

Working Group on Innovative Solutions to Cross Border obstacles Luxembourg Presidency of the EU follow-up

7th meeting of the working group
3rd May 2018 – Brussels (Belgium)

REPORT

1. Introduction

Thiemo ESER (LU) and **Christina BEZES-FELDMEYER (FR)** are chairing the group with the support of the Mission Opérationnelle Transfrontalière (MOT). They introduce the meeting with a roundtable presentation of the participants. **Christina BEZES-FELDMEYER** thanks **Guillaume DENIS** from the French Permanent Representation for welcoming the meeting.

The agenda of the meeting is validated.

2. Process of developing an ECBC regulation

Nathalie VERSCHELDE (DG REGIO) gives an overview of the situation: there is a draft ECBC regulation that should be included in the Cohesion Package which will be published on May 29th. It would be discussed in Parliament and then Council from June. So far, an opinion from the Committee of the Regions calls for a regulation. The European Parliament should be rather positive, as parliamentarians support further integration. Now, we need a strong coalition of the willingness of Member States in the Council to take the regulation forward.

About the Multiannual Financial Framework, Nathalie VERSCHELDE admits that the cohesion policy budget shows a significant cut, but it could have been worse. The amount of funding proposed for Interreg programs has slightly decreased, but less than the overall cohesion amount. She highlights the link between the ECBC tool, Interreg funding, cohesion policy, cross-border investments.

Dirk Peters (DG REGIO) explains that the legislative package adopted by the European Commission concerning the ESIF will be: a new Common Provisions Regulation treating shared management funds; the ERDF Regulation; the European Territorial Cooperation Regulation, also covering external relations (IPA countries, ENI CBC programs). For the moment, there is no new EGTC regulation. A report evaluating the EGTC regulation is due in August and will be transmitted to the Council, the European Parliament and the CoR. The EGTC regulation may be amended consequently then.

It was decided just the day before to put the ECBC Regulation in the Cohesion Policy Package. The text is ready; the inter-service consultation has just been launched. This Working Group has been an asset, and has played the role of a stakeholder consultation.

He presents in a summary way the content of the ECBC Regulation, which should be adopted by the Commission and published on May 29th.

Reactions

Katharina ERDMENGER (DE) expresses her satisfaction to see that the working group has come to an achievement, with the draft regulation going through the Cohesion Policy Package. She asked the room to applause Dirk and DG REGIO for their work. She underlines that we have to work to get a majority in the Council. The members of the Working Group should mobilize to convince the people attending the relevant group in the Council (the Structural Measures Working Party), using the channel of the next DG Cohesion Policy meeting under the Austrian Presidency. As the draft regulation will be public, it will be easier for Germany to express its position, which should be positive, according to discussions with the Länder. It will be necessary to explain that the ECBC does not deal with funding; that it is not compulsory-“the ECBC is not only about the Commitment, other solutions can be applied to solve an obstacle”; that it is not replacing the EGTC, but complementary to it.

Dirk PETERS (DG REGIO) states that the Explanatory Memorandum could help to justify the need for the ECBC: “Interreg is money, EGTC is a body, ECBC is a mechanism saving time and money” is the argument to spread around, as the Strasbourg tramway example shows.

Filip CHYBALSKI (PL) states that the Polish national position on EU regulations has to be published one month after their publication by the Commission, so by the end of June. He asks who will be the National contact points and about the fields excluded from the ECBC. He states that the bus between Frankfurt and Slubice could be developed without the ECBC; cross-border differences of public procurement rules could require an ECBC.

Nathalie VERSCHELDE (DG REGIO) recalls that National contact points will depend on the constitutional structure of Member States (e.g.: federal or not); as for public procurement, EGTCs can decide which national rules they want to apply. The ECBC is not replacing any tool, it is additional. It is meant to help local authorities to raise attention to their obstacle on the national level and propose an innovative solution. It is voluntary, so it does not have to be applied on every cross-border project coming up. Projects that managed to solve obstacles do not have to be repeated again using the ECBC tool.

