

SINGLE MARKET – TOPICS IN LINK WITH CITIZENSHIP

CONTEXT

Since 1992, the Single Market has brought tremendous benefits and created new opportunities and jobs. But free movement of goods, services, capital and people does not always happen smoothly. In some fields a truly integrated European market does not exist. Pieces of legislation are missing or are not applied. Administrative obstacles and lacking enforcement leave the full potential of the Single Market unexploited.

The current socioeconomic context has generated additional challenges to fully exploit the Single market as a key tool to achieve a highly competitive social market economy in Europe. More than ever, we need a Single Market that delivers concrete day-to-day benefits to citizens and businesses.

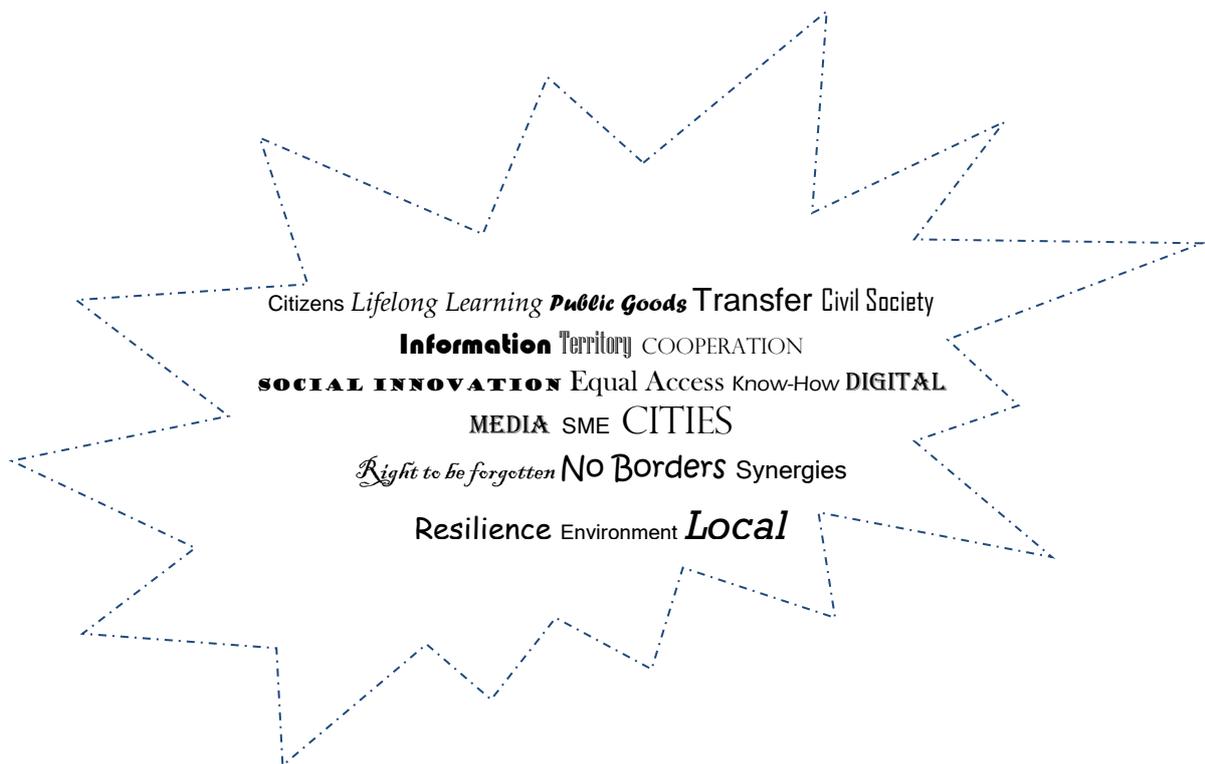
Single Market rules are **especially important in border territories**. In these territories citizens can realize the benefits of the Single Market (e.g. free movement of people) but the gaps are also more obvious there. In the same way, cities are the institutions with the closest link to the citizens, their real problems and needs. In this sense, border territories and especially cities within border territories are great living laboratories to check the functioning of the Single Market rules and their impact on the citizens and businesses life. In addition, it is in these territories where real needs of improvement can be identified more easily.

Territorial Cooperation is central to the construction of a common European space, and a cornerstone of European integration. It helps to ensure that borders are not barriers, bringing Europeans closer together, helping to solve common problems, facilitating the sharing of ideas and assets, and encouraging strategic work towards common goals. These are **common goals with the Single Market**. In addition, Territorial Cooperation is **closely linked to citizens and their day-to-day real needs**.

For these reasons the **CECICN, Conference of European Cross-border and Interregional City Networks, considers that Territorial Cooperation can contribute in a significant way to the improvement of the Single Market**, acting as a bridge to the real needs of the territories (especially to border territories) and boosting the implementation of the Single Market guidelines. Fields as important as transport, communications, free movement of people and businesses, or administrative interoperability in cross-border procedures have a direct relationship with the policies being implemented by the European Union to achieve a true Single Market.

The Single Market Act II¹ presented by the Commission in October 2012 sets out very interesting proposals. CECICN agrees with all of them, but, in addition, we want to stress some concrete ideas proposed from the reality in the border territories:

PROPOSALS FROM THE GROUND



GENERAL ISSUES

In a general way, there are some principles that should be taken into account when working on the Single Market:

1. Making citizens and not markets the final decision-makers.
2. Favoring life-long learning processes which are accessible and adapted to cross-border and transnational environments.
3. Taking into account the public goods shared across borders (water, air, biodiversity).
4. Thinking Europe as a continuum composed by complementary realities and a high potential added value, rather than a patchwork of conflicting markets.
5. Putting cities at the heart of the Single Market.

¹ European Commission Communication: “Single market Act II – Together for new growth” COM(2012) 573 final

CONCRETE PROPOSALS

There are different realities at the different European borders but, talking about Single Market and their needs, all of them have the same problems in link with the following fields: employment and training (mobility of workers and citizens), economic development and innovation (linked to companies' cross-border/transnational activity, especially SMEs), energy and sustainable development, transport, and improving citizens' real day-to-day quality of life (services) are pointed out as the most common topics to be addressed.

