




# CROSS-BORDER ECONOMIC DEVELOPMENT

PRACTICAL GUIDE

BUILDING  
PARTNERSHIPS

PROMOTING  
PROJECTS



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An electronic version of the brochure may be downloaded from the MOT website:  
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## An observation ...

### THE POTENTIAL FOR ECONOMIC DEVELOPMENT IS LITTLE EXPLOITED

In 2014-2015, the Mission Opérationnelle Transfrontalière (MOT) conducted a study on economic development in cross-border territories, focusing mainly on the borders that France shares with its neighbours.

The MOT's point of departure was the observation that the potential for economic development in cross-border territories is not sufficiently exploited. In addition, notwithstanding the free movement of capital, goods, services and people within the European Union, European governments adjust their tax and economic development policies without necessarily coordinating with each other. As a result, border territories are on the frontline of any ensuing discrepancies or synergies. Further, the question of cross-border employment is crucial for France, where 40% of European Union cross-border workers, i.e. around 380,000 workers in 2013, reside.

## A practical guide...

### ... TO BUILDING PARTNERSHIPS

### ... TO PROMOTING PROJECTS

The MOT has drafted this practical guide based on extensive research. The first part focuses on the partnerships to promote economic development and the second part on the development of cross-border economic projects.

#### 1. BUILDING PARTNERSHIPS

The first part examines the issues from the perspective of institutions and of territorial economic development strategy. Its purpose is to provide methodological, perceptive and analytical tools to help public and semi-public-sector players to better structure their cooperation initiatives for cross-border economic development.

#### 2. PROMOTING PROJECTS

The second part to promoting projects allows helping intermediate structures to better support developers of economic development projects with a cross-border dimension.

The guide also aims at:

- fostering and strengthening dialogue and partnerships between cooperation practitioners in cross-border territories.
- building on best practices for public action and for supporting project stakeholders in cross-border economic development

Cross-border economic development has many facets: corporate partnerships, exports or provision of services on the other side of the border, bi-location, subcontracting relationships, inter-clustering, etc. Unlike economic development at the international

level in the broad sense, these different facets have in common the concepts of proximity and territorial location. The practical guide therefore includes tools designed to address the different configurations of cross-border economic relationships: “I work with my neighbour/ for my neighbour / at my neighbour’s”.

This guide covers all the French borders and contains a series of methodological suggestions linked to concrete tools and illustrated using examples of transposable best practices from different border regions. The guide addresses the main questions relating to strategic partnerships and support for projects for cross-border economic development. While it is not intended to be exhaustive, it refers to other studies that take a more detailed look at the different borders. Lastly, the guide examines the “partnership life cycle” and “project life cycle”. However, even though these cycles are presented step by step, the numerous repeated processes involved in the development of strategic partnerships and the lives of projects make possible a non-linear reading of the document.

This practical guide has been designed to complement the MOT’s Introduction to cross-border economic development. The guide therefore focuses on methodological tools, while the Introduction takes a descriptive (including summary situational analyses for nine cross-border territories) and analytical (formulating a series of cross-cutting conclusions) approach. The introduction addresses centre on changes in framework conditions and in the legal and administrative frameworks, as well as strategic orientations in cross-border economic development.

## • ...DESIGNED FOR STRUCTURES THAT SUPPORT PROJECT DEVELOPERS

• The guide is intended first and foremost for structures, in France as well as the neighbouring countries, which, depending on their areas of competence, form or may form partnerships aimed at promoting cross-border economic development: territorial authorities (including managing authorities and joint technical secretariats of European programmes), ministries (Interior, Economy, Labour, Finance, etc.) and government services (for France – the DIRECCTE and SGAR networks and the CGET<sup>1</sup>), chambers of commerce and industry, economic development agencies, public employment services and EURES-T, credit and investment institutions (for France, the Caisse des Dépôts and Bpifrance, etc.), the European Commission (DG GROW, DG REGIO), cross-border structures, etc.

• Thus, while this guide may not be aimed directly at project developers, which may be companies (especially SMEs and micro-enterprises), universities, research centres, etc., they are the ultimate beneficiaries of the practical advice.

• The guide is available in both soft and hard copy through the MOT’s website<sup>2</sup>. It is designed to be disseminated and used by various networks (France: CCI France, the APCMA, CNER, ARF, ADF, AdCF and ACUF), by directorate-generals of ministries and by diplomatic and European (Interact, etc.) networks.

<sup>1</sup> See glossary of Abbreviations at the end of this guide.

<sup>2</sup> <http://www.espaces-transfrontaliers.org/en/the-mot/publications-and-studies/practical-guides/>



## BUILDING PARTNERSHIPS

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# Identifying and promoting the cross-border dimension of economic development to institutional players



To create a strategic partnership for cross-border economic development, one must first understand the economic fabric and identify the specific existing or potential cross-border components in the economic development of a given territory.

This knowledge should help to establish a rationale for developing policies to support cross-border economic development.

This message may then be circulated among citizens and elected officers, through seminars, publications, newspaper articles and videos of factual testimonials that convey the reality.

# IMPROVING KNOWLEDGE OF CROSS-BORDER ECONOMIC DEVELOPMENT

How can one provide an overall view of the economic fabric of territories on both sides of the border to public-sector players, who generally do not have such an overview?

A regularly updated situational analysis should focus particularly on: existing economic sectors and branches, businesses, clusters, competitiveness hubs, business areas, business incubators, research centres, higher education institutions, the labour market, vocational training, etc. A situational analysis helps to identify broad trends in cross-border economic relations (cross-border sectors, subcontracting relationships, cross-border provision of services, trade, inter-clustering, cooperation in the field of research, cross-border employment flows, etc.).

This analysis may be conducted through studies, cross-border observatories, or thematic seminars.



**Studies** enable the detailed examination of a territory or an aspect of cross-border economic development.

## EXAMPLES:

Every year, the **Swiss research institute BAK Basel Economics** publishes the “**Regio Perspectives - Economic analyses and forecasts for the Upper Rhine Euroregion**”. This annual report analyses business conditions

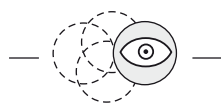
in the three areas of the **Upper Rhine region**, and also in the major economic sectors of the territory. It also includes macroeconomic business indicators, and reports on the economic situation of the **Upper Rhine in the national and international context**. Additional topics are also featured every year, e.g. in 2010 the labour market and in 2009, the strengths and weaknesses of the **Upper Rhine region**.

<http://www.regioperspektiven.org>

## The Greater Region's Economic and Social Committee

regularly publishes reports on economic and social conditions in the territory. These reports cover population, the economy, employment and the labour market, education and living conditions.

<http://www.granderegion.net/fr/documents-officiels/reso-doc-cesgr/index.html>



## Cross-border observatories

are charged with monitoring changes in cross-border territories, including changes in the economic fabric. They can identify the impact of cross-border integration on the economic development of territories over the long term. The observatories therefore offer a complementary dynamic view to the studies, which offer a snapshot of a specific moment in time.

The observatories help to steer economic development and regional planning policies, and guide public and private players

in their decision-making. They also give the general public greater visibility regarding the cross-border territory, and financing long-term statistical observation initiatives in the areas of economic development and employment is therefore a priority. In this vein, the **Cross-Border Strategic Committee on observation**, set up by the CGET and the MOT in 2013, and which brings together some ten European governments, aims to promote the progressive and pragmatic improvement and expansion of the repository of cross-border data and indicators.

Differences in the definition and cultural perception of indicators must be taken into account in order to agree on a system that suits all cooperation participants.

## EXAMPLES:

The **SIG-GR, the Greater Region Geographic Information System**, is a cross-border database that covers several fields including the labour market. By providing harmonised data and common definitions, SIG-GR makes it possible to compare the areas of the Greater Region.

<http://www.gis-gr.eu/portal/fr/themes/marche-du-travail.html>

## The OIE, the Interregional Observatory of the Labour Market

is a cross-border system that assesses socio-economic changes in the Greater Region. It provides comparable and interpretable data on the labour market for the political authorities in the Greater Region.

<http://www.iba-oie.eu>



**Thematic seminars** are a forum for updating situational analyses and disseminating existing data to the players concerned.

## EXAMPLES:

The **Upper Rhine Tripartite Congress**, which has been held every two years since 1988, regularly addresses topics related to economic development. The congress brings together partner public authorities, but also businesses, research centres, and civil society in the broad sense.

<http://www.rmtmo.eu/fr/region-metropolitaine/la-demarche-de-region-metropolitaine-trinationale-du-rhin-superieur/les-congres-tripartites.html>

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# ASSESSING THE VALUE ADDED OF CROSS-BORDER ECONOMIC DEVELOPMENT

Borders are vectors of wealth that are worth exploiting. Confirming this premise for a given territory makes it possible to develop public cross-border policies.



**Indicators such as the following may be used** to determine the value added and impact of the cross-border dimension in economic development: the number of jobs created on each side of the border, the number of border jobs, the number of jobs indirectly generated by cross-border employment (“presential” economy)<sup>1</sup>, GDP growth, establishment of companies, setting-up of branches, subcontracting relationships, etc.

## EXAMPLE:

In 2013, the **OECD published a report entitled “Regions and Innovation: Collaborating across Borders”**. This report analyses why and when it is relevant to collaborate across borders in the area of innovation. It also analyses cross-border governance models for innovation and public policies to increase cross-border innovation. Lastly, the report examines six case studies on high-performing cross-border innovation systems.

<http://www.oecd.org/fr/innovation/regions-and-innovation-collaborating-across-borders.htm>



Studies of this kind help to elaborate **arguments for cross-border integration** of economic development, in order to raise awareness among decision-makers (elected representatives, senior government officials, etc.), and also citizens and businesses on the value added of cross-border economic development, and even convince them to work toward this integration.

## EXAMPLE:

The Aquitaine-Euskadi Euroregion promotes the view that cross-border partnerships strengthen the ability of territories on each side of the border to export and be more competitive internationally.

*For a more detailed analysis of the different arguments, please see the “Introduction”.*

<sup>1</sup> See “Introduction” page 6



# Defining optimal scopes for partnership

The complexity of government action and of interactions between the public and private sectors in the area of economic development is amplified in a cross-border context by asymmetry between the different sides of the border.

It is therefore a challenge to create efficient governance of cross-border economic development.

It means first of all defining the optimal scope for partnerships for cross-border economic development, by identifying the essential players and skills, means of action, complementarities between players, unifying elements, etc. The fields under consideration (access to innovation, labour market, etc.) may call for initiatives at different levels.

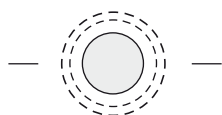
Next, it is important to improve coordination between territorial levels and the different thematic aspects of economic development. A set of areas of competence and themes are attached to each level of government authority; in this regard, the territorial reform underway in France is a sign of the shift towards a greater economic role for regions and conurbations.

Lastly, the partnerships must be sustained. To have a real effect on the territory, economic development initiatives must be conceived over the long term; which is why sustainable governance is one of the factors that determines the success of public policy in this area.



# CLARIFYING AND RATIONALISING GOVERNANCE FOR ECONOMIC DEVELOPMENT

Configurations involving too many players may lead to inertia or inefficiency. Identifying several circles of partnership makes it possible to combine efficiency and the need to bring together all the relevant players.



