



**European Committee  
of the Regions**

**COTER-VI/036**

**130th plenary session, 4-5 July 2018**

## **OPINION**

### **Boosting growth and cohesion in EU border regions**

#### **THE EUROPEAN COMMITTEE OF THE REGIONS**

- believes that the EU's financial support to European Territorial Cooperation (ETC) initiatives should be significantly increased in the next MFF;
- stresses that the benefits of ETC are not only the projects itself but also the fact that a range of bodies at regional and local level including public authorities work together in common programmes and projects;
- underlines the importance of establishing territorial strategies to guide investments in an integrated and coordinated way;
- underlines that the co-legislators, the European Parliament and the Council, (...) should systematically consider the territorial impact in their negotiations on legislative proposals;
- calls for mutual recognition of certificates, diploma and vocational training to be strengthened;
- requests that that the territorial specificities of ETC programmes be better taken into account in the next programming period;
- underlines that cross-border cooperation suffers from a lack of available data and issues concerning the comparability of existing data due to different data-gathering methodologies and different legislation applied;
- regrets that many of the benefits and successes of ETC are untold because evaluation systems in cohesion policy and beyond are too narrow.

Rapporteur

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Reference document

Communication from the Commission to the Council and the European Parliament: Boosting growth and cohesion in EU border regions  
COM(2017) 534 final

## **Opinion of the European Committee of the Regions – Boosting growth and cohesion in EU border regions**

### **I. POLICY RECOMMENDATIONS**

#### THE EUROPEAN COMMITTEE OF THE REGIONS

#### GENERAL COMMENTS

1. welcomes the Communication on "Boosting Growth and Cohesion in EU Border Regions" presented by the European Commission. The CoR is pleased to see that the different Commission services across directorate-generals have worked effectively together so that this document reflects the crosscutting nature of cooperation in EU border regions. The CoR also supports the creation of a "cross-border focal point" to ensure the implementation of actions and measures, but is worried that the focal point might be understaffed in view of the multitude of tasks that the Communication envisages;
2. is particularly pleased about the preparatory process leading up to this communication, which was exemplary in terms of effective multi-level participatory cooperation. As part of the so-called cross-border review initiative, the Commission acted as a stimulating hub that allowed stakeholders to exchange ideas and practices. Moreover, numerous inventories, position papers and studies have created a situation in which policy-makers can draw on a wealth of evidence concerning obstacles to cooperation in cross-border regions;
3. underlines the fact that legal, administrative, physical and cultural obstacles need to be addressed in order to strengthen cooperation along EU border regions. In this respect, financial support for European Territorial Cooperation (ETC) initiatives remains vital;
4. believes that the EU's financial support to European Territorial Cooperation (ETC) initiatives should be significantly increased in the next MFF and considers it unacceptable that the current proposal is cutting amounts instead. The CoR recognises that the EU budget faces high budgetary pressures due to the UK's decision to leave the EU and due to still high levels of public debt across EU Member States. However, supporting ETC initiatives offers an extremely high European added value in terms of boosting economic growth and cohesion, as well as in building a better EU for its citizens;
5. stresses that the benefits of ETC are not only the projects itself but also the fact that a range of bodies at regional and local level including public authorities work together in common programmes and projects;
6. urges the Member States to ensure that as many cross-border public consultations as possible are organised in order to reforge Europe and the link between Europeans and the European venture, and create a genuine European public space by identifying the issues which the public would like the EU to address;

7. notes that cooperation in EU border regions includes internal and external borders as well as terrestrial and maritime borders with or without a fixed-link connection over the sea. In the case of maritime borders, the 150 km limit should be abolished as it reduces opportunities for participation of island regions. Improved cooperation and removing obstacles must not be limited to EU Member States but include neighbouring countries and regions, especially when it is the EU's outermost regions that are engaged in cooperation;

