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ISSUE PAPER FOR INFORMATION PURPOSES:
INVOLVEMENT OF THE REGIONS IN EUROPEAN NEIGHBOURHOOD
AND PARTNERSHIP POLICY

Introduction: territorial cooperation is an issue both within Europe and at its borders

The European Union, its citizens and territories are currently facing several challenges. Some, which have been identified, are growing bigger, while others are due to increasingly unrestrained globalisation. All have been made worse by the global crisis which the world and economies are facing. These new challenges cannot be dealt with solely within existing borders (climate change, maritime issues such as maritime safety, etc.) or through the sectoral approaches that are still used at all levels of government (transport, environment, agriculture, innovation etc.). Moreover they exist both within the EU, where it will be necessary to look beyond internal borders, and at the EU's external borders. For example, the EU can no longer allow itself to take policy initiatives without taking the surrounding geo-political context into account. To be politically and economically strong and guarantee the well-being and security of its citizens, the EU must also contribute to the development of countries and regions at its borders.

It will only be possible to develop a geo-strategic, economic area of 800 million inhabitants (the European Union and its neighbourhood) by promoting the economic and social development, stability and security of regions located on both sides of the EU's external borders. These border territories and the people that live in them are facing specific new challenges. Efforts should be made to take their particular circumstances into account and respond using the EU's future economic, social and territorial cohesion policies. The regions have a role to play in finding solutions and must also be involved in the design of its policies.

Among the instruments to be deployed to promote cohesion, it is important to emphasise the importance, significance and value of territorial cooperation, both within the EU (Objective 3 of cohesion policy) and at its borders (cross-border cooperation under the ENPI and the wider neighbourhood action plan for the Outermost Regions).

This background paper aims to provide a brief presentation of this instrument, the issues at stake for CPMR regions and the work carried in the External Cooperation Working Group for the benefit of all the member regions concerned.

1. Brief presentation of the European Neighbourhood and Partnership Instrument (ENPI)

Prior to 2004, there already existed different programmes for partnerships and thematic and geographic cooperation with central governments, regions and also civil society in the EU's neighbouring countries, stretching from Russia in the north, through South Caucasus and the Balkans down to the southern shore of the Mediterranean (MEDA, TACIS, EDDH, etc.).

In 2004, the EU launched the European neighbourhood policy¹ to strengthen these relations with its partners in Eastern Europe, South Caucasus and the southern Mediterranean. Through bilateral relations, the EU offered support for reforms to stimulate economic and social development and additional incentives such as participation in the European internal market. For their part, the countries undertake to carry out reforms with regard to democratisation and the rule of law, reforms to move towards a market economy and

¹ It concerns the following countries: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestinian Occupied Territory, Syria, Tunisia and Ukraine

cooperation in the area of foreign policy, and to step up cooperation in areas such as the fight against organised crime.

With regard to Russia, the Saint Petersburg Summit of 2003 saw the introduction of a strategic partnership between the EU and Russia including four common areas², giving EU-Russian relations a political dimension and providing a local expression for this partnership, especially in the Baltic region.

A- The legal framework: bilateral agreements between the EU and partner countries