Among the more than 500 cities represented by CECICN, these are some of the concrete proposals raised:

A) Employment and Training - Fostering mobility of workers and citizens across borders (see Annex A)

In order to ease cross-border mobility of workers and citizens it is important to:

- ≡ Regulate the **equivalences of diplomas and professional qualifications**, and the **harmonization of academic degrees**,
 - i. to facilitate **access to the labor market** on the other side of the border.
 - ii. in the field of **specialized training** in order to allow **share underused resources** located in cross-border territories like Eurocities etc. (e.g. common use of conservatories for special training in music, or the common use of schools of hotel management for special training in tourism, etc.).
- ≡ Create a **periodic census** of cross-border workers and their needs, and a **cross-border observatory** to better understand the reality of cross-border flows etc.
- ≡ Create **support and advisory services** for cross-border workers at local level to provide accurate information.
- ≡ Create a **pool of "common services"** to be used by cross-border workers (e.g. nurseries, transport infrastructure (see also below) etc.).
- ≡ Strengthen **cooperation between local and national administrations** on both sides of the border.
- ≡ Get a **better coordination** between national employment policy in border territories (e.g. access to employment aid schemes etc.).
- ≡ Work on **improving fiscal agreements** and legal convergence between countries.

B) Economic Development and Innovation – Fostering business activity across borders
(see Annex B)

The asymmetry of legal and administrative systems and of fiscal and land legislations, along with difficulties in coordinating between actors and in gaining access to public procurement contracts, continues to be a substantial hindrance to cross-border economic development. This makes it all the more important to:

- ≡ Promote **coordination between public-sector actors** to facilitate procedures for businesses.
- ≡ Improve mechanisms to **make easier the process to present proposals concerning public services in other Member States**, e.g. via a common system to share information about tenders (in addition to those published in the Official Journal of the European Union (OJ) due to their high amount).
- ≡ **Facilitate entrepreneurs access to entrepreneurship programs in other Member States**, as long as these programs refer to the use of services and not direct grants.
- ≡ Introduce **specific instruments, tools and services** for use by businesses such as cross-border venture capital funds, or business platforms (networks for cooperation, exchange of experience and good practice, business support and guidance).
- ≡ Develop the **governance of cross-border economic development**, via e.g. the setting up of cross-border development agencies, cross-border competitiveness clusters, or the coordination of cross-border development of research and universities
- ≡ **Coordinate national structuring of statistical observation systems**. The collection of harmonized economic data, comparable at cross-border and transnational level is of the major importance and a precondition to understand and stimulate business activity.
- ≡ **Eliminate** voice and data **roaming** charges.
- ≡ Boost **fiscal harmonization policy to avoid offshoring** and imbalance situations, especially in the field of cross-border services.
- ≡ Promote the **coordination and creation of a common agenda between public and private sectors** on both sides of the border (in terms of the timing of implementation of public policies, calls for project proposals, etc.).

C) Energy and Sustainable development - Developing fully integrated networks (see Annex C)

Border territories face specific difficulties in relation to planning and differences with local, regional and national energy policy on the other side of the border. These differences could allow, in the context of cross-border cooperation, the transfer of know-how and the development of synergies to implement European common energy policies. In this context, it is especially important to:

- ≡ **Coordinate national regulations in the field of energy** in order to make possible the cooperation of neighbouring local authorities in this field. Now the EU directives set the same objective but leave it up to Member States to choose the means to achieve it, the resultant national regulations differ and confront each other in cross-border territories.
- ≡ **Coordinate questions related to subsidies or taxation** to avoid creating inequalities and imbalances in the cross-border market.
- ≡ **Take cross-border cooperation into account in energy policy** as it can bring additional improvements to services, employment and businesses (sharing of costs in research and development, common use of production facilities via cross-border smart grids etc.).
- ≡ **Provide cross-border stakeholders with basic knowledge and technical competencies** in regards with new energy sources, their production and distribution, in order to exploit the above mentioned potential of cooperation.

D) Transport - Developing fully integrated networks (see Annex D)

Cross-border territories have been facing a continued increase in daily migration linked to the opening of the internal market and the practical implementation of the freedom of movement established by the European Treaties. In response to the needs of border residents and the requirements of sustainable development of the territories concerned, cross-border urban and interurban transport, by road and rail, is therefore an important factor in the process of territorial integration. In this context, it is especially important to:

- ≡ **Enhance cross-border shared public and private transport systems**, implementing joint tracks, proposing coherent timetables (to avoid wait 3 hours to take a bus or a train transfer connection), and allowing payment with card systems, etc.
- ≡ At cross-border level, promote the **establishment of a single transport authority** with more substantial financial resources, in order to unify the competences and working procedures between transport authorities on either side of borders.

- ≡ **Resolve differences between systems and technical regulations on either side of borders**, like in environmental requirements, technical rail systems, electrical power supply, safety, training of personnel, etc.
- ≡ Create **cross-border observatories** on the basis of shared and comparable data that contribute to a better identification of needs in terms of road and rail infrastructure.
- ≡ **Consult current and potential users**, improvements deemed necessary to get a better transport service.
- ≡ Consider **cross-border public transport in planning documents**, both at national and regional level, in order to achieve a better interoperability of transport services.
- ≡ Get an efficient communication on services, connections and existing fare structures, **improving the transmission of information** to users on the multimodal transport offer.
- ≡ Find **funding sources** to support cross-border transport initiatives.

E) Citizens' quality of life (services) - Strengthening social entrepreneurship, social cohesion and consumer confidence/non-discrimination

In addition to the above mentioned topics such as employment and training, transport etc., services for citizens aiming at a better quality of life may concern many other cooperation areas, such as:

- ≡ Health: Fast and effective interaction of civil protection systems in both sides of the border (which can cross the border and act in the neighbour territory), by creating **Emergency Coordination Units**.
- ≡ Leisure: Setting up of common sportive centers and common cultural offers
- ≡ Etc.

ANNEX - A

Thematic factsheet | CROSS-BORDER EMPLOYMENT

Summary

[European workers in frequent cross-border mobility](#)

[Employment in border territories: an opportunity](#)

[Difficulties in access to the labour market on the other side of the border](#)

[Examples of projects and information services for cross-border workers](#)

European workers in frequent cross-border mobility

The mobility of cross-border workers poses first of all a problem of definition: residing in one country and crossing the border to work in the neighbouring country **at least once a week** seems to be the commonly accepted criterion, but other characteristics of the movement vary considerably. For example, European institutional statistics do not necessarily take into account geographical proximity.

According to these statistics, more than 800,000 people commute between two countries of the European Union, when including Switzerland, Monaco and Liechtenstein.

Taking the example of French borders, the harmonization of data allowed the MOT in 2011 to measure the outward flow of workers crossing French borders at over 360,000 persons, with Switzerland remaining the most common destination followed by Luxembourg. In stark contrast, the inward flow was significantly lower (11,000 persons).

