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## **REPORT**

on the role of "Euroregions" in the development of regional policy  
(2004/2257(INI))

Committee on Regional Development

Rapporteur: Kyriacos Triantaphyllides

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on the role of "Euroregions" in the development of regional policy (2004/2257(INI))

*The European Parliament,*

- having regard to Article 87(3) of the EC Treaty,
  - having regard to Article 158 of the EC Treaty,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the proposal for a regulation of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument (COM(2004)0628),
  - having regard to the proposal for a regulation of the European Parliament and of the Council on the European Regional Development Fund (COM(2004)0495),
  - having regard to the proposal for a Council regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (COM(2004)0492),
  - having regard to the proposal for a Council Regulation establishing a Cohesion Fund (COM(2004)0494),
  - having regard to the proposal for a regulation of the European Parliament and of the Council establishing a European grouping of cross-border cooperation (EGCC) (COM(2004)0496),
  - having regard to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities of the Council of Europe (Madrid, 21 May 1980) and its Additional Protocols, and to the European Charter of Local Self-Government of the Council of Europe (Strasbourg, 15 October 1985),
  - having regard to the report of the Committee on Regional Development (A6-0311/2005),
- A. Whereas the enlargement of the European Union to 25 Member States on 1 May 2004 has brought greater disparities between European regions, and whereas forthcoming enlargements may further increase those disparities, and whereas it has also led to a substantial increase in the number of border regions, it should be noted that Euroregions have made a decisive contribution towards overcoming frontiers in Europe, building good-neighbourly relations, bringing people together on both sides of borders and breaking down prejudices, in particular through cooperation at local and regional level across national borders,
- B. Whereas regional disparities in the enlarged union need to be reduced and need to be

addressed with an effective cohesion policy, aimed at harmonious development within the EU,

- C. Whereas part of an effective cohesion policy and European integration is to ensure the sustainable development of cross-border co-operation and finally to overcome the difficulties existing to date in funding joint projects benefiting equally local authorities and regions on either side of a border,
- D. Whereas Euroregions and similar structures are important instruments of cross-border co-operation that nonetheless have to be further developed and improved and that they should have certain legal status,
- E. Whereas the ultimate aim of Euroregions is to promote cross-border co-operation between border regions or local entities, and regional authorities as well as social partners and all other actors, that do not necessarily have to be Member States of the EU, on aspects such as culture, education, tourism and economic issues and any other aspect of daily life,
- F. Whereas the Association of European Border Regions has presented several reports on the status of cross-border co-operation in Europe and has prepared studies on a cross-border legal instrument on decentralised cooperation of the European Commission and the Committee of the Regions,
1. Considers that cross-border cooperation is of fundamental importance to European cohesion and integration, and must therefore be given wide support;
  2. Calls on Member States to promote the use of Euroregions as one of the tools of cross-border co-operation;
  3. Notes that a Euroregion or similar structure fulfils important cross-border tasks such as:
    - an information and Service points for citizens, institutions, regional and local authorities;
    - a focal point for common values, aims and strategies;
    - a driving force for solution of cross-border problems;
    - a mouthpiece in all cross-border questions;
  4. Notes that Euroregions are a turn table for all cross-border relationships, contacts, knowledge transfers, operational programmes and projects and that they need certain legal status to be able to perform their tasks;
  5. Stresses that cross-border cooperation provides a suitable approach to solving daily problems on both sides of the border, especially in economic, social, cultural and environmental fields;
  6. Stresses that cross-border cooperation makes a considerable contribution to the implementation of the Lisbon strategy by:
    - joint innovation and research;

