Joint Authority for Transnational Co-operation
European Areas for Inter-territorial Co-operation (EA-ITC)	European Working Community for Inter-territorial Co-operation	European Joint Authority for Inter-territorial Co-operation

(6) The Regulation should prescribe that detailed “Foundation Statutes” will have to be elaborated and adopted for every ECA-combination, which indicate the basic option selected for the co-operation grouping/body established and further specify a number of other basic issues. In order to give guidance to actors wishing to set up an ECA, the Regulation should provide for a separate Annex that lists basic requirements to be included in the Founding Statutes (“Annex on general outline provisions for an ECA-Statute”, see below).

(7) The members of each ECA-combination lay down in their “Foundation Statute” the grouping’s/body’s headquarters, which must be situated within the territory of the European Union. The headquarters may be moved, by decision of the “Board”, to another location on the territory covered by the ECA. An ECA may establish one or more business offices at locations other than that of its headquarters. As far as no provision is laid down in the statute established by the contracting authorities (or the ECA-Regulation itself), the law of the Member State in which the head office is located shall be applied.

General aim of an ECA

(8) The Regulation should give a broad definition of the general aim of an ECA. An example could read as follows: “The grouping/body would contribute to and actively promote a harmonious, balanced and sustainable development of its territory.” The Regulation should highlight that this general aim will have to be further specified for each of the different ECA-combinations that can potentially be established by local and regional authorities. Accordingly, “specific objectives” will have to be elaborated more in detail in the “Founding Statutes” for each ECA-combination.

Tasks of an ECA

(9) The Regulation should contain general outline provisions as regards the scope of tasks attributable to an ECA, which should allow for the widest possible scope of co-operation in order to tackle all practical issues that are of their essential concern. The Regulation should highlight that there will be no transfer of competencies to an ECA and that joint decisions of the grouping/body shall be implemented in the framework of existing national structures and procedures. For the purpose of achieving its general aim, a grouping/body may therefore

- be given specific local/regional administrative tasks to perform in the name of, on behalf of and on the instructions of territorial authorities being members of an ECA (according to the specific competencies attributed to them by their respective national law),
- be delegated specific tasks to perform in the name of, on behalf of and on the instructions of other public authorities such as national governments or the European Community,
- create specific cross-border, inter-territorial or transnational undertakings (under national private/public law) that serve the aims of public welfare or contribute to realise the general objectives/specific tasks of an ECA or participate in already existing (national) undertakings of this kind,
- acquire assets in the form of personal and real estate and conclude public procurement contracts.

(10) The Regulation could also contain an indicative “positive-list” of practical tasks that may be performed by an ECA. The tasks have to be closely related to its general aim and one could think about the following aspects:

- Drawing up joint development plans for area covered by the co-operation; issuing joint recommendations or opinions for other plans (national plans, European plans) that concern the area or specific issues covered by the co-operation (themes).
- Drawing up cross-border land use plans; drawing up co-ordinated transnational plans for land-use, for wise management of water resources and for the development of integrated transport systems infrastructures.
- Elaboration and adoption of procedures for cross-border or transnational territorial impact assessment.
- Assuming independently the responsibility for local/regional/national administrative matters delegated to an ECA; assuming under general supervision the responsibility for national or Community administrative matters delegated to an ECA.
- As concerns local/regional tasks: Carrying out projects of common interest, managing public facilities or services of common interest, providing financial aid to third parties, advising members, public institutions, firms and individuals on their activities.
- As concerns tasks that are delegated to an ECA by other levels of government (national level, European level): Participating in all ways in the implementation of national or Community measures; co-ordinating the implementation of delegated national measures (central state measures) or measures originating from European legislation and programmes.

Alternatively, the Regulation could contain an indicative “positive-list” defining fields of action (themes) according to joint interests of the partners, which allow for co-operation in all areas of life. This thematical “positive-list” should give equal emphasis on social-cultural co-operation and economic-infrastructure co-operation and could mention in particular in the following fields:

- regional development, economic development, agricultural development;
- transport and traffic, communications;
- innovation and technology transfer, energy;
- tourism and leisure;
- schools and education, social co-operation, culture and sports;
- emergency services and disaster prevention, health affairs, waste disposal, public security;
- environmental protection and nature conservation.

There should be a reference clearly stating that a performance of these tasks will however depend upon the precise objectives defined for each combination between the 3 ECA-Types

(European Areas for Cross-border Co-operation, European Areas for Transnational Co-operation, European Areas for Inter-territorial Co-operation) and 2 specific option selected for setting up a co-operation grouping/body (“European Working Community”; “European Joint Authority”). Precise specifications will therefore have to be included in the individual “Founding Statutes”.

(11) The Regulation should also enable that this “positive-list” of potential tasks to be carried out by an ECA may be supplemented or even replaced by a “negative-list”, specifying precisely what a grouping/body set up on the ground of this Regulation may not do. This solution could follow the approach chosen by Art. 3 (2) of the EEIG-Regulation (EEC No 2137/85). An example that could be subject of a “negative reference” could be the following important aspect: “An ECA shall have no power to enact regulations or take decisions that may affect the rights and freedom of individuals or to raise taxes /decide to impose levies of a fiscal nature.”

(12) The Regulation should also contain provisions that clarify specific tasks related to Community matters.

- A first example is a provision that explicitly allows an ECA to manage Community support programmes, following however specific Community rules as regards sound and efficient management of actions and EU-funds.
- Another example is a provision that refers to the case of an ECA chosen to carry out specific tasks delegated to it by the European Community (ECA as operational framework for “vertical decentralisation”). These circumstances may necessitate that an ECA is attributed the special status of “Community Interest”, which is mainly due to the particular rights and obligations such a role may entail (resulting from the particular status of the Community or deriving from the nature of the tasks). In order to define these aspects more in detail, one could provide for the adoption of a separate Community regulation.

Membership requirements and participation of other local/regional actors

(13) The ECA-Regulation should contain a number of basic provisions referring to membership.

- An ECA shall consist of at least two regional or local authorities or similar legal persons under public law that are entrusted with their own administration and belong to at least two EU-Member States. These authorities must dispose of an elected representation and powers of their own.
- In addition to the territorial authorities necessary for its foundation, an ECA can include “other public authorities” as full members in order to involve them where necessary in strategic co-operation (e.g. national state authorities).

Membership of the ECA shall be deemed terminated on withdrawal or on the winding-up of a member authority. In the event of the winding-up of a member authority, its membership shall automatically expire. A legal successor of such authority may exercise its right to join the ECA within six months of such winding-up taking effect.

(14) The Regulation should also provide for that Members of an ECA are entitled to use the grouping’s/body’s facilities, services and programmes.

(15) During the setting-up of each ECA-combination, members should also clarify in the “Founding Statutes” how it is possible to ensure participation of private law based entities concerned in an ECA.

Organisational structure of an ECA

(16) The Regulation should lay down a number of general provisions that design the organisational framework of an ECA. This framework is mainly composed of a “General Assembly”, a “Board”, a “Chairman”, a “Secretary General” and eventually other working structures.