Three circles may be identified: a “core group” of public authorities, associate partners and private-sector economic players.

- The “core group” is made up of public authorities that have competence in the area of economic development and a strategic vision of the priorities that need to be focused on. The task of this circle of players is to define policies to promote cross-border economic development, leadership, and even finance development strategies.<sup>1</sup>

- Associate partners are structures such as development agencies, chambers of commerce and industry, employer and employee organisations, public employment services, etc. These actors have in-depth knowledge of the field and play a key role in supporting economic players. Associate partners should be consulted in the drawing-up of development strategies and policies and then involved in the implementation of actual work.

- Lastly, private-sector economic players, whose business is at the heart of the development of cross-border territories, are the ultimate beneficiaries of the strategies

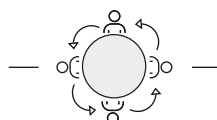
and policies. Consultation, dialogue and awareness-raising mechanisms for economic players must therefore be strengthened.

Configurations involving too many players may lead to inertia or inefficiency. Identifying several circles of partnership makes it possible to combine efficiency and the need to bring together all the relevant players.

## EXAMPLE:

Players in the **Upper Rhine Trinational Metropolitan Region (TMR)** are grouped under four pillars (political, economic, scientific and civil society). Each pillar has its own coordinator and is charged with implementing one component of the TMR’s strategy. The aim of this set-up is to better coordinate players and create links between the four components. The political pillar brings together the public authorities in the four institutional cooperation bodies (the Upper Rhine Conference, the Upper Rhine Council, the four Eurodistricts, and the network of cities). The economic pillar is made up of the chambers of commerce of the three Upper Rhine areas: French, German and Swiss. The scientific pillar brings together higher education institutions, research organisations and players that promote innovation and technology transfer.

<http://www.rmtmo.eu>



Sharp lines of demarcation continue to exist between the different types of players and hamper a more integrated approach to cross-border economic development. Consequently, it is important to **strengthen the links between different types of partners**, especially when they play complementary roles. **Connections must be developed especially between territorial authorities and economic players, between the worlds of research and business, and between public employment services and businesses.**

## EXAMPLES:

**The cross-border PAMINA Business Club** is made up of development agencies, territorial authorities and French and German chambers of commerce and industry. The aim of this business club is to improve its members’ cross-border advisory activities and relay information from economic players.

<http://www.pamina-business.com>

**There are over 20 EURES cross-border partnerships in Europe.** Their task is to address information and coordination needs in the area of cross-border professional mobility. EURES cross-border partnerships are valuable points of contact between employment administrations and the social partners. The scopes of partnerships vary depending on the territory, but generally encompass public employment services and professional development, employer organisations and trade unions and local authorities (municipalities or government departments).

**EURES Cross-Border PED (FR-BE-LUX)**

<http://www.eureslux.org>

**EURES-T Upper Rhine (FR-DE-CH)**

<http://www.eures-t-oberrhein.eu>

**Eureschannel (FR-BE-UK)**

<http://www.eureschannel.org>



It is essential to clarify the division of powers, comparable functions on either side of the border and interactions between players. This may be done for example through **dynamic mapping of players and their areas of competence.**

The aim is to identify which public, semi-public or private-sector players must consult one another, and on which topics.

<sup>1</sup> For a comprehensive analysis of the role of the various public and semi-public sector players involved in cross-border economic development, see the Introduction.

The objective is to overcome the instability resulting from frequent reforms of public policy and clarify each partner's role. This also helps to prevent duplication of cross-border structures, partnerships and projects.

Information on each player's role must be constantly updated, firstly because staff turnover in the area of cross-border cooperation is fairly high, and secondly because cross-border partnerships depend heavily on the personal investment of officials.

#### EXAMPLE:

**The 2011 "Almanach Benelux"** provides an overview of public-sector players, cross-border initiatives and cooperation structures in several areas including economic development. The almanac also explains government structures and the distribution of competences in Belgium, the Netherlands, Luxembourg, France and Germany.

[http://www.benelux.int/files/4213/9177/0845/almanach\\_2011-2015.pdf](http://www.benelux.int/files/4213/9177/0845/almanach_2011-2015.pdf)



↳ In complex governance configurations such as those for cross-border economic development, it is useful to **identify the coordinator or lead partner of the partnership**. There are two main options:

- A more hierarchical structure, in which one type of player acts as the lead partner or coordinator, especially with regard to drawing up a cross-

border economic development strategy. The recent reforms in France tend towards the strengthening of the role of a regional lead partner or a region/conurbation tandem.

- A more collegial network structure, in which one player acts as a neutral coordinator of the partnership, charged, in particular, with facilitating the collective work of the players. This role is closer to that of cross-border structures (Euroregions, Eurodistricts and cross-border conurbations).

## CONNECTING THE DIFFERENT TERRITORIAL LEVELS AND THEMATIC COMPONENTS OF ECONOMIC DEVELOPMENT



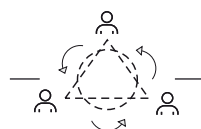
↳ Identifying the value added of cross-border economic development consists also in **defining the right territorial level depending on the issue**, while maintaining some flexibility in the definition of scope.

- **The employment area level** – cross-border cities and conurbations, Eurodistricts, cross-border nature parks, etc. – is relevant for spatial policy and planning: urban transport, land use, business areas and ordinary public services.

- **The regional level** – Euroregions (Greater Region, Aquitaine-Euskadi) is especially relevant for innovation and research, clusters, major transport infrastructures (e.g. airports or regional transport). Euroregional strategies for innovation or economic and territorial development may be defined at this level.

- **The national and European levels** are where the main structures for laws, cohesion, redistribution, etc. may be found. For cross-border economic development purposes, what is important is inter-governmental coordination (coordination of tax laws, major transport infrastructures, TEN-T, and energy, TEN-E, etc.).

The relevant cooperation level may differ depending on the economic sector and actual conditions in the cross-border territory. In general, cooperation levels are broader (regional to global) in more technology intensive areas. However, a more localised approach may be more appropriate for rural or presential economic sectors, which are typical in some less easily accessible border areas (e.g. mountain regions) where there is often a predominance of small SMEs.



↳ Given the large number of public and private-sector partners potentially involved in economic development, it is more pragmatic to **create flexible and adaptable partnerships**, to avoid overly complex governance configurations.

When drawing up economic strategies or action plans for a particular sector or area, for example, it is more efficient to start from a broad scope of possible cooperation, with informal governance, and from there form smaller partnerships.

#### EXAMPLE:

**The TTR-ELAt (Top Technology Region/Eindhoven-Leuven-Aachen triangle)** cross-border region was created in 2009 from the merger of TTR and ELAt, two economic projects in a region considered by the OECD to be an "innovation leader". It spans three countries (B/NL/D), six regions and six cities that collaborate to develop cross-border connections in three sectors: chemicals and innovative materials, high-tech systems and life sciences. This collaboration is more pragmatic than formal, leading notably to the set-up of ad-hoc sub-groups or bilateral cooperation on specific issues. It is "à la carte" cooperation, based on voluntary participation and smart specialisation.

<http://www.oecd.org/gov/regional-policy/publicationsdocuments/TTR-ELAt.pdf>

↘ In a cross-border context, asymmetries in terms of competences among partners on either side of the border may pose a challenge for cooperation. Further, in a country like France, many decisions on major economic issues (e.g. taxes) are made centrally, even though the in-depth field knowledge is local. It is therefore important to **strengthen local-national**

**information channels and multi-level governance.**

**EXAMPLES:**

**Several intergovernmental commissions (ICGs)** are charged with facilitating the examination and resolution of border disputes in cross-border regions (French-German-Luxembourg, French-Luxembourg, French-German-Swiss and French-Swiss). The ICGs

formulate recommendations, for example contract amendments, for governments. They may call on experts, such as representatives of ministries or local authorities.

**The French-Swiss and French-German dialogue** on cross-border cooperation has a purpose similar to ICGs. It involves ministry

officials, decentralised government departments and regional authorities and addresses various cross-border issues, including taxes and the economy.



## SUSTAINING THE PARTNERSHIP

Effective governance of cross-border economic development requires sustained strategic partnership. The objective is to commit to a long-term partnership and beyond that, develop contractual and structural relationships and earmark funds for the implementation of joint strategies. The challenge is to transcend the personal investment of technicians or elected representatives in order to commit to the structure as a whole and over the long term.

Sustaining the partnership does not mean keeping it unchanged for years. It may mean changing the governance structure, by adjusting the partners involved, or modifying the objectives pursued.



- Election calendars on both sides of the border and turnover in the persons involved make it difficult to establish continuous and sustainable cooperation. In this regard, the ability to **overcome differences in calendar** greatly influences the sustainability of the partnership.

- Sound **mutual knowledge of partners** (regarding territorial organisation, areas of competence, strategies and policies) guarantees sustainability. Almanacs, directories, and training help to disseminate and update this knowledge.

- In addition to strategic partnerships, which often bring together territorial authorities,

chambers of commerce and development agencies, it is useful to **create a network of experts** (belonging for example to clusters, research centres, business areas or civil society), to enrich strategic reflection with accurate and up-to-date information. This creates a precious link between the decision-making level and the field, and ensures the transmission and use of knowledge.

- A **multi-year contractual commitment** (e.g. cooperation agreement or cross-border structure) perpetuates the partnership by formalising core work areas and, potentially, financial support.

- **Evaluation of the impact of strategies and initiatives**

**undertaken** may encourage the long-term structuring of the partnership, and also its development to improve the policies implemented. It is important to define relevant indicators that may be measured across borders (GDP, unemployment rate, employment rate, new business start-ups, number of jobs, etc.).

- **Increasing the visibility of the partnership for citizens and businesses** can have a positive impact on buy-in to strategies and their implementation. This may be through communication on the impact of cooperation or testimonials on concrete projects.

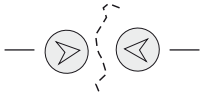




# Transcending competition between cross-border territories

Building a strategic partnership for a common vision of development of a cross-border territory may be challenging in an inherently competitive field such as the economy. Not only economic players, but also territories themselves are in competition (e.g. tax differentials).

Before working to structure governance in this area, the competitive relationships that may exist between public authorities and semi-public agencies must be transcended. It is necessary to break the reflex of championing solely one's territory (establishment of new companies and localisation of jobs, a purely national view of economic sectors in the territory), because cooperation is often a "win-win" situation. Public-sector players must build a common philosophy of cooperation with regard to government policies that support economic development.



↳ Firstly, **complementarities must be sought** in the economic fabrics on both sides of the border. Within the European area where free movement is supposed to benefit all citizens, competition - like cooperation - needs to be at the cross-border level. The deeper the knowledge of the economic fabric on both sides of the border, the easier it is to find, firstly, similarities that may justify pooling (economies of scale) or the creation of conurbation economies and, secondly, differentiating factors and complementarities, and therefore the potential for establishing links. For example, diversity (multiculturalism, heterogeneous economic fabric, different levels of development, etc.) of a cross-border territory may constitute a potential for innovation (“serendipity effect”, targeted transfer of technology, etc.).