- research and development (R&D) networks across borders;
  - the exchange of best practice and experience;
7. Notes that Euroregions enhance proximity ties through local best-practice exchange projects; therefore considers it particularly important that the microproject form of assistance as provided for in the Interreg regulation<sup>1</sup> currently in force be maintained under the Structural Funds;
  8. Notes the legislative work in progress on an EGCC, the aim of which is to simplify cross-border cooperation instruments (facilitating their actions, rationalising procedures and reducing operating costs), thus providing a platform for Euroregions to develop;
  9. Underlines the need to give priority to eliminating disparities between regions in the new Member States and in the old Member States;
  10. Stresses the need to extend the concept of Euroregions and similar structures, even though they do not necessarily have the legal competencies to include multiple facets of co-operation; examples of possible areas of mutual interest could be those relating to promoting culture, education, tourism and economic issues as well as, where applicable, fighting organised crime, drug trafficking and frauds in partnership with relevant national institutions;
  11. Points to the need for integration between projects programmed in countries which share borders;
  12. Welcomes the Commission's efforts to simplify instruments of cross-border co-operation ;
  13. Calls for Euroregions and similar structures as proposed in the legal framework of the EGTC (EGCC) to be enabled to elaborate, implement and manage cross-border EU programmes in the EU as well as programmes in line with the European Neighbourhood and Partnership Instrument and the Instrument for Pre-Accession Assistance (IPA) as from the year 2007 onwards in partnership with national institutions;
  14. Stresses the importance of cross-border co-operation and Euroregions for Member States with natural handicaps including small island states;
  15. Stresses the need to support cross-border co-operation and the establishment of Euroregions, including regions from the sensitive area of the Middle East, in an effort to promote friendly relations, stability, security and economic interests in terms of mutual respect and benefit;
  16. Draws attention to paragraph 1(xxvii) of the European Parliament resolution on the proposal for a Council Regulation establishing a Cohesion Fund<sup>2</sup> adopted on 6 July 2005,

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<sup>1</sup> Communication from the Commission to the Member States of 2 September 2004 laying down guidelines for a Community initiative concerning trans-European cooperation intended to encourage harmonious and balanced development of the European territory INTERREG III (OJ C 226, 10.9.2004, p. 2)

<sup>2</sup> Texts Adopted, P6\_TA(2005)0278.

and calls on the Commission to make provision for a premium system along the same lines, taking the form of a 'Community quality and effectiveness reserve' specifically targeting incentives on measures with a cross-border impact or potentially dovetailing with existing infrastructure in Euroregions;

17. Instructs its President to forward this resolution to the Council and Commission.

## EXPLANATORY STATEMENT

### DEFINITION OF EUROREGIONS - A concept developed by the Council of Europe

Existing Euroregions are initiatives of border regions or other local entities of several countries (not necessarily Member States of the E U) and have no defined status in the EU context. In most cases, Euroregions have no legal personality and are rather small. The label "Euroregion" is not protected. Euroregions concentrate on cross-border co-operation, where cultural aspects as well as attracting tourism and other forms of economic activity are central.

The legal status of Euroregions varies. It may involve a community of interest without legal personality, a European Economic Interest Grouping, a non-profit-making association, a working community without a legal personality or a public body.

Euroregions and other forms of cross-border co-operation structures do not create a new type of government at cross-border level. They do not have political powers and their work is limited to the competencies of the local and regional authorities that constitute them. Within the limits of the geographical scope of co-operation the cross-border structures are arrangements for co-operation between units of local or regional government across the border in order to promote common interests and enhance the living standards of the border populations.

The Association of European Border Regions sets the following criteria for the identification of Euroregions:

- An association of local and regional authorities on either side of the national border, sometimes with a parliamentary assembly;
- A transfrontier association with a permanent secretariat and a technical and administrative team with own resources;
- Of private law nature, based on non-profit-making associations or foundations on either side of the border in accordance with the respective national law in force;
- Of public law nature, based on inter-state agreements, dealing among other things, with the participation of territorial authorities.

There are more than seventy cross-border regions in Europe today, operating under names such as Euroregions, euroregios or Working communities. Although some of these initiatives date back to the 1950s, the 1990s saw a large increase in cross-border regions all over Europe. In fact, today there are virtually no local or regional authorities in border areas that are not somehow involved in cross- border co-operation.

Legally, the idea of an administrative body in charge of a sub-national cross- border area is difficult to implement. The first cross- border regions were based on agreements with varying degrees of formality and most relied on good will.

In 1980, on the initiative of the Council of Europe, a set of European countries concluded an international treaty, called the Madrid Convention, as a first step towards cross-border co-operation structures based on public law. The convention has been signed by 20 countries and

was recently updated with two Additional Protocols. It provides a legal framework for completing bi- and multinational agreements for public law cross-border co-operation among NCGs. An example of such agreements is the German-Dutch cross-border treaty of 1991; which has been a cross-national public body since 1993. However, the decisions put forward by such agencies are binding only on the public authorities within the cross-border area concerned.

### **EU CROSS-BORDER CO-OPERATION: up to 2006**

The outstanding characteristic of the cross-border related activities of the EU is that they are primarily financial. Many cross-border initiatives are eligible for support under the Interreg Community Initiative launched by the European Commission in 1990, as Interreg III in 1999. For the period 2000-2006, it has a budget of 4.875b Euro, or approximately 2.3 per cent of the Cohesion budget. The programme relevant to cross-border co-operation is Interreg IIIA, it lays down that all local areas located on external and internal land borders, and some maritime areas, are eligible for support.