- The “General Assembly” will be the highest organ of an ECA and is convened at least once a year. It shall be composed of representatives of member authorities, which shall be appointed for a period not exceeding 5 years. They may be re-appointed. The General Assembly shall – where appropriate - also comprise participants on an advisory basis, which are mainly representatives of national (supervisory) institutions and representatives of the European Commission.
- The General Assembly will elect a “Chairman” (President) and a Vice-Chairman from among its members for a renewable term to be further specified in the Statutes. The Board may appoint a Secretary General as the Board’s executive officer, who is responsible for day-to-day management of an ECA under the authority of the Board and the Chairman.
- The “Board” will be the permanent administrative organ of an ECA that implements the decisions of the “General Assembly”. It shall be composed of senior administrative officials of the member authorities, elected by the General Assembly, or persons whose chief occupation is that of administrative specialists, appointed by the “General Assembly”. The board shall meet at least twice a year and as often as the interest of an ECA requires.

(17) The Regulation should also lay down that the General Assembly of an ECA may create additional structures as appropriate:

- Additional “working structures” can be created whose terms of reference and operating methods it shall be determined in the relevant “Founding Statutes”.
- A “political decision-making organ” (EAC-Council) may be created that is composed of elected representatives of the co-operation area. Its composition and operating methods shall be determined in the relevant “Founding Statutes”.

Resources of an ECA and basic financial provisions

(18) The Regulation should contain a number of basic provisions on resources of an ECA and other financial issues such as budget-management or book keeping and external financial control. These provisions should both be sufficiently flexible and contain obligations that members will have to define these issues in more detail in the relevant Founding Statute.

- Funding of an ECA is based upon its Member’s contribution, which shall take the form of annual financial contributions. The annual contribution is compulsory for all signatories of the Founding Statute and shall be determined, on the Board’s proposal, when the General Assembly votes the annual budget. The value of other forms of contributions shall be estimated by common agreement between the members. An ECA may also be funded by income from services it provides, but not by any levies of a fiscal nature. Within this context it should be considered whether – and under what conditions - an ECA may also contract loans. Facilities and equipment provided by the members of an ECA will remain their property; they shall recover them when an ECA is wound up.
- An ECA shall prepare an annual draft budget that is approved by the General Assembly. The budget year should coincide with the calendar year. If there is a deficit at the end of the year, each member of an ECA shall be required, within a defined time period of approval of the accounts, to pay into the ECA’s funds a sum equal to its share (measured by its level of member contribution). If an income surplus is recorded, it shall be carried

forward to the following year and may eventually lead to a reduction of member contributions.

- An ECA's accounts shall be kept and managed in accordance with the public/private law of the State in which its headquarters is located. For reasons of financial control, the General Assembly shall approve every year a balance sheet and profit/loss accounts that have to be certified correct by independent auditors, appointed by the General Assembly. An ECA may also be subject to measures of financial control carried out by national/regional Courts of Auditors and – where appropriate – by the European Court of Auditors. All authorities responsible for an ECA shall have the right to supervise and shall have access to all vouchers relating to expenditure made out of public subsidies. In case where funds have been used in a manner inconsistent with their intended purpose, an ECA shall make every effort to recover them from the final beneficiaries and refund them.

Winding up of an ECA

(19) The Regulation should contain a basic provisions on how an ECA may be wound up.

- Decisions on winding up an ECA have to be taken by two thirds of the votes of the members of the “General Assembly”.
- An ECA shall be deemed to be wound up when its member authorities belong to only one Member State.
- The assets of an ECA shall be distributed among the member authorities. Such distribution is undertaken by the “Board” subject to the approval of the “General Assembly”. The decision-making organs shall remain in office until all matters relating to assets have been finally settled.

Annex on basic outline provisions for the contents of an ECA-Founding Statute

(20) The Community Regulation should contain provisions for the necessary contents of the “Founding Statute”, which has to be elaborated for each combination between the 3 ECA-types and the 2 basic options for setting up a co-operation grouping/body. These contents can be listed in a specific Annex to the Regulation and cover at least the following aspects:

- Provisions specifying aspects related to the constitution of an ECA (legal persons participating, duration, name of the entity), to its headquarters and to the territorial coverage.
- Provisions regarding the specific types of ECA selected, which i.e. require a more detailed definition of the specific objectives and tasks conferred on the body/grouping.
- Provisions regarding membership (rights and obligations of members, new members, withdrawals, expulsions).
- Provisions specifying aspects related to the organisation and the management of an ECA: General Assembly and Board (composition, duties, functioning and voting, minutes on proceedings and information for ECA-members), the Chairman/Secretary General (election/appointment and function of the Chairman/Vice-Chairman and the Secretary General).
- Where appropriate, provisions regarding other ECA-structures such as “working structures” or a “political decision-making organ”.
- Provisions specifying the resources of an ECA (member's contributions, other funding, facilities and equipment, staff of the body/grouping, secondment of staff, direct recruitment of staff etc.) and other aspects related to financial management (budget management, book-keeping, financial supervision procedures).
- Provisions specifying the procedures for extension, winding up and liquidation.
- Miscellaneous provision

12.) An „Action Plan” for the Committee of the Regions: Supporting the implementation of steps necessary to further improve transeuropean co-operation between territorial authorities

Upon reception of the present study and after the Conference in Maastricht taking place in September 2001, the Committee of the Regions (CoR) should launch immediate action in order to stimulate a process that can lead to significant improvements with regard to transeuropean co-operation in a mid-term time perspective.

The CoR should actively promote the issues of the study on new forms of European governance during the forthcoming debate on the Commission’s White Paper (expected to start immediately after its presentation to the European Parliament in July 2001 and expected to end in December 2001). One could think of organising “national conferences” on the issue of strengthening the local and regional dimension in a new model of European governance (jointly with the Commission or national governments and regional/local authorities). An important aspect of these conferences would also be to promote further the potential role that transeuropean co-operation could play in this context. The overall objective of such conferences on local/regional issues would be to function as a “counterbalancing element” in order to avoid a debate that solely focuses on a purely bi-polarised vision of multi-level decision making in the EU (Community level-Member State level).

The CoR should suggest to its local and regional members that they organise at least one public debate in their elected representations on the issue of transeuropean co-operation. For this purpose, they should be provided with a translated exemplary/extract of the study. The general objective of this initiative would be twofold: Raising more awareness on the basic challenges and potentials of transeuropean co-operation (contribution to local and regional development; stimulus to practical involvement in the process of European Integration), but also generating a more widespread “political support” to individual actions. The debates should also consider the specific recommendations made by the study as regards the improvement of legal framework conditions for transeuropean co-operation. The technical “spin-off” would be to obtain first hand legal expertise as concerns the possible implementation of these suggestions. If a significant number of debates are “registered” by CoR, it would be useful to organise a “public hearing” at Community level in order to provide for a wider spread of information and opinions expressed locally/regionally on the issue.

The CoR should, jointly with the Commission or national governments and regional/local authorities, organise at least one large conference in each of the Accession States in order to raise awareness on the basic challenges and potentials of transeuropean co-operation (contribution to local and regional development; stimulus to practical involvement in the process of European Integration) and to generate more “political support” at the level of the relevant national authorities.