To establish cross-border ties, players from the same economic sector must identify complementary partners (subcontracting, compatible products). In this regard, public-sector players may emphasise the potential advantages of working together, by setting-up working groups on specific topics, conducting studies, etc.

#### EXAMPLE:

Looking ahead to the 2014-2020 programming period, **the Nord-Pas de Calais region and West Flanders compared their innovation and smart specialisation strategies (SRI-SI)** to identify joint and complementary sectors. The long-term objective is to promote interactions between economic players on both sides of the border.



↳ Next, **win-win situations must be identified**. Two types of opposing interests may be highlighted in the area of cross-border economic development: first, those of mobile businesses that set up in regions where they have the most advantages and, second, those of territorial authorities that wish to attract businesses and secure jobs in their territories, on both sides of the border, especially when there are differentials in development. In this context, it is more constructive to focus on identifying win-win situations and thereby promote the development of cross-border economic relationships.

#### EXAMPLE:

**For a company, a bi-location strategy** may consist in setting-up a subsidiary or branch in a neighbouring country, to enjoy the respective advantages of two neighbouring countries (for example at the French-Swiss border).



↳ **Territorial marketing targeted towards international markets** makes it possible to promote a cross-border territory to third-party investors. Combining the assets of the territories on both sides of a border makes the common destination more visible and attractive. Mutual trust, which may need to be built over several years, is established when the partners accept that the establishment of a company on the other side of the border may have positive effects for them too.

#### EXAMPLES:

**One of the Upper Rhine Valley (2013-2015)** project's objectives has been to promote tourism in the Upper Rhine to travel agents and the media on the international markets. The project's premise is that the three countries of the Upper Rhine each gain by promoting themselves under a common brand.

<http://www.upperrhinevalley.com>

**The “Invest in Eurometropolis” online platform** highlights the assets that the Lille-Kortrijk-Tournai Eurometropolis offers investors. It maps the clusters, sites of excellence, research centres, logistics, business parks and business tourism operators. As part of the “Invest in Eurometropolis” initiative, the partners were also present on a joint stand at MIPIM.

<http://www.investineurometropolis.fr>

**The “The Growth Centre – Success for the Danish-German Region”** project has developed interregional marketing based on six assets: tourism, food, healthcare and wellness technologies, renewable energies, logistics and knowledge.

<http://www.dinregionsportal.eu/361>

# Building a strategic vision for cross-border economic development

Drawing up a sound and effective partnership makes it possible to develop a joint strategy to promote the economic development of a cross-border territory.

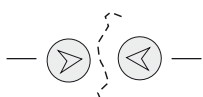
The aim is to unite the players around a common vision of the territory, based on shared objectives, and to move from an individual project to a work programme. However, before that is possible, the different players must define a cross-border dimension for their own economic development strategies. A genuinely cross-border strategy can only be developed once this is done.

As a general rule, a cross-border economic development strategy should be in line with an overall vision of spatial policy and planning for the cross-border territory. It should also combine top-down and bottom-up approaches. Regional partners, who often initiate cross-border strategies, do not necessarily have a comprehensive vision of the potential. It is therefore important to draw on local players' in-depth knowledge of the field and take into account their needs and wishes.



# IDENTIFYING ECONOMIC SECTORS WITH CROSS-BORDER POTENTIAL

The first step in drawing up a cross-border economic development strategy is identifying economic sectors with cross-border potential. The aim is to determine in which areas the establishment of cross-border connections (partnerships between clusters, or between universities or technology centres and businesses on both sides of the border, exports or provision of services on the other side of the border, etc.) could create value added.



The economic fabric is dynamic and changing, which makes it necessary to regularly renew the search for complementarities. Economic sectors with cross-border potential have been identified in some cross-border territories, such as for example, materials and processes in the Greater Region and life sciences in the Upper Rhine.

## EXAMPLES:

**In 2013, ahead of the drawing-up of its Euroregional Innovation Strategy,**

**the Pyrenees-Mediterranean Euroregion commissioned an assessment of the ecosystem of innovation of the territory.** The focus was on three strategic sectors: water, e-health and agri-food. Interviews were conducted with institutional players and economic representatives from the four member regions to identify complementarities. The regional innovation strategies

of the four regions were compared, notably to pinpoint competing and complementary areas, strengths and weaknesses and avenues for collaboration for the three targeted sectors.

[http://www.euroregio.eu/sites/default/files/sei\\_fr.pdf](http://www.euroregio.eu/sites/default/files/sei_fr.pdf)

*More details may be found in the factsheet on the project.*

## **The cross-border Strategic Workforce Planning (SWP)**

exercise for the ports of Strasbourg and Kehl integrates the issues of complementarity of the economic fabric (businesses) with those of employment/training (employees).

The cross-border SWP is aimed at pooling jobs and skills between sister companies and helping businesses to develop a better knowledge of the issues at stake in their own development. Interviews were conducted with some 30 “network heads”, both institutional and private, in the ports of Strasbourg and Kehl.

<http://www.maisonemploi-strasbourg.org/la-demarche-de-gpec-des-ports>

*More details may be found in the factsheet on the project.*

# DRAWING UP CROSS-BORDER ECONOMIC DEVELOPMENT STRATEGIES



Once economic sectors with cross-border potential have been identified, it is possible to work on drawing up a cross-border economic development strategy. This is done through political negotiations, seminars or thematic workshops, consultations with stakeholders (chambers of commerce and industry, employer and worker representatives, clusters, universities etc.). In most cases, for this exercise it is necessary to find common ground between regional and local economic strategies on both sides of the border.

## EXAMPLES:

**At the end of 2013, the Upper Rhine institutional players** drew up a 2020 Strategy for the Trinational Metropolitan Region. This strategy is the

result of political consultations between elected representatives in this territory and thematic work seminars between the technical departments. It defines ten priorities for the four components of Upper Rhine cooperation (sciences, economy, civil society and policy). Economic development is therefore intertwined with the other aspects of the territorial development of the Upper Rhine.

<http://www.rmtmo.eu/fr/economie/strategie.html>

At the end of 2014, **the Aquitaine-Euskadi Euroregion finalised its 2014-2020 Strategic Plan.**

On the basis of a euroregional assessment, the strategy can be broken down into four core areas and some 40 initiatives to be conducted with cooperation players: euroregional citizenship; the knowledge-based economy, innovation, business competitiveness; sustainable territory; and open governance. To draw up the strategy, a call for papers was issued to Euroregion players (territorial authorities, cross-border structures, chambers of commerce and industry, clusters, etc.) who defined their priorities and cooperation projects.

In addition, personal interviews and working groups helped to channel their views and wishes.

<http://www.aquitaine-euskadi.eu/blog/2014/12/18/plan-strategique-de-l-euroregion-aquitaine-euskadi-2014-2020.html>

*More details may be found in the factsheet on the project.*



# Joining up funding mechanisms at the strategic level

The existing financing tools are not always sufficient to implement cross-border economic development strategies or meet all the needs of local players. It is therefore up to strategic partners to improve the offer of available financing and, especially, to optimise synergies between the different funding mechanisms, in order to ensure that all the needs of the economic players are met.

## PROVIDING FUNDING FOR CROSS-BORDER INITIATIVES

One of the problems in implementing cross-border economic development strategies is the limited number of truly cross-border funding mechanisms. INTERREG, the reference tool, may not be sufficient, because of limited resources or funding oriented towards other priorities. However, there are few alternatives to INTERREG programmes. Indeed, the tools are generally designed within a national framework, be they government aid, tax incentives, private or public-sector investment funds, etc.

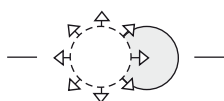
It is necessary to increase funding options for cross-border projects by coordinating national mechanisms, or by establishing cross-border funds.



The national mechanisms (ERDF-ESF regional programmes), investment banks, etc. should be able to grant funding to economic players with cross-border projects.

### EXAMPLE:

In Austria, ERDF regional programmes fund businesses to develop cross-border projects.

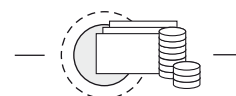


Cross-border coordination of national mechanisms makes it possible to fund both halves of a single project on either side of a border. This could be by linking national and local innovation or SME support programmes, parallel financing by public banks, etc. It is also possible to coordinate ordinary state aid for exports (for example, Bpifrance, Coface and regional aid) with ordinary state aid for investments in regions on the other side of the border

(in France for example, territorial planning and development grants and the reindustrialisation aid programme).

### EXAMPLE:

For the 2014-2020 period, the partner regions of the Pyrenees-Mediterranean Euroregion agreed in principle to finance the activities of the Euroregion through their ERDF-ESF regional programmes.



The establishment of cross-border funds (subsidies, loans, loan guarantees, shareholding programmes, etc.) that comply with rules on state aid and do not hamper competition makes it possible to meet the specific needs of cross-border projects.

### EXAMPLE:

The objective of the cross-border fund managed by the Aquitaine-Euskadi Euroregion is to grant small subsidies to launch a project which, once underway, may seek other types of financing.

## COORDINATING DIFFERENT SOURCES OF FUNDING

Synergies between the different funding mechanisms must be sought to overcome the difficulties created by multi-level structures and partnerships covering partially overlapping territories.

It is important to identify complementarities between European programmes. This makes it possible to direct the different projects towards the most useful funding tools.

### EXAMPLE:

The Aquitaine-Euskadi Euroregion conducted a comparative analysis

of regional programmes (ERDF-ESF, EAFRD and EMFF) in the two partner regions and of cooperation programmes (POCTEFA, SUDOE, Atlantic Area Programme and INTERREG EUROPE).