## COMMENTS ON THE TEN COMMISSION PROPOSALS AS OUTLINED IN THE COMMUNICATION

### Deepening cooperation and exchanges

8. welcomes the creation of an EU-wide online professional network (Futurium) and the open call for pilot projects on how to resolve legal and administrative obstacles. It is important that the Commission continue to provide momentum and coordination in order to improve cooperation and exchanges;
9. underlines the importance of establishing territorial strategies to guide investments in an integrated and coordinated way. "Integrated" means that all levels of governance from local to European work together in achieving the objectives of a given territory. "Coordinated" means that different sources of funding contribute to the same agreed territorial objectives in a complementary way;
10. emphasises the role of macro-regional strategies as an "established bottom-up and place-based instrument for a more effective use of common potentials of macro-regions by better implementing and coordinating policy responses" and draws attention to the CoR opinion on the matter<sup>1</sup>;
11. highlights in this respect the importance of both cross-border cooperation programmes and transnational and interregional cooperation programmes, whose European added value goes beyond financing because they bring together people in joint projects that build lasting partnership, trust and mutually beneficial cooperation structures;
12. takes note of the proposal for a Regulation on new cross-border programmes, and points out that the EU's internal borders include maritime borders, which, in its view, should be considered equivalent to land borders as they are in the current programming period. Otherwise, cooperation between intra-EU border regions with maritime borders would be put at risk, as would the local adaptations that these programmes offer for cross-border cooperation;
13. stresses the importance and usefulness of the Interact, Interreg Europe, Urbact and ESPON programmes in strengthening cooperation in Europe and improving the implementation of cohesion policy; in view of the current proposals the CoR underlines that the continuation of the INTERREG Europe and Urbact programme is essential for interregional cooperation in Europe

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<sup>1</sup> The implementation of macro-regional strategies, rapporteur: Raffaele Cattaneo (IT/EPP), COTER-VI/029.

and urges the European Commission, the European Parliament and the Council, that the future of INTERREG Europe and Urbact are not only clarified, but guaranteed;

14. calls for the UK's local and regional authorities to be invited and encouraged to continue to participate in the ETC programmes and territorial cooperation projects in the next programming period. Access to macroregional and maritime strategies and EGTCs should be ensured;
15. notes that national statistics authorities are in many cases not keeping statistics on cross-border traffic, e.g. data on commuting across intra-EU borders. Information and statistics about these sorts of facts is lacking, which is why the Commission or other bodies such as Eurostat should play a bigger role in gathering and processing such data;

#### Improving the legislative process

16. recognises that complete harmonisation and convergence of rules and legislation is neither realistic nor desirable. It is therefore even more important to understand the impact of European and national laws and rules in EU border regions. The CoR has argued for a long time that the European Commission should carry out Territorial Impact Assessments (TIA) on all major EU legislation that might have territorial impact. The CoR therefore welcomes the Commission's ambition of introducing "cross-border proofing" of EU legislation to identify the potential cross-border impact of that legislation at an early stage of the legislative process and support EU Member States in applying TIA methodologies nationally. This would seem to be all the more urgent given that changes in key national policy areas – protection of the environment, consumers and employees – create barriers to mutual market access for economic operators operating across borders and make it impossible to take full advantage of the freedoms of the internal market;
17. underlines that the co-legislators, the European Parliament and the Council, should be more aware of the cross-border impact of new legislation. In this respect, they should systematically consider the territorial impact in their negotiations on legislative proposals;
18. is in favour of the proposal to set up a permanent intergroup on ETC at the European Parliament and will support it;
19. believes that there should be a better coordination between Member States in the transposition of EU law into national law, so that new obstacles would not be created and thus put a further burden on cross-border and transnational cooperation as well as potentially create barriers within the Internal Market. The CoR proposes that the European Commission take on the role of coordination point in order to ensure the coherent and most efficient implementation of EU legislation;

#### Enabling cross-border public administration

20. underlines the importance of interoperability of public services for cross-border cooperation;

21. highlights, in this respect, the efforts made in the field of digital public administrations. The CoR insists, however, that interoperability across borders must be ensured. The CoR also supports more exchanges of civil servants between the public authorities of different Member States to develop an understanding of administrative cultures in other countries. The Commission should be bold in extending its support in this field. It could take inspiration from its TAIEX REGIO PEER 2 PEER programme running under cohesion policy, which brings together implementation experts from one country to support implementation processes in another. In border regions people-to-people cross-border projects have proved effective in this regard facilitating such cooperation and exchanges between local and regional authorities;

#### Providing reliable and understandable information and assistance

22. believes that a Single Digital Gateway has the potential to improve cross-border cooperation significantly. The CoR suggests that the Commission actively promote the new gateway and the SOLVIT tool within border regions by organising targeted public training sessions;
23. draws the attention to the CoR opinion on Erasmus for Local and Regional Representatives, calling for "establishing training programmes and exchanges of good practices targeted at local and regional elected representatives";
24. underlines, that it is equally important that citizens and businesses can rely on the physical presence of support services rather than relying only on electronic means. In this respect, it is important that regional and local support services such as employment agencies and business support structures have the capacity and expertise to advise citizens and businesses on cross-border matters;

