



**European Committee
of the Regions**

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OPINION

Missing transport links in border regions

THE EUROPEAN COMMITTEE OF THE REGIONS

- points out that European integration can be seen first and foremost at borders;
- stresses that missing links in border regions are part of a broader issue, namely the lack of financial resources for developing local and regional infrastructure;
- underlines that the TEN-T network is crucial for the sustainable development of Europe's regions. The overwhelming majority of financial resources go to the key corridors of the TEN-T network, but links with local and regional comprehensive networks should not be forgotten. The European Commission's CEF call made in October 2016 specifically for cross-border links is greatly welcomed as a first step;
- notes that the review of the EU's multiannual financial framework at the end of 2016, and the discussions currently taking place regarding the design of cohesion policy after 2020, offer an excellent opportunity to bring forward some new proposals for EU support for building missing infrastructure in border regions. In accordance with the subsidiarity principle, the most appropriate solution would be to enable this infrastructure (including small-scale infrastructure) to be funded as part of the cross-border cooperation programmes (Interreg A) and to increase the resources allocated to it accordingly;
- underlines that Interreg can offer more than funding; it can also facilitate the better planning of cross-border infrastructure and facilities. Cooperation through Interreg A can play an important role in coordinating and solving cross-border mobility challenges;
- stresses that initiatives to integrate communities living in the border regions between EU Member States, and border regions of countries neighbouring the European Union, should be promoted and that supporting networks of transport links would contribute to better mutual understanding.

Rapporteur

Michiel Scheffer (NL/ALDE), Member of the Executive Council of the Province of Gelderland

Reference document

Opinion of the European Committee of the Regions – Missing transport links in border regions

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. points out that European integration can be seen first and foremost at borders. Open borders and infrastructure that connects people are at the heart of the European idea. The development of border regions in Europe is therefore largely determined by the availability of infrastructure that facilitates links between cities, businesses and people on both sides of the border.

The recent refugee crisis leading to the closing of borders poses for many regions along the borders new challenges for an integrated development of the region.

2. Border regions are increasingly recognised as functional regions that can only exploit the potential for growth and employment if there is sufficient connectivity between both sides of the border and the European network. The impact of migration in border regions should be assessed in a balanced way taking into account the interests of cross-border workers, shoppers, SMEs and tourists.
3. Cooperation between regions and countries should also aim to facilitate employment on both sides of the border. Development of infrastructure and high-quality transport links acts as an incentive for people living in border regions to take up jobs that match their education, even if this means a longer commute to work. This would improve the employment rate as well as the match between qualifications and labour market needs, thus making better use of human capital potential. It is not only a question of the accessibility of economic centres but also of the accessibility of facilities.
4. This opinion focuses on cross-border rail and road links, and to a lesser degree, water links. It only deals with border regions within Europe. However, and having regard to its opinion on aviation strategy¹, the CoR has not forgotten the importance of both air and sea connections between the peripheral and island regions, the outermost regions and neighbouring cross-border regions, and calls on the Commission to ensure that the forthcoming review of TEN-T will take this into account.
5. Missing links in border regions are part of a broader issue, namely the lack of financial resources for developing local and regional infrastructure. Innovative thinking is needed to solve mobility challenges in border regions.
6. In recent years, the European Union has primarily focused on delivering centralised solutions for the large-scale trans-European transport network, specifically through the Connecting Europe Facility (CEF), but also Horizon 2020. There are relatively few resources available for decentralised tools such as the INTERREG programme for bridging missing small-scale links in

¹ COR-2016-00007

Europe's border areas, even though these programmes are much better at taking into account the local needs of the cross-border region in question.