It is interesting to note the sharp increase in the number of cross-border workers in the last 30 years, particularly from the late 1990s up to the present day. The number of cross-border workers entering French territory has remained remarkably stable between 1999 and 2007 (after having decreased over a long period, particularly from Belgium and Spain) while the outward flow of workers during this period increased from 248,400 to 319,400 between 1999 and 2007 (INSEE), representing an increase of 28.6% in 8 years and according to the MOT's current figures, this has now risen to over 360,000. This growing imbalance may be due to several factors: low attractiveness of the French border areas compared to neighbouring countries, and also the presence of major employment centres near the border (Basel, Geneva, Monaco ...).

Employment in border territories: an opportunity

The rise in the number of cross-border workers over decades demonstrates that seeking employment in a neighbouring country remains an attractive option. Several factors or motivations can be distinguished, mainly:

- ≡ Differences in economic development on both sides of the border (unemployment and labour required)
- ≡ The wage differential
- ≡ Advantages linked to social benefits
- ≡ Fiscal differentials
- ≡ The cost of land and housing
- ≡ Historical factors, cultural factors (including common language or not) and family reasons.

Living in a cross-border territory represents both an opportunity for jobseekers who can respond to offers from the neighbouring state without moving, and for employers in need of labour who can call on workers on the other side of the border.

Commuting to and from work on both sides of the border also plays an important role in local economies, by way of the activities they stimulate and the income they generate.

It is also important to consider the potential of each territory, and the barriers created by their shortcomings: the development of transport infrastructure, the relevance of information and advisory services, as well as the fiscal agreements and legal convergence between countries, knowledge of the language of the neighbour, etc.

Lastly, historical and cultural factors must not be overlooked: psychological barriers such as being unaccustomed to mobility within the family and having a low tendency to travel outside of one's habitual environment (for example in the case of young people) are disincentives to the pursuit of opportunities on the other side of the border

Difficulties in access to the labour market on the other side of the border

The issue of employment is at the forefront among the European Union's objectives for growth (Europe 2020 strategy²). Within this framework, an ad hoc strategy for employment³ was launched in April 2012, consisting of targeted measures to boost job creation and restore the

² Link to the page on the Europe 2020 strategy: http://ec.europa.eu/europe2020/index_en.htm

³ The employment measures targeted: support for job creation, boosting the dynamics of labour markets, governance of policies. Link to the page on the European strategy for employment: <http://ec.europa.eu/social/main.jsp?catId=101&langId=fr>

dynamics of labour markets. The Single Market Act II⁴ proposes key measures and tools to facilitate the mobility of citizens.

Employment is included within the priority "Promoting employment and supporting labour mobility" for regulations for EU structural funds for the period 2014/2020.

However, although it is one of the priorities of EU policy, employment policy is primarily a state responsibility⁵.

Border territories are therefore places of friction between national policies. For example, EU legislation provides for the transfer of entitlements, in particular to social security, to the Member State in which the citizen is working, but the articulation of different national systems can be particularly complex.

Furthermore, the lack of integration within national policy of employment action plans for cross-border territories leads to a void in terms of legal framework, and thus limits the possibility of approaches being specially tailored to the needs of cross-border territories.

The mobility of businesses and their employees is hampered by the impenetrability of employment aid schemes, which are set up according to national objectives, despite being based upon a common European strategy. Applicants for employment aid face discrimination based on their national origin.

The lack of clarity concerning the equivalence of diplomas and professional qualifications acquired on both sides of the border represents a further obstacle to cross-border mobility of professionals.

While a segmentation of actions across the different operators concerned is often observed, it is becoming evident that enhanced networking between socio-economic partners is required to promote a specialised range of services and coordinate cross-border initiatives. Partnerships such as **EURES**⁶ represent a coherent response to cross-border contexts and are adapted to the specificities of the territory. The reform⁷ of the network aims to consolidate its role of putting jobseekers and employers into contact with each other, and promoting the collaboration of actors involved in employment and training on the identification of sectors and occupations in demand. These actions can be coordinated within a cross-border job market area according to local needs.

⁴ Link: http://ec.europa.eu/internal_market/smact/index_fr.htm

⁵ Under the terms of the Treaty of Lisbon, the political and social cohesion are the subject of a shared competence between the Union and the States; vocational competence support, "The Union shall take measures to coordinate employment policies of the Member States, in particular by defining guidelines for these policies " (title I Article 2D 2.)

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2007:306:FULL:EN:PDF>

⁶ Link to the EURES site:

<http://ec.europa.eu/eures/main.jsp?acro=eures&lang=fr&catId=56&parentCategory=56>

⁷ Reform objectives: helping jobseekers to enter into contact more easily with employers looking for particular skills; increased targeting of sectors and occupations with skills shortages; supporting mobility programs focused on youth. The decision of the European Commission http://europa.eu/rapid/press-release_IP-12-1262_fr.htm

Lastly, for a jobseeker, access to information on the situation of the labour market and to the services of employment agencies on the other side of the border is often difficult.

Examples of projects and information services for cross-border workers

- ≡ The first **Franco-German Job Centre**, inaugurated in 2013 in Kehl, is the result of the framework convention between the Communauté urbaine de Strasbourg, the Agentur für Arbeit and the Maison de l'emploi in Strasbourg
- ≡ The association **Groupement transfrontalier européen**, founded in 1963, is located on the Franco-Swiss border. It brings together more than 31,000 members, with the aim, along with its network of Maisons transfrontalières (in the Jura Arc and the Lake Geneva Arc) to ensure a better integration of cross-border workers on both sides of the border, to keep them informed, and to defend their interests. www.frontalier.org
- ≡ **The INFOBEST network**: a network of agencies that advise and inform individuals, associations, businesses, governments, etc., on cross-border issues concerning France, Germany and Switzerland. www.infobest.eu
- ≡ **"Work Without Borders"**: this program aims to facilitate geographical and occupational mobility of jobseekers within the regions Piedmont, Valle d'Aosta and Rhône-Alpes. www.lavorosenzafrontiere.eu/
- ≡ **"Frontaliers Lorraine"**: Resource centre and association set up by the Regional Council of Lorraine, it intervenes to facilitate occupational mobility across its borders. www.frontalierslorraine.eu
- ≡ **"Task Force Net" of the Meuse-Rhine Euroregion**: This international service works to overcome obstacles to cross-border employment. www.emr-taskforce.eu/fr/projekt.shtml
- ≡ **"Border People"**: on the border between Ireland and Northern Ireland, the website "Border People" is a central access point for information on cross-border employment and mobility. www.borderpeople.info/index.htm

In addition, recommendations on this topic can be found in the "Manifesto for cross-border cooperation in Europe", published by the MOT in 2008: www.espaces-transfrontaliers.org/en/MANIFEST_EN.pdf

ANNEX - B

Thematic factsheet | ECONOMIC DEVELOPMENT

Summary

[European context and issues](#)
[Added value of cooperation](#)
[Keys to success](#)
[Role of public authorities](#)
[Contributing to the competitiveness of the region](#)
[Using European programs and capitalising on experiences](#)
[Other examples of good practice](#)
[Recommendations](#)

European context and issues

Contributing to the Europe 2020 strategy

The current crisis demands a strategic approach for the new European programming period, in order to overcome the economic situation and contribute to the creation of growth and jobs, without losing sight of the other objectives of EU cohesion policy.