Dirk PETERS (DG REGIO) adds that the ECBC regulation will make sure that a mechanism to solve obstacles will exist on every border.

Viviana RUSSO (IT) asks if maritime borders will be concerned by the regulation.

Nathalie VERSCHELDE (DG REGIO) answers that MS will have the possibility to apply the ECBC on maritime, and also on external borders.

Thiemo ESER (LU) explains that lobbying will be easier once the text is published, as it will serve as a basis for discussion. He gives elements of speech to answer to arguments against the ECBC:

- “There will be different a status for cross-border regions and those in the hinterland”: this is also the case when bilateral treaties are concluded.
- “The EU is a single market, why focus on cross-border cooperation?”: There are obstacles in border regions that are of a functional nature (trams, healthcare, etc.)

which you cannot have between Portugal and Estonia, and need to be solved for border citizens to enjoy fully the benefit of living in a single market. This is a matter of subsidiarity.

He suggests that members of the working group enter into discussion with the European parliamentarians, to make pedagogy about the ECBC tool.

Dirk PETERS (DG REGIO) says that we should be honest and acknowledge that the ECBC creates new borders – the rules will be different on a certain territory. We should not say it is limited in time, because an infrastructure like the tramway is there for unlimited time. We should not say “it does not interfere with the common market”: in fact it is at the core of it, it solves failures in the common market for 30% of the EU population.

Nathalie VERSCHELDE (DG REGO) emphasizes that the ECBC is all about addressing the idea of discrimination and failures of the common market for border citizens. The philosophical argumentation of the Commission Communication of September 2017 should be used in our lobbying work, as well as the obstacle database that each member of the working group can capitalize on to build examples of how the ECBC could be used. We need to move forward to a phase of explaining to key people until the European Parliament elections in spring 2019.

She announces that there will be a “Cohesion Tour of Capitals” and asks the working group to provide names of people to invite.

According to **Katharina ERDMENGER (DE)** the group shall advocate the ECBC at the next meeting of the Directors-General of Territorial Cohesion. She suggests to ask to the Austrian Presidency for providing a space for discussion at the next meeting, and to propose a resolution in favor of the ECBC tool.

Nathalie VERSCHELDE (DG REGO) specifies that Alexander FERSTL (DG REGIO) works now for the Austrian Presidency and could be a referent person.

Hans MOOREN (Benelux) adds that border regions should express their support to the ECBC.

3. Feedback on the B-solutions project call

Nathalie VERSCHELDE (DG REGIO) gives an overview of the project proposals received. It is too soon to make an analysis, so she gives a few figures:

- 36 proposals in total, which is less than expected
- Proposals are coming from many different borders, which is positive, but few from Northern Europe
- Topics are mostly Employment, Multilingualism, Transport, but also Education, Health...

External contractors meet on this day to agree on a methodology, they will then apply the defined evaluation grid to the projects for the selection phase. If there are 20 good projects, 20 projects should be financed, otherwise there will be fewer. The results should be known at the end of May.

Jean PEYRONY (MOT) points out that projects that will not be selected will also be very interesting, and should be treated as well, in the perspective of the ECBC.

Frederick-Christoph RICHTERS (LU) explains that he received feedback from stakeholders that could not eventually make a proposal:

- it was difficult for them to receive a mandate from their public authority, or even to convince people in their hierarchy;
- the lack of propensity to cooperate of some actors, and the political dimension also blocked a number of project proposals;
- some stakeholders were facing obstacles within the framework of an Interreg project, as they are not allowed to get other funding through the B-solutions call;
- also, it is indeed tricky to define some obstacles, and to find the authority competent to solve them.
- Some thematic areas were not covered by the call

EE, LV regret that the call excluded maritime borders (e.g.: between Tallinn and Helsinki), that would deserve a similar approach.