7. The Connecting Europe Facility (CEF) for the 2014-2020 seven-year period has already funded numerous projects of significant value for EU mobility, and most of the relevant resources have already been allocated. It would therefore be highly advisable to renew the CEF's economic commitment by increasing its finances, in part by encouraging initiatives to implement the comprehensive network and the system for linking up with the TEN-T network in border areas.
8. A key task is therefore also to explore and offer financial support for establishing, developing or reopening cross-border transport links, shifting towards more uniform treatment of states with regard to co-financing methods. The Member States nevertheless have a special role to play in financing work.
9. The TEN-T network is crucial for the sustainable development of Europe's regions. The overwhelming majority of financial resources go to the key corridors of the TEN-T network, but links with local and regional comprehensive networks should not be forgotten. The European Commission's CEF call made in October 2016 specifically for cross-border links is greatly welcomed as a first step.
10. This CEF call on missing links is a good example of the possible outcome of inter-institutional cooperation between the European Commission, the European Parliament and the European Committee of the Regions, the Member States and the autonomous communities or regions affected in defining common challenges in border regions, describing possible solutions and providing the necessary means to address these challenges. This cooperation could serve for drawing possible conclusions for the future design of CEF beyond 2020 and be a model for similar activities in other EU policy fields.
11. The review of the EU's multiannual financial framework at the end of 2016, and the discussions currently taking place regarding the design of cohesion policy after 2020, offer an excellent opportunity to bring forward some new proposals for EU support for building missing infrastructure in border regions. In accordance with the subsidiarity principle, the most appropriate solution would be to enable this infrastructure (including small-scale infrastructure) to be funded as part of the cross-border cooperation programmes (Interreg A) and to increase the resources allocated to it accordingly.
12. The study on "The potential of closing missing links of small scale infrastructure in Europe's border regions for growth and employment"² identifies a number of case studies that endorse this view.

Opportunities for economic development

13. Border regions are often seen as peripheral, but they can be an economic hub. A well-functioning mobility system is a precondition for regional economic growth and territorial cohesion, and for developing the potential of cross-border functional regions. There are still

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<http://cor.europa.eu/en/documentation/studies/Documents/Potential-missing-link.pdf>

many gains to be made through economic development and the growth of jobs, particularly in border areas.

14. Highlights the fact that many border regions benefit from cross-border trade. Improving accessibility and the quality of road, rail and waterway links would indirectly help solve socio-economic problems, including cutting unemployment and improving people's standard of living. These aspects should be considered matters of priority when accessing the border financing mechanism.
15. Tourism can serve as a driving force for improving infrastructure. Conversely, improvements in infrastructure can also lead to more tourism. These kinds of catalyst should be used for development. In particular, it is important not to neglect the role of cross-border cycle networks when developing tourism.
16. In the case of cross-border links, it can take longer for market demand to develop. Higher costs also create a delicate cost/benefit balance, particularly during the start-up period. This must be taken into consideration in the financial engineering of projects. The financial engineering of projects is also of paramount importance in terms of return on investment and because of the impact on economic activity of the infrastructure investments carried out under cross-border cooperation and transport development programmes. The varied composition of the funding sources, the amount of own contribution, the rate of funding for activities and the costs for consortium members are also determining factors when it comes to projects. With all these factors in mind, the Committee advocates that – where the work on transport infrastructure is considerable for both countries involved – guidelines be adopted for each border area, together with a single set of rules, common to the Member States, for even more effective financial eligibility for projects.

Infrastructure and services

17. Bridging missing links involves building infrastructure but also facilitating services such as new links for public transport and for the transport of goods. It may also involve reopening existing lines. Market demand has a significant bearing on the feasibility of these new links.
18. Solving missing cross-border links requires an integrated approach for the transport of both goods and passengers, and for all transport modes: road, rail and water. Special attention must be paid to barrier-free cross-border ticketing and information, favouring intermodality. To this end, it is essential to involve and coordinate the various companies operating these links, especially the state-owned companies, as well as the states and regions in their areas of competence.
19. A first step is to improve the coordination of public transport timetables in border regions. A second step could be to create cross-border concessions for public transport.
20. Slow means of transport such as cycling can play an important role in border regions. Cycling often serves as a complementary mode of transport alongside public transport. It is becoming more and more popular and competitive, especially in towns and cities suffering from congestion. A cross-border approach and a cross-border network of high-quality cycling infrastructure are therefore necessary. Developing transport linked to the EuroVelo cycle route

networks also helps to improve the accessibility of tourist destinations and as such can be considered a social and economic objective.

21. Integrated planning is also recommended in more rural and less economically developed areas in order to remove barriers to accessing workplaces and facilities

The need for multi-level cross-border cooperation

22. Border crossings must be situated not only on the main infrastructure network, but also on comprehensive networks. This allows for more flexible commuting and makes jobs on the other side of the border accessible. Creating a seamless mobility system requires stronger cross-border cooperation between all levels of government and relevant partners.