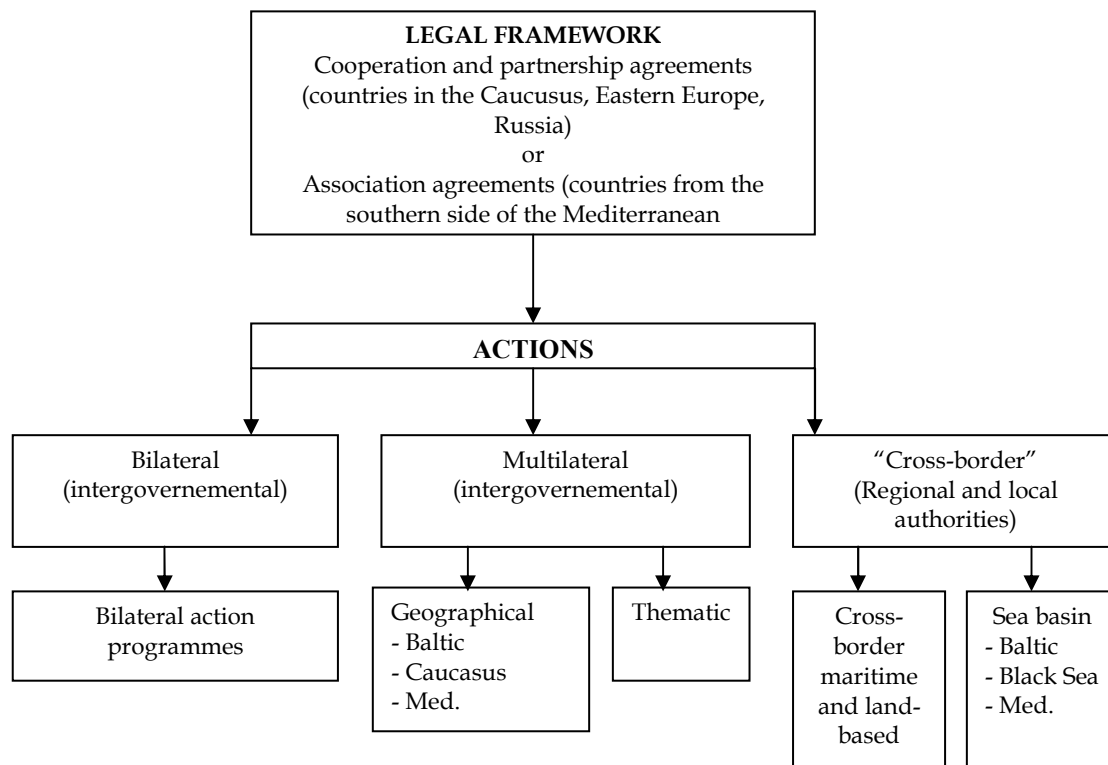
The legal framework for actions led under ENPI is defined in bilateral agreements called Partnership and Cooperation Agreements for Eastern European, the South Caucasus, Russia and Association Agreements for the countries of the Southern Mediterranean. Individual action plans agreed with each partner country set out programmes of detailed political and economic reforms that are adopted jointly. How far and quickly progress is made by each partner in its relations with the EU depends on its own ability and political will to implement the priorities decided upon.

B - The different types of ENPI action

Several types of action have been developed under the ENPI further to bilateral agreements:

- Bilateral actions between the EU and partner or associate countries, which use up most of the funding.³ The European Commission regularly publishes a progress report on ongoing political and sectoral reforms in the different countries and the results in terms of economic development (see http://ec.europa.eu/europeaid/where/neighbourhood/index_en.htm);
- Multilateral intergovernmental actions of a geographical (Baltic, Caucasus, Mediterranean) or thematic nature;
- Cross-border actions (**in the cross-border and transnational sense used by Objective 3 of EU regional policy**) involving regional and local authorities.

Overview:



² Common economic area, a common area of freedom, security and justice, an area of cooperation in the field of external security, and an area of research and education, including cultural aspects

³ Nearly 75% of the €5.621 Million available for 2007-2010

2. Participation of sub-national authorities: the ENPI's cross-border strand

The European Commission understands the important role the territories have to play in the development of the EU's borders and the need to give stakeholders from these territories a greater and more active role, so it has included a cross-border cooperation strand within the ENPI. It seeks to meet the challenges arising in neighbouring territories on both sides of the EU's external borders and encourage cooperation between regional and local authorities, as well as between these authorities and civil society. Cross-border cooperation (CBC) is therefore being developed through the following 15 ENPI CBC programmes:

<p>Programmes based on a land border:</p> <ul style="list-style-type: none"> - Kolarctic/Russia Programme - Karelia/Russia Programme - South East Finland/Russia Programme - Estonia/Latvia/Russia Programme - Latvia/Lithuania/Russia Programme - Lithuanian/Poland/Russia Programme - Poland/Belarus/Ukraine Programme - Hungary/Slovakia/Romania/Ukraine Programme - Romania/Ukraine/Republic of Moldova Programme 	<p>Programmes based on a maritime route:</p> <ul style="list-style-type: none"> - Spain/Morocco Programme - Cross-border Cooperation/Atlantic - Italy/Tunisia Programme
<p>Programmes covering sea basins:</p> <ul style="list-style-type: none"> - Baltic Sea Programme - North Sea Programme - Mediterranean Sea Programme 	

The budget allocated to the ENPI for 2007-2013 is €12 billion. About 90% of this money will be allocated to bilateral and regional actions (in the multi-country sense).

3. Current and future challenges - Work led by the CPMR and the External Cooperation Working Group

A. The Regions' participation in current ENPI-CBC programmes (2007-2013)

Above all we need to monitor and promote the current programmes, in particular the three programmes covering sea basins (the Baltic, Black Sea and Mediterranean), to ensure that EU regions and their partners in neighbouring countries actively take part in them and benefit from available funding in order to take forward cooperation between regions.