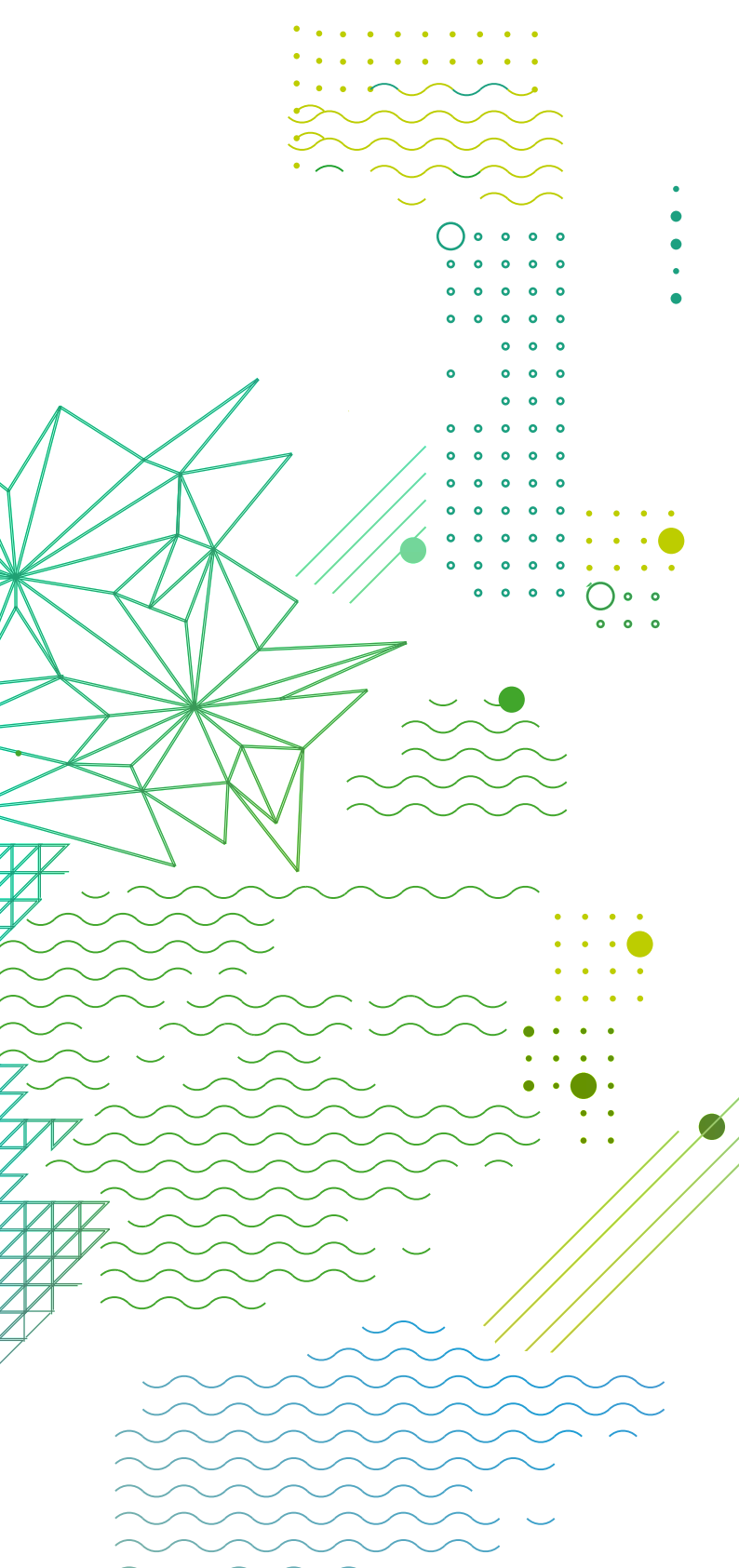
Further, coordinated strategic financing decisions must be made for projects led by economic players.

### EXAMPLE:

As part of the EURES-T Upper Rhine activity programme, DIRECCTE Alsace chose to finance two cross-border "Apprenticeship" project officers hired by the Baden-Württemberg regional directorate of the German federal employment agency. This is in line with a win-win rationale, because Alsace wishes to solve the problem of youth unemployment while

Baden-Württemberg has available apprenticeship positions and a need for labour.

# Overcoming barriers to cross-border economic development



The role of an institutional partnership for cross-border economic development is not only to draw up and implement joint strategies, but also to help to overcome the barriers and obstacles that hamper the improvement of cross-border economic integration in general and concrete regional projects in particular. These barriers are very diverse and different levels of authority must be called upon to eradicate them. Legal, administrative and tax issues fall under the purview of central or federal governments, while cultural, linguistic and cognitive barriers may be removed at the local or regional levels. The role played by partnerships for cross-border economic development may therefore vary depending on the nature of the obstacles faced.

## IDENTIFYING LEGAL AND ADMINISTRATIVE OBSTACLES

Identifying obstacles is the first step towards removing them and this step should not be overlooked. Obstacles may be identified through surveys, calls for papers, interviews, seminars and working groups. It is vital to survey not only regional and local authorities, but also chambers of commerce and industry, development agencies, employer organisations and trade unions and businesses themselves.

It is important to analyse the nature of the problems, their consequences (territories and structures affected) and their causes in as much detail as possible. Identifying obstacles is a regular, even continuous process and it is necessary to track the issues to see how they evolve over time.

### EXAMPLES:

**The Economic and Social Committee of the Greater Region** listed the administrative obstacles to economic and sustainable development in this region in the final Report of the Greater Region's 14th Summit (2013-2014). The list of obstacles is compiled and updated by the Trier European and Innovation Centre (EIC Trier GmbH).

<http://www.granderegion.net/fr/documents-officiels/reso-doc-cesgr/Rapport-final-2013-2014.pdf>

**As part of the work of the economy pillar of the Trinational Metropolitan Region (TMR)**, a study was conducted in 2013 with over 350 Upper Rhine businesses to pinpoint obstacles to their development.

In 2005-2007, **the French-Belgian parliamentary working group** (made up of six members of parliament on each side of the border) identified the impediments to cooperation along this border; the economy was one of the areas studied.

Following a call for contributions (which received over 300 responses), thematic technical consultation meetings and plenary sessions with the members of parliament, nearly 80 obstacles were listed in this area. This process was updated in 2013-2014 at the initiative of the of the Nord-Pas de Calais Region prefecture and with the support of the MOT.

<http://www.espaces-transfrontaliers.org/bdd-territoires/territoires/territoire/show/groupe-de-travail-parlementaire-franco-belge/>

## THINKING ABOUT SOLUTIONS AND HELPING TO RESOLVE PROBLEMS

While partners who collaborate to further the economic development of cross-border territories do not in general have the power to remove legal obstacles, their in-depth knowledge of the field enables them to play a crucial role in proposing solutions. Continuous information feedback and liaison with national authorities are essential. In this regard, inter-governmental committees and parliamentary working groups are good fora for local-national dialogue.

**Working groups** that bring together the relevant institutions (at local, national and European levels), as well as stakeholders, are particularly important in identifying possible solutions.

Before thinking about solutions, it is vital to jointly define the ultimate goal of the removal of the obstacle. This makes it possible to not only ascertain that there is consensus among the partners, but also provides

indications about the types of solution to be devised and whether or not resolving the problem is a priority.

To ensure that the meetings of these groups are effective, the first few meetings should be devoted to a general overview of the obstacles. Subsequent meetings should spotlight one obstacle at a time. Having a limited agenda makes it possible to focus in detail on defining

solutions. It is useful to review progress made and attempts to resolve issues as a basis for reflection. The relevance, feasibility and effectiveness of the solutions proposed must then be assessed. Lastly, it is important to agree on a precise timetable for the resolution of the problem, to allocate appropriate human and financial resources and to clarify the tasks to be carried out by the different partners.

### EXAMPLE:

A series of nine workshops on identifying solutions were organised with the support of the MOT as **part of the process of updating the list of obstacles to French-Belgian cooperation** in 2013-2014.



## OVERCOMING CULTURAL BARRIERS

Cultural barriers such as language, managerial culture and business practices may be reduced, but this is a continuous process and not a one-off activity.



↘ **Awareness raising and coaching on cultural differences.** This may be done through training, such as the courses provided by the Kehl Euro-Institute on the French-German-Swiss border, or through publications.



↘ **Strengthening language skills** among institutional players, but also economic players and workers.

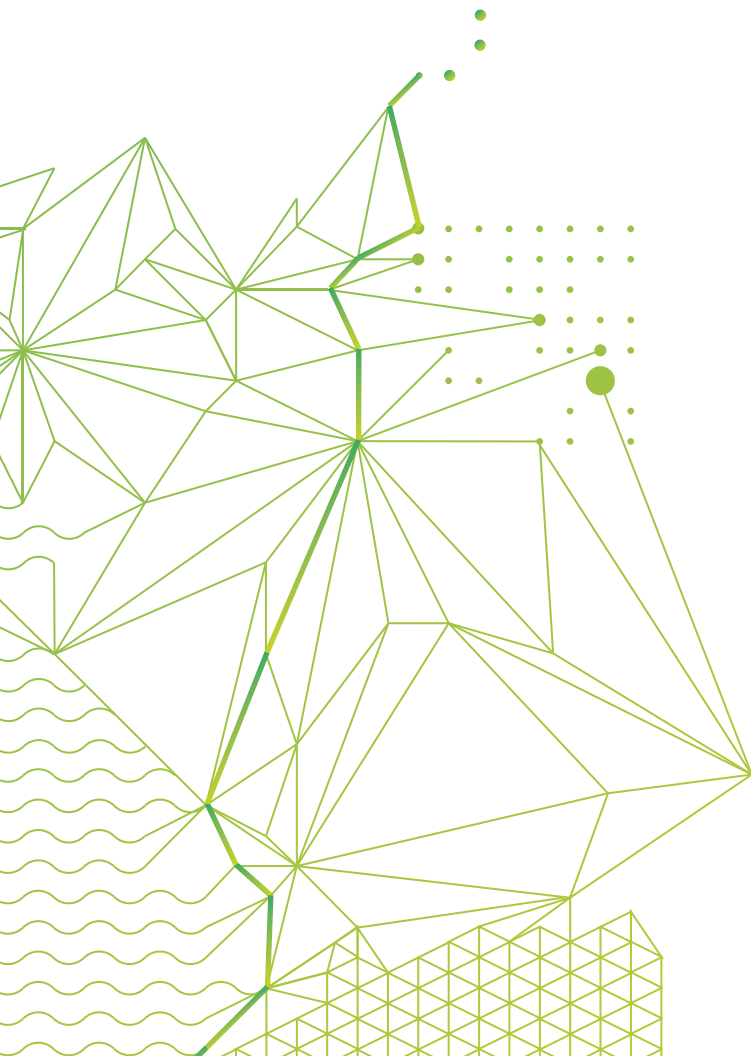
### EXAMPLES:

**The Saarland's "Stratégie France"** has the ambitious aim of making this region a fully-fledged multilingual space by 2043 and teaching all inhabitants of Saarland to speak French. The main interest of this strategy lies in taking full advantage of economic cooperation opportunities with France and of the region's position as an interface between two of the largest markets in the European Union.

<http://www.saarland.de/110783.htm>

In June 2013, **the members of the Upper Rhine Conference** signed a Charter for multilingualism in the Upper Rhine. The charter makes recommendations for language instruction from nursery up to secondary school and the CFA (Apprenticeship Training Centre). It also makes recommendations for training teachers and financing this policy of multilingualism.