*Through the Community Initiative INTERREG IIIA, the European Regional Development Fund (ERDF) finances cross-border co-operation activities in NUTS III regions that are defined at the Community level. Whole countries, which are NUTS I level entities, are not included in Euroregions and would never be eligible for ERDF co-financing under A strand of INTERREG III. In their proposals for programmes to be co-financed under INTERREG, the EU member states will suggest to what extent Euroregions should participate in the implementation of INTERREG IIIA programmes. For example, some of them act as managing authorities of a programme or project owners for specific projects; othersr the services of a contact point for INTERREG.*

It is symptomatic for the pathway of European Integration in the post-war period, that the more legalistic approach favoured by the Council of Europe- proposing cross-border regions as formal politico-administrative entities- was later abandoned in favour of a more pragmatic and economically oriented approach within the context of EU regional policy.

One can discuss whether the European Union should be considered as a driving force behind the emergence and proliferation of cross-border co-operation across Europe. At first sight, the EU could be regarded as an important causal factor here, notably through the diminishing importance of borders, the growing regional representation at the supranational level and the Interreg programme. However, the EU's impact is often overestimated as it disregards the fact that cross-border co-operation is bottom-up driven. The early initiatives involved countries, such as Switzerland, that are not members of the EU. In the German part of the Upper Rhine, 80% of FDI is of Swiss provenance, and a cross-border labour market has emerged. Similar patterns occur in the Geneva area.

However, the extraordinary growth of cross-border co-operation from 1988 onwards must certainly be related to the launch of EU support schemes dedicated to cross-border initiatives in Western Europe, and, from the early 90s, increasingly in Eastern and Central Europe. From 26 initiatives in 1988, when the Directorate General launched its first pilot projects, their number almost tripled to over 70 in 1999. Qualitative evidence shows that the newly founded Euroregions, for example those on the Eastern and Southern German borders, tend to be

closely involved in Interreg implementation. There were no Euroregions on the Austrian-German border before Austria's accession to the EU, but, between 1994 and 1998 five new Euroregions were established. Similar evidence can be provided for many Eastern and Central European cross-border initiatives.

Since they have been established, many of the Working Communities have stagnated in terms of political importance and budget, but the smaller Euroregions continue to flourish in part because they are more closely involved in the Interreg programme that only applies to narrow border areas. It appears that the Euroregion, as an institutional form, is better suited to taking an active role in implementing EU policy measures than the larger Working.

## **EU-Cross border co-operation 2007 - 2013.**

### **1) An internal instrument**

Following the logic described in its Third cohesion report, the European Commission has limited its priorities to three objectives, namely: convergence, regional competitiveness and territorial co-operation. Within this context, the community initiatives have been mainstreamed.

To meet the needs of the enlarged European Union, The Commission has proposed the creation of a **European grouping of cross-border co-operation (EGCC)**, creating the framework for a cross-border authority to manage co-operation programmes. This proposal is part of the cohesion legislative package consisting of a general Regulation ; a Regulation for the European Social Fund (ESF); the Cohesion Fund and the European Regional development Fund (ERDF). The new proposals aim to rationalise procedures and simplify the implementation of cross-border and regional co-operation.

The EGCC has two facets. Firstly it is a tool concerning cross-border co-operation in, where only the governments can point out the entity able to dispose of funds. These can only be beneficiaries of the funds but not the ones administrating them. It also constitutes a new legislative instrument enabling communities to work together without structural funds intervention<sup>1</sup> (

The nature of territorial co-operation pre-supposes regional and local participation without Member States involvement. The members can set up an EGCC as a separate legal entity or assign its tasks to one of the members. It would be the subject of a convention prepared by its members, specifying its functions,, tasks, duration and the conditions for its dissolution, jurisdiction,. The convention would be notified to the relevant Member States and to the Committee of the Regions. Furthermore, the Member State with jurisdiction and under whose law the convention would be registered, would control the management of public funds-<sup>2</sup>. and supply information to other Member States concerned about the outcome of controls.

The EGCC would adopt its statues on the basis of the convention. The statute would contain the list of its members, definitions of its objective and tasks, its name and principal address, its constituent organs including the Member Assembly and Executive Board, by whom and

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<sup>1</sup> (Article 159 of the Treaty establishing the European Community).