It would be useful for the CPMR – in relation with the geographical commissions concerned – to include the following activities in its future work: promoting the programmes among member regions, monitoring the different existing programmes and holding sessions to exchange information on them, gauging the levels of participation of regional authorities, identifying the difficulties encountered, priority issues addressed, etc.

The themes are always tackled with a view to contributing to territories' cohesion and their development on both sides of the Union's borders.

To achieve this, it is proposed that the CPMR Working Group should develop close contacts with the **Interact** Programme, which promotes and supports the good governance of European territorial cooperation programmes. In the same vein, the members of the Working Group will develop close contacts with the European Spatial Planning Observation Network (**ESPON**) in order to promote joint work.

It should be emphasised that amongst the Outermost Regions, only the Canaries are currently concerned by the ENPI through the Spain-Morocco programme. However, the borders of the European Union are not limited to those covered by the ENPI, on the contrary, the Outermost Regions are in themselves the borders of the EU within the geographical areas they belong to. In light of this, the Outermost Regions profit from a Wider Neighbourhood Action Plan, which should also be followed up and be the subject of proposals for the future.

B. Preparing proposals for the future: 2014-2020

As said earlier, the Union will only be able to pursue its own development and continue to have an economic and geo-strategic influence at global level if there is real development at its borders. The 27-member EU currently has a population of just over 400 million. With its neighbours it represents an economic and geo-strategic area of 800 million inhabitants. The crisis the world is currently experiencing does nothing to alter this perspective. On the contrary, it is not a viable solution, and would indeed be a grave error in the medium and long term, for the Union to become withdrawn and close itself off. Thus it will always be in the EU's interest, and increasingly so, to include the neighbouring countries and regional authorities as much as possible when addressing the issues of security, economic development and social and territorial cohesion.

The regions represent the EU's growth reserves. They are also the first territories to feel the repercussions of the difficulties and delays in development experienced by their neighbours outside the Union. They are also affected by the consequences of national and international geo-strategic stakes that complicate or facilitate relations between neighbouring territories. For all these reasons, they need to play a part in defining new and more ambitious neighbourhood and partnership policies from 2014.

At this very early stage of the ENPI CBC Programme's development, it is not yet possible to propose specific, detailed priorities for the post-2013 period. However, certain points already seem necessary. The work done by the CPMR to date should, at the appropriate time, make it possible to draw up some political and technical proposals for a new territorial cooperation instrument for the Union's borders.

It is already clear that the guidelines to be proposed will need to be differentiated according to the geographical area concerned, on account of the fact that the problems and challenges are very different in the Baltic, South East, Atlantic or Southern Mediterranean. The proposals will also need to take into account progress in certain areas of reflection, e.g. the Baltic strategy and Northern Dimension in the north, the Eastern Partnership and Black Sea strategy in the east, and the Union for the Mediterranean and creation of ARLEM⁴ among other things in the south. They must also take on board the level of development and capacity for action of border regions within the European Union.

In the framework of considerations on territorial cooperation, a temporary CPMR working group was set up in early May. It looked at the future of Objective 3 under cohesion policy. Issues concerning neighbourhood cooperation need to be included in the group's discussions and efforts are needed to ensure synergies between the territorial cooperation group and the external cooperation group.

As well the above, the External Cooperation Working Group is also holding its own discussions in order to come up with some proposals by the end of 2009/beginning of 2010 which will be submitted to the CPMR members for their approval and integrated into the CPMR negotiations package for 2014.

Some points need to be included in these proposals:

- Differentiated approach for the different areas concerned. We cannot propose the same topics, methods, operating rules and set of conditions for every territory;
- Taking account of the wider neighbourhood in new proposals;
- Proposals for rules of governance that include the regional level from policy and programme design onwards.
- The need to strengthen the link between CBC programmes and ENPI actions run at bilateral and regional level (in the multi-country sense)

NB: As early as 2008, the CPMR argued that the debate on European cohesion policy should be widened to include the issue of bordering countries to the east and south; the EU's own development will be greatly affected by that of these countries in the long term. The main European instrument for supporting actions with these territories—whether concerning economic, social, environmental or training issues, etc.—is currently the ENPI, especially its bilateral and multi-country (regional) strands. Although it is a good thing that the ENPI exists, it barely and inadequately meets existing and growing challenges, especially due to the imbalance between the funds allocated and conditionality rules. Aside from making proposals on how to improve the cross-border cooperation strand, the Working Group should therefore monitor the current ENPI as a whole, and draw up proposals on how to bring about real, locally-rooted convergence at the Union's borders that takes territorial issues into account.

