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OBJECTIVE 3 "TERRITORIAL COOPERATION" TARGETS, STRUCTURE AND OPERATIONAL ARRANGEMENTS AFTER 2013 POINTS TO DISCUSS FROM THE WORKING GROUP

INTRODUCTION

After being one of the Community Initiative Programmes (CIP) during the last three programming periods, territorial cooperation has been declared the third "Objective" of European Union Regional policy for the 2007-2013 period. This instrument, which is attributed 2.52% of the regional policy budget, is divided in three strands: cross-border (Interreg IV A), transnational (Interreg IV B), and interregional (Interreg IVC) cooperation. The ESPON, INTERACT and URBACTII networks are also funded within the framework of this objective.

Regional authorities, which have been major players in European territorial cooperation (ETC) since its creation, have acquired solid expertise in the field during successive programmes. In May 2009, 11 Member Regions of the CPMR¹ formed a Working Group, which aims to share their respective expertise acquired as project partners or coordinators, in programming and managing bodies (Technical Secretariats managing and control Authorities, Monitoring Committees) and to draft, during the first term of 2010, proposals for improving strategic contents and managing organisation of the ECT instruments after 2013. The Nord-Pas de Calais Region, whose experience in this area is widely recognised, will be entrusted with the political leadership of the Working Group.

This document presents a first description of the working group's thinking after its two first meetings (June and July 2009). They are based on the belief that any improvement of territorial cooperation instruments in the future will happen through an improvement of existing instruments by clarifying concepts and strategic aims, and an adaptation of the governance mechanisms and of rules and implementation procedures to the nature of the projects and programmes.

The relevance and feasibility of the proposals and ideas below, which do not always reach consensus among the Working group members, will be further discussed and fine-tuned by the Working Group in the coming month.

I- AIMS AND BENEFITS OF TERRITORIAL COOPERATION

I.1. TERRITORIAL COOPERATION, AN INTEGRAL AND SPECIAL PART OF EU REGIONAL POLICY

Convergence and Regional competitiveness and employment objectives cannot be in some areas satisfactorily achieved by the regional or national level, because of the transregional or transnational nature of some projects. Nevertheless, the subsidiarity principle does not allow the EU to act alone in these areas. Coordination between players at different territorial level among different Countries (equivalent or not, depending on how skills are shared) can therefore better allow cohesion policy to be efficient in achieving

¹ Regions in the Working Groups: Aquitaine (F), Balears (ES), Campania (IT), Canarias (ES), East of England Regional Assembly (UK), Friuli-Venezia-Giulia (IT), Midtjylland (DK), Nord-Pas de Calais (F), Provence-Alpes Côte d'Azur (FR), Shetland Islands (UK), Västra-Götaland (SE)

the political aims of the European Union. The added value of the ETC instrument is precisely that. This is why it is necessary to think about cooperation as integral part of regional policy, not a separate entity when discussing about the post 2013 period.

I.2. CLARIFYING THE STRATEGIC AIMS OF TRANSNATIONAL COOPERATION TO MAXIMISE ITS POTENTIAL

The philosophy and strategic aims of cross-border and interregional cooperation are already clear and do not require specific modifications:

- Cross-border cooperation answers an extremely concrete need to erase the fault-lines formed by national borders. Cross-border projects are proximity projects that directly affect citizens, which explains why these instruments have received such strong political support;
- Interregional cooperation is fundamentally different to other geographical types of cooperation programmes, such as cross-border or transnational ones, as it is based on sharing thematic experiences between Regions. As a unique and relatively small programme, it has succeeded in attracting the attention of the European Commission, which lends it strategic support either by providing expertise on the thematic relevance of projects presented for assessment, or by fast-tracking projects that seem most promising, by supporting them to speed up the integration of the project's results in regional programmes.

Because of its more complex nature, the transnational approach suffers from a lack of clear aims and political interest at EU and national levels, which prevents its full potential from being reached:

- The question relating to the nature of actions to be financed has not been clearly solved during the programming periods (support or investment action?), which has created tension between ambitious or ambitiously worded aims on the one hand, and limited budgets considering the stated aims on the other;
- The areas covered by these programmes sometimes require the mobilisation of national competencies (for example, accessibility or maritime safety), and/or other European policies and funding (TEN-Ts, for example). However, national decision making bodies are not strongly involved (with the exception of the Baltic Sea, currently an experimental area), and once the operational programmes are approved, Commission action seems to concentrate mainly on procedures. Conversely, regional and local stakeholders have taken these programmes on board. Consequently, transnational projects are most often "grassroots projects" with a limited strategic scope.
- The change of approach in 2007 did not improve this situation. The focus on "innovation / risk prevention" introduced since then has developed differently to the "European spatial planning" approach, which prevailed before then, based on the ESDP (European Spatial Development Perspective). However, this opposition is unfounded: planning projects for large areas of the European Union improves the dynamism of the regions by providing them with conditions for development adapted to their needs and allowing them to maximise their potential. Moreover, imposing a direction from the top down in an almost identical fashion in all 13 transnational zones has led to a discrepancy between the aims, needs and specific potential of these areas.