The Europe 2020 strategy⁸, adopted in 2010, aims to enable the European Union to emerge stronger from the crisis and steer its economy towards smart, sustainable and inclusive growth. Under the corresponding guidelines for the actions of Member States, five principal joint objectives are listed, including several directly related to economic development, (cf. employment, research and development, innovation, education, etc.).

Cross-border territories are naturally at the heart of the issues addressed in the Europe 2020 strategy and effective contribution of the EU funds will be required for the achievement of

⁸ COM(2010) 2020, of 3 March 2010 : in 2010, the European Council adopted a strategy for the Europe of 2020, aiming to stimulate smart, sustainable and inclusive growth.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF>

See also : the Council Recommendation of 13 July 2010 on broad guidelines for the economic policies of the Member States and of the Union (JO L 191 of 23.7.2010, p. 28)

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:191:0028:0034:EN:PDF>

and the Council Decision of 21 October 2010 on guidelines for the employment policies of the Member States (JO L 308 du 24.11.2010, p. 46).

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:308:0046:0051:EN:PDF>

these goals. Thus among the 11 thematic objectives of the forthcoming General Regulation, the third is "Enhancing the competitiveness of small and medium enterprises."⁹

According to the European Commission's working document on the 2014-2020 Common Strategic Framework¹⁰, the ERDF will contribute to all thematic objectives while focusing on investment related to the business environment (infrastructure, services to businesses, business support, innovation, ICT and Research) [...].

Also adopted in June 2008 and reviewed in February 2011, the "Small Business Act"¹¹ for Europe reflects the willingness of the European Commission to recognise the vital role played by SMEs in the European economy. It establishes for the first time a comprehensive policy framework for the EU and the Member States.

Finally, the Single Market Act presented by the European Commission in April 2011 specifies twelve levers to boost growth and strengthen confidence. In October 2012, the European Commission proposed a second package (The Single Market Act II) to continue to develop the single market and exploit its potential for growth.¹²

Challenges for cross-border territories

For cross-border cooperation in the field of economic development, tax, salary and price differentials, and linguistic, administrative, and cultural diversity etc., are constraints but also opportunities, depending on the perspective from which they are considered. Households and businesses take advantage of these differentials in their choice of location and use of markets (including the labour market) on the other side of the border. For both the labour force and businesses, the mastery of two languages, two cultures, two administrative environments, etc., is an asset that can broaden their horizons, not only within the cross-border territory, but more broadly to the whole of the two or three countries concerned, and beyond to the European or global level.

Companies, like territories, are in competition within national spaces, and all the more so in a cross-border context. In their efforts to support economic development, public authorities often remain within the national framework. Yet by participating in the European Union, the

⁹ Economic development touches upon many areas and requires a comprehensive approach, including a close link with the Thematic Objectives "Strengthening research, technological development and innovation" or those concerning employment, infrastructure, public administration, etc. See also the factsheets on Innovation and Employment.

¹⁰ http://ec.europa.eu/regional_policy/sources/docoffic/working/strategic_framework/csf_part1_en.pdf

¹¹ http://ec.europa.eu/enterprise/policies/sme/small-business-act/index_en.htm The Small Business Act is a set of ten principles which should guide the design and implementation of policies both at EU and national level with the aim of improving the administrative and legal environment for SMEs.

¹² http://ec.europa.eu/internal_market/smact/index_en.htm For further reading see also the « Strategic document on Smart cooperation - Territorial Cooperation fostering European integration: Cities and Regions linking across borders" realised in 2012 by the CECICN, Conference of European Cross-border and Interregional City Networks, of which the MOT is a founding member, along with the AEBR. http://www.cecich.eu/CECICN_AEBR_report_12_03_12.pdf

States have chosen to cooperate. This cooperation needs to develop not only through a "top-down" process between states and the European institutions, when it can also develop from the bottom up, between citizens, businesses, local authorities, universities, etc. Cross-border territories, by their very nature, are becoming laboratories of European integration.

As far as businesses are concerned, it is the largest that are more readily disposed to take into account the international and, therefore, cross-border dimension. Accordingly, these considerations mainly concern SMEs, as their internationalisation is a major challenge. Even so, larger firms must be considered as they also have a social responsibility towards regional and, thus, cross-border development.

Added value of cooperation

Public and private actors are in a complex interplay between competition and cooperation on either side of the border. The principle issue is the need to move from a state of pure competition to one of "co-petition", combining cooperation and competition.

A dynamic based on the idea of getting closer to one's neighbour because he can provide what is lacking in the development. There is a lack of awareness of the fact that cross-border economic development can generate added value for the whole territory. Yet this awareness needs to be raised so that adequate tools can be provided for economic actors, in order to overcome mutual mistrust between economic actors at the local level – one of the major obstacles to cooperation in a predominantly competitive context.

Two approaches can lead to cooperation: the logic of complementarity, and the logic of economies of scale.

The complementarity argument

On a border where two or three States with different systems meet, businesses are able to "take what is best" from each system (legal, administrative, etc.). What seems at first to be an obstacle is also an opportunity: companies can take advantage of differences by choosing the right system for their needs (a company locating its tertiary functions on one side of the border and logistics functions on the other side, as can be observed in the region of Øresund between Copenhagen and Malmö), or by exploiting the multicultural or multilingual potential of the territory. The disparity of economic forces and the difference in terms of economic and industrial fabric on either side of the border can thus become an asset.

Nevertheless, this does not solve the problem of the expenses incurred by the municipalities that have to fund public policies for inhabitants, and this without the fiscal resources often linked to economic activity. Fiscal agreements exist between some States (for example, the mechanisms for refunds from the Canton of Geneva to the neighbouring French

departments), but this is not always the case. This issue is not limited to cross-border territories (as demonstrated by the example of workers from the Baltic states working in the United Kingdom and commuting weekly from their home countries). This therefore raises the question of greater fiscal coordination between States at the European level.