The Secretariat General of the CoR should establish a “Joint Working Group” with competent Commission services that further explores the “technical feasibility” of implementing the legal proposals made in this study. The aim of the present study was to identify the basic approach and to specific key elements that should be implemented. The “Joint Working Group” should mandate a group of national and Community law-experts, which further analyses a possible modification of the current EC-Regulation on “European

Economic Interest Groupings (EEIG) and explores ways to practically implement a new EC-Regulation on “European Co-operation Areas” (ECA). The objective would be to obtain a “comparative technical legal expertise”, which that takes into consideration specific Community law aspects and the precise legal context of each Member State. The elaboration of the expertise should be done in close co-operation with practitioners that were already involved in drafting statutes or agreements for transeuropean co-operation schemes. On the ground of the findings, this document should also elaborate a more detailed legal version of the future ECA-Regulation, which should be forwarded to major players in EU-decision making process (European Parliament, Council, individual Member States).

In order to raise “pressure” on other Community actors (especially the Commission) that will have to initiate concrete proposals, **the CoR should also engage in close collaboration with other actors concerned by the issue of the study.** Such a process should take the form of a “joint initiative” between the CoR and the European Parliament, including other organisations representing territorial authorities in Brussels (European Associations, representations of regional and local authorities etc.). One could be inspired by a similar initiative that was recently initiated by the CoR on the “Second Report on Social and Economic Cohesion” (May 2001).

The CoR should, together with its other partners of the “joint initiative”, urge the Commission to elaborate a “White Paper” on Transeuropean co-operation between public authorities. This document should analyse in depth the current challenges and shortcoming and identify necessary measures to be launched in the nearest possible future at Community level. Some of the main themes that should be covered by this document are:

- The potentials of transeuropean co-operation to contribute to a more democratic, decentralised and open-minded European Union that is closer to its citizens.
- Decentralising specific operational tasks from the Community level to strategic cross-border, inter-territorial and transnational co-operation schemes.
- The challenges of the EU-enlargement and its implications for future Community support to transeuropean co-operation.
- Creating an improved legal framework at Community level.
- Issues that need to be considered during the forthcoming Intergovernmental Conference in 2004.

In all this, the Commission document should consider the findings of the present study and of the new legal expertise.

The CoR should, together with its other partners of the “joint initiative”, urge the Commission to come forward with precise and appropriate legal proposals before finishing its in-house elaboration process of reform proposals for the EU’s cohesion policy and to include specific suggestions on transeuropean co-operation in its preparative documents for the IGC in 2004.

The CoR should ensure that the issues of the study are taken into consideration during the elaboration of its future opinions on various Community matters (e.g. enterprise law, cohesion policy, intergovernmental conference and institutional reforms, new European governance, enlargement, European spatial development, the Citizen’s Europe). Within this larger framework, particular attention should be paid to the essential “trouble areas” of which further progress with regard to a coherent Community legal framework will essentially depend upon (Cohesion policy, intergovernmental conference).

The CoR should support that all present Community Initiatives become a separate element of the Community's Cohesion policy, which are implemented horizontally (without specification according to Objective-areas) and in a decentralised manner. They should ensure that Community action continues to contribute to the growth and the generalisation of a "European culture of co-operation" and allows for an active participation of the civil society in the process of European integration. Within this larger framework, the Community Initiative INTERREG on "Transeuropean Co-operation" should be continued and cross-border co-operation must remain an essential part of this Community Initiative. The current situation of cross-border regions can not be evaluated – as done in the 2nd report on Social and Economic Cohesion - only by a reduced number of socio-economic criteria (such as unemployment rate or GDP/per capita). Most of their basic problems or handicaps often result from other factors not "measured" by these criteria (different national legislation hindering numerous day-to-day activities of citizens, problems in creating an integrated cross-border labour market, lack of appropriate cross-border infrastructures etc.). In addition, many border areas within the EU still have limited tradition in co-operation (weak co-operation structures) and need joint programming or joint project related work to further develop their "roots" created until now. Excluding cross-border co-operation from a future INTERREG-Community Initiative (by "mainstreaming", as mentioned in the 2nd Cohesion report) would have the immediate effect that many Member States "abandon" the co-operative approach and implement actions on a purely national base without cross-border consultation / concertation. It has to be remembered that INTERREG Strand A always acted as an instrument initiating specific budgetary commitments for cross-border co-operation within the Member States, which normally would not have been adequately addressed in this way by purely national policies implemented at Member State level.

The CoR should, within its own internal rules of procedure, provide for a formalised and early consultation of „representative“ European associations set up by local and regional authorities.

PART V:

Annexes

Annex 1.) New challenges for co-operation between territorial authorities arising under INTERREG III

On 28 April 2000, the European Commission adopted the Guidelines concerning INTERREG III.²⁶³ These Guidelines contain general and more specific prescriptions for all three strands of transeuropean co-operation, e.g. cross-border co-operation (Strand A), transnational co-operation (Strand B) and inter-regional co-operation (Strand C). The following paragraphs will briefly summarise for each type of co-operation the most important challenges that arise for local and regional authorities with INTERREG III.

Cross-border co-operation: The INTERREG III-Guidelines concerning Strand A

The Guidelines concerning INTERREG III define the **objectives for cross-border co-operation** as follows: Cross-border co-operation between neighbouring authorities is intended to develop cross-border economic and social centres through joint strategies for sustainable territorial development.

The Guidelines also lay down “general principles” and specific technical provisions for future cross-border co-operation. Some of these provisions for Strand A show considerable continuity with INTERREG I and IIA (and will be familiar to the practitioners who are already involved in the development and management of INTERREG programmes), while others introduce significant changes in content or emphasis such as the provisions on joint management of the programme implementation through cross-border mechanisms or the generalisation of the “lead applicant principle” for cross-border co-operation at project level.

Key aspects contained in the “general principles” are a wider **cross-border partnership and an emphasis on a “bottom-up” approach** to be developed and applied from the phase of the elaboration of the joint strategy to the implementation of the operations. Regional and local authorities in border areas and regional-level cross-border structures are expected to take the lead in the preparation of the programmes, working in partnership with national authorities where appropriate.

Two types of operational programme for INTERREG IIIA will be possible.

- The first type will involve a single programme for the whole of a border. This single programme may comprise several regional-level sub-programmes.
- The second type will be represented by regional-level programmes for parts of a border, as already done under INTERREG I and IIA for the D/NL, NL/B D/F, F/UK, and other borders.

The Guidelines also contain precise provisions regarding **joint cross-border structures responsible for the overall implementation (technical management and financial management) of new INTERREG IIIA programmes**. As required by the General Regulation of the Structural Funds, there will be a common cross-border **Monitoring Committee**. This Committee will oversee a common **Steering Committee** reflecting the membership of the cross-border partnership. It will be responsible for the operational management of the implementation of each programme or sub-programme, including the final selection and approval of projects. The General regulation also requires the designation of a **Managing Authority** with overall responsibility for managing the programme and a **Paying**

²⁶³ OJ No C 2000/143/08, 23.5.2000

Authority for financial administration. The Managing and Paying Authorities may be combined. In any case, these should be joint bodies established by the competent public authorities concerned by the programme. The **financial management system** will be more integrated through the use of a single Structural Fund (ERDF) with enlarged scope to cover actions normally eligible under ESF, EAGGF and FIFG. Moreover, the transfer of all ERDF funds (and preferably national matching funds) will be made to a single programme account, without splitting the ERDF funds by Member State.

