

“A new strategy for European Border Regions”

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Sehr geehrter Herr Bundesminister, Sehr verehrte Herr Ministerpräsidenten, Sehr geehrter Herr Landeshauptmann, Szanowny Panie Marszałku.

Ladies and Gentlemen,

Introductory remarks

I would like to thank you for inviting me here today to speak to you at this event on "The future of border regions in Europe". Your conference takes place at a key moment for the policy of cross-border co-operation, as the INTERREG III programmes come to a close and a new era begins within the framework of the European Territorial Co-operation Objective.

I am just coming from Strasbourg where the European Parliament yesterday adopted our legislative package for the 2007-2013 period. This will allow us to press ahead with the preparation of the next round of cross-border programmes. This is particularly important for border regions which have to

face many different challenges as a result of the fragmentation of markets for labour and capital, infrastructure networks, fiscal resources and institutions. You are often closer to another region across the border than to the capital.

We have more borders in the enlarged Union.

However, we have also accumulated a lot of experience,

And we have common projects – assets to build upon.

It is a challenging task to work with your neighbours. When the Commission created the INTERREG Community Initiative back in 1990 the purpose was to help border regions address these challenges and to assist them in working together on a wide range of issues of mutual interest.

Some say that borders still divide in Europe and others say they unite. I have recently visited a Czech/Austrian border crossing in Niederösterreich that already closes at 10 p.m. If you do not reach the border crossing in time you must either stay longer in the beer “Stube” or spend the night in the shade.

Cross-border co-operation programmes are operating now in every part of Europe and the European Commission will be vigilant that these programmes will be continued along all internal and external borders of the Union.

Increased emphasis on cross-border cooperation in 2007-2013

Within the new funding period, we shall see co-operation raised to the status of "Objective", in contrast to its role as a "Community Initiative" for the past 15 years. This is a particularly important political signal, placing co-operation on the same level as Convergence and Competitiveness programmes. Moreover, the available funding for cross-border co-operation in particular has increased by around 40% compared to the current period.

Upon proposal of the Commission, Council and EP also agreed on a major new innovation for co-operation purposes, that of the European Grouping of Territorial Co-operation (or "GECT" to use its French acronym). This new regulation offers the possibility of creating a legal cross-border entity to run co-operation programmes or projects and to address some of the management difficulties that programmes have faced in recent years. I will return to the GECT later.

Focus on strengthening the competitiveness of border regions

So, for cross-border co-operation, it seems that we have more political support than ever, more funding than ever, and more tools to assist us with implementation! This is of course most welcome. However, I would like to

underline an important principle: these new benefits bring with them new responsibilities.

Though cooperation programmes should be tailored according to particular situation faced by each border region, it is important that an effort is made to concentrate the assistance on the main priorities in support of growth and job creation. In view of the obstacles created by borders, a useful starting point is the improvement of the existing transport and communication infrastructure and the development, where necessary, of new links. These are preconditions for establishing or developing cross-border contacts.

In addition, cross-border cooperation should contribute to economic and social integration, especially where there are wide economic disparities on either side. Actions include promoting knowledge and know-how transfer, the development of cross-border business activities, cross-border education/training and healthcare potential and integrating the cross-border labour market; and joint management of the environment and common threats that do not stop on the borders.

Where the basis conditions for cross-border cooperation are already in place, programmes should focus assistance on actions that bring added value to cross-border activities: e.g. increasing competitiveness through innovation, research and development; connecting intangible networks (services) or

physical networks (transport) to strengthen cross-border identity as a feature of European citizenship; promotion of cross-border labour market integration; cross-border water management and flood control.

In order to do so, the programme partners will need to develop a more strategic, pro-active approach to programme preparation and implementation. The "bottom-up" generation of projects is clearly extremely important, and should certainly continue.

It is particularly appropriate that I am making these points in Saarland today, as we are already seeing evidence of this more strategic approach to cross-border co-operation developing in this region. Partners from Germany, France, Belgium and Luxembourg are working on the preparation of a single "Grande Region" cross-border programme for the next programming period, replacing the three existing, smaller programmes (Wallonia-Lorraine-Luxembourg; Germany-Luxembourg-Belgium; Saarland-Lorraine-Westpfalz). Such an approach offers significant opportunities for co-operation on innovation and SME development, as well as providing greater economies of scale and is to be warmly welcomed.

I would add a final word in relation to the increased strategic approach for cross-border programmes. The N+2 decommitment rule will continue in the next programme period, as it has been successful in ensuring that public funds

are used effectively and rapidly. However, there have been cases of cross-border programmes which have failed to do this, and which have lost funding as a result. By developing a strategic approach to implementation at the beginning of the programme, partners will be able to plan the use of funding more effectively and avoid the risk of funding decommitments.