The economies of scale argument

The second argument that can incite actors to cooperate is that of economies of scale. Cross-border cooperation "enlarges" the territory and can thus enable it to reach critical mass in terms of facilities and public services. The same principle applies to SMEs.

One of the most important benefits is the splitting of investment costs between partners in terms of infrastructure, laboratories etc., that are often very expensive in innovative sectors. This shared increase in capacity is all the more necessary for conquering local, European and global markets.

In addition, joint marketing of businesses and a joint presence at international fairs can raise visibility while sharing costs.

These economies of scale can be applied to cross-border sectorial clusters, bringing together all of the actors concerned. By looking beyond the local context, cross-border cooperation can bring about a "win-win" situation for border territories, for their businesses and their inhabitants.

Keys to success

Knowing the cross-border territory, and knowing each other within it

The first step in initiating cross-border economic development is to identify and get to know the cross-border territory.

Territories concerned by cross-border economic development can range from relatively small areas in sparsely populated or relatively inaccessible spaces (rural areas, mountain ranges), to larger spaces (urban areas). Articulation between territorial scales is also important, for example between the cross-border employment area or conurbation (everyday living space of inhabitants), and the cross-border region, a scale more suitable for businesses. In the context of globalisation, the concept of the functional region (in some cases metropolitan) seems the most relevant.

For public authorities, a joint assessment of the strengths, weaknesses, and complementarities of the different sides of the cross-border territory, and of the economic flows that characterise it, can demonstrate the importance of developing cooperation, for example around cross-border knowledge or competitiveness clusters. Such an assessment

requires the collection of harmonised economic data, comparable at the cross-border level. This is an extremely complicated process because of the national structuring of statistical observation systems.

Inadequate knowledge of how the systems work on the other side of the border is a major hindrance to cooperation. Systems are often very different (administrative, legal, and technical cultures, business support structures, market access, actors concerned, the competences of the different levels of governance). In order to achieve mutual understanding, any cooperation must start by acquisition of knowledge in the areas mentioned above, to which should be added intercultural and linguistic skills, etc.

The research project "CBCED - Cross-Border Cooperation and Entrepreneurship" presents an interesting analysis of the potential of cross-border entrepreneurship for the development of European border regions (Finland, Germany, Poland, Greece, Bulgaria and Estonia)
http://ec.europa.eu/research/social-sciences/projects/273_en.html

Constant exchanges and extensive communication between actors enables them to respond better to challenges and overcome obstacles. Shared knowledge of the territory aside, the first step for actors is to get to know each other.

Involving economic institutions (chambers of commerce and industry, development agencies, etc.) on both sides of the border facilitates the exchange of information and helps the businesses concerned to understand how things work in the neighbouring country. Support from relevant trade associations can also help to mobilise businesses for cooperation.

The European exchange program "Erasmus for Young Entrepreneurs" gives young and aspiring entrepreneurs the opportunity to train with experienced entrepreneurs leading small businesses in other countries of the European Union. The Pyrenees-Mediterranean EGTC is one of the local contact points of the program.

www.erasmus-entrepreneurs.eu

The first action to take is to organise communication between all bodies involved in the economic development of the areas concerned, first of all by listing all actors and encouraging informal gatherings.

Organising the governance of cross-border economic development

To achieve a true cross-border governance of economic development, it is important to involve all relevant territorial stakeholders (companies, research centres, universities, public bodies, chambers of commerce and industry, development agencies etc.), across the cross-

border territory. Because of the heterogeneity of said stakeholders and the differences between systems and levels of competence on either side of the border, it is important to involve the various levels of local, regional, national and even European authorities. The concept of the functional region seems most appropriate to allow the networking of all actors concerned by economic development. To achieve this, the networking of cross-border clusters needs to be supported financially.

The cross-border platform for innovation INNOV'EUROMETROPOLIS is a good example. Created in 2011 by the Lille-Kortrijk-Tournai Eurometropolis, it aims to develop a platform for exchange and meetings between various stakeholders across the three regions (Nord, Flanders and Wallonia) to improve the competitiveness of the Eurometropolitan territory on an international scale.

<http://fr.eurometropolis.eu/nos-actions/developpement-economique/innovation.html>

One priority area for cooperation is of course innovation. Cooperation between SMEs in fast-developing sectors (new technologies, logistics, etc.) would be of interest. A cross-border cluster bringing together joint and/or complimentary skills can facilitate this approach. The involvement of the academic and research sectors is crucial, both for work on the content and for training the necessary qualified staff. It is important to facilitate exchanges between universities and research centres and foster innovation and technological development as well as their dissemination in a cross-border context. It is therefore necessary to encourage synergies between sources of innovation and identify cross-border centres of excellence in the required sectors.

A good example of such an approach is the tri-national 'Biovalley' cluster (CH / DE / FR) in the field of life sciences. www.biovalley.com

A second example is the network TRION (FR / DE) in the field of energy and climate. www.trion-climate.net (See also the thematic factsheet on Energy)

This type of project responds simultaneously to several European priorities (smart, sustainable and inclusive growth).

Role of public authorities

In general, the public authorities on either side of the border have joint responsibility for providing the right framework and the right instruments for cooperation and for minimising the obstacles hampering cross-border economic development. At present, businesses encounter a number of difficulties when they want to engage in cross-border cooperation or when they look beyond their "natural" territory, bound by the national border. This makes it difficult to mobilise businesses for cross-border projects. A whole series of difficulties arises: funding; distortions of competition (public procurement contracts closed to businesses from the other side of the border); lack of interoperability in terms of standards, insurance, certifications, labour market etc.

Informing businesses and facilitating administrative procedures

Cross-border coordination is required between public-sector actors to facilitate procedures for businesses: through dissemination of information (on legal and administrative systems, tax rules, land registration rules, access to public procurement contracts, etc.); by acting as an intermediary and facilitator of contact and exchanges between public and private actors from either side of the border.