Future institutional and organisational aspects of cross-border co-operation at external borders will also be strongly conditioned by the **new INTERREG III Guidelines**, which express the desire - especially with a view to enlargement - for effective co-ordination between INTERREG and external EU policy instruments. Due to the fact that changes to INTERREG can have a major impact on PHARE CBC (which has been modelled on INTERREG), the Guideline provisions are therefore of particular interest to the border regions in the Central European Countries and their neighbours in the EU.

The new Guidelines cover for the first time the co-ordination between INTERREG and PHARE CBC. Accordingly, some key changes that were heralded in the PHARE CBC Regulation No. 2760/98 are being put into effect. A single programme (Joint Programming Document, JPD) will cover both INTERREG and PHARE CBC, although its preparation, approval and implementation will be governed by two different sets of rules and procedures. The programming work and the monitoring of the implementation of the JPD will be done in an integrated way by the Joint Co-operation Committee. Moreover, the greater use of Small Project Funds and their operation on a cross-border basis ("Joint" SPF) will facilitate decentralisation of decision making down to the regional/local level and promotion of genuine cross-border projects.

Notwithstanding the requirement for joint structures between INTERREG IIIA and PHARE CBC, differences remain and important issues need to be resolved:

- PHARE CBC as a financial instrument still lacks the multi-annual nature of INTERREG - only indicative financial allocations are envisaged for a shorter period (2000-02) than INTERREG;
- There is a more restricted range of eligible actions under PHARE CBC, as some "soft" types of action are acceptable only for small projects under the small project funds (e.g. local economic and employment development including tourism, communications/media, cultural exchanges, co-operation in health).
- There are strict limits concerning project size under PHARE CBC outside the SPFs; only in exceptional cases a derogation will be allowed from the required minimum size of €2 million for PHARE projects.
- PHARE CBC projects will normally require the approval of the European Commission unlike INTERREG.
- The Joint Programming Document must meet two sets of not-fully-compatible requirements of the Structural Funds/INTERREG IIIA and PHARE regulations.

Preparing and implementing a truly joint programme for INTERREG IIIA and PHARE CBC will certainly require further improvement in the co-ordination of the two instruments and further clarification. Some such improvements have been promised in the Guidelines and were subsequently announced in the Commission's Communication "PHARE 2000 Review –

Strengthening Preparations for Membership” (27.10.2000). However, at least the financial management of the programmes will remain separate under INTERREG and PHARE rules²⁶⁴.

To date there have been no joint structures or co-ordination in the institutional arrangements concerning either INTERREG IIIA or TACIS CBC. The same applies to co-ordination between INTERREG IIIA and cross-border co-operation operations under the MEDA and the new CARDS regulations, which provide support inter alia for cross-border co-operation to Mediterranean and Western Balkan non-Member States.

Transnational co-operation: The INTERREG III-Guidelines concerning Strand B

Significant efforts were spent during the previous programming period in establishing appropriate strategic transnational co-operation structures for the operational/financial management of programmes (INTERREG IIC, Art. 10 pilot actions). The project-based implementation process (elaboration, selection, implementation) took place under considerable time pressure and frequently had to assure that actions are really of a transnational nature with benefits for the co-operation area.

INTERREG IIIB builds upon the experiences gained with previous activities, but the Guidelines for the new programming period 2000-2006 also significantly re-orientate the focus and the structural features of transnational co-operation.

The new main fields for action of transnational co-operation under INTERREG IIIB do not provide any more for purely national actions on “drought prevention” or a separate part for “flood prevention”. Management of water resources can be dealt with by each of the new mainstream programmes for larger transnational areas, which are generally based on a co-operative approach. A number of other main fields for action are foreseen by the Guidelines:

- Drawing up operational spatial development strategies at transnational level, including co-operation among cities and between rural and urban areas, with a view to promoting polycentric and sustainable development.
- Promoting effective and sustainable transport systems, together with better access to information society. The aim here is to facilitate communication between island or peripheral regions.
- Promoting protection of the environment and wise management of cultural heritage and of natural resources, in particular water resources.
- In the specific case of ultra-peripheral regions, transnational co-operation encourages the following initiatives: Economic integration and improved co-operation between these regions and regions in other Member States. Improved links with countries of their wider geographic area (Caribbean, Latin America, Atlantic Ocean, North West Africa and the Indian Ocean).

The measures selected by the co-operation partners should respond to common problems and opportunities and lead to genuine benefits for the respective transnational areas, and thus underpin an integrated approach for territorial development. The operations selected must demonstrate concrete, visible and demonstrative results. Co-operation should also lead to an identification of key areas for infrastructure investment, although only small-scale infrastructures can receive funding due to limited financial resources. In the case of water

²⁶⁴ Some limited scope for joint management is offered in the medium term through the possible delegation of project selection and approval for both INTERREG and PHARE CBC under Article 12 of Regulation No. 1266/99 concerning the co-ordination of the pre-accession instruments.

resources management with the aim to prevent from drought or flooding, INTERREG IIIB funding can however be used for infrastructure investment.

The basic principles contained in the INTERREG III-Guidelines require **significant improvements with regard to strategic and project-based transnational co-operation.**

- According to the bottom-up principle, a wide partnership must be developed from the phase of elaboration to the implementation of the operations, which includes not only institutional partners (national, regional and local authorities), but also economic and social partners and other relevant competent bodies (e.g. NGOs).
- The transnational strategy contained in the development programme must be based on joint programming and demonstrate the value which it adds to the regions and territories concerned, while the operations selected to implement the programme must be clearly transnational in nature.
- The implementation of co-operation requires truly joint structures to prepare the programmes, involve the parties concerned, select the operations, manage the whole and co-ordinate and monitor implementation, which must result in a significant advance of the present situation.

The realisation of a bottom-up approach and the establishment of a broad transnational partnership covering all phases of the programme cycle have become a “*conditio sine qua non*” for the approval of EU-support to a programme. Local and regional authorities will have to be involved in the elaboration of a joint strategy for the programme proposal, which is prepared by joint transnational committees or other bodies constituted by the relevant regional/local and national authorities (where appropriate, also by the relevant non-governmental partners) of the area where transnational co-operation is to take place (evidence on joint programming process has to be given in the programme-proposal). Territorial authorities will also designate - jointly with the Member States - the “Managing Authority” for the programme, which is responsible for important functions related to the implementation process. Monitoring and Steering Committees are now first of all composed of representatives from local and regional authorities, whereas national authorities are represented on these structures only if they wish so. In addition, the participation of economic and social partners or other organisations on these committees is also desirable.

INTERREG IIIB-prescriptions clearly advocate in favour of increasing the role of local and regional authorities at the level of strategic co-operation, which should allow to partly eliminating worries expressed by the Committee of the Regions with regard to future strategic management structures.²⁶⁵ With a few exceptions (e.g. NSA), most of the current INTERREG IIC programmes will have to make significant efforts in order to fully comply with these prescriptions. This is especially true in the case of programmes applying a selective minimum-representation of territorial authorities on Monitoring / Steering Committees. They will have to change their approach and conform themselves to a reality in which national authorities will only be one group of players amongst others in transnational co-operation.

