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WIDER EUROPE: COMMISSION TO STRENGTHEN CROSS-BORDER COOPERATION WITH NEW NEIGHBOURS

The European Commission today proposed significant steps to improve the EU's interventions at its external borders after enlargement. This will significantly boost co-operation over 10,000 km of the EU's borders with Russia, Ukraine, Belarus and Moldova, the Western Balkans and in the Mediterranean between 2004 and 2006, existing instruments for cross-border cooperation such as INTERREG, PHARE-CBC, TACIS-CBC, CARDS and MEDA will be better coordinated through the creation of "Neighbourhood programmes" to be launched in 2004. This represents a major step towards a better implementation of joint projects on the external borders of the EU as the Commission foresees that 955 million Euro could be reallocated for this purpose. For the period after 2007, the Commission highlights a number of options including the creation of a single New Neighbourhood Instrument in the next financial perspectives.

The document adopted today, « Paving the way for a New Neighbourhood Instrument » is a follow-up to the Commission's Communication of March 2003 on "Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours". It identifies four key objectives for future cross border co-operation:

- promoting economic and social development in the border areas;
- working together to address common challenges, in fields such as environment, public health, and the fight against organised crime;
- ensuring efficient and secure borders;
- promoting local, "people-to-people" type actions.

Commissioner for Regional Policy Michel Barnier said that *"promoting regional development on border areas, is a key element in boosting prosperity and stability on both sides of the Union's external border. In this context, the proposals in the Communication offer the opportunity to build on the experience already developed under the INTERREG Community Initiative on the external borders of the Union and to take a significant step forward in co-ordinating our efforts on these borders."*

Commissioner for External Relations Chris Patten said that *“in the context of the Wider Europe Initiative, the Communication offers European citizens and their neighbours the tools for better cooperation, neighbourliness and security along the external borders of the Union. The new approach gives responsibility for co-operation on the external borders to those who are most concerned – the people living in the border areas.”*

Commissioner for Enlargement Gunther Verheugen said that *“Enlargement opens up new opportunities for the EU to enhance existing co-operation with its neighbours, promoting stability, prosperity and security beyond the new borders of the EU. Experience gained by new Member States can now be shared with their neighbours across the external borders of the Union.”*

Taking into account the short-term constraints in the co-ordination between existing financial instruments (INTERREG, PHARE Cross-border Co-operation Programme, TACIS Cross-border Co-operation Programme, CARDS and MEDA), the Commission proposes that a two-step approach should be adopted.

2004-2006: "Neighbourhood Programmes"

As a first step, for the period 2004-2006, new Neighbourhood Programmes would be established. These would still be based on current legislation but would offer new solutions to problems likely to be faced by those implementing cross border cooperation projects following enlargement. They will build on current INTERREG programmes on the EU's external borders (and in the case of Bulgaria/Romania, PHARE CBC programmes).

The Commission foresees at this stage that it should be possible, within the existing instruments and financial perspectives, to propose a total volume of funding for these programmes over the period 2004-06 of the order of 955 million Euro, representing 700m Euro from INTERREG, 75m Euro from Tacis, 45m Euro from CARDS, 45m Euro from Meda, and 90m Euro from PHARE. It is important that a sufficient volume of funding is made available to permit the real impact and visibility of these programs. Within the present financial perspectives, existing funding will partly be re-allocated to the border regions and to regional co-operation.

The Neighbourhood Programmes will include, inter alia, the following key features:

the programmes will enable funding to be allocated on both sides of the external border;

the programme's priorities will take account of necessary objectives and activities on both sides of the border and the aims and objectives of the Wider Europe Communication; and

the rules governing the programme's management and committee structures will ensure a balanced membership from both sides of the border, and include appropriate Commission representation, a single application procedure and joint decision making for project selection covering both sides of the border.

The procedures that govern the operation of the existing instruments will be streamlined to meet the needs of the Neighbourhood Programmes.

Beyond 2006: "New Neighbourhood Instrument"

The second stage, beyond 2006, envisages the creation of a new Neighbourhood Instrument, applicable to all the areas covered by the Union's existing co-operation programmes in the border areas. Such an Instrument would allow for a mix of cross-border and regional co-operation activity to be developed around the external border of the enlarged EU. The Instrument would combine both external policy objectives and economic and social cohesion.

This combination of issues would offer continuity with the type of local and regional co-operation already developed successfully under INTERREG and PHARE CBC for example, while introducing into the scope of the co-operation possible wider objectives.

In addition, it would address the practical difficulties that are likely to remain even after the actions described above are implemented, including restrictions on where and how funding can be used.

Several legal and budgetary issues require further reflection within the Commission before a definitive position can be established. This reflection work is already underway and will continue in the second half of 2003. As a result, the Commission intends to present orientations for the next Financial Perspectives by the end of 2003. In the light of these orientations and of the Third Cohesion Report the Commission will come forward with more detailed proposals for the New Neighbourhood Instrument post-2006.

Background

At the moment, the EU's existing border instruments cover the following areas:

The **INTERREG** Community Initiative supports cross-border and transnational co-operation among Member States and neighbouring countries. Although INTERREG programmes involve neighbouring countries directly, Structural Funds can only be used inside the Union. INTERREG programmes at the European Union's external border therefore require an additional source of finance for activities taking place within the neighbouring country.

PHARE CBC programmes support cross-border co-operation (CBC) with Member States and between the candidate countries. So far, cross-border co-operation on candidate countries' external borders has been financed through national PHARE programmes. For the period 2004-2006, the geographical scope of PHARE CBC will be extended to cover, in addition, the external borders of Bulgaria and Romania.

The **Tacis CBC programme** supports cross-border co-operation in the western border regions of Russia, Belarus, Ukraine and Moldova. Of particular relevance in the present context is the "Small Project Facility", which has provided increasing support for cross-border and other co-operation initiatives with INTERREG.