⁴ ARLEM: Mediterranean Regional and Local Assembly

As with the work on the current programme, it is proposed that the CPMR Working Group should develop close contacts with the **Interact** Programme, which promotes and supports the good governance of European territorial cooperation programmes. In the same vein, the members of the Working Group will develop close contacts with the European Spatial Planning Observation Network (**ESPON**) in order to promote joint work.

4. Indicative timetable

June -August 2009	Participation in the temporary working group on territorial cooperation (Objective 3)
July - August 2009	Finalisation of the background paper on the ENPI-CBC for the CPMR General Assembly (October 2009 in Gothenburg)
End 2009 - early 2010 (depending on the progress of the Programme and the European agenda)	Policy paper on the inclusion of the neighbourhood/territorial cohesion issue in post-2013 European policies
<i>First half of 2010</i>	Benchmarking seminar on the current programme, presentation of proposals for the future - to be organised in coordination with the work on "internal" territorial cooperation

ANNEX:

Information on the various ENPI and wider neighbourhood programmes concerning CPMR regions

1/ Cross-border cooperation pursued by the outermost regions through the European Neighbourhood and Partnership Instrument (ENPI) and the wider neighbourhood action plan for the outermost regions

The outermost regions are a group of seven regions (Madeira and the Azores, the Canary Islands and the four French overseas departments⁵), which are part of three member states (Portugal, Spain and France) and are located in three specific geographical areas (the Atlantic, the Caribbean and the Indian Ocean). They are in a very particular and unique situation within the EU, due to their remoteness from EU territory, their isolation, and proximity to other continents.

This specific situation is recognised by Article 299(2) of the Treaty on European Union, which acknowledged the need to adopt specific measures, first to help these regions overcome the problems related to their disadvantaged situation compared to continental regions, and second to develop their potential.

On the basis of Article 299(2) of the Treaty, the European Commission has for some years been developing an EU strategy for the outermost regions, which is set out in its Communication entitled "A stronger partnership for the outermost regions" of May 2004.⁶ This strategy has three priorities: to increase their accessibility (internal and external), to improve their competitiveness and to integrate them into their specific regional areas.

2/ The outermost regions and cross-border cooperation: the specific example of the Canary Islands through the ENPI – the Spain (Canaries)/ southern Morocco Programme

As far as the EU's approach to territorial cooperation at its external borders is concerned, the specific situation of the outermost regions has been largely neglected. They (and even then just the Canary Islands) were only allowed to get involved in cross-border cooperation under ENPI as from 2007. The Canary Islands had not been allowed to participate in cross-border cooperation before then as they had not been considered as external maritime borders of the EU and could therefore not join the Spain-Morocco cooperation programme under Interreg IIIA (2000-2006), which only involved certain Andalusian provinces, Ceuta and Melilla.

It was not until the 2007-2013 period that the Canary Islands finally came to be considered as external maritime borders of the EU and therefore became eligible to participate in cross-border cooperation, which, during this time, was incorporated into the wider context of neighbourhood policy. The Canary Islands now constitute the Atlantic fringe of neighbourhood policy.

The Spain/Morocco cross-border cooperation programme has two strands: one for Spain and northern Morocco, which involves Andalusia, and one for Spain and southern Morocco, which involves the Canary Islands. Negotiations with the Commission began in 2006. The Spain-southern Morocco strand involving the Canary Islands has a €32 million budget, of which 50% is funded by the ERDF and the ENPI.

In order to establish this cooperation, and until the neighbourhood programme was approved, another cross-border cooperation programme involving just the ERDF is in preparation.

3/ The wider neighbourhood action plan

This plan was originally proposed in the above-mentioned Communication from the Commission of May 2004, which set out an EU strategy for the outermost regions based on three priorities: to increase their accessibility (internal and external), to improve their competitiveness and to integrate them into their specific regional areas.

As mentioned before, one of the specific characteristics of the outermost regions is their remoteness from EU territory, their isolation, and proximity to other continents. They therefore have to a dual challenge: membership of the EU and integration within the Single Market on the one hand, and membership of their specific regional area, remote from EU territory and close to other, usually poorer countries, with which they have economic, historic and cultural ties.