Strategic transnational co-operation structures will have to be developed further, as the Guidelines prescribe a truly joint approach for operational and financial management at the level of each new programme. In parallel to joint decision making bodies that are already a dominant feature of existing programmes (Joint Monitoring and/or Steering Committees), a single Managing Authority and/or a single Paying Authority will now have to be established

²⁶⁵ **Committee of the Regions:** Opinion on Community Initiatives 2000-2009: INTERREG, EQUAL, LEADER+ (CdR 219/99 fin). Point 5.5. “Hence the wisdom of transposing existing INTERREG IIC programming and management structures to the new INTERREG IIIB programmes should be carefully considered.”

for each programme. These co-operation structures also include the establishment of a “joint bank account” receiving the single ERDF-contribution (or the global grant) and the setting up of a “joint technical secretariat”, which will be in charge of day-to-day programme management.

Some of the current INTERREG IIC-programmes will face comparatively little difficulties to adapt themselves to these new structural framework for joint co-operation (e.g. BSA, NSA, NWMA and eventually also Atlantic Area). Other INTERREG IIC-programmes, and especially those operating dominantly via “national structures”, will need to significantly upgrade their structural framework for transnational co-operation (e.g. CADSES, Western Mediterranean and Latin Alps, South-Western Europe). Especially with regard to joint financial management, the latter three programmes will have to start at “zero” and need to overcome a number of challenges in order to adapt themselves to the new realities.

Most of the ERDF-Art. 10 pilot schemes that are continued as INTERREG IIIB-programmes (ARCHIMED, Alpine Space) will have to make significant efforts in order to adapt themselves to the new structural framework for joint co-operation. The Northern Periphery Scheme will be able to build upon the experiences gained with its already high degree of structural integration. Two programmes will have to cope with additional challenges if their co-operation area is enlarged.

- The first case is the “Alpine Space” programme, where previous discussions revealed that transnational elements will have to be changed and reinforced due to an increased territorial coverage and participation. Efficient work with more partners will require a different composition of the Monitoring Committee, the installation of new decision making processes in order to handle more project applications and a new common secretariat that will not continue to depend upon national partners and their performance.²⁶⁶
- The second case is the “Northern Periphery” programme, which has to carefully evaluate value added or cost added of a new programme geography (enlargement of the co-operation area and inclusion of a greater number of non EU-partners) on the background of its already highly integrated nature. A continuation of the current scope of co-operation would lead to rather limited administrative complexity and slightly higher implementation and administrative cost, whereas an enlarged programme (+3 or 4 additional non EU-Members) tends to significantly increase resources that will have to be devoted to programme management and may even require new organisational forms of management.²⁶⁷

Project-based implementation of transnational programmes will also generate new challenges, both for strategic co-operation at the level of the programme and for project-based co-operation at the level of individual actions:²⁶⁸

- All programmes must describe the arrangements for a transparent publicity phase and specify the mechanisms foreseen for launching calls for proposals and for joint selection of operations. Programmes also identify “target beneficiaries”, but normally all public and private actors can apply for funding (national, regional, local administrations and other public bodies; research bodies and universities; socio-economic actors and organisations). After the approval of the programme, the Monitoring Committee will establish specific

²⁶⁶ **Alpine Space Programme:** Issue paper for evaluation workshop (unpublished document).

²⁶⁷ **Northern Periphery Programme:** The Common Potential in Northernmost Europe. A draft report prepared as a basis for discussion at the Northern Potential Seminar on 25-26 November 1999 in Oulu, Finland.

²⁶⁸ **European Commission:** WEB-Site DG REGIO

project selection criteria that could include minimum requirements (in order to guarantee eligibility) and priority criteria (in order to influence on project selection). The “joint technical secretariat” will provide technical support to potential project promoters and perform a first technical evaluation of project proposals submitted to it (also preparing proposals for project selection to the Monitoring/Steering Committee). Base upon these results, the Steering Committee will proceed to final project selection.

- A project will usually be of “transnational nature” when it involves at least two co-operating partners (from two different states), it has an overall impact on the co-operation area and is not limited to cross-border co-operation. Transnational projects should provide a good project description and contain a number of other important information (description of objectives, identification and description of partners and their role, description of project activities, expected results and deliverables, detailed financial plan etc.). Each project will in principle have a “lead partner”, who must always be located in the EU and will submit the proposal in the name of the partnership to the responsible Programme Secretariat.
- When the “lead applicant principle” is applied for overall project-management, the entity acting as lead partner is usually the body which is legally responsible (liable) for the entire implementation of the project, including the other partners located in other Member States. The lead partner will also be responsible for indemnifying any claim made against the project and the project partners. He will pass the necessary contracts with other project partners specifying the partnership terms and conditions. It may require bank guarantees from other eligible partners. The lead partner will receive all ERDF funding (and will then pay it to other partners) and assures the co-ordination and day-to-day management of the project.

Most of the current INTERREG IIC programmes will have to dedicate more efforts in establishing adequate framework conditions for project-based implementation. In the case of ERDF-Art. 10 pilot schemes that are continued as INTERREG IIIB-programmes, the effort to establish adequate framework conditions will be significantly higher in some cases (ARCHIMED, Alpine Space), whereas the “Northern Periphery” programme will be able to build upon its already high degree of integration. Even if not all new INTERREG IIIB-programmes will adopt the “lead applicant approach” for project management and payment of ERDF-contributions, one can expect that most of the northern programmes (NWMA, BSA, NSA, Northern Periphery, Atlantic Area) will face less problems to adapt themselves to an integrated approach. Some programmes that previously operated with national solutions for financial management tend to follow the lead-applicant approach (e.g. Alpine Space), whereas others may opt for alternative solutions (e.g. payment from the single bank account to individual project partners).

Inter-territorial co-operation: The INTERREG III-Guidelines concerning Strand C

The Guidelines for Strand C of INTERREG III on “Inter-regional Co-operation” (2000-2006)²⁶⁹ describe in detail the basic elements of a two-stage programming process at strategic and at regional levels (main topics, types of action, and organisational aspects), by which the Commission wishes to favour structured, coherent interregional co-operation rather than a series of one-off projects. This larger framework

- should give regions the possibility to move towards a “more strategic approach” to inter-regional co-operation, exploring how exchanges of experience can be used to address

²⁶⁹ OJ No 2001/C141/02: Communication from the Commission to the Member States of 7 May 2001: „Interregional Co-operation“, Strand C of the INTERREG III Community Initiative.

weaknesses, integrate lessons learnt in regional programmes and also improve the quality of the assistance provided under Structural Funds mainstream programmes (Objective 1 and 2),

- should stimulate participation of territorial authorities and other public authorities in order to create a more stable structure for co-operation, leading to more and higher quality of joint projects in the future and creating synergy between best practice and exchange of experience actions and mainstream Structural Funds programmes.

The Guidelines significantly re-orientate the thematical focus of inter-territorial co-operation between local and regional authorities and re-shape the types of action for which future Community support will be available. Already established strategic co-operation schemes or project-networks (wishing to continue) will therefore face challenges to adapt themselves to this new framework.