#### Supporting cross-border employment

25. understands the difficulties the Commission is facing in policy areas in which the EU has shared or supporting competences, such as employment or health policy. Nevertheless, the Commission should be bold in identifying incompatible national policies and suggest solutions for rendering them compatible;
26. highlights the possibilities offered by cohesion policy programmes in building and strengthening cross-border labour mobility;
27. considers that the current arrangements are not good enough. In particular, mutual recognition of certificates, diploma and vocational training must be strengthened. The Commission should be more daring in making practical proposals in this area;
28. welcomes the Commission's proposal to establish the European Labour Authority, as part of the European Pillar of Social Rights<sup>2</sup>. This agency would work on facilitating access for individuals and employers to information on their rights and obligations, support cooperation between EU countries in the cross-border enforcement of relevant Union law and mediate and facilitate a

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<sup>2</sup>

<http://ec.europa.eu/social/main.jsp?catId=1226&langId=en>

solution in cases of cross-border disputes between national authorities or labour market disruptions. The CoR invites the Commission to pay special attention to border workers as they face the biggest obstacles in their daily lives;

#### Promoting border multilingualism

29. underlines the fact that language barriers are still an important obstacle to cross-border cooperation, especially in border areas without a longstanding tradition of cooperation. Despite education policy being a national competence, the EU can have a significant impact through its ETC programmes. It is therefore particularly important to leave enough flexibility to design cross-border programmes to fund educational, cultural and other activities that bring together citizens in border regions. The CoR regrets that given thematic concentration objectives and a focus on economic growth and innovation, which underestimates the impact that cooperation involving citizens can have on the achievement of the European project, this is unfortunately not always the case; the CoR insists that ETC programme implementation authorities must be given the freedom to decide on their investment priorities in accordance with their own regional development strategies, without being restricted by thematic concentration arrangements that might not fit the particular cross-border context;
30. stresses the special importance of bilingualism in border regions. Stepping up efforts to promote mutual knowledge of neighbouring languages facilitates cooperation in any area;
31. points out the important role of people-to-people and small-scale projects in cross-border cooperation programmes. In its opinion on this topic<sup>3</sup>, the CoR calls for "people-to-people projects and small-scale projects to be anchored in the regulations governing EU support for cross-border cooperation as a legitimate instrument in CBC programmes". For the projects to be close to the citizens it is essential that they are locally accessible and as simple as possible;

#### Facilitating cross-border accessibility

32. draws attention to the CoR opinion on "Missing transport links in border regions"<sup>4</sup>, since missing, insufficient or low-quality transport services are still a reality in many border regions due to diverging priorities and/or infrastructural standards, budgetary constraints or different legal, procedural or organisational approaches;
33. calls on the Commission to follow up on the study on missing transport links and provide additional financing for identified missing links, enabling more effective cross-border cooperation, including for maritime regions with port and logistic facilities;
34. welcomes the recent achievements in the field of telecommunications, which decreased roaming charges in a number of situations. The CoR requests, however, that in order to facilitate cross-border exchanges and accessibility, outgoing calls to neighbouring cross-border regions should

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<sup>3</sup> People-to-people and small-scale projects in cross-border cooperation programmes, rapporteur Pavel Branda (CZ/ECR), COTER-VI-023.

<sup>4</sup> Missing transport links in border regions, rapporteur Michiel Scheffer (NL/ALDE), COTER-VI-016.

be charged at domestic rates and not at international rates, which unfortunately is currently the case;

35. in the case of the outermost regions, reducing the accessibility deficit is a key issue, as their location at the external border of the EU is compounded by the fact of being islands and/or archipelagos and by their isolation;

#### Promoting greater pooling of healthcare facilities

36. regrets that, despite the healthcare directive, practical difficulties in providing cross-border healthcare services persist. The suggested mapping of cross-border cooperation on health is welcome but must be supplemented by proposed solutions regarding disparities in the coverage (recognition and reimbursement) of healthcare services between Member States, including for patients with a European Health Insurance Card. The CoR also regrets the inadequate legal arrangements for cross-border medical transport (primary and secondary);
37. notes that improvements in the field of labour mobility and improvements in the field of administrative interoperability would also significantly improve cross-border health services;