<http://www.conference-rhin-sup.org/fr/education-et-formation/apercu/actualite/items/charte-pour-la-promotion-du-plurilinguisme.html>

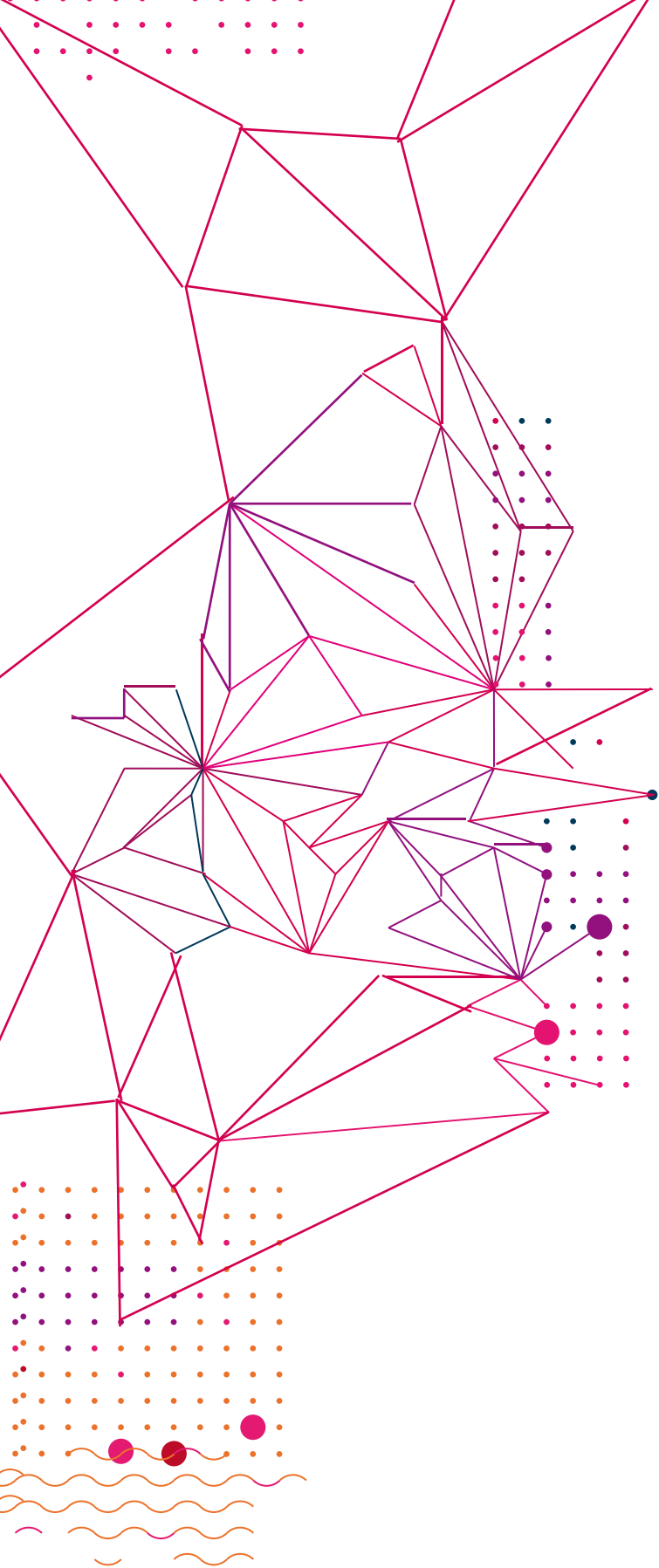






## PROMOTING PROJECTS

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# Raising economic players' awareness of the advantages of cross-border initiatives

Potential project developers (companies, universities, research centres, etc.) on one side of a border are often not sufficiently informed about the advantages of developing a cross-border dimension to their activities. They do not have the information required to assess the risks, costs and benefits that may arise from setting-up a cross-border project.

Raising economic players' awareness on the advantages of cross-border projects is therefore a prerequisite for promoting such projects. Awareness-raising efforts may be undertaken by a large number of players (territorial authorities, development agencies, chambers of commerce and industry and cross-border structures), each at its own territorial level and depending on its area of competence.

Support structures first need to identify the type of information that project developers need to assess the value of developing cross-border initiatives. The second step is to choose the tools for raising awareness among economic players.



## WHAT TYPE OF INFORMATION SHOULD ECONOMIC PLAYERS BE PROVIDED WITH?

Support structures play an important role in the dissemination of basic information on cross-border economic activities:

- principles of access to neighbouring markets, the European market or international markets in general;
- characteristics of the economic fabric on each side of the border (sectors, higher education and research institutions, competitiveness hubs, clusters, etc.);
- arguments in favour of cross-border activities (exports or provision of services, sub-contracting, bi-location, etc.);
- specific features and advantages on each side of the border with respect to a series of criteria (taxes, labour laws, business assistance, real estate, labour and skills, economic fabric, etc.);
- guidelines for exporting or provision of services (VAT, competition);
- procedures for setting-up in the other country.



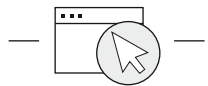
## POINT OF FOCUS

Efforts must be made to:

- highlight advantages for each party and ensure that there are no marked disparities, in order to create a climate of trust and a win-win environment.
- regularly update information to avoid disseminating out-of-date or incorrect data.

## WHAT MEANS SHOULD BE USED TO RAISE AWARENESS AMONG ECONOMIC PLAYERS?

Awareness may be raised among project developers via general or special interest web portals, practical guides, events designed to draw on previous experiences (testimonials from project developers), videos, etc. It is crucial to combine several tools and ensure that they are accessible to the target audience.

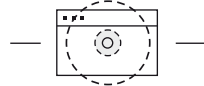


### General interest web portals

#### EXAMPLE:

**The European Commission's "Your Europe - Business" portal** is designed for businesses that wish to develop within the European Union's internal market. This portal contains general information on how to develop a business, VAT, foreign trade, human resources, financing methods and public procurement rules.

[http://europa.eu/youreurope/business/index\\_en.htm](http://europa.eu/youreurope/business/index_en.htm)



### Websites devoted to promoting cross-border territories

#### EXAMPLE:

**The "Invest in Eurometropolis" website** highlights the assets of the Lille-Kortrijk-Tournai Eurometropolis for investors (clusters, sites of excellence, research centres, logistics, business parks and business tourism). It also helps to locate these structures.

<http://investineurometropolis.fr/>



### Practical guides

#### EXAMPLE:

**The guide on doing business in Germany designed for French companies "La pratique des affaires en Allemagne à l'usage des entreprises françaises pour faire des affaires en Allemagne"** (and the equivalent guide for German companies) reviews the economic fabric, the legal framework for business activities, investment incentives, company law, human resources, taxes, accounting rules and controls.

[http://www.ey.com/Publication/vwLUAssets/Pratique\\_des\\_affaires\\_en\\_Alemagne/\\$FILE/La-pratique-des-affaires-en-Allemagne-FR.pdf](http://www.ey.com/Publication/vwLUAssets/Pratique_des_affaires_en_Alemagne/$FILE/La-pratique-des-affaires-en-Allemagne-FR.pdf)



# Creating conditions conducive to finding sound economic partners

The emergence of cross-border economic development projects depends greatly on potential project developers' ability to identify relevant partners, particularly those on the other side of the border. Public and semi-public players therefore have the role of facilitating networking and creating partnerships between companies.

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## DIFFERENT WAYS OF ESTABLISHING LINKS AMONG ECONOMIC PARTNERS

It is important to ensure that there are several different ways of making links between partners in the territory in order to meet the very diverse needs of project developers. Tools for individual searches for potential partners enable economic players to focus rapidly on what they are interested in. Networking events may open up wider perspectives and give visibility to players at the cross-border territory level. Lastly, "matchmaking" brings two or more economic players together to start a partnership.

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# TOOLS FOR INDIVIDUAL SEARCHES FOR POTENTIAL PARTNERS

This category of tools may be considered the most basic service, and consists in efficiently and rapidly providing information on a pool of cross-border partners.



## POINT OF FOCUS

The real usefulness of these tools depends on the systematic updating of data, which requires an updating procedure and the securing of ongoing financing for them.



The **directory** is the most widely used tool, in electronic (website) or paper form. It contains essential information about economic players (corporate name, location, contacts, size, activities, etc.). Additional functions, such as multi-criteria searches (business sector, location, etc.) or glossaries are very useful.

While a cross-border directory is preferable, other less integrated options must not be ruled out, such as the synchronisation of national directories (which are sometimes very comprehensive and up-to-date) or making national directories accessible on both sides of the border (by promoting them to a target audience, translating them into the language of the neighbouring country, etc.).

### EXAMPLES:

**As part of the Innov'Mugabe project** developed by the South Basque Country Conurbation and Bidassoa Activa, in 2012 an online directory was created for businesses along that part of the French-Spanish border.

<http://www.bidasoa-sudpaysbasque.com/fr/annuaire-entreprises.html>

**The Upper Rhine French-German-Swiss Conference** regularly publishes an Excel format directory of innovation players (fourth edition in 2012) compiled by the Lower Rhine Economic Development Agency (ADIRA).

<http://www.conference-rhin-sup.org/fr/economie/telechargements.html>



Another useful tool is **mapping**, which makes it possible to visually locate economic players.

### EXAMPLE:

**The Innov'Mugabe project** also created a tool for locating companies listed in the web directory.

<http://www.bidasoa-sudpaysbasque.com/fr/localisation-entreprises.html>



The search for partners is also facilitated through **individual support provided to companies**.

### EXAMPLE:

**Bihartean**, a cross-border structure that brings together the Bayonne-Basque Country CCI and the Gipuzkoa Chamber of Commerce, specialises in finding and connecting suppliers and service providers, as well as identifying new clients/market segments.

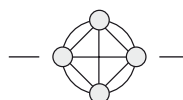
<http://www.bihartean.com/secciones/bihartean/index.php>

*More details may be found in the factsheet on the project.*



# NETWORKING TOOLS FOR ECONOMIC PLAYERS

In addition to individual searches for partners, it is also necessary to create opportunities for economic players in cross-border regions to join larger networks, through trade fairs, fora, thematic seminars, workshops, business visits, etc.



**Cross-border inter-clustering** connects or groups clusters on both sides of the border. The different links established enable clusters to open up to their environment.

### EXAMPLES

**Bihartean** organises meetings between corresponding clusters in Aquitaine and the Basque Country. Thematic roundtables bring clusters from both regions together to work in concert to design and develop new cross-border projects.

<http://www.bihartean.com/secciones/actualidad/noticias/noticias.php>

*More details may be found in the factsheet on the project.*

The purpose of the **Tandem project** spearheaded by POM West-Vlaanderen (economic development agency of the West Flanders Province) and NFID (Nord France Innovation and Development), was to create and develop “tandems” between French and Flemish clusters through the implementation of joint initiatives, notably in the areas of research and services.

*More details may be found in the factsheet on the project.*



**Thematic seminars** provide opportunities to go deeper into an issue, compare approaches on either side of the border, identify the similarities and advantages of each system, and find solutions to incompatibilities.

**EXAMPLE:**

“**Cross-border Project Café**” seminars have been launched by Start Hop (a French cooperative based in Strasbourg and Offenburg that provides advice on setting-up new businesses). The seminars bring together aspiring entrepreneurs and heads of businesses. Some of the topics addressed are:

financing; client development; establishment; web marketing and social media; creativity and innovation and student entrepreneurship.

<http://starthop.blogspot.fr/p/ubers.html>

*More details may be found in the factsheet on the project.*



**Roundtables** are events that provide a company, research institution, etc. with an opportunity to present its objectives, activities and skills to an audience.

**EXAMPLE:**

**The French-German-Swiss cluster BioValley** organises two-hour roundtables (Stammtische) several times a year for groups of 20 to 70 participants.

[http://www.biovalley.com/industry/biovalley-services-2#news\\_id](http://www.biovalley.com/industry/biovalley-services-2#news_id)

**Networking events covering one or more sectors** were organised between heads of businesses, academics and researchers as part of the “Towards Top Technology Clusters” project financed by the Euregio Meuse-Rhine programme.

<http://www.ttc-innovation.eu/>

*More details may be found in the factsheet on the project.*

**MATCHMAKING TOOLS**

Matchmaking initiatives (bringing two or more economic players together to create a partnership) complement the approaches mentioned above, especially for economic players that wish to bring their cross-border project ideas to fruition.



**The aim of mentoring** is to pair economic players together to enable the transfer of knowledge. For instance, it is possible to team up a business that has already had a cross-border experience with another that wishes to embark on one; or a young entrepreneur on one side of the border and an experienced company head on the other side of the border, etc.