The origin of these challenges is to a lesser degree the **thematical focus** of future co-operation, as it remains relatively large. A new focus of the Commission consists however in gearing co-operation more towards improving the effectiveness of EU-policies and instruments for regional development and cohesion (**See: Table 20**). This re-orientation is highlighted by the definition of co-operation topics I-IV, which have as their common aim to expand knowledge and experience gained with Structural Funds interventions throughout Europe. The remainder topic V can be considered an “entrance” to a broader range of other themes, which permits to pursue co-operation in fields that were previously supported under initiatives such as RECITE, ECOS-OUVERTURE or TERRA.

The most significant challenges for co-operation schemes established by local and regional authorities will result from the **new “types of action” foreseen by the Guidelines (See: Table 21)**. Co-operation partners must significantly “upgrade” the quality of their working methods and assure a high level of management capacities in all 3 types of operations. The Guidelines generally recommend that partners of an operation should consider the benefit of concluding an agreement concerning their mutual financial and legal responsibilities, including the functions and responsibilities of the lead partner.

The **“regional framework operation-RFO” (type of action I) is a new form of action** and aims at stimulating a more strategic approach to co-operation between regions. An RFO shall allow regions to address a limited number of issues ensuring that interregional co-operation is better integrated into the economic, social and territorial development of the partner areas, which also includes the implementation of a limited number of smaller projects between other actors. The organisational aspects of this two level-approach can be described as follows:

- A RFO is prepared by a group of regions or equivalent regional bodies from a minimum of three different countries. Each region is supported by a regional partnership consisting of the authorities and organisations with a role to play in the RFO. The RFO takes the form of a “mini-operational programme”,²⁷⁰ which is submitted by the lead partner of the group of regions to the INTERREG IIIC-programme managing authority of the large-area in which he is located.

²⁷⁰ Information to be provided for a RFO: (1) Content of the proposed operation: objectives and results, interregional strategy, types of projects to be funded, division of funding etc. (2) Management and implementation of the Operation: lead partner, steering committee, implementation system, financial system, control system, practical arrangements for exchange of information and co-operation, monitoring and evaluation etc. (3) Financing plan, (4) Partnership and (5) Information and promotion.

- Within the RFO, a number of smaller projects can be supported that are implemented by territorial authorities and equivalent bodies or private partners (if a public authority provides necessary guarantees to ensure the proper management of public funds).
- The lead partner is responsible for collating payment requests from other partners and submitting a single payment request to the other payment authority of the programme. Payments can be made from the paying authority directly to the partners of the RFO. They will then be responsible for paying the project partners of their own area and take responsibility for financial management in their region.

“Individual co-operation projects” (type of action II) generally allow to continue project based co-operation between local and regional authorities or other public and private partners from at least 3 different countries over a broad range of individual themes. The Guidelines ask however for genuine co-operation (not only exchange of experience) with a significant added value to the project partners, where the implantation of project results from one region into another would have a clear impact in the recipient region. Co-operation has therefore to concentrate more on activities with a dimension of “practical application”, for which support could previously not always be obtained under RECITE or ECOS-OUVERTURE (mostly exchange of experience). Partners of a future project-network must be public territorial authorities or equivalent public bodies with the requisite capacity for administration of public funds. These partners select one project partner to act as “lead partner”, who will submit the operations to the programme in whose territory he is located. Once the project is approved, the lead partner will be allocated EU-funding and receive payments and be responsible for distributing payments among other partners of the project.

Networks (type of action III) will bring together a larger number of partners (at least from 5 countries) to carry out activities that concentrate solely on exchange of experience or passing on expertise in one specific aspect or a broader range of strategic issues. This type of action can potentially motivate established strategic multilateral co-operation networks to enlarge or deepen their reflection on joint activities. It can also be expected that this type of action stimulates the emergence of new networks, which can be structured around a specific strategic theme of common interest or be established between territorial authorities facing similar problems or challenges (e.g. rural areas, towns, mountain regions, island and coastal regions etc.). In both cases, co-operation networks must however assure a high level of management capacities. The operation (network) is submitted by a lead partner who will - in case of acceptance - receive EU-funding and take full responsibility for the financial management of the networking operation. This organisation pays all the network-costs to participants directly.

The combination of different “topics” and “types of action” contained in the Guidelines will allow for a wide range of co-operation activities. However, **some practical questions remain unsolved:**

- INTERREG IIC can certainly be a stimulus for strategic multilateral co-operation, however mainly between regional authorities. The “regional framework actions” are limited to the regional level and include local authorities only at the level of RFA-sub-projects. The “network activity” can enhance strategic co-operation between local and regional authorities, but it does not foresee an opportunity to practically “test” results of exchange of experience, which in turn is a frequent feature of many established strategic co-operation networks (See: Section 6.2.)²⁷¹.

²⁷¹ Many strategic networks are a forum for exchange of experience and test results in the framework of specific projects, frequently funded by other EU-support programmes (R&D, transport etc).

- INTERREG IIIC will hinder bilateral strategic co-operation between first level regions, due to the fact that solely multilateral co-operation is supported. In order to give existing schemes the possibility to progress in their agreement-based co-operation, it would have been helpful to introduce the option of “bilateral RFO’s” for regional partnerships with a significant degree of co-operation activities.
- The general obligation for proof of “necessary guarantees to ensure the proper management of public funds” allows participation of private actors only in the context of “regional framework operations”. Even if the aim of INTERREG IIIC is to enhance co-operation between territorial authorities, public-private partnerships should also be permitted at the level of project networks (type of action II).

Table 20: INTERREG IIIC-programmes: 5 main topics for co-operation
<p>I. Activities supported under Objective 1 and Objective 2 of the Structural Funds.</p> <ul style="list-style-type: none"> • This topic is intended to promote direct co-operation between public authorities (mainly regions) or equivalent bodies across Europe on projects supported in Objective 1 and 2 programmes. • Operations include exchanges of experience or the dissemination of results from successful projects. • Partners can be located in Objective 1 and 2 areas and also in non-eligible areas.
<p>II. Interregional co-operation linking public authorities or equivalent bodies involved in other INTERREG-programmes.</p> <ul style="list-style-type: none"> • Exchange of experience and networking among cross-border areas and among transnational areas. • Actions can cover themes for which a wider degree of co-operation is beneficial, including the implementation dimension of programmes (networking of secretariats etc.). • Limited to public authorities or equivalent bodies involved in current or previous INTERREG programmes.
<p>III. Inter-regional co-operation in the field of urban development:</p> <ul style="list-style-type: none"> • Dissemination of urban development practices through concrete exchange of experience including best practice ideas concerning implementation, and the diffusion of project ideas and results. • Open to all cities and urban areas, but priority is given to proposals containing at least one city receiving funding from the Structural Funds.
<p>IV. Interregional co-operation linking regions involved under one or several of the three themes of the “regional innovative actions for 2000-2006”:</p> <ul style="list-style-type: none"> • Regional economy based on knowledge and technical innovation. • e-EuropeRegio: the information society and regional development. • Regional identity and sustainable development. <p>Building on the contents of their individual innovative action programmes in these fields, regions may propose co-operation actions in order to transfer and implement successful project ideas to other regions.</p>
<p>V. Other subjects appropriate to inter-regional co-operation:</p> <ul style="list-style-type: none"> • Issues such as coastal co-operation, spatial planning, insular or ultra-peripheral co-operation, solutions to man-made catastrophes, low population density or mountainous conditions. • Co-operation subjects such as R&D, SMEs, information society, tourism, culture and employment, entrepreneurship or the environment.