European Grouping of Territorial Co-operation: EU legal framework to enhance cooperation

I said earlier that I would come back to the European Grouping of Territorial Co-operation, and I will do so now. The GECT is a radical step forward in the implementation possibilities for cross-border co-operation, whether funded by Structural Funds or not. It offers regional and local authorities the option of creating a cross-border grouping with legal personality. It can be established directly without the need for a bilateral treaty between the Member States concerned. The underlying principle of the GECT is to prevent any form of discrimination because of the existence of a border – co-operation between two authorities on either side of a border should be just as possible as between two authorities in the same country. The barrier caused by differences in legal systems on both sides of the border will disappear.

GECTs will be able to take on the role of a programme's "managing authority" responsible for the implementation of the whole co-operation programme. In this role, a GECT would offer the added bonus that it would be genuinely joint,

representing both sides of the border. As well as the political signal this would send, it offers a range of practical advantages, not least simplifying the employment procedures for programme staff.

Moreover, it will also be possible for GECTs to manage individual projects. This concept is still very much at the initial stage, but the Commission could envisage a GECT being used to manage a cross-border public transport line, or even potentially a hospital close to a border. It is not for the Commission to prescribe or insist on a particular approach for the use of the GECT instrument: it should be viewed as a tool which has been provided, and it is very much for the implementators – the users on the ground – to assess how best to take advantage of this, if they so wish. I look forward to your innovative ideas!

Timing and next steps

I would like to turn now to the timing and the next steps for the next round of cross-border programmes. We are at a key stage in the preparations for the next round of programmes. We expect around 53 internal cross-border programmes and additional 12 between Member States and candidate countries (under IPA instrument). The Commission hopes to approve programmes in early 2007, in order to ensure a rapid start for all programmes and to avoid the delays that we faced at the beginning of the current period.

Globally, the preparation of Territorial Co-operation programmes is significantly ahead of schedule, compared to the 2000-2006 period. Many programmes are already making good progress, and the Commission has already received advanced drafts of some cross-border programmes.

On the other hand, some partners have not even held an initial programming meeting. Clearly these programmes will struggle to be ready to present a draft document to the Commission in 2006, and this could delay the start of these programmes. This is evidently problematic for the programmes themselves, the potential project partners, but also for the Commission. Most current programmes have used up all their funding, and we must avoid an unnecessary gap between the current programmes and the new ones. It is also difficult to continue arguing the case for cross-border co-operation if Member States and border regions are unable to deliver draft programmes on time.

I would therefore urge all programme partners to ensure that draft programmes will be submitted before the end of 2006 to allow for approval at the beginning of 2007 and the rapid launch of programmes.

Some decisions in this context might not be easy to take. A number of partners struggle to agree on who should become managing authority for the

programme with much prestige attached to this issue. While this decision is clearly the responsibility of the participating Member States, it would be logical to ensure a balanced distribution of the authorities on each side of the border. Above all, such decisions must be taken rapidly, so that the programming exercise can be launched.

Some programme partners want to keep track of separate financial allocations for each side of the border, monitoring how much each country gets back from the programme. In my view, predefining allocations per Member State or regions runs counter to the very principles of cross-border cooperation. Ring-fencing funding also removes the competitive element of funding support, and risks resulting in weaker projects being funded ahead of better projects.

I and my services stand ready to support you in the preparation and implementation of your programmes. I am very happy to tell you that we will continue the work done under the so-called INTERACT network which offers advice and assistance to cooperation programmes in order to improve programme management, develop best practices in cooperation arrangements and help to address challenges such as project development.

Conclusions

Ladies and Gentlemen,

I would like to finish by noting that cross-border co-operation is, by its very nature, an issue that provides a direct added value to the European level – it brings neighbours and partners together, increases integration, and helps us to understand the challenges and opportunities others face.

In addition, it is important to remember that cross-border co-operation draws a direct added value from Europe as well. Many borders would simply not have cross-border co-operation without INTERREG and even those that have a longer history of co-operation would recognise that INTERREG has provided a significant impetus and has been a real catalyst for deepening and improving cross-border co-operation.

We can look back on 15 years of INTERREG with pride in our achievements. We must now look forward to the next seven years with determination and optimism – and we should aim high. We have more funding, more experience and more possibilities for developing cross-border co-operation than ever before. Your challenge is to use these opportunities and make co-operation the success story of the next period of structural funding.

Thank you very much.