Nathalie VERSCHELDE (DG REGIO) acknowledges that there could have been some difficulties for actors to make proposals and takes good note of these problems. She recalls that the procedure was much easier than for other programs: for example, in Interreg Europe, only 1 in 10 projects is selected. A 2nd call may be launched later on, with more limited funding. The DG REGIO is considering to organize a workshop in Brussels in December with successful applicants, for them to share their experience. The Futurium platform should also be a space for exchanges on the B-solutions projects. DG REGIO is rather disappointed by how the platform is used so far, as they were expecting much more interactions. An evaluation of the tool should be launched soon, the members of the group are invited to share their feedback on the tool.

Thiemo ESER (LU) suggests that on the next meeting of the working group, 2 or 3 projects selected should be presented, to build on their case.

4. Obstacles to cross-border investments and innovative support from EIB

René-Laurent BALLAGUY (EIB) presents the instruments and support that the EIB can provide for cross-border projects: lending (loans), blending (grants and loans – which has a leverage effect) and advising activities (capacity-building, for example with the European Public-Private Partnership Expertise Center).

He emphasizes that cross-border projects need specific assistance, because they are often less mature, and of smaller size. The EIB can provide such assistance, through expertise in financial structuring or project structuring. Classical tools of the EIB can be applied to a cross-border context like JASPER in the Maas River region and JESSICA in Alzette-Belval, but the EIB also created innovative tools like framework loans that can unite smaller projects into a bigger package (see presentation).

He presents the example of the Viaduc de Millau that packaged different projects: one major infrastructure project was combined with many smaller tourism projects. With this new transport link by-passing the city, there was a fear of loss of local activity, but the project actually brought new and bigger opportunities in local economic development. This example could be applied to a cross-border project.

Dorota WITOLDSON (DG REGIO) points out that there should be more communication on these possibilities of assistance to cross-border projects, which are often of smaller size.

René-Laurent BALLAGUY (EIB) explains that a short or mid-term option would be to identify sufficiently mature or mid-size cross-border project serving as testing cases. For example in transports, framework loans, or PPPs, once the railway transport sector will be opened to competition. On the long-run, the EIB could set up a dedicated financial instrument or framework loan to finance a cross-border integrated program associating all stakeholders. Cross-border projects own an added-value for European integration and should therefore be supported in their specific needs.

5. Obstacles on maritime borders

Viviana RUSSO from the Agency for Territorial Cohesion (IT) recalls the importance of maritime borders in EU borders, even if they were not addressed by the EC Communication in September. Italy has 2 maritime programs: France-Italy Maritime Program and Italy-Albania-Montenegro Program.

She presents the conclusions of the INTERACT study of 2015 on cross-border maritime programs: the implementation of EU legislation linked to maritime issues – maritime spatial planning, blue growth, macro-regional and basin strategies – should be improved. She emphasizes the need to implement the concept of territorial continuity: we need to ensure accessibility of islands in lower touristic season. There is a lack of knowledge of the concept and of administrative tools.

There is a need for pilot projects in joint surveillance systems for maritime safety, which are still inadequate; and for support to SMEs in the Blue growth through capacity building, training and support to internationalization. The management of a joint maritime environment (fisheries, biodiversity and water resources), as well as the valorization of the common cultural heritage should be supported. She recalls the challenge of managing an external border with pre-accession countries such as Albania and Montenegro.

She presents the case study GEECCTT-ILEs: Joint European Management of cross-border connections and Transports for Islands through an EGTC between Corsica (FR) and Sardinia (IT) (see presentation).

She concludes that we need to align Interreg programs with EU maritime policies, macro regional and sea basin strategies. Analyses, tools, actions promoted by the European Commission should also concern maritime borders – including the ECBC tool.

Jean PEYRONY (MOT) explains that according to the French Minister of Interior, territorial continuity can only be applied between Corsica and continental France, not with Italy, which causes problems for the development of a Corsica-Sardinia winter maritime connection.

Rossella RUSCA (IT) points out that the question of state aid is raised, when we are talking about transport continuity. The cross-border regime of state aid is a blocking obstacle

Thiemo Eser (LU) recalls that the ECBC does not define policy fields of application, so it can easily be appropriated by maritime border actors. Maritime planning and territorial cohesion have much in common.