#### Considering the legal and financial framework for cross-border cooperation

38. highlights the usefulness of the European Grouping of Territorial Cooperation (EGTC) tool and of other territorial cooperation structures such as working communities in carrying out crucial cross-border projects. The CoR requests the Commission to ensure that all Member States adopt the required national provisions as defined in the EGTC regulation and launch infringement procedures where necessary. In some cases, EGTC national provisions still differ from one Member State to another due to Member States' lack of interest in adopting the updated provisions or because previously adopted provisions are thought to be sufficient. This leads to difficulties in the EGTCs' day-to-day work and in establishing new ones;
39. urges the Commission to ensure that EGTCs are eligible entities for all EU funded projects, as this is one of the main purposes of this tool. As a tangible measure, the Commission should communicate the potential uses of EGTCs more actively and clearly mention EGTCs as legal entities eligible for all EU funded projects in upcoming legislative proposals. The CoR insists furthermore that national approval authorities cooperate in order to facilitate the smooth application of the EGTCs;
40. welcomes the Commission proposal for a Regulation of the European Parliament and the Council on a mechanism to resolve legal and administrative obstacles in cross-border context, which is as a bottom-up legal tool that is complementary to EGTCs and which could effectively support cross-border cooperation projects by allowing local and regional authorities to apply the rules and regulations of one Member State on the territory of another along its borders – on a pre-defined territory, project and for a determined time frame. The Regulation could result in considerably more efficient cross-border cooperation, especially in cross-border investments, at the same time reducing the administrative and financial burden;



41. due attention should be given to the coherence of EU legislative texts. In the context of ETC, incoherencies create difficulties, unnecessary delays and in some cases the complete abandoning of projects. Better coordination between Commission DGs when amending or drafting legislation is needed;
42. ETC programmes should be exempt from state aid provisions because, thanks to the cross-border character of their projects, and because ETC projects are of general interest for the Union, they help build the single market rather than negatively distort it. The CoR understands that the Commission believes that a full exemption is not possible because it would require changing the treaties. However, the CoR insists that immediate simplifications are necessary and urges the Commission to rethink its future approach towards state aid;
43. notes that ETC falls under the legislative framework of the EU's cohesion policy. However, ETC programmes entail an additional international dimension, which leads to another layer of potential complexity. Moreover, ETC programmes are frequently smaller in size, which means that the administrative burden in proportion to the financial support is higher compared with mainstream cohesion policy programmes. The funding needs and types of projects are also different from those in mainstream programmes. However, cohesion policy's Common Provisions Regulation and the existing ETC-specific regulation do not sufficiently take into account the specificities of ETC;
44. requests that that the territorial specificities of ETC programmes be better taken into account in the next programming period, especially in the case of the outermost regions, given their specific situation. The CoR therefore calls on the Commission to include a number of specific proposals, which can be found at the end of this document, in the legislative proposals for the new programming period;

#### Building evidence of cross-border interaction to inform decision-making

45. underlines the fact that addressing cross-border obstacles requires relevant territorial information and data. Unfortunately, cross-border cooperation suffers from a lack of available data and issues concerning the comparability of existing data due to different data-gathering methodologies and different legislation applied;
46. welcomes the efforts to step up cooperation between statistics offices and looks forward to the findings of upcoming ESPON research on testing the methods for development of territorial indicators. Data availability is an even bigger concern for cross-border cooperation with non-EU countries. The Commission should make sure that harmonisation efforts include non EU-countries;
47. regrets that many of the benefits and successes of ETC are untold because evaluation systems in cohesion policy and beyond are too narrow, focusing mainly on financial indicators and the short term impact. The benefits of ETC, however, are extremely difficult to quantify and are frequently of a soft nature, indirect and long-term. They include trust building, establishment of lasting cooperation structures, improvement of quality of life, and practical simplification and new opportunities for citizens. Therefore, the CoR urges policy-makers, in particular finance

departments and budgetary authorities, to take a look at the qualitative description of ETC projects to understand their real benefits;

## SUGGESTIONS AND RECOMMENDATION ON THE SIMPLIFICATION OF THE IMPLEMENTATION OF ETC PROGRAMMES

48. is worried that, due to the complexity of the current system, potential beneficiaries such as promoters of small-scale projects or small associations and NGOs do not apply for support despite having excellent project proposals;
49. endorses the simplification measures put forward by the Interact programme in the Interreg post-2020 reflection paper<sup>5</sup> and underlines the following measures as particularly important to simplify and improve the implementation and accessibility of ETC programmes:
50. the designation of authorities should no longer be required or should be limited to a description of the roles of implementing authorities within the operational programmes. The current designation procedure has led to delays and administrative burdens because auditors required large amounts of documents and evidence as they went through the set of checklists issued by the Commission. While this created administrative burdens it did not improve the implementation of the programmes;
51. audits should focus on being preventive and cooperative. In practice, audits should not only indicate errors but also unnecessary regulations/procedures, as well as propose adequate solutions to avoid extra administrative requirements. Such an approach would also help strengthen the single audit principle, which must build on management verifications in order to avoid beneficiaries having to provide evidence more than once. Controls, monitoring and audits should focus more on the content and the results and not merely on the processes;
52. the CPR requirements for statistical and non-statistical sampling of auditing are creating difficulty in ETC programmes due to their cross-border nature and small size of financial allocation. The coverage rate (5% of operations, 10% of expenditure) should be reduced or entirely left to the professional judgment of the audit authorities taking into consideration programme specificities. Errors should not be extrapolated to the whole cooperation programme if the error concerns one project partner only. The materiality level of errors should be increased to 5% to encourage experimentation and to allow first-time project promoters, who are more likely to commit errors, to apply for support;
53. a major area of difficulty in the implementation of ETC programmes concerns eligibility rules and in particular staff costs. In order to introduce real simplification, decision-makers must allow moving away from the reimbursement of real costs to instead pay for outputs delivered and, where possible, objectives achieved. A managing authority should not be required to verify or calculate the staff costs of beneficiaries. A first step would be to strengthen the use of simplified cost options further, establish more off the shelf options, and increase specific limits;