⁵ Martinique, Guadeloupe, Guyana, La Réunion

⁶ COM (2004) 343 final, 26.05.2004

Because of their specific geographical location, cooperation with neighbouring third countries is essential for the outermost regions, as cooperation inevitably has to be with them. Such cooperation is far from easy and several difficulties have to be overcome, especially the lack of any single financial management instrument that can be used on both sides of the border. In this context, the wider neighbourhood action plan aims to help the outermost regions to integrate more easily with their socio-economic and cultural area by removing obstacles which limit the opportunities for exchanges with the surrounding regional area. To achieve this, it is necessary to promote the free movement of goods, services and people in a coherent fashion, including by facilitating exchanges of experiences. The Commission is proposing that the action plan should have two main strands: firstly transnational and cross-border cooperation; and secondly trade and customs measures. The action plan should also include measures to inform all those concerned, including Commission delegations in third countries, about the extent of the challenge which the outermost regions and countries in their regional area face.

The latest Commission Communication on the outermost regions, entitled "The outermost regions: an asset for Europe",⁷ emphasises their specific geostrategic and geographical position and the need to continue developing the wider neighbourhood action plan in the future, bearing in mind the major importance of cooperation for the outermost regions, for whom this is not a matter of choice but one of need.

(Information provided by the Canary Islands regional authorities)

4/ Contribution from the Balkans and Black Sea Commission

Despite of the solid political and regulatory framework developed over a decade for the cooperation between the EU members and its neighbouring countries, it is profound that the EU still has in its checklist major challenges to respond to.

Starting from the currently operating programme in the Black Sea Basin, which after overcoming a number of difficulties and consecutive consultations published its first call for cooperation proposals in the second semester of 2009 for the current programming period, a number of considerations are aggregated. On top of the already limited budget of a bit over € 17 million till 2013, the currently pending signing of bilateral agreements with the partner countries do also cause a feeling of uncertainty mainly to the beneficiaries. The remaining EU partners to sign the bilateral agreements are obliged to do so by December 31st this year but if they fail to, the Commission claims to consider alternative scenarios to the relief of the successful beneficiaries.

The European regions, the development motors in the Union, especially those located in the eastern neighbourhood and dependant on their central governments, are deeply concerned by the climate of uncertainty, despite of the good will of both the European and the partner regions. The national governments need to take more solid steps to be taken towards the successful cooperation of their territories and will be asked in collaboration with the EU to refine and define their targets for the next programming period.

(Information provided by Kentriki Makedonia Region)

5/ European Neighbourhood and Partnership Instrument - Cross-border Cooperation - Mediterranean (ENPI-CBC-MED)

The ENPI - CBC - Mediterranean Sea Basin Programme 2007 - 2013 is a multilateral cooperation programme that provides a framework for carrying out cross-border activities in the context of the Mediterranean Neighbourhood Policy, alongside efforts led as part of the Euro-Mediterranean Partnership. ENPI is co-financed through the Neighbourhood Fund (ENP) and the European Regional Development Fund (ERDF).

One of the innovative and special features resides in the simplification of procedures, similar to those of the Structural Funds, with multi-annual programming, territorial partnerships and matched funding. The cross-border strand allows for cooperation led by national, regional or local government, public bodies, international organisations, businesses, NGOs and other economic operators.

⁷ COM (2008) 642 final, 17.10.2008

The first call for proposals concerns the 4 Priorities of the programme:

- Promotion of socio-economic development and enhancement of territories;
- Promotion of environmental sustainability at the basin level;
- Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capitals;
- Promotion of cultural dialogue and local governance.

The budget allocated to this first call amounts to 32,811,784 euros. The deadline is 20 October 2009.

It is important to note that this call for proposals is issued with a suspension clause since most of the Mediterranean Partner Countries have not yet signed the Programme Financing Agreement (the deadline for this is 31 December 2009). This must be signed before project leaders can receive co-funding. Despite the willingness of all the partners, this situation is generating a feeling of uncertainty on the part of regional stakeholders.

The role played by local actors in cooperation within the Mediterranean countries remains one of the major challenges for addressing global economic changes, climate change and migration phenomena. The EU needs to respond using all the instruments at its disposal, including the ENPI-CBC-MED programme.

Despite this, it is important to note that there is no mention of a reference document on the Union for the Mediterranean among the key documents indicated in the guidelines for project applicants for the first ENPI-CBC-MED call. The ENPI-CBC-MED programme should aim to act as a lever for implementing the “Euro-Mediterranean Policy / Union for the Mediterranean” at local level.

National governments within the Sea Basin should make firmer commitments with regard to cooperation in their territories. The national delegations of the Programme Steering Committee should undertake to strengthen the link between the programme and all that has so far been achieved through the “Euro-Mediterranean Partnership / Union for the Mediterranean” to continue ensuring complementarity and coherence between strategies and projects under the different priorities.

It would be interesting for the CPMR/IMC to organise a Seminar on this issue.

(Information provided by Campania Region)