Table 21:	
INTERREG IIC-programmes: 3 types of action for future co-operation (operations)	
I. Regional framework operations (new type of action):	<ul style="list-style-type: none"> • Exchange of experience on methodology and project based activities among a group of regional authorities or equivalent regional bodies, with the goal to produce a clear strategic approach to interregional co-operation. • It covers a limited range of subjects relevant to the regions participating (defined in a co-operation strategy) and a limited number of smaller projects where co-operation is particularly justified. This operation includes an inter-regional co-operation strategy covering the participating regions (objectives, expected results, limited number of issues for co-operation). • Framework operations cover all 5 topics and may be granted an ERDF-contribution between EURO 500,000 and 5 million.
II. Individual inter-regional co-operation projects :	<ul style="list-style-type: none"> • Exchange of experience on methodology and project based activity, with the goal to stimulate genuine co-operation on the realisation of various parts of the project and to generate a significant added value to the participants. • Projects should involve partners from at least three countries (at least 2 EU-countries). • Projects cover all 5 topics and may receive an ERDF contribution between EURO 200,000 and 1 million. Not more than 40% can go to the lead partner.
III. Networks:	<ul style="list-style-type: none"> • The aim is to link various regions inside and outside the EU on project implementation methods and development. All networking actions will have detailed work programmes and concentrate on activities such as seminars, study trips and exchange of staff in order to exchange experience. • Networks cover a limited number of topics (I, II, III, V) and may receive an ERDF contribution between EURO 200,000 and 1 million. • A network must have partners from at least 5 countries, of which at least three must be from EU-Member States.

Annex 2.) Glossary of important terms

Cross-border co-operation: Takes place between two or a greater number of neighbouring administrative authorities (regions and/or local authorities) that are located in geographically adjoined areas along a common border. Cross-border co-operation frequently builds on historical/cultural links and often reflects strong common territorial interests that exist in these co-operation areas. Cross-border co-operation takes place along the internal borders of the European Union (internal cross-border co-operation) as well as along the external EU-borders and along borders between Third Countries (external cross-border co-operation). Internal and external cross-border co-operation takes place in a heterogeneous legal framework and is carried out through specific structures often based on public or private law. In many countries, central government actors however still play an essential role in cross-border co-operation.

European Associations (set up by local and regional authorities): As a direct consequence of activities in the field of cross-border and inter-territorial or transnational co-operation, many regional and local authorities are frequently active or passive members of one or more European associations. Co-operation within these associations can be characterised as “large scale multilateral”, as it normally brings together a great number of regional and/or local authorities from EU-Member States and increasingly also those from Third Countries.

European Co-operation Areas (ECA): The study suggests to create a new legal framework instrument at Community level that would lay down flexible outline provisions applicable throughout the entire European Union. The ECA-initiative would allow for the setting up of purpose orientated entities either in the field of strategic cross-border, transnational or inter-territorial co-operation, which would have an own legal personality governed by Community law.

Governance: Can be described as a process of authoritative formulation and implementation of general and compulsory rules, which are normally defined and implemented by specifically empowered state institutions and/or other public bodies on the ground of distinct resources at their disposal (monopoly of power execution, monopoly of taxation, monopoly of legitimate attribution of competencies). Such regulative measures are needed mostly in those areas of society, where a large number of uncoordinated and parallel activities are undertaken by a broad variety of social actors.

Integration: Signifies some measure of the density, intensity and character of relations among the constitutive elements of a system. Integration may refer to causal interdependence among the parts, consistency (the degree of coherence and co-ordination among the parts) and structural connectedness (network vision of integration).

International co-operative governance: Is frequently considered by states an adequate reaction to the challenges arising from globalisation and interdependence. Co-operation in international politics normally takes place between sovereign nation states and is generally classified according to its degree of integration as “inter-governmental” (low) or “supranational” (high). “Co-operative governance” across national borders is not strictly limited any more to central government actors, due to a steady increase in co-operation activities established between regional and local authorities coming from different countries.

Inter-territorial co-operation: Refers to more or less structured bilateral, trilateral or multilateral co-operation, which is dominantly established between local and regional

authorities that are not (necessarily) adjoined by direct neighbouring links. Co-operation can involve solely actors coming from EU-Member States (internal inter-territorial co-operation) or bring together actors from EU-Member States and from Third Countries (external inter-territorial co-operation).

Legal instruments (for co-operation): The most common legal instruments existing in practice are mainly,

- multilateral framework treaties and conventions concluded at international level,
- bilateral or trilateral agreements and protocols concluded between national states providing for intergovernmental co-operation or promoting cross-border co-operation that are frequently based on international framework treaties or conventions,
- formal agreements, working protocols, conventions or contracts concluded by regional or local authorities,
- other legal instruments based on Community law or national law that facilitate cross-border co-operation at project level.

Networks: Can generally be understood as “decentralised structures of social organisation”, characterised by a functional logic that is a combination of hierarchical regulation and autonomous or market driven regulation. They are also “structures of action” (and of governance) bringing together different actors “owning” (or lacking) parts of strategic knowledge in a common field of interest. Networks allow for co-operative self-organisation and self-co-ordination and are normally used by actors to define common mid-term or long-term objectives and instruments to realise them.

Project-level cross-border co-operation: One-off activities that are normally found at the beginning of cross-border co-operation and which can be the start of long-term, strategically oriented forms of cross-border co-operation. Co-operation may be ad hoc, based either on arrangements and sporadic working groups or on agreements at local, regional or national level. Such relatively loose co-operation can occur between regional authorities, chambers of industry and commerce, employers' associations, trade unions or other groups co-operating with their partners across the border. These activities can concentrate on eliminating specific problems (e.g. the building of a bridge over a border river) or on creating cross-border networks for information exchange purposes.

Project-level inter-territorial co-operation (project networks): The initiative for establishing a project-network may come from one single local or regional authority or several authorities jointly. The main feature of project-networks is that they are basically designed as one-off activities with a short- or mid-term time horizon and that co-operation between local or regional authorities normally ends with the achievement of the planned project-activities. However, some or all partners of a given project can decide to continue working together in the framework of a new project (launch of a new network project) or opt for setting up a more stable and long term-orientated co-operation between them (evolution towards strategic co-operation). Project-networks can be financed by own resources of the partners, but specific Community programmes have contributed to drastically increase their number.

Project-level transnational co-operation: Individual one-off projects are the essential tool to implement objectives and priorities that have been commonly defined at strategic level for transnational Operational Programmes. A project is normally considered “transnational” if several partners from different states participating in the same programme commonly implement and finance an action, which is not carried out in areas immediately adjacent to a

common border (cross-border co-operation). In addition, transnationality normally requires that projects should clearly demonstrate an added value for the spatial development of all partners involved.