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<sup>5</sup>

<http://interact-eu.net/#o=news/interreg-post-2020-reflection-paper>

54. annual closure of accounts should be reviewed and significantly simplified so that it does not create a disproportionate burden for authorities and beneficiaries and does not have a negative impact on reimbursements;
55. the proportionality principle should be strengthened and its scope precisely defined in the regulation, without need for further guidance. Current legislation unfortunately tends to use the word "proportionate" loosely without defining its consequences for implementation. This creates legal uncertainty and triggers additional guidance documents which contribute to the administrative burden;
56. thematic concentration requirements should not apply to ETC programmes. Investment areas should be left to be discussed as part of negotiations on each ETC programme as the needs of EU border regions and transnational areas are very diverse. Some cross-border regions, which have a long history of cooperation, might be ready to focus on promoting economic growth and innovation. Most, however, still require initiatives to build mutual trust, which is the foundation of cross-border cooperation. Such initiatives include cultural and sports event as well as all other types of projects targeting citizens directly. Investment areas should, however, be consistent with the thematic priorities of the macroregional and maritime strategies when these strategies cover one or more cross-border or international cooperation programmes. Due to differences in territorial challenges, transnational cooperation also requires greater leeway in setting development policy priorities and strategies;
57. the implementation of Article 20 of the ETC regulation on measures outside the EU part of the programme area must be simplified;
58. in order to promote convergence of regional, and where appropriate multi-regional, programmes and cross-border, international and European cooperation programmes, Article 70(2) of the general regulation on ESIF could be amended to make it compulsory to use at least a small proportion (to be determined) of the ERDF funds allocated to regional programmes for European cooperation initiatives of benefit to the region of origin. This provision would further boost the added value of cohesion policy in future and significantly develop cooperation initiatives in Europe;
59. harmonisation of implementation rules between EU-level funds managed centrally by the EU and between different ETC programmes is advisable as implementation authorities and beneficiaries are often involved in more than one programme and the application of the significantly more complex rules for the ESI funds is difficult to explain, making them less attractive. Under the various ESI funds and centrally managed funds, identical rules should therefore apply;

60. community-led local development (CLLD) must include specific arrangements to allow for its use across borders. More broadly, the use of integrated territorial development instruments, including CLLD and ITI (integrated territorial investments) in cross-border cooperation should be encouraged.

Brussels, 4 July 2018

The President  
of the European Committee of the Regions

Karl-Heinz Lambertz

The Secretary-General  
of the European Committee of the Regions

Jiří Buriánek

## II. PROCEDURE

<b>Title</b>	Boosting growth and cohesion in EU border regions
<b>Reference(s)</b>	COM(2017) 534 final
<b>Legal basis</b>	Article 307 TFEU
<b>Procedural basis</b>	Own-initiative opinion
<b>Date of Council/EP referral/Date of Commission letter</b>	N/A
<b>Date of Bureau/President's decision</b>	N/A
<b>Commission responsible</b>	Commission for Territorial Cohesion Policy and EU Budget (COTER)
<b>Rapporteur</b>	János Ádám KARÁCSONY (HU/EPP) Member of Tahitótfalu council
<b>Analysis</b>	19 December 2017
<b>Discussed in commission</b>	27 February 2018
<b>Date adopted by commission</b>	27 April 2018
<b>Result of the vote in commission (majority, unanimity)</b>	majority
<b>Date adopted in plenary</b>	4 July 2018
<b>Previous Committee opinions</b>	Opinion CoR 4286/2015 "Strengthening Cross-border Cooperation: the need for a better regulatory framework?"  Opinion CoR 4294/2016 "Missing transport links in border regions"  Opinion CoR 1527/2017 "People-to-people and small-scale projects in cross-border cooperation programmes"
<b>Date of subsidiarity monitoring consultation</b>	N/A