23. It will also require a joint political initiative from the European Parliament, the European Commission, the European Committee of the Regions and the Member States, which could include the following elements:

- using the ongoing cross-border review of the European Commission to remove existing obstacles to cross border transport solutions. The Committee of the Regions is committed to playing an active role in overcoming these barriers;
- setting up a platform for assessing existing projects and disseminating guidelines and best practice;
- developing a common project pipeline for transport infrastructure in border regions with the strong support of DG Move of the European Commission, promoting knowledge exchange and cooperation on cross-border mobility challenges;
- using the Interreg A programmes to facilitate the better planning of cross-border infrastructure, facilities, and service integration, and making more use of a European Grouping of Territorial Cooperation (EGTC) for the implementation of cross-border investments, including at borders between Member States and third countries, and particularly for developing cross-border sections of transport infrastructure and other cross-border cooperation structures which through their institutional activities contribute to this planning.

24. The initiative could include a common project pipeline for transport infrastructure and for harmonisation of operating standards in border regions. This can be politically monitored and supported through policy.

DG MOVE could play a role in coordinating initiatives, knowledge exchange and cooperation on cross-border mobility challenges and the project pipeline.

25. Interreg can offer more than funding; it can also facilitate the better planning of cross-border infrastructure and facilities. Cooperation through Interreg A can play an important role in coordinating and solving cross-border mobility challenges.

26. The implementation of investments could be improved by making more use of a European Grouping of Territorial Cooperation (EGTC). This also has advantages when developing cross-border sections of transport infrastructure.

Early public participation

27. Involve the public at an early stage when developing cross-border projects. This is vital for the success of the projects and helps ensure acceptance. It also raises public awareness of the opportunities that exist in the border area.
28. Take account of changing attitudes to open borders when developing cross-border links, particularly due to the refugee crisis, unemployment and rising nationalism.
29. Initiatives to integrate communities living in the border regions between EU Member States, and border regions of countries neighbouring the European Union, should be promoted. Supporting networks of transport links would contribute to better mutual understanding. These improvements will bring people and companies closer together with a beneficial effect on the quality of life of people on both sides of a border.

Technical and regulatory harmonisation required

30. Technical, regulatory and funding-related harmonisation is necessary to ensure well-connected cross-border infrastructure which the various Member States approach in the same way. Above all, railway lines and links need to be standardised, e.g. electrification and European safety systems (ERTMS), or problems relating to different railway track gauges in many eastern European countries. As far as standardisation of technical aspects is concerned, it is also worth mentioning the removal of obstacles to the communication and dissemination of information and the creation of a common platform to provide information to users, online ticket sales and modernising transmission of data relating to infrastructure. In order to achieve these objectives, it will be essential to involve and coordinate the state administrators of rail infrastructure responsible for these cross-border links.
31. In addition to technical harmonisation, the harmonisation of regulatory measures and of authorising procedures is also necessary, in order to align timeframes for implementing cross-border interventions. Granting cross-border concessions for public transport can serve as a catalyst for improving the cross-border mobility system. Much more work must be done with regional cross-border transport areas and cross-border transport authorities.
32. Applying and possibly expanding on the proposal by Luxembourg to introduce a "tool for the attribution and application of specific provisions in cross-border regions", which would allow the application of legal and technical provisions of one country in a bordering country, in the case of small stretches of cross-border transport links. This could reduce technical barriers and costs. The CoR invites the Commission to consider the proposal for a European cross-border convention on specific provisions in cross-border regions, evaluate the possible use of this convention and put forward a proposal suggesting ways that it could be implemented.

Infrastructure opens borders and deserves to be funded

33. The vast majority (95%) of EU funds (TEN-T-CEF) now go to the core corridors of the TEN-T. Small projects on the comprehensive network and interventions linking up with the TEN-T network, although essential to solving specific problems and to the development of cross-border connections and economies, are now often not eligible for (co-)financing, or for national

financing. This is partly due to the border location. Domestic routes and connections often have more volume.