Despite this, transnational cooperation has real potential as it can act on a scale which permits decisions in fields such as access, maritime safety, sea basin and coastal zone management, particularly with regards to their adaptation to climate change. It is therefore fundamental to clarify the spirit of transnational cooperation in order to increase its potential and avoid being disappointed with its results:

- Spatial planning must be the stated aim of this instrument,
- Questions relating to the nature of actions to fund (soft, accompanying actions or investments/infrastructure) must be discussed and decided upon (depending on the specific needs of each area),
- Discussions on the funding of cooperation programmes cannot be led independently of discussions on the aims of transnational cooperation.

II. FULFILLING THE STRATEGIC POTENTIAL OF TERRITORIAL COOPERATION: SOME LEADS TO BE FURTHER DISCUSSED

II.1 – GOVERNANCE ADAPTED TO EACH TYPE OF PROJECT

Group members agree on the need to clearly distinguish between projects of a “strategic” nature and “grassroots” type projects, both on a cross-border and transnational scale. Both types of projects are needed but they require different types of governance and constraints.

Creating Cross-border Operational Programmes for the implementation of strategic cross-border projects.

It is a widely held opinion that the areas of cross-border cooperation currently defined by NUTS3 are geographically too narrow. This scale restricts cross-border action to the border-zone, a situation which is not adapted to some fields (e.g. transports). Consequently, the following ideas could be further discussed:

- A possible widening of the eligible area, for example, to the scale of NUTS 2.
- The creation of Interregional Cross-border Operational Programmes combining the regional package of structural funds, perhaps with a subsidised intervention rate.

These programmes, managed by an EGTC for example, designed to fund strategic projects, would allow projects such as infrastructure or common cross-border investment (hospitals or medical equipment) and the integrated management of the border job market to access more funding than is currently available and to closely link cooperation actions to Regional programmes. Interregional programmes for the common management of shared issues (e.g.: management of river basins, such as the Rhône and Loire in France) now exist within States and appear to be efficient. Widening this option to Border Regions would send a strong political message in favour of the integration of European territory.

Cross-border cooperation programmes such as Interreg IV A will continue but will fund cross-border grassroots projects, particularly in the fields of culture and tourism. Similar projects could benefit from simplified control procedures, based on partial loans and back-testing, replacing bi or tri-annual repayments.

A more top-down governance adapted to the implementation of transnational strategic projects

The points made in the first chapter of this document show that the implementation of projects for the development of large transnational areas requires a different type of governance to that of current transnational programmes. In this field, the governance process put forward by the Baltic Sea Strategy is interesting: strategy and projects defined jointly by the European Commission, Member States and stakeholders, with decision making on the highest national political level and strategic support by the European Commission.

Other transnational areas could look at this process to create their own strategy and governance:

- Depending on the potential and needs of each transnational area, this strategy could be more targeted than the Baltic Sea Strategy (for example, centred on the appreciation of sea resources in the Atlantic area or the development of business companies in the Mediterranean basin).
- For each project, the competent bodies required for its implementation will be identified in each Member State. When competent bodies on a national level are needed, all competent ministries should be involved.
- Each project could lead to the signature of a convention between the European Commission and the addressed States and Regions in which each of them commit to provide, depending on their competence, adequate expertise and funding for the project.

Transnational strategy would also be the basis of a instrument similar to Interreg IV B, whose aim is to fund small scale bottom-up projects: transnational networking of players or pilot projects designed to help create innovative practices in relevant areas of development or linked to strategic projects of the Regional Operational Programmes. Similarly to cross-border grassroots projects, these projects will benefit from simplified control procedures.

II.2 – BETTER COORDINATION BETWEEN EUROPEAN COOPERATION AREAS AND NEIGHBOURHOODS

Coordination between cross-border and transnational areas

There is currently hardly any coordination between complementary cross-border and transnational programmes, or is at the very least insufficient, despite their projects being closely linked (cross-border dimension of transnational projects, impact of cross-border projects beyond their defined area). Throughout the programming periods, two cooperation cultures developed and are now cohabiting, with hardly any communication between the two.

Coordination mechanisms must therefore be invented to end this shortfall which limits the impact of both cross-border and transnational action. A first step would be to closely link cross-border strategies (whether they be Interregional Cross-border Operational Programmes of Objective 1 or 2 type or Cross-border Cooperation Programmes) to the Transnational Area Strategies to which they belong by referring to them automatically.