Strategic cross-border co-operation: Is a long-term and objective orientated type of co-operation in all aspects of daily life, which normally considers the cross-border region an “entity in itself”. It has the general objective to exploit the inherent potential of the border region, to foster new economic activities and to support job creation, environmental protection and socio-cultural development. Strategic co-operation requires permanent and “binding” cross-border structures. The 3 most common organisational arrangements used in practice are

- “Euregios” and similar structures (often properly constituted legal entities, multi-purpose, often with extensive capacities),
- “Working Communities” (based on working agreements, limited capacities)
- and other formal or informal institutional arrangements set up for the management of INTERREG and other EU-programmes, often without a precise legal status specifically and ranging from more or less integrated structures.

Strategic inter-territorial co-operation: Is established between two or a greater number of local and regional authorities and normally takes place in a timely undetermined or long-term orientated framework. Strategic co-operation schemes are frequently based on written agreements concluded between the partners (e.g. “town-twinning agreement”, a “memorandum”, an “exchange of letters”, a “co-operation protocol” or a “declaration of intent”) and normally implement a greater number of joint actions (projects). These actions can be undertaken in a broad range of thematical fields previously agreed by the partners (pluri-thematic co-operation) or concentrate on one issue of common interest (single-issue co-operation). A plethora of different structural solutions has been chosen in practice to organise and to manage strategic inter-territorial co-operations.

- Bilateral town-twinning.
- Bilateral partnerships between first level regions.
- Trilateral or multilateral co-operation networks.

Strategic transnational co-operation: Is an objective and programme orientated multilateral co-operation at the level of larger transnational areas that encompass several EU-Member States and/or Third Countries. It mainly takes place within specific structures set up for the management of Community support programmes (e.g. Monitoring- and Steering Committees, Joint Secretariats etc.).

Transeuropean co-operation: The study suggests using this expression for summarising all international co-operation activities in which local and regional authorities are involved in Europe. Within this larger context, there are 4 main categories that can be considered the “composing elements” of transeuropean co-operation. (1) Cross-border co-operation, (2) inter-territorial co-operation, (3) transnational co-operation in the field of European spatial development and (4) co-operation in the framework of European associations established by local and regional authorities.

Transnational co-operation: This form of co-operation focuses on aspects related to European spatial development/spatial planning and emerged only very recently with the launching of specific Community funding schemes. It generally aims at promoting a more integrated spatial development of larger and contiguous geographical zones or “groupings of regions”, which cover at least 2 EU-Member States and/or neighbouring Third Countries.

Transnational co-operation is dominantly multilateral and involves - at different degrees and in different stages - simultaneously public authorities from the national, regional and local levels, but also other public, semi-public or private actors.

Vertical decentralisation: According to the Commission, „vertical decentralisation“ involves more sharing of responsibilities with national, regional and local authorities, in particular on Community policies with a strong territorial impact. Such vertical decentralisation could be based on „contracts of agreed objectives“ between the Union (represented by the Commission) and authorities with a regular or management capability and a larger degree of autonomy in the choice of means.

Annex 3.) List of abbreviations

A

ACTE = Association of European Textile and Clothing Areas

AEBR = Association of European Border Regions

AER = Assembly of European Regions

AMRIE = Alliance of Maritime Regional Interests in Europe,

AREV = Association of European Wine Producing Regions

ARGE = Arbeitsgemeinschaft (Working Community)

ARGE ALP = Communauté de Travail des Alpes Centrales (Working Community)

ARGE ALPEN ADRIA = Communauté de Travail des Alpes Orientales (Working Community)

B

BSA = INTERREG IIC / IIIB Programme for the “Baltic Sea Area”

BSSSC = Baltic Sea States Subregional Co-operation

C

CADSES = INTERREG IIC / IIIB Programme for the area covering Centre, Adriatic, Danube and South-East Europe

CARDS = Community assistance programme for Western Balkan countries covering Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia, and the FY Republic of Macedonia

CBSS = Council of the Baltic Sea States

CEC = Central European Countries

CEDRE = “European Regional Development Centre” linked to the AER

CEECs = Central and Eastern European Countries

CEMAT = European Conference of Ministers responsible for Regional planning (Council of Europe)

CEMR = Council of European Municipalities and Regions

CIPs = Community Initiative Programmes

CoR = Committee of the Regions

COTRAO = Communauté de Travail des Alpes Occidentales (Working Community)

CPMR = Conference of Peripheral Maritime Regions of Europe

CTJ = Communauté de Travail de Jura (Working Community)

CTP = Communauté de Travail des Pyrénées (Working Community)

CTVA = Communauté de Travail Villes des Alpes (Working Community)

CULURE = former ERDF pilot actions on inter-regional co-operation for economic development through culture

E

ECA = European Co-operation Areas

ECOS-OUVERTURE = former ERDF pilot actions on external inter-regional co-operation

EEIG = European Economic Interest Groupings

EEP = former ERDF programme for inter-regional exchange of experience

EDCN = European Digital Cities Network,

ERISA = European Regional Information Society Association

ERNACT = European Regions Network for the Application of Communications Technology

ESDP = European Spatial Development Perspective

ETN = European Textile Network

EUROCITIES = European Association of Metropolitan Cities

F

FMCU = Fédération Mondiale des Cités Unies

FYROM = Former Yugoslavia and Republic of Macedonia

G

GIP = Groupement d'intérêt public, Public Interest Grouping

GIS = Geographical Information System

H

HELCOM = Helsinki Commission

I

ICBAN = Irish Central Border Network

IGCs = Inter-governmental conferences

IULA = International Union of Local Authorities

J

JFB = Joint Financial Body

JPDs = Joint Programming Documents

JPMC = Joint Programming and Monitoring Committee

L

LACE = Linkage Assistance and Co-operation for the European Border Regions

M

MECs = Mixed Economy Companies

MEDA = Community programme for financial and technical assistance to Mediterranean non-member countries.

N

NGOs = Non-governmental Organisations

NIS = Newly Independent States

NSA = INTERREG IIC / IIIB Programme for the “North Sea Area”

NWE = INTERREG IIIB Programme for “North-Western Europe”

NWMA = INTERREG IIC Programme for the “North-Western Metropolitan Area”

O

OP/OPs = Operational Programme(s)

P

PACTE = former ERDF programme for inter-regional exchange of experience

PHARE-BPF = PHARE-Baltic Project Facility

PHARE CBC = PHARE-Cross-Border Co-operation programme

PMC = Programme Monitoring Committee

POLIS = network for “Promoting Operational Links with Integrated Services”

PSC = Programme Steering Committee

Q

QeC = Quartiers en Crise-network

R

R&D = Research and Development

RECITE = former ERDF pilot actions for internal inter-regional co-operation (“Regions and Cities for Europe”)

RETI = Association of traditional industrial regions

RISI = former ERDF pilot actions on the “Regional Information Society”

RIS/RTT = former ERDF pilot actions on innovation and technology transfer

S

SMEs = small and medium sized enterprises

SPFs = Small Project Funds

T

TACIS CBC = TACIS-Cross-Border Co-operation programme

TACIS-CBC-SPF = TACIS-Cross-Border Co-operation, Small Project Facility

TERRA = former ERDF pilot actions in the field of spatial planning