**B2B** (business to business) **meetings** aim to connect two companies, with the ultimate aim being the cross-border exchange of goods and services.

**EXAMPLES**

**The CTE GO-KMO** (Cross-Border Centre for Businesses) on the French-Belgian border organises “business speed-dating” days for companies in Flanders, Wallonia, Brussels and the North of France,

with each B2B meeting lasting between 20 and 30 minutes. The last event was in October 2014 - SYNERGY DAY.

<http://www.centre-transfrontalier.org/>

**B2B matchmaking sessions and brokerage workshops** to facilitate relationships between prospective partners were organised as part of the “TTC – Top Technology Clusters” project.

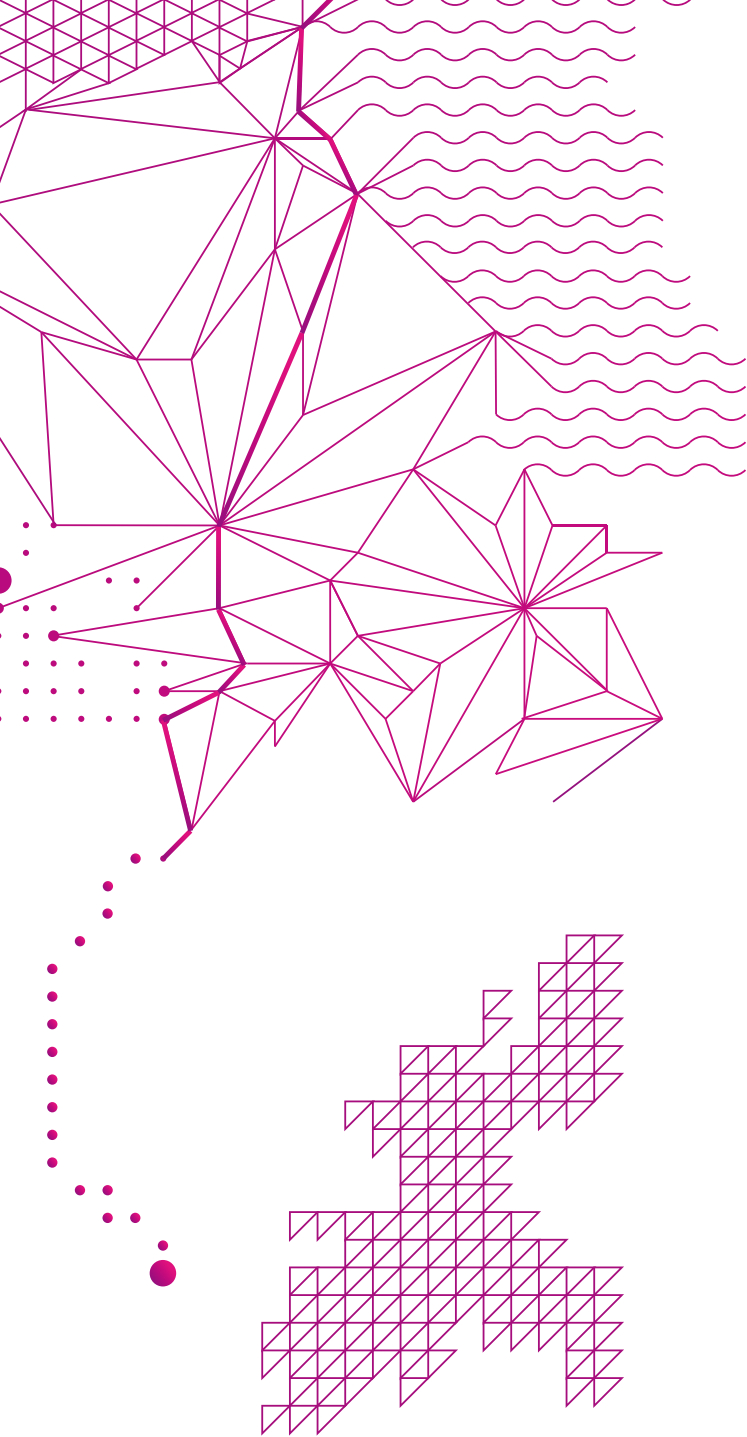
<http://www.ttc-innovation.eu/>

*More details may be found in the factsheet on the project.*

**Bihartean** regularly organises B2B meetings on different topics: tourism, innovation, high-tech, etc.

<http://www.bihartean.com/secciones/actualidad/noticias/noticias.php>

*More details may be found in the factsheet on the project.*



# Providing better support to project developers in the setting-up of their project

Many public, semi-public or private-sector structures offer support services to project developers who are interested in developing their activity on the other side of the border, and to businesses in particular. Different types of support are required in different phases of a project. Support is especially needed when they are setting-up the project, which is when project developers must define all of the work parameters (regulations, potential partners, business plan and budget, calendar, etc.).

While these support services complement each other, there is sometimes a lack of transparency on their exact scope of action. It is therefore important to clarify and optimise support channels and strengthen networking.

## WHAT TYPES OF ECONOMIC PLAYERS SHOULD BE SUPPORTED?

To optimise support services on offer, it is important to clearly define the target audience.

The economic players that require the most support are SMEs and micro-enterprises as they are less mobile and therefore more interested in the proximity of the cross-border dimension. In addition, these businesses have fewer internal expert resources than multinational companies. To SMEs we may add other structures such as universities, research centres, clusters, etc.

## IDENTIFYING SUPPORT NEEDS

It is essential to identify the needs of economic project developers in order to ensure that the support services provided are relevant and useful, and to adapt support resources. This may be done by **surveying businesses in order to identify their needs**. A common methodology may be established at the network level and then applied by each structure to the project developers they support.

## WHICH SUPPORT MEASURES AND TOOLS SHOULD BE USED?

It is important to adapt support measures to the target audience and use several types of tools in one cross-border territory.



**Comparative data sheets** describe the situations on both sides of the border with respect to aspects such as procedures for establishment, import/export, government aid, business creation and acquisition, taxes, labour laws, real estate, patent law, etc.

Each (public or private-sector) support structure may compile sheets depending on its expertise, and make some of the information available free of charge and the rest, if need be, for a fee (especially for private structures).

### EXAMPLE:

**The Union Lémanique de l'Artisanat et des Métiers (ULAM)** has drawn up practical factsheets to guide craft enterprises that wish to work in the neighbouring country (France and Switzerland). The factsheets address several topics grouped under four categories: permits and licenses, trade, customs, presentation and VAT.

<http://www.ulam.info/>

**The Greater Region's CICM (Interregional Council of the Chambers of Trades)** has produced practical factsheets for craft enterprises that wish to extend their activities to the other side of the border.

<http://www.cdm.lu/about-us/cicm>

*More details may be found in the factsheet on the project.*



**Location advisory services** aim to help businesses to set up on both sides of a border.

### EXAMPLE:

**EUREX**, a group of chartered accountants, consultants and auditors, highlights the advantages of setting-up in France and/or Switzerland (description of services on offer and examples of advantages on each side).

<http://www.eurexfrance.com/>



**Training** provides more in-depth information about each country's specific features and on how to adapt. Training courses may address cultural differences in the business world or specific characteristics of management.

# OPTIMISING SUPPORT TO POTENTIAL PROJECT DEVELOPERS

## Making support services more consistent

The aim is to ensure the consistency of the various support services. To do so, it is necessary to **clarify the areas of expertise and intervention of each type of structure** that may support project developers. Concretely, this means defining a “support pathway” that identifies the resources that project developers may draw on for each aspect of their project.

### EXAMPLES:

A **functional diagram shows the support services** proposed by the different players illustrates the consistency between the different support resources.

A **directory of experts** contains detailed information on the services offered by each support structure as well as useful contacts.

The **“Les aides et les services supports dédiés aux entreprises”** (“Aid and support services for businesses”) guide, published in September 2011 in Nord-Pas de Calais.

This clarification can help to create a real **network of competence and expertise**, or even a quality label for public or private-sector support structures on the basis of a list of jointly defined criteria. This model is used for example by the European Enterprise Network, which brings together SME support structures to develop their innovation potential and inform them of policies implemented by the Commission.

While it is possible to use general interest web portals, for example, to **increase the transparency of overall support resources**, it is more effective to target the information. Specifically, when a potential project developer approaches a support structure, this structure, having provided the project developer with its expert advice, should point out the other structures that should subsequently be used to address remaining questions. The advantage of this network system is that it ensures that the project developer receives answers to all its questions in an efficient manner.

## Strengthening overall coordination of the support network

Putting in place a support network means identifying a structure in charge of facilitating the network. Its role is to:

- ↳ ensure the consistency of the support pathway;
- ↳ maintain an overall vision of the network and the territory;
- ↳ gather information on the support services offered by each structure;
- ↳ lead efforts to formalise the support pathway (functional diagram, directory, etc.).

This facilitator or integrator is solely in charge of facilitating the network. Due to the wide diversity of support structures (territorial authorities, public, private and semi-public-sector players), it seems counterproductive, or even impossible, to appoint a coordinator or set up a reporting relationship. In addition, the facilitator should have a neutral stance and a territorial vision.

Overall coordination mechanisms:

- ↳ The task of facilitating the support network may be assigned to existing **cross-border cooperation structures** in a given territory.

### EXAMPLES:

The **EURO 3 EEIG** groups together the Greater Lille, West Flanders and Wallonie Picarde chambers of commerce. Its operational tool, the CTE GO-KMO (Cross-Border Centre for Businesses) specialises in the material, collective and individual support of companies that wish to do business on the other side of the border.

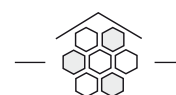
<http://euro3-lille-kortrijk-tournai.webnode.com/>

*More details may be found in the factsheet on the project.*

**Bihartean** brings together the Bayonne-Basque Country CCI and the Gipuzkoa Chamber of Commerce. The main aim of this European Economic Interest Grouping (EEIG) is to support businesses in their cross-border projects and offer targeted advice.

<http://www.bihartean.com/>

*More details may be found in the factsheet on the project.*



**Shared resource centres** may act as facilitators or one-stop shops.

### EXAMPLES:

The **French-German-Swiss Infobest** network provides information and advice to individuals, public administrations, associations, businesses and elected representatives on all cross-border issues.

<http://www.infobest.eu/>

The **French-German TransInfoNet (Cross-border Crafts Information Network)**

provides information and advice on administrative, social and tax questions to craft enterprises (worksites and provision of services). TransInfoNet also offers technical support to businesses (assistance with cross-border formalities and resolution of specific problems), organises information meetings and training sessions, and may interface with the public authorities and European institutions.

<http://www.ulam.info>



## POINT OF FOCUS

The effectiveness of the support network is based on:

- Updating information: in a changing environment (reforms, private-sector support structures), it is crucial to regularly update the functional diagram or directory of support services.
- Pooling of information within the network: the network can only function if each member structure keeps the other members informed of changes. Each link in the network must be responsible for contributing to the cohesion of the whole.