An interesting example is the Franco-German Jurisinfo Service, a cross-border legal information service for French and German companies interested in the neighbouring country. It is attached to the Legal Service of the Strasbourg and Bas-Rhin Chamber of Commerce and Industry. www.strasbourg.cci.fr/info-juridique/liste-des-articles-jurisinfo/23-jurisinfo-franco-allemand-presentation

Another interesting example is the EURODEV CENTER business incubator on the Franco-German border (the area between Forbach and Saarbrücken). www.pepiniere-forbach.fr

The Enterprise Europe Network helps small businesses to make the most of the European market (not specifically in cross-border areas but at the European level) in collaboration with local business support structures. http://een.ec.europa.eu/index_fr.htm

The Interreg IV-A project CHAIN (Channel Innovation Network), aimed to create a network of Franco-British science parks, innovations centres and incubators for the sharing of best practice in the areas of business support, initiatives to support entrepreneurial spirit, business incubation and financing. In order to promote the internationalisation of businesses, the CHAIN partners also produced the first database of French and British firms. www.chain-business.com/fr/

Helping them to find qualified personnel

Companies often face difficulties finding personnel competent in cross-border situations (intercultural, linguistic skills, etc.) while also having specific qualifications or competencies (engineers, etc.). Choosing to focus activities on one sector in a common territory also enables the retention of competent personnel. One of the challenges of cooperation is to form a common employment area, closely linked to the issues of training and compatibility of profiles for the cross-border labour demand. This requires: the development of tools for putting employers and job seekers into contact; the reduction of administrative constraints and the organisation of cross-border training courses, internships and apprenticeships in SMEs' chosen fields; and the facilitation of their integration into cross-border clusters or cluster networks. Concerning personnel, there is also the frequent problem of recognition of qualifications on either side of the border. Lastly, there is the need for genuine cross-border public procurement contracts (clauses on job insertion, allotment, clauses on the status of service providers, etc.) as well as effective publicity for the launching of consultations (e.g. multilingual website).

In terms of training for SMEs, the "ACTION Saar-Lorraine" project, co-financed by EU funds, aims to support small and medium enterprises and their managers in increasing and structuring the competencies required for their integration into the cross-border market and economic space. This project is being led by the centre for cross-border training (Pôle de formation transfrontalier) of the National Conservatory of Arts and Crafts (CNAM) Lorraine, which is based at the EURODEV CENTER in Forbach.

www.cnam-lorraine.fr/presse/2012/720-action-aktion-

Funding the cross-border development of businesses

For SMEs seeking to develop in a cross-border context, the question of funding arises. What instruments are available to them for securing the necessary funds for their projects? It is important that the cross-border territory be taken into account effectively by the banking system, which is in theory well equipped to do this because its actors are increasingly multinational. Market forces may be inadequate, however, justifying public funding (eg venture capital funds, financed by EU funds).

One example is the EUREFI cross-border development fund on the France-Belgium-Luxembourg border that supports companies in their implantation beyond the border, or the development of cross-border activities funded by venture capital. Currently EUREFI intends to extend its activity to new cross-border areas to become the biggest development capital fund acting at the crossroads between Germany (Saarland, Rhineland-Palatinate), the Grand Duchy of Luxembourg, northern and eastern France and Wallonia. www.eurefi.eu

Another example is the cross-border venture capital forum "Seed4Start", a cross-border capital investment platform in the Greater Region (Lorraine, Wallonia, Luxembourg, Saarland, Rhineland-Palatinate). Launched in October 2012, this initiative connects innovative start-ups with private investors in the Greater Region. www.seed4start.org

The Aquitaine-Navarre/Aquitaine-Aragon joint funds aim to promote cooperation among socio-economic actors in Aquitaine for joint projects, and encourage economic development in favour of the creation of businesses and jobs. <http://les-aides.aquitaine.fr/article191.html>

The Aquitaine Euskadi Euroregion supports cross-border projects, among others in the field of "sustainable growth, sustainable development, economy and environment." www.aquitaine-euskadi.eu/appel-a-projets.html

Coordinating public-sector actors on either side of the border

The asymmetry of legal and administrative systems and of fiscal and land legislations, along with difficulties in gaining access to public procurement contracts, continues to be a substantial hindrance to cross-border economic development. This makes it all the more important to improve coordination of public-sector actors on either side of the border in order to identify joint solutions.

Contributing to the competitiveness of the region

It is also important to incorporate the cross-border programme into a long-term territorial plan. Economic development measures are implemented in organised spaces. However, only a bi- or tri-national concerted vision and a real project allow the organisation of cross-border areas. In other words, approaches to planning must also avoid being inconsistent with the goal of economic development.

The attractiveness of border territories will depend mainly on the quality of major structural facilities (large university facilities, hospitals, infrastructure, broadband availability, etc.), as well as that of public services, and services to businesses.

For the implementation of this type of equipment, the strategic guidance documents used (which often result in planning schemes) become all the more important, because in a cross-border context this involves the coordination and pooling of planned and existing facilities. The concept of competitiveness also refers to a new dimension, specifically, the workforce's adaptability (through training, etc.).

Economic sectors requiring special attention in a cross-border context include the logistics sector (infrastructure, services, networking of platforms, etc.), the tourism sector, etc.

In order to optimise the implementation of such large facilities (airport, etc.) in a cross-border context for the benefit of all, a common vision is required. This is more difficult to

achieve than in a purely domestic context, requiring strong political support and a long-term perspective.

For harmonious and effective cooperation, the need for a common agenda between the private and public sectors must be taken into account (e.g. in terms of the timing of implementation of public policies, calls for project proposals for the European funds etc.).

Branding and joint territorial marketing of the cross-border area add to the attractiveness of the territory. Joint promotion of the cross-border economic space, for example through local initiatives (media, etc.), and international promotion of products, services and expertise can generate substantial added value.

Using European programs and capitalizing on experiences

The objective of territorial cooperation seems poorly suited to financing large investments, which fall more readily under regional or national programs. However, this funding is particularly suitable for opening up the approaches taken within national frameworks and helping to set in motion cross-border governance of economic development: knowledge sharing, cross-border development agencies, business services, etc.

We can also consider implementing integrated territorial investments, or multi-fund territorial development operations (between a European Territorial Cooperation program and one or more regional programs, etc.).

In addition, there is a lack of know-how transfer and capitalisation of experience in the field of cross-border economic development. Too often the skills are related to particular people and get lost with changes in positions. A lot of work needs to be done concerning these skills.

A toolkit aimed at economic actors based on practical experience should be developed using:

- ≡ shared resources
- ≡ the mutualisation of partners' applications, offers, training, etc.

This capitalisation must be carried out across each cross-border territory, as well as by linking these efforts at the European level.