The programmes' managing bodies coordinating mechanisms (programme Managing Authorities and Joint Technical Secretariats for Cooperation Programmes) should also be organised, depending on modalities to be defined, in order to ensure, if not coordinated action, at least an exchange of information on existing projects and partnerships. In this sense, it would be useful to build on the experience of existing experimental bodies as the specific "antennas" which, in the Mediterranean basin, coordinate the initiatives of the transnational programme MED and the cooperation programme under the neighbourhood instrument (ENPI-CBC MED)

Coordination between transnational areas

Some fields, particularly maritime ones, require real cooperation between transnational areas: fishing, maritime safety, shipping, coastal management, for example. Although on a project level the current flexibility of transnational cooperation areas allows, at least in theory, a partnership between similar projects in different areas, many obstacles still restrict inter-programme cooperation.

The 'Maritime Safety Umbrella Operation', funded by some transnational Programmes during the 2000 – 2006 period was a first attempt at this type of coordination. The lessons of this experience must be learned in order to be able to reach a further stage. The question of the exact mission of these coordination authorities, their funding and the capitalisation of their results must be clarified.

Coordination between cross-border and transnational instruments and the ENPI CBC

Transnational areas are also poorly coordinated with the Cross-border Cooperation strand of the European Neighbourhood and Partnership Instrument (ENPI) and Wider Neighbourhood (for outermost Regions). It is necessary to identify the relevant bridges which could be built between both instruments in the future. CPMR "territorial cooperation" and "external cooperation" working groups are currently working together about how they can achieve this.

II.3 – AN ESSENTIAL STRATEGIC INVESTMENT FOR THE EUROPEAN COMMISSION

The proposals above will not have the intended impact if the European Commission does not fully involve itself as a guardian of the European interest in the projects presented when they are of a strategic nature, or a guardian of their thematic relevance when dealing with bottom-up projects.

In the framework of Transnational Strategies, the Commission must:

- Encourage and coordinate in the strategy preparation stage, as is currently the case for the Baltic Sea Strategy;
- Play an active role in the implementation of projects when its policies and budgets are involved.

This investment must mobilise the relevant Directorates General.

In the framework of Bottom-up or grassroots type projects, the competent Directorates General in the Commission could use their expertise to help selecting projects presented in cross-border transnational

programmes, in the same way as what is currently done in the interregional strand, by giving their opinion on the thematic relevance of the projects.

II.4 – SUMMARY DIAGRAM

	Project type	Implementation	Governance
Cross-border	Proximity strategy	Interregional Cross-border Operational Programmes	EGTC
	Cross-border grassroots projects	Subject to call for projects	Interreg IV A Type (NUTS 2 level Programme)
Transnational	Territorial development	List of projects defined in a « Baltic Sea » type Strategy adapted to the potential and specific needs of the territory	Governance adapted to the competence required for each project depending on the sharing of competence in each EC Convention State/States/Regions/relevant stakeholders
	Grassroots projects (networks, pilot projects...)	Subject to call for projects	Interreg IV B Type
Interregional and networks	Interreg IV C Type		

III. TOWARDS A MORE EFFICIENT IMPLEMENTATION

III.1- SPECIAL MEASURES FOR IMPLEMENTATION REGULATIONS

Members of the working group agree that it will be necessary to set up special measures for territorial cooperation within the Structural Funds implementing regulation in the future. Currently, this EC regulation applies uniformly to the 3 Objectives of EU cohesion policy, whereas it is clear that the constraints of regional programming and territorial cooperation are of different nature and also depend according to the cooperation area. The working group will discuss these issues in the coming months.

III.2- BUDGETS AND ELIGIBILITY OF SPENDING RULES SET ON THE PROGRAMME LEVEL

One of the main reasons why current cooperation programmes are so complex is the fact that, in contradiction to the philosophy of cooperation, rules set up on a programme level are specified at national level by each State, through different internal procedures. This is the case for the co-funding procedures and rules related to the control of the eligibility of spending. It is therefore essential that common rules be decided on a European level (unique rule for every phase of the process), and that each programme budget is set at programme level.

Moreover, in order to address the great difficulty, sometime impossibility, of involving economic operators in ETC projects, common public aid rules should be investigated and notified for authorisation by the Commission in order to create transparent ad hoc aid scheme beyond the “de minimis” rule.

III.3 – CAPITALISING: THE ROLE OF THE CE

The weakness of project capitalisation is noted by participants. There is as yet no coordinated database from one programming period to another and between transnational and/or cross-border areas, and the European Commission barely uses the results of cooperation projects. This situation obviously has a negative impact on the results of this instrument.

The creation of a central database for ETC experiences by the Commission would be a first essential step and should be implemented during the current programming period. The “KEEP” tool currently being developed by Interact could be a starting point, but one could also be inspired by the “CORDIS” base from the Research and Development Framework Programme. In addition, one could look at the experiences of INTERREG IVC and URBACT II to improve the capitalisation of projects.

CONCLUSION - NEXT STEPS

These initial discussions will continue and the working group will go into greater depth in the following months. They may lead to a political position for the CPMR on the future of territorial cooperation by the 1st term of 2010. The political position could be presented in a conference on the topic during the Spanish Presidency. The General Secretariat of the CPMR will look into this possibility.