# Providing financial assistance to project developers

The emergence of projects depends substantially on the financial resources available to implement cross-border initiatives. While there are many sources of public or private-sector financing of cross-border economic projects, access to some of these sources, such as European programmes, should be facilitated. Some types of financing, such as traditional and honour loans, equity holdings, etc. need to be further developed. For many economic players, the procedures and calendar of European programmes, which often involve the reimbursement of expenses one, or even two years, after they are incurred, are not very compatible with their project life cycles. This discrepancy partly explains private-sector players' very limited use of European funding and particularly Cohesion Policy programmes. Programme procedures must be streamlined as much as possible to increase accessibility to European funding for private-sector players. This means, for example, shortening the process of attribution of financial aid and application processing times (for example, reimbursement of expenses in INTERREG projects).



# IMPROVING METHODS FOR DIRECTING PROJECT DEVELOPERS TO APPROPRIATE FINANCING TOOLS

The relevant financing tool for each project may be identified by using practical guides, web portals, help platforms, etc.



**Practical guides** set out the specific features of the different European programmes (INTERREG, Horizon 2020, Cosme, Life) and aid available nationally and at the subnational levels.

## EXAMPLE:

In June 2014, the French-German-Swiss Upper Rhine Conference published the **“Guide des sources de financement des projets transfrontaliers dans le Rhin supérieur”**. This guide catalogues funds available for

projects in this territory. Objectives, eligible structures, conditions, available credit and contact persons are detailed for each source of financing.

<http://www.conference-rhin-sup.org/fr/la-conference-du-rhin-superieur/sources-de-financement.html>



**Web portals** direct potential developers to the best sources of financing.

## EXAMPLE:

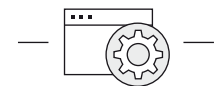
**The French web portal of the EU Framework Programme for Research and Innovation** contains information on the specific features of the Horizon 2020,

Cosme, Eurostars and EUREKA programmes, etc.

<http://www.horizon2020.gouv.fr>

**The “Your Europe Business” portal** has a search engine for locating funding available in the member states and their regions.

[http://europa.eu/youreurope/business/funding-grants/access-to-finance/index\\_en.htm](http://europa.eu/youreurope/business/funding-grants/access-to-finance/index_en.htm)



**Les plateformes d’assistance** offrent des conseils ciblés aux porteurs de projets dans leurs recherches de financements.

## EXAMPLE:

**PASTEL, the European Platform of Technical Assistance in Lorraine**, is a network made up of the main public institutions in Lorraine. PASTEL informed project developers of the opportunities offered by the European programmes for the 2007-2013 period and was able to closely support developers (project set-up, search for partners, administrative and financial monitoring, evaluation, audit-internal control, etc.).

[http://eureka.lorraine.eu/jahia/Jahia/fr/pid/1705?view\\_id=8759](http://eureka.lorraine.eu/jahia/Jahia/fr/pid/1705?view_id=8759)

# PROVIDING INFORMATION ABOUT THE RULES ON STATE AID FOR THE 2014-2020 PERIOD

In line with the principle of free competition within the internal European market, state aid granted to businesses may be deemed to be favouring certain businesses over their competitors. As state aid may distort competition, it is therefore not permitted in the European Union (Articles 107 and following of the Treaty on the Functioning of the European Union).

However, exceptions authorise aid to promote common European interest where such aid does not distort competition to an extent contrary to the

general interest. Such aid allowed by exception must in general be notified to the European Commission and may only be granted following approval by the Commission.

The Commission has however adopted regulations that, from 2001, have authorised Member States to grant certain categories of **aid without prior notification** when this aid complies with predefined criteria. Member States must notify the Commission of the introduction of an aid scheme that is exempt from the notification requirement,

but they are not subsequently required to notify the Commission of the individual aid granted under this scheme.



## There are nine types of aid schemes that are exempted:

- regional aid;
- SME investment and employment aid;
- aid for female entrepreneurship;
- aid for environmental protection;

- aid for consultancy for SMEs and SME participation in trade fairs;
- aid in the form of risk capital;
- aid for research, development and innovation;
- training aid;
- aid for disadvantaged and disabled workers.



France has put in place several aid schemes that are exempt from the notification requirement for the 2014-2020 period.

<http://www.europe-en-france.gouv.fr/Centre-de-ressources/Aides-d-etat>

In addition to the aid schemes that are not subject to notification, the European Commission also allows the granting of de minimis aid. The de minimis regulation covers all categories of companies and authorises aid of up to €200,000 per company over a three-year period. All types of expenses may be covered by a de minimis grant.

<http://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX:32013R1407>

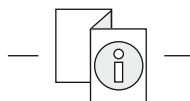
Subsidies awarded under 2014-2020 cross-border cooperation programmes must comply with regulations on state aid. Given that aid schemes exempted from notification are established nationally, it is necessary to **ascertain the existence and compatibility of schemes put in place by neighbouring countries that are part**

**of the same cooperation programme.** Subsidies may thereafter be granted to companies as part of cross-border projects.

One of the schemes put in place by France that is exempted from the notification requirement, No. SA.40646, relates to aid covering the costs of cooperation between SMEs within European territorial cooperation (ETC) programmes and came into force on 16 January 2015.

<http://cget.gouv.fr/sites/default/files/pdf/page/202/regimesa40646.pdf>

It is important to disseminate information on state aid schemes at all levels (European, national, regional, programme and local), through publications, seminars, etc.



**Information materials** describe the types of projects for which companies may be granted European funding.

**EXAMPLE:**

Through the publication of documents clarifying the main principles of aid schemes exempted from notification requirements, France's **General Commission for Territorial Equality (CGET)** aims to make the use of these schemes more transparent at national level.

<http://www.europe-en-france.gouv.fr/Centre-de-ressources/Aides-d-etat>

**EXAMPLES:**

**The CGET** organises information and training seminars for French structures on this subject for the 2014-2020 European programming period.

**INTERACT** organises events on state aid for the 2014-2020 period for all European cooperation programmes.

[http://www.interact-eu.net/events/workshop\\_state\\_aid\\_eligibility/14/16454](http://www.interact-eu.net/events/workshop_state_aid_eligibility/14/16454)



**Networks of experts** update and circulate the information continuously and efficiently.

**EXAMPLE:**

**The CGET** is developing a network of experts on state aid in France. The challenge is to identify the experts in the neighbouring countries.



**Seminars or training sessions** are designed to inform support structures so that they can direct companies to the appropriate financing channels.

## IMPROVING PRIVATE-SECTOR PLAYERS' ACCESS TO INTERREG PROGRAMMES

Notwithstanding the implementation of state aid schemes exempted from notification requirements and the use of de minimis programmes, very few private-sector players have access to cooperation programmes. It is therefore necessary to improve certain aspects of the programmes in order to make them more accessible to private-sector players.

Before projects are submitted, it is necessary to **focus on the needs of economic players.** For example, at the launch of programmes, or before calls for project proposals, potential project developers must be supported to clearly define their project ideas. This may be done

through **seminars, workshops or surveys** to identify project ideas or the relevant structures.

**EXAMPLES:**

**The “project idea” forms** used by the Upper Rhine programme.

<http://www.interreg-rhin-sup.eu/interreg-v-rhin-superieur-2014-2020-les-elements-essentiels,30865.fr.html>

**The “pre-project form”** used by France-Switzerland.

<http://www.interreg-francesuisse.org/votre-projet/programme-2014-2020/construire-votre-projet/153262-7892,construire-votre-projet.html>

**The “interested organisation”** form used by the 2 Seas programme.

<http://forms.interreg4a-2mers.eu/interested-organisation-28-07-2014/fr>

↘ To attract more businesses, preference should be given to **ongoing project submission procedures** rather than calls for project proposals that take place once or twice during a seven-year programming period.



↘ **Project appraisal periods should be shortened** to fit in with businesses’ calendars. It is also important to help project developers to draft their grant requests, an exercise that often requires technical knowledge that few economic players have. The role of coordination and support of the Joint Technical Secretariats (JTSs) is essential.

↘ **The project selection process should also be shortened** compared with the 2007-2013 period. External experts should be used to assess the quality of project proposals.

**EXAMPLE :**

In the **Science Offensive initiative of the 2007-2013 Upper Rhine programme**, a group of 30 scientists evaluated the research projects submitted.

The selection committee’s decision was therefore based on technical arguments relating to the expected outcome of the projects.

<http://mtmo.eu/fr/science/offensive-sciences.html>

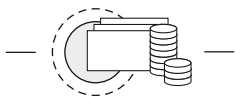
↘ **The JTSs should give specific support to private-sector players** during the project execution phase, because often these project developers may devote fewer resources to the administrative management of their projects. It is useful for example to support the developers in using management software (Synergie CTE), to draft intermediate and final progress reports, etc.

↘ **Payment periods should be significantly reduced** at project closure compared with the 2007-2013 period.

<http://www.europe-urbain.fr/index.php/accueil/actualites-meu/203-vade-mecum-pour-la-mise-en-oeuvre-d-instruments-d-ingenierie-financiere-cofinances-par-les-fonds-europeens-2014-2020>

## DEVELOPING OTHER SOURCES OF FUNDING FOR CROSS-BORDER ECONOMIC DEVELOPMENT

INTERREG programmes are potentially the most important source of public funding for cross-border economic development projects. However, sources of funding should also be diversified, particularly because INTERREG programmes are not suited to all types of projects.



↘ It is important to increase **project subsidies from local and regional authorities or cross-border structures**.

**EXAMPLE :**

**The Aquitaine-Euskadi Euroregion** conducts an annual call for project proposals. The eligible fields change every year; for example in 2012 and 2013, research and technological innovation were eligible. Though the amount granted is smaller than amounts available through INTERREG programmes, it helps to finance smaller projects or to launch projects by providing seed funding.