Other examples of good practice

"BIHARTEAN", the first cross-border chamber of commerce in Europe

"BIHARTEAN" is a cross-border Chamber of Commerce and Industry created in 2011 in the Basque Country by the CCI Bayonne Pays Basque and the Cámara de Comercio de Gipuzkoa. It is the first European example of a cross-border structure created jointly by two chambers of commerce. It extends over a territory comprising the French Basque Country and the Province of Gipuzkoa on the Spanish side, together home to nearly a million inhabitants and

63,000 businesses, mostly SMEs. Its role is to promote, coordinate and encourage cross-border projects, act as a mediator between businesses on either side of the border and develop their potential for cross-border development. Activities involve any type of information: economic data, strategic advice, meetings between companies, cross-border cooperation projects..., and the businesses are from a range of sectors (trade, services, industry, innovation, tourism, food, etc.) reflecting the economies of the two territories.

www.bihartean.com

The "Science Offensive", a unique cross-border initiative

The "Science Offensive" is a unique initiative in Europe that provides support for flagship cross-border projects in the areas of research and innovation. Implemented in the Upper Rhine area between France, Germany and Switzerland, its objective is to encourage researchers to use the full potential of research and development by cooperating across borders. To do this, calls for proposals are issued jointly by the Interreg IV Upper Rhine programme, the Alsace Region and the Länder of Baden-Württemberg and Rhineland-Palatinate.

www.rmtmo.eu/fr/science/actualites/news-reader/items/offensive-sciences.html

Cross-border company takeovers – a solution to the succession problem for SMEs

Every year, more than 70,000 SMEs in Germany and 60,000 SMEs in France are in search of a new owner. The lack of buyers for these often family-run SMEs leads to the closure of thousands of businesses and the loss of many jobs. Inheriting a market "amputated" of potential buyers, the border area, often considered peripheral, is particularly penalised, and especially so when the "intra-national" recovery is supported in each territory by different structures (for example, Chambers of Commerce). Business support systems specific to the cross-border context are absent in most border areas.

If the border carries a significant untapped potential, there are still obstacles to overcome. Fears and reservations often arise concerning legal differences (labour law, taxation, succession law), as well as administrative, linguistic, and cultural differences, and national specificities of the markets, the reluctance of the banking sector, etc.

A project launched in 2011, led by the MOT and the SaarMoselle Eurodistrict, with the support of the Caisse des Dépôts, aims to develop a support system to facilitate the cross-border takeover of businesses on the Franco-German border, with the goal of establishing an approach that is replicable and adaptable to other border territories. The project is divided into three stages, around three seminars bringing together experts from both sides of the

border, to find solutions to the issues and challenges specific to cross-border takeovers. The three themes are:

- How to find businesses to take over or potential buyers in a cross-border context (1st seminar, seminar of 13 December 2011),
- How to support the new owner in financial, legal, contractual and fiscal procedures (2nd seminar, seminar of 21 June 2012),
- Businesses and cross-border economic development (3rd seminar in 2013).

This approach is a first step in the establishment of a network of all cross-border actors concerned, helping to stabilise and develop employment. The target audience comprises the agencies specialised in facilitating the takeover of businesses, the banking sector, cross-border support structures, specialised chambers of commerce and business associations, specialised solicitors, business consultancies, public-sector actors and national authorities and administrations concerned (employment, etc..) as well as interested entrepreneurs.

Other initiatives are beginning to appear. In the summer of 2012, drawing on the experience of the EUREFI Cross-border Development Fund (on the France-Belgium-Luxembourg border), the Caisse d'Epargne banks in the Saarbrücken-Lorraine area began to put into place the first support system for SMEs on the Franco-German border.

ANNEX C

Thematic factsheet | ENERGY

Introduction

The challenges of climate change and the tensions in the global energy market have led the European Union to set ambitious energy management objectives as part of the Europe 2020¹³ strategy and in particular to "support the transition to a low carbon economy in all sectors" within the thematic priorities for the 2014-2020 programming period.

The effective contribution of the EU funds will be needed to achieve these objectives for energy and climate, particularly the binding annual targets for reducing greenhouse gas emissions imposed on Member States for the period 2013-2020 within the framework of the Decision on the distribution of efforts (Decision No 406/2009/EC).

Border territories are faced with specific difficulties in relation to planning and differences with local, regional and national energy policy on the other side of the border. They are consequently hindered in their implementation of European common energy policies and strategies, despite the asset that the different national approaches could otherwise represent in the context of cross-border cooperation, allowing the transfer of know-how and the development of synergies.

¹³ The so-called 20/20/20 objectives can be summed up as follows: reducing greenhouse gas emissions by at least 20 % (compared to 1990 levels); increasing to a 20% share of energy from renewable sources; moving towards a 20% increase in energy efficiency.

See also the Communication from the Commission entitled "A Roadmap for moving to a competitive low carbon economy in 2050" (COM(2011)112 final) and the numerous specific directives.

Cross-border issues in the field of energy

Besides the technical, environmental and economic challenges for territories, recurrent in the field of energy, in the context of cross-border cooperation there are also specific regulatory, fiscal and legal challenges.

If the European Union is harmonising its policy with directives that set the same objective for all of its Member States while leaving them to choose the means of achieving said objective, the resultant national regulations differ and confront each other in cross-border territories. Coordination of these regulations is required in order to encourage and make possible the cooperation of neighbouring local authorities in this field.

The cross-border dimension could subsequently be integrated into territorial programming to ensure cohesion in the energy field across the cross-border territory. With regards to the single market, the questions of subsidies or taxation also require coordination to avoid creating inequalities and imbalances in the cross-border market.

Cross-border cooperation in this field is essential for the harmonious development of new energy sources, their production and distribution. To make this possible, cross-border stakeholders require basic knowledge and technical competencies – which are currently not very widespread - to expand the adoption of these energy sources.

The benefits of cross-border energy cooperation

While the development of renewable energy and the promotion of energy efficiency could bring economic and financial benefits in the medium and long term, they represent costly investments in the short term.

Cross-border cooperation can enable businesses to join forces in the adoption of low-carbon technologies and control energy costs.

Similarly, neighbouring local authorities may decide to work together on the theme of energy, developing joint low-carbon strategies or jointly investing in energy production facilities to bring power to a cross-border region sharing the same requirements.

Supply problems in rural and remote areas (islands, ultra-peripheral regions) could be overcome through the development of local energy production.

The connection of power grids along the border or the deployment of cross-border “smart grids” would also fulfil the energy requirements of the population without investing in additional production facilities.

Efforts made in research and development can also be shared, enriched by methods used and developments made in the neighbouring state.

Although cross-border cooperation in the field of energy is complex in its implementation, the improvements it can bring to services, economy and employment are considerable. It therefore deserves to be taken into account in spatial planning and energy policy, as well as within the entrepreneurial strategy of cross-border stakeholders.

Examples

- ≡ The Franco-German Office for Renewable Energy (Office franco-allemand pour les énergies renouvelables)
- ≡ The Cross-border Urban Ecology Agency between Galicia (Spain) and the North of Portugal

In addition, the quality of transport provision is a key factor for territories' economic attractiveness, and in particular for the attractiveness of conurbations on a European scale.