<sup>2</sup> both National and Community funds

how the EGCC, would be represented, the decision making procedures, the establishment of the working language or languages, the modalities for its functioning, notably those concerning personnel management, recruitment procedures, the nature of personnel contracts, guaranteeing stability of co-operation actions, provisions governing members' financial contributions and the applicable accounting and budgetary rules, the designation of independent organisation of financial control and external audit authorities.

Existing bilateral agreements on cross-border co-operation between Member States and/or regional or local authorities, for example the Karlsruhe agreement, will remain in force.

23 Member States out of 25 have doubts concerning this instrument. These countries are wary of supranational structures being created in their countries. This fear is engendered by the fact that Regional and local authorities would not need central government approval to set up an EGCC.

However, given the sensitive nature of the EGCC and the proximity ties that it enhances, it is imperative that the instrument be developed, especially in view of the ongoing enlargement. Such instruments are of vital importance to new member states which can benefit from the exchange of best practices

The concept of Euroregions can be extended to multiple facets of cooperation. The signing of the "Maastricht resolution" by the Rhein-Maas Euroregion is a clear indicator of the extent of cross border cooperation on sensitive issues such as drugs, and organised crime. Thus, several Member States have an active role to play in enhancing cross-border cooperation. Cyprus, for instance, an island with direct links to the Middle East, could become a pillar of the European Partnership and Neighbourhood Instrument (ENPI), and an active actor in the fight against organised crime and drugs trafficking.

Another potential aspect of cross-border co-operation pertains to matters of education. Extending the former student exchanges between neighbouring regions, would greatly enhance the cultural compatibility of neighbouring regions.

## **2) An external relations instrument**

The new instrument **European Partnership and Neighbourhood Instrument (ENPI)** will replace existing geographical and thematic programmes covering the countries concerned. A specific feature of the ENPI is its cross-border co-operation component. Thus the ENPI will finance "joint programmes" bringing together regions of Member States and partner countries sharing a common border. It will use an approach largely modelled on Structural Funds principles such as multi-annual programming, partnership and co-financing adapted to take into account the specificities of external relations. The cross-border co-operation component of the ENPI will be co-financed by the E R D F. The partner countries covered by this instrument are those which do not currently have an accession perspective and to which the European Neighbourhood Policy (ENP) is addressed.

## PROCEDURE

<b>Title</b>	The role of "Euroregions" in the development of regional policy	
<b>Procedure number</b>	2004/2257(INI)	
<b>Basis in Rules of Procedure</b>	Rule 45	
<b>Committee responsible</b> Date authorisation announced in plenary	REGI 13.1.2005	
<b>Committee(s) asked for opinion(s)</b> Date announced in plenary		
<b>Not delivering opinion(s)</b> Date of decision		
<b>Enhanced cooperation</b> Date announced in plenary		
<b>Motion(s) for resolution(s) included in report</b>		
<b>Rapporteur(s)</b> Date appointed	Kyriacos Triantaphyllides 19.1.2005	
<b>Previous rapporteur(s)</b>		
<b>Discussed in committee</b>	11.7.2005	
<b>Date adopted</b>	6.10.2005	
<b>Result of final vote</b>	for:	42
	against:	2
	abstentions:	0
<b>Members present for the final vote</b>	Elspeth Attwooll, Jean Marie Beaupuy, Rolf Berend, Jana Bobošíková, Graham Booth, Bernadette Bourzai, Bairbre de Brún, Gerardo Galeote Quecedo, Iratxe García Pérez, Eugenijus Gentvilas, Lidia Joanna Geringer de Oedenberg, Ambroise Guellec, Gábor Harangozó, Marian Harkin, Konstantinos Hatzidakis, Jim Higgins, Alain Hutchinson, Carlos José Iturgaiz Angulo, Mieczysław Edmund Janowski, Gisela Kallenbach, Tunne Kelam, Miloš Koterec, Constanze Angela Krehl, Sérgio Marques, Francesco Musotto, Lambert van Nistelrooij, Jan Olbrycht, Markus Pieper, Francisca Pleguezuelos Aguilar, Christa Prets, Elisabeth Schroedter, Grażyna Staniszevska, Catherine Stihler, Margie Sudre, Kyriacos Triantaphyllides, Oldřich Vlasák, Vladimír Železný	
<b>Substitutes present for the final vote</b>	Giusto Catania, Jillian Evans, Louis Grech, Stanisław Jałowiecki, Toomas Savi, Thomas Ulmer, Manfred Weber	
<b>Substitutes under Rule 178(2) present for the final vote</b>		
<b>Date tabled – A6</b>	19.10.2005	A6-0311/2005