34. Coherent packages of relatively small projects could make a considerable contribution to eliminating barriers in border regions. Smaller cross-border infrastructure projects should therefore be as high on the European agenda as larger TEN-T projects. Together with infrastructure interventions, there should be a special focus on initiatives to develop services and initiatives that are coordinated between bordering states in order to manage demand for mobility, such as steps to deter the use of private vehicles and encourage the use of public or shared means of transport. Investment in infrastructure also requires an own contribution, in tandem with EU resources. Small and large projects financed by EU funds (ESI Funds) require an own contribution from the project partners. This contribution should also be supplemented at Member State level by varying amounts of national (co-)financing, based on the Member State's division of responsibilities. Cross-border projects and the financial stability of the consortium partners are the guarantees of successful implementation and raising of funds.
35. Regarding goods transport, it can be useful to promote steps to harmonise road traffic rules, through initiatives to reduce the impact on road traffic of restrictions in force in some states, and to encourage the development of rail-to-road intermodal terminals to serve cross-border traffic.
36. Alternative financing models can help. The simplification of public procurement rules and state aid rules is essential in this context. When planning the use of direct Union resources, uncertainty may arise – from the development phase of the project onwards – about the guarantees of own contributions from state and non-state entities. Given the large scale of infrastructure investments, it could be worth considering setting up a fund of own resources for the development of transport and aid for the development of projects, as well as common and national funds. In the case of cross-border cooperation projects, problems may arise for partnerships from the planning stage onwards due to a lack of own contributions.
37. The European Fund for Strategic Investments (EFSI) offers innovative financing opportunities for mobility and infrastructure projects in border regions. The CoR therefore welcomes the increased focus of EFSI 2.0 on financing more cross-border and sustainable projects.
38. The EFSI works better when cross-border financial organisations or cooperation are in place. It should be explored how EGTC could be suitable structures and how they can be capitalised in order to be eligible for EFSI and/or EIB support.
39. Regarding the EFSI, further financial instruments should be developed in relation to guarantees so as to facilitate interventions of cross-border value which, while essential with a view to networks and enhancing mobility and networks, offer poor prospects of profitability.
40. The electrification of existing and well-used rail infrastructure may lend itself well to coordinated use of the EFSI.

Geography and costs and benefits are important

41. Not every border region has the same characteristics and is at the same level. There are metropolitan border regions and more rural border regions. The geographical location and

naturally-occurring barriers have a bearing on the possibilities for introducing adequate and efficient cross-border links, as well as being factors that should favour more rural or peripheral regions, which are in a strategic position and have few cross-border links. The different levels of regional development mean that economic and social phenomena in regions bordering third countries – in particular the employment situation – have a significant impact on the economic development efforts of border regions.

42. In regions with islands, ferries are often the only link with the surrounding area. Specific attention should be paid to this.
43. Particular attention must also be paid to cross-border mountain regions, since some mountain ranges constitute border barriers which are difficult to access and require specific and costly infrastructure (viaducts, tunnels, etc.). Better rail connections in mountainous areas can significantly reduce CO₂ emissions and improve air quality as well as optimise touristic potential and thus contribute to demographic and environmental viability of mountain regions.
44. Carry out cost-benefit analyses, as well as preparations to ensure the success of development projects, when developing and deciding on cross-border projects. An infrastructure link such as a railway line is often very expensive. Thought should be given when implementing projects to tendering, legal, financial and risk analysis procedures, which often differ between the Member States. The operating costs of the rail link must also be taken into consideration in the decision process.
45. Avoid relying solely on short-term business cases. Also consider the more strategic value of new links that could serve as a catalyst for developments in (peripheral) border regions. This is why, for cross-border projects, account should be taken, starting from the stage of planning and analysis of the costs of the infrastructure, of the transport development strategies adopted by the Member States and the related national development strategies for environmental protection, technological research and innovation, and coherence with these should be ensured.

Brussels, 8 February 2017

The President
of the European Committee of the Regions

Markku Markkula

The Secretary-General
of the European Committee of the Regions

Jiří Buriánek

II. PROCEDURE

Title	Missing transport links in border regions
Reference(s)	N/A
Legal basis	Article 307 TFEU
Procedural basis	Own-initiative opinion
Date of Council/EP referral/Date of Commission letter	N/A
Date of Bureau/President's decision	Bureau: 14 June 2016
Commission responsible	Commission for Territorial Cohesion Policy and EU Budget (COTER)
Rapporteur	Michiel Scheffer (NL/ALDE) Member of the Executive Council of the Province of Gelderland
Analysis	12 July 2016
Discussed in commission	29 September 2016
Date adopted by commission	30 November 2016
Result of the vote in commission (majority, unanimity)	Majority
Date adopted in plenary	8 February 2017
Previous Committee opinions	N/A
Date of subsidiarity monitoring consultation	N/A