Katharina ERDMENGER (DE) asks that the working group documents further maritime border obstacles like coastal erosion, pollution due to marine litter, etc.

Christina BEZES-FELDMEYER (FR) explains that maritime and land borders both present non tapped potentials and obstacles.

6. Cross-border economic development

Matilda SOMMELIUS (Greater Copenhagen) presents the case of the Öresund which is now branded as the “Greater Copenhagen”. It is the story of an economic cooperation between 2 countries (DK-SE), 3 regions, 79 municipalities, and a population basin of 4 million inhabitants. An OECD report from 2009 pointed a reduced economic growth in the capital area compared with other metropolitan areas. From then, the idea for the cross-border committee is to compete with other metropolitan areas.

The Secretariat is a political organization with a rotating Presidency, financed by its members (the 3 regions), the Nordic Council of Ministers and the Freedom of Movement Council. The Secretariat works mainly on obstacles like transport traffic: a common vision is built for infrastructure investment, and instead of Swedish and Danish regions going to their respective government to ask for funding, a list of prioritized projects is jointly presented. For example, a new fixed link is planned, in addition to the 2000 Öresund Bridge.

Other obstacles have been solved through working groups and dialogue with the Nordic Council of Ministers to find solutions: a common app for a unique system of information and ticketing in public transports has been developed; and an Öresund Strategy document has been published and implemented to solve labor market obstacles.

There are still some persistent obstacles, like differences between the security social services, which can be solved only by concluding bilateral agreements in social affairs, healthcare, etc. The ECBC could facilitate this kind of situations. The top 3 obstacles for now are:

- Difficulties for third country citizens to commute in Greater Copenhagen
- Difficulties to validate education and professional certification
- Difficulties to enroll in workplace training

To a question asked by **Hans MOOREN** about the Greater Copenhagen’s proper competences, **Sara RØPKE (Greater Copenhagen)** answers that the Greater Copenhagen is a collaborative entity: it has no competence, as competences lie in the local authorities forming the Greater Copenhagen. To a question asked by **Gyula OCSKAY** she answers that it makes some lobbying work with national and transnational level – when there is a need for legislation, but can also contribute to solve the obstacles on the cross-border area – for example on the transport tickets.

Gyula OCSKAY (CESCI) asks if border control is an obstacle the Greater Copenhagen has to deal with. **Matilda SOMMELIUS (Greater Copenhagen)** answers that the Greater Copenhagen is a common labor market, but commuters need to show their passport to go to

or come back from work. It used to be an obstacle, when the border crossing time amounted to 1:30 instead of 30 minutes, but now the traffic is back to normal and border control does not cause any more problem.

Christina BEZES-FELDMEYER (CGET) asks how the top 3 obstacles were defined. **Matilda SOMMELIUS (Greater Copenhagen)** answers that the obstacles were selected because of their consequences on economic development, and were prioritized by politicians, as the Greater Copenhagen is a political organization. A working-group has been set up to follow up these obstacles. Interreg projects are used to solve obstacles. In the future they want to address more obstacles to cross-border business.

7. Follow up of the meeting and other issues

Thiemo ESER (LU) summarizes what the next steps are. He emphasizes that we are at a very important moment: if the ECBC draft regulation is in the Cohesion Policy Package, the working group has to organize itself to support the process. It is a great opportunity, as there is a synergy with other legislation proposals concerning cross-border development. A draft letter in support of the ECBC tool to Ministers in charge of Territorial Cohesion will be sent around by Luxembourg and the CGET.

He points out the importance to continue the dialogue with various stakeholders, to better understand where the ECBC tool could be useful, and build examples that could be used during negotiations.

Another meeting should be organized before the summer break, between the end of June and the second week of July.

Jean PEYRONY (MOT) reminds that all the material (presentations, report) will be put on MOT's website, accessible in French and English.

<http://www.espaces-transfrontaliers.org/en/activites-ue/obstacles-intergovernmental-group/>