<http://www.aquitaine-euskadi.eu/appeal-a-projects-aquitaine-euskadi-2013.html>

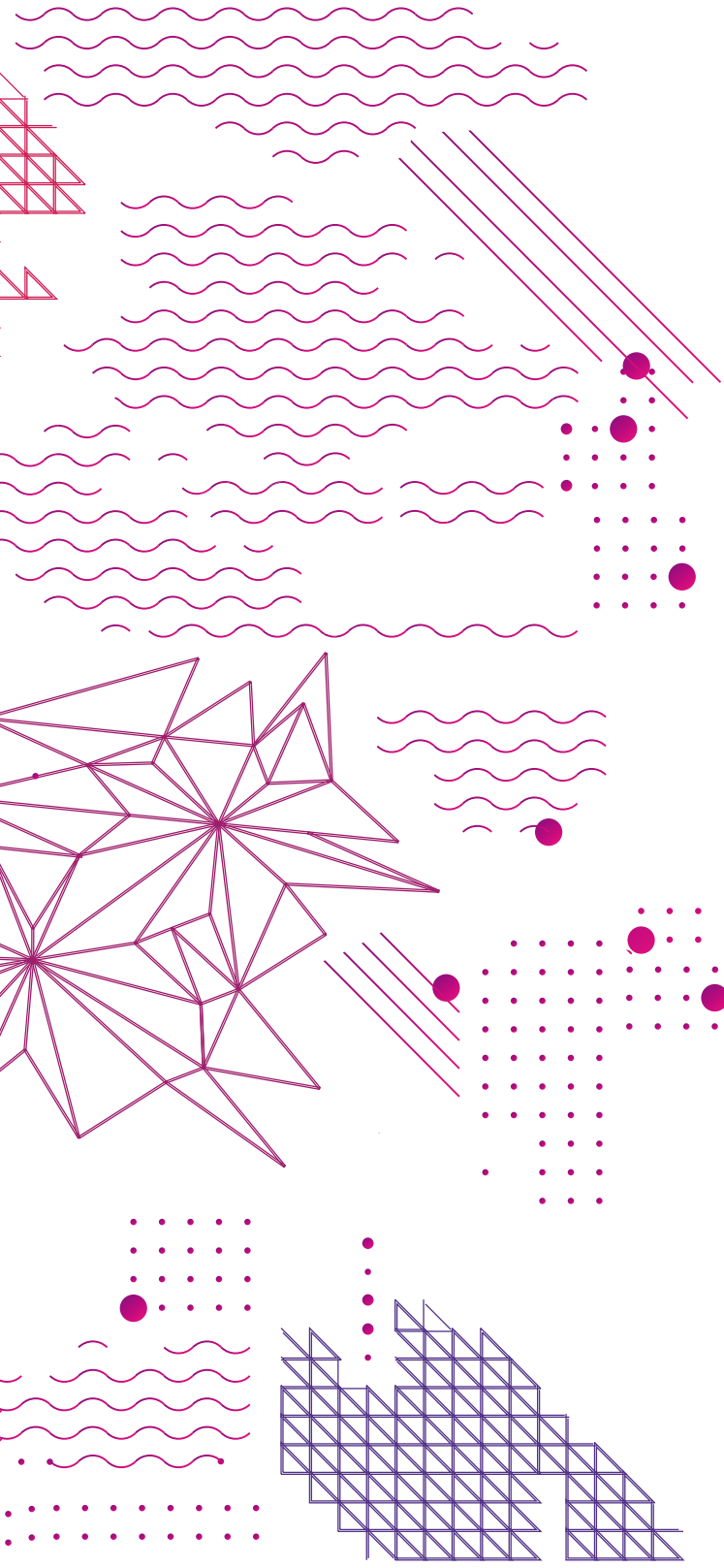
↘ Another way is to **develop financial engineering for cross-border projects**, such as private or public investment funds or working capital. Under certain conditions, these funds may be financed by the European Regional Development Fund (ERDF): on this topic see the “Vade-mecum pour la mise en œuvre d’instruments d’ingénierie financière cofinancés par les fonds européens (2014-2020)” (Vade-mecum for the implementation of financial engineering instruments co-financed by European funds) published by France’s General Commission for Territorial Equality.

<http://www.europe-urbain.fr/index.php/accueil/actualites-meu/203-vade-mecum-pour-la-mise-en-oeuvre-d-instruments-d-ingenierie-financiere-cofinances-par-les-fonds-europeens-2014-2020>

**EXAMPLE :**

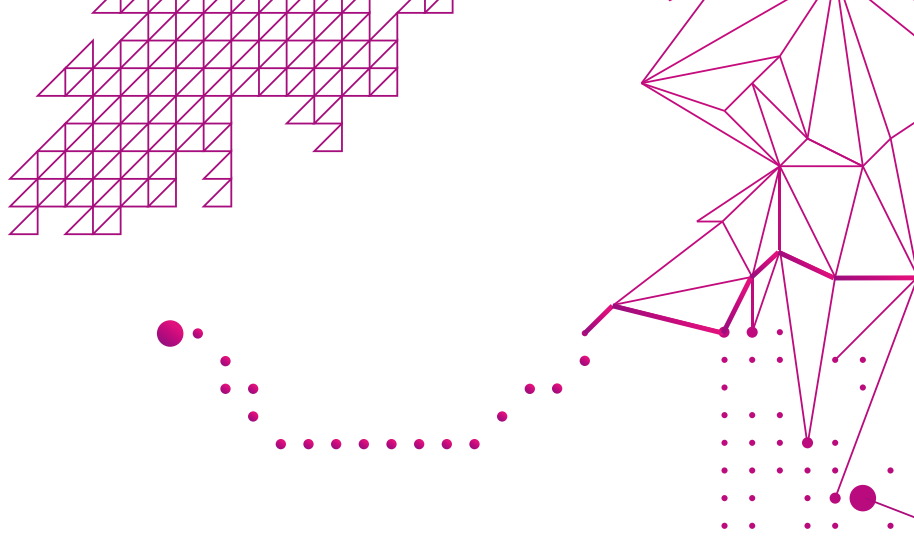
**EUREFI** is the first cross-border venture capital fund, set up in 1991 at the joint initiative of the European Union and private French, Belgian and Luxembourg shareholders in the Longwy European Development Pole (PED) area, which has been undergoing regeneration. It is not designed for a particular sector of activity; the criteria determining companies’ eligibility for this funding are based mainly on the (existing or potential) cross-border nature and viability of their development project.

<http://www.eurefi.eu/>



# Sustaining the cross-border dimension of economic activities

Cross-border cooperation projects are often additional activities not integrated into the regular business of an organisation. This means that sustaining them, or even transforming them from experimental or exceptional activities into regular ones is a substantial challenge. This is even more the case for economic projects. Therefore, to promote cross-border economic development, support structures for economic players must work to sustain individual cross-border initiatives. In concrete terms, this means putting in place tools to enable economic players to develop one entire facet of their business as a cross-border activity.



For projects that have received public-sector funding (for example through INTERREG programmes), the main issue is to sustain the activity after the cessation of the funding. The financial viability of these projects is a crucial question that should be taken into consideration at the time the project is launched. At the **level of European programmes, it is important to consider project sustainability right from the outset**. The projects must therefore include actions to sustain the activity (drafting of a business plan, seeking private funding, etc.).

To ensure the continuity of funding sources, there must be **closer collaboration with banks and other financing**

**structures**, to facilitate access to private funds.

Beyond the financial aspect, it is necessary to showcase the benefits of cross-border economic projects. For European programmes for instance, there should be **indicators to measure the impact of projects and demonstrate their long-term utility**.

Capitalisation activities also help to identify the value added of the cross-border approach. They may be conducted through **capitalisation events held at the end of programming periods** to highlight what worked well, and to disseminate this information.

#### EXAMPLE:

**Capitalisation seminars** for project developers but financed by the French-Italian cooperation programme ALCOTRA were organised by the Provence-Alpes-Côte d'Azur Region and the Alpes-Maritimes, Hautes-Alpes and Alpes de Haute-Provence Departments with the support of the MOT.

<http://www.espaces-transfrontaliers.org/en/european-activities/the-mots-european-projects/project-five-seminars-on-operational-arrangements-for-cross-border-projects-on-french-borders/>

## ABBREVIATIONS



**ACUF** – Association des Communautés Urbaines de France (Association of Urban Communities of France)

**AdCF** – Association des Communautés de France (Association of Communities of France)

**ADF** – Association des Départements de France (Association of Departments of France)

**APCMA** – Assemblée Permanente des Chambres de Métiers et d'Artisanat (Permanent Assembly of Chambers of Trades and Crafts)

**ARF** – Association des Régions de France (Association of Regions of France)

**CCI** – Chambre de Commerce et d'Industrie (Chamber of Commerce and Industry)

**CGET** – Commissariat Général à l'Égalité des territoires (General Commission for Territorial Equality)

**CNER** – Conseil National des Économies Régionales (National Council of

Regional Economies - national federation of economic development agencies)

**DG REGIO** – Directorate General for Regional and Urban Policy

**DIRECCTE** – Direction régionale des entreprises, de la concurrence, de la consommation, du travail et de l'emploi (Regional Directorate for Businesses, Competition policy, Consumer Affairs, Labour and Employment)

**EURES-T** – European Employment Services in cross-border regions

**EMFF** – European Maritime and Fisheries Fund

**ERDF** – European Regional Development Fund

**ESF** – European Social Fund

**ETC** – European Territorial Cooperation

**GPEC** – Gestion Prévisionnelle des Emplois et des Compétences (Strategic Workforce Planning)

**JTS** – Joint Technical Secretariat

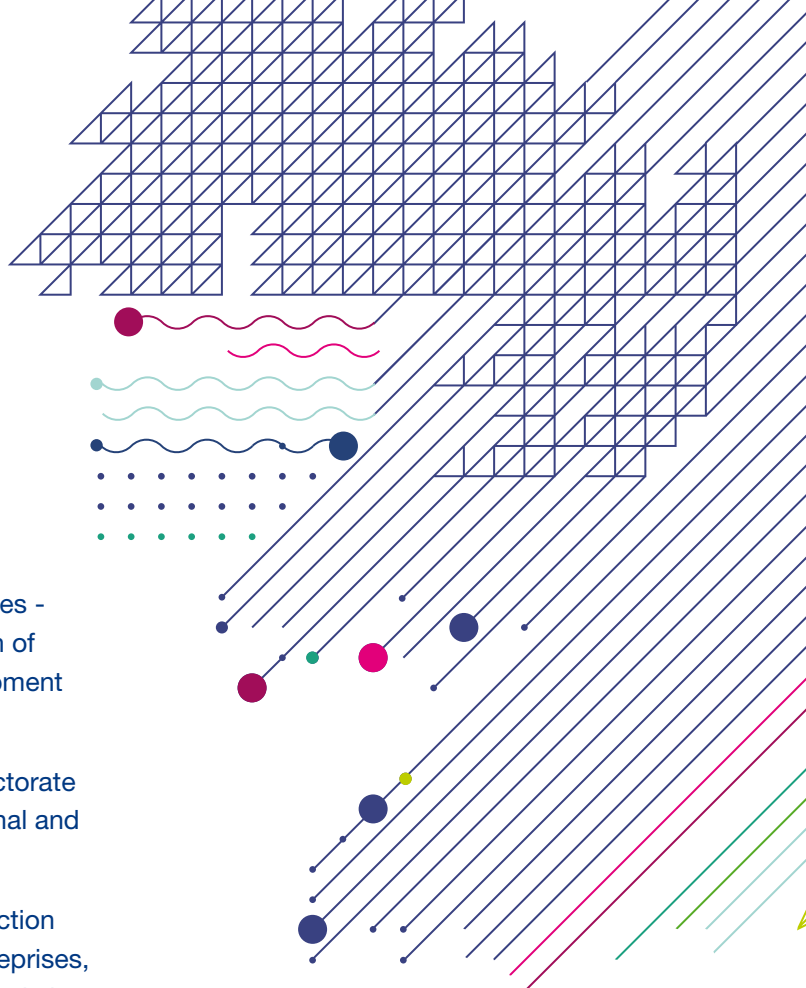
**SME** – Small and medium-sized companies

**POCTEFA** – Programme Opérationnel de Coopération Transfrontalière Espagne-France-Andorre (Spain-France-Andorra Cross-Border Cooperation Operational Programme)

**SGAR** – Secrétariat Général aux Affaires Régionales (General Secretariat for Regional Affairs)

**SUDOE** – Programme de Coopération Territoriale de l'Espace Sud-Ouest Européen (South-West Europe Territorial Cooperation Programme)

**VAT** – Value Added Tax



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Four workshops, held in Paris in October and December 2014, brought together cross-border economic development stakeholders, and allowed MOT to build this guide.

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