With its 2014-2020 Cohesion Policy the European Union has set the goal of “promoting sustainable transport and removing bottlenecks in key network infrastructures.” To that end, the Cohesion Fund will be able to support investments in Trans-European Transport Network (TEN-T) projects and in the creation of cross-border urban transport systems, preferably with low CO₂ emissions.

Limited use of cross-border public transport

The average modal share of public transport in cross-border flows is around 7%. The limited use of public transport compared with that of the private car can be explained by a mismatch between a poorly adapted or insufficient transport supply and an unknown demand due to a lack of surveys and statistics.

Despite the growing need for cross-border public transport in Europe, cross-border transport provision retains an “experimental” character, and its development faces significant technical, institutional and political difficulties:

- ≡ Differences between systems and technical regulations on either side of borders (environmental requirements, electrical power supply, safety, training of personnel, etc.)
- ≡ Great diversity of levels of competence and working procedures between transport authorities on either side of borders (operator selection, fare-setting, funding sources, etc.)

The organization of a coherent cross-border transport network thus requires, in some states, the involvement of a large number of organising authorities in order to bring together the necessary competences, whereas in neighbouring countries, there may be a single competent authority with more substantial financial resources.

Due to the low use of some routes (often road for that matter) public authorities can be unwilling to improve transport provision, for example by adapting them to peak hours likely to interest the most people (in particular cross-border workers) or by optimising routes to maximise their catchment area. Such improvements would have to be based upon up-to-date information on journey patterns within the cross-border territory concerned.

Projects at all territorial levels

All modes of public transport are concerned (urban and interurban, bus and coach, rail links, tram-train, tramway, river and maritime ferries) and one of the challenges in cross-border transport is intermodal integration.

Examples:

- ≡ On the Franco-Swiss border, the "Greater Geneva" project is developing four strategic transport projects
 1. the Cornavin - Eaux-Vives - Annemasse (CEVA) link connecting the Swiss and French rail networks
 2. the development of high frequency public transport services between Geneva and Annemasse, Saint-Julien, Saint-Genis-Pouilly and Ferney-Voltaire
 3. the improvement of links from Annecy to Annemasse, Geneva, the Arve Valley and Chablais
 4. the strengthening of coach service networks in Haute-Savoie and the Pays de Gex
- ≡ On the Franco-Spanish border, the Perpignan-Figueres high-speed line was inaugurated on 27 January 2011. Connecting the two cities in 23 minutes, this new line is part of the priority project "High-speed railway axis of southwest Europe" of the Trans-European Transport Network as defined by the EU.
- ≡ At the Franco-German border, the cross-border extension of the Strasbourg tram network to the neighbouring town of Kehl in Germany, projected for 2014, is being co-financed by the Interreg IV Upper Rhine programme.
- ≡ At the Franco-Italian border, the cross-border project "TRIA – Integrated Alpine TRansport" aims to improve cross-border public transport in historic alpine regions like Savoie (Maurienne / Lower Suse Valley) and the Dauphiné (Briançonnais / Upper Suse Valley), with the development of integrated road-rail transport as well as a more efficient coordination of transport services and a more targeted communication strategy to better inform the public.
- ≡ At the Franco-Belgian border, the Eurométropole Lille-Kortrijk-Tournai has been heading a fare-setting and awareness-raising project since its inception; negotiations were held with the rail transport service operators SNCB and SNCF. Both operators are facilitating cross-border mobility by eliminating the habitual surcharges on cross-border tickets (resulting in a reduction of 1.4 € per ticket). The providers' web platforms also coordinate with each other to provide complete information on train times for cross-border routes.
- ≡ At the border between Spain and Portugal an agreement has been reached to use the same device to pay at tolls on both sides of the border. This agreement is already functioning so users can now use their domestic device to pay at tolls in the neighbour country.

How to cope with the increase in cross-border flows?

Qualitative and quantitative enhancement of the cross-border transport supply

≡ Creation of cross-border observatories

Detailed knowledge of cross-border movements would contribute to a better identification of needs in terms of road and rail infrastructure – for example, the need to create or reinforce a particular service on saturated routes. It would allow national governments as well as local authorities to establish their transport policy and cross-border spatial planning on reliable data, rather than relying on intuition or using the lack of statistics as a justification for inaction.

≡ Involvement of users in the definition of needs

The active participation of users (actual and potential) in the definition of their needs can contribute to better organisation of public transport provision. This type of consultation is currently almost non-existent. Targeted surveys of users, websites incorporating facilities for users' suggestions, and regional conferences on mobility are all tools that can be used for more effective transport planning.

≡ Consideration of cross-border public transport in planning documents

Efficient provision of cross-border transport also involves a systematic cross-border component in national and regional planning documents (such as the French SCOT, PDU, or 'contrat d'agglomération', the British 'general plan' or the German 'Bebauungsplan') on both sides of the border. The development of a cross-border component in land-use and development planning for border areas would allow the identification of existing services in neighbouring countries, resulting in better interoperability of transport services, and thus a greater cohesion and continuity of cross-border areas.

≡ Informing the public about transport provision

Effective communication on services, connections and existing fare structures is another decisive factor in the attractiveness of public transport. There is a need for improvement in the transmission of information to users on the multimodal transport offer, for example with the creation of cross-border information centres. Joint tariffs on cross-border lines and the use of vehicles with a real cross-border identity can be implemented within campaigns to inform citizens and raise awareness of such services on both sides of the border.

Organising cooperation in an appropriate legal framework

≡ Clarifying the roles of key actors and harmonising their approach at the institutional level

The responsibility for and the organisation of public passenger services are defined by the domestic law of each territory or grouping of territories. It also regulates the relationship between operators and organising authorities.

The use of a legal framework (including the signing of cooperation agreements) or the creation of a cross-border transport authority can harmonise the approach of different stakeholders. Local authorities in border areas have many tools at their disposal (EGTC, LGCC, European district...) allowing them to create cross-border transport authorities to manage cross-border services.

≡ Seeking funding sources

Because of their interregional and international dimensions, many projects involving the creation of or investment in cross-border transport networks and services represent too large a financial undertaking for local authorities alone. It is therefore advisable to acquire a critical financial mass in order to support cross-border transport initiatives.

It is also important for local authorities to consider "co-financing" by organising capital rounds, and thereby mobilizing all relevant levels of governance, to ensure the financing of large-scale projects. The use of EU structural funds within the 2014-2020 EU Cohesion Policy objectives is also possible, as well as the opportunities offered by EU funds earmarked for the Trans-European Transport Network by the MOVE Directorate-general (European Commission) and loans from the European Investment Bank.